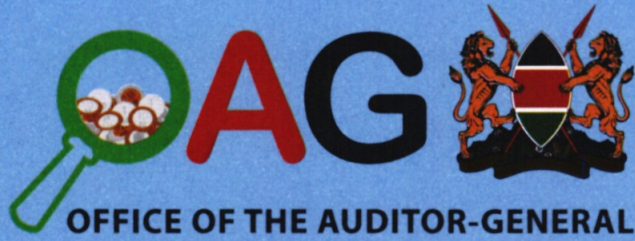
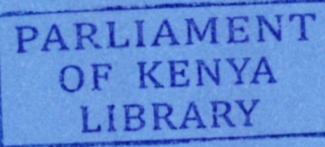


REPUBLIC OF KENYA



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REPORT



OF

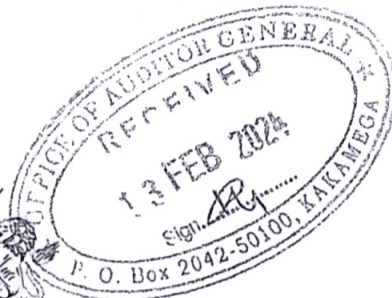
THE AUDITOR-GENERAL

ON

BUNGOMA MUNICIPALITY

**FOR THE YEAR ENDED
30 JUNE, 2023**

DATE	26/06/2024
TABLED BY	Maj. Leader
COMMITTEE	
CLERK AT THE TABLE	Innocent



BUNGOMA MUNICIPALITY
County Government of Bungoma

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

*County Government of Bungoma
 Bungoma Municipality
 Annual Report and Financial Statements for the year ended June 30th, 2023*

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1. Acronyms & Glossary of Terms

Insert acronyms and glossary of terms used in the report e.g.

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

a) Background information

Bungoma Municipality was established on 5th January, 2018 by Bungoma County Government after its charter being ratified by the County Assembly of Bungoma. It derives its authority and accountability from the Urban Areas and Cities Act, 2012 and is an agency of the County Government of Bungoma, domiciled in Kenya.

The Municipality is charged with the responsibility of prudently managing the municipal economy to facilitate socio-economic development, management and control of public financial resources. The Cities and Urban Areas Act, 2012 provides for the establishment of urban management structures including Cities and Municipal Boards as well as Town Committees. Bungoma County in compliance with this law established a municipal board for the management of the Municipality.

Economic growth has been accompanied by rapid urbanization; nonetheless, Kenya remains under urbanized implying that Kenya can still leverage the benefits of urbanisation for improving economic opportunities and living conditions. The Government of Kenya has recognized the need to manage urbanization as part of its overall development strategy. Kenya vision 2030 highlights rapid urbanization as one of the four key challenges facing the country.

b) Principal Activities

The Municipality's principal activity is to facilitate a sustainable urbanization process through an integrated urban and regional planning management framework of Kenyan urban centres and towns. Aligned to that goal, the Municipality identifies a series of investment programs to enhance Infrastructure, connectivity and accessibility, safety and security. Developing the basic institutions required for effective urban management is critical to deliver these investments and for urbanization to contribute to the sustainable growth in Kenya as highlighted in our vision and mission below.

Vision:

A thriving, safe, and cosmopolitan Municipality.

Mission:

To enhance the quality of life of all people in Bungoma through a development system of the Municipality and rendering efficient, effective and affordable service.

c) Key Management

Ref	Position	Name
1.	Chairperson of the Board	Ms. Jacqueline P. Malomba
2.	County Executive Committee Member responsible for Cities and Urban areas.	Arch. Douglas W. Sasita
3.	Board Member 1	Hon. John B. Munyasia
4.	Board Member 2	Hon. Edith Shitandi
5.	Board Member 3	Hon. Justus B. Mbinga
6.	Board Member (C.O, H&M)	Mr. Denson W. Barasa
7.	City/Municipality Manager	C.P.A Gabriel W. Kibiriti

d) Key Management

Ref	Position	Name
1	City/Municipality Manager	C.P.A Gabriel W. Kibiriti.
2	Directors/Head of departments	-Administration & Human Resource. -Finance, Accounting & Procurement. -Physical Planning. -Environment, Public Health & Sanitation.

e) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2023 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

f) Registered Offices

P.O. Box 437-50200,
Public Works Buildings,
Huduma Centre – Bungoma Tourist Road,
Bungoma, Kenya.

g) Contacts

Telephone:(254) 700-892013
E-mail: bungomamunicipality@bungoma.go.ke
Website: bungoma.go.ke

h) Bankers

1. Central Bank of Kenya,
Haile Selassie Avenue,
P.O. Box 60000-00200,
Nairobi, Kenya.
2. Family Bank of Kenya,
P.O.Box -50200,
Bungoma, Kenya.



i) Independent Auditor



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

j) Principal Legal Adviser

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

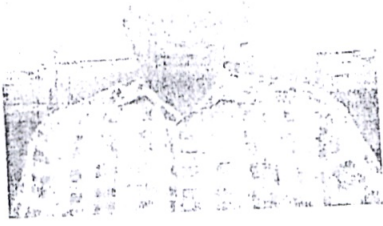


3. City/Municipality Board

Name	Details of Qualifications and Experience
<p>1. Ms. Jacqueline P. Malomba</p> 	<p>D.O.B – April, 1970.</p> <p>Graduate in Business Leadership Management at Strathmore University and an MBA holder in Global Business Sustainability. Certified Professional Coach (ICF). Zuri Awards 2019 Winner Community Impact. Founder & Consultant (AWC) Accredited Member Fremwise. Empretec, UNCTAD Program-Graduate & Certified Business Master Mentor. Board Member on several Boards of Institutions. Chairperson of Bungoma Municipal Board.</p> <p><mailmalomba@gmail.com></p>
<p>2. Arch. Douglas W. Sasita C.E.C.M.</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. ▪ Senior Architect-Undersign Architects and Interior Designer for Graduate Studio Infinity Architects.




<p>3. Hon. John B. Munyasia</p> 	<p>D.O.B – January, 1949.</p> <p>Holder of Master’s degree in International Relations and Diplomacy from Masinde Muliro University; Post Graduate Diploma in Strategic Studies from the University of Nairobi. Bachelor of Education-Makerere University and Cambridge Higher School Certificate.</p> <p>Key work experiences held include:</p> <ul style="list-style-type: none">▪ Bungoma County Government C.E.C.M for Lands Urban & Physical Planning and Housing and Sanitation;▪ Director at Nzoia Sugar Company;▪ Political Officer with British High Commissioner;▪ Member of Parliament for Sirisia Constituency;▪ Branch Executive Secretary of KNUT;▪ Member Institute of Directors and Chair - Kavirondo Readers Trust.
<p>4. Hon. Edith Shitandi</p> 	<p>D.O.B – December, 1965.</p> <p>Diploma holder in Public Administration; Certificate in Social Work.</p> <p>Key work experiences held:</p> <ul style="list-style-type: none">▪ Deputy Mayor- Bungoma Municipal Council;▪ Nominated Member of County Assembly - Bungoma County;▪ Secretary – Posh Marketing & Communication Services. <p><edithshitandin@gmail.com.></p>

