

PAPERS LAID	
DATE	26-10-22
TABLED BY COMMITTEE	Majority Whip
CLERK AT THE TABLE	A. Machana

PARLIAMENT
OF KENYA
LIBRARY

REPORT

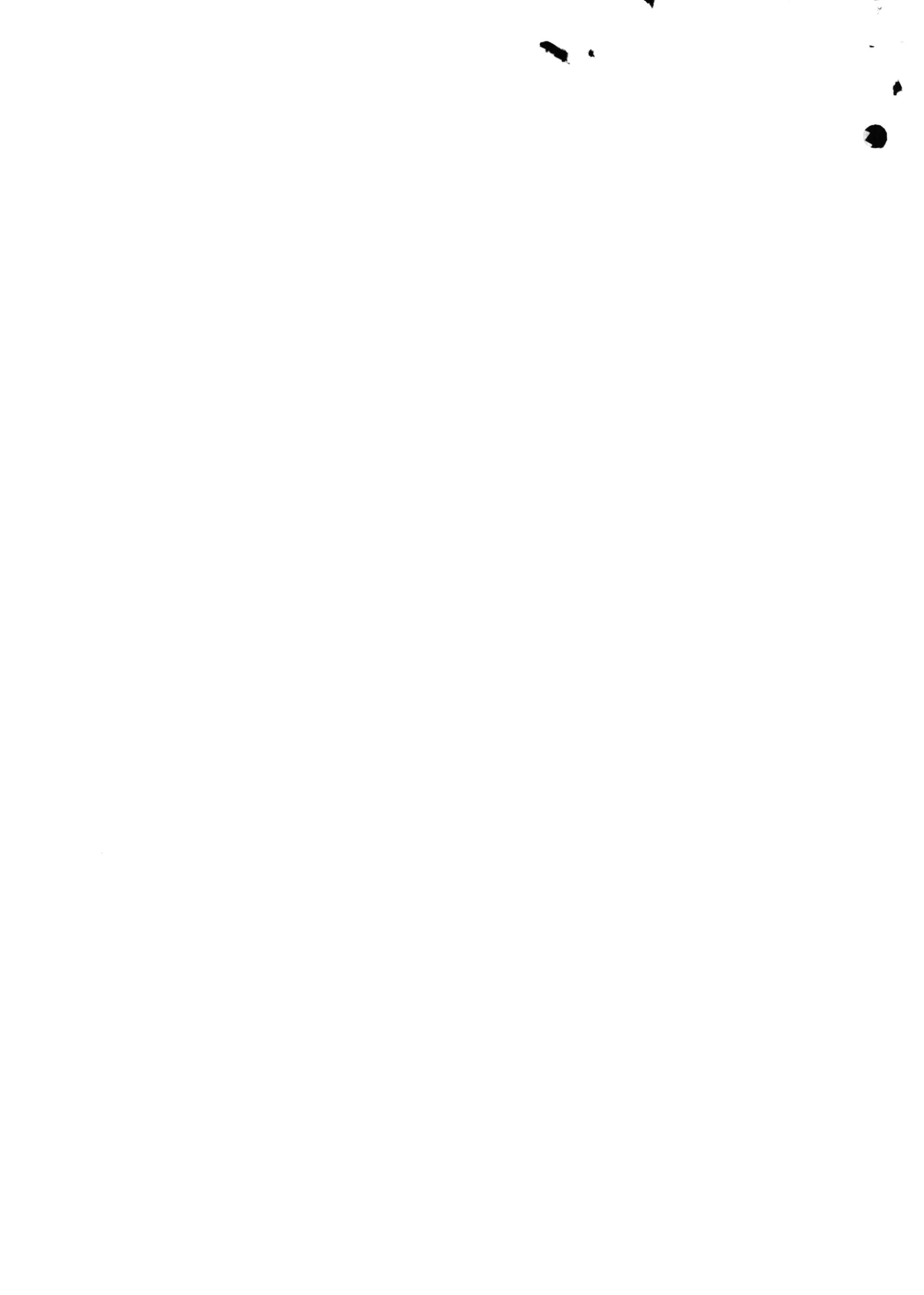
OF

THE AUDITOR-GENERAL

ON

MUNICIPALITY OF NYAMIRA

**FOR THE YEAR ENDED
30 JUNE, 2021**





MUNICIPALITY OF NYAMIRA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2021

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

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Table of Contents	Page
1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
2. THE BOARD OF DIRECTORS/COUNCIL	vi
3. MANAGEMENT TEAM.....	x
4. CHAIRMAN'S STATEMENT.....	xi
5. REPORT OF THE CHIEF EXECUTIVE OFFICER.....	xii
6. STATEMENT OF NYAMIRA MUNICIPALITY BOARD'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021	xiii
7. CORPORATE GOVERNANCE STATEMENT	xv
8. MANAGEMENT DISCUSSION AND ANALYSIS.....	xviii
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xx
10. REPORT OF THE DIRECTORS	xxii
11. STATEMENT OF DIRECTORS' RESPONSIBILITIES	xxiv
12. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF NYAMIRA MUNICIPALITY BOARD.....	xxvi
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 ..	1
14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	2
15. STATEMENT OF CHANGES IN NET ASSETS.....	3
16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021.....	4
17. Summary of Significant Accounting Policies.....	5
General Information.....	5
18. NOTES TO THE FINANCIAL STATEMENTS	24
19. APPENDIX	28

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Nyamira Municipality came into existence by the implementation of the Urban Areas and Cities Act 2011(amended). The act provides that all urban areas designated as the County Headquarter be upgraded to Municipality status despite not meeting the minimum threshold of infrastructure and population. In 2018, H.E The Governor John Obiero Nyagarama, declared Nyamira a Municipality in accordance with the provisions of the approved Nyamira Municipality charter.

