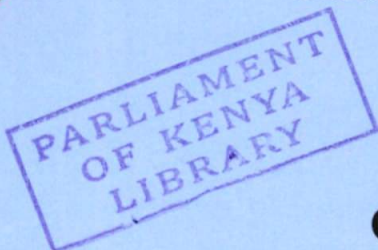


REPUBLIC OF KENYA



REPORT

39



OF

THE AUDITOR-GENERAL

ON

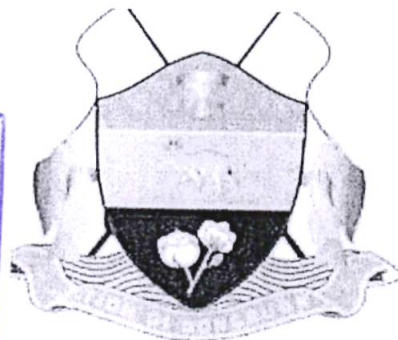
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SIAYA MUNICIPALITY

FOR THE YEAR ENDED
30 JUNE, 2025

20

Revised 30th June 2024



SIAYA MUNICIPALITY
County Government of Siaya

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

PSASB Public Sector Accounting Standards Board

FY Financial Year

OSHA Occupational Safety & Health Act

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Entity Information and Management

a) Background information

The Siaya Municipality is established under the Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Municipal Charter of April 2019. The mandate of management of the Municipality lies with the Siaya Municipal Board whose responsibility is to coordinate service delivery within the jurisdiction of the municipality. The key objectives of the Siaya Municipal Board are provision of an efficient and accountable management of the affairs of the Municipality, provision for good governance, promotion of efficient service delivery, vigorous persuasion of development opportunities, and foster the economic, social and environmental well-being of the community.

b) Principal Activities

The principal activity/mission/ mandate of the Municipality include:

i. Vision

An economically vibrant, prosperous, socially cohesive, and functionally interlinked entity.

ii. Mission

To facilitate a holistic, orderly and sustainable urban environment for the welfare of all the residents of Siaya Municipality

iii. Core Mandates

- Promotion, regulation and provision of refuse collection and solid waste management services
- Water and Sanitation
- Construction and maintenance of Municipal Administrative offices and Yard
- Design construction and maintenance of Urban roads and Associated Infrastructure
- Development and enforcement of municipal plans and development controls
- Construction and maintenance of recreational parks and green spaces
- Collection rates, taxes levies duties fees and surcharges on fees
- Promotion regulation and provision of animal control welfare
- Promotion, regulation and provision of municipal and cultural activities
- Construction and maintenance of Municipal Markets and Abattoirs

c) Key Management

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

- The County Department of Lands Physical Planning, Housing and Urban Development
- The Siaya Municipal Board
- The Office of the Municipal Manager

d) Fiduciary Management

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

SN	Position	Name
1	Municipal Manager	Linet Achila Oyola
2	Principal Administrative Officer	Ismael Otieno Obura
3	Human Resource Officer	Lizz Anyango Ouma
4	Municipal Accountant	Nicholas Otieno Musumba
5	Supply Chain Management Officer	Erastus Kodundo Odundo
6	Superintending Municipal Engineer	Eng. Moses Otieno Ong'udi
7	Environment Officer	Diana Elsie Awuor
8	Gender and Social Development Officer	Elizabeth Juma Moi

e) Fiduciary Oversight Arrangements

- i) Legal, Policies and Audit Committee.
- ii) Office of the Internal Audit.
- iii) County Assembly committees.
- iv) Kenya National Auditor's Office
- v) Committees of the Senate.

f) Registered Offices

- a. P.O. Box 803-40600

Siaya County Headquarters

Siaya, KENYA

- b. **Contacts**

Telephone: (254) 762748487

E-mail: municipality@siaya.go.ke

Website: www.siaya.go.ke

- c. **Bankers**

KCB Bank Kenya Limited

Siaya Branch

P.O. Box 52-40600

Tel. +254203270000, 2852000, 2851000

Mobile: +254772086084

Email: siaya@kcb.co.ke

- d. **Independent Auditor**

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084-GPO 00100

Nairobi, Kenya.

- e. **Principal Legal Adviser**




The County Attorney

County Government of Siaya

P.O. Box 803-40600

Siaya, Kenya

3. Municipality Board

Name	Details of qualifications and experience
 <p data-bbox="405 909 619 943">Dr. Winnie Oyugi</p>	<ul style="list-style-type: none"> • Dr. Winnie Winfred Awuor Oyugi • Year of birth 1966 • Siaya Municipal Board Chairperson. • Non-Executive Member • PhD in Diplomacy
 <p data-bbox="421 1368 603 1402">Boniface Obare</p>	<ul style="list-style-type: none"> • Boniface Obare • Year of birth 1986 • Vice Chair Siaya Municipal Board and Chairman Legal, Audit and Policies Committee. • Non-Executive Member • Bachelor of Commerce (Accounting) Diploma in Accounting- CPA part I and CPA part II
	<ul style="list-style-type: none"> • Rt. Rev. Atong Joel Ochieng • Year of birth 1970. • Member Siaya Municipal Board • Chairman Gender Mainstreaming Committee • Non-Executive Member • Master of Arts (Theology)



Michael Ochieng

- Michael Ochieng is
- Year of birth 1980.
- Member Siaya Municipal Board and Chairman Finance and Administration Committee.
- Non-Executive Member
- Diploma- Kenya Accounting Technicians.






