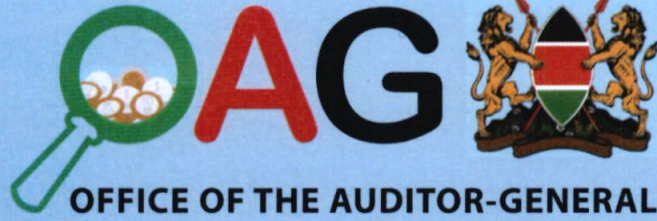


REPUBLIC OF KENYA



Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

CHEPARARIA MUNICIPALITY

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

PAPERS LAID	
DATE	6/3/2025
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COMMITTEE	
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CHEPARERIA MUNICIPALITY

County Government of West Pokot

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

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

County Government of West Pokot
Chepareria Municipality
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms & Glossary of Terms

A. Acronyms

ADP	Annual Development Plan
C.I.D.P	County Integrated Development Plan
IDeP	Integrated Development Plan
IFMIS	Integrated Financial Management System
FY	Financial Year
LPLUDP	Local Physical Planning & Land Use Development Plan
KISIP	Kenya Informal Settlement Informal Project
MTP	Medium Term Programme
SDG	Sustainable Development Goals
SDHUD	State Department of Housing & Urban Development
SCMO	Supply Chain Management officer

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

Chepareria Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter of 16th March 2018. The Municipality is under the County Government of West Pokot and is domiciled in Kenya.

b) Principal Activities

Objects of the Municipality

- a. Provide efficient and accountable management of the affairs of the municipality
- b. 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 expectation; Verify whether public resources and authority are utilized or exercised as the case may be to their satisfaction; enjoy efficiency in service delivery
- c. Provide a high standard of social services in a cost-effective manner to the inhabitants of the Municipality.
- d. Providing services, laws and other matters to the municipality's benefit
- e. Fostering the economic, social and environmental wellbeing of its community

Functions of the Municipality

- (a) Promotion, regulation and provision of refuse collection and solid waste management services;
- (b) Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- (c) Construction and maintenance of urban roads and associated infrastructure;
- (d) Construction and maintenance of storm water drainage and flood controls;

- (e) Construction and maintenance of walkways and other non-motorized transport infrastructure;
- (f) Construction and maintenance of recreational parks and green spaces;
- (g) Construction and maintenance of street lighting;
- (h) Construction, maintenance and regulation of traffic controls and parking facilities;
- (i) Construction and maintenance of bus stands and taxi stands;
- (j) Regulation and control of outdoor advertising;
- (k) Construction, maintenance, management and regulation of municipal markets and abattoirs;
- (l) Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- (m) Promotion, regulation and provision of municipal sports and cultural activities;
- (n) Promotion, regulation and provision of animal control and welfare;
- (o) Development and enforcement of municipal plans and development controls;
- (p) Municipal administration services (including construction and maintenance of administrative offices);
- (q) Promoting and undertaking infrastructural development and services within municipality;

c) Key Management

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

- County Department of Housing and Urban development
- Board of Management
- Accounting Officer-Municipal Manager

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Municipality Board

Ref	Position	Name
1.	Chairman of the Board	Wilson Kapanat
2.	Vice Chairperson	Pauline Chebiwot
3.	Board Member	Martin Musto
4.	Board Member	Geoffrey Ting'oria
5.	Board Member	Veronica Lopeyetum
6.	Board Member	Julius Alimakori
7.	Board Member	Joel Chumang'ole
8.	Board Member	Esther Chelimo
9.	Board Member	Mathew Rionokol
10.	Municipal Manager- Secretary	Silas Plimo

d) Fiduciary Management

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

Ref	Position	Name
1.	Municipality Manager	Silas Plimo
2.	Deputy Manager	Dorinah Chepkapus
3.	Assistant Director Finance	CPA Geoffrey Lokong
4.	Head of Physical Planning	Plan. Hamilton Bett
5.	Supply Chain Management Officer	Scholar Cherop

e) Fiduciary Oversight Arrangements

i) Audit and Risk Management Committee

The West Pokot County Audit Committee was constituted and inducted on 1st July 2018 as per the provisions of the Public Finance and Management Act, 2012. It is mandated to review audit reports and advise the Municipality on institutional risk management.

S/No	Name	Designation
1	Mr. Paul Loitangiro Rikilem	Chairperson
2	CPA Thomas Pkemoi Lotiaka, CPA	Secretary
3	Mr. Kizito Musakala Makhumi CPA	Member

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4	Ms. Irene Chebet Lorot	Member
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ii) County Assembly committees

Article 185(3) provides that a County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organs. The oversight role of the County assembly is exercised directly by all members of the County assembly and through County assembly committees. The following are the committees responsible for oversight in the County assembly:

- Public Accounts and Investment Committee
- Sectorial Committees
- Finance and Planning Committee
- Implementation Committee

f) Registered Offices

Chepareria Municipality
P.O Box 222 - 30600
Propoi Road
Chepareria, Kenya.

g) Contacts

Telephone: (+254) 725822146
E-mail: chepareriamunicipaliy@gmail.com
Website: chepareriamunicipality.go.ke

h) Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 002Nairobi, Kenya



j) Independent Auditor

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



k) Principal Legal Adviser

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

3. Municipality Board

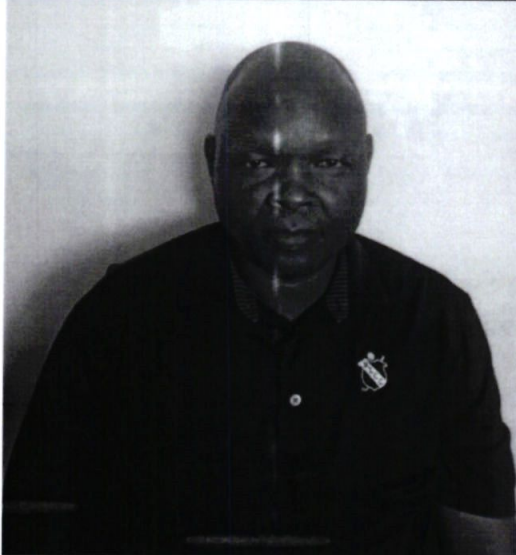

Serial No.	Name	Details of qualifications and experience
1	 <p>WILSON KAPANAT- BOARD CHAIRMAN</p>	<p>Wilson Kapanat is 58 years old. He holder of Masters in Business Administration from University of Nairobi and a Bachelors Degree in Bachelor of Arts Education. He is also a Diploma Holder in Supply Chain Management and Banking and Finance. Mr. Kapanat previously worked with the Central Bank of Kenya for 26 years.</p>
2	 <p>PAULINE CHEPIWOT- VICE CHAIR</p>	<p>Pauline Chepiwot is 53 years old. She is a Holder of Bachelor’s Degree in Education from Kisii University. She is also a Diploma Holder in ECD from Bungoma DICECE. She holds a P1 certificate from Thogoto TTC.</p> <p>She is currently the Head teacher of Ortum Primary School since 2023. Previously she worked as the Head teacher of Propoi and Kangorio Primary Schools having been the Deputy head teacher of Tapoyo Primary School and a Teacher in Propoi Primary School.</p>