Nyamira Municipality covers an area of approximately 155 Km². According to the 2009 Kenya Population Housing Census (KPHC), Nyamira had an estimated population of 164,101. However, Nyamira Municipality's updated estimate population shall be adequately determined once the next census captures data for all the residents within the established boundary

(b) Principal Activities

Vision

A habitable, safe and vibrant municipality

Mission

To provide and promote sustainable livelihoods through adequate infrastructural, environmental and social investments

Strategic objectives

- Infrastructure and affordable housing development to spur economic growth
- Sustainable waste management system for clean and healthy environment
- Spatial planning framework towards well-coordinated land use & administration
- Social investments to better recreational environment
- Fire & Disaster preparedness for safety purposes
- To promote value addition in food processing and value chain • Promote quality and affordable health care

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

(c) Key Management

S/No.	Position	Name
	Chairman of the Board	Mr. Peter Bitu Ondieki
1	Chief Officer (<i>Lands, Housing and Physical Planning</i>)	Mr. Josephat Gori
2	Chief Officer finance	CPA Dominic Oyugi Barare
3	Other trustees/Committee Members	Cecilia Ondima, Simon Bogonko, Charles Ombati, Margaret Oyaro., Alice Ombwori and Evans Onduko
4	Accounting Officer and Municipality Manager	Jackson Mogusu Mochumbe

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Fund Manager/ Accounting Officer	Jackson Mogusu Mochumbe
2.	Chief Officer Finance	CPA Dominic Oyugi Barare
	Chief Officer Lands, Housing & Physical Planning	Mr. Josephat Gori

(e) Fiduciary Oversight Arrangements

The oversight mandate of the County Government is bestowed on the County Assembly of Nyamira which was headed by the Speaker Hon. Moffat Teya and deputised by Hon. Robinson Mocheche. The Accounting Officer for the County Assembly is the Clerk. The current office holder is Mr Duke Onyari

The house has twenty (20) elected members and sixteen (16) nominated members. The assembly carries its mandate through the whole house or through various committees. The committees include;

i) Finance and Economic Planning.

This Committee was formed under Standing Order 191 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

SN	Name	Designation
1	Hon. Richard Onyinkwa	Chairperson
2	Hon. Heznah Mokuwa	Vice Chairperson
3	Hon. Duke Omoti	Member
4	Hon. Carolyn Mogere	Member
5	Hon. Fredick Mosiori	Member
6	Hon. Charles Keganda	Member
7	Hon. Charles Maroko	Member
8	Hon. Stella Matunda	Member
9	Hon. Irene Sese	Member
10	Hon. Irene Mayaka	Member

ii) County Public Investment and Accounts Committee.

This Committee was formed under Standing Order 186 of the County Assembly of Nyamira Standing Orders. The following five members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. Thaddeus Nyabaro	Chairperson
2	Hon. Monica Mwamba	Vice chairperson
3	Hon. Charles Keganda	Member
4	Hon. Robson Mocheche	Member
5	Hon. Irene Sese	Member

iii) County Budget and Appropriations Committee.

This Committee was formed under Standing Order 187 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. George Nyachae	Chairperson
2	Hon. Carolyn Mogere	Vice Chairperson
3	Hon. Duke Masira	Member
4	Hon. Alfayo Ngeresa	Member
5	Hon. Innocent Mose	Member
6	Hon. Lilian Nyamweya	Member
7	Hon. Joseph Nyarang'o	Member
8	Hon. Gilbert Nchore	Member
9	Hon. Benson Sirona	Member
10	Hon. Jane Mokaya	Member
11	Hon. Dennis Kebaso	Member

(f) Nyamira Municipality Board Headquarters

P.O. Box 434-40500

Nyamira County Headquarters

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Konate Senta Road

Nyamira, KENYA

(g) Nyamira Municipality Board Contacts

Telephone: (254) 722772834

E-mail: mogusujackson@gmail.com

Website: nyamira.go.ke

(h) Nyamira Municipality Board Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. **Other Banks (state other bankers as appropriate)**

Equity bank of Kenya

Nyamira Branch

P.O. 650- 40500

Nairobi, Kenya

(i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

Fredah Moraa Nyakundi



Director, Legal Services,

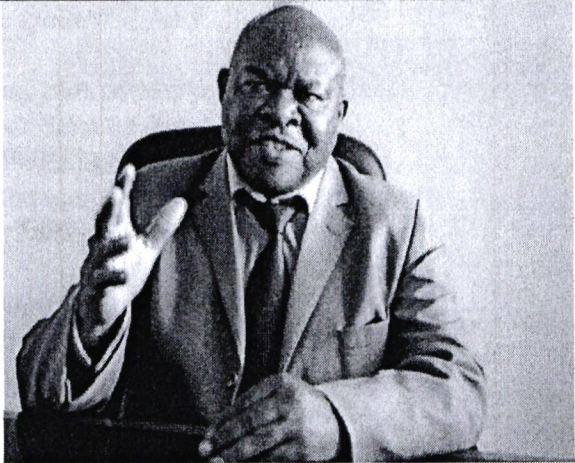

P.O. Box 434-40500,

Nyamira, Kenya.

