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## REPORT

OF

PAPERS LAID	
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COMMITTEE	
CLERK AT THE TABLE	S. Njata

## THE AUDITOR-GENERAL

ON

## KENYA URBAN SUPPORT PROGRAM - KISII MUNICIPALITY

## FOR THE YEAR ENDED 30 JUNE, 2020





**KENYA URBAN SUPPORT PROGRAMME –KISII MUNICIPALITY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2020**

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

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
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**KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Key Management**

Ref	Name	Position
1	Mr. Vincent Sagwe	CEC LPP&UD
2	Mr. Nicodemus Okondo Osoro	CO LPP&UD / Project Coordinator
3	Mr. Wilfred Auma	CO Finance
4	Mr. Nahashon Ongeru	Municipal manager
5	Harun Oyaro Kenyuru	Project Manager

**b) Registered Offices**

P.O. Box 4550-40200  
Fire Station Building  
Next to Storm Hotel  
Kisii, KENYA

**c) Kisii municipality**

Telephone :( 254) 582030005  
E-mail: info@kisii.go.ke  
Website: www.kisii.go.ke

**d) Grant Bankers**

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

Credit Bank  
Kisii branch

**Entity Bankers**

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

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
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**e) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

**f) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue


P.O. Box 40112

City Square 00200

Nairobi, Kenya

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
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2. MANAGEMENT TEAM

	<p><b>Mr. Wilfred O. Auma – CO Finance and Economic Planning</b></p> <p>Mr. Wilfred Auma heads the Finance and Accounting Services as a Chief Officer. Prior to his appointment, he headed the department of Planning and Economic Development. He holds Master’s Degree in Business Administration (Finance) from Kisii University, Bachelor of Commerce in Statistics, Accounting, Income Tax, Business Management and Auditing from Devi Ahilya Vishwavidyalaya, Indore and a Higher National Diploma In Finance Analysis from Indian Management Training and Research Institute.</p> <p>Until his appointment, he was working with Wakenya Pamoja Sacco Society Ltd as a manager in Business Growth Development.</p>
	<p><b>Nahashon Ongeri -Municipal manager</b></p> <p>He holds BCOM in Accounting and MBA in Finance. He has worked in Barclays Bank as operational Manager, Chase Bank as branch manager and Credit Bank as a Branch Manager.</p> <p>He brings experience in financial management and resource mobilization</p>
	<p><b>Nicodemus Okondo Osoro- Chief officer lands</b></p> <p>He served as a high school teacher for over 15 years. He was the Chairman Kenya Union of Post Primary Education Teachers.</p> <p>He holds a Bachelor’s of Arts degree in Education from Egerton University.</p>


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**For the year ended June 30, 2020**

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3. MUNICIPAL BOARD CHAIRPERSON'S REPORT

The conditional grant was established in the financial year 2018/2019 having achieved the set minimum condition. Within this one and half year, a special purpose account was opened, all projects tendered, awarded and commenced. Most projects have been completed; the absorption rate of funds is at 96%.

The Urban Development Grant (UDG) phase 3 of the Kenya Urban Support Programme (KUSP) has been implemented by the Municipal Board successfully. Therefore, we are impressed with the assistance from KUSP which has made Kisii Municipality to be a 24-hour Economy and it has created a big impact to the population of Kisii Municipality

Signed:  \_\_\_\_\_ -

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

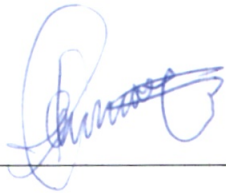
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4. REPORT OF THE MUNICIPAL MANAGER

All the projects of Kisii Municipality under Urban Development Grant (UDG) have been completed and in use. These includes; Fire station, Urban Roads, Drainages and Walkways.

Due to the support of World Bank, Kisii Municipality has been enabled to achieve its objectives in terms of development and service delivery. We look forward to partner with KUSP for the assistance to improve the status of Kisii Municipality.

