

Revised 30th June 2024



THE MUNICIPALITY OF KIMILILI

County Government of Bungoma

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Entity Information and Management

a) Background information

- b) The Municipality of Kimilili is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and Cities and Municipal Charter on 24th day of May, 2018.The municipality is under the County Government of Bungoma and is domiciled in Kenya.

c) Principal Activities

The Vision of the Municipality is:

Centre of excellence in Sustainable Urban development, innovation, environmental safety and social inclusion.

The Mission of the Municipality is:

To provide citizens and business community effective municipal services while maintain historical community values.

The principal activities for the Municipality are:

- Urban social and economic infrastructure
- Urban Infrastructure Development and Management.
- Urban Land use planning and Development.
- Urban environment and health services
- Urban Cultural and Social services.

d) Key Management

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

- Land,physical planning,Housing and Municipality.
- Municipal Board
- Accounting Officer/ Municipality Manager
- Management
- Others (*specify*)

e) Fiduciary Management

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

Ref	Position	Name
1	Municipality Manager	CPA Gabriel Kibiriti.
2	Administrator	Kennedy Pkania
3	Finance Officer	Dona Chesang
4	Accountant	Geoffrey Wafula
5	Technical Department	Benson Wangila

f) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2024 were:

i) County Assembly of Bungoma

The responsibilities of the County Assembly of Bungoma were as follows:

- To vet and approve nominees for appointment to county public offices as may be provided for in the relevant laws;
- To perform the roles set out under Article 185 of the Constitution;
- To approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- To approve the borrowing by the county government in accordance with Article 212 of the Constitution;
- To approve county development planning; and
- To perform any other role as may be set out under the Constitution or legislation.

ii) Audit and Risk Management Committee

The functions and responsibilities of the audit committee were as follows:

- To obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- To provide an independent review of the County Executive's reporting functions to ensure the integrity of financial reports.
- To monitor the effectiveness of the County Executive's performance management and performance information.
- To provide strong and effective oversight of County Executive's internal audit function.
- To provide effective liaison and facilitate communication between management and external audit.

- To provide oversight of the implementation of accepted audit recommendations.
- To ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

iii) Public Accounts Committee

The main function of the Public Accounts Committee is to invite the County Executive's Accounting Officer to appear before it to adduce evidence on the reports of the Auditor-General.

iv) Budget and Appropriations Committee

Budget and Appropriations Committee approves expenditure budget of the County Executive for the execution of governance

g) Registered Offices

Municipal Block Offices
Opposite Law Court
P.O. Box 700-50204,
Kimilili, Bungoma

h) Contacts

Telephone: (+254) 0700892013
E-mail: kimililimboard@gmail.com
Website: www.kimilili.municipality.go.ke

i) Bankers

Family bank
A/C No 0777000039020
Bungoma branch

Family bank
A/C No 0777000042513
Bungoma branch

j) Independent Auditor



Auditor General

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



k) Principal Legal Adviser


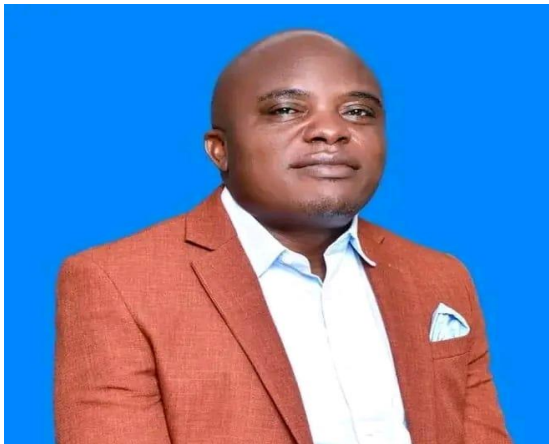

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. Municipality Board

Serial No.	Name	Details of qualifications and experience
1	<p>JOSEPH O. MULAMA</p> 	<p>D.O.B –1960</p> <p>He is the chairperson of the Board. He is a holder of Master’s degree in Project Planning and Management and a Bachelor’s degree in Education from The University of Nairobi. He is the Chair Human resource and a committee member in Kenya National Chambers of Commerce and Industry (KNCCI). He is the national treasurer of Kenya Booksellers and Stationers Association. He is the Chief Whip of Caucus of Municipality Board Chairperson and a chairperson in several Boards.</p>
2	<p>SALOME N. BUKANIA</p> 	<p>D.O.B –1989</p> <p>She is the chairperson Land use planning, infrastructure and Housing committee of the board. She joined the board through competitive process. She is a holder Bachelor’s degree of Architect from Jomo Kenyatta University of Agriculture and Technology. She holds a practicing certificate and registered for Architects and Quantity surveyors of Kenya. She is a corporate member of the Architectural Association of Kenya.</p>
3	<p>LILLIAN N. SIMIYU</p>	<p>D.O.B –1992</p>

		She is the chairperson Environment, Public health, Social services and Sports committee of the Board. She joined the board through Competitive process. She holds a Diploma in Education from Mt. Kenya University of Agriculture and Technology. She has wide experience in teaching in various schools.
4	JOHN M. TENGEYE 	D.O.B –1992 He is the chairperson of Administration, Finance, Economic Planning and trade committee of the board. He Joined the board through competitive process is a holder of Bachelor’s degree from Technical University of Kenya. He is the Land Administration Officer at the National Land Commission. He is experienced in consultancy services on matters of Land and physical Planning.
5	DENSON W. BARASA 	D.O.B –1978 He holder a Bachelor Degree in Education Arts from the University of Nairobi. He is the Chief Officer - Housing, Urban Areas and Municipalities. He has been Chief Officer in the County Government Department of Trade, Energy and Industrialization and Public Service Management and Administration. He has worked as the Director of studies and Deputy Principal - Kibabii High School and Board Member on several public institutions.



6	<p>CAROLYNE KHASOA WANYONYI</p> 	<p>She represents professional associations in the Board (Law Society of Kenya). She is a holder of Master's degree in Business Administration and Bachelor's degree in Law. She works at National Land Commission and a member of various boards.</p>
7	<p>DOUGLAS SASITA</p> 	<p>D.O.B – October, 1979.</p> <p>Graduate in Bachelor of Architecture - University of Nairobi. C.P.A Finalist-Strathmore University College. Registered Architect with BORAQS- Corporate Member of Architectural Association of Kenya (A2435)–Architectural experience for seventeen years -Handling various design briefs from institutional to residential largescale projects of 16000m sq. such as Lovington shopping mall and many more. Other key experiences held:</p> <ul style="list-style-type: none"> ▪ Conceptual design works /project planning and co-ordination /project management /project appraisals and assessment/contract administration; ▪ Board chair - Bungoma Municipality and other several institutions. <p>Senior Architect-Undersign Architects and Interior Designer for Graduate Studio Infinity Architects.</p>




