

REPUBLIC OF KENYA



*Enhancing Accountability*



PAPERS LAID	
DATE	12/2/2025
TABLED BY	Sen. Chimera on behalf of Sen. Maji laid
COMMITTEE	
CLERK AT THE TABLE	Angela

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**MUNICIPALITY OF MOLO**

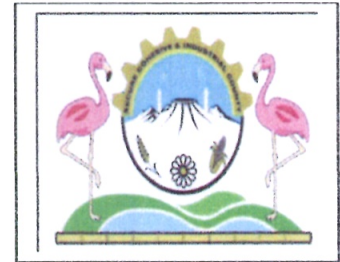
**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF NAKURU**

*Revised 30<sup>th</sup> June 2024*



**MOLO MUNICIPALITY**



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**MUNICIPALITY OF MOLO**

*County Government of Nakuru*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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



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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

**Comparative Year**- Means the prior period.

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## 2. Key Entity Information and Management

### a) Background information

Municipality of Molo 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 6<sup>th</sup> July,2022. The Municipality of Molo is under the County Government of Nakuru and is domiciled in Kenya.

### b) Principal Activities

The principal activity/mission/ mandate of the Municipality of Molo is to enhance a spatially integrated and developed urban Area with economic, social and environmental sustainability...

#### *VISION*

A spatially integrated and developed urban area with economic, social and environmental sustainability

#### *MISSION*

- To enhance the quality of life by providing efficient and development, environmental sustainability good governance.

#### *MANDATE*

- -Promotion, regulation and provision of refuse collection and recycling, solid waste management service, general sanitation and controlling all forms of nuisance:
- Promotion and provision of water and sanitation services and infrastructure within the Municipality of molo subject to any written laws or regulations.
- Construction and maintenance of urban roads and associated infrastructure:
- Construction and maintenance of storm drainage and flood controls:
- Construction and maintenance of walkways and other non-motorized transport infrastructure:
- Construction and maintenance of recreational parks, green spaces and public amenities and entertainments:
- Construction and maintenance of street lighting
- Construction, maintenance and regulation of traffic controls, auto cycle transport, on-motorized transport and parking facilities.
- Construction and maintenance of bus stands and taxi stands.
- Regulation of outdoor advertising.
- Construction, maintenance and regulation of urban commerce, Municipal market and abattoirs.
- Construction and maintenance of fire stations: provision of fire-fighting services, emergency preparedness and disaster management.

- Promotion, regulation and provision of Municipal sports and cultural activities.
- Promotion, regulation and provision of animal control and welfare.
- Development and enforcement of Municipal plans and development control.
- Provision of municipal administration services including construction and maintenance of administrative offices.

**c) Key Management**

The Municipality of Molo’s management is under the following key organs:

- Department of Lands Planning, Housing and Urban Development
- Board of Management
- Accounting Officer -Manager,Municipality of Molo
- Sectional Heads of Departments

**d) Fiduciary Management**

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

Ref	Position	Name
1	<b>Molo Municipality Manager</b>	Daniel Ndungu Njogu
2	<b>Directors</b>	1.Florence W. Kabii 2.Wesley K.Ruttoh 3.Kaggai Thiongo 4.Jemimah Njeri Kuria 5.Zahra Tiebo 6.Peter Muriu Macharia 7.James Mwangi Mburu
3	<b>Head of departments</b>	<b>Head of accounting unit-Ronald Sagero Nyangweta.</b> <b>Head of supply chain-Caroline J.Kiplagat</b> <b>Human resource officer- Susan Njeri Maina</b> <b>Budgeting Officer-Samuel Thuo</b>
4		

(Include all positions regarded as top management for the Municipality of Molo).

## **e) Fiduciary Oversight Arrangements**

*[Provide a high-level description of the key fiduciary oversight arrangements covering (say)]:*

### **i) Audit and Risk Management Committee**

The committee is concerned with the risk oversight, internal controls and is constantly seeking to keep the municipality compliant with relevant laws and regulations.

### **ii) County Assembly committees**

The county assembly is discharging its mandate of oversight over the county entities takes the following steps:

- Form a dedicated oversight committee within the county assembly responsible for financial matters related to the Municipality
- Develop terms of references outlining the committee's purpose, composition responsibilities, authority, and reporting mechanism.
- Ensure the oversight committee comprises members with financial expertise, knowledge, and a good understanding of Municipal operations.
- Conduct regular reviews and audits of the Municipality's financial statements, budgets, expenditures, and financial practices.
- Scrutinize and approve the municipality's budget ensuring alignment with the Municipality's strategic goals and compliance with financial regulations.
- Monitoring revenue collection processes, disbursements, and expenditure to ensure compliance with the approved budget and financial regulations.

### **iii) Committees of the Senate**

The senate receives the report of the auditor general and proceed to take any further inquiry on raised issues and to recommend the matters to related agencies.

## **f) Registered Offices**

P.O. Box 2870-20100

Nakuru. Kenya

## **g) Contacts**

Telephone: (+051) 2214142

E-mail: [www.Nakuru.go.ke](http://www.Nakuru.go.ke).

Website: [Nakuru.go.ke](http://Nakuru.go.ke)

**h) Bankers/**

...

...

**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 County Attorney

P.O. Box 2870-20100

Nakuru, Kenya

### 3. Molo Municipality Board

Serial No.	Name	Details of qualifications and experience
1	 <p><i>FLORENCE W. KABII</i></p>	<ul style="list-style-type: none"> <li>• AGE:62YEARS</li> <li>• HIGHER DIPLOMA IN PSYCHOLOGICAL COUNSELLING</li> <li>• EXPERIENCE:24YEARS</li> <li>• INDEPENDENT DIRECTOR</li> <li>• CHAIRPERSON OF THE BOARD</li> </ul>
2	 <p><i>WESLEY K, RUTTOH</i></p>	<ul style="list-style-type: none"> <li>• AGE:64YRS</li> <li>• BSC ENVIRONMENTAL HEALTH,</li> <li>• EXPERIENCE:24YEARS</li> <li>• INDEPENDENT DIRECTOR.</li> <li>• VICE-CHAIRPERSON AND CHAIRPERSON ENVIRONMENT COMMITTEE.</li> </ul>
3	 <p><i>ZAHRA TIEBO</i></p>	<ul style="list-style-type: none"> <li>• AGE:29YRS</li> <li>• BSC IN PURCHASE SUPPLY CHAIN MANAGEMENT.</li> <li>• EXPERIENCE:7 YEARS.</li> <li>• INDEPENDENT DIRECTOR.</li> <li>• CHAIRPERSON AUDIT COMMITTEE</li> </ul>