Signed: \_\_\_\_\_



## 5. CORPORATE GOVERNANCE STATEMENT

Kisii municipal board has eleven members and has held two board meetings and four committee meetings. The full board sits once every quarter of a financial year while each committee sits twice every quarter. The County Government of Kisii had a defunct of Kisii town which hence inaugurated to Kisii Municipality after the promulgation of the Kisii municipal charter of 2018.

The municipality has a charter that regulates operations and governance of the Kisii municipality. Appointments of the board members and removal of the board members from the board who are the trustees of the board is done in accordance to section 15 and 16 of the UACA 2011 respectively.

In ensuring effective service delivery to the citizens of Kisii municipality, the municipal charter has adopted the functions of the board as outlined in the section 20 of UACA 2011. Furthermore, the County government inducted the board members on the functions of the board as well as those of the county government. The members have the capacity to key skills development to enable them execute their duties effectively. To enhance board and members performance, members are in committees for efficiency and effectiveness.

The members of the board do not receive monthly salary from the municipality nor the county government, but earn allowance and benefits as determined by the County Executive Committee with the advisory from the salaries and remuneration commission with approval of the Kisii county assembly.

To address issues of ethics and conduct of members, they were subjected to an oath of secrecy during assume of office. On matters of governance and audit, the municipality is corporate entity head by the municipal with rights to sue and be sued as well as able to take credit.

**6. REPORT OF THE TRUSTEES**

**Principal activities**

1. Provide for efficient and accountable management of the affairs of the Municipality.
2. Provide for a governance mechanism that will enable the inhabitants of the Municipality to:
  - Participate in determining the social services and regulatory framework which will best satisfy their needs and expectations.
  - Verify whether public resources and authority are utilized or exercised, as the case may be, to their satisfaction.
  - Enjoy efficiency in service delivery.
3. Provide a high standard of social services in a cost-effective manner to the inhabitants of the Municipality.

**Key management team**

The members of the key Management Team who served during the year are shown on page 2.

**Auditors**

The Auditor General is responsible for the statutory audit of the Grant in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to audit of Kisii Municipality Financial Statement for the year ended 30<sup>th</sup> June 2020.

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
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**For the year ended June 30, 2020**

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**7. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Municipal Manager of Kisii Municipality shall prepare financial statements for the Grant as per the PFM Act 2012 Section 116 (7) in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

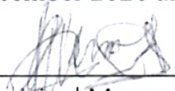
The Municipal manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) Maintaining adequate 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 Grant; (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 Grant; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipal Manager accepts responsibility for the Municipality's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Section 116 (7). The Municipal Manager is of the opinion that the Municipality's financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2021, and of the Municipality's financial position as at that date. The Manager further confirm the completeness of the accounting records maintained for the Grant, which have been relied upon in the preparation of the Municipality's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Municipal Manager has assessed the Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the 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.

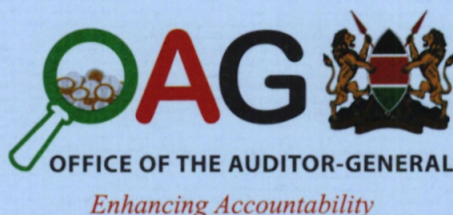
**Approval of the financial statements**

The Kisii Municipality's Financial Statements were approved by the Project Coordinator on 30<sup>th</sup> . December 2020 and signed on its behalf by:

  
\_\_\_\_\_  
Municipal Manager

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA URBAN SUPPORT PROGRAM - KISII MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Urban Support Program - Kisii Municipality set out on pages 11 to 31, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Urban Support Program - Kisii Municipality as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with and comply with Financing Agreement (Program Grant No. IDA 6134-KE) between the Republic of Kenya and the International Development Association dated 14 September, 2017 and Intergovernmental Participation Agreement (Kenya Urban Support Program) between the National Government of the Republic of Kenya and Kisii County Government dated 11 April, 2018.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

## Other Matter

### Budgetary Control and Performance

The statement of comparison of budget and actual amount for the year ended 30 June, 2020 reflects expenditure budget of Kshs.41,200,000 and an actual expenditure of Kshs.92,934,427 resulting to an overall over-expenditure of Kshs.51,734,427 as detailed below.