George Ouma Ongongo


- George Ouma Ongongo
- Year of birth 1960
- Member Siaya Municipal Board
- Non-Executive Member
- Diploma in Education






Jacqueline Kodero




- Jacqueline Kodero
- Year of birth 1973.
- Member Siaya Municipal Board and Chairperson Urban Management Committee
- Non-Executive Member
- Diploma in Business Management




 <p>Morphine Orao</p>	<ul style="list-style-type: none">• Morphine Orao• Year of birth 1972• Member Siaya Municipal Board• Non-Executive Member• Primary Teachers Certificate (P1)• Early Childhood Development and Education- Teachers Diploma
 <p>Maurice Otieno McOrege</p>	<ul style="list-style-type: none">• Maurice Otieno McOrege• Year of Birth• CECM – LPPH&UD• Member Siaya Municipal Board• Non-Executive Member• B.A(Hons), B. Phil, MBA
 <p>Joseph Omondi</p>	<ul style="list-style-type: none">• Joseph Omondi Onyango• Year of Birth 1965• C.O. – LPPH&UD• Member Siaya Municipal Board• Non-Executive Member• B. ED, M. ED, DHRM, Dip. Sales & Marketing• Member of the Board

 <p>Linet Achila Oyola</p>	<ul style="list-style-type: none">• Linet Achila Oyola• Year of birth 1987• Municipal Manager• M.A Project Planning and Management• B.A Urban and Regional Planning with I.T• Member of Kenya Institute of Planners

4. Key Management Team

Name	Details of qualifications and experience
 <p data-bbox="422 936 670 974">Linet Achila Oyola</p>	<ul style="list-style-type: none"> • Linet Achila Oyola • Siaya Municipal Manager • M.A Project Planning and Management • B.A Urban and Regional Planning with I.T
	<ul style="list-style-type: none"> • Member of Kenya Institute of Planners
	<ul style="list-style-type: none"> • Ismael Otieno Obura • Principal Administrative Officer • Masters of Arts (project mgt) • Bachelors of Education • Tsc Membership-548596

	<ul style="list-style-type: none"> • Lizz Anyango Ouma • Human Resource Officer • Bsc Human Resource mgt • Ihrm Membership – 16717 • Chrp(K) Membersip-HS5131
	<ul style="list-style-type: none"> • Nicholas Otieno Musumba • Bcom (Finance & Banking) • Cpa(K) • Icpak Membership-CPA/21712
	<ul style="list-style-type: none"> • Erustas Kodundo Odundo • Municipal Supply Chain Management Officer • Bcom (Purchasing and Supply management) • KISM Membership-78052

	<ul style="list-style-type: none">• Eng. Moses Otieno Ong'udi• Siaya Municipal Suppreting Civil Engineer• Bachelor of Engineering (civil & structural Engineering)• Institute of Engineers of Kenya Membership -M.7083• Corporate member of Engineers Board of Kenya – A3827
	<ul style="list-style-type: none">• Phelister Akinyi Onyango• Municipal Physical Planning Assistant• Bachelor of Arts (Urban and Regional Planning with IT)• Kenya Institute of Planning Membership-0714G
	<ul style="list-style-type: none">• Elizabeth Juma Moi• Municipal Social Development Officer• Bachelor of Arts in Sociology• Kenya Institute of Social Work Membership -K0578



- Diana Elsie Awuor
- Environment Officer
- Bachelor of Environment Science
- Environment Institute of Kenya membership -EIK/2/6/6122
- NEMA Expert Reg. No.13374

5. Municipality Board Chairperson's Report

The management of Siaya municipality is vested in the County Government of Siaya and administered on its behalf by the Siaya Municipal Board. The Board comprises of nine members as per the provisions of Section 14 of the Urban Areas and Cities Act 2011 (amendment 2019).

The Board oversees the affairs of the municipality, develops and adopts policies, plans, strategies and programmes, and sets targets for delivery of services among other function as outlined in the law.

In the Financial year 2024-25, the municipality had a budgetary allocation for both recurrent and development that facilitated its operations and projects implementation. The Board begun the construction of Municipality Office complex. Other projects included Construction and development of Storm water drainage, maintenance of Non-Motorised Transport facility, maintenance of high masts and installation of street lights.

The Siaya Municipal Board signed a performance contract for FY 2024-2025 with the Siaya County Governor, outlining major performance targets. The Board in its meetings passed a number of resolutions for further approval by the Cabinet and County Assembly as provided in law. However, the Board experienced inadequate budgetary allocations and unpredictable exchequer releases. During the supplementary budgets processes, the Entity's allocations for development projects experienced significant reductions affecting the execution and payment of suppliers and contractors, leading to accumulated pending bills.

During the year, four Board members, Prof. Paul Achola Waw, Nancy Juma, Dr. Charles Were and Michael Ochieng' exited after the end of their term. They were successfully replaced by Dr Winnie Awuor Oyugi, Canon Atong Joel Ochieng, George Ouma Ong'ong'o and Michael Ochieng whose term ended and was re-appointed.

The Board remains focused on its mandate as stipulated in the Urban Areas and Cities Act 2011. It continues to advocate for public private partnerships and collaborations with other development partners in strategic areas for better service delivery.



Dr. Winnie Awuor Oyugi
Chairperson of the Board

Report of the Municipality Manager

The Urban Areas and Cities Act 2011 provides that the Municipal Manager shall be responsible for the day-to-day management of the affairs of the municipality and perform such other duties assigned by the Board.

During the financial year 2024-25, the budget allocation was Ksh.95,577,943 out of which, Ksh. 48,143,165 was for capital acquisition, Ksh. 22,188,422 for operations and management and Ksh. 25,246,356 for personal emolument. The table below shows a breakdown of the development and recurrent budget.

Summary of Budget

S/N	Item	Activity	Amount
1	Recurrent Expenditure	Use of goods and services	19,788,422
		Board expenses	2,400,000
		P.E (permanent Basic)	12,836,160
		P.E (Casual Wages)	12,410,196
2	Development	Acquisition of properties and civil works	48,143,165
	Total		95,577,943

The overall position of asset base as at the beginning of the year stood at Ksh 145,831,945 with additional asset of Ksh 25,566,663 acquired during the year.

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

The budget performance analysis was as tabled.