4



*PETER MIRIU MACHARIA*

- AGE:36YEARS
- MASTERS IN PROJECT MANAGEMENT.
- INDEPENDENT DIRECTOR.
- 5YEARS AS AN MCA ELECTED 2013-2017

5



*JAMES MWANGI MBURU*

- AGE:51 YEARS
- MASTER IN MISSIONS.
- INDEPENDENT DIRECTOR.
- 15YEARS AS A PASTOR

6







*KAGGAI THIONGO*

- AGE:61YEARS
- MEMBER OF ARCHITECTUARAL ASSOCIATION OF KENYA.
- 30YEARS EXPERIENCE IN PUBLIC SECTOR.
- INDEPENDENT DIRECTOR.
- CHAIRPERSON URBAN PLANNING, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

7	 <p><i>JEMIMAH NJERI KURIA</i></p>	<ul style="list-style-type: none"> <li>• AGE:70YEARS</li> <li>• DIPLOMA IN GUIDENCE AND COUNSELLING</li> <li>• EXPERIENCE: 38YRS</li> <li>• ATS I TEACHER.</li> <li>• INDEPENDENT DIRECTOR.</li> <li>• RESPONSIBILTY: CHAIRPERSON FINANCE AND ADMINISTRATION COMMITTEE</li> </ul>
8	 <p><i>DANIEL NDUNGU NJOGU</i></p>	<ul style="list-style-type: none"> <li>• <i>AGE:37YEARS</i></li> <li>• <i>QUALIFICATION: MASTER IN PROJECT PLANNING MANAGEMENT</i></li> <li>• <i>CERTIFIED SECRETARY I</i></li> <li>• <i>EXCUTIVE DIRECTOR</i></li> <li>• <i>EXPERIENCE: 13YEARS</i></li> <li>• <i>RESPOBILITY: MANAGER MUNICIPALITY OF MOLO</i></li> </ul>

#### 4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	 DANIEL NDUNGU NJOGU	<ul style="list-style-type: none"> <li>• QUALIFICATION: BACHOLER IN DEVELOPMENT STUDIES,</li> <li>• MASTER IN PROJECT PLANNING MANAGEMENT,</li> <li>• CERTIFIED SEC. I</li> <li>• EXPERIENCE:13YRS</li> <li>• RESPONSIBILITY: MANAGER</li> </ul>
2.	 RONALD SAGERO NYANGWETA	<ul style="list-style-type: none"> <li>• QUALIFICATION: CPA III</li> <li>• EXPERIENCE: 17YRS WORKING AS AN ACCOUNTANT.</li> <li>• RESPONSIBILITY: HEAD OF ACCOUNTING UNIT</li> </ul>
3.	 SUSAN NJERI MAINA	<ul style="list-style-type: none"> <li>• QUALIFICATION: DIPLOMA IN HUMAN RESOURCE MANAGEMNET</li> <li>• EXPERIENCE:17YEARS</li> <li>• RESPONSIBILITY: IN CHARGE OF HUMAN RESOURCE ISSUES.</li> </ul>

4.	 <p data-bbox="252 618 628 651">SAMUEL THUO GICHUHI</p>	<ul data-bbox="847 192 1417 389" style="list-style-type: none"> <li>• QUALIFICATION: ECONOMIST</li> <li>• EXPERIENCE: 3YEARS</li> <li>• RESPONSIBILITY: PLANNING AND BUDGETTING</li> </ul>
5	 <p data-bbox="256 1205 619 1238">CAROLINE J. KIPLAGAT</p>	<ul data-bbox="847 676 1465 931" style="list-style-type: none"> <li>• QUALIFICATION: DEGREE IN SUPPLY CHAIN MANAGEMENT</li> <li>• EXPERIENCE: 13YEARS</li> <li>• RESPONSIBILITY: PROCUREMENT OFFICER</li> </ul>

## 5. Municipality of Molo Board Chairperson's Report



### Foreword

From the chairperson of the Municipality of Molo

I am pleased to present the chairperson report for the Municipality of Molo board. This report provides an overview of the board's achievement, challenges, and the future outlook.

Over the past year The Municipality of Molo has made significant strides in improving the quality of life for our residents. We have factored various initiatives aimed at enhancing infrastructure, promoting economic development, and improving service delivery. These include Holding of public participation forums, Zero Garbage Initiatives and factoring development projects in the FY2024-2025.

While we have made considerable progress, we recognize that there are still challenges to be addressed. These include e.g. inadequate funding, limited resources, or infrastructure deficiencies. To overcome and partnering with stakeholders.

During the year, the Municipality of Molo Board has undertaken to establish and endear itself to the public through participation in community activities like Christmas tree lighting, public forums, clean ups, and tree planting. These engagements have brought

fresh perspectives and expertise to our organization, enabling us to better serve the needs of our community.

Looking ahead, the Municipality of Molo Board is Optimistic about its future. we are committed to continuing our efforts to create a sustainable and prosperous community for all. Our priorities include: to ensure efficient management and execution of Municipality functions and improve and expand critical infrastructure and Municipal services to meet the growing needs of the community.

I would like to express my sincere gratitude to the members of the Municipality of Molo Board, the dedicated staff, and our community partners for their unwavering support and commitment. Together, we can build a brighter future for the Municipality of Molo.



.....  
**Name: FLORENCE W. KABII**

**Chairperson of the Board**

## 6. Report Of the Municipality of Molo Manager



### Introduction

This report provides a comprehensive overview of the Municipality of Molo performance during the FY2023-2024. It highlights key achievements, challenges, and future outlook, drawing on financial data, physical progress, and program implementation.

### Financial Performance

The actual budget allocation for the Municipality in the FY2023/24 was Ksh 5,000,000. At the end of the review period, the sub-sectors expenditure total NIL. This was attributed to unavailability of invoices of IFMIS system, despite several request to the department of County Treasury. In addition, the staff working under Account section in the Municipality of Molo have not had a training of IFMIS operations.

**Table 1: FY 2023/2024 Expenditure Performance by Programmes and Sub Programmes**

Programme/Sub-programme	Revised Budgeted Estimates FY 2023/2024	Actual Q1 FY 2023/2024	Actual Q2 FY 2023/2024	Actual Q3 FY 2023/2024	Actual Q4 FY 2023/2024	Actual FY 2023/2024	Variance On Annual Target FY 2023/2024	Budget Execution Rate
<b>Programme 1: Administration Planning and Support Services</b>								
SP 1.1: Administration and Planning	3,675,000	-	-	-	-	-	-	0%
SP 1.2: Personnel Services	-	-	-	-	-	-	-	-
<b>Total Expenditure of Programme 1</b>	<b>3,675,000</b>	-	-	-	-	-	-	<b>0%</b>
<b>Programme 2: Molo Municipal Services</b>								

S.P 2.1: Planning and Infrastructure Development	667,650	-	-	-	-	-	-	0%
S.P 2.2: Environmental Management	223,200	-	-	-	-	-	-	0%
S.P 2.3: Trade and Tourism	223,200	-	-	-	-	-	-	0%
S.P 2.4: Social Services	210,950	-	-	-	-	-	-	0%
<b>Total Expenditure of Programme 2</b>	<b>1,325,000</b>	-	-	-	-	-	-	<b>0%</b>
<b>Total Expenditure of Vote</b>	<b>5,000,000</b>	-	-	-	-	-	-	<b>0%</b>

### 1) Physical Progress

The Municipality of Molo has not made significant progress in achieving its strategic objectives, as a result of challenges mentioned in the financial performance above paragraph. The Municipality of Molo was not allocated development funds in the FY2023/2024.