Expenses	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Under/(Over) Absorption (Kshs)
Use of Goods and Services	41,200,000	25,831,204	15,368,796
Acquisition of Assets	0	67,103,223	(67,103,223)
<b>Total</b>	<b>41,200,000</b>	<b>92,934,427</b>	<b>51,734,427</b>

The under-expenditure of Kshs. 15,368,796 under use of goods and services is equivalent to services budgeted for but not delivered to the residents of Kisii County. Further, no evidence provided to confirm that the over-expenditure of Kshs.67,103,223 was approved as required by Section 43(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that County Government entities shall execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan with the exception of unforeseen and avoidable spending dealt with through the Contingencies Fund of supplementary estimates.

### REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

#### Conclusion

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

#### Basis for Conclusion

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

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

#### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 governance were not effective.

## **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the ability of Kenya Urban Support Program - Kisii Municipality to sustain 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 Program or to cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Kenya Urban Support Program - Kisii Municipality to continue 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 Program to cease sustaining 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 Kenya Urban Support Program - Kisii Municipality to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 January, 2022

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**9. FINANCIAL STATEMENTS**

**9.1 STATEMENT OF RECEIPTS AND PAYMENTS**

		<b>2019-2020</b>	<b>2018-2019</b>
	<b>Notes</b>	<b>KShs</b>	<b>KShs</b>
<b>RECEIPTS</b>			
Proceeds from Domestic and Foreign Grants	<b>1</b>	41,200,000	164,053,800
		-	-
<b>TOTAL RECEIPTS</b>		41,200,000	164,053,800
<b>PAYMENTS</b>			
Compensation of Employees		-	-
Use of goods and services	<b>2</b>	25,831,204	13,870
Acquisition of Assets	<b>3</b>	67,103,223	92,301,445
<b>TOTAL PAYMENTS</b>		<b>92,934,427</b>	<b>92,315,315</b>
<b>SURPLUS/DEFICIT</b>		<b>(51,734,427)</b>	<b>71,738,485</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> December 2020 and signed by:



\_\_\_\_\_  
Municipal manager  
Name: Nahashon Ongeru



\_\_\_\_\_  
Grant Accountant  
Name: Mosagwe Elijah  
ICPAK Member Number: 24903

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**9.2 STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020**

		<b>2019-2020</b>	<b>2018-2019</b>
	<b>Notes</b>	<b>KShs</b>	<b>KShs</b>
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	5	24,543,318	80,968,630
Cash Balances			
<b>Total Cash and cash equivalent</b>		<b>24,543,318</b>	<b>80,968,630</b>
Accounts receivables – Outstanding Imprests			
<b>TOTAL FINANCIAL ASSETS</b>		<b>24,543,318</b>	<b>80,968,630</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	4	4,539,261	9,230,146
<b>NET FINANCIAL ASSETS</b>		<b>20,004,057</b>	<b>71,738,484</b>
<b>REPRESENTED BY</b>			
<b>Grant balance b/fwd</b>		71,738,484	0
<b>Prior year adjustments</b>			
<b>Surplus/Deficit for the year</b>		(51,734,427)	71,738,484
<b>NET FINANCIAL POSITION</b>		<b>20,004,057</b>	<b>71,738,484</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> December 2020 and signed by:



