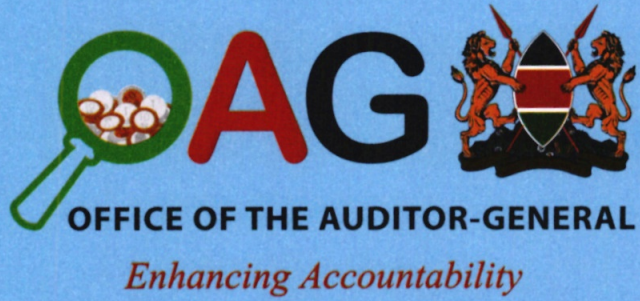


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

DIANI MUNICIPALITY

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
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DIANI MUNICIPALITY

County Government of Kwale

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

OFFICE OF THE AUDITOR GENERAL
P.O. BOX 9999
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E. H. C. M. P. R.
WEST REGISTRATION

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1. Acronyms & Glossary of Terms

CPA Certified Public Accountant

EACC Ethics and Anti-Corruption Commission

FY Financial Year

ICPAK Institute of Certified Public Accountants of Kenya

PSASB Public Sector Accounting Standards Board

Fiduciary Management Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

a) Background information

Diani Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Cities and Municipal Charter on 20th February 2019. The Municipality is under the County Government of Kwale and is domiciled in Kenya.

b) Principal Activities

The Diani Municipality as indicated in the Urban Areas and Cities Act 2011, the County Governments Act 2012, and the municipal charter has the following mandates,

- a) Solid Waste Management
- b) Infrastructural Development
- c) Recreational Facilities and Green Spaces
- d) Animal Control and Welfare
- e) Resource Mobilisation

Vision

A leading one-stop cultural resort city.

Mission

To provide a world class infrastructure, safe, clean, and well managed resort city offering efficient services that promote development and diverse cultural experience.

Core Values

The Municipality of Diani upholds integrity, efficiency and effectiveness, accountability and transparency, inclusivity, creativity and innovation, and customer-centric as its values.

The board's core objectives include;

The functions of the municipality as provided for in the charter are: —

- 1) Promotion, regulation and provision of refuse collection and solid waste management services
- 2) Construction and maintenance of urban roads and associated infrastructure.
- 3) Construction and maintenance of storm drainage and flood controls.
- 4) Construction and maintenance of walkways and other non-motorized transport infrastructure.
- 5) Construction and maintenance of street lighting.
- 6) Construction maintenance and regulation of traffic controls and parking facilities.
- 7) Construction and maintenance of bus stations and taxi stands.

- 8) Construction and maintenance of recreational parks and green spaces.
- 9) Promotion, regulation and provision of animal control and welfare
- 10) Any other functions as may be delegated by the County Executive Committee.

c) Key Management

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

- County department of in charge of Municipalities
- Board of Management
- Accounting Officer/Municipality Manager
- Management

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Municipality Manager	Khamisi Mwandaro
2	Accountant	Marago Filex
3	Procurement officer	Peter Kugomba

e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements includes;

i) Audit and Risk Management Committee

We have a strong independent internal audit section under the headship of a director.

ii) County Assembly committees

There is established a county assembly audit committee serving as an oversight for the operations of the municipality.

iii) Committees of the Senate

f) Registered Offices

P.O. Box 4,

Kwale County Head Office

Likoni – Kinango Road

Kwale, KENYA

g) Contacts

Telephone: (254)

E-mail: info@kwale.go.ke

Website: www.kwale.go.ke

h) Bankers

Co-operative Bank

Ukunda Branch

Account Number 01141839229400

i) Independent Auditor

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office



Harambee Avenue


P.O. Box 40112



City Square 00200


Nairobi, Kenya

3. Municipality Board




Serial No.	Name	Details of qualifications and experience
1	<p>Board Member 1</p> 	<p>NAME : Majani Said Ali – Board Chair</p> <p>DATE OF BIRTH: 12th March 1982</p> <p>Bachelor of Information Technology (Islamic University- Uganda)</p> <p>Experience:</p> <p>Teacher in Dar ulum Secondary, Gombato secondary and Ukunda secondary schools.</p> <p>Project officer – Pact Kenya</p> <p>Currently businessman</p> <p>The trustee is an independent director.</p>
2	<p>Board Member 2</p> 	<p>NAME : Athuman Bwika Juma</p> <p>DATE OF BIRTH: 7th May 1974</p> <p>2017-2019: Bachelor of Sharia\$ Islamic Studies</p> <p>2016-AUG 2016: Diploma in Arabic Language\$ Islamic Studies - Umma University.</p> <p>2015- DEC 2015: Certificate in Arabic Language \$ Islamic Studies - Umma University.</p> <p>2014: Diani private - KCSE</p> <p>1993-1997 : Arabic \$ Islamic Studies O'Leval Malindi. Naja Islamic centre</p> <p><u>PROFFESIONAL AND WORK EXPERIENCE</u></p> <p>Year February 2020 to date - Kwale County BOARD MEMBER – Diani Municipality</p> <p>2019.upto date. BOM Mabokoni Primary</p> <p>2013 upto date: Chairman of county Busary Gombato Bongwe ward</p> <p>2015 upto date. The Association of Madrasa Kenya (À. m. K. E) .</p>

		<p>2013 upto date : Community mobilizer ummulqura intergrated ecde 1999 upto date: Working as a Teacher/Ustadh/Imam at Saifullah Islamic Centre (Ukunda Mbuwani) The trustee is an independent director and chairs the Gender and communications sub- committee</p>
3	<p>Board Member 3</p> 	<p>NAME : Mambeya Suleiman Hamisi DATE OF BIRTH: 17th August 1986 June 2016 – ERC - Solar PV Technician Licence Class T3 Jan 2012 – July 2013 - Certificate; Engineers ‘Training Programme - Davis & Shirtliff Ltd. Aug 2006 – May 2011 – Egerton University - B.Sc. Agricultural Engineering Jan–April 2009 - Certificate in strategic planning and management of projects. Feb 2001- Dec 2004 - Sheikh Khalifah Bin Zayed</p> <p><u>PROFFESIONAL AND WORK EXPERIENCE</u> Year February 2020 to date - Kwale County BOARD MEMBER – Diani Municipality December 2019 to date: Branch Manager Davis & Shirtliff Jan. 2016 – 2019 – Solar specialist Davis & Shirtliff 2014 – 2015 – Major trade manager and event organiser Davis & Shirtliff. 2011 – 2014 – Sales manager Davis & Shirtliff The trustee is an independent director and chairs the Environment sub-committee.</p>
4	Board Member 4	<p>NAME : Maureen Njeri Muhinja DATE OF BIRTH: 23rd December, 1969 1997 – 1999: University of Nairobi MA (Planning) 1989 – 1992: University of Nairobi BA (Sociology and Geography) 1987 – 1988: A levels Mary Leakey Girls High School</p>