**Table 2: Summary of Revised Expenditure**

Expenditure Classification	Revised Estimates 2021/2022	Actual Expenditure 2021/2022	Baseline Estimates 2022/2023	Revised Estimates 2023/2024
<b>Current Expenditure</b>				
2100000 Compensation to Employees				
2200000 Use of goods and services				

2400000 Interest Payments				
2600000 Current grants and other Transfers				
2700000 Social Benefits				
3100000 Acquisition of Non-Financial Assets				
4100000 Acquisition of Financial Assets				
4500000 Disposal of Financial Assets				
<b>Capital Expenditure</b>				
Non-Financial Assets				
Capital Transfers Govt. Agencies				
Other development				
<b>Total Expenditure of Vote</b>		-	-	-

## 2) Program Implementation

The Municipality of Molo has not been successfully in implementing the various programs set out to address the needs of its community, due limited resources. The envisioned programmes are as outlined below:

**Table 3: Specific Programmes and actions for achieving annual objectives**

<b>Programme 1 : Administration, planning and support services</b>		
<b>Objective: To ensure efficient management and execution of Municipality functions Outcome: Efficient Management of Municipal Affairs</b>		
<b>Sub-program</b>	<b>Priority</b>	<b>Action</b>
SP.1. Administration and planning	Improved service delivery	Rehabilitate Municipality offices
		Purchase of assorted office equipment
		Development and review of policy documents
		Purchase of motor vehicles for municipal operations
		Holding of board meetings and conferences
S.P 1.2 Personnel services		Preparation of M&E quarterly reports
		Recruitment and promotion of staff
		Training of staff and board members
		Successful Implementation of performance contracts (PC) and Performance Appraisal System (PAS)

**Program 2: Molo Municipal Services**

**Objective:** To Improve and expand critical infrastructure and municipal services to meet the growing needs of the community.

**Outcome:** Sustainable Environment for Municipality Residents

<b>Sub-program</b>	<b>Priority</b>	<b>Strategies</b>
S.P 2.1 Planning and Infrastructure	Improved infrastructural	Construction of Parking lots
		Installation and rehabilitation of street lights

Development	development	Development of infrastructure master plan
S.P.2.2 Environmental Management	Improved environmental management	Purchase and installation of litter bins
		Rehabilitation of parks/green spaces
		Purchase and planting of trees
S.P.2.3 Trade and tourism	Improved business environment	Construction of markets
		Construction of Jua kali shades
S.P.2.4 Social services	Improved social services	Rehabilitation of social halls
		Marking of national events and celebrations
		Holding of public participation forums

### 3) Value for Money

The Municipality of Molo has prioritized value for money in all its activities. This has been achieved through efficient resource allocation and cost-effective procurement process. All projects planned for are undertaken through public participation to ensure the public enjoys realizable returns from the investments done.

### 4) Implementation Challenges and Future Outlook

Despite its achievements, the Municipality of Molo faces certain challenges in implementing its strategic objectives. These challenges include human resource constraints, limited office space, inadequate resources, and security concerns.

To address these challenges and ensure a sustainable future, the Municipality of Molo has developed the following strategies:

- Invest in training and development for existing staff and recruit additional personnel;
- Allocate funds for further renovations and expansion of office space;
- Increase budgetary provisions for office furniture, equipment, and security measures;
- Implement security measures to protect the municipality's assets and personnel.

The Municipality of Molo budget allocation for the FY2024/2025 is Ksh. 58,773,598. Out of this allocation, Ksh.35,000,000 will be used for development expenditure and Kshs.23,773,598 will be spent as recurrent expenditure.

**Table 4: Program Budget Allocation FY 2024-2025**

Planned Project/Programmes as outline in CADP 2024/25	Amount Allocated in CADP 2024/2025 (Ksh Millions)	Amount Allocated in the Approved budget 2024/2025 (Ksh. Millions)	Remarks**
<b>Sector: Molo Municipality</b>			
Construction keep- left bus park	-	12	
Molo CBD street furniture, beautification	-	12	
Fire engine shipping	-	8	
Municipal Park development	-	3	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	

**5) Conclusion**

The Municipality of Molo has demonstrated a strong commitment to delivering quality services to its community. Looking ahead, the Municipality of Molo is well-positioned to address future challenges and continue to build a sustainable and prosperous community.



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**Name: DANIEL NDUNGU NJOGU**  
***Municipality of Molo Manager***

**1. Statement of Performance Against Predetermined Objectives for the FY**

***Guidance***

The key development objectives of the Municipality of Molo FY 2024-2025 are:

- a) Administration and Planning
- b) Personnel Services
- c) Planning and Infrastructure Development
- d) Environmental Management
- e) Trade and Tourism

Below we provide the progress on attaining the stated objectives:

**Table 5: Key Development Objectives of The Municipality Of Molo FY 2023-2024**

PROGRAMME 1: Administration, Planning and Support Services				
Objective: To ensure efficient management and execution of Municipality functions				
Outcome: Efficient management of municipal affairs				
Program	Objective	Outcome	Indicators	Performance
<b>Administration and Planning</b>	Rehabilitated Municipality offices	Improved working conditions for municipal staff	Rate of implementation	Works in progress (Equipping needed to ensure full functioning of the office)
	Equipped municipality offices	Enhanced efficiency and effectiveness of municipal operations	Number Of office equipment purchased	Low budget allocation for the purchase of office equipment
	Vehicle purchased for municipal operations	Improved mobility and accessibility for municipal staff	Number of vehicles purchased	Not budgeted for
	Improved management of municipal affairs	Enhanced governance and transparency in municipal operations	Number of Board meetings held	Continuous throughout the FY as per statutory requirements.
<b>Personnel Services</b>	Improved human resource productivity	Increased efficiency and effectiveness of municipal staff	Number of staff Recruited	The proposal has been forwarded to equip the municipality.
			Number of staff and board members trained	To be trained in the subsequent FY.
			Implementation rate of Performance contract and performance appraisal	To be achieved in the next planned period