Municipal Manager  
Name: Nahashon Ongeru



Grant Accountant  
Name: Mosagwe Elijah  
ICPAK Member Number: 24903


**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2019-2020 KShs	2018-2019 KShs
<b>Receipts from operating income</b>			
Proceeds from Domestic and Foreign Grants	1	41,200,000	164,053,800
<b>Payments for operating expenses</b>			
Compensation of Employees			
Use of goods and services	2	(25,831,204)	(13,870)
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		00	00
Increase/(Decrease) in Accounts Payable: (deposits and retention)		(4,690,885)	9,230,146
Other Adjustments			
<b>Net cash flow from operating activities</b>		<b>10,677,911</b>	<b>173,270,076</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets		(67,103,223)	(92,301,445)
<b>Net cash flows from Investing Activities</b>	3	<b>(67,103,223)</b>	<b>(92,301,445)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings			
Proceeds from Foreign Borrowings			
Repayment of principal on Domestic and Foreign borrowing			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(56,425,312)</b>	<b>80,968,630</b>
<b>Cash and cash equivalents at BEGINNING of the year</b>		<b>80,968,630</b>	
<b>Cash and cash equivalents at END of the year</b>	5	<b>24,543,318</b>	<b>80,968,630</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> December 2020 and signed by:

  
Municipal Manager  
Name: Nahashon Ongeri

  
Grant Accountant  
Name: Mosagwe Elijah  
ICPAK Member Number: 24903

**KENYA URBAN SUPPORT PROGRAM -KISII MUNICIPALITY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**9.3 Statement of Budget and Actual Amounts**

Receipt/Payment Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Variance	% of utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>						
Proceeds from domestic and foreign grants	50,000,000	(8,800,000)	41,200,000	41,200,000	-	100%
<b>Total Receipts</b>	<b>50,000,000</b>	<b>-8,800,000</b>	<b>41,200,000</b>	<b>41,200,000</b>	-	100%
<b>Payments</b>						
Use of goods and services	50,000,000	(8,800,000)	41,200,000	25,831,204	15,368,796	63%
Acquisition of Assets	-	-	-	67,103,223	(67,103,223)	-
<b>Total Expenditure</b>	<b>50,000,000</b>	<b>(8,800,000)</b>	<b>41,200,000</b>	<b>92,934,427</b>	<b>(51,734,427)</b>	226%
<b>Surplus/ (Deficit) for the period</b>	-	-	-	<b>(51,734,427)</b>	51,734,427	

The Kisii municipality, during the financial year 2019/2020 had a budget of Ksh 50 million under OLOurban institutional grant (UIG) but the municipality received 41.2million.  
The entity financial statements were approved on 30<sup>th</sup> December 2020 and signed by:

\_\_\_\_\_  
Municipal Manager  
Name: Nahashon Ongeru

\_\_\_\_\_  
Grant Accountant  
Name: Mosagwe Elijah  
ICPAK Member Number: 24903

#### **9.4 SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

##### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; payables that include deposits and retentions.

The payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

##### **2. Reporting entity**

The financial statements are for the Kisii Municipality. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

##### **3. Recognition of receipts and payments**

###### **a) Recognition of receipts**

The Kisii Municipality recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Municipality.

###### **Tax receipts**

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

###### **Transfers from the Exchequer**

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

**Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

**Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt. the Kisii Municipality may take or will be treated on cash basis and recognized as receipts during the year of receipt.

**Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes

**Municipality Own Generated Receipts**

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the municipality from its citizen. These are recognised in the financial statements the time associated cash is received.

**b) Recognition of payments**

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

**Use of goods and services**

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

**Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**4. In-kind contributions**

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Third Party Payments**

This relates to payments done directly to supplier on behalf of the Kisii Municipality such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the kisii municipality is detailed in the notes to this financial statement.

**6. 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to KShs 4,460,161 compared to KShs 9,230,146 in prior period.

There were no other restrictions on cash during the year

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **9. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

### **10. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *municipality* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

### **11. Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Contingent Assets**

The Entity 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 Entity 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.

**13. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30<sup>th</sup> June 2019 for the period 1<sup>st</sup> July 2019 to 30 June 2020 as required by law.

