

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

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THE AUDITOR-GENERAL

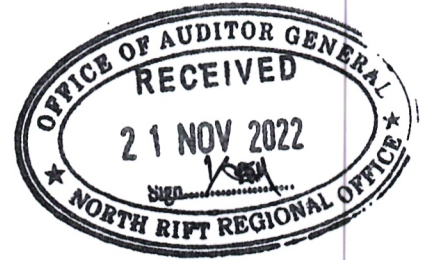
ON

KITALE MUNICIPALITY

FOR THE YEAR ENDED
30 JUNE, 2022



Issued 30th June 2022



KITALE MUNICIPALITY

County Government of Trans Nzoia

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 APR 2023

RECEIVED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

~

County Government of Trans Nzoia
Kitale Municipality
Annual Report and Financial Statements for the year ended June 30, 2022

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1. Kitale Municipality Key Information and Management

a) Background information

Kitale Municipality is established by and derives its authority and accountability from Section 9 of the Urban Areas and Cities Act 2011 (amendment 2019) as well as section 1 of the Municipality Charter - Subsidiary Legislation, 2019. The Municipality is wholly owned by the County Government of Trans Nzoia and is domiciled in Kenya.

- i. The municipality's objective is to provide quality physical infrastructure for efficient and accountable management of the affairs, provide for governance mechanism that will enable the inhabitants of the Municipality to: - Participate in determining the social services and regulatory framework which will best satisfy their needs and expectations
- ii. Verify whether public resources and authority are utilized or exercised, as the case may be, to their satisfaction.
- iii. Enjoy efficiency in service delivery.
- iv. Vigorously pursue the developmental opportunities which are available in the Municipality and to institute such measures as are necessary for achieving public order and the provisions of civic amenities, so as to enhance the quality of life of the inhabitants of the Municipality.
- v. Provide a high standard of social services in a cost-effective manner to the inhabitants of the Municipality.
- vi. Promote social cohesiveness and a sense of civic duty and responsibility among the inhabitants and stakeholders in the Municipality in order to facilitate collective action and commitment towards achieving the goal of a harmonious and stable community
- vii. Provide for services, laws and other matters for the Municipality.
- viii. Foster the economic, social and environmental well-being of its community.

b) Principal Activities

The principal activity/mission/ mandate of the Municipality is to provide infrastructure and services to the residents in an effective and efficient manner.

c) Kitale Municipality Board

1.	Chairman of the Board/ Audit committee chair	Erry Shaban Werunga
2.	County Executive Committee Member - member	Bonface Wanyonyi
3.	Vice Chair Board	Alice Waruguru
4.	Chair Environment Sanitation& Water	Peter Chemengich
5.	Chair Education, Social Service Sports and Housing	David Langat
6.	Chair Finance , Trade, Markets & industrialization	Ann Tulienge
7.	Municipality Manager/ Board Secretary	CS Nyongesa M. Patrick
8.	Chief Officer Lands- Board Member	Linekar Bwile
9.	Infrastructure, Public Works,transport & urban Dev.	Festus Litiku

d) Key Management

1	Municipality Manager	CS Nyongesa M. Patrick
2	Principal Accountant	CPA Benard Madegwa
3	Accountant	CPA chebet Caroline

e) Fiduciary Oversight Arrangements

- *Internal Audit committee*
- *Finance committee*
- *County assembly oversight committees*
- *Parliamentary Oversight Committees*
- *Development partner*
-

f) Registered Offices

Former MMEA Building
P.O. Box 4211, 30200
Kitale,
Moi Avenue, KENYA

g) Entity Contacts

Telephone: (254) 0724400563

Website: www.kitalemunicipality@transnzoiacounty.go.ke

h) Entity Bankers

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

2. EQUITY BANK
KITALE BRANCH
P.O. Box 801- **30200**
KITALE

3. SBM BANK
KITALE BRANCH
P.O. Box 2060 – 30200
KITALE

i) Independent Auditors of the Entity

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) a. Principal Legal Adviser of the entity

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200



Nairobi, Kenya



b. County Attorney

P.O. Box 4211 - 30200

KITALE

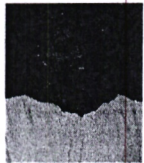

2. THE MUNICIPALITY OF KITALE BOARD MEMBERS

Name	Details of qualifications and experience
 <p>1. Mr. Erry Shaban Werunga</p>	<p>Date of birth: 06/02/58</p> <p>Key academic: PHD ongoing</p> <p>Bachelor of Arts- Agra University, 1988</p> <p>Post Graduate Diploma in Business Administration- Asian Institute of advance studies</p> <p>Diploma in Education Training Humanities at Kagumo TTC</p> <p>Certificate in Computer Application</p> <p>Work experience: Professional qualifications :2016 – to date consultant National Crime Research Centre</p> <p>20 years in Government Working.</p> <p>Kitale Municipality Board Chairman</p>
 <p>2. Hon. Boniface Wanyonyi CECM Land, Housing Physical planning and Urban Dev.</p>	<p>Date of birth:</p> <p>Key academic: Holds an MBA finance and BCOM Accounting option degree from the University of Nairobi. He is a certified public accountant of Kenya with a wealth of experience in financial management, accounting, corporate governance and administration gained from both private and public sector.</p> <p>Professional qualifications: Among the organizations he has worked for are the defunct Nairobi City Council, German Agency for Technical Cooperation (GIZ), Winrock International, Lake Victoria North Water Services Board and Water Sector Trust Fund.</p> <p>Work experience: joined the Kitale Municipality Board in November 2021 and sits on the Board in his capacity as CECM for Lands, Housing and Urban Development. Currently he is the CECM for Lands, Housing at the County Government of Trans Nzoia. He previously served as CECM Finance and Economic Planning and has also acted CECM Water and Public Services Management.</p>