Budget Against Actual expenditure

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Funds from the County Government	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Public Contribution and Donation			-		-	
Interest income	-	-	-	-	-	
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	
Total Revenue	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Expenses					-	
Use of goods and services	19,788,422	-	19,788,422	8,844,015	10,944,408	45
Board expenses	2,400,000	-	2,400,000	2,306,900	93,100	96
Staff Costs	25,246,356	-	25,246,356	24,329,420	916,936	96
Acquisition of Asset	48,143,165	-	48,143,165	15,506,768	32,636,398	32
Finance costs	-	-		1,186	(1,186)	
Total Expenditure	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Surplus for the period		-	-	-	-	
Capital Expenditure			-			

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

The Board has made greater strides in development of urban infrastructure within Siaya Town which serves as the county headquarters. Over the past four years, the Board implemented road infrastructure, street lighting, parking, and green space projects. In addition, it acquired a waste management tractor and a municipal vehicle as summarised below:

S/no.	Activity	Capital acquisition to date				Comments
		Budget (Kshs) (A)	Actual Contract Amount (Kshs) (B)	Cumulative Actual Expenditure to date (Kshs) (C)	Project Implementation status (%)	
FY2018/19						
1	Proposed Improvement of Ahindi garden park, Governor's Park and Washrooms.	50,000,000	46,327,094.00	46,320,791.00	100	Project Completed and in use.
FY 2019/20						
1	Construction of Non-Motorized Transport Facilities (NMT) and Storm Water Drainage in Siaya, Siaya Municipality	50,000,000	47,788,606.20	47,442,202.80	100	Project completed and in use.
FY2020/21						
1	Extension of Non-Motorised Transport Facilities and Storm Drainage	13,069,989	11,980,445.2	11,765,552.88	100	Project Completed and in use.
2	Purchase of a tractor for waste management tractor with 6 Tonnes tipping trailer	4,635,200	4,635,200	4,635,200	100	Equipment acquired and in use
FY2021/22						
1	Laying of cabros (1 km) on backstreets	4,010,000	4,019,553.12	1,000,000.00	24.93%	Executed to the available budget
2	Development and maintenance of Street lighting	2,000,000	1,929,792	1,929,792	100	Work completed
3	Purchase of municipal project vehicle	5,465,491	5,144,800	5,144,800	100	Isuzu Double Cab acquired and in Good use
FY2022/23						
1	Extension of NMT Off Road 2a (Road 14-B) in Siaya Town	4,359,137	4,359,136.36	4,275,916.46	100	Project completed and in use
2	Installation of 2 high mast lighting in Mbaga and Juakali	5,850,000	5,489,160.60	5,489,160.60	100	Project completed and in use
3	Proposed Construction of Refuse chambers in various markets (4) in Ndere, Mbaga, Boro and Siaya Bus Park	2,000,000	1,838,794.40	1,838,794.40	100	Project completed and in use

**County Government of Siaya
Siaya Municipality
Annual Report and Financial Statements for the year ended June 30, 2025**

4	Proposed Construction of Parking Bays in Siaya Town along a section of Kenyatta Street	1,500,000	1,499,735.00	1,499,735.00	100	Project completed and in use
5	Proposed Street Naming in Siaya Town.	1,000,000	994,234.61	994,234.61	100	Project completed and in use
6	Proposed installation Bill Board in Siaya Town (next to referral hospital).	3,000,000	2,994,830.00	2,994,830.00	100	Project completed and in use
7	Proposed Modern Washroom at Municipal Markets-Siaya Modern Market	3,000,000	2,950,940.00	2,103,076.35	70.10%	Project ongoing
8	Proposed Fencing and Installation of a Gate of Cemetery Land in Siaya Town.	500,000	491,898.00	491,898.00	100	Project completed and in use
FY2023/24						
1	Marking of parking lanes in Siaya Town	1,500,000	1,485,747	1,481,802.56	100	Project completed and in use
2	Acquisition of land for municipal waste management	4,000,000	3,400,000	3,400,000	100	Property acquired
3	Landscaping within Siaya town	4,000,000	3,999,981.6	1,000,000	100	Project completed and in use
4	Fencing of Siaya municipal cemetery land	1,000,000	999,340	999,340.00	100	Project completed and in use
5	Finalization of Siaya municipality spatial/land use plan	13,869,656	13,869,656	6,919,374.00	99	Project 99% complete, Plan awaiting approval
FY2024/25						
1	Construction of Siaya Municipal Office Complex	20,158,992	62,557,284	12,511,456.89	40%	Project in progress
2	Purchase of Solid waste Garbage truck and Equipment	14,481,679	13,283,000	-	10%	Payment have not been made
3	Development of storm water drainages	6,000,000	5,998,577	-	100%	Completed and in use
4	Construction of new parking lots in Siaya Town	1,500,000	1,498,249	-	100	Complete
5	Maintenance of NMT	3,000,000	2,965,000	-	100%	Completed and in use
6	Maintenance of High mast lighting within Siaya Municipality	3,000,000	2,995,310.97	2,995,310.97	100%	Complete and in use

The Siaya Municipal Board's human resource capacity has significantly grown over the past years. Technical staff have been employed including civil engineers, physical planner, environment officers, accountant, supply chain management officer, human resource officer among others to facilitate effective service delivery. The Board has commenced the construction of an office complex among other projects that are aligned to the Sustainable Development Goals. To support its development control function, the Board has finalized the development of Siaya Municipal Spatial/Land Use Plan.

However, the Board experienced a number of challenges including budgetary constraints, delays in approval of policies and plans and lack of by-laws.

The Board appreciates the effort put forward by the County Executive to gazette transferred functions to the municipality and urge for actualization of commensurate resources to support the functions. It proposes for development and adoption of a formula for resource allocation to urban areas as provided in the PFM Act 2012.

The Board continues to put emphasis on the adherence to the provisions of PFM Act 2012 and the Public Procurement and Asset Disposal Act 2020 to minimize risks in financial management. In addition, there is continuous sensitization of the municipal staff on corruption prevention measures and has intention to establish a municipal internal audit system through the office of the County Internal Auditor.

