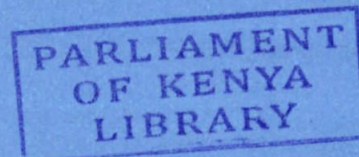


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**SPECIAL MUNICIPALITY  
OF MWATATE**

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

PAPERS LAID	
DATE	25/2/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Mgulum

OFFICE OF THE AUDITOR GENERAL  
P.O. BOX 95202, MOMBASA  
**05 NOV 2024**  
RECEIVED  
MOMBASA REGIONAL OFFICE



---

**SPECIAL MUNICIPALITY OF MWATATE  
COUNTY GOVERNMENT OF TAITA TAVETA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

---

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

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	Municipality Board.....	vii
4.	Key Management Team.....	ix
5.	City/ Municipality Board Chairperson’s Report.....	x
6.	Report of the Municipality Manager.....	xii
7.	Statement of Performance Against Predetermined Objectives for the FY 2023/2024.....	xv
8.	Corporate Governance Statement.....	xvi
9.	Management Discussion and Analysis.....	xviii
10.	Environmental And Sustainability Reporting.....	xix
11.	Report of the Municipality Board Members.....	xx
12.	Statement of Management’s Responsibilities.....	xxii
13.	Report of the Independent Auditor (Specify Entity).....	xxiii
14.	Statement of Financial Performance for The Year Ended 30 June 2024.....	1
15.	Statement of Financial Position As At 30 June 2024.....	2
16.	Statement of Changes in Net Assets For the Year Ended 30 June 2024.....	4
17.	Statement of Cash Flows for The Year Ended 30 June 2024.....	5
18.	Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2024.....	6
19.	Notes to the Financial Statements.....	7
20.	Appendices.....	36

**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

PSASB Public Sector Accounting Standards Board

FY Financial Year

OSHA Occupational Safety & Health Act

IDep Integrated Development Plan

**B. Definition of Key Terms**

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

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

## **2. Key Entity Information and Management**

### **a) Background information**

Special Municipality of Mwatate board is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 (amended 2019) and Municipal Charter gazetted on (8<sup>th</sup> May 2019). The Municipality is under the County Government of Taita Taveta and is domiciled in the Department of Lands, Physical Planning, Mining and Urban Development.

### **b) Principal Activities**

The principal activity/mission/ mandate of the City/ Municipality is;

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices); and
- xvii. Promoting and undertaking infrastructural development and services within the Municipality.

### **Vision**

A dynamic municipality that offers a high standard and quality of life through effective and efficient management of its resources and amenities.

### **Mission**

To foster mutual trust between municipality and community by ensuring corporate governance and a highly motivated staff that ensure cost effective service delivery.

**Core Objectives**

- 1) Conduct urban planning activities, training and capacity building, and preparation of better urban annual investment plans and urban development plans.
- 2) Support the cost of operations in the offices of the Municipal and other urban areas
- 3) Furnishing of urban boards and management with equipment and furniture
- 4) Train and capacity build the urban boards and key county staffs on urban issues and
- 5) Conduct peer to peer learning with other counties which have better working urban management.

The municipality's objective is to:

- i. Establish and strengthen the urban institutions, notably the municipal board(s) and the municipal administration(s)
- ii. Integrate and regularly update the section on urban development issues (challenges and opportunities) in the County's development strategy and its ensuing development plan;
- iii. Assist the County Government and their urban institutions in meeting the minimum conditions necessary to access the urban development grant.

**c) Key Management**

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

- County Department of Lands, Physical Planning, Mining and Urban Development.
- Board of Management
- Accounting Officer/ City/ Municipality Manager
- Management staff

**Board of Management**

Ref	Name	Position
1.	JULIUS K. NGONDO	CHAIRMAN
2.	GLADYS MAGHUWA NDAU	VICE CHAIRPERSON
3.	ELIZABETH WUGHANGA MKONGO	CECM Lands
4.	JIMMY M MTAWA	CCO LANDS
5.	LUCY WAMACHI MGHOI	MEMBER
6.	MERCY KIBIBI MWASIGHWA	MEMBER
7.	SAMUEL MWABILI WANGIO	MEMBER
8.	JONES MTOTO	MEMBER
9.	EDWARD MWAKALAMU	MUNICIPAL MANAGER

**d) Fiduciary Management**

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

REF	POSITION	NAME
1.	CITY/ MUNICIPALITY MANAGER	EDWARD MWAKALAMU
2.	CIVIL ENGINEER	HARRISON MWAKULOMBA
3.	ACCOUNTANT	CONSTANCE MWACHINGA
4.	PROCUREMENT OFFICER.	ANNIE MSHIMBA
5.	PCT COORDINATOR	PETER MWASHIGHADI
6.	HR OFFICER	ABIGAIL MWALUMA

**e) Fiduciary Oversight Arrangements**

**i) Audit and Risk Management Committee**

The Audit, Risk Management and Corporate Governance Committee assist the Board in fulfilling its oversight responsibilities with regard to the audit and risk and corporate governance functions of the Municipality. Overall scope is to ensure that the Municipality is governed in line with best practice in matters of governance, audit and risk management.

**ii) County Assembly committees**

Pursuant to the provision of standing order NO.188(6) of Taita Taveta county assembly there is a select committee designated, County public accounts & investments committee that carries the examination of reports, accounts and workings of the county public investments including Mwatate special municipality. In the financial year ended 30<sup>th</sup> June 2024, the Municipality board appeared before the committee to discuss on financial reports for financial year 2021/2022.

**iii) Committees of the Senate**

The select committee on county public investment's and special funds was first constituted on 19th October, 2022 pursuant to Standing Order.NO.194 of the senate standing orders. The County Public Investments and Special funds is one of the financial audit committees through which the provision of Article 96(3) of the Constitution conducts ex-post scrutiny on Public Investments and Special Funds in Counties. The financial year ended 30<sup>th</sup> June 2024 the Municipality board appeared before the committee to discuss on financial reports for financial years 2019/ 2020, 2020/ 2021 and 2021/2022.