8	<p>C.P. A GABRIEL W. KIBIRITI</p> 	<p>D.O.B – July, 1976</p> <p>Holder of MBA (Accounting /Finance) from Mt Kenya University. Bachelor’s degree in business management from Masinde Muliro University of Science and Technology</p> <p>CPA(K) KCA Kisumu Municipal manager Bungoma municipality Teaching Kibabii university and Sang’alo institute, Finance officer St. Pauls miluki Secondary School Enumeration clerk Kenya bureau of statistics Clerical officer mastermind Kenya ltd.</p>
9.	<p>Hon. MOSES OPICHO.</p> 	<p>D.O.B – Nov, 1977</p> <p>Currently undertaking Bachelor’s Degree in Theology in East KAG University (Global University).</p> <p>Diploma in Business Administration in University of Nairobi.</p> <p>Former Member of County Assembly-Kamukuywa Ward. Regional Manager at pioneer Assurance.</p>
10	<p>WANYONYI BUTEYO</p> 	<p>Currently undertaking MA (Armed Conflict and Peace) from Nairobi University.</p> <p>Bachelor’s degree in Education from Moi. University. He worked as the TSC Sub County Director Mbita/Suba Sub Counties, and Tinderet Sub County, Political advisor to H.E Governor Ken Lusaka and Teachers Service Commission senior principal Administrative Officer, Chief Administrative Officer.</p>

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4. Key Management Team

Serial No	Name	Details of qualifications and experience
1.	CPA. GABRIEL KIBIRITI 	Municipal Manager. D.O.B – July, 1976 Holder of MBA (Accounting /Finance) from Mt Kenya University. Bachelor’s degree in business management from Masinde Muliro University of Science and Technology CPA(K) KCA Kisumu. Municipal manager Bungoma municipality. Teaching Kibabii university and Sang’alo institute. Finance officer St. Pauls miluki Secondary School Enumeration clerk Kenya bureau of statistics Clerical officer mastermind Kenya ltd
2.	KENNEDY PKANIA 	Municipal Administrator. He holds a Bachelor Degree in Education from Moi University and a certificate in Education management in Kenya education staff Institute. He has been trained on Senior Management course at Lower Kabete-Nairobi. He has wide experience as a teacher and a principal in Secondary School. He has worked as a senior protocol officer and a Administrator in the Department of Trade Energy and Industrialisation-Bungoma County.

3.	<p>DONAH CHESANG</p> 	<p>Municipal Finance Officer.</p> <p>She holds a Bachelor of Business Management Degree (Finance) from Moi University. She has also undertaken Certified Public Accountant-Section V. She has experience in Finance and Accounting. She has worked as an Audit Assistant, Financial Advisor on Security Exchange, assistant Finance officer-Budget office-Bungoma county, as an accountant in Revenue Department and a Finance officer department of Lands, Physical planning and Housing.</p>
4.	<p>GEOFFREY SIMIYU WAFULA</p> 	<p>Municipal Accountant.</p> <p>He holds a Bachelor of Science International Business Administration (Finance/Accounting) from United States International University, CPA II. He has wide experience in Accounts, Finance and Administration. He worked at the County treasury as an Exchequer Accountant, Finance Officer and SWIFT Security Officer at Buffalo Commercial Bank Plc South Sudan and Accountant at United States International University.</p>
5.	<p>BENSON WANGILA</p> 	<p>Municipal Physical Planner.</p> <p>He holds a Bachelor of Arts (Urban and Regional Planning) with information technology from Maseno University and a Diploma in Civil Engineering from Kitale Technical Training Institute. in Kenya education staff Institute. He has worked as a Physical Planner since 2002.</p>

5. Municipality Board Chairperson's Report

It is my privilege to present to you the Board of Kimilili Municipality's 2nd annual report and financial statements. This is the second time for the board to prepare and present financial statements for audit to the office of the auditor general.

It is my pleasure to report that the board has in the past 24 months transitioned seamlessly from the hands of the county project coordinating team which was a transitioning team awaiting the constitution and operationalization of the board.

The transition period has been characterised by detaching the board operations such as accounting and management from the mother department of lands, Urban, Physical Planning and Housing.

In 2020 the board set out to improve on the accounting and internal auditing standards for the public sector, intense capacity building programs, engagements with key stakeholders and awareness creation. In the process of executing its mandate, the board has continued to develop and improve financial reporting templates, training and capacity building, staff and board members technical training, engagements with the public among others. For the period 2023/2024, the board has had two main citizen engagement, where the public participating in the identification and execution of key municipal projects. The board made a resolution on the key projects identified by the public to be implemented.

The board has been able to make quite remarkable achievements. First the board has been able to formulate The Municipal Integrated Plan (MIDP 2023-2027) and the Municipal Strategic Plan which is yet to be approved by the board.

During the period (2019/2020 the Municipality has completed 2 main projects:

- a) Upgrading DC to Thursday Market Road of 1km C33-Ksh.70,103,590
- b) Riziki to slaughter house road and 1km C3-Ksh.88,082,969

During the period (2019/2020 the Municipality has completed 2 main projects:

- a) Upgrading of Thursday Market- Chetambe area to KIE road-1km-Kshs.49,136,782.20
- b) Rehabilitation/construction works on Thursday, Monday Market and bus park-Ksh.187,982,674

During the period (2021/2022 the Municipality has completed 1main project:

- a) Upgrading of Mkulima – Nasusi Road of 0.6 km-Ksh.33,405,394.18

During the period (2023/2024 the Municipality has completed main project:

- a) Urban Greening and Beautification.Kshs.2,246,990
- b) Installation of Highmast lights at Chebukwabi and Nasusi.-Kshs 5,980,800
- c) Purchase of Waste Collection Bins-Kshs.1,090,000

Presently the board has also been able to advocate for the transfer of the functions to the municipality. So far 22 functions have been transferred awaiting implementation.

Going forward, the board will carry out its mandate as set out in the urban areas and cities Act 2011 and in accordance with the kimilili Municipal charter. For the year 2023/2024, the Board will continue carrying out its mandate according to its strategic plan (2023-2027).

I would like to thank the Board members and the management of the Kimilili Municipality who through their unwavering commitment have led to the achievement of the Board's mandate in the past years. I also offer my gratitude to our partners, stakeholders and citizens of Kimilili and look forward to collaborating with you towards achievements of the Board's mandate.

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Name: Joseph Mulama.

Chairperson of the Board

6. Report Of the Municipality Manager

It's with great pleasure to present the annual report and financial statement for Kimilili Municipality for the year ended 2022/2023. Since its establishment, the Kimilili Municipality has continued to execute in setting generally acceptance accounting and internal auditing standards for the Kenyan public sector.

The Municipality has a five-year strategy (2020-2024) from which it draws its annual work plans. During the financial year 2022/2024, the Municipality was able to achieve the plan it had set in its work plan. This was achieved through the efforts of the management team who showed great commitment towards achieving the Municipality's mandate.

The Municipality undertook a number of activities in executing its mandates as contained in the Municipal charter which include;

- ❖ Stakeholders engagements and sensitization.
- ❖ Capacity building of the board and the Municipal staff.
- ❖ Mentoring compliances.
- ❖ Development control.
- ❖ Implementing Municipal projects.

The Municipality has continued to expose the board members and the Municipal staff to inductions and training courses and attendance of the board meetings in order to improve skills and ensure they are kept a breast with the Municipality mandates in order to achieve effective and efficient service delivery.

In order to carry out its mandate effectively the Municipality received a total of Ksh. 211,089,400 as allocation from Kenya urban support program FY 2018/2019 being recurrent of Kshs.20,000,000, Development of Kshs. 191,089,400,Ksh. 195,489,400 being recurrent of Ksh.4,400,000 and development of Kshs.191,089,400 and Ksh.49,523,349.50 for FY 2021/2022 as transfer from the County treasury. During the year under review the Municipality received transfers from County government from Equitable Shares to undertake Development programmes. These transfers have enabled the Municipality to carry out its mandate, including the completed and on-going projects as stipulated in this report.

Budget Performance Analysis and Actual Expenditures.