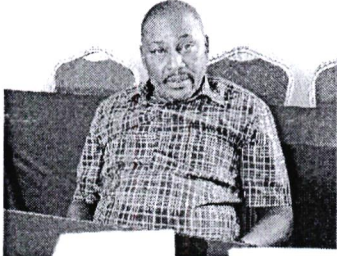


MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

2. THE BOARD OF DIRECTORS/COUNCIL




Ref	Directors	Details
1.	 <p>PETER BITA ONDIEKI Chairman Municipality</p>	<p>Date of birth:23th February 1952</p> <p><i>Academic Qualifications</i></p> <p>Mr. Peter Bitá Ondieki holds a Master’s of science from the George Washington University and graduated in 1980 and bachelors of education (arts) from the University of Nairobi graduated in 1976</p> <p><i>Professional Experience</i></p> <p>Prior to the appointment as a chairman of Nyamira Municipality Board,he was a Chief Economist, Inspector General for state corporates, member of public procurement tribunal for 6 years.</p>
2.	 <p>CECELIA ONGERA ONDIMA Municipality Chairperson</p>	<p><i>Academic Qualification</i></p> <p>Date of Birth 22nd November 1963 Kampala University year 2011- Bachelors of education in early childhood and primary education and diploma in education management</p> <p><i>Professional Experience</i></p> <p>Prior to appointment to municipality board she has a 30 years of experience in teaching field and currently a principal at Gorgor high school.</p>

<p>3.</p>	 <p>MR SAMUEL MOKUA MAIKO Executive Committee Member: Lands, Physical Planning & Urban Development and ag. Environment and Natural Resources</p>	<p><i>Academic Qualifications</i></p> <p>Mr. Samuel Mokua Maiko holds a Bachelor of Science degree in Agriculture and Certificate in Strategic Management, Project Management, Communication and Extension Management.</p> <p><i>Professional Experience</i></p> <p>Prior to his appointment as the Executive Committee Member for Lands, Housing and Urban Development, he served as the Executive Committee Member for Environment, Water, Mining and Natural Resources. He also served in various capacities with the National Government as District Cooperatives Officer, District agricultural extension officer, Provincial extension officer, Provincial soil and water management officer, and Livestock extension officer. He has thirty-six years of work experience in public service</p>
<p>4.</p>	 <p><i>CPA Dominic Barare Oyugi</i> <i>Chief Officer, Finance & Economic Planning</i> <u>NYAMIRA COUNTY EXECUTIVE</u></p>	<p><i>Academic Qualifications</i></p> <p>CPA Dominic Barare Oyugi hails from Bogichora ward. He has a Master's degree in Business Administration (Finance) and a Bachelors degree in Business Administration. CPA Oyugi is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p><i>Professional Experience</i></p> <p>CPA Oyugi worked for the County Government of Nyamira as the Director of Finance and a Deputy Director of Health, Finance and Administration. Before joining the County Government service, CPA Oyugi served as a Regional Accountant for Kenya Rural Roads Authority (KERRA)</p>


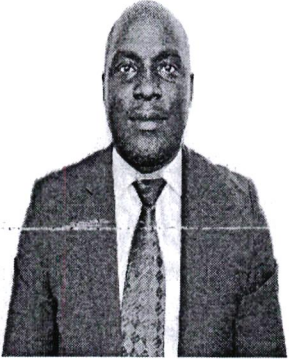
MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

		He has a total of 19 years working experience.
5 -	 <p>EVANS ONDUKO OIRE Municipality Board Member</p>	<p>Academic Qualification</p> <p>Mr. Evans Onduko Oire holds a Diploma in business management</p> <p>Professional Experience</p> <p>Prior to his appointment to the municipality He had an experience of 20years serving in various capacities as project manager, resource management and mobilization, Human Resource Management and institution management</p>
6	 <p>CHARLES OMBATI NYAMBOGA Municipality Board Member</p>	<p>Date of Birth: 19th November 1955</p> <p>Academic Qualification</p> <p>Mr. Charles Ombati Nyamboga has a Bachelor of health sciences from the University of Leeds and diploma in pharmacy from KMTC of Nairobi.</p> <p>Professional Experience</p> <p>Has and experience of over 15 years working as a pharmacist work in in Meru Hospital for 11 years and later in Nakuru PGH</p>
7	 <p>SIMEON MOCHECHE BOGONKO</p>	<p>Academic Qualification</p> <p>Simeon Mocheche Bogonko has a Diploma in forestry from the Kenya Forestry College.</p> <p>Professional Experience</p> <p>Has worked as a senior Forest Officer in forest department for 20 years in various parts of the country up to 2010. Currently</p>

