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REPORT

OF

THE AUDITOR-GENERAL

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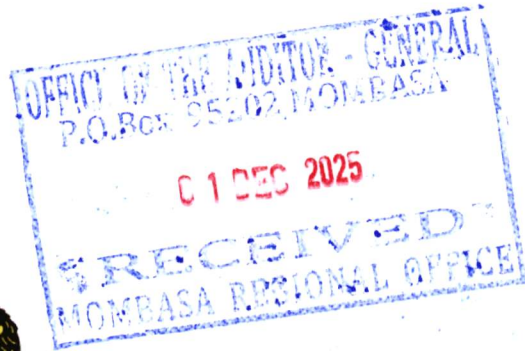
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MUNICIPALITY OF VOI

FOR THE YEAR ENDED
30 JUNE, 2025

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THE MUNICIPALITY OF VOI
County Government of Taita Taveta

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

County Government of Taita Taveta
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1. Acronyms and Definition of Key Terms

A. Acronyms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act

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

The Municipality of Voi is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(Revised 2022) and Municipal Charter on 13th June 2023. The Municipality is under the County Government of Taita Taveta and is domiciled in Kenya.

b) Principal Activities

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

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices); and
- xvii. Promoting and undertaking infrastructural development and services within the Municipality.

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c) Key Management

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

- a) County Department in charge of The Municipality of Voi
- b) Board of Management
- c) Accounting Officer/ The Municipality of Voi Manager
- d) Management

Board of Management

Ref	Position	Name
1.	Chairman	Rev. Godfrey Mwanjulu
2.	Vice Chair	Emily Mbashu
3.	Member	Benard Mnjala
4.	Member	Wilson Mwakesi
5.	Member	Ahmed Itambo
6.	Member	Idris Mwakio
7.	CECM Lands	Christine Zighe Mwashighadi
8.	CCO Lands	Jimmy Megrori Mtawa
9.	Municipal Manager	CS Rachel Mwadime

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Ref	Position	Name
1.	The Municipality Manager	CS. Rachel Mwadime
2.	Accountant	CPA. Ramla Babu
3.	Procurement Officer.	Lydia Mjomba

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e) Fiduciary Oversight Arrangements

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

f) Registered Offices

P.O. Box 31 - 80300
The Municipal Building
Kariokor Road
VOI, KENYA

g) Contacts

Telephone: (+254) 790604669
E-mail: voimunicipality@gmail.com

h) Bankers

Equity bank account number 0790284839656
Voi Branch.
Njiiri Plaza
P.O Box 325-80300
VOI

i) Independent Auditor

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

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j) Principal Legal Adviser

The County Attorney

County Government of Taita Taveta



Governors' Office

P.O. Box 1066 - 80304



Wundanyi, Kenya

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3. The Municipality of Voi Board

Serial No.	Name	Details of qualifications and experience
1	 <p>Rev. Godfrey Mwarema Mwanjulu</p>	<p>BOARD CHAIRMAN Date of Birth: 20/04/1962 Contacts: 0720795777 Master of Development Studies from St. Pauls University. Bachelor of Divinity from St. Pauls University. Active priest since 1997. 2022 to date: Consultancy in Strategic Planning Partnering with AGILE Consulting. Football coach, trainer and technical director in cultural and community activities, gender and social justice.</p>
2	 <p>Ms. Emily Mbashu</p>	<p>BOARD MEMBER/DEPUTY CHAIR Date of Birth: 27/10/1952 Contacts: 0723360458 Committee Chair – Audit, Governance and Risk Management Committee Committee Member – Urban Planning, Transport and Infrastructure Committee Government Secretarial 1972-1988: Ministry of Lands and Settlement 1989-1999: Ministry of Labour (Judges Chambers) 2000 - to retirement: Department of Defence Commandants Office 2015-2017: Board Member TAVEVO 2016-2018: Chairperson Board of Directors at Kenya Redcross Taita Taveta</p>


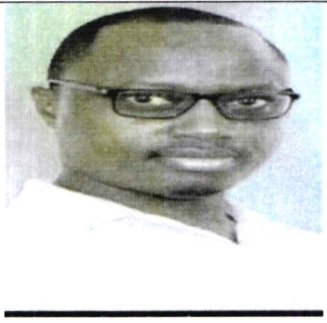

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		<p>2015-2017: Diploma in County Governance from Taita Taveta University</p> <p>1977-1978: Business English, Commerce and Office Management from Kenya Polytechnic</p>
3	 <p>Mr. Benard Mnjala</p>	<p>BOARD MEMBER</p> <p>Date of Birth: 10/10/1964</p> <p>Contacts: 07790604669</p> <p>Committee Chair – Municipal Services, Trade and Investment Committee</p> <p>Committee Member – Finance, Strategy, Human Resource Management and Administration Committee</p> <p>Higher Diploma in Medical Education from KMTC</p> <p>Diploma in Registered Community Health Nursing</p> <p>Senior Management Course at KSG</p> <p>Has worked as a Registered Community Health Nurse till retirement in 2022</p>
4	 <p>Mr. Ahmed Kilui Itambo</p>	<p>BOARD MEMBER</p> <p>Date of Birth: 17/09/1985</p> <p>Contacts: 07790604669</p> <p>Committee Chair – Urban Planning, Transport and Infrastructure Committee</p> <p>Committee Member – Municipal Services, Trade and Investment Committee</p> <p>Committee Member – Audit, Governance and Risk Management Committee</p> <p>BSc. Information Systems and Technology [honors] from USIU</p> <p>Experience</p> <ul style="list-style-type: none"> - Database Administrator Dhanush info tech as a Oracle Technically Consultant, [IFMIS] trainer 2012. -Lecturer at Kenya Polytechnic 2011.

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		-Farmer in Agri-business from 2013 to date -Offers Outside Catering services from 2016 to date.
5	 Mr. Idris Mwakio Rajab	BOARD MEMBER Date of Birth: 06/04/1990 Contacts: 0722590219 Committee Member – Finance, Strategy, Human Resource Management and Administration Committee Bachelor of Social Sciences from University of Nairobi Sales Manager with various institutions since 2000 to April 2024. Regional Manager Sun king- Mountains May 2024 to date,
6	 CPA Wilson Mwakesi	BOARD MEMBER Date of Birth: 25/11/1984 Contacts: 0728766062 Committee Chair – Finance, Strategy, Human Resource Management and Administration Committee Committee Member – Urban Planning, Transport and Infrastructure Committee Bachelor of Commerce- Finance and banking Certified Accountant CPA-K Member Experience: 15 years' experience in Finance, Banking and Accounting