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<p>5. Hon. Justus B. Mbinga</p> 	<p>D.O.B – July 1970. Diploma holder in Public Administration and in Shipping Warehousing and Clearing & Forwarding. Certificate of Participation-Health Development Council and Government Trainings Institute. Other key training include: UN Habitat training on slum upgrading in RIO DE; World leaders forum on capacity building for Mayors; Improvement on service delivery on Cities and Municipalities (Mexico); Seminar on Constitutional making and devolution; Green solutions and sustainable development.</p> <ul style="list-style-type: none"> ▪ Councillor and Mayor of Municipal Council of Bungoma.
<p>6. Mr. Denson W. Barasa</p> 	<p>D.O.B – 1978. Holder of Bachelor of Education Arts degree from the University of Nairobi. Chief Officer - Housing, Urban Areas and Municipalities, Trade, Energy and Industrialization, Public Service Management and Administration, Other key work experience:</p> <ul style="list-style-type: none"> ▪ Director of studies and Deputy Principal - Kibabii High School; ▪ Board Member on several public institutions.
<p>7. Manager/Secretary C.P.A Gabriel W. Kibiriti</p> 	<p>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 Campus Municipal manager - Bungoma Municipality; Teaching at 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>

4. Key Management Team

Name	Details of qualifications and experience
<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</p> <p>Bachelor’s degree in Business Management from Masinde Muliro University of Science and Technology</p> <p>CPA (K) - KCA Kisumu Campus</p> <p>Municipal Manager - Bungoma Municipality</p> <p>Teaching at Kibabii University and Sang’alo Institute</p> <p>Finance officer - St Pauls Miluki secondary school</p> <p>Enumeration clerk - Kenya Bureau of Statistics</p> <p>Clerical officer - Mastermind Kenya Ltd.</p>
<p>Mr. Caleb K. Simiyu</p> 	<p>D.O.B – February, 1979.</p> <p>Holds a Bachelor of Commerce in Human Resource Development from Masinde Muliro University of Science and Technology.</p> <p>14 years of work experience in administration and 2 years in community work.</p> <ul style="list-style-type: none"> ▪ Senior management trainings; ▪ Office management & co-ordination; ▪ Policy formulation.
<p>Mr. Wekesi F. Micheal</p> 	<p>D.O.B – July, 1987.</p> <p>Holder of Bachelor of Science degree in Mathematics from Jomo Kenyatta University of Agriculture & Technology and ACCA finalist.</p> <p>Highly competent professional with over 13 years of experience gained in both public and private entities having worked as M&E officer, Data analyst, research analyst and consultant.</p> <ul style="list-style-type: none"> ▪ Proven Financial Management experience; ▪ Focused understanding of Monitoring and Evaluation frameworks / Statistical modelling and methods, Research initiatives and its applications /Business analytics / Strategic planning /Project management.

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Mr. Andrew B. Keya



D.O.B – February, 1988.

Holder of Bachelor of arts degree in urban and regional planning from Maseno University.

7years of working experience as a physical planner with the County Government of Bungoma.

5. Municipality Board Chairperson's Report

It is my pleasure to present to you my remarks of the financial performance of the Bungoma Municipal Board. Bungoma County Government established this Board upon realization that there is need to spur economic growth of the people of Bungoma by improving on infrastructure and creating a clean and viable enabling environment for its citizens.

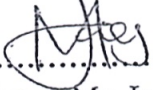
The Board members appointed by His Excellency the Governor manages the Municipality and during the year, they were no changes of board members. In the year ended 30 June 2023, the Board had projected revenues of Kshs.145, 730,935 from Donors KUSP and county government of which KShs.31, 896,568.75 was received. The total expenditure budget for the financial year was Kshs.78, 001,154 and total actual expenditure amounted to Kshs.61, 529,750.85, representing 78.9% budget absorption. Out of the total expenditure, Kshs.30, 441,731.85 was general administration expenditure while KShs.31, 088,019 was development expenditure.

In the financial year 2023/2024, the Municipal Board of Bungoma has a total budget of Kshs. 216,257,800 of which, recurrent is Kshs. 28,745,800 and development is Kshs. 187,512,000. The budget intends to fund various project, which include:

- Upgrading of access roads and other ward development fund projects within the Municipality.
- Construction of modern market stalls and bus park.
- Rehabilitation of stormy water drainage works
- Construction modern auction ring and sanitation facilities
- Acquisition of land

During the year, the Municipal board undertook the project improving the Municipality roads network by upgrading one of the access roads to bituminous standards, hence boosting the look of the town and promoting ease movement.