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

	Municipality Board Member	Director Boflos enterprises ltd in Nyamira town
8	 MARGARET OYARO Municipality Board Member	Date of birth 12/10/1993 Academic Qualification Maseno University - bachelors of education (arts) Professional Experience Has over 8 Years' experience as a teacher at Reita mixed Secondary School since 2008.
9	 ALICE MORAA OMBWORI Municipality Board Member	Date of Birth 1984 Academic Qualification Ms. Alice Moraa Ombwori has a Bachelor of education in early childhood and primary education from Moi University and graduated in the year 2007. She is Pursuing masters in the same course Professional Experience: Teaching from 2009 to 2017 private colleges
10	 Jackson Mogusu Mochumbe Municipal Manager	Date of Birth: 25 th November 1979 Academic Qualification Mr. Jackson Mogusu Mochumbe has Bachelor of Commerce (marketing) graduated in the year 2015 from Kisii University. Professional experience Prior to his appointment as the Municipal Manager, he was a property manager at Apple ice ltd from 2009 to 2013 and later Member of county Assembly Service board 2013 to 2017.

3. MANAGEMENT TEAM

Management	Details
 <p data-bbox="379 846 740 936">Jackson Mogusu Mochumbe Municipal Manager</p>	<p data-bbox="903 510 1321 689">Academic Qualification Mr. Jackson Mogusu Mochumbe has Bachelor of Commerce (marketing) graduated in the year 2015 from Kisii University.</p> <p data-bbox="903 725 1321 972">Professional experience Prior to his appointment as the Municipal Manager, he was a property manager at Apple Ice Ltd from 2009 to 2013 and later Member of County Assembly Service Board 2013 to 2017.</p>
 <p data-bbox="240 1532 826 1666">Dominic Barare Oyugi CPA Chief Officer, Finance & Economic Planning <u>Nyamira County Executive</u></p>	<p data-bbox="903 1039 1327 1429">Academic Qualifications CPA Dominic Barare Oyugi hails from Bogichora ward. He has a Master's degree in Business Administration (Finance) and a Bachelor's degree in Business Administration. CPA Oyugi is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). Previously,</p> <p data-bbox="903 1473 1327 1953">Professional Experience CPA Oyugi worked for the County Government of Nyamira as the Director of Finance and a Deputy Director of Health, Finance and Administration. Before joining the County Government service, CPA Oyugi served as a Regional Accountant for Kenya Rural Roads Authority (KERRA) He has a total of 19 years working experience.</p>

--	--

4. CHAIRMAN'S STATEMENT

Nyamira Municipality Board is composed of 9 members, 4(four) members of the board are appointed through a competitive process 3(three) are nominated by the Governor and approved by the County Assembly. The CECM and CCO Urban Development are automatic members of the Board. The board is headed by chairman and the members who represent the following categories: -

- As association representing private sector
- A cluster representing registered associations of the informal sectors {Jua Kali}
- A cluster representing registered neighbourhood associations {Teachers Associations}
- An association representing professional bodies

The board has established (3) sub- committees to enable it discharge its functions efficiently;

- Evans Onduko – Chair infrastructure committee
- Cecelia Ondima – chair Municipal services committee
- Simeon Bogonko – finance and administration

The Municipality had a budget of Kshs. 308,399,215.95 with an actual realisation of Kshs.177, 830,351.50

The Municipality is currently undertaking 2(two) projects ie.

- Upgrading to bitumen standards borabu Inn-Golan heights-juakali-nyabite market aprox.4.0km
- Public works-CDF Offices-hospital junction approximately 1km.

Conclusion

FY 2020/2021 was a good year in general. Good progress was made and the momentum has been created to enable Nyamira Municipality continue on a trajectory into prosperity. I want to appreciate the other county departments especially the department of Finance and Economic Planning for their support when it comes to financial matters.

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

Nyamira Municipality Board is composed of 9 members, 4(four) members of the board are appointed through a competitive process 3(three) are nominated by the Governor and approved by the County Assembly. The CECM and CCO Urban Development are automatic members of the Board. The board is headed by chairman and the members who represent the following categories: -

- As association representing private sector
- A cluster representing registered associations of the informal sectors {Jua Kali}
- A cluster representing registered neighbourhood associations {Teachers Associations}
- An association representing professional bodies

The board has established (3) sub- committees to enable it discharge its functions efficiently;

- Evans Onduko – Chair infrastructure committee
- Cecelia Ondima – chair Municipal services committee
- Simeon Bogonko – finance and administration

The nyamira Municipality is a beneficiary of Kenya Urban Support Programme in funding its development projects.

The Municipality had a budget of Kshs. 308,399,216 with an actual realisation of Kshs. 177,830,351.50

The Municipality is currently undertaking 2(two) projects i.e.

- Upgrading to bitumen standards borabu Inn-Golan heights-juakali-nyabite market approx.4.0km at a cost of Kshs. 104,373,213.30 FY 2018/2019
- Public works CDF building hospital junction approx. 1km. at cost of Kshs. 82,858,330.47 FY 2019/2020
- Municipal Spatial planning at a cost Kshs. 10,900,000 FY 2019/2020

Achievements realised are as follows;

- The projects will enhance the security and accessibility within the municipality
- They created employment opportunities
- The enhanced the aesthetics of the municipality
- They offered a by –pass from the main road
- They improved storm water drainage

**6. STATEMENT OF NYAMIRA MUNICIPALITY BOARD'S PERFORMANCE
AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the county government entity's performance against predetermined objectives. The Municipality of Nyamiya shall have all the powers, general and special, governmental or proprietary, expressed or implied, which may be possessed or assumed by municipalities under the Urban Areas and Cities Act, the County Governments Act.