		<p>1983 – 1986: O Levels Precious Blood, Kagwe Girls School</p> <p>1976 – 1982: Primary Education HGM, Lioki Primary School.</p> <p><u>PROFFESIONAL AND WORK EXPERIENCE</u></p> <p>Year February 2020 to date - Kwale County BOARD MEMBER (Diani Municipality)- (Chair Sub-committee on Urban Planning and Infrastructure</p> <p>Year 2012 to Date – Geospatial systems Limited (Kwale) Senior Planner</p> <p>Year 2004 to 2011 – Kwale County - Senior Planning Officer/ District Physical Planning Officer</p> <p>Year 1999 to 2003 – Laikipia County - Senior Planning Officer/ District Physical Planning Officer</p> <p>The trustee is an independent director and chairs the sub-committee of Urban planning and infrastructure.</p>
5	<p>Board Member 5</p> 	<p>NAME : Mariam Rashid Choka DATE OF BIRTH: 23rd May, 1991</p> <p>May 2015 to date – CPA Part II 2011 – 2015: Egerton University – Bachelor of Arts Economics and Sociology. 2006 – 2009: Kwale Girls High School 2002-2009: Zigira Primary School</p> <p><u>PROFFESIONAL AND WORK EXPERIENCE</u></p> <p>Year February 2020 to date - Kwale County BOARD MEMBER – Diani Municipality Nov. 2020 to date: Cashier at Diani Sea Resort Jan. 2019 – August 2020 - Accountant at Donje Milling Company June 2016 – June 2018 - Accountant at Kenya Red Cross Kwale Branch 2010 – 2011 - Worked as Untrained Teacher at Kwale Girls High School.</p>

		The trustee is an independent director and serves as the vice chair for the Diani Municipality board and chairs the audit sub-committee.
6		NAME : Hamisi Mwandaro DATE OF BIRTH : 1 st January 1964 BA Economics and Sociology (UON) Diploma in clearing warehousing and practical freight forwarding. Experience: Sub county administrator – County Government of Kwale Operations coordinator – Grain bulk handlers Manager NCPB

4. Key Management Team

Serial No	Name	Details of qualifications and experience
1.		<p>NAME : Khamisi Mwandaro DATE OF BIRTH: 1st January 1964 POSITION: Municipal Manager</p>
2.		<p>NAME : Neema Suya POSITION: Chief officer</p>
3.		<p>NAME : Marago Filex DATE OF BIRTH: 5th December 1975 POSITION: Municipal Accountant</p>

4.



Name: Peter Gwende Kugomba
DATE OF BIRTH: 1988
POSITION: Procurement officer

5. Municipality Board Chairperson's Report

Municipality of Diani Board is composed of 8 members; Four members of the Board of the Municipality appointed through a competitive process by the County Executive Committee and approved by the County Assembly and nominated members from the following backgrounds:

- i. An umbrella body representing professional associations in Diani.
- ii. An association representing the private sector in Diani.
- iii. A cluster representing registered associations of the informal sector in Diani.
- iv. A cluster representing registered neighbourhood associations in Diani.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Diani Municipality is a child of the Kenya Urban Support Programme (KUSP) through the County Government of Kwale and the municipal charter of the municipality of Diani.

Diani Municipality has a board with a chairman. The Municipality has committees in place to enhance the operations of the municipality. The committees are:

- Finance committee – Chaired by Mariam Choka
- Planning committee – Chaired by Maureen Muhinja
- Community development committee – Chaired by Athuman Bwika
- Environment committee – Chaired by Suleiman Mambeya
-

Diani Municipality had a budget of Kshs. 40,656,028 with an actual realisation of Kshs. 2,859,630, being expenditure on recurrent. The development budget was unutilised by close of the financial year. Cabro paving, drainage construction and culvert installation to areas of heavy flooding to Odessa - Matumizi - Mama Betty road in Gombato Bongwe ward, Cabro paving of kona Msa to beach road in Ukunda ward and construction of zote beach public toilets are all ongoing and no certificate had been raised for payment.

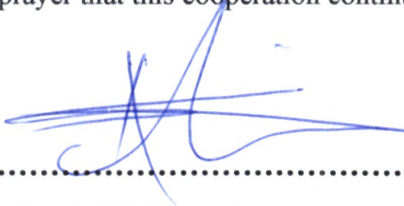
The Diani Urban Development Plan is complete. This is expected to create an enabling environment that will attract both internal (local) and external investors.

During the financial year 2022/2023 the municipality experienced financial challenges emanating from a lean budgetary allocation. The municipality desires to achieve more as per its mandate but insufficient budgetary allocation is a hindrance.

Conclusion

FY 2022/2023 was a good year in general. Good progress was made. I want to appreciate the other county departments especially the department of Finance and Economic Planning for their support when it comes to financial matters. Diani Municipality has seen timely payment of contractors and suppliers.

I also thank the Department of Environment and Natural Resources for the technical support. It is my sincere prayer that this cooperation continues.



.....
Name: Said Ali Majani

Chairperson of the Board

6. Report of the Municipality Manager

It is with great pleasure that I present the Municipality of Diani financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the Municipality over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. Diani Municipality is a child of the Kenya Urban Support Programme (KUSP) through the County Government of Kwale.

Financing of the Municipality

The Municipality received its funds from the county treasury being the share of county resources through the budgetary process.

Financial Performance

a) Revenue

The only source of funding for the municipality during the financial year was the exchequer releases from the county treasury.