<p>3.  MS Linekar Bwile CO Land, Housing Physical planning and Urban Dev</p>	<p>Date of birth: 18/10/1980</p> <p>Key academic: MSc. Regional Development Planning and Management at Tu Dortmund University, Bachelor's Degree in Urban and Regional Planning at Nairobi University</p> <p>Professional qualifications: Physical Planner Registered Planner Physical Planners Registration Board Cooperate Member of Kenya Institute of Planners (KIP) Registered Associate Expert, National Environmental Management Agency, Kenya, 2005 Member Spring International Association of Development Planners (SIADP)</p> <p>Work experience: OCTOBER 2006-2013 Ministry of Lands Position–District Physical Planning Office. April 2013- to Date County Government of Trans Nzoia . Position –Chief Officer Lands/ Public Service Management / Education and ICT.</p> <p>Position: CO Urban, member of the board</p>
<p>4.  CS Patrick Nyongesa Mukamo.</p>	<p>Date of birth :06/06/1972</p> <p>Key academic: MBA Finance on going at Kenyatta University. BED Arts Kenyatta University Diploma in Supply and Procurement- Chartered institute of purchasing and supply- UK</p>

**County Government of Trans Nzoia
Kitale Municipality
Annual Report and Financial Statements for the year ended June 30, 2022**

<p>Municipality Manager</p>	<p>CPAK - KASNEB CPSK – KASNEB 2003 KCSE B- 1990 Member of Certified Public Secretary. Professional qualifications: Certified Public Accountant, Certified Public Secretary and a Member of ICPAK Work experience: 2018 to date: Municipal Manager, Kitale Municipality, Trans Nzoia County 2013 to 2018, Principal Administrative Officer- West Pokot County. 1 Year County Clerk- Pokot County Council. 2 Year Town Clerk Kimilili Municipal Council. 1 Year Senior Administrative Officer – Kitale Municipal Council. 6 Year Graduate Teacher TSC. Position: secretary to Board/ ex officio</p>
<p>5.  Mrs Alice Waruguru. Kitale Municipality vice Chair</p>	<p>Date of birth: 19/05/1968 Key academic: Ongoing Masters in entrepreneurship JKUAT KACE 3 principles,1 Subsidiaries 1989 KCE DIV 111 Professional qualifications: Director Eden Rock hardware, Director Wali consultants and innovators Chairlady for Youth and Women Municipality Board Member Kitale Club Treasurer PCEA church Kitale Work experience: 2 years with ACIDI/VOCA in partnership skills training farmers. 1 month in the Panellist in the recruitment of the Trans Nzoia County Public Service Board and the County Secretary.</p>

<p>6.  Mrs Anne Tulienge- Member</p>	<p>Date of birth: 02/09/1974</p> <p>Key academic: MBA Finance ongoing at Moi University Bachelor of Business Management (Finance & Banking) Moi University. Diploma in Business management Moi University. CPA Finalist, KASNEB KCSE C Computer Application Certificate.</p> <p>Professional qualifications: Certified Public Accountant, and a Member of ICPAK</p> <p>Work experience: Aug 2018 to date – Part time lecturer JKUAT May 2016-date Part Time Lecturer Moi University. Work Experience :13-years Sr. Freda’s Medical Centre Chairperson finance, trade, Markets and Industrialization.</p>
<p>7.  Mr. Peter Chemengich- Member</p>	<p>Date of birth: 20/06/1963</p> <p>Key academic: Bachelor of Science Agriculture UON 1989 KACE 1984</p> <p>Professional qualifications: 2014 constituency member</p> <p>Work experience:4 years Civic Educator / T.O.T, IEBC 3 years’ Voluntary service overseer Nigeria. 1-year cooperative officer Ministry of cooperative and Development Trans Nzoia. 3 years District Committee Member Constitutional Review Commission of Kenya. 3 years Sales Person Bayer East Africa Ltd. 6 years Farm Manager ADC Chairperson: environment, sanitation and Water Kitale Municipality</p>

<p>8.  Mr. Festus Litiku – Member</p>	<p>Date of birth:16/09/1946</p> <p>Key academic: B.A. Hons (Building Economics University of Nairobi 1973</p> <p>Professional qualifications: to date is the Director and proprietor of Litiku Consultancy- QTY surveyors.</p> <p>1980 – 1981 : Senior Quantity Surveyor, Indus Construction Company Ltd.</p> <p>1976 – 1980 : Senior Quantity Surveyor, Armstrong & Duncan (K), Consulting Quantity Surveyors</p> <p>1973 – 1976 : Graduate Quantity Surveyor with Armstrong & Duncan (K), Consulting Quantity Surveyors.</p> <p>Work experience: 1980 – 1981: Project Quantity Surveyor and Site Manager for Indus Construction Company Ltd. Executed and supervised many projects all over Kenya, supervising workers, organising sites and representing company in project meetings.</p> <p>1973 – 1980 : Worked in a professional quantity surveying firm of Armstrong & Duncan (K), carrying out all aspects of quantity surveying, from inception to completion, preparing and agreeing of final accounts.</p> <p>Chairperson Infrastructure, Public Works, Transport and Urban Development.</p>
<p>9.  Mr David Lagat - Member</p>	<p>Date of birth: Aug 1984</p> <p>Key academic: diploma in Pharmaceutical Technology</p> <p>Professional qualifications: Pharmacist</p> <p>Work experience: 12 years in pharmaceuticals</p> <p>Chairperson Education Social services, sports and Housing</p>



10. Mr. Martin Waliaula

Date of birth: 28/01/1970

Key academic: Bachelor Business Admin (Marketing) kisii university

Professional qualifications: Marketer.