In conclusion, this report reflects the financial performance of the Siaya Municipality during the financial year 2024-25 and forms an important basis for subsequent reporting.



.....
Name: Linet Achilla Oyola
Municipal Manager

6. Statement of Performance Against Predetermined Objectives for the FY 2024-25

The Siaya Board had planned implementation of various development activities such as Construction of Municipal Office Complex, Construction and development of Storm water drainage, maintenance of Non-Motorised Transport facility, maintenance of high masts and installation of street lights and finalization the development of Siaya Municipal Spatial/Land Use Plan.

However, the Board experienced a number of challenges including budgetary constraints, delays in approval of policies and plans and lack of by-laws.

Program	Objective	Outcome	Indicator	Performance
Urban planning	To control urban development	To create orderly development in urban areas	Number of developments conforming with rules and regulations governing urban development	The Municipality Land uses/Spatial plan has been finalized and a waiting approval by the County Assembly
Service delivery	Service to the people of Ugunja	Minimal/reduced complains	Implementation of service delivery charter Public complains resolution mechanism	The Board has service delivery charter and the few public complains received were adequately responded to
Infrastructural Development	To ease movement within the CBD To improve security	Streetlighting within the CBD	Maintenance of highmasts and Installation of solarized	Completed

County Government of Siaya

Siaya Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

Program	Objective	Outcome	Indicator	Performance
			streetlights at Governor and Ahindi parks	

**County Government of Siaya
Siaya Municipality**

Annual Report and Financial Statements for the year ended June 30, 2025

Below we provide the progress on attaining the stated objectives:

(NB: Entities can prepare this performance information as per the table below or in a more relevant format suitable for the nature of its activities)

7. Corporate Governance Statement

(Two-to-three pages)

Siaya Municipality is governed by a Board. The Board membership comprises Nine members and one Ex-Officio. These members will then appoint among themselves, the Board chair and members of the respective functional committee as need arises, The Manager is the Secretary to the Board.

1) Appointment to the Board

The governor, after wide consultation from strategic partners, appoints the members of the Board after approval by the county Assembly as stipulated in Urban Areas and Cities Act 2011

2) Roles and Functions of the Board

- a) Oversee the functions of the municipality in accordance with the provisions of the law
 - b) Participate in the development of Strategic plan
 - c) Mobilizing resources for the institution
 - d) Discharging all other functions conferred upon them by law.
-

3) Remuneration and Expense Disbursement

The remuneration of the members is as set out in the circular from SRC. Members of the board are paid sitting allowances when they attend functions of the board. Sitting allowance is paid at Kshs 12,000 Chairperson and Ksh.10, 000 for Vice Chairperson and Kshs. 8000 and Transport allowance of Ksh. 20,000 per quarter

8. Management Discussion and Analysis

The entity's operational and financial performance

The entity's budget for the year was Kshs. 95,277,943 from County equitable share of revenue. The total annual expenditure stood at Kshs. 63,786,524 and the actual expenditure was Kshs 50,258,976 representing 53% absorption rate.

SECTION B

Entity's compliance with statutory requirements

During the quarter ended 30th June 2025, there was no non-compliance issues recorded by the entity

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

Sector	Project Name	Contract sum (Kshs.)	Budget Allocation FY 2024/25 (Kshs.)	Amount paid to date (Kshs)	Contract variation (Kshs)	Implementation status (%)	Remarks
Siaya Municipal Board	Siaya Municipal Board Office Complex	62,557,284	20,158,992	12,511,456.89	0	25	Work progr
Siaya Municipal Board	Purchase of Solid waste Garbage truck and Equipments	13,283,000	14,481,679	-	0	20	Paym Proce initiat
Siaya Municipal Board	Development of storm water drainages	5,998,577	6,000,000	-	0	100	Comp
Siaya Municipal Board	Construction of new parking lots in Siaya Town	1,498,249	1,500,000	-	0	100	Comp
Siaya Municipal Board	Maintenance of NMT	2,965,000	3,000,000	-	0	100	Comp
Siaya Municipal Board	Maintenance of High mast lighting and Installation of Solar lights in Governors park and Ahindi Gardens within	2,995,311	3,000,000	2,995,310.00	0	100	Comp

	Siaya Municipality						
			48,140,671	15,506,767			

9. Environmental And Sustainability Reporting

(Two-to-three pages)

1. Sustainability strategy and profile

Siaya municipal board is in the process of forming a partnership agreement for a pilot project on riparian forest restoration with African Forest Ltd main focus on natural resource management, climate resilience, and community-driven economic growth.

2. Environmental performance

Siaya municipal board under the department of environment formulated the Ugunja municipal solid Waste management policy as a guiding framework in sustainable solid Waste management. The other national policies are as follows

National Environment Policy, 2013

Kenya Vision 2030

3. Employee welfare

Siaya Municipal Board relies on Human Resource policy and procedure manual for the public service. Therefore, all the recruitment process of the board is undertaken by the County Public Service Board. The adheres to OSHA Act 2007 guidelines to: identify workplace hazards, evaluate health safety conditions, design and conduct health and safety surveys, recommend training for new and existing employees, recommend and track new safety practices and Accident / Incident Investigations.

4. Market place practices

Siaya Municipal Board remains committed to access to Government Procurement Opportunities and promotion of local content in her procurement processes. The Board reserves 30% of all procurement for Persons with disabilities (PWDs), Youth and Women and a further 2% specifically for PWDs. Board announces all tenders in mainstream media and follows all laid down guidelines in evaluating and awarding contracts.

10. Report of the Municipality Board Members

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

Principal activities

The principal activity of the Municipality is service delivery to the people of Siaya Municipality.