Programme Name	Approved Budget Allocation				Actual Expenditure			
	2020/21	2021/2022	2022/2023	2023/2024	2020/21	2021/2022	2022/2023	2023/2024
PROGRAMME 1: URBAN GOVERNANCE								
	20,639,269	15,156,053	37,715,833	28,045,268	11,687,960	12,569,366	25,717,787	25,626,884
SP 1.1: Human resource development and management	13,073,639		13,773,780	13,811,045	7,563,200		7,777,304	12,085,604
SP 1.2:Institutional accountability, efficiency and effectiveness in service delivery	6,055,575	8,696,553	19,942,053	2,575,000	3,352,560	8,519,960	13,724,118	2,412,200
SP 1.3:Research and Development Services								

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SP 1.4:Administrative services			4,000,000				3,102,250	
SP 1.5:Capacity Development	791,584	3,230,000		11,659,223	772,000	2,888,390		9,262,780
SP 1.6:Purchase of Computers and laptops		1,200,000				0		
SP 1.7:Purchase of Office Furniture, Fittings and General Equipment for municipal offices		800,000				753,500		
PROGRAMME II: URBAN LAND POLICY AND PLANNING								
	414,475,403	440,667,411	377,111,548	122,654,740	189,819,834	61,359,091.90	1,280,326	38,767,072
Upgrading of urban roads to low seal tarmac and roundabout at the T-junction.	414,475,403	252,777,411		114,404,740	189,819,834	11,835,872	1,280,326	30,594,126
Construction and upgrading of Urban Public Sanitation Facilities for bus park, Monday and Thursday markets, auction ring.		187,900,000				49,523,219		
Street lights installation and maintenance				6,000,000				5,980,818
PROGRAMME III: URBAN ENVIROMENT AND HUMAN SERVICES								
Urban greening and Beautification	0	0	0	2,250,000				2,192,128

Sample of Projects within the Municipality.



Upgraded urban Road(Chetambe-KIE)



Urban Market-Thursday Market.



Modern Bus Park



Upgraded urban Road(DC-Thursday Market)

With the gazetted transfer of functions, the Municipality requires more funding from the county treasury to enable it implement its numerous functions. There is also need to add more competent and qualified staff to be seconded to the Municipality.

A detailed analysis of the Kimilili Municipality activities for the year ended 30th June 2024 is included in the next section.

I would like to express my gratitude to the members of the board for their leadership and guidance during the year. I also extend my thanks to the management team who without their dedication, the Municipality would not have been able to achieve its work plan and strategic objectives. I look forward to the great and dedicated team work.

CPA GABRIEL KIBIRITI.

MANAGER/ SECRETARY-KIMILILI MUNICIPALITY.

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7. Statement of Performance Against Predetermined Objectives for the FY

The key development objectives of the Kimilili municipality, 2023-2027 plan are to:

- To promote infrastructural investments in the Municipality.
- To assure a resilient municipal environment and provision of quality human services.
- To support a thriving Urban economy through business friendly approaches.
- To enhance institutional efficiency and effectiveness in service delivery.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Urban Governance	To enhance institutional efficiency and effectiveness in service delivery.	Efficient and effective urban services.	<ul style="list-style-type: none"> Number of works satisfaction surveys undertaken. Customers/Employees satisfaction survey undertaken. Proportion of staff remunerated. proportion of staff trained. Proportion of staff provided with number of staff recruited. Proportion of budget allocated for Human Resource Services. Number of policies formulated/domesticated. Number of bills formulated/domesticated. Number of regulations drafted. Number of regulations reviewed. Proportions of contracts and agreements signed. 5 years urban integrated development plan prepared. Annual investments plan prepared. Annual urban budget prepared. 	<p>As at the end of the FY 2023/2024 the municipality achieved the following:</p> <ul style="list-style-type: none"> -Staff remunerated 100% -35% of the budget allocated to Human Resource services. -Prepared Municipal plans and budgets. -Prepared progress and budget and imoplementation reports. -Held one citizen engagement. -Held 12 management meetings

			<ul style="list-style-type: none"> • Annual urban development plan. • Number of M&E conducted. • Number of annual progress report disseminated. • Number of budget absorption report disseminated. • Number of urban strategic plan formulated. • Number of internal transformations fore held. • Number of intergovernmental fore held. • Number of PPP agreements concluded. • Number of office block constructed/renovated. • Number of stakeholders' trainings conducted. • % of policy documents uploaded on website. • Number of management meetings. • Number of public participation fore held. 	
Urban Infrastructure development and management.	To promote infrastructural investments	Functional urban infrastructural system.	<ul style="list-style-type: none"> • Number of bus park constructed. • Number of solar street lights installed. • Number of high flood solar lights installed. • Number of KM of sewer system expanded. • Number of KM of drainage system constructed. 	<p>In the year under review the Municipality</p> <ul style="list-style-type: none"> -constructed and rehabilitated one buspark. -Upgraded 1.6km road within the municipality.

			<ul style="list-style-type: none"> • Number of auctions rings constructed and renovated. • KMS of pedestrian lanes constructed. • Number of parking spaces provided. • Number of bus terminal rehabilitated. • KMS of drainage system maintained. • KMS of walk ways constructed. • % of urban roads demarcated. • % of urban roads with markings. • % of urban roads with road infrastructure. • % of transport safety measures implemented. 	
Urban economy and investment management	To prudently manage urban economy and investment	Enhance economic competitiveness	<ul style="list-style-type: none"> • Number of annual investment promotion events held. • Number of PPP agreements signed. • Number of incentives schemes implemented. • % budget allocated for investments promotion. • Number of jobs created annually. • Number of non-financial services provided. 	
Urban Environment and Human services	To promote sustainable access and utilization of urban	Enhanced Urban environmental resilience.	<ul style="list-style-type: none"> • % of Health Facilities Operational. • Average Kgs of solid waste collected per day. • Number of waste segregation points established. • Number of waste treatment options applied. 	

	environme nt		<ul style="list-style-type: none">• Number of open dump grounds operational.• Number of sanitary land fields.• Number of composting sites.• Number of incinerators operational.• % of land pollution cases resolved.• % of air pollution case resolved.• Number of open spaces provided.• Acreage reserved for recreational parks.• Number of public recreational parks.• Number of trees planted in public open spaces.• Number of trees planted on walk ways and strategic places.• Number of annual green events.• % of green services provider licenced.• Number of ornamental trees planted and nurtured.	
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8. Corporate Governance Statement

The board of the municipality was appointed pursuant to Section 13 and 14 of the Urban Areas and Cities Act no.13 of 2011 as read together with section 9 of the Urban Areas and Cities Act of 2019. Various committees of the board were constituted except Audit, Risk and Compliance committee.

1) Composition of the board

The board of the Municipality consists of representation who serve in part time basis and are constituted from two main categories;

- 1) Four members appointed through a competitive process by the county executive committee and approved by county assembly.
- 2) Five members of the board nominated by the following umbrella bodies.
 - a) An umbrella bodies representing professional association in the area.
 - b) An association representing the private sector in the area.
 - c) A cluster representing registered association of the informal sector in the area.
 - d) A cluster representing registered neighbourhood association in the area.
 - e) An association of the Municipality and appointed by the county executive committee with the approval of county assembly.