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<p>3</p>	 <p>JULIUS ALIMAKORI - BOARD MEMBER</p>	<p>Julius Alimakori is 48 years old. He is currently undertaking his undergraduate studies in Bachelor of Commerce in JKUAT where he started in 2014. Holds a Diploma in Business Management from KIM. He has attended several trainings including Entrepreneurship and Business Management at Dairy Training Institute (DTI) Naivasha.</p>
<p>4</p>	 <p>GEOFFREY TING'ORIA - BOARD MEMBER</p>	<p>Geoffrey Krop Ting'oria is 37 years Old. He holds a Bachelor of Science Degree in Geospatial Information Science from JKUAT. He is a Diploma holder in Land Surveying from the KISM. Currently, Geoffrey works as a National County Surveyor at Samburu County in the State Department of Lands and Physical Planning. Previously he worked as a Deputy National County Surveyor, Trans Nzoia County from 2020 to 2024, Participated in the International Boundary Surveys of Kenya and Ethiopia in 2019 and Participated in the development of Trans Nzoia County Integrated Development Plan in 2018. Geoffrey is endowed with professional skills in the fields of; Cadastral surveys, Geospatial intelligence in Remote Sensing, Photogrammetry and GIS, Data collection</p>

		<p>and evaluation, Visualization, Analysis and Modelling, Geodatabase management, • Spatial Planning, Effective administration and conflict resolution using proper mechanisms of land matters.</p> <p>Geoffrey is a Graduate and Full Member of Institution Surveyors of Kenya (ISK) and practicing as a Land Surveyor with experience of over 10 years.</p>
5	 <p>VERONICA LOPOYETUM - BOARD MEMBER</p>	<p>Veronica Lopoyetum is 55 years old. She is a Bachelor’s Degree holder in Education and Counselling from the Kenya Methodist University. She is also a Diploma holder in Special Needs Education from the Kenya Institute of Special Education.</p> <p>Veronica is currently working as a Deputy Headteacher in Tilak Primary School. Previously, she worked as a Deputy Headteacher in Kitelakapel Primary and as a Senior Teacher in Tilak Primary School. During her time in academia, Veronica has gathered a lot of experience in leadership and management.</p>

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6	 <p>MARTIN MSTO - BOARD MEMBER</p>	<p>Martin Msto is 54 years old. He is a Diploma holder in Education Management from KEMI. He also holds a second Diploma in Adult Education and Community Development from the University of Nairobi. Martin also holds P2 Certificate from</p>
7	 <p>JOEL CHUMANGOLE - BOARD MEMBER</p>	<p>Joel Chumangole is 52 years old. He a Diploma in Theology and Biblical studies from 2004-2006 He is also a holder of KCSE from Chewoyet High school from 1990-1993. He also attended Pserum Primary school.</p>
8		<p>Ms. Esther Chelimo Loukotum is 39 years old and she is currently pursuing her Master degree in Business administration, She also holds of Bachelor degree in Management, Diploma in Education Management and Senior Management Course from Kenya School of Government.</p>


	 <p>ESTHER CHELIMO- BOARD MEMBER</p>	<p>Ms. Esther has vast experience in various fields including being Deputy Head teacher Karon primary school, Head teacher Konyao Arid Zone Primary school, North Pokot Sub-county Administrator for a period of five years, ECDE coordinator Kipkomo Sub-County. Madam Esther is currently The County Executive Committee Member (CECM) for Land, Physical Planning, Housing and Urban Development.</p> <p>Ms Esther is the Chair Planning and Development Committee</p>
9	 <p>MATHEW RIONOKOL- BOARD MEMBER</p>	<p>Mr. Mathew Rionokol is 46 years old</p> <p>EDUCATION</p> <p>2010: MSC Land Management from Royal Institute of Technology Stockholm Sweden 2004: Bachelor of Science Land Surveying and Photogrammetry University of Nairobi 1995: Kenya Certificate of Secondary Education: Ortum Secondary School 1992: Kenya Certificate of Primary Education: Chemororoch Primary School</p> <p>Mr. Mathew is the Chair, Human Resource and Gender Committee</p> <p>WORK EXPERIENCE</p> <p>2023 to Date: Chief Officer for Lands, Physical Planning, Housing and Urban Development West Pokot County.</p>



		<p>2020 to 2022: Head of Geospatial Data Management Ministry of Lands, Housing and Urban Development.</p> <p>2018 to 2020: Regional Surveyor Western Region</p> <p>2014 to 2017: Chief Officer for Lands, Physical Planning, Housing and Urban Development West Pokot County</p>
10	 <p>SILAS PLIMO – MUNICIPAL MANAGER/SECRETARY TO BOARD</p>	<p>Mr. Silas Plimo is 40 years old</p> <p>EDUCATION</p> <p>2014 August- to date Master of philosophy in environmental studies(applied social science- Human Ecology)</p> <p>2005-2010- Bsc. Wildlife management, Graduated.- Moi University</p> <p>2000 – 2003- <u>O-level</u></p> <p>Kenya Certificate of Secondary Education</p> <p>K.C.S.E B+- Nairobi School</p> <p>1990 – 1999- Propoi Pry. School</p> <p>WORK EXPERIENCE</p> <p>February 2024- Date- Manager, Chepareria Municipality</p> <p>July 2015-Feb 2022-Worked as Conservancy Manager with Northern Rangelands Trust (NRT) Gaining a huge wealth of experience in Financial Management, Change Management, Leadership and Management Wildlife Conservation with focus on the Community Conservation.</p>