- Nyamira Municipality borrows heavily from the County's 2018-2022 CIDP. The CIDP identified strategic objectives through a participatory process that reviewed the development priorities of the Governor's Manifesto.

The key development objectives of the Nyamira County Government Entity's 2018-2022 (state the period of the strategic document/plan) plan are to:

- a) Infrastructure and affordable housing development to spur economic growth
 - b) Sustainable waste management system for clean and healthy environment
 - c) Spatial planning framework towards well-coordinated land use & administration
 - d) Social investments to better recreational environment
 - e) Fire & Disaster preparedness for safety purposes
 - f) To promote value addition in food processing and value chain • Promote quality and affordable health care
- The Nyamira Municipality had an annual budget of Kshs. 308,399,215.95 out of this Kshs. 50,000,000 was for UIG recurrent, Ksh. 213,686,890.500 was for UDG and Ksh.44,712,325 was directly funded by County Government.

Progress on attainment of Strategic development objectives (Adopted from Nyamira County)

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Municipality Management	Inclusivity in running the municipality's affairs	Increased number of Nyamira residents participating in the Municipality's affairs.	We have a project management/ monitoring committee for the Municipality's projects	In FY 20/21 we increased the number of activities and people involved. The municipality was involved in the Kazi Mtaani programme among others.
Preparation of Urban Plan for Nyamira	To have planned and controlled development in Nyamira Municipality	Establishes solid waste collection and segregation mechanism		
Environment and social services	To maintain clean environment to global standards	Increase refuse collection and treatment	40 % refuse collected	The Municipality boundaries were covered in refuse collection and treatment
Municipal infrastructure and disaster management support services	To develop and maintain street and security lighting infrastructure	Increased public safety and security	70% reduction of crime	Street lighting was undertaken within Municipality and there has been 50% reduction in crime

7. CORPORATE GOVERNANCE STATEMENT

A. Number of Nyamira Municipality Board meetings held and the attendance to those meetings by members.

The Nyamira Municipality held all its quarterly meetings and there was an approximately 90% attendance to all of those meetings.

B. Succession plan.

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

C. Existence of a service charter.

The Municipality has a service charter.

D. Process of appointment and removal of trustees/ Administration Committee members.

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

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

A board of a municipality shall be appointed by the county governor with the approval of the county assembly.

The administration committee members shall cease to be member if;

- Is unable to perform the functions of the office by reason of mental or physical infirmity;
- Is declared or becomes bankrupt or insolvent;
- Is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

- Resigns in writing to the County Governor;
- 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;
- Is found guilty of professional misconduct by the relevant professional body;
- Is disqualified from holding a public office under the Constitution;
- Fails to declare his or her interest in any matter being considered or to be considered by the Board or Board Committees;
- Engages in any gross misconduct; or
- Dies.

E. Roles and functions of the Administration Committee members.

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

F. Induction and training, Administration Committee members and member's performance.

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

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

G. Conflict of interest,

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

H. Board remuneration,

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

I. Ethics and conduct as well as governance audit undertaken if any

The Municipality has undergone annual internal and external audit by auditor general.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Revenue classification	Revenue budget Kshs	Actual (Kshs)	Realisation (%)
UDG	213,686,890.50	84,474,869	39.53%
UIG	50,000,000	48,643,157	97.29%
County funding	44,712,325.45	44,712,325	100%
	308,399,215.95	177,830,351	

The Municipality has worked on the road projects, upgrading to bitumen standards Borabu inn-Golan heights-juakali-nyabite market for FY 18/19 which is 4.0 KM, and Public works-CDF Offices-hospital junction FY 19/20 which is 1.0 KM. The projects will enhance the security and accessibility within the municipality.

- They created employment opportunities.
- They enhanced the aesthetics of the municipality
- They offered a by-pass from the main road
- They improved storm water drainage

The road project programme was implemented by the Kenya Urban Support Programme; Urban Development Grant which is a World bank grant for development projects. The Urban Development Grant was implemented through the Nyamira Municipality.

The road project was a 4.0KM road that included a main carriage way. This has benefited the resident of nyamira municipality as follows;

- Enhancing their security and accessibility within the municipality.
- Creating employment opportunities.
- Enhancing the aesthetics of the municipality
- Offering them a by-pass from the main road,
- Improving storm water drainage.

The implementation challenges of strategic objectives for the County Entity and the entity's future outlook include:

- Insufficient budget allocation
- Weak institutional framework
- Inadequate staffs

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Sub Programme	Key Outputs	Key performance Indicators	Baseline (Current Status)	Planned Targets	Resource Requirement (KSHS)
Upgrading to Bitumen standards Borabu inn, Golan Heights, Jua kali, Nyamira boys ,nyabite market	Tarmacked road	Kilometres Tarmacked	0	4.0km Tarmacked	Ksh.104,373,213
Public works, CDF offices, hospital junction to bitumen standards	Tarmacked road and streets Signage	-Number of streets Addressed	0	1.0km Road tarmacked	Ksh.82,859,330

The key risk management strategies include;

- Establishment of Infrastructure Management Committee for the Municipality projects
- Adherence to the Occupational safety and health protocols

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Nyamira Municipality exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Nyamira municipality is responsible for the provision and promotion of a clean environment for the business community. This is achieved through garbage collection, construction and maintenance of drainages and clearing bushes within the municipality.