PROGRAMME 2: MOLO MUNICIPAL SERVICES				
Objective: Improve and expand critical infrastructure and municipal services to meet the growing needs of the community.				
Outcome: Sustainable Environment for Municipality Residents				
Program	Objective	Outcome	Indicators	Performance
Planning and Infrastructure Development	Improved infrastructural development	Enhanced quality of life for residents and improved economic development	Number of parking slots cabro paved	To be achieved in the next planned period
			Number of master plans developed.	To be achieved in the next planned period
			Number of solar streetlights installed	To be achieved in the next planned period
Environmental Management	Improved environmental management	Sustainable and healthy environment for residents	No. of Litter bins purchased and installed	To be achieved in the next planned period
			No. of parks/ green spaces rehabilitated	To be achieved in the next planned period
Trade and Tourism	Improved business environment	Increased economic activity and job creation	Number of Jua Kali sheds constructed	To be achieved in the next planned period
			Number of markets constructed	To be achieved in the next planned period
Social Services	Improved Social Services	Enhanced well- being of vulnerable populations	Number of social halls rehabilitated	To be achieved in the next planned period
			Number of events and Celebrations marked	To be achieved in the next planned period
			No. of public participation held	To be achieved in the next planned period

*Daniel Ndungu Njogu*

Name: DANIEL NDUNGU NJOGU  
 Municipality of Molo Manager

## **7. Statement of Performance Against Predetermined Objectives for the FY**

### **Guidance**

*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.*

*[Refer to the City/Municipality's annual budget and program plan report on the extent of the City/Municipality's progress in attaining the plan. Report on the metrics met, objectives yet to be met, challenges and opportunities of the City/Municipality in implementation of its program plan. Refer to the strategic plan if the entity has one.] (This guidance statement should be removed in the final set of financial statements).*

The key development objectives of the Molo Municipality (state the period of the strategic document/plan) plan are to:

- a) Provide quality physical infrastructure.
- b) Urban planning.
- c) Urban governance and administration

*(Progress on the attainment of Strategic development objectives (Adopted from XX City/Municipality- Customize as per specific City/Municipality),*

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Urban planning	To control urban development	To create orderly development in urban areas	Number of developments conforming with rules and regulations governing urban development	In FY under review we increased Housing unit by xx%.
Program 2	-	-	-	-

## 8. Corporate Governance Statement

The appointment of Molo Municipality Board members is governed by the Urban Areas and Cities Acts, 2011, and its subsequent amendments.

### Process of appointment of Molo Municipality Board members

Three (3) members of the Board of the Municipality shall be appointed by the County Governor and approved by the County Assembly: four (4) members of the Board shall be nominated by the following association and appointed by the County Governor with approval of the County Assembly- (i) an umbrella body representing professional Associations in the area. (ii) (iii) an association representing the private sector in the area: a cluster representing registered neighbourhood associations in the area. (v) an ordinary resident or has a permanent dwelling in the Municipality: and (vi) carries on business in the Municipality or has lived in the municipality for at least five years: The process typically involves the following steps:

- 1) **Vacancy Announcement:** The County Government of Nakuru, which oversees Municipality of Molo, announces the vacancies for board members. This announcement usually includes the qualifications required for the positions, application procedures, and deadlines.
- 2) **Application and Screening:** Interested individuals submit their applications, which are then reviewed by screening committee. The committee assesses the applicants' qualifications, experience, and suitability for the roles.
- 3) **Interviews:** Shortlisted candidates are typically interviewed by the screening committee or a panel of experts. The interviews are designed to assess the candidate's knowledge, skills, and commitment to serve the municipality.
- 4) **Recommendation:** The screening committee prepares a list of recommended candidates based on the interviews and other assessments.
- 5) **County Assembly Approval:** The recommended candidates' names are submitted to the Nakuru County Assembly for approval. The assembly conducts the hearings to vet the candidates and ensure their suitability for the positions.
- 6) **Appointment:** If approved by the county assembly, the Governor of Nakuru appoints the recommended candidates to the Molo Municipality Board.

### Process of Removal Municipality of Molo Board Members

Removal of members of the Board of the Municipality:

- (1) A member of the Board of the Municipality of Molo shall cease to hold office if the member—

- (a) is unable to perform the functions of the office by reason of mental or physical infirmity;
  - (b) is declared or becomes bankrupt or insolvent;
  - (c) is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
  - (d) resigns in writing to the County Governor;
  - (e) without reasonable cause, the member is absent from three consecutive meetings of the Board or Committee of the Board of the Municipality within one financial year;
  - (f) is found guilty of professional misconduct by the relevant professional body;
  - (g) is disqualified from holding a public office under the Constitution;
  - (h) fails to declare his or her interest in any matter being considered or to be considered by the Board or Board Committees;
  - (i) engages in any gross misconduct; or
  - (j) dies.
- (2) A member of the Board of the Municipality may be removed from office by—
- (a) the County Governor subject to articles 17(3) of this Charter;
  - (b) a resolution of the Board of the Municipality supported by at least two-thirds of the members of the Board of the Municipality;
  - (c) petition by the residents of the Municipality to the County Assembly; or
  - (d) adverse recommendation by a Committee of the Assembly having taken into account the provisions of article 17(3).
- (3) The procedure for the removal or petition for removal of a member of the Board of the Municipality under 17(2) above shall be as may be provided by the Assembly Standing Orders, County legislation or regulations.
- (4) Any vacancy arising out of the removal of a member of the Board of the Municipality may be filled in the manner provided under Article 7 and 8 above.

*a. Roles and functions of the Municipality of Molo Board members,*

The Board of the Municipality shall perform the following functions—

- (a) oversee the affairs of the Municipality;
- (b) develop or adopt policies, plans, strategies and programme and set targets for service delivery;
- (c) formulate and implement an integrated development plan;
- (d) control, land sub-division, land development and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other employment centers, residential areas, recreational areas, parks, entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the Municipality of Molo as delegated by the County Government of Nakuru;
- (e) promoting and undertaking infrastructural development and services within Municipality as delegated by the County Government of Nakuru;
- (f) developing and managing schemes, including site development in collaboration with the relevant national and county agencies;
- (g) maintaining a comprehensive database and information system of the administration; (h) (i)
- (h) administering and regulating its internal affairs;
- (i) implementing applicable national and county legislation;
- (j) entering into contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions;
- (k) monitoring and, where appropriate, regulating municipal services where those services are provided by service providers other than the Board of the Municipality;
- (l) preparing and submitting its annual budget estimates to the relevant County Treasury for consideration and submission to the County Assembly for approval as part of the annual County Appropriation Bill;
- (m) collecting rates, taxes levies, duties, fees and surcharges on fees as delegated by the County Government of Nakuru;
- (n) settling and implementing tariff, rates and tax and debt collection policies as delegated by the County Government of Nakuru;
- (o) monitoring the impact and effectiveness of any services, policies, programs or plans;

- (p) establishing, implementing and monitoring performance management systems;
- (q) promoting a safe and healthy environment;
- (r) facilitating and regulating public transport; and
- (s) performing such other functions as may be legislated or delegated by the County Government of Nakuru or as provided by article 5 of this Charter.