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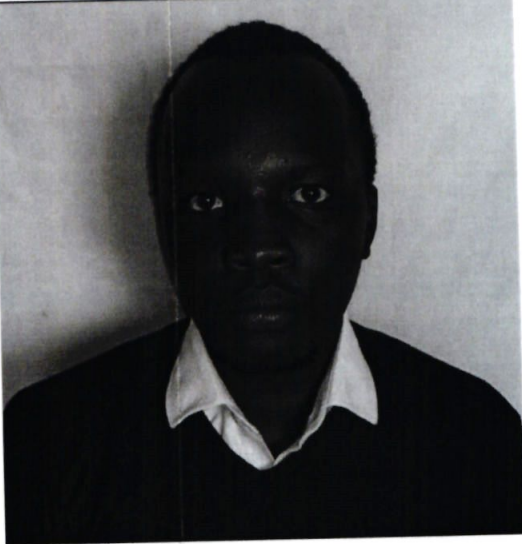
		<p>Jan 2011 to 2013- National Project Coordinator Evangelical Lutheran Church in Kenya (Peace Department)</p> <p>June 2009 to May 31st2010- Food Monitor World Food Program</p> <p>March 2009- Elections commissioner Moi University ,Chepkoilel Campus</p>
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4. Key Management Team

Serial No	Name	Details of qualifications and experiences
1.	 <p>SILAS PLIMO – MUNICIPAL MANAGER/SECRETARY TO BOARD</p>	<p>Date of Birth- 1984</p> <p>Academic & Professional Qualification</p> <p>2014 August- to date Master of philosophy in environmental studies(applied social science- Human Ecology)</p> <p>2005-2010- Bsc. Wildlife management, Graduated.- Moi University</p> <p>2000 – 2003- <u>O-level</u></p> <p>Kenya Certificate of Secondary Education</p> <p>K.C.S.E B+- Nairobi School</p> <p>1990 – 1999- Propoi Pry. School</p> <p>Work Experience</p> <p>February 2024- Date- Manager, Chepareria Municipality</p> <p>Jan 2011 to 2013- National Project Coordinator Evangelical Lutheran Church in Kenya (Peace Department)</p> <p>June 2009 to May 31st2010- Food Monitor World Food Program</p> <p>March 2009- Elections commissioner Moi University ,Chepkoilel Campus</p>

<p>2.</p>	 <p>DORINAH CHEPKOPUS - DEPUTY MANAGER</p>	<p>Date of Birth- 30th April 1987</p> <p>Academic & Professional Qualification</p> <p>2019-2022 Bachelor of Education Arts- UON</p> <p>2010-2012- Primary Teacher Education- International Teaching and Training Centre</p> <p>2003-2006- KCSE, Nasokol Secondary school</p> <p>1994-2002- KCPE, Propoi Primary School</p> <p>Work Experience</p> <p>February 2024- Date- deputy Manager, Chepareria Municipality</p> <p>2021- January 2024- Teacher, Kipsoen Primary school</p> <p>2018-2020- Teacher, Karaus Primary school</p>
<p>3.</p>	 <p>CPA GEOFFREY LOKONG- ASST. DIRECTOR FINANCE</p>	<p>Date of Birth- 29/05/1978</p> <p>Academic & Professional Qualification:</p> <ul style="list-style-type: none"> ✓ Master of Business Administration (Finance), Bachelor of Education Maths and Accounting ✓ Certified Public Accountant CPA(K) (No. 27397), ✓ Strategic Leadership and Development Programme (SLDP), Senior Management Course (SMC) <p>Work Experience: Currently Assistant Director Accounting Services Chepareria Municipality,</p> <ul style="list-style-type: none"> • Planning officer Department of Prisons • Deputy Officer in Charge, Nairobi Medium Prison, • Planning and Budget Officer United Nation and African Mission in Darfur(UNAMID)

<p>4.</p>	 <p>PLAN. HAMILTON BETT-PHYSICAL PLANNER</p>	<p>Plan. Hamilton Bett is 31 years old.</p> <p>Academic & Professional Qualification: Registered Physical Planner (RPP305). Bsc. Urban and Regional Planning from The Technical University of Kenya. Certificate in GIS from ESRI. SPSS Data Analyst.</p> <p>Work Experience: Currently Principal Physical Planner, West Pokot County. Senior Physical Planner, Ekambridge Services Ltd. Senior Physical Planner, Geomaestro Consult Africa Ltd.</p> <p>Assistant Physical Planner and GIS Data Analyst, Geomaestro Consult Africa Ltd. Assistant Physical Planner and GIS Data Analyst, The Planning Studio Ltd,</p>
<p>5.</p>	 <p>SCHOLAR CHEROP LOYER- SCSMO</p>	<p>Scholar was born in 1990</p> <p>Academic & Professional Qualification: She has holder of KCSE certificate, she also has a certificate, Diploma and Degree in Supply Chain Management and Master Degree in Logistics Management.</p> <p>Work Experience: Currently is she in charge of supply chain management at Chepareria Municipality, she is also worked as Supply Chain Management officer in various department in West Pokot County including Finance, Lands, Roads, Trade and Tourism.</p>