**f) Registered Offices**

Municipal office Building - Mwatate  
Mwatate Town, Off Voi – Taveta Highway,  
P.O. Box 1066-80304  
Mwatate, Kenya

**g) Contacts**

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

Telephone: +2547 212 55099 / +2547 455 10293

E-mail: [mwatate.municipality@gmail.com](mailto:mwatate.municipality@gmail.com)

Website: [www.mwatatemunicipality.go.ke](http://www.mwatatemunicipality.go.ke)

**h) Bankers**

1. Kenya Commercial Bank  
Wundanyi Branch  
Along Posta Road  
P.O. Box 1067-80304  
Wundanyi, Kenya
  
2. Equity Bank  
Voi Branch  
Njiiri plaza  
P. O Box 325-80300  
Voi

**i) Independent Auditor**






Auditor General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**j) Principal Legal Adviser**





The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200, Nairobi, Kenya

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**3. Municipality Board**

Name	Details of qualifications and experience
<p>1. Julius Ngondo</p> 	<p>D.O.B 12<sup>th</sup> October 1957 Bachelors in Education Master's in Education 34 years in management and Teaching.</p>
<p>2. Gladys Ndau</p> 	<p>D.O.B 31<sup>st</sup> December 1992 Bachelor of education arts, Nairobi University. Project Managing director NGO for 3 years.</p>
<p>3. Elizabeth Mkongo</p> 	<p>11<sup>th</sup> November, 1977 CEM Lands Taita Taveta County Bachelor's degree in Business Administration. Diploma in IT JKUAT.</p>
<p>4. Jimmy Mtawa</p> 	<p>D.O.B 12<sup>th</sup> August, 1985 CCO Lands Taita Taveta County Bachelor of Laws(LLB)-Second Class Honours-University of London Bachelor of Science in Criminology &amp; Security Management-Dedan Kimathi University of Technology Diploma in Security Management-Kenya Institute of Studies in Criminal Justice</p>
<p>5. Mercy Mwasighwa</p> 	<p>D.O.B 24<sup>th</sup> July, 1960 Diploma in Education Management Kenya Education Management Institute. Teacher from 1979-2020 Head teacher 2009-2020</p>
<p>6. Jones Kiwishi</p>	<p>D.O.B 10<sup>TH</sup> January 1989</p>

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

	<p>Doctor of philosophy in Administration (ongoing) Kabarak University. Master of Business Administration –Kenya Methodist University (Upper Division) Bachelor of Business Administration- Kenya Methodist University (Second class-lower division). Work experience?</p>
<p>7. Samuel Mwabili</p> 	<p>D.O.B 10<sup>th</sup> December, 1990 BSc. Ecotourism &amp; Hospitality management. Egerton University. Marketing and sales 10 years' experience.</p>
<p>8. Lucy Mghoi</p> 	<p>D.O.B 1980 Tailoring G3, Representative for the PWD(People with Disability)</p>
<p>9. Edward Mwakalamu</p> 	<p>D.O.B 1972 Municipal Manager Bachelor of Business Management MKU. CPS K. Accounting Technician 2. MBA Strategic Management (ongoing) MKU. Senior management position for a period of 14 years.</p>

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**4. Key Management Team**

Name	Details of qualifications and experience
<p>1. EDWARD MWAKALAMU</p> 	<p><b>MUNICIPAL MANGER.</b> Bachelor of Business Management MKU. CPS K. Accounting Technician 2. MBA Strategic Management (ongoing) MKU. Senior management position for a period of 14 years.</p>
<p>2. PETER MWASHIGHADI</p> 	<p><b>PCT COORDINATOR</b> Bsc. Agricultural Economics, Chuka University Computer Studies - Pwani institute of Professional studies Senior Livestock production officer -Taita Taveta County</p>
<p>3. HARRISON MWAKULOMBA</p> 	<p><b>CIVIL ENGINEER</b> Degree in Civil Engineering, Technical university of Mombasa (Tum) Higher national diploma civil engineering (Tum) Diploma in Civil Engineering (Tum)</p>
<p>4. ANNIE MSHIMBA</p> 	<p><b>PROCUREMENT OFFICER.</b> Bachelor of Business Management &amp; Supply Chain Management-KEMU. Procurement officer for 4 years.</p>
<p>5. ABIGAIL MWALUMA</p> 	<p><b>HR OFFICER.</b> BCOM, HR Option, Taita Taveta University. Human Resource Management 2 year experience.</p>
<p>6. CPA CONSTANCE MARURA</p> 	<p><b>ACCOUNTANT</b> - BCOM- Accounting option. - CPAK - Over 3yrs Experience</p>

## **5. City/ Municipality Board Chairperson's Report**

It is my pleasure to present, on behalf of the special Municipality of Mwatate Board financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the Municipality over the past year.

### **Sustainability**

The Municipality and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the Municipality's going concern is secured.

The Municipality has conducted a basic assessment of available options for feasible financing tools that would assure its long-term sustainability. The Municipality has developed a Transfer of Functions document approved by the Cabinet, indicating the Municipality functions as per the Municipal Charter, the resources to be transferred including human resource, assets and equipment, budget as well as revenue sharing criteria.

### **Board and Management Changes**

The board was reconstituted after the general election where new CECM and CCO came in as per the urban areas and cities act 2011 amended 2019. (14. (1) A board of a municipality shall consist of nine members appointed by the county governor with the approval of the county assembly. (2) The members of the board appointed under subsection (1) shall be constituted as follows— (a) **the county executive member for the time being responsible for cities and urban areas or his representative**; (b) three members who shall be appointed by the county governor, with the approval of the county assembly; (c) four members who shall be nominated by an association and appointed by the county governor, with the approval of the county assembly; (d) **the chief officer responsible for urban development**; and (e) the municipal manager appointed under section 28 who shall be the secretary of the board and an ex officio member of the board.)