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<p>7</p>	 <p>Christina Zighe Mwashighadi</p>	<p>CECM Lands Date of Birth: 17/10/1982 Contacts: 0717216288 County Executive Committee Member (CECM) Lands, Physical Planning, Mining & Urban Development Bachelor of Project Planning and Management (UoN) Diploma in Education Management (UoN) – Experience: 4 Years work experience in Education and Management</p>
<p>8</p>	 <p>Jimmy Megrori Mtawa</p>	<p>CCO - Lands Date of Birth: 8/12/1985 Contacts: 0720366122 Bachelor of Laws (LLB)- University of London Bachelor of Science in Criminology & Security Management-Dedan Kimathi University of Technology Diploma in Security Management-Kenya Institute of Studies in Criminal Justice Experience-: Over 10 years working experience in Law Enforcement and Correctional Services</p>
<p>9</p>	 <p>CS. Rachel Mwadime</p>	<p>MUNICIPALITY MANAGER Bachelor of Commerce degree (Human Resource option). Certified Secretary Member of ICS(K) membership No. 2860 Senior management training KSG Performance Management Accreditation Course KSG With over 24 years' working experience in public sector CPSB Board Secretary from October 2019-2024 July 2024. Ag. CCO in the department of Devolution Public Service and Administration for a period of one year January 2018 – January 2019 County Coordinator and Team leader Performance management 2016 - 2017</p>

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		Joined public service in year 2000 in the Municipal Council of Voi, under the Town Clerk's office as an Administrative Officer until 2013 when transited to County Government.
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4. Key Management Team

Serial No.	Name	Details of qualifications and experience
1.	 CS. Rachel Mwadime	<p>MUNICIPALITY MANAGER</p> <p>Bachelor of Commerce degree (Human Resource option). Certified Secretary Member of ICS(K) membership No. 2860 Senior management training KSG Performance Management Accreditation Course KSG With over 24 years' working experience in public sector CPSB Board Secretary from October 2019-2024 July 2024.</p> <p>Ag. CCO in the department of Devolution Public Service and Administration for a period of one year January 2018 – January 2019 County Coordinator and Team leader Performance management 2016 - 2017 Joined public service in year 2000 in the Municipal Council of Voi, under the Town Clerk's office as an Administrative Officer until 2013 when transited to County Government.</p>
2.	 CPA. Ramla Babu	<p>SENIOR ACCOUNTANT</p> <p>Bachelor of Commerce- Finance option Certified Accountant CPA-K Member number 27763 Senior management training KSG Over 20 years' experience</p> <ul style="list-style-type: none"> -Accountant in various Departments 2021-2025 -Sub-county revenue officer 2018-2021 -Voi sub-county accountant 2014-2018 -Taita -Taveta County Audit clerk 2013-2014 -Voi Municipal main cashier 2013 -Voi Municipal Procurement/Supplies officer 2011-2013 -Voi Municipal Revenue Section 2005-2011

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<p>3.</p>	 <p>Lydia Samba Mjomba</p>	<p>PROCUREMENT OFFICER Diploma in Supplies Management IFMI Training at KSG Experience: 12 years total working experience with 4 years' experience in public sector. - Procurement officer in the Department of Education 2024. - Clerical Officer in the ministry of Devolution Public Service and Administration.2020-2023 -Store Controller New Generation Self-Service Ltd 2017-2020 - Procurement Officer at Voi Boys High School 2016-2017 - Librarian at Tsavo Institute of Technology 2013- 2016</p>
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5. The Municipality of Voi Board Chairperson's Report

Foreword

On behalf of the Voi Municipality Board, I am pleased to present this report for the financial year 2024/2025. This year has been marked by significant progress in delivering our mandate of enhancing urban governance, infrastructure, and service delivery to the residents of Voi. Despite economic and environmental challenges, the Board has remained steadfast in providing policy direction and oversight to ensure alignment with the Municipality's strategic objectives.

i) Key Successes

- a) **Urban Infrastructure:** Oversight of the ongoing construction of the Voi Modern Market, which is currently on its initial stage, and upgrading of access roads and drainage systems within CBD and Bondeni.
- b) **Governance & Participation:** Convened quarterly meetings and facilitated at least three public participation forums, enhancing transparency and inclusivity in decision-making.
- c) **Environmental Initiatives:** Supported the expansion of waste management coverage from 60% to 75%, as well as tree planting initiatives across municipal open spaces.
- d) **Revenue Reforms:** Oversaw the improvement of automated revenue systems, which reduced leakages and enhanced compliance in own-source revenue.

ii) Review of Board's Performance

The Board provided effective oversight across the Municipality's programs, ensuring compliance with the Urban Areas and Cities Act, 2011. Through collaboration with the Municipal Manager and technical staff, the Board maintained proper governance structures and aligned programs with the Annual Development Plan. Strategic partnerships, including World Bank-supported projects such as KISIP II, were closely monitored for impact and value-for-money outcomes.

iii) Challenges Faced

- a) Limited financial resources and delays in budget disbursement, which slowed down project implementation.
- b) Rapid urbanization creating pressures on land use planning, waste management, and public utilities.
- c) Capacity gaps within technical departments, affecting the pace of service delivery.

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iv) Changes in the Board

During the year, the Board lost a member who was also the vice chair of the Board, thus creating a gap in the representation of women in governance. Additionally, the Municipality's management team was restructured to improve efficiency in general service delivery.

v) Future Outlook

Looking ahead, the Board is committed to:

- a) Completing the Voi Modern Market and scaling up road and drainage infrastructure.
- b) Expanding e-governance systems and strengthening financial oversight.
- c) Promoting green growth initiatives, including solar lighting, eco-friendly waste management, and green public spaces.
- d) Enhancing partnerships with the County Government, private sector, and development partners to address funding gaps.

The Board remains dedicated to ensuring transparency, accountability, and inclusivity as guiding principles for sustainable urban development.

Sign: 

Name: Rev. Godfrey Mwanjulu

Chairperson of the Board

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6. Report Of the Municipality Manager

It is my pleasure to present the Municipality of Voi Board 2024-2025 Financial Statements for the period ended 30th June 2025. The financial statements present the financial performance of the Municipality of Voi for one year.

The Municipality of Voi was conferred a charter as per the powers conferred by section 9(1) and 9(4) 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), gazetted on 4th August 2023 in Kenya Gazette notice No.10135.

a) Financial Performance

i) Income

For the financial year 2024-2025, the Municipality had an initial opening bank balance of Kshs 43,292 and it had a closing balance of Kshs 3,107. The municipality had projected revenue from exchequer issue amounting to Kshs 6,945,000 however, the municipality received Kshs 2,947,217 through its bank account and had direct payments of goods and services procured through IFMIS e-procurement of ksh. 3,692,150, this lead to total transfers from the county government to Kshs. 6,639,367 which resulted to a 96% total release.

ii) Expenditures

The total financial year expenditures were Kshs 6,947,882 which excluded 2023-2024 payables of kshs. 35,500 while including 2024-2025 payables of Kshs 303,830, 2024-2025 actual payments through equity bank account Kshs 2,987,402 and goods and services procured through IFMIS e-procurement ksh. 3,692,150 resulting to a 96% total expenditure absorption rate.

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Table 1: The tables below shows an analysis of expenditure through equity bank account and direct payments on behalf of the municipality of Voi during the year ending 30th June, 2025.