<p>6.</p>	 <p>ELIAS PYEGO MUKENYANG- ENGINEER</p>	<p>Date of Birth: 11/11/1990</p> <p>Academic & Professional Qualification</p> <p>2022 to Date: Currently pursuing University of London MSC. Project Management Online Program. (Ongoing)</p> <p>2017: Technical University of Mombasa, BSc. Civil Engineering (Second Class Division).</p> <p>2010: Chewoyet Boys High school, K.C.S.E B+</p> <p>2005: Rainbow Chepareria Academy, K.C.P.E 385 marks</p> <p>Professional Experience</p> <p>Currently Engineer Chepareria Municipality</p> <p>2024 Feb – Senior Superintending Engineer, Department of Lands Housing Physical Planning and Urban Development.</p> <p>2022- Jan 2024: Engineer, Department of Water West Pokot County Government.</p> <p>2018-2021: Project Manager at Anie GPR Company Limited.</p> <p>2016: Worked as an assistant engineer in the CAS Consultancy Ltd, Muruny (Siyoi) water project under attachment period, (May-August).</p> <p>2015: Worked as an assistant engineer in the ministry of roads and public works, West Pokot County under attachment program from May to August.</p> <p>2014: Worked as an assistant site supervisor at Kenyatta University construction projects under attachment period, (May-August).</p> <p>Professional Membership</p> <p>2021: Registered as Institute of Engineers Kenya (IEK) member.</p>
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		<p>2018: Registered as Graduate Engineer, Engineers Board of Kenya (EBK).</p>
<p>7.</p>	 <p>EMILY CHEYECH LIMAN- ENVIRONMENTALIST</p>	<p>Date of birth: 1/2/1991</p> <p>Key academic and professional qualifications 2022-2024. Masters-Health, Safety and Environmental Engineering, Ken Institute of executive learning, India 2023-2025-Ongoing Diploma NEBOSH INTERNATIONAL Diploma for Occupation Health and Safety Management (IdipNEBOSH)-Astutis Learning Campus - Nantgarw, Cardiff UK 2011-2015-Bachelors of Environmental science with information Technology, Maseno University 2005-2009-Njonjo Girls High school 1999-2005-Ortum Girls Primary.</p> <p>Professional Qualifications and membership Registered member of Environment Institute of Kenya registration number EIK/2/6146 registered member of National Environment Management Authority (NEMA) Registration number 8964 a practicing Expert with a Practising License number NEMA/EIA/ERPL/20882 as in Accordance with provision of the Environment Management and Coordination ACT CAP 387.</p> <p>Principal Environment officer Department of Lands, housing, physical planning and Urban Development, Municipality Section</p> <p>Duties and Responsibilities -Conducting environmental inspections.</p>

		<ul style="list-style-type: none"> -Creating public awareness on Environmental issues through Environmental education -In charge of Environmental planning at county level. -In charge of identification, rehabilitation and monitoring of degraded sites at the county level -Monitoring and evaluating Education for sustainable Development programmers and setting up of Regional Centers of Excellences. -Preparation of environmental documents -Preparations of Solid Waste Management policies -In charge of Waste management -In charge of Kenya Urban Support Programme (KUSP II) as Project Environment officer , Dealing with Environmental Impact Assesment Reports and Environmental Audits -Prepare and approve EIA Tender documents -Mobilize the Public to participate on Environment conservation and waste management -Monitor and evaluate Solid Waste Management Policies -Participate in creating partnerships with NGOs and other organizations on Environmental issues -Create work plans and programmers to address climate change <p>Work Experience</p> <p>February 2024-to Date -Principal Environment Officer-Chepareria Municipality</p> <p>June 2022-january 2024 -contract Land</p>
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		<p>reclamation officer in the ministry of environment, water, natural resources and climate change, west pokot county.</p> <p>March 2022-May 2022 -Worked with Kenya national bureau of bureau of statistics as a research assistant inKenya household master sample frame(k-hmsf) exercise.</p> <p>April 2021-december 2023- part time volunteer ministry of publicworks, roads and transport west pokot county government.</p> <p>November 2017-April 2019-worked with Kenya national bureau statistics as a mapping assistant</p> <p>January 2017-October 2017-Volunteer in the ministry of environment water and natural resources, west pokot county.</p> <p>October 2016-November 2016-Worked as a resident enumerator in icrh (international centre for reproductive health –Kenya)-Kenya.</p> <p>January 2016-September 2016-Volunteer in the ministry of environment, water and natural resources, west pokot county</p> <p>August 2015-December 2015-Volunteer at food and agricultural organization of the united nation (FAO)</p> <p>January 2015-May 2015-Attachment at ministry of environment, water and natural resources, west pokot county</p>
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5. Municipality Board Chairperson's Report

I take this opportunity to present the first financial statements for Chepareria Municipality for the period ended June 30, 2024. The financial statements have been prepared in accordance with Section 164(2) of the Public Finance Management Act, 2012 and Section 46 of The Urban Areas and Cities Act of 2011. They contain appropriation accounts showing the services for which the appropriated money was rendered, amounts actually spent on each service, and any variations between the actual expenditure and the sums vote for the financial year 2023/2024.

The Municipality is committed to prudent use of its finances guided by sound fiscal policies that ensure efficient utilization of resources. We continuously engage and update the citizens of the Municipality through public participation. This upholds the key objective of devolution, which is to promote sustainable and equitable social, political and economic development in the County.

The Entity Financing

Chepareria Municipality gets its financing through County allocation and for the period under review the entity was allocated Kshs. 2,562,344. Being the first year under operation the entity was allocated funds for recurrent expenditure while salaries and emoluments were paid by the County Government. There were no allocation for development

Key Policy Documents

The Municipality recently initiated the development of Chepareria Municipality Local Physical and Land Use Development Plan 2024-2034 (Also known as Municipal Spatial Plan as per UACA 2011). The Municipal LPLUDP sets out policies and strategies to guide the spatial development of the municipality hence ensuring orderly and sustainable development. The preparation of the plan has five phases that include (i) Preparatory (ii) Project activation (iii) Data collection and activation (iv) Visioning and Scenario building and (v) Plan proposal and approval. This program was initiated under the support of Food and Agriculture Organization of the United Nations funding.

The primary role of spatial planning is to enhance the integration between sectors such as housing, transport, energy and industry, and to improve national and local systems of urban and rural development, also taking into account environmental considerations. This plan is set to guide

spatial development within the municipality for the next 10 years and covers the entire jurisdiction of Chepareria Municipality within West Pokot County.

The entity is in the process of putting in place key policy documents that include; Integrated Development Plan (IDeP), Solid waste Management Policy and By-Laws. These policy documents will enable the Municipality implement its programmes and activities effectively.

Future outlook of the Fund

With the support of the County Government the Municipality future outlook is bright. We intend to put more focus on identifying key areas of revenue collection. In conjunction with Kapenguria Municipality and the department of urban development, the entity is developing criteria for allocation of funds to urban areas as provided by PFM act Section 173.

Challenges

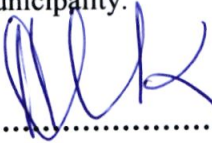
During the year under review, the board faced myriad of challenges that include inadequate funding from the County Government. This is despite the fact that the entity during its conferment as a municipality was transferred key functions through Gazette Notice of 2023. The little amount allocated to the entity is still expended at the County treasury hence not giving the entity the full powers on the spending of the funds thus crippling timely delivery of services (though the Manager approves the expenditures).