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

This is one of the critical areas of the municipality's services. The municipality in collaboration with the Department of Lands, Housing and Physical Planning has successfully:

- i. Maintained a clean friendly environment e.g. participating in community cleanup
- ii. Developed and implemented environmental awareness creation programs
- iii. Developed Waste management policies.
- iv. Established measures to mitigate against water, air, noise and other forms of pollution.

iii) Employee welfare

The Nyamira Municipality Board incorporation with County Government use a human resource manual/policy that takes into account a gender ratio whereby a third of every new recruitment is comprised of women, continuous training being offered to employees on need basis to enhance skills, careers and as well as performance appraisals which are done through performance contracting.

iv) Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.**

The management has made efforts to equitably offer opportunities to youths, women and persons living with disability. Procurement opportunities are given to bidders as per the guiding procurement laws (PPAD 2015) and equity is in practice ever. There is frequent interaction between bidders and management through pre bidding conferences, site visits, opening of tenders and trainings.

The management has envisaged consumer rights and interests through confidentiality during procurement process and non-disclosure of proprietary rights.

b) Responsible Supply chain and supplier relations

The Nyamira Municipality Board after contact execution by the contactor and suppliers, provide full payment and with all factors held constant the process is done with a maximum of 5 days and we endeavour to keep our pending Bills within manageable levels and we pride ourselves in achieving this year in year out.

c) Responsible marketing and advertisement

The Nyamira Municipality Board gives opportunities to all and all our advertised are done through local daily newspapers, government portals, websites and notice boards.

d) Product stewardship

The Nyamira Municipality Board ensure that design, manufacture, sell, and use consumer products take responsibility for reducing negative impacts to the economy, environment, public health, and worker safety.

v) Corporate Social Responsibility / Community Engagements

Nyamira Municipality Board exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the *entity's* affairs.

i) Principal activities

The principal activities of the Fund are to:

- Infrastructure and affordable housing development to spur economic growth
- Sustainable waste management system for clean and healthy environment
- Spatial planning framework towards well-coordinated land use & administration
- Social investments to better recreational environment
- Fire & Disaster preparedness for safety purposes
- To promote value addition in food processing and value chain Promote quality and affordable health care

ii) Results

The results of the entity for the year ended June 30, 2021, are set out on page 1 to 4

iii) Directors

The members of the Board of Directors who served during the year are shown on page iv to ix.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.


v) Auditors

The Auditor General is responsible for the statutory audit of the Nyamira Municipality Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Nyamira Municipality Board for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

By Order of the Board

Name EVELINE B. NYAMIRARE

Signature 

Date 22/08/2022

Secretary to the Board



11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*), the Directors to prepare financial statements in respect of that Municipality of Nyamira, which give a true and fair view of the state of affairs of the Municipality of Nyamira at the end of the financial year/period and the operating results of the Municipality of Nyamira for that year/period. The Directors are also required to ensure that the Municipality of Nyamira keeps proper accounting records which disclose with reasonable accuracy the financial position of the Nyamira Municipality Board. The Directors are also responsible for safeguarding the assets of the Municipality of Nyamira.

The Directors are responsible for the preparation and presentation of the Municipality of Nyamira financial statements, which give a true and fair view of the state of affairs of the Municipality of Nyamira for and as at the end of the financial year (period) ended on June 30, 2021. 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 entity; (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 Nyamira; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Nyamira Municipality Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act. The Directors are of the opinion that the Municipality of Nyamira financial statements give a true and fair view of the state of Municipality of Nyamira transactions during the financial year ended June 30, 2021, and of the Municipality of Nyamira financial position as at that date.

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

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Nothing has come to the attention of the Directors to indicate that the Municipality of Nyamira 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 Nyamira Municipality Board's financial statements were approved by the Board on 30th August, 2021 and signed on its behalf by:

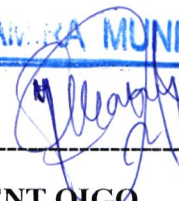
Signature



Name: Peter B. Ondieki
Chairperson of the Board



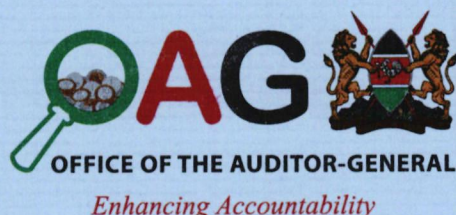
Signature



Name: VINCENT OIGO
Accounting Officer -

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF NYAMIRA FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Municipality of Nyamira set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance and statement of cash flows for the year then ended and a summary of significant accounting policies and other

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipality of Nyamira as at 30 June, 2021, 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 Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Failure to Prepare a Statement of Comparison of Budget and Actual Amounts

The Management did not prepare and submit a budget for 2020/2021 contrary to Section 149(2) (h) of the Public Finance Management Act, 2012, which requires the Accounting Officer to prepare estimates of expenditure of the entity in conformity with the strategic plan. Further, the financial statements did not include a statement of comparison of budget and actual amounts, contrary to the guidelines and template prescribed by the Public Sector Accounting Standards Board (PSASB) for Public Sector Entities reporting under IPSAS Accrual Financial Reporting Framework,