The current Municipality board tenure is expected to end by September, 2024.

### **Review of performance**

#### **Income**

In the year ended 30th June 2024, the Municipality was allocated revenue of Kshs 2,500,000 from Exchequer issues with an opening balance of Ksh. 31,362.

#### **Expenditures**

The total expenditures during the period amounted to Ksh. 3,881,140 comprising of kshs. 2,069,140 actual expenditure and kshs. 1,812,000 accrued board members allowances for the period.

### **Future outlook**

The outlook of the Fund for 2024/2025 looks brighter. The municipality focus, looks to build a robust and sustainable Municipality with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The Municipality looks forward to continue training and capacity building of the

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

transferred staff to ensure seamless transfer of functions from the relevant county departments. Moreover, the financial support from the county government and development partners as well as own source revenues will ensure the realization of its mandate.

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the county government, development partners, stakeholders, management staff and fellow Board Members for their continued support which made us achieve these results.

I look forward to a smooth transition to the next board as we approach financial year 2024/2025

Sign:  .....

Name: Julius Ngondo

**Chairman of the Board**



**County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**6. Report of the Municipality Manager**

It is my pleasure to present the Special Municipality of Mwatate Board Financial Statements for the year ended 30th June 2024. The financial statements present the financial performance of the Municipality over the past year.

The Special Municipality of Mwatate Board was conferred a charter as per the powers conferred by section 9(1) and 9(4) of the Urban Areas and Cities Act, (No. 13 of 2011) as complemented by section 72 of the Interpretations and General Provisions Act (Chapter 2), gazetted on 8TH May 2019 in Kenya Gazette Supplement No. 4, LEGAL NOTICE No. 2 (Taita Taveta County Legislative Supplement No. 2).

**Financial Performance**

a) Revenue

In the year ended 30th June 2024, the Board was allocated revenue of Kshs 2,500,000 being transfers from the County Government with an opening balance of Ksh. 31,362.

A graphical representation of the revenue budget is as shown below:

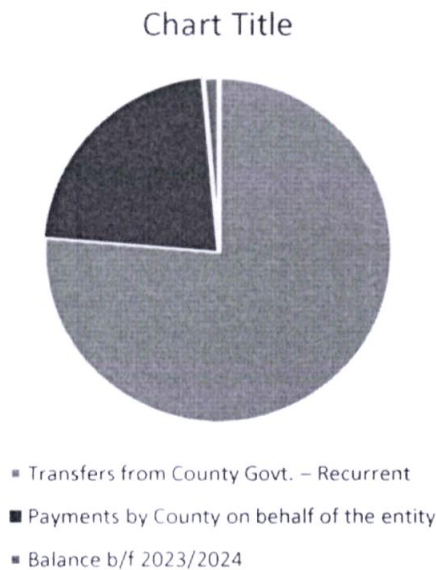


Figure 1: Fund's sources in FY 2023/2024

Out of the, allocated revenue, the Board was able to realize Kshs 2,175,467 in actual transfer from the County Government, representing 87% performance.

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

The table below shows an analysis of revenue performance during the year ended 30th June, 2024.

<b>Revenue Classification</b>	<b>Revenue Budget (Ksh)</b>	<b>Actual (Ksh)</b>	<b>Realization (%)</b>
<b>Exchequer releases</b>	-	-	
County contribution	2,500,000	2,175,467	87
Balance BF 2022/2023	31,362	31,362	100
<b>Total</b>	<b>2,531,362</b>	<b>2,206,829</b>	<b>87</b>

Table 1: Revenue performance in FY 2023/2024

b) Payments

In the year under review, the Board was allocated Kshs 2,500,000 and was able to utilize a total of Kshs 2,069,140 on recurrent activities representing an absorption rate of 82%.

c) Cash flows

In the FY 2023/2024, the cash and cash equivalents increased from Kshs 31,362 as at 30th June 2023 to Kshs 137,689 as at 30th June 2024.

d) Physical progress


Since inception the Mwatate municipality has undertaken several projects including Mwatate modern market, roads, drainage and related infrastructure, garbage collection receptacles and truck, public toilet and street lighting.

e) Challenges

FY 2023/2024 was a challenging year in general. Though progress was made in terms of transfer of the Municipality functions, financing for municipality activities remained a bottleneck limiting the activities of the Municipality board and resulted to board members accrued expenses and non-expenditure on economic items of the municipality budget.

f) Conclusion

I take this opportunity to thank the Board and the respective Board Committees for their support. I would also wish to thank members of staff, all stakeholders and development partners who we have worked hand in hand to ensure that The Special Municipality of Mwatate achieves its mission.

Signed: .....

**Name: Edward Mwakalamu  
Municipality Manager**

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

**7. Statement of Performance Against Predetermined Objectives for the FY 2023/2024**

The key development objective of the IDeP for the Special Municipality of Mwatate (2020-25) plan was to:

- a) Develop Municipality governance and administrative structures
- b) Implementation of the transfers of functions from relevant county departments
- c) Development of the Performance Management system

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Urban governance and administration	To develop human resource structures and performance management system	To ensure seamless service delivery	- Municipality organogram - Performance management policy	In FY under review we managed to develop the organogram. Performance management policy in progress
	To develop transfer of functions guiding document	Seamless transfer of functions	- List of transferred staff, assets and equipment	In the FY under review we managed to implement the transfer of functions

## **8. Corporate Governance Statement**

### **a. Process of appointment and removal of Board members.**

The Special Municipality of Mwatate Charter 2019 provides that the board of municipality shall be made up of Nine (9) Members, including the chairman, and shall consist of a chairperson and eight (8) other members identified for appointment through a competitive process. The board of municipality is responsible for the long-term strategic direction of the Municipality. The board of municipality exercises leadership, enterprise, integrity and judgment in directing the municipality

The Members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the Municipality is delegated to the Municipality Manager but the Board Members are responsible for establishing and maintaining the Municipality's system of internal controls for the realization of its mandate of providing financial support for improved access to water and sanitation in areas without adequate services.