Conclusion

The entity after its promulgation in March 2023 immediately commenced its operations by setting up a Board and recruiting and retaining Municipal staff including the Municipal and Deputy Managers and key technical staff. During preparation of Annual Development Plan 2023/2024, the entity envisioned to undertake key infrastructure projects that will facilitate the growth of the Municipality that included road and storm water construction and maintenance, construction of market stalls and recreational park. These projects are only possible through strategic partnerships with the County Government and the residents of Chepareria Municipality. We endeavour to engage the County executive and assembly to put more resources to the entity to enable it meet its objective as intended in the service charter.

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Chepareria Municipality
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As the Chairman, I remain thankful to His Excellency the Governor, Simon Kachapin, Board Members, the Municipal Manager who continue to direct our staff, resources and operations towards making a positive difference in the lives and future of Chepareria Municipality.



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Name: Wilson Kapanat
Chairperson of the Board

6. Report of the Municipality Manager

The Urban Areas and Cities Act No.13 of 2011 requires that each Municipality board shall prepare the statement of financial performance & statement of financial position of the board at the end of each financial year. The purpose of this report is therefore to provide a record of the activities for the year, to report on performance against the budget of the Municipality for the financial year reported on, and to promote accountability to the local community for the decisions made throughout the year.

In the 2023/24 Financial year the Municipality was allocated Kshs. 2,550,629 for recurrent expenditures which were utilized for daily subsistence, purchase of tools and small equipment for the support staff working in the trading centre.

Physical progress based on outputs, outcomes, and impacts since the establishment of Municipality

Since the inception of the project the entity has been able to implement the following activities

- Established Chepareria Municipal Board in March 2023
- Recruited and retained Municipal and Deputy Municipal Managers.
- Undertook Kenya Informal Settlement Improvement Project (KISIP 2), the entity undertook planning and surveying of its urban plots in light of tenure regularization and issuance of lease title deeds.
- Initiated the preparation of Municipal Solid Waste Management Policy
- Initiated the preparation of Municipal Physical and Land Use Development (Municipal Spatial Plan) 2024-2034 where the preparatory stage has been undertaken.

Budget Performance

The entity was allocated Kshs. 2,550,629 for recurrent expenditures which was used to purchase workshop tools, uniforms for support staff, sitting allowance for Board members, Hospitality supplies and domestic travel.

Challenges and recommended way forward.

Challenges

- *Inadequate funding.*
The entity received recurrent fund only amounting to Kshs. 2,550,629 only which was not enough. No developments funds were allocated to the entity
- The offices for the management need renovation and purchase of furniture and other necessities
- Currently ,the Municipality does not have a designated dumpsite hence making disposal of solid waste a difficult task

Recommendations

- ✚ There is need to disburse funds on time to ensure projects are implemented within the stipulated period.
- ✚ There is also need to allocate enough funds to the board by the County assembly and Executive as per the transferred functions.
- ✚ The executive should also consider to transfer the board's allocation to its bank accounts for easy accountability and reporting.
- ✚ There is need to adopt the funding criteria in allocating funds to the Municipality as per the PFM act section 173 which provides clear criteria for Budget and budget process for urban areas or cities.
- ✚ The funds allocated to the entity should be given inform of a grant and transferred to the entity's bank account for easier accountability.

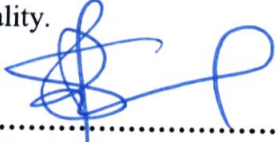
Conclusion

The Municipality is keen on enforcing fiscal responsibility principles with major focus on economy, efficiency and effectiveness in the implementation of all its programmes. The funds received during the year under review were used for their eligible intended purposes and have been duly accounted for.

Finally, I take this opportunity to thank West Pokot County government for its support which gave the board a helping hand to ensure it achieves its key mandate. Am also grateful the Municipal board members and staff to their unparalleled support during the 2023/24 financial

County Government of West Pokot
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Annual Report and Financial Statements for the year ended June 30, 2024

year, their teamwork led to the implementation of key programmes and activities within the Municipality.



.....
Name: Silas Plimo
Municipality Manager

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity's performance against predetermined objectives. The key development objectives of the Municipality in the 2023/2024 financial year plan is to:

- a) Urban planning.
- b) Urban governance and administration
- c) Urban Social and Economic Infrastructure

The Municipality of Chepareria is currently implementing the County Integrated Development Plan (CIDP) 2023-2027 and is developing Integrated Development Plan (IDeP) 2024-2029. The plan outlines programmes and projects aimed at fostering vibrant resilient communities and making investments that transform lives by enhancing our delivery of comprehensive interventions; supporting the wellness in our communities so as to drive the Municipality social economic transformation so as to accelerate the realization of quality and equitable development for the residents of the Municipality.

The strategic plan's underlying goals are summarized as follows

- Develop special development framework which must include the provision of basic guidelines for land use management system for the municipality
- Develop Municipality investment plans which will ensure its viability and sustainability in service provision
- Identify potential area for urban development based on land suitability and other factors.
- Analyse present and future (5, 10, 20 years) housing needs/market, stock, conditions and recommend strategies for land acquisition, distribution of land and housing in future
- Develop Land Use plan and recommend bye-laws for the construction of building and other infrastructures which include; Residential zone, Institutional zone, Industrial hub,

Airport/Airstrip zone, Sport facilities, Urban expansion zone, Stream/river banks zone, Green zone, Apartment housing, Petrol pump/Electric line/Cinema theatres etc

The CIDP and The IDeP are implemented yearly through preparation of Municipal Annual Development Plan (ADP), which extracts from CIDP and IDeP the development proposals, projects and programmes for the fiscal year. The ADP progress is monitored using quarterly and Annual Progress Reports.

Municipality Strategic Development Objectives

The key development objectives include;

- a) Improve business environment and security
- b) To ensure controlled sustainable urban development
- c) To ensure proper solid waste management
- d) Develop special development framework which must include the provision of basic guidelines for land use management system for the Municipality
- e) Develop Municipality investment plans which will ensure its viability and sustainability in service provision.

8. Corporate Governance Statement

Existence of Municipal Charter

In exercise of the powers conferred by section 9 (1) of the Urban Areas and Cities Act, (No. 13 of 2011) as complemented by section 72 of the Interpretations and General Provisions Act (Chapter 2) and all other enabling provisions of law, the Governor of West Pokot County granted the Municipality of Chepareria this Municipal Charter on 29th June 2018. The following key features is elaborated in the charter

Board Meetings

The Board of the Municipality of Chepareria holds its sittings to transact the business of the Board once every three months. The Chairperson of the Board of the Municipality of Chepareria may, and upon request in writing by at least one-third of the members of the Board of the Municipality of Chepareria shall, convene a special meeting to transact any urgent business of the Board of the Municipality of Chepareria. All regular meetings of the Board of the Municipality of Chepareria called for transacting public business, where a majority of the members elected are present, shall be open to the public.