**14. Comparative figures**

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

**15. Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

**16. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**17. Related party transactions**

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

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**9.6 NOTES TO THE FINANCIAL STATEMENTS**

**1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

<b>Name of Donor</b>	<b>2019/2020</b>	<b>2018/2019</b>
<b>Grants Received from Multilateral Donors (International Organizations)</b>		
Kenya urban support programme- UDG Grant	-	164,053,800
Kenya urban support programme- UIG Grant	41,200,000	-
<b>Total</b>	<b>41,200,000</b>	<b>164,053,800</b>

**2. USE OF GOODS AND SERVICES**

	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>KShs</b>	<b>KShs</b>
Utilities, supplies and services	-	0
Communication, supplies and services	-	0
Domestic travel and subsistence	3,695,500	0
Foreign travel and subsistence	-	0
Printing, advertising and information supplies & services	-	0
Rentals of produced assets	-	0
Training expenses	9,123,451	0
Hospitality supplies and services	5,143,020	0
Insurance costs	-	0
Specialized materials and services	-	0
Office and general supplies and services	2,032,000	0
Other operating expenses	5,837,233	0
Routine maintenance – vehicles and other transport equipment	-	0

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Routine maintenance – other assets	-	0
<b>Total</b>	<b>25,831,204</b>	<b>0</b>

**3. ACQUISITION OF ASSETS**

<u>Non- Financial Assets</u>	2019 - 2020	2018 - 2019
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	14,475,162	36,876,983
Refurbishment of Buildings	-	-
Construction of Roads	26,686,909	21,536,439
Construction and Civil Works	19,647,290	33,888,023
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	6,293,862	-
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-

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Acquisition of Intangible Assets	-	-
<b>Total acquisition of non- financial assets</b>	-	-
	-	-
<b><u>Financial Assets</u></b>	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
<b>Total acquisition of financial assets</b>	-	-
<b>Total acquisition of assets</b>	<b>67,103,223</b>	<b>92,301,445</b>

**4. TRADE PAYABLES**

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>CONTRACTOR DEPOSITS</b>	4,539,261	9,230,146
<b>Total</b>	<b>4,539,261</b>	<b>9,230,146</b>

**5. Cash and Cash Equivalent**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	
Kenya Urban Support Program Fund Account		
Fixed deposit account;	-	-
On –call deposit	-	-
Current account credit bank(UDG)	15,435,068	80,968,630
SBM bank (UIG)	9,108,250	-
	-	-
<b>Total</b>	<b>24,543,318</b>	<b>80,968,630</b>

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**6. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<i>Description</i>	<b>2019 – 2020</b>	<b>2018 – 2019</b>
	<b>KShs</b>	<b>KShs</b>
Clearance accounts	-	-
<b>Total</b>	-	-

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
		-	-	-
		-	-	-
<b>Total</b>		-	-	-

**7. GRANT BALANCE BROUGHT FORWARD**

	<b>2019 - 2020</b>	<b>2018 – 2019</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts		
Cash in hand	80,968,630	0
Accounts Receivables	-	-
Accounts Payables	9,230,145	-
<b>Total</b>	<b>71,738,485</b>	<b>0</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. PRIOR YEAR ADJUSTMENTS**

	<b>Balance b/f FY 2018/2019 as per Financial statements</b>	<b>Adjustments</b>	<b>Adjusted Balance b/f FY 2018/2019</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
	-	-	-

**9. CHANGES IN RECEIVABLES**

<b>Description of the error</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>KShs</b>	<b>KShs</b>
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**10. CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS**

<b>Description of the error</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>KShs</b>	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	9,230,145	-
Deposit and Retentions held during the year (B)	-	9,230,145
Deposit and Retentions paid during the Year (C)	4,690,885	-
Net changes in account payables D= A+B-C	4,539,261	9,230,145

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**9.7 OTHER IMPORTANT DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE**

	<b>Balance b/f FY 2018/2019</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	3,687,698	-	1,120,091	2,567,607
Construction of civil works	3,388,802	-	2,813,356	575,447
Construction of roads	2,153,644	-	757,437	1,396,207
Supply of services				
<b>Total</b>	<b>9,230,145</b>	<b>-</b>	<b>4,690,885</b>	<b>4,539,261</b>