### **b. Roles and functions of the Municipality Board members,**

The Board, also known as the Mwatate Municipality Board (MMB) performs all functions vested in boards of municipalities under the Urban Areas and Cities Act, the County Government Act and the Municipality Regulations.

The Board is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the Municipality is a formal governance structure with the board of committee at its apex. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

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

Members of the board have been taken through an induction programme; however, there is need for capacity building to be adequately trained on their roles as board members. The members are professional, committed and guided by the mission, vision and core values of the Municipality in execution of their duties.

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

The board of Special Municipality of Mwatate holds at least one sitting every three months or as required in order to monitor the implementation of the Municipality's strategic plan and achievement of the targets as outlined in the charter. The board also plays an oversight role over all other financial and operational issues. The Board held four (4) full board, one special board meeting and eleven (11) committee meetings during the FY 2023/2024.

### **e. Succession Plan**

The municipality has initiated the process of recruiting new municipality board members before the expiry of term of the outgoing board and have encouraged interested existing members to apply for the opportunities.

**f. Existence of a service charter**

The Special Municipality of Mwatate was conferred a charter as per the powers conferred by Section 9(1) and 9(4) of the Urban Areas and Cities Act, (No. 13 of 2011) as complemented by section 72 of the Interpretations and General Provisions Act (Chapter 2), gazette on 8<sup>TH</sup> May 2019 in Kenya Gazette Supplement No. 4, LEGAL NOTICE No. 2 (Taita Taveta County Legislative Supplement No. 2)

**g. Conflict of interest**

This is a situation a person is in a position to derive personal benefit from actions or decisions made in their official capacity. In the context of special Mwatate municipality no conflict of interest was registered in the financial year under review.

**h. Board remuneration.**

The members are paid sitting, transport and airtime allowances as prescribed by the salaries and remuneration commission. (SRC 2017)

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

The Municipality is audited by the Auditor - General.

## **9. Management Discussion and Analysis**

The Board has continued to grow since its inception and the management has put measures in place to safeguard against any risks.

The management has ensured that we comply with statutory requirements relating to the functions of the board and also making sure that there is no any form of non-compliance.

### **BUSINESS PERFORMANCE**

The municipality was able to spend ksh. 2,069,140/- on recurrent activities out of allocated budget of ksh.2,500,00/- and the 13% variance was due economic votes which were paid through the IFMIS system by the county government.

### **OPERATIONAL PERFORMANCE**

The Special Municipality of Mwatate's core operating activities is to elevate the living standards of Mwatate residents, within its boundaries such as Refuse collection and solid waste management services, Construction and Maintenance of Municipality urban roads, storm drainage and flood controls, walkways and other non-motorized transport infrastructure; Installation and Maintenance of street lighting; Construction, Maintenance and regulation of municipal markets and abattoirs and many others as outlined in the charter .

### **Employees**

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

During the year, the Municipality reviewed its organization structure that resulted to growth of staff due to decision of county cabinet meeting held on 11<sup>th</sup> June 2024, to transfer staff from county departments to the municipality who were expected to report to the municipality in the month of July 2024, for increased efficiency and effectiveness to achieve the strategic objectives and full operationalization of the municipality.

### **Conclusion**

We appreciate the unrelenting support from the board members, management, staff, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2024/2025.



## **10. Environmental And Sustainability Reporting**

### **1. Sustainability strategy and profile**

The Special Municipality of Mwatate has continued to structure its programs towards development projects and activities that depict high sense of value for money and goes a long way in alleviating the residents suffering and improving their ease of doing business. In the year under review the Municipality has developed a transfer of function guide document approved by the cabinet and the municipality organogram approved by the county public service, which is a sure way to make the Municipality more sustainable in continuing discharging its mandate as stipulated in the municipality charter

### **2. Environmental performance**

To promote sustainable land use and environmental conservation, the Special Municipality of Mwatate has engaged an environmental and social safeguard officer to be undertaking feasibility studies as well as environmental impact assessments to all its project activities.

### **3. Employee welfare**

The Special Municipality of Mwatate revamped its efforts in improving the welfare of its employees as a key ingredient to employee motivation and satisfactory work performance.

### **4. Market place practices**

To entrench the spirit of competition in its activities, the Special Municipality of Mwatate during the year under review embraced E-Procurement when sourcing of goods and services. The system enhances openness and transparency as tenders were advertised on the local dailies and also posted on the IFMIS portal hosted at The National Treasury. The same were opened, evaluated, awarded, inspected and received through the system hence sealing loopholes of any collusion that could have occurred.

#### **a) Responsible competition practice.**

The Municipality Management ensured that all tenders were widely advertised and open to the public for bidding.

#### **b) Responsible Supply chain and supplier relations**

The municipality management has been ensuring that its relationship with suppliers is cordial and all the communication is done both to the successful and unsuccessful bidders and ensured that suppliers were paid on time.

#### **c) Responsible marketing and advertisement**

All tender advertisements were done in the public procurement tender portal, county government website and in the dailies.

#### **d) Product stewardship**

The management ensured that all the projects complied with NEMA, Environmental and Social safeguards, by fully engaging an expert in this area.

### **5. Community Engagements**

The Special Municipality of Mwatate through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improve people's living standards. Several public participation exercises were conducted to collect views and contributions from the Mwatate residents on issues such as proposed projects, progress reports, budgets, etc having a bearing on service delivery.