Work experience: 15 Years

3. MANAGEMENT TEAM

Name	Details of qualifications and experience
 <p>1. CS Patrick Nyongesa Mukamo. Municipality Manager / Board Secretary</p>	<p>Date of birth :06/06/1972</p> <p>Key academic: MBA Finance on going at Kenyatta University. BED Arts Kenyatta University Diploma in Supply and Procurement- Chartered institute of purchasing and supply- UK CPAK - KASNEB CPSK – KASNEB 2003 KCSE B- 1990✓</p> <p>Member of Certified Public Secretary.</p> <p>Professional qualifications: Certified Public Accountant, Certified Public Secretary and a Member of ICPAK</p> <p>Work experience: 2018 to date: Municipal Manager, Kitale Municipality, Trans Nzoia County 2013 to 2018, Principal Administrative Officer- West Pokot County. 1 Year County Clerk- Pokot County Council. 2 Year Town Clerk Kimilili Municipal Council. 1 Year Senior Administrative Officer – Kitale Municipal Council. 6 Year Graduate Teacher TSC.</p> <p>Position: secretary to Municipality Board of Kitale</p>

<p>2. CPA Benard Madegwa Finance Officer</p>	<p>Date of birth: Key academic: Professional qualifications: Work experience: Position: Finance Officer</p>
<p>3. CPA Caroline Chebet Accountant</p>	<p>Date of birth: 02 September, 1975 Key academic: MBA finance on going at JKUAT Bachelors of Commerce from JKUAT. Professional qualifications: Certified Public Accountant Finalist and registered member of ICPAK Work experience: 2018 Dec to date Accountant Municipality. 2017 nov 2018: Loans and Debt Recovery officer Trans Counties Sacco. 2012-2016: Accountant Big Bite Bakers ltd 2006-2011: chief Accountant Kitale Petroleum Dealers Ltd and sister Companies. 2003-2006: Accountant Macheo Ltd and Hillbrook Dairies. (sister company) Position: Accountant Municipality</p>

4. MUNICIPALITY OF KITALE BOARD CHAIRPERSON'S REPORT.

The board members were appointed and gazetted on 28th March, 2019.

Changes in the Municipality during the year (the board or key management team)

The CECM Hon Christine Tanguli was transferred while CECM Boniface Wanyonyi came in her place. The Chief Officer MS Linekar Bwire took over from MS Susan Ngera.

Review of the Municipality's performance

The Municipality received grants of Kshs 77,483,918 under Urban Development Grant for development activities and Ksh 19,500,000 as counterpart contribution for Recurrent expenditure during the financial year 2021/2022, we also received restricted grants of Kshs 10,579,190/= from the county Government of Trans Nzoia for expenditure of the Taskforce enquiring into Public Land during the period under review.

During the year under review, the Municipality of Kitale undertook two projects (i) to construct a Multi storey business complex. The progress is at 85% (due to challenges experienced the project did not complete on time). This was identified as a flagship project to provide decent market stalls to small scale traders and hence improve their economic livelihoods, decongest town and minimize street hawking. (ii) Upgrading of Bara Bara Mpya from gravel to Bitumen standards which at the end of the financial year was complete. This will ease movement around the areas along the road.

Future outlook of the Municipality

The Municipality Board shall endeavour to initiate key infrastructural projects in furtherance of its mandate to provide infrastructure and services to the residents in an effective and efficient manner.

Signed: _____

Date:

Erry Shabaan Werunga

5. Report of the Kitale Municipality Manager

Review of the Municipality's performance

The Municipality received grants of Kshs 77,483,918 under Urban Development Grant for development activities and Ksh 19,500,000 as counterpart contribution for Recurrent expenditure during the financial year 2021/2022, we also received Kshs 10,579,190/= restricted grants from the county Government of Trans Nzoia for expenditure of the Taskforce enquiring into Public Land during the period under review.

During the year under review, the Municipality of Kitale undertook two projects (i) to construct a Multi storey business complex. The progress is at 85% (it is a two-year rolling project). This was identified as a flagship project to provide decent market stalls to small scale traders and hence improve their economic livelihoods and minimize street hawking. (ii) Upgrading of Bara bara Mpya from gravel to Bitumen standards which at the end of the financial year was complete. This will ease movement around the areas along the road.

The Municipality of Kitale shall endeavour to initiate key infrastructural projects in furtherance of its mandate to provide infrastructure and services to the residents in an effective and efficient manner.

Signed:  _____

CS. PATRICK M. NYONGESA

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

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of Kitale Municipality does in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board which includes a statement of the Municipality of Kitale’s performance against predetermined objectives.

The key development objectives of the Municipality of Kitale 2018-2022 plans are to:

a) Provide quality physical infrastructure in the Municipality.

During the year under review, the Municipality of Kitale undertook to construct a Multi storey business complex. The progress is at 90% (it is a two-year rolling project).

This was identified as a flagship project to provide decent market stalls to small scale traders and hence improve their economic livelihoods and minimize street hawking.

Progress on attainment of Strategic development objectives adopted from Municipality of Kitale.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
1. Construction of a business centre	Provide decent market stalls to small scale traders in the Municipality.	We expect to reduce hawking and therefore decongest the town when the building is complete. ii) Improve livelihoods of traders. iii) Organised town.	On-going construction works on the Multi storey business complex.	we are at 85% complete

<p>2. Upgrading of Barabara Mpya from Gravel to Bitumen and walk ways</p>	<p>To improve urban road connectivity</p>	<p>Reduce time taken to access regions. Decongest roads Enhance developments/investments Improve drainage</p>	<p>1.75 km of upgraded roads. 1.75km of foot paths and walkways upgraded. 1.75 Km of drainage upgraded</p>	<p>complete</p>
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7. Corporate Governance Statement

The Municipality was awarded a charter through Trans Nzoia County Subsidiary Legislation, 2019. The board comprises of nine (9) members who were appointed and gazetted on 28th March, 2019 after a successful vetting by the County Assembly and Induction for the board members conducted on 4th August to 9th August, 2019.

The board member's remuneration is guided by the provisions of Salaries and Remuneration Commission (SRC) circular on remuneration of members of the City/Municipality Boards and Town Committees referenced SRC/TS/CG/3/61/19(38) dated 27th February, 2019.

The board has constituted five sub-committees to facilitate effective discharge of its oversight roles, the ethnic composition is as under.