Implementation challenges of strategic objectives for the County municipal board included the following: - Inadequate and delayed funding, high poverty level, political interference in project prioritization and implementation, delay in the procurement processes among other challenges.


.....
Name: Ms. Jacqueline P. Malomba
Chairperson of the Board

6. Report of the Municipality Manager

It is my pleasure to present the Bungoma Municipal board financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010, under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. The Bungoma Municipal is established under the urban areas and cities act 2016.

Financing of the Municipal Board

It is majorly funded by Kenya urban support programme through CARA.

Financial Performance

a) Revenue

In the year ended 30th June 2023, the Board had projected revenues of Kshs.145, 730,935 from KUSP donors through Cara and the county government of which KShs.31, 896,568.75 was received.

b) Payments

The total expenditure budget for the financial year was Kshs.78, 001,154 and total actual expenditure amounted to Kshs 61, 529,750.85 representing 78.9% budget absorption. Out of the total expenditure, Kshs. 30, 441,731.85 was general administration expenditure while Kshs. KShs.31, 088,019 was development expenditure.

c) Bungoma Municipality Projects

The project undertaken by the Municipal board that include on delivering all our mandated objectives was to upgrade phase I of Pamus – Muyayi – Ndengelwa road to bituminous standard.

d) Challenges

Implementation challenges of strategic objectives for the Municipal Board of Bungoma included the following: - Inadequate and delayed Government funding, high poverty levels, political interference in project prioritization and implementation, inadequate infrastructure and delay in procurement processes among other challenges.

e) Future Outlook

In the financial year 2023/2024, the Municipal Board of Bungoma has a total budget of Kshs. 216,257,800 of which, recurrent is Kshs. 28,745,800 and development is Kshs. 187,512,000. The budget intends to fund various project, which include:

- Upgrading of access roads and other ward development fund projects within the Municipality.
- Construction of modern market stalls and bus park.
- Rehabilitation of stormy water drainage works
- Construction modern auction ring and sanitation facilities
- Acquisition of land

f) Key Risk Management Strategies

The Management employs robust risk management strategies. While Risk Management has not matured in the Bungoma Municipal Board, the Management has developed the following structured approach in identifying and managing risks;

- a) Risk registers, based on a standardised methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the municipal board.
- b) Risks are identified, assessed, evaluated, responded to depending on the risk ranking and monitored. Depending on the ranking of the risk, the management employs the following strategies as per the Approved Risk Management Policy Framework of the County;
 - i. Risks ranked as high – The event creating the risk is immediately stopped and a comprehensive action plan immediately prepared with appropriate risk responses that include transferring the risks, avoiding the risk or reducing the risk
 - ii. Risks ranked as significant – An action plan is developed and action taken within three months. The approved actions include transferring the risks, avoiding the risk or reducing the risk

- iii. Risks ranked as moderate - An action plan is developed and action taken within six months. The approved actions include transferring the risks, avoiding the risk or reducing the risk. Where such risks are accepted, a contingency plan is immediately developed
 - iv. Risks ranked as low - An action plan is developed and action taken. The approved actions include reducing the risk or accepting the risks where it is deemed to be cost-effective. The risks ranked low are continuously monitored so as to assess the changed status
- c) We have continuously enhanced our internal systems to mitigate risks such as fraud, poor service delivery, failed targets among others and to improve efficiency and effectiveness.



.....
Name: C.P.A Gabriel W. Kibiriti

Municipality Manager

7. Statement of Performance against Predetermined Objectives for the FY 2022/2023

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government Fund's performance against predetermined objectives.