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

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

### **Principal activities**

The principal activities of the Municipality are

The principal activity/mission/ mandate of the City/ Municipality is;

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices);  
and
- xvii. Promoting and undertaking infrastructural development and services within the Municipality.

### **Performance**

The performance of the Municipality for the year ended June 30, 2024 is set out on page 1

**County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**Board Members**

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

Ref.	Name	Position
1.	JULIUS K. NGONDO	CHAIRMAN
2.	GLADYS MAGHUWA NDAU	VICE CHAIRPERSON
3.	JONES MTOTO	MEMBER
4.	LUCY WAMACHI MGHOI	MEMBER
5.	MERCY KIBIBI MWASIGHWA	MEMBER
6.	SAMUEL MWABILI WANGIO	MEMBER
7.	JIMMY M MTAWA	CCO LANDS
8.	ELIZABETH WUGHANGA MKONGO	CECM Lands
9.	EDWARD MWAKALAMU	MUNICIPAL MANAGER

**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: Edward Mwakalamu  
Secretary of the Board**

## **12. Statement of Management’s Responsibilities**

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

The Municipality manager is responsible for the preparation and presentation of the Municipality’s financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality, (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, 2024 and the financial position as at that date.

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

In preparing the financial statements, the Directors have assessed the Municipality’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 Municipality financial statements were approved by the Board on 16th August 2024 and signed on its behalf by:



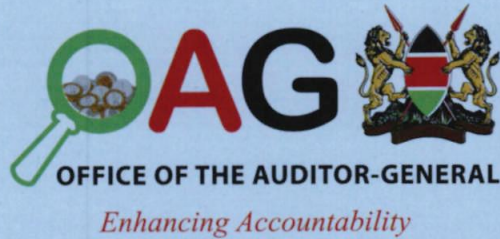
**Name: Julius Ngondo**  
**Chairperson of the Board**



**Name: Edward Mwakalamu**  
**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 SPECIAL MUNICIPALITY OF MWATATE FOR THE YEAR ENDED 30 JUNE, 2024

---

### PREAMBLE

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Special Municipality of Mwatate set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Special Municipality of Mwatate as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Municipal Charter of 8<sup>th</sup> May, 2019, the Urban Areas and Cities Act No.13 of 2011 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Unsupported Fixed Assets

The statement of financial position and Note 24 to the financial statements reflects property, plant and equipment balance of Kshs.118,145,244. However, the fixed assets register, valuation report, ownership documents and depreciation policy were not provided for audit review.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.118,145,244 could not be confirmed.

#### 2. Unsupported Expenditures -Domestic Travel and Subsistence

The statement of financial performance and Note 12 to the financial statements reflects use of goods and services of Kshs.1,215,140 which includes expenditure on domestic travel and subsistence amounting to Kshs.699,407. Review of the payment records revealed that amounts of Kshs.128,100, Kshs.100,400 and Kshs.91,800 were paid for staff facilitation of the Council of Governors office, Nairobi, attending a symposium at Kenya School of Government, Mombasa campus and staff facilitation for attending Kenya Urban Support forum office, Nairobi . However, the expenditures were not supported with; programme and attendance registers for the activities, return to work reports and reasons for making payments to a staff on behalf of others.

In the circumstances, the completeness and regularity of domestic travels and subsistence expenses amounting to Kshs.320,300 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.2,531,362 and Kshs.2,206,829 respectively, resulting to under-funding of Kshs.324,533, or 13% of the budget.

The under-funding affected the planned activities of the Municipality and may have impacted negatively on the 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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Prior Year Audit Issues**

In the audit report of the previous financial year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources . However, the issues remained unresolved as at 30 June, 2024. Further, under the progress on follow up on prior year auditor's recommendations, Annex 1, Management did not disclose the status of the issues.

### **Other Information**

Management is responsible for the other information set out on page iii to xxii which comprise of Key Entity Information and Management, Municipality Board, Key Management Team, Municipality Board Chairman's Report, Report of the Municipality Manager, Statement of Performance Against Predetermined Objectives, Corporate

Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality Board Members and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Special Municipality of Mwatate 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. Based on the audit procedures performed, I confirm that other information is not materially inconsistent with the financial statements.

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 USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Board Expenses**

The statement of financial performance and Note 14 to the financial statements reflects board expenses amounting to Kshs.2,666,000. Board members were paid airtime and transport allowances totalling Kshs.376,000 and Kshs.1,120,000 respectively, capped at a ceiling rate of Kshs.20,000 irrespective of the declared residency location. This was contrary to the SRC Circular Ref. SRC/TS/CG/3/61/19(38) guiding on the remuneration of members of the city/municipality boards and town committees on sitting, accommodation, lunch and transport allowances and payment of transport allowances. The circular requires that the board members be reimbursed at the AA rates subject to a maximum of Kshs.20,000 per month in the month of the meeting.

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

## **2. Non-Compliance with Board Meetings Requirement**

Review of records on board operations of the Special Municipality revealed that during the year under review only one full board meeting was held, contrary to Section 23(1) of the Urban Areas and Cities Act, 2011 which requires the board to hold its sittings to transact the business of the board once every three months.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

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

#### **Responsibilities of Management and Municipality Board**

Management is responsible for 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.