**2. PENDING STAFF PAYABLES**

	<b>Balance b/f FY 2018/2019</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-	-	
Middle management	-	-	-	
Unionisable employees	-	-	-	
Others	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**3. OTHER PENDING PAYABLES**

	<b>Balance b/f FY 2018/2019</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**4. External Assistance**

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
UIG Grant	41,200,000	
UDG Grant.		164,053,800
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	-	-

*a) External assistance relating loans and grants*

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	-
External assistance received as grants	41,200,000	164,053,800
<b>Total</b>	-	-

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance – loans		-	-
Undrawn external assistance - grants		-	-
<b>Total</b>		-	-

*c. Classes of providers of external assistance*

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

*d. Non-monetary external assistance*

**KENYA URBAN SUPPORT PROGRAM-KISII MUNICIPALITY****Reports and Financial Statements****For the year ended June 30, 2020**

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*e. Purpose and use of external assistance***5. THIRD PARTY TRANSACTIONS**

<b>PAYMENTS MADE BY THIRD PARTIES</b>	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
<b>TOTAL</b>	-	-

**6. PAYMENTS BY THIRD PARTY ON BEHALF OF THE MUNICIPALITY**

	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

<b>PAYMENTS MADE BY THIRD PARTIES</b>	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
---------------------------------------	---------------------	---------------------

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Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**7. RELATED PARTY DISCLOSURES**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Kisii Municipality:

- Key management personnel that include the C.E.C LPP&U.D, C.O LPP&U.D, C.O Finance and Accounting Services, Municipal Manager and Project Manager;
- County Ministries and Departments;
- The National Government;
- Other Municipalities and
- State Corporations and Semi-Autonomous Government Agencies.

**Related party transactions**

	<b>2019- 2020</b>	<b>2018- 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Key Management Compensation (CEC LPP&UD,CO LPP&UD,CO Finance,Municipal Manager,and Project Manager )	-	-
<b>Transfers to related parties</b>		
Transfer from the county goverment	41,200,000	164,053,800
Transfers to other County Government Entities	-	-
<b>Total Transfer from related parties</b>	<b>41,200,000</b>	<b>164,053,800</b>
SIDA/ASDSP	-	-
NARIGP	-	-
Village Youth polytechnic		

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Transfers to Development Projects-KUSP	-	164,053,800
Transfers to non-reporting entities e.g schools and welfare (Bursary)	-	-
DANIDA	-	-
Mortgage and Car Loans	-	-
Transfers to County Water Service Providers	-	-
Emergency Fund	-	-
Universal Health Care (UHC)	-	-
User Fee	-	-
Expenses paid on behalf of County Water Service Providers (GWASCO)	-	-
<b>Total Transfers to related parties</b>	<b>-</b>	<b>164,053,800</b>
<b>Transfers from related parties</b>		
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	<b>-</b>	<b>-</b>

**8. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS**

Kisii Municipality Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

Name of Bank, Account No. & currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2019 – 2020	2018 – 2019
			KShs	KShs
<b>Total</b>			<b>-</b>	<b>-</b>

**ANNEX – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (KShs ) 2018/2019</b>	<b>Additions during the year (KShs )</b>	<b>Disposals during the year (KShs )</b>	<b>Transfers in/(out) during the year (KShs)</b>	<b>Historical Cost c/f (KShs ) 2019/2020</b>
Land	-	-	-	-	-
Buildings and structures	51,352,145	-	-	-	51,352,145
Transport equipment	-	-	-	-	--
Office equipment, furniture and fittings	2,395,600	-	-	-	2,395,600
ICT Equipment	2,498,262	-	-	-	2,498,262
Machinery and Equipment	1,400,000	-	-	-	1,400,000
Heritage and cultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Infrastructure assets- Roads, Rails	101,758,661	-	-	-	101,758,661
Work in progress	-	-	-	-	-
<b>Total</b>	<b>159,404,668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,404,668</b>