Performance

The performance of the Municipality for the year ended June 30, 2025 are set out on page 1-7

Board Members

The members of the Board who served during the year are shown on pages Vi- Viii

Auditors

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

By Order of the Board



.....
Name: Linet A. Oyola
Secretary of the Board

County Government of Siaya

Siaya Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

11. Statement of Management's Responsibilities

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

The Municipality manager is responsible for the preparation and presentation of the Municipality's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality's transactions during the financial year ended June 30, 2025, and the financial position as at that date.

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

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of*


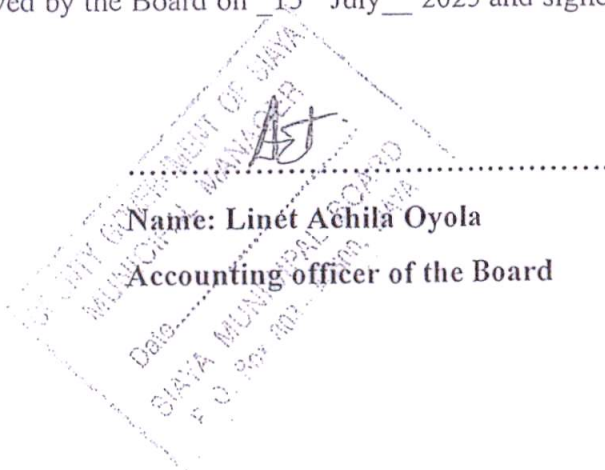
preparation of the financial statements). Nothing has come to the attention of the Municipality Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Municipal 's financial statements were approved by the Board on 15th July 2025 and signed on its behalf by:



.....
Name: **Dr. Winnie Awuor Oyugi**
Chairperson of the Board


.....
Name: **Linet Achila Oyola**
Accounting officer of the Board

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SIAYA MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Siaya Municipality set out on pages 1 to 48, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Siaya Municipality at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Siaya Municipality Charter 2019 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the annual report and financial statements revealed the following inaccuracies:

- i. The statement of financial performance reflects an amount of Kshs.10,185,442 in respect of use of goods and services, while the general ledger reflects an amount of Kshs.10,395,442 resulting to unreconciled variance of Kshs.210,000.
- ii. The Board expenses reflects an amount of Kshs.3,705,000, while the general ledger reflect an amount of Kshs.3,705,500, resulting to a variance of Kshs.500.
- iii. The statement of financial performance reflects an amount of Kshs.17,382,725 relating to depreciation and amortization, while the general ledger reflects an amount of Kshs.17,481,538 resulting to a variance of Kshs.98,813.
- iv. The statement of financial position reflects an amount of Kshs.91,290,936, while the general ledger reflects an amount of Kshs.91,438,436, resulting to unreconciled amount of Kshs.147,500.
- v. The statement of financial performance and as disclosed in Note 6 and 9 to the financial statements reflects amount of Kshs.51,903,584 and Kshs.11,882,940 in respect of transfers from the County Government and in-kind contributions respectively. Review of the financial records revealed that transfers from the County Government amounting to Kshs.64,244,023.86 was recorded in the ledgers while the financial statements reflected Kshs.63,786,524 resulting in an unreconciled variance of Kshs.457,499. No reconciliation statement or documentary explanation was provided to account for the difference meaning that the revenue from non-exchange transactions was understated.

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

2. Staff Cost

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects staff cost amount of Kshs.24,329,420 being basic salaries for permanent employees amounting to Kshs.11,882,940 and wages for temporary staff amounting Kshs.12,446,480. The expenditure on wages were not supported by way of payment vouchers. Management explained that the payments were made by Siaya county executive. However, records relating to the payments including deductions of statutory deductions and remittance to various relevant government entities were not provided for audit review.

In the circumstances, the occurrence, accuracy and completeness of staff costs of expenditure of Kshs.24,329,420 could not be confirmed.

3. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 26 to the financial statement reflects trade and other payables amounting to Kshs.29,794,213. Review of trade and other payables revealed that an amount of Kshs.10,841,081 has remained outstanding for periods exceeding one year. Further, the aging analysis prepared by management was incomplete, as it did not include critical details such as invoice numbers, invoice dates, and Local Purchase Order/Local Service Order reference numbers. The aging analysis was presented only in aggregated categories of suppliers under one-year Kshs.18,953,132, 1–2 years Kshs.8,853,573 and 2–3 years Kshs.1,987,508. Without the specifics, management could not accurately assess the timeliness of individual transactions and identify disputed or long-pending invoices. This aggregation reduces the usefulness of the report for effective monitoring and decision-making.

In the circumstances, the completeness and accuracy of the trade payables could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The summary statement of Comparison of Budget and Actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.95,577,943 and Kshs.50,988,288 respectively resulting to an under-funding of Kshs.44,589,655 or forty seven percent (47%) of the budget. Similarly, the Constituency expended Kshs.50,988,288 against an approved budget of Kshs.95,577,943 resulting to an under-expenditure of Kshs.95,712,365 or seventy seven percent (47%) of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to vii which comprise of Key Entity Information and Management, Municipality Board Chairman's Report, Management Discussion and Analysis, Corporate Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Expenses Incurred on Behalf of Siaya Municipality by the County Executive

The statement of financial performance reflects transfers from the County Government totaling Kshs.63,050,052.91 as disclosed in Note 6 to the financial statements. Audit

review revealed that the County Government incurred direct payments on behalf of Siaya Municipalities instead of transferring funds to the Municipality's account as required by Regulation 83.(1) of Public Finance Management (County Government) Regulations 2015, which states that any payments, including transfers to other levels of government and county-government entities are made when due for efficient, effective and economical programme delivery.