At the closure of the FY 2023/2024, the Municipality of Kimilili has 9 members. A summary of the members and their nominating institution is as follows:

NO	NAME	GENDER	NOMINATING INSTITUTION	ID NO
1	Salome Nanjala Bukania	F	Architectural Association of Kenya	28203926
2	Joseph Mulama	M	Competitive Process By CEC	2067045
3	John Masafu Tengeye	M	Competitive Process By CEC	2817850
4	Lillian Nanjala Simiyu	F	Competitive Process By CEC	29170842
5	Carolyne Khasoa	F	Law Society of Kenya	13436160
6	Douglas Sasita	M	County Executive Committee- Landa,Urban,Physical Planning,Housing and Municipality.	
7	Denson Barasa	F	By CEC	21883083
8	Wanyonyi Buteyo	M	A cluster representing registered association of the informal sector in the area.	

9	Hon. Moses Opicho	M	A cluster representing registered neighbourhood association in the area.	
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BOARD DIVERSITY

The board is established by members who have experience in, corporate governance, legal constitution, Architectural, Planning, and business. The board has three female board members out of the intended nine members and therefore meets the constitutional threshold since at least a third of all members are female.

ROLE AND RESPONSIBILITY OF THE BOARD MEMBERS

The powers, objectives and functions of the Municipality are stipulated in the Municipal charter

BOARD COMPOSITION AND COMMITTEES

The following table represents the board composition and its committees. There are four committees of the board. The table below shows the chairs and members of each committee of the board.

REF	MEMBERS	FULL BOARD	AFEPT COMMITTEE	LUPPH COMMITTEE	ESC&S COMMITTEE	AUDIT COMMITTEE
1	Joseph Mulama	✓ *	—			
2	Carolyn khasoa	✓	✓	✓	✓	
3	Salome N. Bukania	✓	✓	✓ *	✓ *	
4	Lillian N. Simiyu	✓	✓	✓	✓	
5	John M. Tengeye	✓	✓ *	✓	✓	
6	Douglas Sasita	✓	✓	✓	✓	
7	Denson Barasa	✓	✓	✓	✓	
8	Wanyonyi Buteyo	✓	✓		✓	
9	Hon. Moses Opicho	✓	✓		✓	

N/B (*) Represent the Chairpersons of the board/ Committees.

The Audit Committee is not yet composed.

3) Board attendance.

Best practice requiring that every board member attend minimum of 50% of all board meetings. Below is an extract from the attendance register for the board meetings held in the period from 1st July 2023 to 30th June 2024.

NO.	MEMBERS	NUMBER OF MEETINGS ATTENDED
1	Joseph Mulama	4
2	Carolynne Khasoa	4
3	Salome N. Bukania	4
4	Lillian N. Simiyu	4
5	John M. Tengeye	4
6	Douglas Sasita	4
7	Denson Barasa	4
8	CPA. Gabriel Kibiriti (Secretary)	4
9	Wanyonyi Buteyo	4
10	Hon. Moses Opicho	4
11	Kennedy Pkania- In attendance	4

Committee meeting attendance

1) Administration, Finance, Economic Planning and Trade Committee

This committee deals with promotion of good governance, prudent financial management, good planning and promotion of businesses within the Municipality.

MEMBERS	NUMBER OF MEETINGS DURING THE YEAR	NUMBER OF MEETINGS ATTENDED
John M. Tengeye- Chairman	4	3
Salome N. Bukania	4	4
Lillian N. Simiyu	4	2
Carolynne Khasoa	4	4
Denson Barasa	4	4
Douglas Sasita	4	4
Wanyonyi Buteyo	4	2
Hon. Moses Opicho	4	2

2) Land use Planning, Infrastructure and Housing Committee

This committee deals with Municipal Physical, Urban Planning and development control, Infrastructure development and housing.

Members	Number of meetings during the year	Number of meetings attended
Salome N. Bukania *	4	2
John M Tengeye	4	2
Lillian N. Simiyu	4	3
Carolyne Khasoa Wanyonyi	4	4
Denson Barasa	4	4
Douglas Sasita	4	4
Wanyonyi Buteyo	4	2
Hon. Moses Opicho	4	2

3) Environmental, Social Services, Culture and Sports Committee

This committee deals with environmental conservations, Social and Cultural activities within the Municipality.

Members	Number of meetings during the year	Number of meetings attended
Carolyne Khasoa *	4	4
John M. Tengeye	4	4
Salome Bukania	4	4
Lillian N. Simiyu	4	3
Denson Barasa	4	4
Douglas Sasita	4	4
Wanyonyi Buteyo	4	2
Hon. Moses Opicho	4	2

4) Internal audit committee

Members	Number of meetings during the year	Number of meetings attended
Lillian N. Simiyu *	4	1
John M. Tengeye	4	1
Salome Bukania	4	1
Carolyne Khasoa	4	1
Denson Barasa	4	1
Douglas Sasita	4	1
Wanyonyi Buteyo	4	1
Hon. Moses Opicho	4	1

Term of Board Members

The term of the board is outlined under the urban areas and cities Act 2011. The members serve for a term of five years' renewable once. The board members were appointed on 15th August 2019 and their five-year period will expire on 15th August 2024, renewable once.

Compliance to law and other legal requirements.

Kimilili Board of Municipality is a responsible corporate citizen and is alive to the tenets of the constitution of Kenya and is fully compliant with the provisions of the Urban areas and Cities Act 2011 under which the board is established. The board also ensures compliance to the other fiduciary Acts

Board Remuneration

As per the PFM act, 2012 section 195 (2), the remuneration payable allowances to the members of the Board are determined by the salaries and remuneration commission. Details of the Board and Committee allowances are included in these financial statements.

Conflicts of interests and declaration of interest.

The board members have established duty to avoid situations in which they have or may have interests that conflicts with those of the board. Board members are obligated to disclose to the board any real or potential conflicts of interest which may come to their attention whether direct or indirect. During board meeting, an agenda item exists which requires members to make a declaration of any conflicts of interest they may have in the business to be discussed.

Board Charter

The Board is still using the Municipality of Kimilili Municipal charter. It's in the process of developing it's on board charter, provided in Mwongozo Code and best cooperate governance practises.

Board Evaluation

The performance of the board and its members is to be evaluated on a regular basis. We should do the evaluation at the end of the year June 2024.

9. Management Discussion and Analysis

Summary of overall program performance.

The Municipality was supported by the county Government through the county treasury by way of transfer of funds for conditional use of Grant funds and equitable share allocation. The funds were channelled to the Kenya Urban special purpose account of the Municipality, which was budget for and approved by the county assembly. During the year the board received Kshs.60, 402,326 being a recurrent of Kshs.25, 626,884 and Development of Kshs.34, 775,442;

Indicating an absorption of 91% and 28% respectively. This was attributed by prolonged Procurement process and delay in exchequer release.

Summary of Financial results against the budget.