Expenditures	Amount (Kshs)
2023-2024 payable	(35,500)
Payments through Equity bank account	2,987,402
Direct payments IFMIS e-procurement	3,692,150
2024-2025 payable	303,830
2024-2025 Total Year expenditure	6,947,882

b) Physical Progress

The Municipality of Voi was gazetted on August 2023 and its Board appointed on April 2024. Since the incoming of the Board, the Board has held quarterly meetings as per the requirement of the Urban Areas and Cities Act. This has enabled a smooth operation of the municipality in the provision of service delivery despite the financial challenges.

c) Achievements

The Municipality of Voi has conducted programs on solid waste management in collaboration of the community and other county departments. This has been achieved through the maintainance and the procurement of waste management equipments/implements and personal protective gear for staff, dissilting of twenty two waste holding receptacles within the municipality.

d) Challenges and Strategies

The Municipality of Voi has faced various challenges which include financial, human resource, transition challenges.

- i) In the previous financial year, the municipality did not have adequate budget to support its operations. In the coming financial year 2025-2026 the budget has been enhanced to enable the municipality undertake its functions as envisioned in the municipality charter and the Urban Areas and Cities Act 2011.
- ii) In the previous year, the municipality did not enough staff to enable operations, because the staff were still being held by the various departments and the municipality did not have the

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capacity to recruit its own staff. In the financial year 2025-2026 the county government is making an effort to transfer the requisite staff to the municipality to support service delivery.

iii) In the previous year, the county government transferred functions to the municipality through a gazette notice No. 14834 of 13th November 2024 but actual transition of the same was not achieved due to transition challenges. In the financial year 2025-2026, the county government has put in place measures to enable actual transfer of function for better service delivery.

e) Risk management Strategies


Risk Area	Strategy
Institutional Capacity	Staff training, Inter-government collaboration
Finance and Governance	Establish a Risk Management Framework, Enhance Financial Transparency and Accountability mechanisms, Develop Risk Management Policy
Organizational Structure and Governance	Municipality Risk Management framework, Public Finance Management-compliant policies, establish clear governance structures
Flood and Erosion	Integrated Flood Management such as mapping, early warning, nature-based solutions
Community Resilience	Citizen fora, awareness campaigns, stakeholder forums
Climate Adaptation	Climate Risk Management integration, alignment with national climate plans
External Partnerships	Public Private Partnerships for infrastructure & disaster readiness
Emergency Preparedness	Evacuation planning, fire risk systems, emergency response infrastructure
Solid Waste Management	Adopt a Circular Economy for Waste: Improve waste collection systems, establishing proper waste recovery facilities, and promoting public-private partnerships to manage the entire waste value chain.

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Unplanned Urban Sprawl	Integrated Urban Planning: Develop and enforce a new, modern master plan for Voi town. This plan should clearly demarcate areas for residential, commercial, and public infrastructure.
Infrastructure Failure	Infrastructure Prioritization: Prioritize the development of a central sewerage system and improve drainage in the central business district to mitigate public health and environmental risks.

f) Conclusion

The financial year 2024-2025 was generally good. Good progress was made and the momentum has been created to enable the Municipality of Voi continue on an upward trajectory in enhancing efficient service delivery. I take this opportunity to thank the Board Members and the staff for their support whom we have worked hand in hand to ensure that The Municipality of Voi achieves its mission.

Signed: 

Name: CS Rachel Mwadime

Municipality Manager

ICS M/no. 2860

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

Legal Framework

In compliance with Section 164 (2) (f) of the Public Finance Management Act, 2012, the Accounting Officer for Voi Municipality has prepared this Statement of Performance against Predetermined Objectives. The statement outlines progress made during the financial year in achieving the Municipality's development and service delivery objectives as set out in its Annual Development Plan and Program Based Budget for the financial year 2024-2025.

Strategic Development Objectives of Voi Municipality

The key development objectives of Voi Municipality, as derived from its Annual Development Plan, are to:

- a) Provide quality physical infrastructure.
- b) Promote effective urban planning and land use management.
- c) Enhance urban governance and administration.
- d) Promote sustainable environmental management and resilience.
- e) Strengthen local economic development and social services.

Program	Objective	Outcome	Indicator	Performance
Provision of Quality Physical Infrastructure	To improve mobility, connectivity, and trade within the municipality	Improved urban roads, drainage systems, street lighting, and construction of a new market	Ongoing upgrading and development of access roads within the Municipality to tarmac/gravel/cabro standards Installed six new floodlights and maintained streetlights in residential and commercial zones, enhancing security. Maintained drainage channels in Voi CBD and	Upgrading of access roads to tarmac/cabro standards is ongoing; 6 new floodlights installed; Drainage maintained in Voi CBD and Bondeni; Construction of Voi Modern Market ongoing.

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Program	Objective	Outcome	Indicator	Performance
			Bondeni area to mitigate against flooding. Ongoing Construction of Voi Modern Market	
Urban Planning and Land Use Management	To create orderly development in urban areas	Orderly urban growth and sustainable land use.	Identification of public utility land within the Municipality Finalization of the draft Integrated Development Plan (IDeP) Public participation forums to ensure inclusive urban planning. Improvement of informal settlements in Kaloleni 1A and 1B, Aseko and Upper Sofia through the assistance of KISIP II a World Bank funded project.	Ongoing collaboration with the County Department of Lands and Physical Planning for integrated planning. World Bank funded projects for informal settlement improvement Review of the development plan of the municipality.
Urban Governance and Administration	To enhance efficiency, accountability, and citizen participation in urban management	Efficient service delivery and increased public participation	Functional Municipal Board with regular meetings held as per the Urban Areas and Cities Act. Participated in at least three public participation forums	Ongoing capacity-building initiatives supported by development partners. Expanding e-governance systems to reduce

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Program	Objective	Outcome	Indicator	Performance
			on budgeting and development projects. Improvement of the automated revenue collection systems leading to increase in own-source revenue.	revenue leakages and enhance efficiency. Review of the organization structure. Digitization of records for ease of storage, access and retrieval.
Sustainable Environmental Management and Resilience	To promote environmental conservation and climate resilience	A clean, safe, and resilient urban environment	Solid waste collection coverage expanded from 60% to 75% of households and markets. Tree planting initiatives and creation of green spaces at central Kariokor. Enforcement of environmental compliance in among businesses within the municipality. Identification of waste management site at Ndara B area near Mariwenyi. Desilting of twenty waste holding receptacles.	Solid waste collection coverage increased from 60% to 75%; Tree planting and green space creation at Kariokor 20 waste receptacles desilted Environmental compliance enforced in businesses.

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Program	Objective	Outcome	Indicator	Performance
Local Economic Development and Social Services	To enhance local economic growth and improve social amenities	Improved livelihoods and business environment	Ongoing modern market construction. Improved recreational and cultural facilities at Kariakor.	Tourism potential in Tsavo National Park and its linkage with Voi town as a gateway Strengthening partnerships with private sector investors to expand job opportunities. Continuous civic education to the public.

Conclusion

During the reporting period, Voi Municipality made notable progress in infrastructure development, governance, and service delivery. However, challenges such as limited financial resources, rapid urbanization, and institutional capacity gaps constrained the full achievement of predetermined objectives. The Municipality continues to leverage opportunities in partnerships, technology adoption, and its strategic location to enhance development outcomes in subsequent financial years.

8. Corporate Governance Statement

i. Board Composition and Appointment

The Board of the Municipality of Voi is committed to upholding the highest standards of corporate governance to ensure effective and transparent leadership. The process for the appointment of Board members is guided by the Municipality's charter and relevant national legislation.