Bungoma Municipality as established on 5th January, 2018 by Bungoma County Government after its charter being ratified by the County Assembly of Bungoma, derives its authority and accountability from the Urban Areas and Cities Act, 2012 and is an agency of the County Government of Bungoma, domiciled in Kenya. The Municipality is charged with the responsibility of prudently managing the municipal economy to facilitate socio-economic development, management and control of public financial resources.

The key development objectives of the Municipality are to provide quality physical urban infrastructure; enhance the urban economy, environment and human social services leading to the growth of opportunities created, improved wellness and safety, quality living environment and good governance as highlighted in the Municipality strategic plan of 2020 - 2024 financial years.

During the year under review, the Municipality budgeted for KShs 109,887,700 that was to be financed by the KUSP and KShs 35,843,235 by the County Government. As at the closure of the year, KShs 31, 896,568.75 had been received leading to an underperformance. The budget was also financed by KShs 42, 220,905 donor funds brought forward from the previous FY budget. The activities of the Municipality were also financed by KShs 28, 898,381.85 that were payments made by the County Government.

Program	Objective	Outcome	Indicator	Performance
Urban Governance	To control urban development	To create orderly development in urban areas	Number of developments plan approved	In FY under review we increased....

County Government of Bungoma

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Program	Objective	Outcome	Indicator	Performance
			No. of policies / regulations / by-laws reviewed and developed	
Urban Infrastructure Development and Management	-	-	-	0.8 KMs of Municipality access road upgraded to bituminous standard in the FY of review
Urban Environment, Health, Culture and Social Services				No progress encountered due to lack of allocation of funds

The Municipality has experienced various challenges, the key challenge of which was the delayed and limited financing. This has largely been caused by lack of allocation towards the Municipality development plans from the exchequer. The Management has since reviewed the situation and the challenge is not expected to affect our operations in the near future. The improved budget allocation is expected to lead to better implementation of Municipality development plans hence enhancing the entity's absorption of the funds.

Financial Performance

As discussed above, the Municipality budgeted for KShs. 109,887,700 that was to be financed by KUSP and KShs. 35,843,235 by the County Government of Bungoma. As at the closure of the year, KShs. 31,896,568.75 had been received by the Entity leading to an underperformance. The budget was also financed by Donor funds brought forward of KShs. 42,220,905. The activities of the Municipality were also financed by KShs. 28,898,381.85 that were payments made by the County Government.

Major Challenges

The Municipality has experienced various challenges, the key challenge of which was the delayed and or limited financing especially from the exchequer. High poverty levels, political interference in project prioritization and implementation were key challenges among others. These have largely been caused by lack of allocation towards the Municipality development plans from the exchequer. The Management has since reviewed the situation and the challenge is not expected to affect our operations in the near future.

Risk Management

Risk management is an essential corporate governance requirement because certain information about key programmes' cost and performance are often unknown until late in the implementation stage. The Fund has not fully entrenched risk management. However, the Fund has adopted the Approved Risk Management Policy Framework of the County Government. The management undertakes to establish an audit and risk management committee whose mandate shall be to develop action plans to address major risks.

Internal Control Framework

The primary objective of the Municipality internal control framework is to continuously come up with measures to attain accountability and the Entity's objectives while meeting stakeholders' expectations. The Municipal Manager is accountable for maintaining a sound system of internal controls to ensure the accomplishment of established objectives and goals for operations; the

economic use of resources; the reliability and integrity of information; compliance with policies, plans procedures, rules and regulations and the safeguarding of assets.

Review of Effectiveness

The Municipality reviews its internal control using the COSO Internal Control – Integrated Framework, 2013. The Framework identifies five components of internal control, three of which have been discussed in detail hereunder. The review of the effectiveness of the system of internal controls is mainly informed by:

- a) Control Activities – Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to achieve the its objectives. Control activities occur throughout at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.
- b) Information and Communication – Pertinent information must be identified, captured, and communicated in a form and timeframe that enables people to carry out their responsibilities. Information systems produce reports related to operational, financial, and compliance information that is reliable on a timely basis for submission to key stakeholders and economic decision makers.
- c) Risk Management – The Fund undertake risk management roles as explained on Page above.