Programme Name		Approved Budget Allocation	Actual Expenditure
	2023/2024		2023/2024
RECURRENT		28,045,268	25,626,884
SP 1.1: Human resource development and management		13,811,045	12,085,604
SP 1.2: Institutional accountability, efficiency and effectiveness in service delivery		2,575,000	2,412,200
SP 1.3: Research and Development Services			
SP 1.4: Administrative services			
SP 1.5: Capacity Development		11,659,223	9,262,780
SP 1.6: Purchase of Computers and laptops			
SP 1.7: Purchase of Office Furniture, Fittings and General Equipment for municipal offices			
DEVELOPMENT		122,654,740	38,767,072
Upgrading of urban roads to low seal tarmac and round about at the T-junction.		114,404,740	30,594,126
Construction and upgrading of Urban Public Sanitation Facilities for bus park, Monday and Thursday markets, auction ring.			
Street lights installation and maintenance		6,000,000	5,980,818
Urban greening and Beautification		2,250,000	2,192,128

The key board projects or investments decisions implemented during the year 2023-2024 include among others;

For the year 2023/ 2024:

- a) Upgrading of Mkulima – Nasusi(Phase I) Road to Bitumen standards- Ksh, 16,442,327.99
- b) Payment of Tax on Consultancy services-Kshs.250,000
- c) Installation of Highmast Lights at Chebukwabi and Nasusi-Kshs 5,980,818.20.
- d) Urban Greening and Beautification-Ksh.2,192,128.
- e) Periodic Maintenance of Miruri SA-Babasaba Road-Ksh.3,573,670.
- f) Periodic Maintenance of Kibisi-Kamasielo Dispensary Road-Kshs.2,8993,651.90
- g) Periodic Maintenance of Nambaoni VTC-Topela Road.-Kshs.1,769,696.
- h) Construction and Protection of 8 No.water Springs in Kimilili-Kshs.1,900,000
- i) Proposed Erection and Completion works for Ablution Block at Bus Park-Kshs. 3,764,780

Summary of Program Compliance:

The municipality has fully complied with the legal requirements such as submission to statutory deductions to KRA and its internal policies and procedures. There were no instances of non-Compliance.

Major risks facing the Entity:

Major risks facing the Municipality in areas statutory and other financial obligation include inadequate and late disbursement of finances, legal constrains and political interferences. The view to move the organization to another level, the board is exploring to have more donors to fund the numerous infrastructural needs of the Municipality, look for partners and to drive integrated developments. The board has to explore ways of creating an inter-governmental forum to have a wholesome approach to Municipality's development.

10. Environmental And Sustainability Reporting

The Municipality of Bungoma exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the following pillars: putting the residents/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

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

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

-Institutional policy set in place for hiring employees. Guidelines on developing intents, needs assessment, hire process, placement.

Stakeholder engagement and creation of awareness.

Creation of skills inventory and done periodically to keep a brace with account of work at stake.

Aspects of two thirds gender rule most applicable during hiring of employees.

Improvement of employee working performance in terms of seminars, refresher courses, workshops and other relevant training bodies in career development, reward systems and appraisals, keeping compliance with Occupational Safety and Health Act of 2007.

4. Market place practices

The organisation should outline its efforts to:

- a) Responsible competition practice.
To ensure that officers must be conversant and be involved in every law or policy passed by the County Assembly. Compare and contrast with other established institutions with best practices for service delivery. All to be involved during formulation of policies and basic regulations on ant-corruption.
Be able to negotiate and navigate to make sure the political levels are fully involved accordingly.
- b) Responsible Supply chain and supplier relations
Ensure procurement procedure are well adhered in the accord with procurement and asset disposal Act 2015.
Payment of all supplies as per the required placement orders.
Maintain proper ethical business practices.
- c) Responsible marketing and advertisement
Follow requisite procedure during tendering and awards.
Making sure payment is done on time and within required period.

Product stewardship

To establish and identify your customers.

Maintain proper contacts and network frequently.

To develop a systematic Political, Education, Social, Talents and Economical interests.

5. Community Engagements

Article 1 of the Constitution provides that all the sovereign power belongs to the people.

Through Civic education and awareness, the community is well coordinate and included during program implementation.

Activities carried out like citizen fora meetings, public participation and stakeholder engagements impact positively on community engagements.

Set proper tools of engagement with community which include: -memoranda or letters participating in sector groups, petitions and municipal/County forums.

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 include promotion of urban governance and efficient service delivery, enhancement of urban infrastructural development, promotion of public participation and inclusivity in urban socio-economic development, promotion of accountability and transparency in sustainable resource management

Performance

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

Board Members

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

Auditors

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

By Order of the Board

.....

CPA Gabriel Kibiriti

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 Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of*

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

Approval of the financial statements

The City/Municipal/City's financial statements were approved by the Board on 27th September, 2024 and signed on its behalf by:

.....

Name: Joseph Mulama

Chairperson of the Board

.....

Name: CPA. Gabriel Kibiriti

Accounting officer of the Board

13. Report of the Independent Auditor (The Municipality of Kimilili)

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

	Notes	2023/24	2022/23
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	60,402,326	26,948,113
		60,402,326	26,948,113
Total revenue		60,402,326	26,948,113
Expenditure			
Use of goods and services	7	9,262,780	13,724,118
Staff costs	8	12,085,604	7,777,304
Board expenses	9	3,719,748	3,102,250
Depreciation and amortization	10	1,866,301	1,114,115
Total expenses		26,934,432	25,717,787
Surplus/(deficit) for the period		33,467,894	1,230,326

The notes set out on pages xxx to xxx form an integral part of these Financial Statements. The Municipality of Kimilili financial statements were approved on _____ 2024 and signed by:

.....

Name: CPA. Gabriel Kibiriti
Municipality Manager

.....

Name: Dona Chesang
Head of Finance
ICPAK M/No

15. Statement of Financial Position as at 30 June 2024

	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	11	1,285,430	8,095,500
		1,285,430	8,095,500
Non-current assets			
Property, plant, and equipment	12	111,830,713	30,781,334
Total Non-current Assets		111,830,713	30,781,334
Total assets A		113,116,143	38,876,835
Liabilities			
Current liabilities			
Trade and other payables	13	42,439,200	1,667,785
Total liabilities B		42,439,200	1,667,785
Net assets(A-B)		70,676,943	37,209,049
Represented By:			
Accumulated surplus		70,676,943	37,209,050
Total net assets and liabilities		70,676,943	37,209,050

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 _____ 2024 and signed by:

.....

Name: CPA. Gabriel Kibiriti

Municipality Manager

Date:

.....

Name: Dona Chesang

Head of Finance

ICPAK M/No

Date:

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

	Accumulated surplus	Total
	Kshs.	Kshs.
Balance as at 1 July 2022	35,978,724	35,978,724
Surplus/(deficit) for the period	1,230,326	1,230,326
Balance as at 30 June 2023	37,209,050	37,209,050
Balance as at 1 July 2023	37,209,050	37,209,050
Surplus/(deficit) for the period	33,467,894	33,467,894
Balance as at 30 June 2024	70,676,943	70,676,943

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

	Note	2023/2024	2022/2023
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	60,402,326	26,948,113
Total Receipts		60,402,326	26,948,113
Payments			
Use of goods and services	7	9,262,780	13,724,118
Staff costs	8	12,085,604	7,777,304
Board expenses	9	3,719,748	3,102,250
Total Payments		25,068,132	24,603,672
Net receipts /Payments from Operations			
Adjusted for:			
Increase/ (Decrease) in deposit and Retention/ Trade payments	14	40,771,415	(7,741,151)
Net cash flows from operating activities		76,105,609	(5,396,710)
Cash flows from investing activities			
Purchase of PPE & intangible assets		(82,915,679)	(22,486,514)
Net cash flows used in investing activities		(82,915,679)	(22,486,514)
Net increase/(decrease) in cash & cash equivalents		(6,810,070)	(27,883,224)
Cash And Cash Equivalents At 1 July 24	11	8,095,500	35,978,724
Cash And Cash Equivalents At 30 June 24	11	1,285,430	8,095,500