- a) **Process of Appointment:** Board members are appointed through a rigorous, transparent process that begins with a public call for applications. A selection committee, comprising representatives from county departments and independent professionals, reviews and shortlists candidates based on merit, skills, and experience relevant to the Board's needs. Shortlisted candidates are then interviewed, and a final list is presented to the Governor, for nomination for onward forwarding to the county assembly for vetting and approval. The Governor then appoints upon approval by the county assembly.
- b) **Removal of Board Members:** A board member may be removed for serious misconduct, dereliction of duty, or failure to perform their responsibilities as outlined in the Board Charter and Urban Areas and Cities Act. 2011.
- c) **Size, Diversity, and Demographics:** The Board is comprised of a minimum of seven and a maximum of nine members, with a deliberate focus on diversity. This includes demographic diversity (gender, age, and ethnicity) as well as diversity in skills and professional backgrounds, such as finance, law, urban planning, public administration, and community leadership. The aim is to ensure a wide range of perspectives in decision-making. The Municipality of Voi Board meets the criteria.
- d) **Board Charter:** The Board operates under a comprehensive Board Charter, which clearly defines the Board's purpose, roles, responsibilities, and operating procedures. It outlines the ethical standards and conduct expected of all members and serves as the foundational document for the Board's governance.

ii. Roles and Functions of the Board

The Board's primary role is to provide strategic direction and oversight for the Municipality. Its key functions include:

- a) Setting the Municipality's strategic vision, mission, and long-term goals.

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- b) Approving annual budgets and financial plans.
- c) Monitoring and evaluating the performance of the municipal management team.
- d) Ensuring compliance with all legal and regulatory requirements.
- e) Approving major policy decisions and projects.
- f) Acting as a liaison and advocate for the community.

iii. Induction, Training, and Development

New Board members undergo a structured induction program to familiarize them with the Municipality's operations, strategic plans, financial status, and legal obligations. Ongoing professional development is mandatory. This includes regular training sessions on topics such as governance best practices, financial management, risk assessment, and new regulatory changes. This continuous learning ensures that the Board remains knowledgeable and effective. The Municipality Board is in compliance.

iv. Board and Members Performance

The Board is committed to continuous improvement. An annual performance evaluation is conducted for the Board as a whole and for individual members. This process is managed by an independent evaluator and assesses effectiveness in areas such as strategic oversight, decision-making quality, and adherence to the Board Charter. The results inform development plans and succession planning.

v. Number of Board Meetings and Attendance

The Board holds a minimum of four scheduled meetings per year. Special meetings may be called as required. Attendance is mandatory, and a record is kept of each member's attendance. A quorum must be present for any meeting to be valid. In the previous fiscal year, the Board held five meetings, with an average attendance rate of 95%.

vi. Succession Plan

To ensure leadership continuity and stability, a formal succession plan will be put in place for the Board leadership and committee chairs. The plan will identify potential candidates from within the current Board and external networks. It will include a structured development path for potential leaders to prepare them for future roles.

vii. Policy to Manage Conflict of Interest

The Municipality has a strict policy on managing conflicts of interest. Board members are required to disclose any potential or actual conflict of interest related to a matter before the

Board. The conflicted member must recuse themselves from deliberations and voting on that matter. A register of interests is maintained and regularly updated.

viii. Board Remuneration

Board members are compensated for their time and services in accordance with the Salaries and Remuneration Commission (SRC) guidelines and circulars issued from time to time.

ix. Ethics and Conduct

All Board members and municipal employees are bound by a code of ethics that emphasizes integrity, accountability, and transparency. The code outlines principles on a range of issues, including handling confidential information, avoiding abuse of position, and engaging in fair and respectful conduct. Breaches of the code are subject to disciplinary action.

x. Governance Audit

An annual governance audit is conducted to independently assess the effectiveness of the Municipality's governance structures and practices. The audit reviews compliance with the Board Charter, statutory and regulatory requirements, and international best practices. Recommendations from the audit are used to strengthen the governance framework.

xi. Communication Policy

A clear communication policy governs how the Board interacts with stakeholders, including the public, government agencies, and the media. All official communications are handled by designated individuals, and the policy ensures that information is accurate, timely, and transparent. The annual report and the municipal website are key tools for public communication.

xii. Terms of Reference of Committees

The Board has established several committees, each with a specific Terms of Reference (ToR) approved by the Board. The ToRs define the committee's mandate, composition, roles, and reporting responsibilities. Committees typically include:

- a) **Audit, Risk Management and Corporate Governance Committee:** Oversees financial reporting and risk management.
- b) **Finance, Strategy, Human Resource Management and Administration Committee:** Assist the Board in fulfilling its mandate in regard to finance, strategy, human capital and talent development.

- c) **Urban Planning, Transport and Infrastructure Committee:** Assist the Board in fulfilling its oversight responsibilities in regard to projects management, urban planning, transport and infrastructure.
- d) **Municipal Services, Trade and Investment Committee:** Assist the Board in fulfilling its oversight responsibilities in regard to environmental and climate change, water and sanitation, social and community services and any other function.

xiii. Policy on Related Party Transactions

The Municipality has a policy on related party transactions as outlined in the Board charter to ensure all dealings are conducted at arm's length basis and do not unfairly benefit any related party.

**County Government of Taita Taveta
The Municipality of Voi
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9. Management Discussion and Analysis

a) Operational and Financial Performance

For the financial year 2024-2025, the Municipality had an initial opening bank balance of Kshs 43,292 and it a closing balance of Kshs 3,107. The municipality had projected revenue from exchequer issue amounting to Kshs 6,945,000 however, the municipality received Kshs 2,947,217 through its bank account and had direct payments of goods and services procured through IFMIS e-procurement of ksh. 3,692,150, this lead to total transfers from the county government to Kshs. 6,639,367 which resulted to a 96% total release.

The total financial year expenditures were Kshs 6,947,882 which excluded 2023-2024 payables of kshs. 35,500 while including 2024-2025 payables of Kshs 303,830, 2024-2025 actual payments through equity bank account Kshs 2,987,402 and goods and services procured through IFMIS e-procurement ksh. 3,692,150 resulting to a 96% total expenditure absorption rate.

b) Key Projects and Investments

Several high-impact projects were implemented or remained ongoing during the financial year:

Project/Investment	Status	Anticipated/Realized Impact
Voi Modern Market Construction	Ongoing	Increased trading capacity, improved revenue base
Upgrading of Central Kariakor, Aseko/Mlekenyi Road	Ongoing	Better mobility and reduced congestion
Installation of 6 new floodlights	Completed	Improved security and nighttime economy
Waste Management Site (Ndara B)	Identified	Sustainable long-term waste disposal
Informal Settlement Upgrading (Kaloleni, Aseko, Upper Sofia – KISIP II)	Ongoing	Improved housing, sanitation, and access to services

These projects align with the Municipality's strategic focus on infrastructure, urban governance, and socio-economic development.

c) Compliance with Statutory Requirements

The Municipality adhered to key statutory requirements during FY 2024/2025:

- i) **Public Finance Management Act, 2012:** Financial statements prepared in line with Section 164 (2) (f).
- ii) **Public Audit Act, 2015**

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- iii) **Urban Areas and Cities Act, 2011:** Municipal Board functional; at least three public participation forums conducted.
- iv) **Environmental Regulations:** Waste site identified; green spaces developed; desilting of 20 receptacles completed.
- v) **Employment Act, 2007**
- vi) **Occupational Safety and Health Act, 2007**
- vii) **Public Procurement and Asset Disposal Act, 2015**
- viii) **Physical and Land Use Planning Act, 2019**

d) Major Risks and Financial Obligations

The Municipality faced a mix of financial, operational, and environmental risks.