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

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

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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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**

**27 December, 2024**

**County Government of Taita Taveta**  
**Special Municipality of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	2,175,467	15,911,491
Public contributions and donations	7	-	-
Levies Fines and Penalties	8	-	-
Other revenues (Specify)	9	-	-
		2,175,467	15,911,491
Revenue from exchange transactions			
Interest income	10	-	-
Miscellaneous Income	11	-	-
		-	-
Total revenue		2,175,467	15,911,491
<b>Expenditure</b>			
Use of goods and services	12	1,215,140	2,728,522
Staff costs	13	-	-
Board expenses	14	2,666,000	1,236,000
Finance costs	15	-	-
Depreciation and amortization	16	-	-
Repairs and maintenance	17	-	-
Total expenses		3,881,140	3,964,522
Other gains/losses			
Gain/loss on disposal of assets	18	-	-
<b>Surplus/(deficit) for the period</b>		<b>(1,705,673)</b>	<b>11,946,969</b>

The notes set out on pages 21 to 47 form an integral part of these Financial Statements. The entity financial statements were approved on 16<sup>TH</sup> august 2024 and signed by:



Name: Edward Mwakalamu  
Municipality Manager



Name: Constance Marura Mwachinga  
Head of Finance  
ICPAK M/No.ASSOC/1245

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**15. Statement of Financial Position As At 30 June 2024**

Description	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	137,689	31,362
Receivables from exchange transactions	20		-
Receivables from non-exchange transactions	21	-	-
Prepayments	22	-	-
Inventories	23	-	-
Total current assets		137,689	31,362
Non-current assets			
Property, plant, and equipment	24	118,145,244	118,145,244
Intangible assets	25	-	-
Total Non-current Assets		118,145,244	118,145,244
Total assets (A)		118,282,933	118,176,606
Liabilities			
Current liabilities			
Trade and other payables	26	1,812,000	-
Refundable deposits from customers	27	-	-
Provisions	28	-	-
Borrowings	29	-	-
Employee benefit obligations	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total current liabilities		1,812,000	-
Non-current liabilities			
Provisions	28	-	-
Borrowings	29	-	-
Non-current employee benefit obligation	30	-	-
Deferred Income	31	-	-
Social Benefits	32	-	-
Total liabilities (B)		1,812,000	-
Net Assets (A-B)		116,470,933	118,176,606
Represented by:			

**County Government of Taita Taveta**  
**Special Municipality of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Capital/Development Grants/Fund		-	-
Reserves		-	-
Accumulated surplus		116,470,931	118,176,604
Net Assets/Equity		116,470,931	118,176,604

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 16TH AUGUST 2024 and signed by:



Name: Edward Mwakalamu  
Municipality Manager

Date: 16/8/24



Name: Constance Marura Mwachinga  
Head of Finance

ICPAK M/No ASSOC/1245

Date: 16/08/2024

*County Government of Taita Taveta  
Special Municipality of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

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

Description	Capital/	Revaluation	Accumulated	Total
	Development Grants/Fund	Reserve	surplus	
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2022	-	-	106,229,635	106,229,635
Surplus/(deficit) for the year			11,946,969	11,946,969
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Bal as at 30 Jun 2023	-	-	118,176,604	118,176,604
Bal as at 1 July 2023	-	-	118,176,604	118,176,604
Surplus/(deficit) for the year		-	(1,705,673)	(1,705,673)
Funds received during the year	-	-	-	-
Revaluation gain/loss	-	-	-	-
Balance as at 30 June 2024	-	-	116,470,931	116,470,931

**County Government of Taita Taveta**  
**Special Municipality of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government		2,175,467	15,911,491
Public contributions and donations		-	-
Interest received		-	-
Miscellaneous receipts (Specify)		-	-
Total Receipts		2,175,467	15,911,491
Payments			
Use of goods and services		1,215,140	2,728,522
Staff costs		-	-
Board expenses		854,000	1,236,000
Finance costs		-	-
Total Payments		2,069,140	3,964,522
Net cash flows from operating activities	33	106,327	11,946,969
Cash flows from investing activities			
Purchase of PPE & intangible assets		-	(15,914,678)
Proceeds from sale of PPE		-	-
Net cash flows used in investing activities		-	(15,914,678)
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		106,327	(3,967,709)
Cash And Cash Equivalents At 1 July	19	31,362	3,999,071
Cash And Cash Equivalents At 30 June	19	137,689	31,362

(PSASB has now prescribed the direct method of cash-flow presentation for all entities under the IPSAS Accrual basis of accounting).

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Transfers from the County Government	2,500,000	-	2,500,000	2,175,467	324,533	87%
Public contributions and donations	-	-	-	-	-	
Interest income	-	-	-	-	-	
Miscellaneous income (specify)	-	-	-	-	-	
Balance b/f 2023/2024	31,362	-	31,362	31,362	-	100%
Total Revenue	2,531,362	-	2,531,362	2,206,829	324,533	87%
Expenses						
Use of goods and services	2,000,000	(300,000)	1,700,000	1,215,140	484,860	71%
Board expenses	531,362	300,000	831,362	854,000	(22,638)	103%
Staff Costs			-	-	-	
Finance costs			-	-	-	
Total Expenditure	2,531,362	-	2,531,362	2,069,140	462,222	82%
Surplus for the period	-	-	-	137,689	(137,689)	

**Budget notes**

N/B

The allocated revenue was Kshs 2,500,000 against the realised budget of Kshs 2,175,467. (87%) and this was due to non-remittance of economic votes of the budget

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

### **1. General Information**

Special Municipality Of Mwatate is established by and derives its authority and accountability from urban areas and cities Act.2011 amended 2019. The Municipality Charter gazetted on (8th May 2019), is under the County Government of Taita Taveta and is domiciled in the Department of Lands, Physical Planning, Mining and Urban Development.