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

	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						
Transfers from the County Government	151,439,632	(739,624)	150,700,008	60,402,326	90,297,682	40%
Total Revenue	151,439,632	(739,624)	150,700,008	60,402,326	90,297,682	40%
Expenses					-	
Use of goods and services	19,588,464	(7,929,241)	11,659,223	9,262,780	2,396,443	79%
Board expenses	4,100,000	-1,525,000	2,575,000	2,412,200	162,800	94%
Staff Costs	13,551,168	259,877	13,811,045	12,085,604	1,725,441	88%
Depreciation and Amortization			-	1,866,301	(1,866,301)	%
Total Expenditure	37,239,632	(9,194,364)	28,045,268	25,626,884	2,418,384	91%
Surplus for the period	114,200,000	(8,454,740)	122,654,740	34,775,442	87,879,298	
Capital Expenditure	114,200,000	(8,454,740)	122,654,740	82,915,679	39,739,061	68%

Budget notes

(The actual transfers from the County Government were less than the budget due to delays in exchequer releases, this greatly impacted negatively contributing to accounts payable)

19. Notes to the Financial Statements

6. Transfers from the County Government

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfers from County Govt. – Development	20,754,740.00	1,194,559
Payments by County on behalf of the entity Recurrent	25,745,788.10	25,753,553
Payments by County on behalf of the entity Development	13,901,797.90	-
Total	60,402,326.00	26,948,113

7. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Utilities, supplies and services	64,438	146,936
Communication, supplies and services		298,000
Domestic travel and subsistence	1,426,400	6,376,975
Printing, advertising, supplies & services	400,000	
Training expenses		1,947,889
Hospitality supplies and services	3,032,300	3,519,120
Insurance costs		
Specialized materials and services	994,000	
Office and general supplies and services	997,500	395,039
Fuel and Lubricants	1,150,000	500,000
Routine maintenance – other assets		538,299
Other Operating Expense- Transfers to UIG	1,194,559	
Other operating expenses (Bank charges)	3,583	1,860
Total	9,262,779.62	13,724,118

8. Staff costs		
Description	2023/2024	2022/2023
	Kshs.	Kshs.
Salaries and wages	12,085,604	7,777,304
Total	12,085,604	7,777,304

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9. Board expenses

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Sitting allowances	382,500.	435,000
Induction and Training	3,337,248.	2,667,250
Total	3,719,748	3,102,250

10 Depreciation and amortization

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Property, plant and equipment	1,866,300.88	1,114,115.12
Total depreciation and amortization	1,866,300.88	1,114,115.12

Straight line 25% on Motor Vehicle, Computer and office equipment

11. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Current account	1,285,430.07	8,095,500
Total cash and cash equivalents	1,285,430.07	8,095,500

11.a Detailed analysis of the cash and cash equivalents are as follows:

		2023/2024	2022/2023
Financial institution	Account number	Kshs.	Kshs.
a) Current account			
Family Bank- Kimilili Municipality Urban Development Grant (UDG)	77000039020	1,119,039.22	6,427,715
Family Bank- Kimilili Municipality Special Purpose Retention account	77000042513	166,390.85	1,667,785
Grand total		1,285,430	8,095,500

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12. Property, Plant and Equipment						
Description	Capital	Work in progress	Building	Motor vehicles	Computers	Total
	Work & Civil works	(buildings, Roads, civil)				
	Shs	shs	Shs	Shs	Shs	Shs
As at 30 th June 2022	9,408,935.80	-	-	-	-	9,408,935.80
Additions	21,334,772.31				1,151,741.40	22,486,514
As at 30 th June 2023	30,743,708.11	-	-	-	1,151,741	31,895,450
Depreciation and impairment						-
Depreciation	768,592.70		-		345,522	1,114,115
NBV as at 30 th June 2023	29,975,115	-	-	-	806,219	30,781,334
As at 30 th July 2023	29,975,115.41	-	-	-	806,218.98	30,781,334.39
Additions	35,002,292.09	37,648,609	3,764,780	6,499,998	-	82,915,679
As at 30 th June 2024	64,977,407.50	37,648,609	3,764,780	6,499,998	806,219	113,697,013
Depreciation and impairment						-
As at July 2023	768,592.70	-	-	-	345,522.42	1,114,115.12
Depreciation During	1,624,435.19		-		241,866	1,866,301
Accumulated Depreciation	2,393,028	-	-	-	587,388	2,980,416
NBV as at 30 th June 2024	63,352,972	37,648,609	3,764,780	6,499,998	564,353	111,830,713

13. Trade and other payables from exchange transactions				
Description	2023/2024		2022/2023	
	Kshs.		Kshs.	
Retentions	166,391		1,667,785	
Accrued expenses	42,272,809			
Other payables (<i>Specify</i>)				
Total trade and other payables	42,439,200		1,667,786	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	42,439,200	100%	1,667,785	100%
Total	42,439,200	100%	1,667,785	100%

Accrued expenses relate to development projects undertaken but yet to be paid for by the County Government.

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14. Cash generated from operations

	2023/2024	2022/2023
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	33,467,893.60	1,230,325.58
Adjusted for:		
Depreciation	1,866,300.88	1,114,115.12
Gains/ losses on disposal of assets		
Interest income		
Finance cost		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in payables	40,771,414.74	1,667,785.11
Net cash flow from operating activities	76,105,609.22	4,012,225.81

1. General Information

The Municipality of Kimilili is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011(amended 2019) and The Municipal Charter on 24th day of May, 2018.Act. The Municipality is under the Bungoma County Government and is domiciled in Kenya.

The Municipality of Kimilili's principal activity is Development and service delivery

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*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Application of New and revised standards (IPSAS)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46:	<i>Applicable 1st January 2025</i>

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

iii. Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly on 22 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 17 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 xxx of these financial statements.

c) Property, plant and equipment

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

d) Intangible assets

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

e) Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

f) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

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

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.

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)
1	Late Submission of Financial Statement and Failure to Submit Prior Years Financial Statements	The Financial Statements of the Municipality were submitted late. This was the First time the Municipality was preparing independent Financial statements. At the time of reporting, the Municipality accountants were being trained by the County Treasury Financial Reporting Unit. The Financial Statements were subsequently prepared after the training on the reporting template. We undertake to prepare and submit the reports within stipulated timelines.	Resolved	
2	Inaccurate expenditure on Depreciation and Amortization	Management has taken note of the error under note 10 of the Financial Statements. The	resolved	

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County Government of Bungoma
Annual Report and Financial Statements for the year ended June 30, 2024

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)
		Statement of Financial Performance has a correct amount of depreciation of Ksh. 1,114,115. The amount of Ksh. 235,223 relates to depreciation charge of the civil works of Ksh. 9,408,936 that were recognized in the Financial Statements of the current year. Except for note 10, this error does not affect the accuracy of the statement of Financial Performance as at 30 th June, 2023. Management commits to correct this error under note 10 in the Financial Statements for 2023/2024.		
3	Inaccurate Cash and Cash Equivalent Balance	The correct cash and cash equivalents position as at 30 th June, 2023 was Ksh. 8,095,500. This was reported in the statement of Financial Position as at 30 th June, 2023. The notes	resolved	

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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)
		however captured the balance for Family Bank Development Grant of Ksh. 6,427,715 and erroneously omitted retention balance of Ksh. 1,667,785.11 at Family Bank. Management commits to correct the notes in the Financial Statements of 2023/24.		
4	Inaccurate Cash and Cash Equivalents Balance	The difference of Ksh. 9,173,712 related to the net book value of civil works recognized during the Financial Year 2022/2023. This balance was erroneously omitted under note 12. The correct amount of non-current assets net book value of Ksh. 30,781,334 was correctly disclosed in the Statement of Financial Position as at 30 th June, 2024. Management commits to	resolved	

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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)
		revise the notes in the subsequent Financial Reports of the Municipality		
5	Inaccurate Opening Accumulated Surplus Balance	The accumulated surplus of Ksh. 35,978,724 related to bank balance held at Family Bank for Kimilili Municipality Urban Development Grant at the beginning of the year. This was the sole opening balance as indicated in the Trial Balance as at 1 st July, 2022.	resolved	
6	Inaccurate Statement of Cash Flows	The balance under note 14 erroneously omitted Retention balance of Ksh. 1,667,785 held at the Family Bank. The cash equivalent balance of Kshs, 35,978,724 was opening cash balance as at 1 July 2022. Attached is a copy of the bank certificate.	Resolved	

Guidance Notes:

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

.....