The municipality's approved budget was Ksh 40,656,028. To the close of the FY on 30th June 2023, the Municipality had the following projects ongoing:

- ✓ Cabro paving, drainage construction and culvert installation to areas of heavy flooding to Odessa - Matumizi - Mama Betty road in Gombato Bongwe ward kshs. 16,781,050
- ✓ Cabro paving of kona Msa to beach road in Ukunda ward kshs. 5,698,717
- ✓ Construction of zote beach public toilet kshs. 1,779,522 and
- ✓ Installation of municipality bill boards at Mvindeneni kshs. 1,009,941

The table below represents an analysis of revenue performance during the year.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realisation (%)
County Treasury Disbursements	40,656,028	2,275,167	6%
Total	40,656,028	2,275,167	6%

b) Payments

The total expenditure for the year amounted to KShs 2,271,510 being expenditure on use of goods and services (recurrent).

	2022-2023	2021-2022
Development Expenditure	0	23,646,879
Recurrent Expenditure	2,271,510	2,928,150
	2,271,510	26,575,029

c) Cash flows

In the FY 2022/2023, the Municipality experienced liquidity disruptions. This was as a result of untimely disbursement of funds by the County Treasury. As at the close of the financial under review, we had a bank balance (unspent) of Kshs 3,657 as supported by the bank balance certificate.

d) Accounts receivables

Imprest management is a critical area of focus in the Municipality. Our aim is to adhere to the PFM regulations on imprest management. We appreciate that we have no outstanding imprests as at 30th June, 2023.

e) Pending bills

There were no pending bills during the year although due to the delayed procurement of our projects, the municipality carried forwards outstanding commitments of kshs. 25,819,903.

f) Fixed assets

Diani Municipality has financed roads and beautification projects, being assets acquired. Offices have been equipped among others. These forms the composition of the Municipality's assets which are well shown in the assets register.

Risk management strategy

A risk is any event that, if it occurs, will have an effect on at least one organization's objective. Risks are, in the context of the municipality's Strategic Plan, factors which have a likelihood of influencing the implementation of projects and programs. The municipality has little influence over these risks. However, there is need to identify them and develop mitigation strategies for

managing any negative effects that may result from occurrence of the risks. The Risk Analysis for the municipality in its strategic plan has grouped these risks into five categories namely: Strategic Risks; Organizational Risks; Operational Risks; Financial Risks; and Technological Risks

For each risk factor, the municipality has identified measures that it plans to put in place for mitigation.

Risks are inevitable in the day to day operations of the municipality. The municipality has adopted risk sharing as a strategy by way of procurement of services of contractors in project implementation instead of doing works using own staff and equipment.

The municipality staff have an insurance cover taking care of their medical bills and workman's compensation in case of injury while on duty. The municipality is continuously acquiring and owning assets. The future plan is to insure all assets thereby transferring the risks associated with the ownership and use of these assets.

Value for money

The concentration of activities in Diani is along the beach, hence the choice of the beautification of the beach road. Projects undertaken by the Municipality are chosen through the public participation process as stipulated by the constitution of Kenya 2010. This being the case, the citizens realised value for money for the projects implemented.

Despite the notable achievements, we have experienced some challenges during the year. These include:

- i. Mobility problems due to lack of vehicles for the municipality.
- ii. Lack of an office and a board room for the municipality staff. The municipality is still fully dependent on the county government for such resources/facilities.
- iii. Over reliance on the county seconded staff to perform municipality functions.
- iv. Over reliance on revenue allocated by the county executive.

Conclusion

FY 2022/2023 was a good year in general which presented good progress of the Municipality.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank the KUSP for their good gesture of supporting infrastructural development in the county through the Municipality initiative. Not to forget also my sincere thanks to the County Executive Committee Member in charge of Environment and the Chief Officer who have worked hand in hand to ensure that Diani Municipality achieves its mission.

I thank all the seconded staff of the county for their continued commitment and dedication through hard work in delivering services to the people of Diani Municipality.



.....

Name: Khamisi Omar Mwandaro
Municipality Manager

7. Statement of Performance against Predetermined Objectives for the FY 2022/2023

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

The key development objectives of the Diani Municipality as per the 2022-2023 plan are to:

- a) Ensure a safe tourist destination.
- b) Provide a clean environment through garbage collection.
- c) Prepare an urban development plan to control development within the municipality.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Ensure a safe tourist destination	To collaborate with other stake holders to minimise crime	To create orderly development in urban areas	Number of tourists visiting Diani municipality	In FY under review there has been a significant increase in the number of tourists visiting Diani municipality. This is evident from the number of guests recorded by hotels and other players in the sector such as transport service providers.
Provide a clean environment	To mobilise resources for garbage collection	To collect all garbage in the Municipality	Tonnes of garbage collected	Garbage collected

Program	Objective	Outcome	Indicator	Performance
Prepare an urban development plan to control development within the municipality	To guide in placement of facilities and institutions rightfully	A well planned municipality	Increased number of developers/investors	Increased land value within the municipality.

8. Corporate Governance Statement

a. Process of appointment and removal of Board members.

The county governor shall, while considering the nominated members identified by the organizations specified, shall require the organizations to produce;

- (a) signed minutes as evidence of an accountable process of nomination;
- (b) evidence of compliance with statutory obligations;
- (c) vetting form to establish that the nominee has complied with the prescribed criteria for appointment as a member of the board.

A board of a municipality shall be appointed by the county governor with the approval of the county assembly. The administration committee members shall cease to be members if he/she;

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

b. Roles and functions of the Municipality Board members,

- (a) Promotion, regulation and provision of refuse collection and solid waste management services;
- (b) Construction and maintenance of urban roads and associated infrastructure;
- (c) Construction and maintenance of storm drainage and flood controls;
- (d) Construction and maintenance of walkways and other non-motorized transport infrastructure;
- (e) Construction and maintenance of recreational parks and green spaces;
- (f) Construction and maintenance of street lighting;
- (g) Construction maintenance and regulation of traffic controls and parking facilities;
- (h) Construction and maintenance of bus stations and taxi stands;
- (i) Promotion, regulation and provision of animal control and welfare;

c. Induction and training of the Municipality Board members and member's performance,

The administration committee members have so far satisfactorily undergone the following induction and trainings:

- K.U.S.P Induction
- Budget and Finance training
- Procurement and By-laws training
- Strategic plan formulation

d. Number of Municipality Board meetings held and the attendance to those meetings and committee by members,

All the four quarterly board meetings were held. Several other committees meetings were held. The municipality also conducted public for a meetings.

e. Succession plan,

When the Municipal Manager is temporarily disabled from acting as Municipal Manager or when the office of the Municipal Manager becomes vacant, the County Governor shall appoint a qualified person to be an Acting Municipal Manager. The County Governor shall inform the County Public Service Board of such appointment within seven (7) days. The Acting Municipal Manager shall have the authority and duties of the Municipal Manager, except that the Acting Municipal Manager may appoint or remove employees only with approval of the Board of the Municipality. An Acting Municipal Manager shall hold office for not more than six months.

f. Existence of a service charter,

The municipality service charter is currently in draft form pending approval by the relevant committees.

g. Conflict of interest,

There is a lack of clear designation and roles between county staff and Municipality staff.

h. Board remuneration,

The chairperson, vice chairperson and members of a board or town committee shall not receive a salary from the board or town committee but shall be paid such allowances and benefits as the county executive committee shall, with the approval of the county assembly, and on the advice of the Salaries and Remuneration Commission, determine.