This is an indication that the County Executive has not fully transferred all the responsibilities of the Municipality.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Reports

In the year under review, there was no internal audit report on the fund. We were not provided with the internal audit annual work plan for the fund, audit reports processed and action taken by management to improve on internal control weaknesses. In the circumstances, failure to audit the fund the entire year may lead to internal control weaknesses that may result to loss of public funds and poor governance and also in breach of the law as provided under Section 153 (a, b and c) of the Public Finance Management (County Governments) Regulation - County Govt Regulations

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

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

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

governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

13. Statement of Financial Performance for The Year Ended 30 June 2025.

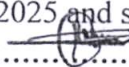
Description	Note	2024/25	Insert Comparative FY
		FY	
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	51,903,584	
Public contributions and donations	7		
Levies Fines and Penalties	8		
Other revenues (<i>Specify</i>)	9	11,882,940	
		63,786,524	
Revenue from exchange transactions			
Interest income	10		
Miscellaneous Income	11		
Total revenue		63,786,524	
Expenditure			
Use of goods and services	12	10,185,442	
Staff costs	13	24,329,420	
Board expenses	14	3,705,000	
Finance costs	15		
Depreciation and amortization	16	17,382,725	
Repairs and maintenance	17		
Total expenses		55,602,587	
Other gains/losses			
Gain/loss on disposal of assets	18		
Surplus/(deficit) for the period		8,183,938	

The notes set out on pages 7 to 53 form an integral part of these Financial Statements. The entity financial statements were approved on 15th July 2025 and signed by:

.....
 AS

Name: Linet Achila Oyola

Municipality Manager

.....


Name: Nicholas Otieno Musumba

Head of Finance

ICPAK M/No 21712


14. Statement of Financial Position As At 30 June 2025

Description	Note	2024/25	1st July 2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	1,308	2,494
Receivables from exchange transactions	20		
Receivables from non-exchange transactions	21	29,794,213	16,995,978
Prepayments	22		
Inventories	23		
Total current assets		29,795,521	16,998,472
Non-current assets			
Property, plant, and equipment	24	91,290,936	83,205,812
Intangible assets	25	-	-
Biological Assets			
Total Non-current Assets		91,290,936	83,205,812
Total assets (A)		121,086,457	100,204,283
Liabilities			
Current liabilities			
Trade and other payables	26	29,794,213	16,995,978
Refundable deposits from customers	27		
Provisions	28		
Borrowings	29		
Employee benefit obligations	30		
Deferred Income	31		
Social Benefits	32		
Total current liabilities		29,794,213	16,995,978
Non-current liabilities			
Provisions			
Borrowings			

County Government of Siaya
Siaya Municipality
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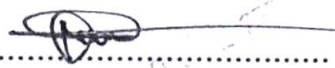
Non-current employee benefit obligation			
Deferred Income			
Social Benefits			
Total liabilities (B)		29,794,213	16,995,978
Net Assets (A-B)		91,292,244	83,208,306
Represented by:			
Capital/Development Grants/Fund		83,108,306	83,108,306
Reserves			
Accumulated surplus		8,183,938	
Net Assets/Equity		91,292,244	83,108,306

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th July 2025 and signed by:



Name: Linet Achila Oyola
Municipality Manager
Date:

COUNTY GOVERNMENT OF SIAYA
 MUNICIPALITY
 BOARD
 CHAIRMAN



Name: Nicholas Otieno Musumba
Municipal Accountant
ICPAK M/No 21712
Date:

Comparative FY refers to the financial year preceding the current year.

15. Statement of Changes in Net Assets For the Year Ended 30 June 2025

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023 *				
Surplus/(deficit) for the year				
Funds received during the year				
Revaluation gain/loss				
Bal as at 30 Jun 2024	83,208,306			
Bal as at 1 July 2024	83,208,306			83,208,306
Surplus/(deficit) for the year			8,183,938	8,183,938
Funds received during the year				-
Revaluation gain/loss				-
Balance as at 30 June 2025	83,208,306	-	8,183,938	91,392,244

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

Description	Note	2024/25	2024/24
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government			
Public contributions and donations			
Interest received			
Miscellaneous receipts (<i>Specify</i>)			
Total Receipts			
Payments			
Use of goods and services		1,186.00	
Staff costs			
Board expenses			
Finance costs			
Total Payments		1,186.00	
Net cash flows from operating activities	34	(1,186.00)	
Cash flows from investing activities			
Purchase of PPE & intangible assets			
Proceeds from sale of PPE			
Net cash flows used in investing activities			
Cash flows from financing activities			
Receipts from Capital grants			
Proceeds from borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash equivalents		(1,186.00)	
Cash And Cash Equivalents At 1 July	19	2,494.37	
Cash And Cash Equivalents At 30 June	19	1,308.37	

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).
 Comparative FY refers to the financial year preceding the current year.

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Funds from the County Government	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Public Contribution and Donation			-		-	
Interest income	-	-	-	-	-	
Miscellaneous income (<i>specify</i>)	-	-	-	-	-	
Total Revenue	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Expenses					-	
Use of goods and services	19,788,422	-	19,788,422	8,844,015	10,944,408	45
Board expenses	2,400,000	-	2,400,000	2,306,900	93,100	96
Staff Costs	25,246,356	-	25,246,356	24,329,420	916,936	96
Acquisition of Asset	48,143,165	-	48,143,165	15,506,768	32,636,398	32
Finance costs	-	-		1,186	(1,186)	
Total Expenditure	95,577,943	-	95,577,943	50,988,288	44,589,655	53
Surplus for the period		-	-	-	-	
Capital Expenditure			-			

Budget notes

[Provide an explanation of differences between actual and budgeted amounts (any over-utilisation and underutilisation of below 90%)]
(Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes.
Where the total of actual on a comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis
(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

18. Notes to the Financial Statements

1. General Information

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

The *entity's* principal activities are:

- Promotion, regulation and provision of refuse collection and solid waste management services
- Water and Sanitation

- Construction and maintenance of Municipal Administrative offices and Yard
- Design construction and maintenance of Urban roads and Associated Infrastructure
- Development and enforcement of municipal plans and development controls
- Construction and maintenance of recreational parks and green spaces
- Collection rates, taxes levies duties fees and surcharges on fees
- Promotion regulation and provision of animal control welfare
- Promotion, regulation and provision of municipal and cultural activities
- Construction and maintenance of Municipal Markets and Abattoirs

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

County Government of Siaya
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The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

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

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

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

<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 30th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of N/A (Amount) on N/A (Date) following the governing body's approval.