8. Corporate Governance Statement

1) Composition of the board

The Bungoma Municipal board consists of representatives that serve on part time basis and are constituted from two main categories;

- 1) Three members appointed through a competitive process by the county public service board 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 and informal sector in the area.
 - c) A cluster representing registered neighbourhood association in the area.
 - d) An association of the Municipality and appointed by the county executive committee with the approval of county assembly. A total of 10 members. Up-to-date the Bungoma Municipality board has had the following members.

NO	NAME	GENDER	NOMINATING INSTITUTION	REMARKS
1	Ms. Jackie Malomba	F	Chamber of Commerce	Board chair
2	Hon. John Munyasia	M	Competitive Process	Member
3	Hon. Justus Mbinga	M	Competitive Process	Member
4	Hon. Edith Shitandi	F	Community Representative	Member
5	Hon. Jeremiah Kuloba	M	Informal sector	Resigned
6	Mr. Walinywa Mukhamule	F	Competitive Process	Deceased
7	Arch. Douglas Sasita	M	Professional Association	Resigned
8	C.P.A Gabriel Kibiriti	M	Municipal Manager	Board secretary
9	Ms. Christine Simiyu	F	CECM Representative	Member
10	Mr. Denson Barasa	M	Chief officer	Member

To complete the composition of the board there is need to appoint 3 more members from;

- a) A cluster representing registered association of the informal sector in the area.
- b) A cluster representing professional association in the area.
- c) Competitive process

However, the 7 members out of the 10 meet the threshold of two third quorum.

BOARD DIVERSITY

Members who have experience in accountancy, corporate governance, legal constitution, works and engineering and business establish the board.

ROLE AND RESPONSIBILITY OF THE BOARD MEMBERS

The powers, objectives and functions of the Municipality are stipulated in the Municipal charter (here with attached).

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	Ms. Jackie Malomba	✓ *	–	–	–	
2	Hon. John Munyasia	✓	✓	✓ *	✓	
3	Hon. Justus Mbinga	✓	✓ *	✓	✓	
4	Hon. Edith Shitandi	✓	✓	✓	✓ *	
5	Ms. Christine Simiyu	✓	✓	✓	–	
6	Mr. Denson Barasa	✓	✓	–	–	
7	C.P.A Gabriel Kibiriti	✓	✓	✓	✓	

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 75% of all board meetings. Below is an extract from the attendance register for the board meetings held in the period from 1st July 2022 to 30th June 2023.

NO.	MEMBERS	NUMBER OF MEETINGS ATTENDED
1	Jackie Malomba	5
2	Hon John Munyasia	5
3	Hon Edith Shitandi	5
4	Hon Justus Mbinga	5
5	Christine Simiyu	5
6	Denson Barasa	3
7	C.P.A Gabriel Kibiriti (Secretary)	5

County Government of Bungoma
Bungoma Municipality
Annual Report and Financial Statements for the year ended June 30th, 2023

8	Caleb Kshombe - In attendance	5
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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
Hon. John Munyasia	4	4
Hon. Edith Shitandi	4	4
Hon. Justus Mbinga	4	4
Ms. Christine Simiyu	4	4
C.P.A Gabriel Kibiriti	4	4
Mr. Denson Barasa	4	3

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
Hon. John Munyasia	4	4
Hon. Edith Shitandi	4	4
Hon. Justus Mbinga	4	4
Ms. Christine Simiyu	4	4
C.P.A Gabriel Kibiriti	4	4

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
Hon. John Munyasia	4	4
Hon. Edith Shitandi	4	4
Hon. Justus Mbinga	4	4
C.P.A Gabriel Kibiriti	4	4

Internal audit committee not composed.

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.