County Government of Trans Nzoia

Kitale Municipality

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

S/NO.	NAME	POSITION	ETHNICITY
1	Mr. Werunga Shabaan	Board chair	Luhya
2	Alice Waruguru	Vice Chair	Kikuyu
3	Patrick M. Nyongesa	Manager/ Secretary	Luhya
4	Mr. Peter Chemengich	member	Sabaot
5	Mr. David Langat	member	Nandi
6	Mr. Festus Litiku	member	Luhya
7	MS Ann Tulienge	member	Luhya
8.	Mr. Martin Waliaula	Member	Luhya
BY VIRTURE OF OFFICE – EX-OFFICIAL			
9	Bonface Wanyonyi	CECM Urban	Luhya
10	Linekar Bwile	CO Urban	Luhya

During the period under review, the year 2021/2022 the Board held 4 Full Board Meetings, 3 special Board Meetings and 6 Committee meetings.

8. Management Discussion and Analysis financial

The Municipality received grants of Ksh 77,483,918/= under Urban Development Grant Kshs 19,500,000/= as Government Counterpart contribution during the financial year 2021/2022. We also received restricted grants from the County Government of Trans Nzoia of Kshs 10,579,190/= for the task force inquiring to public Land expenses during the period under review. During the year under review, the Municipality of Kitale undertook two projects (i) to construct a Multi storey business complex. The progress is at 85%. Due to challenges experienced in the contract period – Covid 19 pandemic and heavy rains, the project was not completed as expected as indicated in the letter for extension.

The project was identified as a flagship project to provide decent market stalls to small scale traders and hence improve their economic livelihoods and minimize street hawking.

(ii) Upgrading of Bara bara Mpya from gravel to Bitumen standards which at the end of the financial year was complete. This will ease movement around the areas along the road.

9. Environmental and Sustainability Reporting

Kitale Municipality exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on pillars:

- (1) putting the residents/Citizen first,
- (2) delivering relevant goods and services, and
- (3) improving operational excellence.

Below is a brief highlight of our achievements in each pillar.

1. Environmental performance

Environmental issues within the Municipality are guided by Kitale Municipality Solid Waste Management Policy and Act, Trans Nzoia County Integrated Solid Waste Management Act of 2022 and the National Government legislation namely:

Environmental management and coordination Act (EMCA) 1999.

Successes: the above outlined legal framework is being successfully implemented to ensure that Bio diversity and Waste Management are being managed effectively. This is done through subjection of all new projects to environmental and social Impact assessment (ESIA), and annual Environmental Audits (EA).

Shortcomings: Despite the above efforts being put in place by the Municipality, the effect of Climate Change and other emerging issues like Covid 19 pandemic have been a shortcoming to effective environmental management. **Annexes attached.**

2. Employee welfare

The process guiding the hiring process is done by the public service Board all the same, the Board members and seconded staff letters of appointments confirms that they take into account gender issue including male, female and disability cases. The staff are taken care.

Efforts made in improving skills, managing careers and appraisal include staff training on need assessment basis and also giving them a chance to attend workshops organised by professional bodies which they are affiliated to. On safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) we are in the process of complying.

3. Market place practices

Kitale Municipality has directed its efforts to:

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

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

c) Responsible marketing and advertisement

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

d) Product stewardship

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

4. Community Engagements

We involved the community in preparation of the fiscal strategy paper to give them a chance to decide on their preferred projects thus having a public forum. We also did elections for grievance Redress committee (GRC) and Settlement Executive Committees from our five wards touching the Municipality through public participation.

On charity, food was donated to Bahati Home for the aged.

The Kitale Municipality promoted sports, through participation in the Kenya Inter - County Sports and Culture Association KICOSCA 2021 post mortem, introductory and event preparation for 2022.

10. Report of the Kitale Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of Kitale Municipality affairs.

Principal activities

The principal activities of the Kitale Municipality are to provide quality physical infrastructure, governance mechanism for efficient and management of the affairs by the inhabitants of the municipality.

Performance

The performance of the Kitale Municipality for the year ended June 30, 2022 are set out on page 1-5.

Board Members

The members of the Board who served during the year are shown on page VII- XI. The changes in the Board during the financial year are as shown below:

Changes in the Municipality during the year (the board or key management team)

The CECM Hon Christine Tanguli was transferred while CECM Bonface Wanyonyi came in her place. The Chief Officer MS Linekar Bwile took over from MS Susan Ngera.

Surplus remission

The entity did not remit any surplus since it is a non-profit making entity.

Auditors

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

By Order of the Board


.....

Name: CS. NJONGESA P.M.

Secretary to the Board

11. Statement of Management's Responsibilities

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

The Kitale Municipality manager is responsible for the preparation and presentation of the Kitale Municipality's financial statements, which give a true and fair view of the state of affairs of the Kitale Municipality for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kitale Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Kitale Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Kitale Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Kitale Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Kitale Municipality's transactions during the financial year ended June 30, 2022, and the financial position as at that date.

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

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

Approval of the financial statements

The Kitale Municipality's financial statements were approved by the Board on 27 September, 2022 and signed on its behalf by:

.....

Name:

Chairperson of the Board

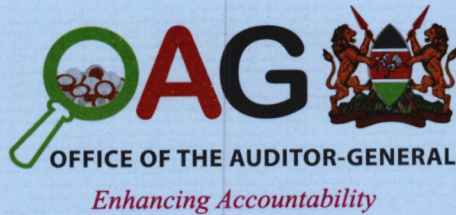

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Name: CS. NTONGESA P.M.

Accounting officer of the Board

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF KITALE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Municipality of Kitale set out on pages 28 to 58, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other

Report of the Auditor-General on Municipality of Kitale for the year ended 30 June, 2022

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Municipality of Kitale as at 30 June, 2022, 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 do not comply with the Public Finance Management Act, 2012 and Urban Areas and Cities Act No. 13 of 2011.

Basis for Adverse Opinion

1. Failure to Provide Ledgers

The general ledgers for following components reflected in the statements of financial performance and financial position were not provided for audit.