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

2. Late Submission of Financial Statements

The Municipality of Nyamira financial statements for the year ended 30 June, 2021 were submitted to the Auditor-General on 13 January, 2022 more than three months after the end of the stipulated time. This contravened Section 46(2) of the Urban Areas and Cities Act, 2011 which requires that within a period of three months after the end of each financial year, the Board shall submit to the County Executive Committee its accounts for that year for transmission to the Auditor-General.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of Conclusion

Non-Functional Municipality Board

Review of records revealed that Municipality of Nyamira Board came into existence on 10 December, 2018 and the appointment of the Board members was communicated in a Gazette Notice Vol.CXX. No. 152 of 14 December, 2018. However, the Board has not been delinked from the Department of Lands, Housing, Physical Planning and Urban Development rendering it unable to discharge its key functions as provided for in Section 20(1) of the Urban Areas and Cities Act, 2011, namely;

- i. To prepare and submit its annual budget estimates to the County Treasury for consideration and submission to the County Assembly for approval;
- ii. To discuss and approve the financial statements submitted to the Auditor General and;
- iii. To formulate and implement an integrated development plan.

In the circumstances, the effectiveness of the Board could not be confirmed.

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

Responsibilities of Management and Board of Directors

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 such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Board to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 September, 2022

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30
 JUNE 2021**

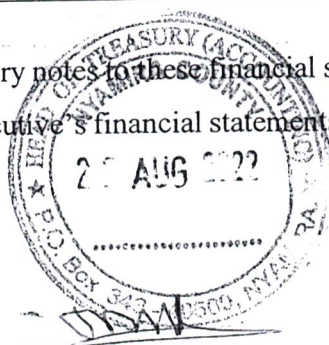
	Notes	2020-2021 Kshs
Revenue from non-exchange transactions		
Transfers from other governments entities	1	308,399,216
Total revenue		308,399,216
Expenses		
Use of goods and services	2	71,198,700
Employee costs	3	17,928,876
Repairs and maintenance	4	378,435
Infrastructure & other civil works	5	78,514,341
Intangible assets (Municipal Spatial Plan preparation)	6	9,810,000
Total expenses		177,830,352
Net Surplus for the year		130,568,864

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 30th August, 2021 and signed by:

ACCOUNTING OFFICER
NYAMIRA MUNICIPALITY

Accounting Officer

Name: Vincent Oigo



Head of Finance

Name: L. Nyangena

ICPAK Member Number: 12445

[Handwritten signature]

Chairman of the Board

Name: Peter B. Ondieki

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June30 2021

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021
		Kshs
Current Assets		
Cash and Cash Equivalent	7	130,568,864
Total Current Assets		130,568,864
Non - Current Assets		
Total Non – Current Assets		
Total Assets		130,568,864
Equity and Liabilities		
Liabilities		-
Accumulated Surplus		130,568,864
Total Net Assets		130,568,864

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 30th August, 2021 and signed by:

ACCOUNTING OFFICER
NYAMIRA MUNICIPALITY

Accounting Officer
 Name: Vincent Oigo

HEAD OF TREASURY AND ACCOUNTING
NYAMIRA COUNTY
 20 AUG 2022

Head of Finance
 Name: L. Nyangena
 ICPAK Member Number: 12445

Chairman of the Board

Name: Peter B. Ondieki

15. STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 30 JUNE 2021

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
Surplus/ deficit for the year		-	-	-	-	-	130,568,864	130,568,864
As at June 30, 2021							130,568,864	130,568,864

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from other governments entities	1	308,399,216
Total Receipts		308,399,216
Payments		
Use of goods and services	2	71,198,700
Employee costs	3	17,928,876
Repairs and maintenance	4	378,435
Total Payments		89,506,011
Net cash flows from/ (used in) operating activities		218,893,205
Cash flows from investing activities		
Infrastructure & other civil works and Intangible assets(Municipal Spatial Plan preparation)	5,6	(88,324,341)
Net cash flows from/(used in) investing activities		(88,324,341)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at 1 JULY		0.00
Cash and cash equivalents at 30 JUNE, 2021	28	130,568,864

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive/Financial statements were approved on 30th August, 2021 and signed by:

ACCOUNTING OFFICER
MUNICIPALITY

Accounting Officer
Name: Vincent Oigo

HEAD OF TREASURY (COUNTY)
NYAMIRA COUNTY
22 AUG 2021

Head of Finance
Name: L. Nyangena
ICPAK Member No: 12445

Chairman of the Board

Name: Peter B. Ondieki

17. Summary of Significant Accounting Policies

General Information

Nyamira Municipality entity is established and derives its authority and accountability from Kenya Urban areas and Cities Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is promotion, regulation and provision of refuse collection and solid waste management.

1. 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 judgement in the process of applying the Municipality of Nyamira accounting policies. The areas involving a higher degree of judgement 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 Nyamira Municipal

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.

Summary of Significant Accounting Policies (Continued)

2. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Summary of Significant Accounting Policies (Continued)

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

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

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

iii. Early adoption of standards

The entity did not early- adopt any new or amended standards in year 2020/2021.