Risk Factor	Likelihood	Impact	Mitigation
Budgetary constraints	High	High	Explore PPPs and donor support (e.g., World Bank projects)
Rapid urbanization	High	High	Accelerated urban planning, zoning, and land-use enforcement
Revenue leakages	Medium	High	Expansion of automated revenue collection
Environmental degradation	Medium	Medium	Waste management site and tree planting

- **Financial Obligations:** No major statutory arrears were reported. Some service provider payments faced delays due to cash flow timing.

e) Other Relevant Information

- i) **Tourism Linkages:** Voi's strategic position as a gateway to Tsavo National Park offers untapped opportunities for tourism-related investments.
- ii) **Community Engagement:** Public forums on budgets and project prioritization improved inclusivity and accountability.
- iii) **ICT Adoption:** The Municipality expanded digitization efforts in revenue management and record-keeping, reducing paperwork and leakages.
- iv) **Youth Empowerment:** Limited but ongoing initiatives in enterprise support and vocational training.

10. Environmental And Sustainability Reporting

1. Sustainability Strategy and Profile

Voi Municipality acknowledges that global trends such as **climate change, urbanization, and macroeconomic shocks** directly influence local sustainability priorities. Rising temperatures, erratic rainfall, and increasing population pressures continue to impact service delivery and infrastructure resilience.

The Municipality aligns its sustainability approach to international frameworks, particularly the **UN Sustainable Development Goals (SDGs)**, with emphasis on:

- a) **SDG 6:** Clean Water and Sanitation
- b) **SDG 11:** Sustainable Cities and Communities
- c) **SDG 13:** Climate Action
- d) **SDG 15:** Life on Land

Policy and Priorities:

The Municipality's sustainability priorities are anchored on its **Municipality Charter** and the **Urban Areas and Cities Act, 2011**, which guide inclusive development, resource efficiency, and social equity. A procurement policy is in place to support local suppliers, with **at least 30% of contracts allocated to youth, women, and PWD groups**, in line with national procurement guidelines.

Key Achievements (2024/2025):

- a) Identification of a long-term solid waste management site at Ndara B.
- b) Establishment of an urban greenspace at Central Kariakor.
- c) Expansion of street lighting using energy-efficient floodlights.
- d) Ongoing upgrading of informal settlements under **KISIP II** (World Bank support).

Shortcomings & Mitigation:

- a) Limited funding for large-scale green projects → **Mitigation:** Explore PPPs and donor-funded programs.
- b) Waste collection capacity still inadequate → **Mitigation:** Community partnerships for waste segregation and recycling.

2. Environmental Performance

Policy Framework:

The Municipality operates under the **Environmental Management and Coordination Act (EMCA)** and the County's Environmental Policy, which emphasize sustainable waste management, biodiversity protection, and climate resilience.

Successes (FY 2024/2025):

- a) **Solid Waste Management:** Coverage improved from 60% to 75% of households and markets.
- b) **Reduce, Reuse, Recycle:** Piloted segregation bins in CBD and Kariakor area up to Highway; ongoing awareness campaigns.
- c) **Green Infrastructure:** Tree planting programs and creation of green spaces, which include the establishment of a tree nursery.
- d) **Automation:** Gradual adoption of paperless systems e-collection revenue system (CIRMIS), digital records.
- e) **Climate Initiatives:** Exploration of solar-powered lighting in public facilities.

Shortcomings & Mitigation:

- a) Lack of modern waste collection trucks → **Mitigation:** Seek PPPs for fleet leasing.
- b) Limited public awareness on eco-friendly practices → **Mitigation:** Intensify community sensitization and school-based programs.
- c) Rising urban pollution levels (plastics, drainage blockages) → **Mitigation:** Enforcement of environmental compliance among businesses and residents within the municipality.

Future Focus:

- a) Expand solar lighting in public offices and street lights.
- b) Promote climate-smart building designs (natural lighting, ventilation).
- c) Introduce eco-jikos and support drought-resistant crops in peri-urban areas.

3. Employee Welfare

Policies & Inclusion:

The Municipality's human resource policies promote inclusivity, giving priority to **gender**

balance, youth, and PWDs. Recruitment procedures incorporate public participation and compliance with national diversity requirements.

Skills & Career Development:

- a) Annual training workshops for technical and administrative staff.
- b) Performance appraisal system linked to promotions and rewards.
- c) Partnerships with professional bodies for capacity building.

Occupational Safety and Health (OSHA 2007):

- a) Safety standards adhered to in offices and worksites.
- b) Safety gear provided for waste handlers and field staff.
- c) No major work-related injuries reported in FY 2024/2025. Minor incidents were addressed through training and provision of PPE.

Employee Wellbeing Initiatives:

- a) Medical cover and SHIF enrollment for all staff.
- b) Counseling support for staff in high-stress areas (e.g., waste management teams).
- c) Regular review of HR policies through consultative forums with staff associations.

Conclusion

Voi Municipality made notable progress in embedding sustainability in its operations during FY 2024/2025, particularly in **waste management, green infrastructure, and employee welfare**. Nonetheless, gaps remain in financing and public awareness. The Municipality will continue aligning its operations with the SDGs while leveraging partnerships, technology, and community engagement to enhance environmental and social sustainability.

11. Report of The Municipality of Voi Board Members

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

Principal activities

The principal activities of the Municipality are

The principal activity/mission/ mandate of The Municipality is;

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices); and
- xvii. Promoting and undertaking infrastructural development and services within the Municipality.

**County Government of Taita Taveta
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Performance

The financial performance of the Municipality for the period ended 30th June 2025 is set out on page 1

Board Members

The members of the Board who served during the year are as shown in the table below.