Component	Amount (Kshs.)
Transfer from County Government	19,500,000
Imprest Re-banked	67,420
Restricted Grants - Taskforce Inquiring to Public Land Money	10,579,190
Use of Goods and Services	10,411,986
Board Expenses	3,780,800
Taskforce	7,288,980
Cash Recovered from Double Pay-to be Transferred	700,000
Property, Plant and Equipment (Business Park) WIP	476,461,816
Bara Bara Mpya Road Upgraded	108,295,110
Trade and Other Payables	43,910,833

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

2. Inaccuracies in Financial Statements

The financial statements presented for audit had the following inaccuracies;

- 1.1. The statement of financial performance reflects Kshs.nil development grants while Note 2 reflects Kshs.77,483,918, the amount is also omitted from the statement of changes in net assets;
- 1.2. The statement of financial performance reflects Kshs.nil comparative development grants received while Note 2 reflects Kshs.299,106,900;
- 1.3. The statement of financial performance reflects restricted grants of Kshs.10,579,190 and task force expenditure of Kshs.7,288,980 which are not supported by a note to the financial statements;
- 1.4. The statement of financial performance reflects total expenses of Kshs.21,491,426 while casting revealed Kshs.21,481,766 resulting to an unexplained variance of Kshs.9,660;

- 1.5. The statement of financial performance reflects surplus of Kshs.8,021,196 while casting revealed Kshs.8,664,844 resulting to an unexplained variance of Kshs.643,648;
- 1.6. The statement of financial performance reflects surplus of Kshs.8,021,196 while the statement of financial position reflects Kshs.86,148,762 resulting to an unexplained variance of Kshs.78,127,566
- 1.7. The statement of financial performance reflects surplus of Kshs.8,021,196 while the statement of changes in net assets reflects Kshs.82,858,552 resulting to an unexplained variance of Kshs.74,837,356;
- 1.8. The statement of financial performance reflects comparative deficit of Kshs.15,767,028 while the statement of changes in net assets reflects surplus of Kshs.283,339,872 resulting to an unexplained variance of Kshs.299,106,900;
- 1.9. The statement of cash flows reflects receipts from capital grants of Kshs.77,483,918 which is omitted from the statement of changes in net assets;
- 1.10. The statement of financial position reflects accumulated surplus balance of Kshs.585,726,552 while statement of changes in net assets reflects Kshs.668,585,104 resulting to an unexplained variance of Kshs.82,858,552;
- 1.11. The statement of financial position reflects total net assets and liabilities balance of Kshs.715,152,156 while statement of changes in net assets reflects Kshs.881,138,887 resulting to an unexplained variance of Kshs.165,986,731;
- 1.12. The statement of financial position reflects comparative total net assets and liabilities balance of Kshs.667,187,047 while statement of changes in net assets reflects Kshs.576,497,046 resulting to an unexplained variance of Kshs.90,690,001;
- 1.13. The statement of changes in net assets reflects capital/development grants/fund balances of Kshs.71,358,441 as at 01 July, 2020 and Kshs.274,110,366 as at 30 June, 2021 which were omitted from the previous years' financial statements;
- 1.14. The statement of changes in net assets reflects capital/development grants/fund balances of Kshs.126,405,021 which was wrongly casted;
- 1.15. The statement of cash flows reflects PPE business complex park balance of Kshs.122,205,529 which is omitted in Note 8 to the financial statements;
- 1.16. The statement of cash flows has not been adjusted for trade and other payables balance of Kshs.37,549,662.
- 1.17. The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.376,590,818 while casting revealed Kshs.357,106,900 resulting to unexplained variance of Kshs.19,483,918;
- 1.18. The statement of comparison of budget and actual amounts reflects actual on comparable basis expenditure of Kshs.14,192,786 while casting revealed Kshs.14,202,446 resulting to unexplained variance of Kshs.9,660;

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

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.376,590,818 and actual on comparable basis of Kshs.96,983,918 resulting to an under-funding of Kshs.260,122,982 or 73% of the budget. Similarly, the Municipality spent Kshs.14,192,786 against an approved budget of Kshs.39,620,000 resulting to an under-expenditure of Kshs.25,417,554 or 64% of the budget.

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

2. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised. However, no report or recommendations from the County Assembly Management and Oversight bodies were submitted for audit verification and clearance. Further, the issues remain unresolved contrary to Section 149(2)(i) of the Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Incomplete Multi-Storey Business Complex

The contract for construction of multi storey business complex building was awarded at a contract sum of Kshs.874,280,383 on 07 June, 2018 for twenty-five months ending on 07 July, 2020. However, physical verification in November, 2022 revealed that the project was incomplete with only 70% of estimated works done. In addition, the number of lockable shops was reduced by 222 from 586 to 364, external and internal walling estimated at cost of Kshs.38,717,682 were constructed using concrete blocks instead of natural stonework, while steel doors instead of louvred double leaved doors were fitted without approval. Further, works initially estimated at Kshs.139,400,000 were varied by Kshs.81,150,000 or 49% from Kshs.139,400,000 to Kshs.208,945,123 without approval by the Evaluation Committee and the Accounting Officer. Also, there was no evidence of measurement of works paid at Kshs.315,038,427.

In the circumstances, value for money on the construction of multi storey business complex building awarded at a contract sum of Kshs.874,280,383 could not be confirmed.

2. Irregularities in Upgrading of Barabara Mpya – Mitume Road

The upgrading of Barabara Mpya – Mitume Road (1.75KM) to bitumen standards was awarded and paid at Kshs.108,295,110. However, the bid documents for the seven (7) firms and original payment vouchers were not provided for audit. It was noted that the performance bond expired on 11 August, 2021 but the contractor was engaged until 17 November, 2021 and retention money was paid on 15 February, 2022 being three (3) months before the expiry of six (6) months defect liability period. In addition, physical verification revealed upgrading of only 1.6 kilometers not 1.75 kilometers resulting to a difference of 150 meters estimated at Kshs.9,282,450 and also, works estimated at Kshs.2,618,300 were not undertaken. Further, substandard works were noted in installation of culverts, drainage, painting, manholes, kerbs, channel blocks to road, footpaths and shoulders estimated at Kshs.21,089,000.

In the circumstances, value for money in upgrading of Barabara Mpya – Mitume Road to bitumen standards at Kshs.108,295,110 could not be confirmed.