9. Management Discussion and Analysis

A. The operational and financial performance of the Municipality Board during the period.

The Municipality received its revenue for both development and operations from the County Treasury through exchequer. The municipality had a budget of kshs. 40,656,028 out of which kshs. 14,836,125 and kshs. 25,819,903 was for recurrent and development respectively.

The municipality realised an expenditure of kshs. 2,271,510 translating to 15% absorption. The poor absorption was as a result of non-payment of our development projects amounting to kshs. 25,819,903 which were ongoing as at the close of the financial year. The development budget have been rolled over to the FY 2023-2024 as pending bills.

Illustrated as;

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
Transfer from county treasury - Recurrent	14,836,125	2,275,167	6%
Transfer from county treasury - Development	25,819,903	0	0%
Total	40,656,028	2,275,167	6%

B. Entity's key projects or investments decision implemented or ongoing,

Item No.	Project/Activity Name	Name and Address of Contractor/Suppliers	Contract or Purchase Order No.	Brief Description of Goods, Works or Services	Total Value of Contract in Kshs	Project Status
1.	Cabro paving, drainage construction and culvert installation to areas	Desart Agencies Ltd	1807264	Odessa - Matumizi - Mama Betty road in Gombato Bongwe ward	16,781,050	Ongoing

	of heavy flooding					
2.	Cabro paving of kona Msa to beach road in Ukunda ward	Nungari Merchants Ltd	1807273	Road in Ukunda	5,698,717	Ongoing
3.	Construction of zote beach public toilet	Foxes Enterprises Ltd	1759632	Project in Zote beach	1,779,522	Ongoing
4.	Installation of municipality bill boards at Mvindenikshs. 1,009,941	Gargar Enterprises	1756325	Mvindenibill board marking the municipality's boundary	1,009,941	Ongoing

C. The municipality's compliance with statutory requirements

The entity has by all standards endeavoured to comply the all the existing laws affecting its operations such as: procurement laws, employment/appointments and termination of the same, tax laws, environmental among others.

The entity has been routinely audited by both the internal auditor and The office of the Auditor general since its inception as required by law.

It worth noting that during the previous audits, no fundamental issues have been raised by both the internal and the office of The Auditor general. This is therefore an indication that the affairs of the municipality are run in a fair way and in accordance with the existing governing legal framework.

Major risks facing the Municipality

The municipality in its strategic plan has identified the likely risks in different areas and also identified mitigation arrangements to be put in place. Some of the risks identified are illustrated in the table below;

S/No	Risk Context	Risks (Critical ones that are yet to be mitigated)	Risk Level	Mitigation
1.	Human Resources	<ul style="list-style-type: none"> • Recruitment • Integrity and honesty • Skills and competence • Employee relations • Employee wellness • Employee retention Occupational health and safety	Medium	Develop appropriate policies, guidelines and procedure manuals
2.	Litigation	Claims by employees, public service providers or third parties	Medium	Enhance legal compliance Sensitize employees on legal matters
3.	Information technology	<ul style="list-style-type: none"> • Security of the ICT systems • Technology availability(uptime) • Applicability of infrastructure Integration/interface of systems	High	Update and integrate IT systems and infrastructure
4.	Financial	<ul style="list-style-type: none"> • Cash flow inadequacy • Financial loss • Wasteful expenditure • Budget allocation • Revenue collection • Increasing operational expenditure 	High	Adhere to the provisions of Public Financial Management Act
5.	Social environment	<ul style="list-style-type: none"> • Communication channels • Cultural integration Entrenchment of value and ethics	Medium	Develop and implement communication strategy

6.	Disaster recovery	<ul style="list-style-type: none">Disaster Management Contingency planning	High	Develop and implement disaster management policy
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10. Environmental And Sustainability Reporting

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

Diani Municipality values its residents and strives to create a safe environment for their day to day activities. This is achieved through provision of goods such as roads, street lighting, drainage, walk ways among others, and services such development planning, street cleaning & garbage collection, security through partnership with the security agencies, etc.

1. Sustainability strategy and profile

The top management especially the Accounting Officer makes reference to sustainable efforts, broad trends in political and macroeconomic factors affecting sustainability priorities, reference to international best practices and key achievements and failure.

The municipality partners well the county government of Kwale where it receives enormous support for its operations. The municipality being a resort city attracts much interest nationally and internationally thereby giving it no choice but to partner with all governmental and non-governmental sectors, local and international players so as to be alive to the realities and expectations of the world.

2. Environmental performance

This is one of the critical areas of the municipality's services. The municipality in collaboration with the Department of Environment and Public service and administration has successfully:

- i. Maintained a clean and friendly environment through community collaboration in cleanup exercises
- ii. Developed and implemented environmental awareness creation programs.
- iii. Developed Waste management policies.
- iv. Established measures to mitigate against water, air, noise and other forms of pollution.
- v. Improved Mwabungo dumping site through upgrading from the previous status.

3. Employee welfare

Employee welfare is one area the municipality is yet to come up with the framework required. This is so because the municipality is still fully reliant on the county seconded staff for its operations. However, the following are ways through which employee welfare can be achieved;

- Having an optimal staff organization structure for effective and efficient public service delivery.
- Harmonization of job grading and remuneration through job evaluation and making recommendations to the Salaries and Remuneration Commission on remuneration, pensions and gratuities for county employees;
- Promotion of the National Values and Principles as espoused by Articles 10 and 232 of the Constitution of Kenya;
- Strengthening county public service in the management of county affairs by upholding the requirements of Chapter 6 of the Constitution on Leadership and Integrity by recruiting and developing able and competent personnel with the highest standards of integrity;
- Regular monitoring, evaluation and reporting on the extent to which the National Values and Principles referred to in Articles 10 and 232 of the Constitution are complied within the county public service;
- Facilitate disciplinary control over persons holding or acting in public service officers and ensuring the staff code of conduct is adhered to by all county employees; and
- Promoting coherent, integrated human resource planning and budgeting and carrying out staff audits to discourage incidences of “ghost workers” and advise the county government on human resources development and management.