The entity's principal activities

- i. Promotion, regulation, and provision of refuse collection and solid waste management services;
- ii. Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- iii. Construction and maintenance of urban roads and associated infrastructure;
- iv. Construction and maintenance of storm drainage and flood controls;
- v. Construction and maintenance of walkways and other non-motorized transport infrastructure;
- vi. Construction and maintenance of recreational parks and green spaces;
- vii. Construction and maintenance of street lighting;
- viii. Construction, maintenance, and regulation of traffic controls and parking facilities;
- ix. Construction and maintenance of bus stands, boda-boda stands, and taxi stands;
- x. Regulation of outdoor advertising;
- xi. Construction and regulation of municipal markets and abattoirs;
- xii. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management;
- xiii. Promotion, regulation, and provision of municipal sports and cultural activities;
- xiv. Promotion, regulation, and provision of animal control and welfare;
- xv. Development and enforcement of municipal plans and development controls;
- xvi. Municipal administration services (including construction and maintenance of administrative offices); and
- xvii. Promoting and undertaking infrastructural development and services within the Municipality.

### **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 Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024**

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 30<sup>th</sup> June 2024.

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

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

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

		State the expected impact of the standard to the Entity if relevant
IPSAS 46: Measurement		<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 47: Revenue		<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 48: Transfer Expenses		<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 49: Retirement Benefit Plans		<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>State the expected impact of the standard to the Entity if relevant</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 2023/2024 was approved by the County Assembly on 20<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of Kshs 0.00 on May 2024 following the governing body’s approval.

The Municipality’s budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible assets**

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

**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 cash-flows 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/

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

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 37.

**Financial liabilities**

**Classification**

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

**f) Inventories**

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

Raw materials: purchase cost using the weighted average cost method

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

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

**g) Provisions**

Provisions are recognized when the Municipality has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the 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 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 Municipality does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

---

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

**k) Nature and purpose of reserves**

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

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

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

**m) Employee benefits – Retirement benefit plans**

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

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

**s) Events after the reporting period**

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

- a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- b) Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

**t) Currency**

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

**5. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made.

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements**

**6. Transfers from the County Government**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	1,684,174	4,145,356
Payments by County on behalf of the entity	491,293	-
Unconditional development grants	-	11,766,135
<b>Total</b>	<b>2,175,467</b>	<b>15,911,491</b>

N/B Transfer from county government includes payments of Ksh 491,293 made by county on behalf of the entity.

**(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	Kshs	Kshs
Finance and Economic Planning Department	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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 2.

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**7. Public Contributions and Donations**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

**8. Levies, Fines and penalties**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others (indicate and specify)	-	-
Total	-	-

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

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others (indicate and specify)	-	-

(Provide a brief explanation for this revenue)

**10. Interest income**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Interest income from investments	-	-
Interest income on bank deposits	-	-
Others (Specify)	-	-
Total interest income	-	-

(Provide brief explanation for this revenue)

**11. Miscellaneous income**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Income from sale of tender documents	-	-
Others (specify)	-	-
Total other income	-	-

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**12. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Utilities, supplies and services	32,968	-
Communication, supplies and services	-	-
Domestic travel and subsistence	699,407	1,389,000
Foreign travel and subsistence	-	-
Printing, advertising, supplies & services	-	184,680
Rent and rates	-	-
Training expenses	143,666	-
Hospitality supplies and services	282,253	268,000
Membership fees, dues and subscriptions	48,800	
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services		300,000
Fuel, oil and lubricants	-	-
Other operating expenses (Specify)	-	-
Routine maintenance		-
–vehicles and other equipment		-
Routine maintenance – other assets	-	-
Contracted Professional Services	-	575,000
Audit fees	-	-
Hire of Transport, equipment etc	-	-
Bank Charges	8,046	11,842
Social Benefit expenses*		-
<b>Total</b>	<b>1,215,140</b>	<b>2,728,522</b>

N/B Use of goods includes Ksh 22,693 Hospitality supplies and services, Ksh. 264,100 Domestic travel and subsistence and Ksh 6,500 utilities supplies and services totalling to Ksh. 293,293 being payment by the county (Lands department) on behalf of the entity.

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

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**13. Staff costs**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs (Specify)	-	-
Total	-	-

**14. Board expenses**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	2,666,000	1,236,000
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	-	-
Conference Costs	-	-
Other allowances (Specify)	-	-
Total	2,666,000	1,236,000

N/B Board expenses include Ksh 198,000 being payment by the county (Lands department) on behalf of the entity and accrued expenses (Board allowances) of Ksh 1,812,000.

**15. Finance costs**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

**16. Depreciation and amortization**

Description	2023/2024	2022/2023
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**17. Repairs and Maintenance**

Description	2023/2024	2022/2023
	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	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

**19. Cash and cash equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	137,689	31362
Others(specify)	-	-
Total cash and cash equivalents	137,689	31,362

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

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

Financial institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
<b>Sub- total</b>		-	-

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

<b>c) Current account</b>			
Kenya Commercial bank	1259752836	(920)	31,240
Kenya Commercial bank	1264488491	0.10	122
Equity Bank -	0790284551361	82,605	-
Equity Bank –Retention a/c	0790284892132	56,003	
<b>Sub- total</b>			-
<b>d) Others(specify)</b>		-	-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>137,688</b>	<b>31,362</b>

**20. Receivables from exchange transactions**

Description	2023/2024	2022/2023
	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	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

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

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfer from County Executive	-	-
Transfer from KUSP Fund	-	-
Total	-	-

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

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**22. Prepayments**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

**23. Inventories**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Stationery	-	-
Consumables	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

**County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024**

**24. Property, Plant and Equipment**

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 <sup>st</sup> July 2020	-	35,513,617	9,360,000	2,467,419	956,560	39,632,657	-	87,930,253
Additions for the year	-	-	-	-	-	14,300,313	-	14,300,313
Disposals for the year	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2021	-	35,513,617	9,360,000	2,467,419	956,560	53,932,970	-	102,230,566
As at 1 <sup>st</sup> July 2021	-	35,513,617	9,360,000	2,467,419	956,560	53,932,970	-	102,230,566
Additions for the year	-	-	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2022	-	35,513,617	9,360,000	2,467,419	956,560	53,932,970	-	102,230,566
At 1 <sup>st</sup> July 2022	-	35,513,617	9,360,000	2,467,419	956,560	53,932,970	-	102,230,566