Ref	Name	Position
1.	Rev Godfrey Mwanjulu	CHAIRMAN
2.	Emily Mbashu	VICE CHAIRPERSON
3.	Benard Mnjala	MEMBER
4.	Wilson Mwakesi	MEMBER
5.	Ahmed Itambo	MEMBER
6.	Idris Mwakio	MEMBER
7.	Christine Zighe Mwashighadi	CECM LANDS
8.	Jimmy Mtawa	CCO LANDS
9.	CS, Rachel Mwadime	MUNICIPAL MANAGER

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: CS. Rachel Mwadime

Secretary of the Board

ICS M/no. 2860

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 of Voi 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 of Voi manager is responsible for the preparation and presentation of The Municipality of Voi's financial statements, which give a true and fair view of the state of affairs of The Municipality of Voi for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of The Municipality of Voi, (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 of Voi, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

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

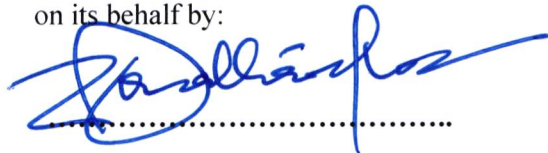
The Municipality of Voi Manager further confirms the completeness of the accounting records which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

County Government of Taita Taveta
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Annual Report and Financial Statements for the year ended June 30, 2025

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern. Nothing has come to the attention of The Municipality of Voi Manager to indicate that The Municipality of Voi 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 Municipal's financial statements were approved by the Board on 28th August, 2025 and signed on its behalf by:



.....
Name: Rev. Godfrey Mwanjulu
Chairperson of the Board



.....
Name: CS. Rachel Mwadime
Accounting officer of the Board
ICS M/no. 2860

REPUBLIC OF KENYA

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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 THE MUNICIPALITY OF VOI FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report 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

Opinion

I have audited the accompanying financial statements of the Municipality of Voi set out on pages 1 to 46, which comprise of the statement of statement of financial position as at 30 June 2025 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and statement of comparison of budget and actual amounts for the year 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 the Municipality of Voi as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Urban Areas and Cities Act, 2011(amended 2019) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final revenue budget and actual receipts on a comparable basis of Kshs.6,945,000 and Kshs.6,639,367 respectively resulting in underfunding of Kshs.3,05,633 or 4% of the approved budget.

The under-funding may have affected implementation of planned activities and impacted negatively on service delivery to the citizens.

My opinion is not modified in respect of this matter

Key Audit Matters

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

Other Matters

In the prior years' audit report, two (2) issues were raised under the Effectiveness of Internal Controls, Risk Management and Governance. These include failure to prepare an urban area integrated development plan and lack of strategic plan. Review of the status during audit of the Municipality in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxvi which comprise of Key Entity Information and Management, The Municipality of Voi Board, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, 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 Municipality of Voi 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Internal Audit and Risk Management

Review of internal controls revealed that the Municipality had not established an internal audit unit, contrary to Section 73(1)(a) of the Public Finance Management Act, 2012. Further, the Municipality has constituted an audit committee but there were no activities conducted by the committee within the year under review.

In the circumstances, effectiveness of internal controls, risk management and governance could not be confirmed.

2. Failure to Operationalize the Mandate of the Municipality

Review of records provided for audit revealed that the entity did not perform its key mandate as stipulated in the charter under Gazette Notice No.10135 of 4/08/2023. Further, review of revenue records revealed that the Municipality also lacked revenue-sharing framework or reporting criteria to guide the recognition, recording, and disclosure of its own-source revenue, thus relying solely on transfers from the County Government, with no revenue generated from own sources as envisaged under the Urban Areas and Cities Act, 2011.

In the circumstances, effectiveness on internal controls, governance and risk management could not be confirmed.

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

Responsibilities of the Management and the Board

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


08 December, 2025


The Municipality of Voi
County Government of Taita Taveta
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14. Statement of Financial Performance for The Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	6,639,367	750,000
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues	9	-	-
		-	-
Revenue from exchange transactions		-	-
Interest income	10	-	-
Miscellaneous Income	11	-	-
		-	-
Total revenue		6,639,367	750,000
Expenditure			
Use of goods and services	12	5,506,652	550,708
Staff costs	13	-	-
Board expenses	14	1,441,230	191,500*
Finance costs	15	-	-
Depreciation and amortization	16	-	-
Repairs and maintenance	17	-	-
Total expenses		6,947,882	742,208
Other gains/losses		-	-
Gain/loss on disposal of assets	18	-	-
Surplus/(deficit) for the period		(308,515)	7,792

The notes set out on pages 23 to 48 form an integral part of these Financial Statements. The entity financial statements were approved on 28th August 2025 and signed by:

.....

Name: CS. Rachel Mwadime
Municipality Manager
ICS M/no. 2860

.....

Name: CPA. Ramla Babu
Head of Finance
ICPAK M/No 27763

County Government of Taita Taveta
The Municipality of Voi
Annual Report and Financial Statements for the year ended June 30, 2025


15. Statement of Financial Position as at 30th June 2025


Description	Note	2024-2025	2023-2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	3,107	43,292
Receivables from exchange transactions	20	-	-
Receivables from non-exchange transactions	21	-	-
Prepayments	22	-	-
Inventories	23	-	-
Total current assets		3,107	43,292
Non-current assets			
Property, plant, and equipment	24	-	-
Intangible assets	25	-	-
Biological Assets	26	-	-
Total Non-current Assets		-	-
Total assets (A)		3,107	43,292
Liabilities			
Current liabilities			
Trade and other payables	27	303,830	35,500*
Refundable deposits from customers	28	-	-
Provisions	29	-	-
Borrowings	30	-	-
Employee benefit obligations	31	-	-
Deferred Income	32	-	-
Social Benefits	33	-	-
Total current liabilities		303,830	35,500
Non-current liabilities			
Provisions	29	-	-
Borrowings	30	-	-
Non-current employee benefit obligation	31	-	-

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Deferred Income	32	-	-
Social Benefits	33	-	-
Total liabilities (B)		303,830	35,500
Net Assets (A-B)		(300,723)	7,792
Represented by:			
Capital/Development Grants/Fund		-	-
Reserves		-	-
Accumulated surplus		(300,723)	7,792
Net Assets/Equity		(300,723)	7,792

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 28th August 2025 and signed by:

.....

Name: CS. Rachel Mwadime
Municipality Manager
ICS M/NO. 2860

.....

Name: CPA. Ramla Babu
Head of Finance
ICPAK M/No 27763

16. Statement of Changes in Net Assets for the Year Ended 30th June 2025

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023		-	(183,708)	(183,708)
Surplus/(deficit) for the year		-	-	-
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Prior Year Adjustment (overstated expenses)	-	-	191,500	191,500
Bal as at 30 Jun 2024	-	-	7,792	7,792
Bal as at 1 July 2024			7,792	7,792
Surplus/(deficit) for the year		-	(308,515)	(308,515)
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Balance as at 30 June 2025	-	-	(300,723)	(300,723)

Declaration Note:

The closing balance for the 2023/2024 financial year was KSh 183,708. After adjusting for the identified overstatement of KSh 191,500 in the payables, the revised opening balance for 1 July 2024 is KSh 7,792.