3. Irregular Expenditure on Taskforce

The statement of financial performance reflects task force expenditure of Kshs.7,288,980 for inquiry into public land which had no budget provision. The task force report indicated that only one hundred and twenty-three (123) parcels of public land were within Kitale Municipality which varied with the one thousand, four hundred and three (1,403) parcels of land reflected in the valuation roll of year 2006. This is indicative that the taskforce may not have prepared a comprehensive inventory, data and information of all public land in the county as mandated by the Kenya Gazette Notice Vol.CXXIII-No.137 dated 25 June, 2021.

In the circumstances, value for money on task force expenditure of Kshs.7,288,980 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Government is aware of the intention to terminate the Municipality or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process, reviewing the effectiveness of how Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Municipality to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Municipality to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 April, 2023

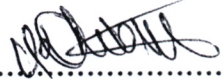
13. Statement of Financial Performance for The Year Ended 30 June 2022.

Receipts from non-exchange transactions				
Transfers from the County Government	1	19,500,000		
Development Grants received	2			
Recurrent Grants received	2		8,800,000	
Imprest Re-banked	3	67,420	11,000	
<i>Restricted grants-Task force inquiring to Public Land Money</i>	3	10,579,190		
Total revenue/ receipts		30,146,610	8,811,000	
Expenditure				
Use of goods and services	4	10,411,986.35	18,739,688	
Staff costs			3,636,300	
Board expenses	5	3,780,800	2,191,100	
Task force		7,288,980		
Total expenses		21,491,426.35	24,578,028	
Surplus/(deficit) for the period		8,021,195.65	(15,767,028)	

The notes set out on pages 48 to 52 form an integral part of these Financial Statements. The entity financial statements were approved on 27 September, 2022 and signed by:



Name: CS Nyongesa M. Patrick
 Kitale Municipality Manager




Name: Caroline Chebet
 Accountant
 ICPAK M/No 26048

County Government of Trans Nzoia
 Kitale Municipality
 Annual Report and Financial Statements for the year ended June 30, 2022

14. Statement of Financial Position as at 30 June 2022

Statement of Financial Position			
Assets			
Current assets			
Cash and cash equivalents	6	129,695,230.25	274,110,365.90
Cash recovered from double pay- to be transferred	7	700,000.00	700,000.00
Total current assets		130,395,230.25	274,810,365.90
Non-current assets			
Property, plant, and equipment(business park) WIP	8	476,461,816	392,376,681.00
Bara bara mpya Road upgraded	8	108,295,110.00	
Total Non-current Assets			
Total assets		715,152,156.25	667,187,047
Liabilities			
Current liabilities			
Trade and other payables	9	43,910,833.23	81,460,495.00
Non-current liabilities			
Total liabilities		43,910,833.23	81,460,495.00
Net assets			
Capital/Development Grants/Fund			
Surplus for the period		86,148,761.65	283,339,872
Accumulated surplus		585,726,552.00	302,386,680
Adjustment depreciation		(633,988)	
Total net assets and liabilities		715,152,156.25	667,187,047.00

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 27 September, 2022 and signed by:

.....

 Name: *ANTHONY A P. M.*
 Kitale Municipality Manager
 Date:

.....
 Name:
 Accountant
 ICPAK M/No 26048
 Date

15. Statement of Changes in Net Assets as at 30 June 2022

Balance as at 1 July 2020	71,358,441		0	71,358,441
Surplus/(deficit) for the period			302,386,680	302,386,680
Revaluation gain	0		0	0
Balance as at 30 June 2021	274,110,365.90		302,386,680	576,497,045.90
Surplus/(deficit) for the period			283,339,872	
Balance as at 1 July 2021			585,726,552	712,131,573.25
Surplus/(deficit) for the period			82,858,551.65	
Adjustment for depreciation	0	0	(633,988)	0
Balance as at 30 June 2022	126,405,021.25		668,585,103.65	881,138,886.55

We don't have reserves.



.....
 Name: CS. ANTONIETA P. M.
 Kitale Municipality Manager



.....
 Name:
 Accountant
 ICPAK M/No 26048

County Government of Trans Nzoia
 Kitale Municipality
 Annual Report and Financial Statements for the year ended June 30, 2022

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

Statement of Cash Flows for The Year Ended 30 June 2022			
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	19,500,000	
Cash re-banked (imprest)	3	67,420	11,000
Taskforce inquiring to public Land Money	3	10,579,190	
Total Receipts		30,146,610	11,000
Payments			
Use of goods and services	4	10,411,986.35	18,739,688
Staff costs			3,636,300
Over deducted tax	9	63,258	
Board expenses	5	3,780,800	2,191,100
Bank Charges			10,940
Taskforce expenditure	6	7,288,980	
Total Payments		21,545,024.35	24,578,028
Net cash flows from operating activities		8,601,585.65	24,567,028
Cash flows from investing activities			
PPE business Complex park	8	122,205,529.3	114,967,406
Upgraded road- Bara Bara Mpya	8	108,295,110	
Net cash flows used in investing activities		221,899,053.65	114,967,406
Cash flows from financing activities			
Receipts from Capital grants	2	77,483,918	307,906,900
Net cash flows used in financing activities		144,415,135.65	
Net increase/(decrease) in cash & cash equivalents		(144,415,135.65)	202,751,925
Cash And Cash Equivalents At 1 July, 2021		274,110,365.90	71,358,441
Cash And Cash Equivalents At 30 June, 2022		129,695,230.25	274,110,365.9
Municipality Bank Balances		129,695,230.25	274,110,365.9

Included in the Bank Balances is Kshs 3,290,210 for Lands Taskforce.