A majority of the members of the Board of the Municipality of Chepareria is a quorum to conduct business, but a smaller number may meet and compel attendance of absent members as prescribed by Board of the Municipality of Chepareria Rules. A member of the Board of the Municipality who is interested in any discussions or decision-making regarding any subject or transaction under consideration by the Board, shall not be counted as participating in the discussions or decision-making, and is not entitled to vote on or agree to the subject or transaction relating to it.

Chepareria Municipality has four committees in place that include Planning and Development, Finance and General-Purpose Audit, Risk, and Compliance and Human Resource & Gender Committee. During the year under review the full board met quarterly to deliberate and adopt reports from the committees. Key among the include budget approval, consideration and discussion of internal and external audit reports, staff employment, infrastructural developments among others

Role and functions of the board

Subject to the Constitution and any other written law, the Board of the Municipality is mandated, within the boundaries of the Municipality of Chepareria performs the following functions

- (a) Exercise executive authority as delegated by the Governor of the County of West Pokot;
- (b) Ensure provision of services to its residents;
- (c) Impose such fees, levies and charges as may be authorized by the County Government for delivery of services by the Municipality;
- (d) Promote constitutional values and principles;
- (e) Ensure the implementation and compliance with policies formulated by both the National and County Government;
- (f) Make By-laws or make recommendations for issues to be included in By-laws;
- (g) Ensure participation of the residents in decision making, its activities and programmes; and
- (h) Exercise such other powers as may be delegated by the Governor of the County of West Pokot.

Process of appointment and removal of Board Members

Each member of the Board of the Municipality of Chepareria shall have the following qualifications.

- (a) In case of the Chairperson, holds a minimum of a degree; while for any other member, holds at least a minimum of a diploma from an institution recognized in Kenya;
- (b) Has a distinguished career in a medium level management position in either the private or public sector;
- (c) Holds at least ten years post-qualification professional experience in case of the Chairperson, while in case of any other member, at least five years post-qualification professional experience;
- (d) Satisfies the requirements of Chapter six of the Constitution of Kenya 2010;
- (e) Is ordinarily resident or has a permanent dwelling in the Municipality of Chepareria; and
- (f) Carries on business or has lived in the Municipality of Chepareria for at least five years.

(g) A person shall not be appointed a member of the board the Municipality of Chepareria if that person:

- (1) Is an un-discharged bankrupt;
- (2) Has been removed from office for contravening the Constitution or any other law;
- (3) Is not a citizen of Kenya; or
- (4) Has in the conduct of his or her affairs not met any statutory obligations.

A member of the Board of the Municipality of Chepareria shall cease to hold office if the member;

- (a) Is unable to perform the functions of the office by reason of mental or physical infirmity;
- (b) Is declared or becomes bankrupt or insolvent;
- (c) Is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
- (d) Resigns in writing to the County Governor;
- (e) Without reasonable cause, the member is absent from three consecutive meetings of the Board or Committee of the Board of the Municipality of Chepareria within one financial year;
- (f) Is found guilty of professional misconduct by the relevant professional body;
- (g) Is disqualified from holding a public office under the Constitution;
- (h) Fails to declare his or her interest in any matter being considered or to be considered by the Board or Board Committees;
- (i) Engages in any gross misconduct; or
- (j) Dies.

Remuneration of the Board

The members of the Board of the Municipality of Chepareria are not be entitled to a salary. However, members of the Board are paid allowances as advised by the Salaries and Remuneration Commission.

9. Management Discussion and Analysis

a) Resource Envelope

The entity received its revenues mainly from the allocation by the County executive shown below;

Table 1: Resource Envelope

Description	Development (Kshs.)	Recurrent (Kshs.)	Total Amount (Kshs.)
Allocation by the County Government	0	2,550,629	2,550,629
Total	0	2,550,629	2,550,629

b) Budget performance

The entity received Kshs. 2,550,629 were utilized during the period

c) Municipality Expenditure Analysis

The total expenditure for the financial year 2023/2024 amounted to Kshs. 2,550,629 for recurrent expenditure. There was allocation for development

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

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

The Chepareria Municipality is actively sourcing partnership with stakeholders including FAO in bid to Seek for financial support to enable the entity meet it's objectively as envisioned in the CIDP. The Municipality has also mapped new revenue streams to increase its source revenue collection. During the year under review the entity through support of KISIP2 is in the process of finalizing lease titles for Chepareria Municipality to give ownership documents to the plot owners. This will enable expansion of business in the town hence increasing revenue collection. The entity with other stakeholders is the process of developing criterion for allocating funds to urban centres as this will ensure that urban areas including Chepareria Municipality will have its allocation enhanced.

2. Environmental performance

Chepareria Municipality is in the process of finalizing a Solid Waste Management Policy that will assist the public and the institutions involved to focus in Reducing; Rethinking; Refusing; Recycling; Reusing; Repairing; and Refilling their waste. The policy will also provide framework to address solid waste problems and ensures at achieving zero waste generation. The policy will further ensure that the Municipality in collaboration with other stakeholders is able to sustain the provision of adequate quality services in solid waste management and establish appropriate response to solid waste challenges. The entity in conjunction with department of Environment, will develop environmental Rules and Regulations, which include Noise Regulations among others as this will lead in reduction of loud noise, unnecessary or unreasonable noise to ensure health and safety of the others.

3. Employee welfare

Employee welfare is a critical component for unified service delivery. Chepareria Municipality is very committed in ensuring that the welfare of all its employees is catered for by providing a favourable working environment. During the 2023/2024 financial year and with the stewardship of the County Public Service board and the HR department the following key issues were achieved towards staff welfare:

- Employed key management staff including the Manager and his deputy.
- Procured working tools including Wheelbarrows, *Jembes*, Spades, Rakes so as ensure that staff working in our municipality use the right items to ensure their safety.

4. Market place practices

a) Responsible competition practice.

The Chepareria Municipality applies the principles of public procurement as espoused in the Public Procurement and Asset Disposal Act, 2015; fairness, competitiveness, integrity, professionalism, transparency and accountability, promotion of local industry, promotion of citizen contractors and maximization of value for money.