Reconciliation:

Closing balance as at June 2024: **KSh (183,708)**
Add: Variance (Overstatement identified): **KSh 191,500**
Revised opening balance (1 July 2024): **KSh 7,792**

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17. Statement Of Cash Flows for The Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		6,639,367	750,000
Public contributions and donations		-	-
Interest received		-	-
Miscellaneous receipts (<i>Specify</i>)		-	-
Total Receipts		6,639,367	750,000
Payments			
Use of goods and services		5,506,652	550,708
Staff costs		-	-
Board expenses		1,172,900	156,000
Finance costs		-	-
Total Payments		6,647,882	706,708
Net cash flows from operating activities	34	(40,185)	43,292
Cash flows from investing activities			
Purchase of PPE & intangible assets		-	-
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Receipts from Capital grants		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash equivalents		(40,185)	43,292
Cash And Cash Equivalents At 1 July 2024	19	43,292	
Cash And Cash Equivalents At 30 June 2025	19	3,107	43,292

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Budget carryovers from the previous year*	-	-	-	43,292	-	-
Receipts						
Transfers from the County Government	3,695,000	3,250,000	6,945,000	6,639,367	305,633	96%
Public contributions and donations	-	-	-	-	-	%
Interest income	-	-	-	-	-	%
Miscellaneous income	-	-	-	-	-	%
Total Receipts	3,695,000	3,250,000	6,945,000	6,639,367	305,633	96%
Payments						
Use of goods and services	2,695,000	2,900,000	5,595,000	5,506,652	88,348	98%
Board expenses	1,000,000	350,000	1,350,000	1,172,900	177,100	87%
Staff Costs	-	-	-	-	-	%
Finance costs	-	-	-	-	-	%
Total expenditure Payments	3,695,000	3,250,000	6,945,000	6,679,552	265,448	96%
Capital Expenditure Payments	-	-	-	-	-	
Surplus for the period				3,107		

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Budget notes

The total financial year approved budget was ksh. 6,945.000 it had a carryover amount of ksh. 43,292 from previous year 2023-2024 and had a surplus for the period 2024-2025 of ksh. 3,107. Since the budget is on cash base, its expenditures payments were Kshs 6,679,552 which included 2024-2025 actual payments through equity bank account Kshs 2,987,402 and goods and services procured direct through IFMIS e-procurement of ksh. 3,692,150 resulting to a 96% total expenditure absorption rate.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	3,107
1	No Reason for differences	-
2	No Reason for differences	-
3	No Reason for differences	-
4	No Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,107

19. Notes to the Financial Statements

1. General Information

The Municipality of Voi is established by and derives its authority and accountability from Urban Areas and Cities Act. The Municipality is under the Taita Taveta County Government and is domiciled in Kenya.

The Municipality principal activity is stated below:

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices); and
- xviii. Promoting and undertaking infrastructural development and services within 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 in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

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3. Application of New and revised standards (IPSAS)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

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	<ul 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>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</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>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</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>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early.

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 have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by The Municipality of Voi upon receiving the respective approvals in order to conclude the final budget. Accordingly, The Municipality of Voi recorded additional appropriations of 3,250,000.00 on 3rd January 2024 following the governing body's approval.

The Municipality of Voi'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

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

d) Intangible Assets

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

e) Biological Assets

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

f) Financial Instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The 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

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 38.

Financial liabilities

Classification

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

g) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

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or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of The Municipality of Voi.

h) Provisions

Provisions are recognized when The Municipality of Voi 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.

i) Social Benefits

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

j) Contingent liabilities

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

k) Contingent assets

The Municipality of Voi does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments

are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs

l) Nature and purpose of reserves

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

m) Changes in accounting policies and estimates

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

n) Employee benefits – Retirement benefit plans

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

o) Foreign currency transactions

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

p) Borrowing costs

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

q) Related parties

The Municipality of Voi 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.

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Events after the reporting period

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

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

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

u) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Municipality of Voi 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 of Voi.
- 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	2024-2025	2023 -2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	2,947,217	750,000
Payments by County on behalf of the entity	3,692,150	-
Unconditional development grants	-	-
Total	6,639,367	750,000

The transfers from the county government to the entity for the financial year 2024-2025 through its equity bank accounts amounted to Kshs. 2,947,217. However goods and services which amounted to Kshs 3,692,150 were also procured through IFMIS e-procurement on behalf the municipality of Voi hence total transfers for the municipality of Voi were ksh. 6,639,367 .

(a)Transfers from County Government entities

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	2023-2024
State Department	-	-	-	-	-
Ministry	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

7. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

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8. Levies, Fines and penalties

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others	-	-
Total	-	-

9. Other Revenues

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others	-	-
Total	-	-

10. Interest income

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	-	-
Others	-	-
Total interest income	-	-

11. Miscellaneous income

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Income from sale of tender documents	-	-
Others	-	-
Total other income	-	-

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12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Utilities, supplies and services	147,750	48,750
Communication, supplies and services	244,950	-
Domestic travel and subsistence	909,350	448,500
Foreign travel and subsistence	-	-
Printing, advertising, supplies & services	-	-
Rent and rates	-	-
Training expenses	-	-
Hospitality supplies and services	481,000	53,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	157,900	-
Fuel, oil and lubricants	1,781,000	-
Other operating expenses	-	-
Routine maintenance – vehicles and other equipment	1,782,000	-
Routine maintenance – other assets	-	-
Contracted Professional Services	-	-
Audit fees	-	-
Hire of Transport, equipment etc	-	-
Bank Charges	2702	458
Social Benefit expenses*	-	-
Total	5,506,652	550,708

13. Staff costs

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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14. Board expenses

Description	2024-2025	Restatement	2023-2024
	Kshs.	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-	-
Sitting allowances	1,441,230	191,500*	383,000
Medical Insurance	-	-	-
Induction and Training	-	-	-
Travel and accommodation	-	-	-
Conference Costs	-	-	-
Other allowances	-	-	-
Total	1,441,230	191,500	383,000

*Restatement: 2024/2025 review of the 2023/2024 payables, it was established that certain board allowances amounting to Ksh. 191,500 were overstated and therefore not payable. These included, airtime allocations for board members and transport allowances exceeding the approved maximum of Ksh. 20,000 per member per month. Hence journal entries were used to correct error and the financial statement balances were restated to ksh. 191,500. From ksh. 383,000. To ksh. 195,500.

(ksh.383, 000 – ksh.191, 500 = ksh.191, 500)

This change were necessitated by the SRC circular REF: SRC/TS/CG/3/6L/19(38).

Journal entry:

Dr. Payable's A/c ksh. 191,500

Cr Board allowances A/c ksh. 191,500

Being correction of overstatement of board expenses error

15. Finance costs

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

16. Depreciation and amortization

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

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17. Repairs and Maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Property- Buildings	-	-
Office equipment	-	-
Furniture and fittings	-	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	-	-

18. Gain/(loss) on disposal of assets

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

19. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Fixed deposits account	-	-
On – call deposits	-	-
Current account	3,107	43,292
Others	-	-
Total cash and cash equivalents	3,107	43,292

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

Financial institution	Account number	2024-2025	2023-2024
		Kshs.	Kshs.
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits		-	-
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Current account		-	-
Kenya Commercial bank		-	-
Equity Bank – etc	790284839656	3,107	43,292
Sub- total		-	-
d) Others		-	-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		3,107	43,292

20. Receivables from exchange transactions

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total Current receivables (a)	-	-
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total Non- current receivables (b)	-	-
Total	-	-

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Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

21. Receivables from Non-Exchange transaction

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Transfer from County Executive	-	-
Transfer from Fund	-	-
Total	-	-

Ageing analysis for Receivables from non-exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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22. Prepayments

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Other	-	-
Total	-	-

23. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	-	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	(-)	(-)
Total inventories at the lower of cost and net realizable value	-	-

Detailed Disclosure on Inventories

	2024-2025	2023-2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others	-	-
Closing balance	-	-

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24. Property, Plant and Equipment