*c. Induction and training, City/Municipality Board members and member's performance*

*The Board members were inducted,*

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

*e. Succession plan,*

*succession planning is systematic process that ensures the continuity of leadership and operations within an organization. It involves identifying, developing, and preparing potential successors to fill critical roles when incumbent's leave. Board members shall hold office for a term of five years.*

*f. Existence of a service charter,*

*g. Conflict of interest,*

*h. Board remuneration,*

*The Board of Municipality shall not be entitled to a salary. However, members of the Board of the Municipality shall be paid such allowances as the County Executive Committee shall, on the advice of the salaries and Remuneration Commission, determine.*

*a. Ethics and conduct as well as governance audit undertaken if any*

**9. Management Discussion and Analysis**

*(2- 3 pages)*

*Under this section, the management shall give a report:*

- a. On the operational and financial performance of the City/Municipality during the period,  
**Operational and financial performance***
  
- b. Entity's key projects or investments decision implemented or ongoing,*
- c. City/Municipality's compliance with statutory requirements,*
- d. Major risks facing the City/Municipality, material arrears in statutory and other financial obligations,  
and*
- e. Any other information considered relevant to the users of the financial statements.)*

*(The management should make use of tables, graphs, pie charts, and other descriptive tools to make the information as understandable as possible.)*

**10. Environmental And Sustainability Reporting**

## 11. Report of the Municipality of Molo Board Members

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

### Principal activities

The Municipality of Molo *shall*, within the boundaries of the Municipality of Molo, perform the following functions:

- (a) promotion, regulation and provision of refuse collection and recycling, solid waste management service, general sanitation and controlling all forms of nuisance;
- (b) subject to any written law or regulations, promotion and provision of water and sanitation services and infrastructure within the municipality of Molo;
- (c) construction and maintenance of urban roads and associated infrastructure;
- (d) construction and maintenance of storm drainage and flood controls;
- (e) construction and maintenance of walkways and other non-motorized transport infrastructure;
- (f) construction and maintenance of recreational parks, green spaces and public amenities and entertainments;
- (g) construction and maintenance of street lighting;
- (h) construction, maintenance and regulation of traffic controls, auto cycle transport, non-motorized transport and parking facilities;
- (i) construction and maintenance of bus stands and taxi stands;
- (j) regulation of outdoor advertising;
- (k) construction, maintenance and regulation of urban commerce, municipal markets and abattoirs;
- (l) construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- (m) promotion, regulation and provision of municipal sports and cultural activities;
- (n) promotion, regulation and provision of animal control and welfare;
- (o) development and enforcement of municipal plans and development controls;
- (p) provision of Municipal administration services including construction and maintenance of administrative offices;
- (q) promoting and undertaking infrastructural development and services including housing and health facilities within the municipality of Molo;

- (r) promotion and regulation of urban agriculture;
- (s) promotion and regulation of pre-primary education, childcare facilities and county vocational institutions and centers;
- (t) provision, maintenance and regulation of cemeteries, crematories and other burial places;
- (u) control and regulation of alcoholic beverages;
- (v) and any other function as may be delegated by the County Executive Committee or County Assembly legislation.

**Performance**

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

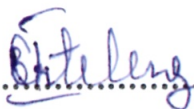
**Board Members**

The members of the Board who served during the year are shown on page 3. The changes in the Board during the financial year are as shown below:

**Auditors**

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

By Order of the Board

.....  


**Name: DANIEL NDUNGU NJOGU**

**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 of Molo established by Urban Areas and Cities Act No. 13 of 2011 shall prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

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

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern . Nothing has come to the attention of the Municipality of Molo Manager to indicate that the Municipality of Molo will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Municipal of Molo financial statements were approved by the Board on 26<sup>th</sup> Sept 2024 and signed on its behalf by:

*Fbii*

.....

**Name: FLORENCE W. KABII**  
**Chairperson of the Board**

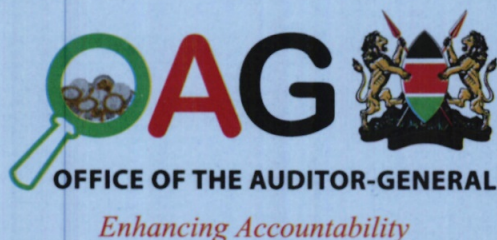
*Daniel*

.....

**Name: DANIEL NDUNGU NJOGU**  
**Accounting officer of the Board**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF MOLO FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF NAKURU

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Municipality of Molo - County Government of Nakuru set out on pages 1 to 44, which comprise of the statement of

financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other 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 Municipality of Molo - County Government of Nakuru as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Urban Areas and Cities Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects surplus for the year amount of Kshs.5,000,000. However, the statement of financial position and statement of changes in net assets reflects a Nil balance in respect of accumulated surplus. Further, the statement of financial performance does not disclose any amount incurred on repairs and maintenance whereas provided information indicates that the Municipality carried out the office refurbishment during the year under review.

The statement of financial position reflects a Nil balance in respect of cash and cash equivalents. However, the statement of cash flows reflects a re-computed balance of Kshs.5,000,000 resulting in an unexplained variance of Kshs.5,000,000. Further, the statement of financial position reflects property, plant and equipment balance of Kshs.510,500. However, the statement of cash flows reflects a Nil amount in respect of purchase of property, plant and equipment and intangible assets.

In addition, the statement of financial position has not disclosed any trade payables whereas provided records indicate that the Municipality had an undetermined amount of unpaid Board allowances.

The statement of comparison of budget and actual amounts reflects a budgeted amount of Kshs.5,000,000 in respect of transfers from the County Government. However, the approved budget indicates a balance of Kshs.10,000,000 resulting in an unexplained variance of Kshs.5,000,000.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **2. Lack of a Trial Balance**

Management did not provide the trial balance for the Municipality for the financial year under review.

In the circumstances, the basis for the preparation and the accuracy of the financial statements could not be confirmed.

## **3. Failure to Operate a Municipality Bank Account**

The statement of financial position submitted by the Municipality for audit reflects Nil balance in respect to cash and cash equivalents. In addition, Management did not disclose the financial institutions it transacts with as required by the recommended reporting template. Further, the Municipality Management did not provide evidence for the preparation and reviewing of bank reconciliation statements and the action taken from the reviews.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance could not be confirmed.

## **4. Unsupported Property, Plant and Equipment Balance**

The statement of financial position and Note 24 to the financial statements reflects property, plant and equipment balance of Kshs.510,500. The balance relates to furniture and fittings and computers. However, the following unsatisfactory matters were observed;

- (i). The ownership of assets funded and undertaken by the Municipality is not clearly defined since the Municipality remains largely a department of the County Government.
- (ii). An asset register has not been prepared and maintained as prescribed contrary to Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015.
- (iii). The assets in the custody of the Municipality have not been tagged as required by law.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.510,500 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Municipality of Molo – County Government of Nakuru 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 revenue budget and actual on a comparable basis amount of Kshs.10,000,000 and Kshs.5,000,000 respectively resulting in underfunding of Kshs.5,000,000 or 50% of the budget.