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

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

c) Property, plant and equipment

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

d) Intangible assets

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

e) Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

g) Provisions

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

h) Social Benefits

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

i) Contingent liabilities

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

j) Contingent assets

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

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Cash and cash equivalents

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

r) Comparative figures

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

s) Events after the reporting period

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

Two types of events can be identified:

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

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

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

t) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Notes to the Financial Statements

6. Transfers from the County Government

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	-	
Payments by County on behalf of the entity	51,903,584	
Unconditional development grants	-	
Total	51,903,584	-

(Provide brief explanation for this revenue)

(a) Transfers from County Government entities (Categorized)

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

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

7. Public Contributions and Donations

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

8. Levies, Fines and penalties

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others (<i>indicate and specify</i>)	-	-
Total	-	-

9. Other Revenues from Non-Exchange Transactions

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others (<i>Inkind Contribution</i>)	11,882,940.00	-
Total	11,882,940.00	-

(Provide a brief explanation for this revenue)

10. Interest income

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	-	-
Others (<i>Specify</i>)	-	-
Total interest income	-	-

(Provide brief explanation for this revenue)

11. Miscellaneous income

12. Use of Goods and Services

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Utilities, supplies and services	271,161	-
Communication, supplies and services		-
Domestic travel and subsistence	1,728,500	-
Foreign travel and subsistence		-
Printing, advertising, supplies & services	135,546	-
Rent and rates		-
Training expenses	387,200	-
Hospitality supplies and services	1,444,700	-
Insurance costs		-
Specialized materials and services	997,010	-
Office and general supplies and services	2,560,092	-
Fuel, oil and lubricants	-	-
Other operating expenses (Subscription to professional bodies)		-
Routine maintenance	570,598	-
– vehicles and other equipment		-
Routine maintenance – other assets		-
Others(specify)	-	-
Land Spatial Plan	2,089,449	-
Contracted Professional Services		-
Audit fees		-
Hire of Transport, equipment etc		-
Bank Charges	1,186	-
Social Benefit expenses*		-
Total	10,185,442	-

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

13. Staff costs

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Basic Salaries	11,882,940	-
Wages for temporary Staff	12,446,480	-
Staff gratuity		-
Social Security Contribution(Nssf Employer)		-
Other staff costs (<i>Specify</i>)		-
Total	24,329,420	-

14. Board expenses

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Chairman/Members' Honoraria	1,650,000	-
Medical Insurance	-	-
Induction and Training	1,215,000	-
Travel and accommodation	840,000	-
Conference Costs	-	-
Other allowances (<i>Specify</i>)	-	-
Total	3,705,000	-

15. Finance costs

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Bank Ledger Fee		
Interest on loans from banks	-	-
Total	-	-

16. Depreciation and amortization

Description	2024/ 2025	2023-24
	KShs	KShs
Property, plant and equipment	17,382,724.92	62,463,076.15
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	17,382,724.92	62,463,076.15

17. Repairs and Maintenance

Description	2024/ 2025	2023-24
	KShs	KShs
Property- Buildings	-	-
Office equipment	-	-
Furniture and fittings	-	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	-	-

18. Gain/(loss) on disposal of assets

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

19. Cash and cash equivalents

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Fixed deposits account	-	-
On – call deposits	-	-
Current account	1,309	2,494
Others(<i>specify</i>)	-	-
Total cash and cash equivalents	1,309	2,494

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

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

Financial institution	Account number	2024/ 2025	2023-24
		Kshs.	Kshs.
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank	1238598986	1,308	2,494
Kenya Commercial bank	1327000806	-	-
Kenya Commercial bank	1330652894	-	-
Equity Bank - etc		-	-
Sub- total		-	-
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		1,308	2,494

20. Receivables from exchange transactions

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Current Receivables	-	-
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables (a)	-	-
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Non- current receivables (b)	-	-
Total	-	-

Ageing analysis for Receivables from exchange transactions

Description	2024/ 2025		2023-24	
	Kshs		Kshs	
	2024-25	% of the total	2023-24	% of the total
Less than 1 year	-	%	0	%
Between 1- 2 years	-	%	0	%
Between 2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total (a+b)	-	%	0	%

21. Receivables from Non-Exchange transaction

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Transfer from County Executive	29,794,213	-
Transfer from Other Fund	-	-
Total	29,794,213	-

Ageing analysis for Receivables from non-exchange transactions

Description	2024/ 2025		2023-24	
	Kshs		Kshs	
	2024-25	% of the total	2023-24	% of the total
Less than 1 year	18,953,132	64	0	%
Between 1- 2 years	8,853,573	30	0	%
Between 2-3 years	1,987,508	7	0	%
Over 3 years	0	0	0	%
Total	29,794,213	100	0	%

22. Prepayments

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(<i>Advance certificate</i>)	-	-
Total	-	-

23. Inventories

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Stationery	0	0
Consumables	0	0
Other inventories(<i>specify</i>)	0	0
Total inventories at the lower of cost and net realizable value	0	0

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24. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Plant and Machinery	Furniture and fittings	Computers & ICT Equipment	Work in progress	Service concession assets	Total
Depreciation Rate		2%	12.50%	12.50%		12.50%	33.30%			
Cost	Kshs	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1 st July 2024	3,400,000	4,438,802	5,144,800	127,273,643	4,635,200	399,500	640,000	-	-	145,931,945
Additions	-	-	-	11,957,106	-	298,600	799,500	12,511,457	-	25,566,663
Disposals		-	-	-		-	-	-	-	-
Transfer/Adjustments	-	-	-	-		-	-	-	-	-
As At 30th Jun 2025	3,400,000	4,438,802	5,144,800	139,230,749	4,635,200	698,100	1,439,500	12,511,457		171,498,608
Depreciation And Impairment As At 1st July 2024										
Depreciation	-	136,776	1,286,200	59,301,900	1,738,200	49,938	213,120	-	-	62,726,134
Disposals	-	-	-	-		-	-	-	-	-
Impairment	-	-	-	-		-	-	-	-	-