Summary of Significant Accounting Policies (Continued)

- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

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 each period.

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 28TH June 2020. Subsequent 2 number revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality of Nyamira upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality of Nyamira recorded no additional appropriations of on the 2020-2021 budget following the governing body's approval.

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The entity'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.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

Summary of Significant Accounting Policies (Continued)

e) 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 entity 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.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Summary of Significant Accounting Policies (Continued)

g) 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.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity.

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

Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition., All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

Summary of Significant Accounting Policies (Continued)

j) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 Entity.

k) Provisions

Provisions are recognized when the Entity 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 Entity 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.

Summary of Significant Accounting Policies (Continued)

l) Contingent liabilities

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

m) Contingent assets

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

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund 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 benefit funds 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.

q) 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 at 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.

r) 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.

Summary of Significant Accounting Policies (Continued)

s) Related parties

The Entity 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

3. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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: e.g

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Summary of Significant Accounting Policies (Continued)

Significant Judgments and Sources of Estimation Uncertainty

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:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in **Note 40**.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Shareholding in other entities

For investments in equity share listed under note 32 above, list down the equity investments under the following categories:

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

18. NOTES TO THE FINANCIAL STATEMENTS

1. (a) Transfers from Other Government Entities

Description	2020-2021
	KShs
Conditional grants	
Kenya Urban Support Programme (UDG) grant	213,686,890.50
Kenya Urban Support Programme (UIG) grant	50,000,000
Total government grants and subsidies	263,686,890.50

b) Transfers from Ministries, Departments and Agencies (MDAs)

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. KShs	Total transfers 2020/21 KShs
Direct payment by the County	-	-	-	44,712,325.45
Total	-	-	-	44,712,325.45

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending entity Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry)

2. Use of Goods and Services

Description	2020-2021
	KShs
Advertising	709,974.85
Conferences and delegations (Hospitality)	5,058,200
Consumables (specialised materials)	1,738,376
Fuel and oil	2,739,000
Printing and stationery	2,409,950
Rental	1,879,600
Training	802,500
Travel, accommodation, subsistence and other allowances*	54,423,299.20
Other general expenses	1,437,800
Total	71,198,700.05

*Travel, accommodation, subsistence and other allowances- Where this cost has been budgeted under employee costs, please report it under note 2.

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Notes to the Financial Statements (Continued)

3. Employee Costs

	2020-2021
	KShs
Salaries and wages	9,054,197
Housing benefits and allowances	5,731,600
Casual wages	3,084,078.60
Social contributions	59,000
Employee costs	17,928,875.60

* Other employee related costs- please provide a brief explanation for these costs.

4. Repairs and Maintenance

Description	2020-2021
	KShs
Vehicles	378,435
Total repairs and maintenance	378,435

5. Infrastructure and other civil works

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Roads Construction	73,374,368.86	-	73,374,368.86
	73,374,368.86	-	73,374,368.86

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Computers and related equipment	2,859,992	-
Office equipment, furniture and fittings	2,279,980	-
Total	5,139,972	-

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Notes to the Financial Statements (Continued)

6. Intangible Assets (Municipal Spatial Plan preparation)

Description	2020-2021
	KShs
Cost	
At beginning of the year	0
At end of the year	9,810,000
NBV	9,810,000

7. Cash and Cash Equivalents

Description		2020-2021
	Account number	KShs
Nyamira Municipality UDG account (CBK)	1000394374	109,257,060.80
Nyamira Municipality UDG account (EQUITY)	0520280023457	19,954,960.84
Nyamira Municipality UIG account (CBK)	1000404841	1,356,842.80
Total cash and cash equivalents		130,568,864.44

8. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the entity 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry (Kenya Urban Support Programme)
- ii) County Governments
- iii) Other SCs and SAGAs

Notes to the Financial Statements (Continued)

9. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

10. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

11. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

12. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

13. Currency

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

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

19. APPENDIX

APPENDIX I: PROJECTS IMPLEMENTED BY THE Municipality of Nyamira

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Upgrading to Bitumen Standards of (B5) Borabu Inn-Golan Heights Resorts-Jua Kali- Nyamira Boys-(B5)-Nyabite Market Phase 1	1	KUSP (UDG)	12 Months		YES	YES
Municipal Spatial plan	2	KUSP (UIG)	6 MONTHS		YES	YES
Upgrading to Bitumen Standards of Public Works Offices- CDF Offices- Nyamira Hospital Junction	3	KUSP (UDG)	12 Months		YES	YES

MUNICIPALITY OF NYAMIRA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

Status of Projects completion

Upgrading to Bitumen Standards of (B5) Borabu Inn-Golan Heights Resorts-Jua Kali- Nyamira Boys-(B5)-Nyabite Market Phase 1	104,373,213.30	73,374,368.86	87%			KUSP (UDG)
Municipal Spatial plan	10,900,000	9,810,000	90%			KUSP (UIG)
Upgrading to Bitumen Standards of Public Works Offices- CDF Offices- Nyamira Hospital Junction	82,859,330.47	0	10%			KUSP (UDG)
Installation & commissioning of streetlights along borabu inn-golan heights resorts-jua kali- nyamira boys-(b5)-nyabite road	5,990,000.00	0	50%			GOK (funded by the County Government of Nyamira)