The underfunding affected the planned activities of the Municipality and may have adversely affected 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the other information set out on page iii to iv which comprise of Key Entity Information and Management, Molo Municipality Board, Key Management Team, Municipality of Molo Chairperson's Statement, Report of the Municipality of Molo Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality of Molo Board Members, Statement of Management's Responsibilities,). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Municipality's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, 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**

### **1. Failure to Formulate Envisaged Municipality Plans**

Review of the Municipality's records and operations in the year ended 30 June, 2024 revealed that there was no evidence of existence or consideration of key vital plans such as Municipality land use plans, building and zoning plans and the location of recreational areas and public facilities. This is contrary to Section 111 (1) of the County Governments Act, 2012 which provides that for each City and Municipality, there shall be the following plans - City or Municipal land use plans; City or Municipal building and zoning plans; City or urban area building and zoning plans; and location of recreational areas and public facilities.

In the circumstances, the optimal functioning of Molo Municipality and effective service delivery to the public could not be confirmed.

### **2. Failure to Provide Key Services**

The annual report and financial statements on the Municipality did not provide evidence of provision and existence of services as provided by the Urban Areas and Cities (Amendment) Act, 2019. There was no evidence that the Municipality can provide services such as planning and development control, traffic control and parking , street lighting, cemeteries and crematoria, libraries, storm drainage, control of drugs ,sports and cultural activities , abattoirs, refuse collection, solid waste management, pollution (air, water, soil) control , child care facilities, community centers, constituent university campuses , polytechnic, stadium, airstrip, theatre, library/ICT services, local economic development plan, museum/cultural centers, emergency preparedness ,funeral parlor, cemetery, recreational parks and animal control and welfare.

In the circumstances, Management was in breach of the law and the effectiveness of service delivery to the public by the Municipality could not be confirmed.

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

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

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

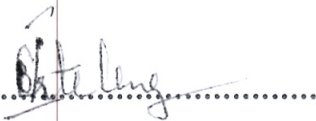
**Nairobi**

**31 December, 2024**

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

Description	Note	Insert Current FY
		Kshs.
<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government	6	5,000,000
Public contributions and donations	7	-
Levies Fines and Penalties	8	-
Other revenues ( <i>Specify</i> )	9	-
		<b>5,000,000</b>
<b>Revenue from exchange transactions</b>		
Interest income	10	-
Miscellaneous Income	11	-
		-
<b>Total revenue</b>		<b>5,000,000</b>
<b>Expenditure</b>		
Use of goods and services	12	-
Staff costs	13	-
Board expenses	14	-
Finance costs	15	-
Depreciation and amortization	16	-
Repairs and maintenance	17	-
<b>Total expenses</b>		<b>-</b>
<b>Other gains/losses</b>		
Gain/loss on disposal of assets	18	-
<b>Surplus/(deficit) for the period</b>		<b>5,000,000</b>

The notes set out on pages 4 to 47 form an integral part of these Financial Statements. The entity financial statements were approved on 26<sup>th</sup> September 2024 and signed by:



Name: DANIEL NDUNGU NJOGU

Municipality Manager



Name: RONALD SAGERO

NYANGWETA

Head of Finance

ICPAK M/No 20727

15. Statement of Financial Position As At 30 June 2024

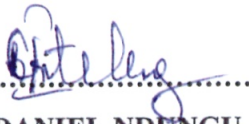
Description	Note	FY2023/24
		Kshs.
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	19	-
Receivables from exchange transactions	20	-
Receivables from non-exchange transactions	21	-
Prepayments	22	-
Inventories	23	-
<b>Total current assets</b>		-
<b>Non-current assets</b>		
Property, plant, and equipment	24	510,500
Intangible assets	25	-
<b>Total Non-current Assets</b>		<b>510,500</b>
<b>Total assets (A)</b>		<b>510,500</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	26	-
Refundable deposits from customers	27	-
Provisions	28	-
Borrowings	29	-
Employee benefit obligations	30	-
Deferred Income	31	-
Social Benefits	32	-
<b>Total current liabilities</b>		-
<b>Non-current liabilities</b>		
Provisions	28	-
Borrowings	29	-
Non-current employee benefit obligation	30	-
Deferred Income	31	-
Social Benefits	32	-
<b>Total liabilities (B)</b>		-
<b>Net Assets (A-B)</b>		<b>510,500</b>

**County Government of Nakuru: Municipality of Molo**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

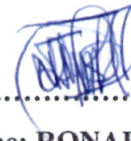
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Description	Note	FY2023/24
		Kshs.
<b>Represented by:</b>		
Capital/Development Grants/Fund		-
Reserves		-
Accumulated surplus		-
<b>Net Assets/Equity</b>		<b>510,500</b>

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 26<sup>th</sup> Sept 2024 and signed by:



.....  
**Name: DANIEL NDUNGU**  
**NJOGU**  
**Municipality Manager**  
**Date:**



.....  
**Name: RONALD SAGERO**  
**NYANGWETA**  
**Head of Finance**  
**ICPAK M/No 20727**  
**Date:**

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

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

(Provide details on the nature and purpose of reserves)

17. Statement Of Cash Flows for The Year Ended 30 June 2024

Description	Note	Insert Current FY
		Kshs.
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the County Government		5,000,000
Public contributions and donations		-
Interest received		-
Miscellaneous receipts ( <i>Specify</i> )		-
<b>Total Receipts</b>		<b>5,000,000</b>
<b>Payments</b>		
Use of goods and services		-
Staff costs		-
Board expenses		-
Finance costs		-
<b>Total Payments</b>		-
<b>Net cash flows from operating activities</b>	33	<b>5,000,000</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE & intangible assets		-
Proceeds from sale of PPE		-
<b>Net cash flows used in investing activities</b>		-
<b>Cash flows from financing activities</b>		
Receipts from Capital grants		-
Proceeds from borrowings		-
Repayment of borrowings		-
<b>Net cash flows used in financing activities</b>		-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		-
Cash And Cash Equivalents At 1 July	19	-
<b>Cash And Cash Equivalents At 30 June 2024</b>	19	<b>5,000,000.00</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
<b>Revenue</b>		<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	
Transfers from the County Government	10,000,000	-	-	-	-	100%
Public contributions and donations	-	-	-	-	-	%
Interest income	-	-	-	-	-	%
Miscellaneous income ( <i>specify</i> )	-	-	-	-	-	%
<b>Total Revenue</b>	<b>10,000,000</b>	-	-	-	-	<b>100%</b>
<b>Expenses</b>						
Use of goods and services	3,100,000	-	-	-	-	%
Board expenses	1,350,000	-	-	-	-	%
Staff Costs	-	-	-	-	-	%
Finance costs	550,000	-	-	-	-	%
<b>Total Expenditure</b>	<b>5,000,000</b>	-	-	-	-	<b>50%</b>
<b>Surplus for the period</b>	<b>5,000,000</b>					
<b>Capital Expenditure</b>		-	-	-	-	%

Budget notes

## **19. Notes to the Financial Statements**

### **1. General Information**

Molo Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act (No.13 of 2011). The Municipality of Molo is under the Nakuru County Government and is domiciled in Kenya.