The County uses the Public Procurement and Regulatory Authority market price index and its own market survey to assure competitive prices of procured goods, works and services. In compliance with achieving affirmative action as provided by the Constitution under Articles 55 and 56 and as enacted in the Public Procurement and Asset Disposal Act, 2015 Sections 155,156,157 & 158, the County reserves 30% of its procurement budget to Youths, Women and Persons Living with Disability. Furthermore, the department prepares and submits the reports to Public Procurement and Regulatory Authority Quarterly and bi-annually as required under the Act and Executive Order no. 2/2018.

b. Responsible Supply chain and supplier relations

The Municipality applies the procurement methods that ensure promotion of local industry through Request for Quotations and Open County Specific Tenders. In accordance, as provided in the first schedule of the Act, the threshold matrix guides all other procurement for adoption for each procurement, which is included in a procurement plan and approved by the accounting officer.

Chepareria Municipality continued to sensitize its residents on various policies including Solid Waste Management Policy, draft Chepareria Municipality By-Laws, and Budgetary Process, monthly cleaning services, Urban Integrated Development Plans. This has been done through Public Meetings and Radio Talk shows. The engagement has provided the residents of Chepareria Municipality an opportunity to bring out their views in respect to laws and policies as well as infrastructural programmes hence ensuring ownership by the citizens

11. Report of the Municipality Board Members

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

Principal activities

The principal activities of the Municipality are to provide efficient and effective services to the residents of Chepareria Municipality so as to improve their livelihoods

Performance

The performance of the Municipality for the year ended June 30, 2024 are set out on page 1.

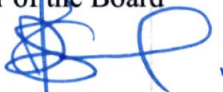
Board Members

The members of the Board who served during the year are shown on page Viii. During the year the secretary to the board who is the Municipal manager was recruited

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: Silas Plimo

Secretary of the Board

12. Statement of Management's Responsibilities

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

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

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2024, and the financial position as at that date.

The Municipality Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

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

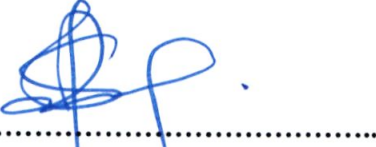
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Approval of the financial statements

The Municipal financial statements were approved by the Board on 30/9 2024
and signed on its behalf by:



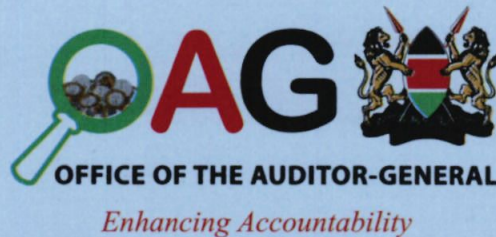
Name: Wilson Kapanat
Chairperson of the Board



Name: Silas Plimo
Accounting officer of the Board

REPUBLIC OF KENYA

Telephone: +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 CHEPARARIA MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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 Chepararia Municipality set out on pages 1 to 23, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, 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 Chepareria Municipality as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the 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 for Supreme Audit Institutions (ISSAIs). I am independent of the Chepareria 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.

Other Matter

1. Non-Collection of Own Generated Revenue

Review of the statement of financial performance for the year under review revealed the Municipality was financed solely through revenue allocated by the County Government, contrary to Section 172(a) of Public Finance Management Act, 2012 which states that 'an urban area or city may also be funded through revenue arising from rates, fees, levies, charges and other revenue raising measures which is retained by the urban area'. Further, conferment of municipal status may have been made without satisfying criterion of demonstrable revenue collection or revenue collection potential, contrary to Section 9(3)(c) of the Urban Areas and Cities Act, 2011.

In the circumstances, the Municipality may not achieve its objectives and goals as outlined in the Charter.

2. Lack of an Approved Human Resource Policy Manual and Staff Establishment

Review of records revealed that the Municipality did not prepare an approved Human resource Policy Manual and an approved staff establishment. This is contrary to the Human Resource Policies and Procedures Manual for the Public Service 2016, Section B2(1) states that every Ministry/State Department shall prepare human resource plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, the optimal and effective staffing of the Municipality could not be confirmed.

My Opinion is not modified in respect of these matters.

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 (i) to (xxiii) which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Municipality Manger, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Directors Responsibilities and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Executive'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, I confirm that nothing 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

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

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



Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of the Municipality's internal controls revealed that the institution did not prepare and approve a risk management policy. Therefore, the institution does not have a framework for risk identification and management contrary to Regulation 158(1)(b) of the Public Finance Management (County Government) Regulations, 2015 states that the accounting officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstance, the Municipality's risk mitigation strategies could not be confirmed.

2. Lack of Independence of the Municipality

The Municipality was granted Municipal Charter on 23 March, 2023 which was supposed to grant operational independence from the County Government of West Pokot. However, review of the operations of the Municipality revealed lack of autonomy as detailed below:

- i. There was lack of budget independence as the budget was prepared and controlled by the County Executive under the County Treasury.
- ii. The revenues and expenditures of the municipality were controlled by the County Treasury
- iii. The Municipality has only two staffs who are the Municipal Manager and Deputy Municipal Manager as disclosed in the financial statements.
- iv. Lack of power to administer and regulate the Municipality Internal affairs.
- v. The Municipality has no by-laws in place neither does it have recommendations made to be included in by-laws.
- vi. The Municipality did not have an independent bank operations account

Under the circumstances, the effectiveness of the Board in the governance of the Municipality could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Municipality 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

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

	Note	2023-2024 KShs.
Revenue from non-exchange transactions		
Transfers from the County Government	6	2,550,629
		2,550,629
Total revenue		2,550,629
Expenditure		
Use of goods and services	7	1,560,629
Board expenses	8	990,000
Total expenses		2,550,629
Other gains/losses		
Gain/loss on disposal of assets		
Surplus/(deficit) for the period		-

The notes set out on pages 19 to 22 form an integral part of these Financial Statements. The entity financial statements were approved on 30/09 2024 and signed by:

.....
Name: Silas Plimo
Municipality Manager

.....
Name: Geoffrey Lokong
Head of Finance
ICPAK M/No 27397

County Government of West Pokot
 Chepareria Municipality
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15. Statement of Financial Position as at 30 June 2024