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

The above assumes direct method)

.....
 Name: *C. H. HONORE*
 Kitale Municipality Manager

.....
 Name:
 ACCOUNTANT ICPAK M/No 26048

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

	A	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue/ incomes		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	299,106,900	0	299,106,900	77,483,918	221,622,982	26%
Counterpart contribution	58,000,000		58,000,000	19,500,000	38,500,000	33.6%
Total Revenue	376,590,818		376,590,818	96,983,918	260,122,982	25.7%
Expenses						
Use of goods and services	29,600,000		29,600,000	10,411,986.35	19,188,013.65	35%
Board expenses	10,000,000		10,000,000	3,780,800	6219200	38%
Staff Costs	12,500,000		0	0		0%
Bank charges	20,000		20,000	9,660	10,340	48%
Total Expenditure	52,120,000		39,620,000	14,192,786.35	25,417,553.65	35.8%
Surplus for the period	299,106,900		336,970,818	82,791,131.65	254,179,687	
Capital Expenditure	358,361,900		358,361,900	230,692,742.16	127,669,157.9	60%

Staff salaries are currently paid from mother department.

Budget notes

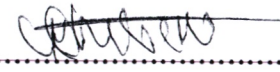
We did not receive the budget amounts expected from both the funders and the County Government this is the reason for the under absorption.



.....
Name: C. N. LONGBA P.M.

Kitale Municipality Manager

Date:



.....
Name:

Accountant

ICPAK M/No 26048

Date:

18. Notes to the Financial Statements

1. General Information

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

The entity's principal activity is to provide quality physical infrastructure, governance mechanism for efficient and accountable management of the affairs by the inhabitants of the Municipality.

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 is in conformity with International Public Sector Accounting Standards (IPSAS) which 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 Kitale Municipality.

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

County Government of Trans Nzoia

Kitale Municipality

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

(Notes to financial statements continued)

3. Application of New and revised standards (IPSAS)

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

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

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

County Government of Trans Nzoia

Kitale Municipality

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

IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>not relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not relevant</i></p>

iii. Early adoption of standards

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

(Notes to financial statements continued)

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Kitale Municipality and can be measured reliably.

ii) Revenue from exchange transactions

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

b) Budget information

The original budget for FY 2021/22 was approved by the County Assembly on 1 May, 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The Kitale Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial

(Significant accounting policies continued)

statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment *include the stores*

All property, plant and equipment are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Kitale Municipality recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible assets

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

(Significant accounting policies continued)

e) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

(Significant accounting policies continued)

Evidence of impairment may include the following indicators:

- *The debtors or an entity of debtors are experiencing significant financial difficulty*
- *Default or delinquency in interest or principal payments*
- *The probability that debtors will enter bankruptcy or other financial reorganization*
- *Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)*

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

(Significant accounting policies continued)

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

(Significant accounting policies continued)

g) Provisions

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

h) Contingent liabilities

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

i) Contingent assets

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

(Significant accounting policies continued)

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

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

Changes in accounting policies and estimates

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

k) Employee benefits – Retirement benefit plans

The Kitale Municipality provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the County Government as a matter of policy manages centrally.

l) Foreign currency transactions

Currently Kitale Municipality does not transact directly in foreign currency.

(Significant accounting policies continued)

m) Borrowing costs

The Kitale Municipality has no borrowing in the year under review.

n) Related parties

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

o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank,. 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.

p) Comparative figures

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

(Significant accounting policies continued)

q) Events after the reporting period

The Kitale Municipality has no adjusting and non- adjusting events after the reporting period.

r) Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Kitale Municipality's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, there were no material judgements , estimates and assumptions that were made in the preparation of the financial statements under review.

(Notes to the Financial Statements)

1. Transfers from the County Government

counterpart contribution - Recurrent		19,500,000	0
Total		19,500,000	0

Kitale Municipality received ksh 5,000,000 in July 2021 for the previous financial year and kshs 14,500,000/= for the first quarter of FY 2021/2022 totaling to kshs 19,500,000.

2. Grants received , revenue from Non-Exchange Transactions

Recurrent Grants received		0	8,800,000
Development Grants received		77,483,918.00	299106900
Total		77,483,918.00	307,906,900

This is the Money received from our development partner's world Bank Project under the Kenya Urban Support Program (KUSP).

3. Cash rebanked

Income from sale of tender documents			
Imprest re – bank			11,000
Imprest re – bank Patrick Nyongesa		14,000	
Imprest re – banked Edith Barasa		11,200	
Imprest re – bank Patrick Nyongesa		11,200	
Imprest re – bank Patrick Nyongesa		11,200	
Transport reimbursement reversed due to dormancy		19,800	
Total other income		67,420	11,000

Other incomes relate to imprest paid to staff attending a training organised by World bank on Social and Environmental issues. They were reimbursed the quarter per diems by Kenya Urban Support Program and so necessitating the refund. Included in this also is transport Reimbursement paid to a Board Member Mr Peter Chemengich whose account was Dormant and the system declined to credit the account thus reversal amounting to Kshs. 19,800.

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(Notes to the Financial Statements (Continued))

4. Use of Goods and Services

Description	2021/2022	2020/2021
	Kshs	KShs
Office utilities- water	782,551.75	350,000
subscription / Staff and Board Members Training	249,600	12,740,000
Fuel, oil & lubricants	279,676	70,000
Printing (a) supplies and services	58,610	528,568
(b) Advert on Barabara Mpya Contract	85,503.60	216,920
Event facilitation	432,000	466,000
catering	169,540	
Operationalization of Bondeni market expenses	690,500	763,950
Public forum	204,000	3,371,250
Evaluation cost on Bara bara mpya contract		233,000
Donation Bahati home for the aged	144,590	
Foreign travel and subsistence	605,745	
Domestic travel and subsistence	6,388,010	
Routine maintenance – other assets bus park	91,000	
ESIA CERT: Bara bara mpya	100,000	
Removal of illegal structures expenses	121,000	
Bank charges	9,660	10940
Totals	10,411,986.35	18,750,629.00

5. Board expenses

Sitting allowances	1,288,000	863,000
Travel and accommodation	2,263,800	1,328,000
Conference Costs	229,000	
Total	3,780,800	2,191,000

(Notes to the Financial Statements Continued)

6. Cash and cash equivalents

Equity bank operations a/c 0330279238289- Recurrent	345,681.60	459,059.5
Equity bank operations A/C 0330278998033- development	120,442,482.16	273,651,306.44
SBM BANK Kitale municipality board recurrent A/C 0402381879001	5,616,857.25	0
SBM BANK Taskforce balances A/C 0402381879001	3,290,210.00	0
Special Purpose Account 1000376996	0	0
Total cash and cash equivalents	129,695,230.25	274,110365.9

Kshs 8,907,067.25 is the SBM bank balance in Kitale Municipality Board Recurrent A/C 0402381879001 which includes Kshs. 3,290,210/= for the public land task force.