The Molo Municipality principal activity is to enhance the well-being and standard of living of its inhabitant.

### **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 Molo Municipality 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 Molo Municipality.

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 2024.*

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

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

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

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

*iii. Early adoption of standards*

The Molo Municipality did not early adopt any new or amended standards in the financial year

**4. Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

*Transfers from other government entities*

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

**ii) Revenue from exchange transactions**

*Interest income*

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

**b) Budget information**

The original budget for FY 2023/24 was approved by the County Assembly on xxx (Date). Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of xxx (Amount) on xxx (Date) 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 xxx of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible assets**

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



**e) Financial instruments**

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

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.

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

**g) Provisions**

Provisions are recognized when the Municipality of Molo has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Municipality of Molo 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 needs of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**i) Contingent liabilities**

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

**j) Contingent assets**

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

**l) Changes in accounting policies and estimates**

The Municipality of Molo 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 of Molo 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 of Molo does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to scheme obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefits are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**n) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported in the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting

of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**o) Borrowing costs**

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

**p) Related parties**

The Municipality of Molo 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 of Molo, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality of Molo Managers and Municipality of Molo 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.

**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 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 of Molo'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.

1.depreciation of furniture and fittings done at rate of 10%

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

- i) The condition of the asset based on the assessment of experts employed by the Municipality of Molo.
- 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	FY2023/24
	Kshs.
Transfers from County Govt. – Recurrent	5,000,000
Payments by County on behalf of the entity	-
Unconditional development grants	-
<b>Total</b>	<b>5,000,000</b>

(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
			Kshs	Kshs
State Department	-	-	-	-
Ministry	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

7. Public Contributions and Donations

Description	FY2023/24
	Kshs.
Donation from development partners	-
Contributions from the public	-
<b>Total</b>	<b>-</b>

**8. Levies, Fines and penalties**

Description	FY2023/24
	Kshs.
Levies	-
Fines	-
Penalties	-
Others	-
<b>Total</b>	-

**9. Other Revenues from Non-Exchange Transactions**

Description	FY2023/24
	Kshs.
Transfers from other government entities	-
Other	-
<b>Total</b>	-

**10. Interest income**

Description	FY2023/24
	Kshs.
Interest income from investments	-
Interest income on bank deposits	-
Others	-
<b>Total interest income</b>	-

**11. Miscellaneous income**

Description	FY2023/24
	Kshs.
Income from sale of tender documents	-
Others	-
<b>Total other income</b>	-

**12. Use of Goods and Services**

Description	FY2023/24
	Kshs.
Utilities, supplies and services	-
Communication, supplies and services	-
Domestic travel and subsistence	-
Foreign travel and subsistence	-
Printing, advertising, supplies & services	-
Rent and rates	-
Training expenses	-
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Office and general supplies and services	-
Fuel, oil and lubricants	-
Other operating expenses	-
Routine maintenance – vehicles and other equipment	-
Routine maintenance – other assets	-
Contracted Professional Services	-
Audit fees	-
Hire of Transport, equipment etc	-
Bank Charges	-
Social Benefit expenses*	-
<b>Total</b>	-

**13. Staff costs**

Description	FY2023/24
	Kshs.
Salaries and wages	-
Staff gratuity	-
Social security contribution	-
Other staff costs	-
<b>Total</b>	-

**14. Board expenses**

Description	FY2023/24
	Kshs.
Chairman/Members' Honoraria	-
Sitting allowances	-
Medical Insurance	-
Induction and Training	-
Travel and accommodation	-
Conference Costs	-
Other allowances	-
<b>Total</b>	<b>-</b>

**15. Finance costs**

Description	FY2023/24
	Kshs.
Interest on Bank overdrafts	-
Interest on loans from banks	-
<b>Total</b>	<b>-</b>

**16. Depreciation and amortization**

Description	FY2023/24
	KShs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
<b>Total depreciation and amortization</b>	<b>-</b>

**17. Repairs and Maintenance**

Description	FY2023/24
	KShs
Property- Buildings	-
Office equipment	-
Furniture and fittings	-
Motor vehicle expenses	-
Maintenance of civil works	-
<b>Total repairs and maintenance</b>	-

**18. Gain/(loss) on disposal of assets**

Description	FY2023/24
	Kshs.
Property, plant and equipment	-
Intangible assets	-
<b>Total</b>	-

**19. Cash and cash equivalents**

Description	FY2023/24
	Kshs.
Fixed deposits account	-
On – call deposits	-
Current account	-
Others	-
<b>Total cash and cash equivalents</b>	-

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

Financial institution	Account number	FY2023/24
		Kshs.
<b>a) Fixed deposits account</b>		
Kenya Commercial bank		-
Equity Bank, etc		-
<b>Sub- total</b>		-
<b>b) On - call deposits</b>		
Kenya Commercial bank		-
Equity Bank - etc		-
<b>Sub- total</b>		-
<b>c) Current account</b>		
Kenya Commercial bank		-
Equity Bank - etc		-
<b>Sub- total</b>		-
<b>d) Others(specify)</b>		
Cash in transit		-
Cash in hand		-
Mobile Money		-
<b>Sub- total</b>		-
<b>Grand total</b>		-

## 20. Receivables from exchange transactions

Description	FY2023/24
	Kshs.
<b>Current Receivables</b>	
Service, water and electricity debtors	-
Other exchange debtors	-
Less: impairment allowance	-
<b>Total Current receivables (a)</b>	-
<b>Non-Current receivables</b>	
Service, water and electricity debtors	-
Other exchange debtors	-
Less: impairment allowance	-
<b>Total Non- current receivables (b)</b>	-
<b>Total</b>	-

**Ageing analysis for Receivables from exchange transactions**

Description	FY2023/24	
	Kshs	
	FY2023/24	% of the total
Less than 1 year	-	%
Between 1- 2 years	-	%
Between 2-3 years	-	%
Over 3 years	-	%
<b>Total (a+b)</b>	-	%

**21. Receivables from Non-Exchange transaction**

Description	FY2023/24
	Kshs.
Transfer from County Executive	-
Transfer from XXXX Fund	-
<b>Total</b>	-

**Ageing analysis for Receivables from non-exchange transactions**

Description	FY2023/24	
	Kshs	
	FY2023/24	% of the total
Less than 1 year	-	%
Between 1- 2 years	-	%
Between 2-3 years	-	%
Over 3 years	-	%
<b>Total</b>	-	%