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

Additions for the year	-	-	-	-	787,000	15,127,678	-	15,914,678
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
<b>As at 30 June 2023</b>	-	35,513,617	9,360,000	2,467,419	1,743,560	69,060,648	-	118,145,244
<b>As at 1<sup>st</sup> July 2023</b>	-	35,513,617	9,360,000	2,467,419	1,743,560	69,060,648	-	118,145,244
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	35,513,617	9,360,000	2,467,419	1,743,560	69,060,648	-	118,145,244
								-
<b>NBV as at 30<sup>th</sup> Jun 2023</b>	-	35,513,617	9,360,000	2,467,419	1,743,560	69,060,648	-	118,145,244
<b>NBV as at 30<sup>th</sup> Jun 2024</b>	-	35,513,617	9,360,000	2,467,419	1,743,560	69,060,648	-	118,145,244

(Include a brief description of WIP as a footer.)

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**25. Intangible assets**

Description	2023/2024	2022/2023
	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	2023/2024	2022/2023		
	Kshs.	Kshs.		
Trade payables	-	-		
Retentions	-	-		
Accrued expenses	1,812,000	-		
Other payables (Specify)	-	-		
Total trade and other payables	1,812,000	-		
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	1,062,000	%	-	%
1-2 years	750,000	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,812,000	%	-	%

N/B: Accrued expenses include kshs 750,000 for board allowances for FY2022-2023 which was not included as payable.

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**27. Refundable deposits from customers**

Description	2023/2024		2022/2023	
	KShs		KShs	
Rent deposits	-		-	
Others (specify)	-		-	
<b>Total</b>	-		-	
<b>Ageing analysis:</b>	2023/2024		2022/2023	
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**28. Provisions**

Description	2023/2024		2022/2023	
	Kshs.		Kshs.	
Balance at the beginning of the year	-		-	
Additional Provisions (Specify)	-		-	
Provision utilised	-		-	
Balance at the end of the year	-		-	
Current Portion of provision	-		-	
Long term portion of provision	-		-	
<b>Total Provisions</b>	-		-	

**29. Borrowings**

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

Description	2023/2024		2022/2023	
	Kshs.		Kshs.	
Short term borrowings (current portion)	-		-	
Long term borrowings	-		-	
<b>Total</b>	-		-	

(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)

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Balance at beginning of the period	-	-
Borrowings during the year	-	-
Repayments of borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the Distribution of borrowings:

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

**30. Employee Benefit Obligations**

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

**31. Deferred Income**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
National/County Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

The deferred income movement is as follows:

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

Include columns as needed for the various sources of income deferred

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

**32. Social Benefit Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
PWD benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for 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.

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**33. Cash generated from operations**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	106,327	11,946,969
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	106,327	11,946,969

(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 Municipality/scheme is related to the following entities:

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

**b) Related party transactions**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfers from related parties'	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Board Members	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

**d) Due from related parties**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
<b>Total</b>	-	-

**e) Due to related parties**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
<b>Total</b>	-	-

**35. Contingent liabilities**

Contingent liabilities	2023/2024	2022/2023
	Kshs.	Kshs.
Court case N/a against the entity	-	-
Bank guarantees	-	-
<b>Total</b>	-	-

(Give details)

**36. Contingent Assets**

Contingent liabilities	2023/2024	2022/2023
	Kshs.	Kshs.
Court case N/a against the entity	-	-
Others Specify	-	-
<b>Total</b>	-	-

**37. Financial risk management**

The Municipality's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Municipality's overall risk management programme focuses on 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 Municipality does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**I. Credit risk**

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external 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 Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
<b>At 30 June 2024 (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2023 (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

(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 Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Municipality has significant concentration of credit risk on amounts due from N/a.

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

**II. Liquidity risk management**

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

The table below represents cash flows payable by the Municipality under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

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 1-3	Over 5	Total
	month	months	months	
	Kshs.	Kshs.	Kshs.	Kshs.
<b>At 30 Jun 2024 (current year)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>				
<b>At 30 Jun 2023 (previous year)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

### III. Market risk

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

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

### IV. Foreign currency risk

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

*County Government of Taita Taveta  
Special Municipality Of Mwatate  
Annual Report and Financial Statements for the year ended June 30, 2024*

Description		Other currencies	Total
	Kshs.	Kshs.	Kshs.
<b>At 30 June 2024 (current year)</b>			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
<b>Liabilities</b>			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs.	Kshs.	Kshs.
<b>2024 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2023 (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-

**V. Interest rate risk**

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

**Management of interest rate risk**

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

**County Government of Taita Taveta**  
**Special Municipality Of Mwatate**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**VI. Capital risk management.**

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

Description	2023/2024 Kshs.	2022/2023 Kshs.
Revaluation reserve	-	-
Capital/Development Grants/Municipality	-	-
Accumulated surplus	-	-
<b>Total Funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

**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.

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

**20. Appendices**

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

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

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

**Guidance Notes:**

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


*[Handwritten Signature]*

**To be Signed by the Accounting officer of the Entity**

Appendix 2: Inter-Entity Transfers

MUNICIPALITY NAME: SPECIAL MUNICIPALITY OF MWATATE				
Breakdown of Transfers from the County Executive of Taita Taveta County				
	<b>FY 2023/2024</b>			
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		<b>Total</b>	-	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		<b>Total</b>	-	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		<b>Total</b>	-	

(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		

**County Government of Taita Taveta  
 Special Municipality Of Mwatate  
 Annual Report and Financial Statements for the year ended June 30, 2024**

**Appendix 4: Disaster Expenditure Reporting Template**

Date:

Entity

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