Description	Note	2023-2024 Kshs.
Assets		
Current assets		
Cash and cash equivalents	9	-
Total current assets		-
Non-current assets		-
Total Non-current Assets		-
Total assets		-
Liabilities		
Current liabilities		-
Total current liabilities		-
Non-current liabilities		
Total liabilities		-
Net assets		-
Capital/Development Grants/Fund		-
Reserves		
Accumulated surplus		-
Total net assets and liabilities		-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/11 2024

and signed by: 

Name: Silas Plimo
 Municipality Manager

Date: 30/11/2024



Name: Geoffrey Lokong
 Head of Finance

ICPAK M/No 27397

Date: 30/11/2024

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16. Statement of Changes in Net Assets for the Year Ended 30 June 2024

Description	Capital	Revaluation	Accumulated	Total
	Development	Reserve	Surplus	
	Grants/Fund	Kshs.	Kshs.	
				Kshs.
Bal as at 1 July 2022 (previous year)	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Bal as at 30 Jun 2023	-	-	-	-
Bal as at 1 July 2023 (current year)	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2024	-	-	-	-

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17. Statement of Cash Flows for the Year Ended 30 June 2023

Description	Note	2023-2024 Kshs.
Cash flows from operating activities		
Receipts		
Transfers from the County Government	6	2,550,629
Total Receipts		2,550,629
Payments		
Use of goods and services	7	(1,560,629)
Board expenses	8	(990,000)
Total Payments		(2,550,629)
Working capital adjustments		
Increase in payables		-
Net cash flows from operating activities	10	-
Cash flows from investing activities		
Net cash flows used in investing activities		-
Cash flows from financing activities		
Net cash flows used in financing activities		-
Net increase/(decrease) in cash & cash equivalents		-
Cash And Cash Equivalents At 1 July	9	-
Cash And Cash Equivalents At 30 June 2023	9	-

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue					Kshs.	
Transfers from the County Government	2,450,000	112,344	2,562,344	2,550,629	11,715	100%
Total Revenue	2,450,000	112,344	2,562,344	2,550,629	11,715	100%
Expenses					-	
Use of goods and services	1,450,000	112,344	1,562,344	1,560,629	1,715.00	100%
Board expenses	1,000,000	-	1,000,000	990,000	10,000.00	99%
Total Expenditure	2,450,000	112,344	2,562,344	2,550,629	11,715.00	100%
Surplus for the period	-	-	-	-	-	
Capital Expenditure	-	-	-	-	-	

The difference between the original and final budget amount was because of additional allocation of KShs. 112,344

19. Notes to the Financial Statements

1. General Information

Chepareria Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act. The Municipality is under the West Pokot County Government and is domiciled in Kenya.

The entity's principal activity is to provide efficient and effective services to the residents of Chepareria Municipality so as to improve their livelihood.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act, 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 2024.*

There are no new standards effective in the financial year ended 30th June 2024.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
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.
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

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	<p>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.</p>
<p>IPSAS 46: Measurement</p>	<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>IPSAS 47: Revenue</p>	<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>

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<p>IPSAS 48: Transfer Expenses</p>	<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>IPSAS 49: Retirement Benefit Plans</p>	<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>

iii. Early adoption of standards

The Entity 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 *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on 15th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of Kshs.112, 344 on 7th December 2023 following the governing body's approval.

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial Statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, Prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Municipality recognizes such parts as individual assets with specific useful

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

d) Intangible assets

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

e) Financial instruments

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

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

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect

contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

g) Provisions

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

h) Social Benefits

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

i) Contingent liabilities

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

j) Contingent assets

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

k) Nature and purpose of reserves

The Municipality does not create nor maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

The Municipality through the County executive provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the County executive on behalf of the Municipality pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the Municipality does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefits are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

The Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Managers and Municipality Accountant.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

s) Events after the reporting period

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

Two types of events can be identified:

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

During the year under review there were no material adjustments both adjusting and non-adjusting events after the reporting period.

t) 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 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.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Municipality based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Municipality. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i) The condition of the asset based on the assessment of experts employed by the Municipality.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funds to replace the asset.
- v) Changes in the market in relation to the asset.

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(Notes to the Financial Statements)

6. Transfers from the County Government

Description	2023-2024
	Kshs.
Transfers from County Govt. – Recurrent	
Payments by County on behalf of the entity	2,550,629
Total	2,550,629

(a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
West Pokot County Government	2,550,629	-	-	2,550,629
Total	2,550,629		-	2,550,629

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(Notes to the Financial Statements Continued)

7. Use of Goods and Services

Description	2023-24
	Kshs.
Utilities, supplies and services	-
Communication, supplies and services	
Domestic travel and subsistence	948,300
Hospitality supplies and services	212,431
Specialized materials and services	399,898
Social Benefit expenses*	
Total	1,560,629

8. Board expenses

Description	2023-24
	Kshs.
Chairman/Members' Honoraria	
Sitting allowances	847,000
Medical Insurance	
Induction and Training	
Travel and accommodation	143,000
Total	990,000

9. Cash and cash equivalents

Description	2023-2024
	Kshs.
Current account	-
Total cash and cash equivalents	-

10. Cash generated from operations

Description	2023-2024 KSh.
Surplus/ (deficit) for the year before tax	-
Adjusted for:	
Depreciation	-
Gains/ losses on disposal of assets	
Working capital adjustments	
Increase in Payables	-
Net cash flow from operating activities	-

11. Financial risk management

The Municipality's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Municipality's overall risk management programme focuses on 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 Municipality does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Municipality's financial risk management objectives and policies are detailed below:

I. Liquidity risk management

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

II. Market risk

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

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

20. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

This is the first time the entity is preparing its financial statements. Therefore, there were no auditors' recommendations.



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Name: Silas Plimo

Accounting officer of the Board

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Appendix 2: Inter Entity Transfers

MUNICIPALITY NAME CHEPARERIA MUNICIPALITY				
Breakdown of Transfers from the County Executive of West Pokot County				
FY 2023/2024				
	Development Grants- Balance B/F	Bank Statement Date	Amount (Kshs.)	The FY to which the amounts relate
a.	Balance brought Forward		-	2022/2023
	Other Sources			
	Total		-	
	Direct Payments	Bank Statement Date	Amount (Kshs.)	The FY to which the amounts relate
	Expenditures paid through IFMIS(Recurrent)		2,550,629	2023/2024
	Expenditures paid through IFMIS(Development)		-	2023/2024
	Total		2,550,629	
	TOTAL		2,550,629	

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




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