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate		%	%	%	%	%		
As at 1 July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	-	-	-
Additions for the year	-	-	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	-	-	-
Depreciation and impairment	-	-	-	-	-	-	-	-
At 1 July 2024	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-

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Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate		%	%	%	%	%		
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As at 30 June 2025	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
NBV as at 30th Jun 2024	-	-	-	-	-	-	-	-
NBV as at 30th Jun 2025	-	-	-	-	-	-	-	-

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25. Intangible assets

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

26. Biological Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others	-	-
Total	-	-

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27. Trade and Other Payables

Description	2024-2025	Restatement	2023-2024
	Kshs.	Kshs.	Kshs
Trade payables	-	-	
Retentions	-	-	
Accrued expenses (2023-2024)		35,500*	227,000
Accrued expenses as at Mar 2025	97,640	-	
Accrued expenses as at Jun 2025	206,190	-	
Other payables			
Total trade and other payables	303,830	35,000	227,000
Ageing analysis:			
	2024-2025	% of the Total	2023-2024
			% of the Total
Under one year	303,830	%	-
1-2 years	-	%	-
2-3 years	-	%	-
Over 3 years	-	%	-
Total	303,830	%	-

* It was established that certain board allowances amounting to Ksh. 191,500 had been overstated and were therefore not payable. Initial 2023-2024 board allowance payables were KShs. 227,000, after removing the airtime and transport claims of KShs. 191,500 they were reduces to a correct amount of KShs. 35,500. This was necessitated by existence of SRC circular REF: SRC/TS/CG/3/6L/19(38).

Journal entry:

Dr. Payable's A/c ksh.191, 500

Cr Board allowances A/c ksh. 191,500

Being correction of overstatement of payables

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28. Refundable deposits and prepayments from customers

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Rent deposits	-		-	
Prepayments	-		-	
Others	-		-	
Total	-		-	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

29. Provisions

Description	2024-2025		2023-2024	
	Kshs.		Kshs.	
Balance at the beginning of the year	-		-	
Additional Provisions	-		-	
Provision utilised	-		-	
Balance at the end of the year	-		-	
Current Portion of provision	-		-	
Long term portion of provision	-		-	
Total Provisions	-		-	

30. Borrowings

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

Description	2024-2025		2023-2024	
	Kshs.		Kshs.	
Short term borrowings (current portion)	-		-	
Long term borrowings	-		-	
Total	-		-	

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Description	2024-2025	2023-2024
	Kshs.	Kshs.
Balance at beginning of the period	-	-
Borrowings during the year	-	-
Repayments of borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the Distribution of borrowings:

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

31. Employee Benefit Obligations

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

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32. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National/County Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

Description	County government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

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33. Social Benefit Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
PWD benefit scheme		
Elderly social benefit scheme	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

34. Cash generated from operations

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	(308,515)	43,292
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	(-)	(-)
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in payables	268,330	-
Net cash flow from operating activities	(40,185)	43,292

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35. Related party balances

a) Nature of related party relationships

Entities and other parties related to The Municipality of Voi include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The Municipality of Voi/scheme is related to the following entities:

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

b) Related party transactions

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Board Members	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

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e) Due to related parties

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

36. Contingent liabilities

Contingent liabilities	2024-2025	2023-2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Bank guarantees	-	-
Total	-	-

37. Contingent Assets

Contingent liabilities	2024-2025	2023-2024
	Kshs.	Kshs.
Court case xxx against the entity	-	-
Others	-	-
Total	-	-

38. Financial risk management

The Municipality of Voi's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Municipality of Voi'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 of Voi 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 of Voi's financial risk management objectives and policies are detailed below:

I. Credit risk

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

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

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that The Municipality of Voi has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Municipality of Voi has significant concentration of credit risk on amounts due from xxx.

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

II. Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 Jun 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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III. Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect The Municipality of Voi'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 of Voi'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 of Voi's exposure to market risks or the manner in which it manages and measures the risk.

IV. Foreign currency risk

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

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

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Foreign currency sensitivity analysis

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

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

V. Interest rate risk

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

Management of interest rate risk

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

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VI. Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/The Municipality of Voi	-	-
Accumulated surplus	-	-
Total Funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

39. Program for Results (PforR) Disclosure

Name of the PforR:	
Financing Partners:	
Purpose of the PforR:	
Expenditure Details	Amount in Kshs
Cumulative actual expenditures for the previous years	-
Actual expenditure in the current financial year.	
1. Employee Cost	-
2. Use of goods and Services	-
3. Grants and Subsidies	-
4. Building of ECDE facilities	-
5. Others	-
Sub-total	-
Cumulative Actual Expenditures to date	-

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20. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
OAG/MR/VOI M./2023/2024/14	Budgetary control and performance	The underfunding and under expenditure was due to delay in disbursement of funds	Not Resolved	N/A
OAG/MR/VOI M./2023/2024/14	Lack of Integrated Development plan for the Urban Area	The Municipality was within the requirement of the law to have the IDEP in place within a period of one year of the in coming to office by the Board	Not resolved	October 2025
OAG/MR/VOI M./2023/2024/14	Lack of Strategic Plan	The Strategic Plan will be in place once IdeP is in place	Not in place	November 2025



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Name: CS. Rachel Mwadime
Municipality Manager

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Appendix 2: Inter-Entity Transfers

THE MUNICIPALITY OF VOI:				
Breakdown of Transfers from the County Executive of Taita Taveta County				
FY 2024-2025				
a.	Recurrent grant /transfers	<u>Bank Statement Date</u>	<u>(Kshs.)</u>	<u>Financial Year 2024-2025</u>
		1 st November 2024	213,000	FY 2024-2025
		11th December 2024	472,000	FY 2024-2025
		1st January 2025	465,400	FY 2024-2025
		13 th March 2025	848,000	FY 2024-2025
		9 th May 2025	948,817	FY 2024-2025
		Total	2,947,217	
b.	Development Grants	<u>Bank Statement Date</u>	<u>(Kshs.)</u>	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>(Kshs.)</u>	<u>Financial Year 2024-2025</u>
	Fuel and Lubricants	CB No. 644	1,750,000	FY 2024-2025
	Motor Vehicle Repair	CB No. 1159	1,750,000	FY 2024-2025
	Supply of Printers Accessories	CB No. 1346	92,250	FY 2024-2025
	General Office Supplies	CB No. 593	99,900	FY 2024-2025
		Total	3,692,150	

Inter-entity transfers constitute both the recurrent transfers from the county government Kshs. 2,947,217 and direct payments by the County on behalf of the municipality Kshs, 3,692,150 hence totaling to Kshs. 6,639,367.



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Appendix 3: Reporting of Climate Relevant Expenditures

The Municipality of Voi
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 voimunicipality@gmail
 CS. Rachel Mwadime
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Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

County Government of Taita Taveta
 The Municipality of Voi
 Annual Report and Financial Statements for the year ended June 30, 2025

Appendix 4: Disaster Expenditure Reporting Template

Date: March 2024

Entity: The Municipality of Voi, Bondeni area.

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Disaster Management	Maintainance of storm water drainage system	Flooding	Response	Disilting of box culvert at Bondeni	43,000	Procurement done through IFMIS