To be Signed by the Accounting officer of the Entity

*The Municipality of Kimilili
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Appendix 2: Inter-Entity Transfers

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

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

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

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Appendix 3. Trade Payables (Creditors)

DEVELOPMENT							
CONTRACTOR	DESCRIPTION	NEG. NO/INV NO.	BUDGET	DUE TO CONTRACTOR	CATEGORY	CONTRACT/ LPO/LSO NO.	CONTRACT/ LPO/LSO DATE
Barmac Ltd	Periodic Maintenance of Apostolic Church-Kaptola-Nakhobani Road	1380770	3,800,000	3,677,113	ROAD	1380770-2023/2024	2/02/2024
Jadefrost Construction Co. Ltd	Periodic Maintenance of Mwangale Matili RC Road	1380772	2,924,592	2,919,720	ROAD	1380772-2023/2024	2/02/2024
Barmac Ltd	Periodic Maintenance of Bahai-Chelekei Road	1380774	3,325,000	2,842,533	ROAD	1380774-2023/2024	2/02/2024
Piusrobi Investments	Periodic Maintenance of DC-Catholic-Thursday Market Road	1390035	1,500,000	1,499,500	ROAD	1390035-2023/2024	22/03/2024
Wekesa Communication Services Limited	Periodic Maintenance of Riziki Slaughter House Road	1446915	3,250,000	2,669,740	ROAD	1446915-2023/2024	14/03/2024
Eliya Limited	Periodic Maintenance of Namaraya-Antoni-Pius Kisiangani Road	1470056	4,750,000	4,686,295.60	ROAD	1470056-2023/2024	11/04/2024
Alloni Enterprises	Periodic Maintenance of Bahai School-Number Nane-Namarambi Road	1470046	3,325,000	3,318,852.80	ROAD	1470046-2023/2024	11/04/2024
Lussio Construction Company	Proposed Erection and Completion for 1 N0. ECDE Classroom at Kimilili FYM Primary	1465945	1,425,000	1,425,000	BUILDING	1465945-2023/2024	11/04/2024
Blue Magma Limited	Proposed Erection and Completion works for Abolution Block at Thursday Market	1470038	3,091,120	3,091,120.00	BUILDING	1470038-2023/2024	11/04/2024

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Gloptic Designs&Engineering Ltd	Proposed Erection and Completion for Maternity Ward at Kambini Dispensary	1380757	2,846,160	2,791,325	BUILDING	1380757-2023/2024	2/02/2024
Mujana Link Investments	Pipeline Extension from Chebukwabi –Khwiroro Junction-Miruri Primary	1446907	2,850,000	2,842,500	WATER	1446907-2023/2024	22/03/2024
Marton Agencies	Upgrading of Kimilili FYM Primary Borehole and Pipeline Extention to Tembatemba	1470237	2,850,000	2,202,780	WATER	1470237-2023/2024	11/04/2024
Fellow Enterprise Limited	Upgrading of Maeni Co-operative Borehole	1470359	2,850,000	2,750,000	WATER	1470359-2023/2024	11/04/2024
Lweya(K)Ltd	Construction and Protection of 4. NO.Water Springs in Kimilili	1380723	950,000	932,129.60	WATER	1380723-2023/2024	02/02/2024
				37,648,609			
RECURRENT							
Muhasa Construction	Supply and Delivery of Fungicides, Sprays and Public Health Items	1356442	500,000	498,000	Use of goods	3121577	25/10/2023
Lamnas Investors Limited	Supply and Delivery of Sanitary and Cleaning Items	1356436	500,000	496,000	Use of goods	3121574,3121575, 3121576	25/10/2023
Lasaha General Enterprises	Supply and Delivery of General Office Supplies	1356424	1,000,000	997,500	Use of goods	3121571,3121572, 3121573	25/10/2023
Alfit Investors Limited	Supply and Delivery of Catering Items	1356421	500,000	497,000	Use of goods	3121568.3121569, 3121570	25/10/2023
Siritamu Resort&Spa	Catering Services		500,000	100,000	Use of goods	1173320	14/11/2023
Hotel Itoya	Full day conference for 6 days		500,000	148,400	Use of goods	1173319	6/10/2023
Prinias Hotel	Outsourcing of conference Services.	1173323	500,000	250,000	Use of goods	1173323	3/01/2024
Kika Hotel	Outsourcing of catering services	1769863	1,869,531	325,000	Use of goods	1769863	
Prinias Hotel	Outsourcing of conference Services.		1,869,531	372,500	Use of goods	5390	12/22/2023

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Snowline Resort Kimilili	Fullday conference and hall hire		500,000	297,000	Use of goods	037/038	14/9/2023
County Green Hotel	Fullday conference and hall hire		500,000	57,800	Use of goods	1663904	18/7/2022
African Touch Safaris	Air tickects		240,000	185,000	Use of goods		
Standard Group	Advertisement for Tender		680,000	400,000	Use of goods	1173318	19/92023
				4,624,200			
TOTAL				42,272,809			

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Appendix 4: Certificate of Balances.

**4.001 Certificate of balance account: Kimilili Municipality Urban Development Account no. 077000039020 as at 30 June 2023.
:Kimilili Municipality Special Retention Account no. 077000042513 as at 30 June 2023**

Family Bank
With you, for life

FAMILY BANK LIMITED
BUNGOMA BRANCH
P.O BOX 74145 -00200
24th June 2024

COUNTY GOVERNMENT OF BUNGOMA
KIMILILI MUNICIPALITY
P.O Box 700-50200 Kimilili
Email:kimililiboard@gmail.com

Dear Sir/Madam,

RE: CERTIFICATE OF BANK BALANCE – ACCOUNT 077000039020 KIMILILI MUNICIPALITY-URBAN DEVELOPMENT GRANT(UDG)

In reference to your letter dated 24th June 2024, on the above, herein below see our findings.

Account balance as at 30th June 2023 was:

ACCOUNT NUMBER	BALANCE
077000039020	6,427,715.03

For any clarification, kindly contact the undersigned.