4. Market place practices

Corruption Prevention

The Municipality is committed to preventing corruption, unethical practices and promote standards and best practices in governance in all its activities.

To achieve this, the Municipality has:

- i. Participated in corruption perception surveys undertaken by the department of Public Services Training & Development and office of the County Secretary (CS) in order to establish the corruption perception index, using a standard survey tool developed by the EACC (20%).
- ii. Participation in undertaking the corruption risk assessment.
- iii. Implemented low key recommendations emanating from the corruption risk assessments reports and corruption risk mitigation plans (30%).
- iv. Undertaken the following activities in the department:
 - Published notices on ‘No corruption zone’ and pin them on strategic locations (10%).

- Complied with the Procurement guidelines as stipulated in the Act (10%).
 - Established a gift register (10%).
 - Created awareness on the Leadership and Act by distributing print outs of the Act to all officers (10%).
- v. Submitted quarterly performance reports to EACC on the above using the prescribed reporting format. (10%).

a) Responsible competition practice.

The municipality endeavours to undertake its responsibility of quality service provision to the public. Street lighting, drainage construction and maintenance, beautification of the beaches and beach roads, cleaning and garbage collection are some of the services the municipality offers to the municipality dwellers at no cost.

The Municipality is committed to preventing corruption, unethical practices and promote standards and best practices in governance in all its activities.

b) Responsible Supply chain and supplier relations

A responsible supply chain is one that takes into account all of the social and environmental impacts throughout every step of the supply network. A growing number of companies are working to improve the ethical responsibility of their supply chains through open communication and transparency.

The municipality does its procurement processes in an open way and as prescribed and governed by the relevant legislation. Suppliers are treated responsibly, contracts honoured and payments done as per the contract terms.

c) Responsible marketing and advertisement

Customer-centric marketing has been a theme amongst marketing strategies for several years. Responsible marketing is an approach that ensures you're not only meeting customers' needs but also having a positive impact on them and the community you're both a part of. The municipality cannot exist without its customers for they the reason for its existence. Public participation has continuously helped bridge the relationship between the municipality and its customers.

d) Product stewardship

Product stewardship is the act of minimizing the health, safety, environmental, and social impacts of a product and its packaging throughout all lifecycle stages, while also maximizing economic benefits. The municipality achieves this through mechanizing garbage collection, regular clean ups including drainage maintenance, maintenance of street lights and animal control among others.

5. Community Engagements

Through public participation the residents have played a role in decision making processes, participate in monitoring and evaluation, and demand for accountability from leaders and duty bearers and issue score cards for service delivery and performance. The citizenry development issues and priorities have been cascaded through developing County Annual Development Plans (CADP) that will implement this CIDP. There has been Introduction of sports competition award schemes & Establishment of functional talent centres for young people among others.

11. Report of the Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Municipality affairs.

Principal activities

The principal activities of the Municipality are;

- a. Solid waste management services
- b. Construction and maintenance of urban roads and associated Infrastructure;
- c. Construction and maintenance of storm drainage and flood Controls;
- d. Construction and maintenance of walkways and other non-motorized Transport infrastructure;
- e. Construction and maintenance of recreational parks and green Spaces;

Performance

The performance of the Municipality for the year ended June 30, 2023 are set out on pages 1 to 8.

Board Members

The members of the Board who served during the year are shown on page vii to x. There were no changes in the Board during the financial year under review.

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: Hamisi Mwandaro

Secretary of the Board

12. Statement of Management's Responsibilities

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

The Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

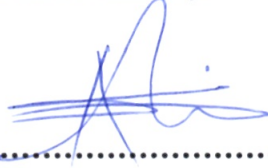
The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required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

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

In preparing the financial statements, nothing has come to the attention of the Municipality Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Municipality's financial statements were approved by the Board on 28th September 2023 and signed on its behalf by:



.....

Name:

Chairperson of the Board



.....

Name:

Accounting officer of the Board

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON DIANI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Diani Municipality set out on pages 1 to 43, which comprise of the statement of financial position, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Diani Municipality, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Urban Areas and Cities Act, 2019.

Basis for Qualified Opinion

1. Inaccuracies in Receivables From Non-Exchange Transactions

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from non-exchange transactions of Kshs.26,408,023. The balance was in respect of undisbursed budgetary allocation from the County Government of Kwale. However, recognition of the amount was contrary to Section 136(1) of the Public Finance Management Act, 2012 which provides that an appropriation that has not been spent at the end of the financial year for which it was appropriated lapses at the end of that financial year. The receivables are therefore doubtful and might not be realizable considering that the appropriation lapsed at the end of the respective financial years.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transactions of Kshs.26,408,023 could not be confirmed.

2. Undepreciated Property, Plant and Equipment

The statement of financial position and as disclosed in Note 24 of the financial statements reflects property plant and equipment valued at Kshs.91,238,910. However, the assets were valued at cost, without being charged for depreciation contrary to Paragraph 11 of the International Public Sector Accounting Standard (IPSAS) 17, which requires that an entity commence depreciating an item of property, plant and equipment when it is available for use and to continue depreciating it until it is derecognized, even during that period the item is idle. In addition, Management did not have in place a depreciation policy for its assets.

In the circumstances, the accuracy and completeness of the Property, Plant and Equipment of Kshs.91,238,910 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.40,656,028 and Kshs.28,679,533 respectively, resulting in under-funding of Kshs.11,976,495 or 29% of the budget. Similarly, the Municipality spent Kshs.2,271,510 against an approved budget of Kshs.14,836,125, resulting in under-expenditure of Kshs.12,564,615 or 85% of the budget.