**22. Prepayments-**

Description	FY2023/24
	Kshs.
Prepaid rent	-
Prepaid insurance	-
Prepaid electricity costs	-
Other prepayments	-
<b>Total</b>	<b>-</b>

**23. Inventories**

Description	FY2023/24
	Kshs.
Stationery	-
Consumables	-
Other inventories	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>-</b>

**24. Property, Plant and Equipment**

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>As at 1 July 2022</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>	-	-	-	-	-	-	-	-
Additions for the year	-	-	-	367,400	143,100	-	-	<b>510,500</b>
Disposals for the year	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	<b>367,400</b>	<b>143,100</b>	-	-	<b>510,500</b>
<b>Depreciation and impairment</b>								
<b>At 1 July 2023</b>		-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfers/ Adjustments		-	-	-	-	-	-	-
<b>As at 30 June 2024</b>		-	-	<b>367,400</b>	<b>143100</b>	-	-	<b>510,500</b>

County Government of **Nakuru**  
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Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-	-	-
-Impairment for the year	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2024	-	-	-	-	-	-	-	-
NBV as at 30 <sup>th</sup> Jun 2023	-	-	-	-	-	-	-	-
NBV as at 30 <sup>th</sup> Jun 2024	-	-	-	367,400	143,100	-	-	-

**25. Intangible assets**

Description	FY2023/24	
	Kshs.	
<b>Cost</b>		
At beginning of the year		-
Additions		-
At end of the year		-
<b>Amortization and impairment</b>		
At beginning of the year		-
Amortization		-
At end of the year		-
Impairment loss		-
At end of the year		-
<b>NBV</b>		-

**26. Trade and other payables from exchange transactions**

Description	FY2023/24	
	Kshs.	
Trade payables		-
Retentions		-
Accrued expenses		-
Other payables ( <i>Specify</i> )		-
<b>Total trade and other payables</b>		-
<b>Ageing analysis:</b>	<b>FY2023/24</b>	<b>% of the Total</b>
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
<b>Total</b>	-	%

**27. Refundable deposits from customers**

Description	FY2023/24	
	KShs	
Rent deposits	-	
Others ( <i>specify</i> )	-	
<b>Total</b>	-	
<b>Ageing analysis:</b>	<b>FY2023/24</b>	<b>% of the Total</b>
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
<b>Total</b>	-	%

**28. Provisions**

Description	FY2023/24
	Kshs.
Balance at the beginning of the year	-
Additional Provisions ( <i>Specify</i> )	-
Provision utilised	-
<b>Balance at the end of the year</b>	-
Current Portion of provision	-
Long term portion of provision	-
<b>Total Provisions</b>	-

**29. Borrowings**

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

Description	FY2023/24
	Kshs.
Short term borrowings (current portion)	-
Long term borrowings	-
<b>Total</b>	-

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Description	FY2023/24
	Kshs.
<b>Balance at beginning of the period</b>	-
Borrowings during the year	-
Repayments of borrowings during the period	-
<b>Balance at end of the period</b>	-

The table below shows the Distribution of borrowings:

Description	FY2023/24
	Kshs.
<b>Borrowings</b>	
Kenya Shilling loan from KCB	-
Kenya Shilling loan from Barclays Bank	-
Kenya Shilling loan from Consolidated Bank	-
Borrowings from other government institutions	-
<b>Total balance at end of the year</b>	-

### 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	-	-	-	-
<b>Total</b>	-	-	-	-

**31. Deferred Income**

Description	FY2023/24
	Kshs
National/County Government	-
International Funding Bodies	-
Public Contributions and Donations	-
<b>Total Deferred Income</b>	-

The deferred income movement is as follows:

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

*Analysed as:*

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

**32. Social Benefit Liabilities**

Description	FY2023/24
	Kshs
Health social benefit scheme	-
Unemployment social benefit scheme	-
Orphaned and vulnerable benefit scheme	-
PWD benefit scheme	
Elderly social benefit scheme	-
Bursary social benefits	-
<b>Total</b>	-
Current social benefits	-
Non- current social benefits	-
<b>Total (tie to totals above)</b>	-

**33. Cash generated from operations**

Description	FY2023/24
	Kshs.
<b>Surplus/ (deficit) for the year before tax</b>	-
<b>Adjusted for:</b>	
Depreciation	-
Amortisation	-
Gains/ losses on disposal of assets	-
<b>Working Capital adjustments</b>	
Increase in inventory	-
Increase in receivables	-
Increase in payables	-
<b>Net cash flow from operating activities</b>	-

**34. Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Municipality of Molo include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The Municipality of Molo/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	FY2023/24
	Kshs.
Transfers from related parties'	10,000,000.00
Transfers to related parties	-

**c) Key management remuneration**

Description	FY2023/24
	Kshs.
Board Members	-
Key Management Compensation	-
<b>Total</b>	-

**d) Due from related parties**

Description	FY2023/24
	Kshs.
Due from parent Ministry	-
Due from County Government	-
Due from County Assembly	-
<b>Total</b>	-

e) Due to related parties

Description	FY2023/24
	Kshs.
Due to parent Ministry	-
Due to County Government	-
Due to Key management personnel	-
Due to County Assembly	-
<b>Total</b>	-

35. Contingent liabilities

Contingent liabilities	FY2023/24
	Kshs.
Court case xxx against the entity	-
Bank guarantees	-
<b>Total</b>	-

36. Contingent Assets

Contingent liabilities	FY2023/24
	Kshs.
Court case xxx against the entity	-
Others Specify	-
<b>Total</b>	-

### III. Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Municipality of Molo 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 Molo 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 of Molo'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 Molo Municipality's exposure to market risks or the manner in which it manages and measures the risk.

### IV. Foreign currency risk

The Municipality of Molo has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Municipality of molo'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.
<b>At 30 June 2024 (current year)</b>			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
<b>Liabilities</b>			
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.)*

**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.
<b>2024 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2023 (previous year)</b>			
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.

**VI. Capital risk management.**

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

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Revaluation reserve	-	-
Capital/Development Grants/City/Municipality	-	-
Accumulated surplus	-	-
<b>Total Funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>%</b>	<b>%</b>

**38. Program for Results (PforR) Disclosure**

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

**20. Appendices**

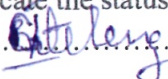
**Appendix 1. Progress on Follow up of Auditors Recommendations.**

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)

**Guidance Notes:**

- a) Use the same reference numbers as contained in the external audit report.
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.

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**Daniel Ndungu Njogu**

**Appendix 2: Inter-Entity Transfers**

MUNICIPALITY NAME : MUNICIPALITY OF MOLO			
Breakdown of Transfers from the County Executive of Nakuru County			
FY 20xx/20xx			
a. Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	<b>Total</b>	-	
b. Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
		-	
	<b>Total</b>	-	
c. Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	<b>Total</b>	-	

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

**Appendix 3: Reporting of Climate Relevant Expenditures**

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

RONALD SAGERO NYANGWETA 0720234870

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		

**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