Regards,
For and on behalf of Family Bank Limited.
BUNGOMA BRANCH
Operations Supervisor
Jackline Gachanja
Manager

BRANCH OPERATIONS SUPERVISOR -BUNGOMA

Family Bank Ltd. Head Office, Family Bank Towers.
P.O. Box 74145 - 00200 Nairobi,Muindi Mbingu Street

*The Municipality of Kimilili
County Government of Bungoma
Annual Report and Financial Statements for the year ended June 30, 2024*



FAMILY BANK LIMITED
BUNGOMA BRANCH
P.O BOX 74145 -00200

24th June 2024

COUNTY GOVERNMENT OF BUNGOMA
KIMILILI MUNICIPALITY
P.O Box 700-50200 Kimilili
Email:kimililiboard@gmail.com

Dear Sir/Madam,

**RE: CERTIFICATE OF BANK BALANCE – ACCOUNT 077000042513-SPECIAL
RETENTION ACCOUNT**

In reference to your letter dated 24th June 2024, on the above, herein below see our findings,

Account balance as at 30th June 2023 was:

ACCOUNT NUMBER	BALANCE
077000042513	1,667,785.11

For any clarification, kindly contact the undersigned.

Regards,

For and on behalf of Family Bank Limited.


Operations Supervisor
Manager

Jackline Gachanja

BRANCH OPERATIONS SUPERVISOR -BUNGOMA

*The Municipality of Kimilili
County Government of Bungoma
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**4.002 Certificate of balance account: Kimilili Municipality Urban Development Account no. 077000039020 as at 30 June 2024
:Kimilili Municipality Special Retention Account no. 077000042513 as at 30 June 202**

						
		FAMILY BANK LIMITED BUNGOMA BRANCH				
		P.O BOX 74145 -00200				
		04 th July2024				
 COUNTY GOVERNMENT OF BUNGOMA KIMILILI MUNICIPALITY P.O Box 700-50200 Kimilili Email:kimililimunicipality.go.ke						
REF CG/BGM/KMB/COR/VOL1/1						
 Dear Sir/Madam,						
• <u>RE: CERTIFICATE OF BANK BALANCE – ACCOUNT 077000039020 KIMILILI MUNICIPALITY-URBAN DEVELOPMENT GRANT(UDG)</u>						
 In reference to your letter dated 4 th July 2024, on the above, herein below see our findings,						
Account balance as at 30 th June 2024 was:						
<table border="1"><thead><tr><th>ACCOUNT NUMBER</th><th>BALANCE</th></tr></thead><tbody><tr><td>077000039020</td><td>1,669,067.02</td></tr></tbody></table>			ACCOUNT NUMBER	BALANCE	077000039020	1,669,067.02
ACCOUNT NUMBER	BALANCE					
077000039020	1,669,067.02					
 For any clarification, kindly contact the undersigned.						
Regards,						
For and on behalf of Family Bank Limited.						
 FAMILY BANK LTD BUNGOMA BRANCH Operations Supervisor M-n-g-j						
Jackline Gachanja						
 <u>BRANCH OPERATIONS SUPERVISOR -BUNGOMA</u>						
 Family Bank Ltd. Head Office, Family Bank Towers. P.O. Box 74145 - 00200 Nairobi,Muindi Mbingu Street						

*The Municipality of Kimilili
County Government of Bungoma
Annual Report and Financial Statements for the year ended June 30, 2024*



FAMILY BANK LIMITED
BUNGOMA BRANCH

P.O BOX 74145 -00200

04th July 2024

COUNTY GOVERNMENT OF BUNGOMA
KIMILILI MUNICIPALITY
P.O Box 700-50200 Kimilili
Email:kimililimunicipality.go.ke

REF CG/BGM/KMB/COR/VOL1/1

Dear Sir/Madam,

**RE: CERTIFICATE OF BANK BALANCE – ACCOUNT 077000042513 KIMILILI
MUNICIPALITY-SPECIAL PURPOSE RETENTION ACCOUNT**

In reference to your letter dated 4th July 2024, on the above, herein below see our findings,

Account balance as at 30th June 2024 was:

ACCOUNT NUMBER	BALANCE
077000042513	166,390.85

For any clarification, kindly contact the undersigned.

Regards,

For and on behalf of Family Bank Limited.

FAMILY BANK LTD.
BUNGOMA BRANCH
Operations Supervisor
M. N. G. J.

Jackline Gachanja

BRANCH OPERATIONS SUPERVISOR -BUNGOMA

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Urban Development Grant (UDG)

REPUBLIC OF KENYA

BANK RECONCILIATION

As at 30.06.24 Station Kimilili Municipality

Sh	cts	Sh	cts	Sh	cts
Balance as per bank certificate				1667067	00
Less					
1. Payment in cash book not yet recorded in bank statement (unpresented Cheques)				-550028	00
2. Receipts in bank statement not yet recorded in cashbook					
Add					
3. Payment in bank statement not yet recorded in cash book					
4. Receipts in cash book not yet recorded in bank statement					
Bank Balance as per cash Book				1119029	00

I certify that I have verified the bank balance in the cash book with statement and that the above reconciliation is correct

Signature [Signature] Designation Accountant Date 30.06.24

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK (UNPRESENTED CHEQUES)				2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK					
Cheques		Payee	Amount		Cheque		Payee	Amount	
No	Date		Sh	Cts	No	Date		Sh	Cts
		Pisona2	492298	=					
		Retention	57730	=					

The Municipality of Kimilili
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Appendix 005 Trial Balance					
Kimilili Municipality					
Trial Balance AS AT 30TH JUNE, 2024					
		Current Period 2023-2024		Current Period 2022-2023	
	Description	Debit	Credit	Debit	Credit
		KShs.	KShs.	KShs.	KShs.
Revenues	County Government		20,754,740		1,194,559
	In kind Payments from the county Governemnt		39,647,586		25,753,553
				-	
Payment or Expenditures	Staff Costs				
	Basic salaries of permanent employees	12,085,604		7,777,304	
	Sub Total	12,085,604	-	7,777,304	-
	Use of goods and Services				
	Utilities, supplies and services	64,438		146,936	
	Communication, supplies and services			298,000	
	Domestic travel and subsistence	1,426,400		6,376,975	
	Printing, advertising, supplies & services	400,000			
	Training expenses			1,947,889	
	Hospitality supplies and services	3,032,300		3,519,120	
	Specialized materials and services	994,000			
	Office and general supplies and services	997,500		395,039	
	Fuel and Lubricants	1,150,000		500,000	
	Routine maintenance – other assets			538,300	
	Other Operating Expense- Transfers to UIG	1,194,559			
	Other operating expenses (Bank charges)	3,583		1,860	
	Sub Total	9,262,780	-	13,724,119	-
	Board Expenses.				
	Sitting allowances	382,500		435,000	
	Induction and Training	3,337,248		2,667,250	
	Sub Total	3,719,748	-	3,102,250	-
	Depreciation and amortization				
	Property, plant and equipment	1,866,301		1,114,115	
	Sub Total	1,866,301	-	1,114,115	-
	Acquisition of Assets				
	Property, Plant and Equipment	111,830,713		30,781,334	
	Sub Total	111,830,713	-	30,781,334	-
	TOTAL AMOUNT	138,765,145	-	56,499,123	-
Cash and Cash Equivalents	Bank Accounts				
	Family Bank- kimilili Municipality Urban Development Gra	1,119,039		6,427,715	
	Accumulated Surplus Fund BFWD		37,209,050		35,978,724
	Family Bank- Kimilili Municipality Special Purpose Retentio	166,391		1,667,785	
	Trade and other payables from exchange transactions		42,439,200		1,667,786
	Total	140,050,575.43	140,050,575.43	64,594,623	64,594,623
			-		-
	Prepared by:G. Wafula.....	Designation:.....Accountant.....	Date:30/06/2024.....		
	Approved by:.....Gabriel Kibiriti.....	Designation:.....Manager.....	Date:30/06/2024.....		