The under-funding and under-expenditure affected the planned activities and may impact negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year Audit Issues

In the audit of the prior year, matters were raised in the report on the financial statements and report on lawfulness and effectiveness in use of public resources. However, the matters remained unresolved as at 30 June, 2023. Although Management indicated that some of the issues were resolved, there was no evidence provided to show that they had been discussed and resolved by the relevant oversight bodies.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with the Urban Areas and Cities Act and the Municipality Charter

Review of documents provided in respect of the Municipality planning and compliance with compliance with Urban Areas and Cities Act, 2019 and Municipality's Charter revealed the following anomalies:

- i. The Municipality Management did not provide an approved Urban Area Integrated Development Plan for audit review, contrary to Section 9 (3) (b) of the Urban Areas and Cities Act, 2011 (Amended in 2019) which states that, 'a town is eligible for the

conferment of municipal status under this Act if the town satisfies a number of criteria including having an integrated development plan in accordance with this Act'.

- ii. The Municipality did not have a strategic plan, in contravention of Section 175 (1) of the Public Finance Management (PFM) Act, 2012 which requires an urban area or city to develop a strategic plan based on the integrated development plan that is consistent with the County Fiscal Strategy Paper.
- iii. Payments in respect of development activities were made from Kwale County Government Development, contrary to Section 179 (2) of the PFM Act, 2012 which requires all money received by an urban area or city to be paid into its bank account or accounts.
- iv. The Municipality had neither recruited employees nor maintained a Municipal Assets Register of all movable and immovable property contrary to Paragraphs 8.1 and 9.4 of the Charter, respectively.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed. I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Management and Municipality Board

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

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Municipality or to cease operations.

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

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

The Municipality of Trustees 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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does

not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Municipality to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Municipality to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 February, 2024

14. Statement of Financial Performance for The Year Ended 30 June 2023.

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	28,683,190	13,112,241
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues (<i>Specify</i>)	9	-	-
		28,683,190	13,112,241
Revenue from exchange transactions			
Interest income	10	-	-
Miscellaneous Income	11	-	-
		-	-
Total revenue		28,683,190	13,112,241
Expenditure			
Use of goods and services	12	2,271,510	2,928,150
Staff costs	13	-	-
Board expenses	14	-	-
Finance costs	15	-	-
Depreciation and amortization	16	-	-
Repairs and maintenance	17	-	-
Total expenses		2,271,510	2,928,150
Other gains/losses			
Gain/loss on disposal of assets	18	-	-
Surplus/(deficit) for the period		26,411,680	10,184,091

The notes set out on pages 22 to 43 form an integral part of these Financial Statements. The entity's financial statements were approved on 28th September 2023 and signed by:


 Name: Hamisi Mwandaro
 Municipality Manager


 Name: Marago Filex
 Head of Finance
 ICPAK M/No

15. Statement of Financial Position As At 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	3,657	-
Receivables from exchange transactions	20	-	-
Receivables from Non- exchange transactions	21	26,408,023	1,903,400
Prepayments	22	-	-
Inventories	23	-	-
Total current assets		26,411,680	1,903,400
Non-current assets			
Property, plant, and equipment	24	91,238,910	75,108,802
Intangible assets	25	-	-
Total Non-current Assets		91,238,910	75,108,802
Total assets		117,650,590	77,012,202
Liabilities			
Current liabilities			
Trade and other payables	26	16,130,108	-
Refundable deposits from customers	27	-	-
Provisions	28	-	-
Borrowings	29	-	-
Employee benefit obligations	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total current liabilities		16,130,108	-
Non-current liabilities			
Provisions	28	-	-
Borrowings	29	-	-
Non-current employee benefit obligation	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total liabilities		16,130,108	-


Description	Note	FY 2022-2023	FY 2021-2022
		Kshs.	Kshs.
Net assets		101,520,482	77,012,202
Capital/Development Grants/Fund		25,697,047	25,697,047
Reserves		-	-
Accumulated surplus		75,823,435	51,315,155
Total net assets and liabilities		101,520,482	77,012,202

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 September 2023 and signed by:



.....
Name: Hamisi Mwandaro
City/Municipality Manager

Date:



.....
Name: Marago Filex
Head of Finance

ICPAK M/No

Date: 21/12/2023

16. Statement of Changes in Net Assets For the Year Ended 30 June 2023

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2021	25,714,500	-	41,131,064	66,845,564
Surplus/(deficit) for the year			10,184,091	10,184,091
Funds transferred during the year	(17,453)			(17,453)
Revaluation gain				-
Bal as at 30 Jun 2022	25,697,047	-	51,315,155	77,012,202
Bal as at 1 July 2022	25,697,047	-	51,315,155	77,012,202
Surplus/(deficit) for the year			26,411,680	26,411,680
Funds received during the year				-
Prior Year Adjustment			(1,903,400)	(1,903,400)
Revaluation gain				-
Balance as at 30 June 2023	25,697,047	-	75,823,435	101,520,482

Prior year adjustment relates to correction of wrongly recognised recurrent revenue budget.

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

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		1,793,667	2,664,348
Public contributions and donations			
Interest received			
Miscellaneous receipts (<i>Specify</i>)			
Total Receipts		1,793,667	2,664,348
Payments			
Use of goods and services		(1,790,010)	(2,681,003)
Staff costs			
Board expenses			
Finance costs			
Total Payments		(1,790,010)	(2,681,003)
Net cash flows from operating activities	33	3,657	(16,655)
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		3,657	(16,655)
Cash And Cash Equivalents At 1 July	19	-	16,655
Cash And Cash Equivalents At 30 June	19	3,657	-

18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2023

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
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	56,324,238	(15,668,210)	40,656,028	28,679,533	11,976,495	71%
Public contributions and donations						
Interest income	-	-	-	-	-	
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	
Total Revenue	56,324,238	(15,668,210)	40,656,028	28,679,533	11,976,495	71%
Expenses						
Use of goods and services	9,935,747	4,900,378	14,836,125	2,271,510	12,564,615	15%
Board expenses						
Staff Costs	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Total Expenditure	9,935,747	4,900,378	14,836,125	2,271,510	12,564,615	15%
Surplus for the period	46,388,491	(20,568,588)	25,819,903	26,408,023	(588,120)	-
Capital Expenditure	46,388,491	(20,568,588)	25,819,903		25,819,903	0%

Budget notes

The municipality realised 15% actual utilization. This is because of the delayed procurement of projects. None of the projects was paid for as all were incomplete by the end of the financial year. The recurrent budget was also not fully funded by the County treasury, hence the low realization.