25. Intangible assets

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

26. Trade and other payables from exchange transactions

Description	2024/ 2025		2023-24	
	Kshs.		Kshs.	
Trade payables	29,794,213	-	-	-
Retentions	-	-	-	-
Accrued expenses	-	-	-	-
Other payables (<i>Specify</i>)	-	-	-	-
Total trade and other payables	29,794,213	-	-	-
Ageing analysis:	2024-25	% of the Total	2023-24	% of the Total
Under one year	18,953,132.	64	0	%
1-2 years	8,853,573	30	0	%
2-3 years	1,987,508	7	0	%
Over 3 years	0	0	0	%
Total	29,794,213.	100	0	%

27. Refundable deposits from customers

Description	Insert Current FY		Insert Comparative FY	
	KShs		KShs	
Rent deposits	xxx		Xxx	
Others (<i>specify</i>)	xxx		Xxx	
Total	xxx		Xxx	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

28. Provisions

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

29. Borrowings

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

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Short term borrowings (current portion)	xxx	xxx
Long term borrowings	xxx	xxx
Total	xxx	xxx

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

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Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Balance at beginning of the period	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments of borrowings during the period	(xxx)	(xxx)
Balance at end of the period	xxx	xxx

The table below shows the Distribution of borrowings:

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	xxx	xxx
Kenya Shilling loan from Barclays Bank	xxx	xxx
Kenya Shilling loan from Consolidated Bank	xxx	xxx
Borrowings from other government institutions	xxx	xxx
Total balance at end of the year	xxx	xxx

30. Employee Benefit Obligations

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

31. Deferred Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
National/County Government	xxx	xxx
International Funding Bodies	xxx	xxx
Public Contributions and Donations	xxx	xxx
Total Deferred Income	xxx	xxx

The deferred income movement is as follows:

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

Include columns as needed for the various sources of income deferred

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

32. Social Benefit Liabilities

Description	Insert Current FY	Insert previous FY
	Kshs	Kshs
Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
PWD benefit scheme		
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
Total	xxx	xxx
Current social benefits	xxx	xxx
Non- current social benefits	xxx	xxx
Total (tie to totals above)	xxx	xxx

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

33. Cash generated from operations

Description	2024/ 2025	2023-24
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax		0
Adjusted for:		
Depreciation		0
Amortisation		0
Gains/ losses on disposal of assets		0
Working Capital adjustments		0
Increase in inventory		0
Increase in receivables		0
Increase in payables		0
Net cash flow from operating activities	0	0

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

34. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Transfers from related parties'	xxx	xxx
Transfers to related parties	xxx	xxx

c) Key management remuneration

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Board Members	xxx	xxx
Key Management Compensation	xxx	xxx
Total	xxx	xxx

d) Due from related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Due from parent Ministry	xxx	xxx
Due from County Government	xxx	xxx
Due from County Assembly	xxx	xxx
Total	xxx	xxx

e) Due to related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Due to parent Ministry	xxx	xxx
Due to County Government	xxx	xxx
Due to Key management personnel	xxx	xxx
Due to County Assembly	xxx	xxx
Total	xxx	xxx

35. Contingent liabilities

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Court case xxx against the entity	xxx	xxx
Bank guarantees	xxx	xxx
Total	xxx	xxx

(Give details)

36. Contingent Assets

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Court case xxx against the entity	xxx	xxx
Others Specify	xxx	xxx
Total	xxx	xxx

37. Financial risk management

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

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

I. Credit risk

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

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

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 20XX (current year)				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 20XX (previous year)				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

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

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

II. Liquidity risk management

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

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

Description	Less than 1	Between 1-	Over 5	Total
	month	3 months	months	
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 Jun 20XX (current year)				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 Jun 20XX (previous year)				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

III. Market risk

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

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

IV. Foreign currency risk

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

Description	Other currencies		Total
	Kshs.	Kshs.	Kshs.
At 30 June 20XX (current year)			
Financial assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors/ receivables	xxx	xxx	xxx
Liabilities			
Trade and other payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net foreign currency asset/(liability)	xxx	xxx	xxx

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
20XX (current year)			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx
20XX (previous year)			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

V. Interest rate risk

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

Management of interest rate risk

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

VI. Capital risk management.

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

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

38. Program for Results (PforR) Disclosure

This disclosure note is for entities that are implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

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

19. Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

.....

To be Signed by the Accounting officer of the Entity

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

Appendix 2: Inter-Entity Transfers

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

(The above amounts have been communicated to and reconciled with the parent Department in the County.)

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

Appendix 3: Reporting of Climate Relevant Expenditures

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

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

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

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Appendix 4: Disaster Expenditure Reporting Template

Date:

Entity

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

County Government of Siaya
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COUNTY GOVERNMENT OF SIAYA
REPORTS AND FINANCIAL STATEMENT
30TH JUNE, 2025
TRIAL BALANCE

	Note	DR	CR
Capital Fund			143,870,234
Asset		143,867,740.00	
Transfers from the CRF	6	-	63,786,524
Use of goods and services	12	10,185,442	
Staff Cost	13	24,329,420	
Board Expenses	14	3,705,000	
Acquisition of Assets	24	25,566,662.86	
Finance Costs		1,186	
Acquisition of Intangibles	25	-	
Receivable from Non- exchange transactions		29,794,213.00	
Repayment of principal on Domestic and Foreign borrowing			
Traded and other payables			29,794,213
Bank Balance		1,308	-
Cash Balance			-
TOTAL		237,450,971	237,450,972
Suspense Account			(0)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th July, 2025 and signed by


 Municipal Manager


 Municipal Accountant