7. Current portion of Receivables / sundry Debtors

Description	2020/2021	2019/2020
	kshs	KShs
Current Receivables		
Balance b/f	700,000	700,000
Imprest issued during the year	0	2,000,000
Less: portion of imprest surrendered	0	(1,300,000)
Total Current receivables	700,000	700,000

(Notes to the Financial Statements Continued)

8. Property, Plant and Equipment

As at 30th June 2021	0	0	0	262,456	838,500		390,958,731	392,376,681
Additions	0	108,295,110	0	299,950	1,118,000	0	84,719,123	193,014,233
Depreciation journal corrections 2020-2021	0	0	0	(37,494)	(279,500)	0	0	(316,994)
Depreciation- journal corrections 2021/22	0	0	0	(37,494)	(279,500)	0		(316,994)
Transfer/adjustments	0	0	0	0	0	0	0	0
As at 30th June 2022	0	108,295,110	0	224,963	559,000	0	475,677,854	584,756,926

Depreciation of furniture is at the rate of 12.5%, computers at 25%, on straight line basis over its useful life. Construction of the Multi Complex Business centre is not complete and payments made were based on work certified. The guidelines on Asset and Liability management in the public sector for March 2020 on appendix 4 schedule of useful lives and Depreciation overview Part 114 no. 13 proposes that no depreciation nor useful lives is applicable to work in progress.

(Notes to The Financial Statements Continued)

9. Trade and other payables.

Accrued taxes- Vat 6% and 2% Shiv co	0	1,973,044	
GTON Co. Ltd 2% vat	31,631	31,631	
GTON Co. Ltd Vat difference	0	63,258	
10% retention money- shiv co.	38,547,773.65	25,800,285.65	
Eden Wilsons	5,331,428.57	5,331,428.57	
SHIV construction co ltd- Cert.5		48,260,848.00	
Total trade and other payables	43,910,833.22	81,460,495.00	

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(Other Disclosures continued)

I. Capital risk management

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

Revaluation reserve		
Capital/Development Grants/Kitale Municipality	77,483,918	302,386,680
Accumulated surplus	585,726,552	283,339,872
Period surplus	(8,021,195.65)	
Total Funds	655,189,274.35	585,726,552
Total borrowings		
Less: cash and bank balances	(126,405,021.25)	(274,110,365.9)
Net debt/(excess cash and cash equivalents)	528,784,253.1	311,616,186
Gearing	80 %	53 %

19. Annexes

Annex 1. Progress on Follow up of Auditors Recommendations.

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

OAG/WRO/MUN.KIT/2020/2021/(44)	Unsupported work in progress			
OAG/WRO/MUN.KIT/2020/2021/(44)	Inaccuracies in Property, plant and equipment	Depreciation has been corrected through journal entries Dr: PPE CR: accumulated surplus	resolved	N/A
OAG/WRO/MUN.KIT/2020/2021/(44)	Undisclosed Bank Accounts	The accounts are disclosed in this report.	Resolved	N/A
OAG/WRO/MUN.KIT/2020/2021/(44)	Incorrect recognition of development grants	The corrections are done on financial statement of 2021/22	Resolved	N/A
OAG/WRO/MUN.KIT/2020/2021/(44)	Budgetary control and performance	. Kshs.24,567,028 was the total expenditure on Recurrent. Kshs.114,967,406 was		

		<p>payment in respect to Development. Giving a total expenditure of 139,545,434 thus an under expenditure of Kshs.168,372,466 which is equivalent to 54% under-expenditure. The construction of the Multi-storey business complex is paid based on work certified hence we could not have paid more during the period</p>			
OAG/WRO/MUN.KIT/2020/2021/(44)	<p>Non-compliance with Public Sector Board in the presentation of the financial Statements</p>	<p>(i) Financial Statements are duly signed by the Chairperson and the Secretary to the Board.</p>			




			(ii) Corrections have been made on the statements for changes in Net Assets in conformity to the requirement of the Public Sector Accounting standards Board		
			(iii) The statement of comparison and actual amounts reflects the figures under performanc		

		e differences and percentage		
OAG/WRO/MUN.KIT/2020/2021/(44))	Late Submissions of financial Statements	We endeavour to be submitting on time going forward		✓
OAG/WRO/MUN.KIT/2020/2021/(44))	Long outstanding sundry Debtors	The imprest of kshs.700,000 has been fully recovered from the Officer's Salary, process of forwarding to the operations Account are on-going in the payroll section.		
OAG/WRO/MUN.KIT/2020/2021/(44))	Non- compliance of Staff ethnicity	The CECM and Chief Officer for Lands are Members of the Board automatically While the Municipal Manager is the Secretary to the Board. The Composition of the Board is as follows		

			Shaban Werunga- Luuya Alice Mwai-Kikuyu Ann Tulienge-Luuya David Lagat-Nandi Peter Chemengich- Sabaoti Martin Waliaula- Luuya	

Guidance Notes:

- a) We have not received the external auditors report for the previous financial year 2020-2021 to help us make any comment.
- b) The external auditors report for the financial year 2019-2020 had raised no issue.

 CS NTONG'ENA P. M.

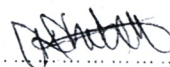
To be Signed by the Accounting officer of the Entity

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Annex 2: Inter Entity Transfers

FY 2021/2022				
a.	Recurrent Grants	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
			0	Not received
b.	Development Grants	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
		17 march,2022	77,483,918	2020-2021
		Total	77,483,918	

(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