19. Notes to the Financial Statements

1. General Information

Diani Municipality is established by and derives its authority and accountability from the Urban Areas and Cities Act 2011. The City/Municipality is under the Kwale County Government and is domiciled in Kenya.

Like any other Municipality the world over, Diani Municipality's principal activity is to provide public services such as garbage collection, road infrastructure, street lighting, walk ways for pedestrians and non-motorised transport, among others.

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.

3. Application of New and revised standards (IPSAS)

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

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

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

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ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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

iii. *Early adoption of standards*

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

(Notes to financial statements continued)

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded a reduction in appropriations of kshs. 15,668,210 on 27th September 2023 following the governing body's approval.

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis

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

c) Property, plant and equipment

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

d) Intangible assets

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

(Significant accounting policies continued)

e) Financial instruments

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

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

Financial assets

Classification of financial assets

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

(Significant accounting policies continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

(Significant accounting policies continued)

Impairment

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

Financial liabilities

Classification

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

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

(Significant accounting policies continued)

g) Provisions

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

h) Social Benefits

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

i) Contingent liabilities

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

(Significant accounting policies continued)

j) Contingent assets

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

k) Nature and purpose of reserves

The Municipality creates and maintains reserves in terms of specific requirements.
City/Municipality to state the reserves maintained and appropriate policies adopted

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

(Significant accounting policies continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Cash and cash equivalents

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

(Significant accounting policies continued)

r) Comparative figures

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

s) Events after the reporting period

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

Two types of events can be identified:

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

(b) Those that are indicative of conditions that arose after the reporting date (*non-adjusting events after the reporting date*).

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

t) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

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 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 City/Municipality. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

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

Notes to the Financial Statements

6. Transfers from the County Government

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	28,683,190	13,112,241
Payments by County on behalf of the entity	-	-
Unconditional development grants	-	-
Total	28,683,190	13,112,241

(a) Transfers from County Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance* Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	FY 2021-2022
			Kshs	Kshs	Kshs
State Department	-	-	-	-	-
Ministry	-	-	-	-	-
Total	-	-	-	-	-

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the sending County office. An acknowledgement note/receipt should be raised in favour of the sending County office.) *Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6 The details of the reconciliation have been included under appendix xxx

7. Public Contributions and Donations

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

Notes to the Financial Statements

8. Levies, Fines and penalties

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others (<i>indicate and specify</i>)	-	-
Total	-	-

9. Other Revenues from Non-Exchange Transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others (<i>indicate and specify</i>)	-	-
Total	-	-

(Provide a brief explanation for this revenue)

10. Interest income

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	-	-
Others (<i>Specify</i>)	-	-
Total interest income	-	-

(Provide brief explanation for this revenue)

11. Miscellaneous income

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Income from sale of tender documents	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified
Any writebacks or recoveries from write offs).

Notes to the Financial Statements

12. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Utilities, supplies and services	-	-
Communication, supplies and services	19,000	62,000
Domestic travel and subsistence	939,900	1,516,300
Foreign travel and subsistence	-	-
Printing, advertising, supplies & services	-	-
Rent and rates	-	-
Training expenses	-	-
Hospitality supplies and services	804,950	1,115,500
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	399,400	-
Fuel, oil and lubricants	-	-
Other operating expenses (<i>Specify</i>)	31,810	-
Routine maintenance – vehicles and other equipment	-	-
Routine maintenance – other assets	-	-
Contracted Professional Services	-	-
Audit fees	-	-
Hire of Transport, equipment etc	60,000	231,700
Bank Charges	16,450	2,650
Social Benefit expenses*	-	-
Total	2,271,510	2,928,150

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

13. Staff costs

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs (<i>Specify</i>)	-	-
Total	-	-

Notes to the Financial Statements

14. Board expenses

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	-	-
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	-	-

15. Finance costs

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

16. Depreciation and amortization

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

Notes to the Financial Statements

17. Repairs and Maintenance

Description	FY 2022-2023	FY 2021-2022
	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	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

19. Cash and cash equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Fixed deposits account	-	-
On – call deposits	-	-
Current account	3,657	-
Others(<i>specify</i>)	-	-
Total cash and cash equivalents	3,657	-

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes to the Financial Statements

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

Financial institution	Account number	FY 2022-2023	FY 2021-2022
		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			
Cooperative Bank	01141839229400	3,657	-
Sub- total		3,657	-
d) Others(specify)		-	-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		3,657	-

20. Receivables from exchange transactions

Description	FY 2022-2023	FY 2021-2022
	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 receivables from exchange transactions	-	-

Ageing analysis for Receivables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
	FY 2022-2023	% of the total	FY 2021-2022	% 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	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Transfer from County Executive	28,311,423	1,903,400
Transfer from Fund	-	-
Prior year adjustment	(1,903,400)	
Total receivables from non-exchange transactions	26,408,023	1,903,400

Prior year adjustment relates to correction of wrongly recognised recurrent revenue budget.

Ageing analysis for Receivables from non-exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
	FY 2022-2023	% of the total	FY 2021-2022	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

22. Prepayments

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(<i>specify</i>)	-	-
Total	-	-

23. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Stationery	-	-
Consumables	-	-
Other inventories(<i>specify</i>)	-	-
Total inventories at the lower of cost and net realizable value	-	-

(Notes to the Financial Statements Continued)

24. Property, Plant and Equipment

Description	Land	Building	Motor vehicles	Computers	Furniture and fittings	Roads and Other Infrastructure	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 July 2021	-	-	-	-	-	51,461,923	-	51,461,923
Additions	-	-	-	-	-	23,646,879	-	23,646,879
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2022	-	-	-	-	-	75,108,802	-	75,108,802
Additions for the year	-	-	-	588,120	-	15,541,988	-	16,130,108
Disposals for the year	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2023	-	-	-	588,120	-	90,650,790	-	91,238,910
Depreciation and impairment								
At 1 July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-

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Description	Land	Building	Motor vehicles	Computers	Furniture and fittings	Roads and Other Infrastructure	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 30 June 2022		-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-
Disposals for the year		-	-	-	-	-	-	-
Impairment for the year		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
As at 30 th June 2023		-	-	-	-	-	-	-
NBV as at 30 th Jun 2022	-	-	-	-	-	75,108,802	-	75,108,802
NBV as at 30 th Jun 2023	-	-	-	588,120	-	90,650,790	-	91,238,910

(Notes to The Financial Statements Continued)

25. Intangible assets

Description	FY 2022-2023	FY 2021-2022
	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. Trade and other payables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs.		Kshs.	
Trade payables	16,130,108		-	
Retentions	-		-	
Accrued expenses	-		-	
Other payables (Specify)	-		-	
Total trade and other payables	16,130,108		-	
Ageing analysis:	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

Notes to the Financial Statements

27. Refundable deposits from customers

Description	FY 2022-2023		FY 2021-2022	
	KShs		KShs	
Rent deposits	-		-	
Others (<i>specify</i>)	-		-	
Total	-		-	
Ageing analysis:	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

28. Provisions

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Balance at the beginning of the year	-	-
Additional Provisions (<i>Specify</i>)	-	-
Provision utilised	-	-
Balance at the end of the year	-	-
Current Portion of provision	-	-
Long term portion of provision	-	-
Total Provisions	-	-

29. Borrowings

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

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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Diani Municipality**

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(NB: the total of this statement should tie to note 29 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

Description	FY 2022-2023	FY 2021-2022
	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	FY 2022-2023	FY 2021-2022
	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	-	-

30. Employee Benefit Obligations

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

Notes to the Financial Statements

31. Deferred Income

Description	FY 2022-2023	FY 2021-2022
	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	-	-	-	-

Include columns as needed for the various sources of income deferred

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

Notes to the Financial Statements

32. Social Benefit Liabilities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme		
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

33. Cash generated from operations

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	26,411,680	10,184,091
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	(26,408,023)	(10,200,746)
Increase in payables	-	-
Net cash flow from operating activities	3,657	(16,655)

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

Notes to the Financial Statements

34. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Board Members	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

Notes to the Financial Statements

e) Due to related parties

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Due to parent Ministry	-	-

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Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

35. Contingent liabilities

Contingent liabilities	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Court case against the entity	-	-
Bank guarantees	-	-
Total	-	-

36. Contingent Assets

Contingent liabilities	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Court case against the entity	-	-
Others Specify	-	-
Total	-	-

Notes to the Financial Statements

37. Financial risk management

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

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

I. Credit risk

The Municipality has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment 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'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'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 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes to the Financial Statements

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 has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Municipality has no significant concentration of credit risk.

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

II. Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 Jun 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements

III. Market risk

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

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

IV. Foreign currency risk

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

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
At 30 June 2023			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

(The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.)

Notes to the Financial Statements

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.
2023			
Euro	10%	-	-
USD	10%	-	-
2022			
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.

Notes to the Financial Statements

VI. Capital risk management.

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

Description	FY 2022- 2023	FY 2021- 2022
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/City/Municipality	-	-
Accumulated surplus	-	-
Total Funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

20. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
i	Non provision of Integrated development plan	A draft IDP awaiting approval by county assembly	Not resolved	By march 2024
ii	Non provision of strategic plan	A draft spatial plan in place awaiting board's approval	Not resolved	By march 2024
iii	Municipal employees not recruited	Recruited	Resolved	A few recruited, the exercise is continuing
iv	Non-existence of assets register	Maintained	Resolved	Will continuously be updated

The entity did not have any issues raised by the external auditors.


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Hamisi Mwandaro

County Government of Kwale
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Appendix 2: Inter Entity Transfers

CITY/MUNICIPALITY NAME:				
Breakdown of Transfers from the County Executive of Kwale County				
FY 2022/2023				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	

Appendix 3: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

The entity did not incur any expenditure relating to climate change.

Appendix 4: Disaster Expenditure Reporting Template

Date:

Entity

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

The entity did not incur any expenditure relating to disaster.

KWALE COUNTY GOVERNMENT
DIANI MUNICIPALITY
ASSET SUMMARY AS AT 30TH JUNE 2023

ITEM	PURCHASE PRICE
OTHER INFRASTRUCTURE	75,108,802.00
WORK IN PROGRESS	15,541,988.00
LAPTOPS & COMPUTERS	588,120.00
TOTAL	91,238,910.00

BAR CODE	DESCRIPTION/MAKE	LENGTH	LOCATION	DATE OF PURCHASE	PURCHASE PRICE KSHS	CONDITION	DISPOSAL	USEFUL LIFE	SUPPLIERS
1	Landscaping of Diani beach road Phase I	0.2 km	UKUNDA	22/6/2020	15,923,065	USABLE	N/A	N/A	Halsa solutions ltd
2	Beautification of Diani beach road Phase II	0.1 km	UKUNDA	4/5/2020	9,247,220	USABLE	N/A	N/A	kenasia consultants
3	Cabro Paved Blue Jay - Diani beach road Phase I	0.5 km	UKUNDA	14/5/2022	14,467,279	USABLE	N/A	N/A	Powerlead ltd
4	Beautification of Diani beach road Phase III	0.2 km	UKUNDA	25/6/2021	10,983,033	USABLE	N/A	N/A	chary business ventures
5	Cabro Paved Blue Jay - Diani beach road Phase II	0.7 km	UKUNDA	25/2/2021	24,488,205	USABLE	N/A	N/A	Le star ltd

75,108,802

BAR CODE	DESCRIPTION/MAKE	LENGTH	LOCATION	DATE OF PURCHASE	PURCHASE PRICE KSHS	CONDITION	DISPOSAL	USEFUL LIFE	SUPPLIERS
1	Construction of culverts to areas of heavy flooding to Odessa - Matumizi - mama Betty road	1.2km	UKUNDA	2022	15,541,988	USABLE	N/A	15 years	Desart Agencies Ltd
					15,541,988				

BAR CODE	DESCRIPTION/MAKE	SERIAL NO/CODE	LOCATION	DATE OF PURCHASE	PURCHASE PRICE KSHS	CONDITION	DISPOSAL PRICE	USEFUL LIFE	SUPPLIERS
1	Lap top	5CG1220MFY	Diani - Manager's office	8/6/2023	112,320.00	New	N/A	N/A	LILY CONSULTANTS
3	Desk top computer	4ce208cm37	Diani - Manager's office	8/6/2023	195,000.00	New	N/A	N/A	LILY CONSULTANTS
4	Laser jet PRINTER	CNCRQCP3WZ	Diani - Manager's office	8/6/2023	280,800.00	New	N/A	N/A	LILY CONSULTANTS
TOTAL					588,120.00				