Bungoma Municipal board 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 conflict with those of the board. Board members are obligated to disclose the board any real or potential conflicts of interest which may come to their attention whether direct or indirect.

Board Charter

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

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 2023.

9. Management Discussion and Analysis

The board of Bungoma Municipality was brought into conception as a result of the Urban areas and Cities Act 2011 which stipulates the criteria for classifying Municipalities and Cities and the constitution of the Municipal and cities board.

As a result, the governor of Bungoma granted the charter to the Municipality on 23rd November, 2018. Consequently, He constituted the Municipal board in accordance with the Urban areas and Cities Act of 2011 and the Municipal Charter.

The board became fully operational in January 2020 doing the first board meeting where the elections were held and confide officials were appointed. Operational and financial performance of the board during the period 2022/2023 include among others;

- The board has been able to hold key board and committee's meetings according to the regulations laid down. The board has held meetings and committee meetings.
- It has been able identify projects for the Municipality in conformity with the projects identified by the public through citizen fora held.
- It has already formulated the waste management policy, pending the approval of the executive and the County assembly.
- It has been able to develop the five year Municipal integrated and development plan and the strategic plan, pending assembly approval.
- It has also developed the waste management plan, pending assembly approval.
- Transfer of the functions to the Municipality through the gazetted notice. So far 22 functions have been transferred to the Municipality, pending facilitation.

The key board projects or investments decisions implemented during the year 2022-2023 include among others;

i) For the year 2018/2019, the following projects were undertaken,

- ❖ Construction of Kanduyi - Makutano road to bitumen standards at a cost KShs. 52,880,518.00
- ❖ Construction of sheriff centre – prisons –Mama Fanta roads to bitumen standards at a cost KShs. 48,389,766.76

ii) For the year 2019/2020, the following projects were undertaken,

- ❖ Upgrading of Sunrise - Bungoma high - Moi primary and other CBD roads at a cost of KShs. 48,255,065.04
- ❖ Upgrading of Wings - Wambiya Road and other connecting roads at a cost of KShs. 52,870,749.12

*County Government of Bungoma
Bungoma Municipality*

Annual Report and Financial Statements for the year ended June 30th, 2023

iii) For the year 2020/2021

- ❖ Upgrading of Pamus - Ndengelwa road phase 1 to bitumen standards at a cost KShs. 38,812,934.00.

Major risks facing the fund material areas in 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 other donors to fund the numerous infrastructural needs of the Municipality, to look for parties and to find ways of integrated developments. The board also seem to have 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 30th, 2023 which show the state of the City / Municipality affairs.

Principal activities

The principal activity of the Municipality is to facilitate a sustainable urbanization process through an integrated urban and regional planning management framework of Kenyan urban centres and towns.

Performance

The performance of the Municipality for the year ended June 30th, 2023 are set out on page xx

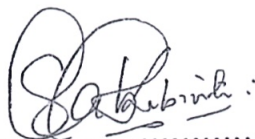
Board Members

The members of the Board who served during the year are shown on page 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 City/Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Name: C.P.A Gabriel W. 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 Municipal 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, 2023. 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 Municipal 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 Municipal 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, 2023, and the financial position as at that date.

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

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

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

Approval of the financial statements

The Municipal/City's financial statements were approved by the Board on 28th 2023 and signed on its behalf by:



Name:

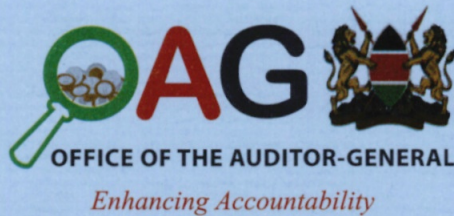
Chairperson of the Board



Name:

Accounting officer of the Board

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON BUNGOMA MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Bungoma Municipality set out on pages 1 to 23, which comprise of the statement of financial position as at

Report of the Auditor-General on Bungoma Municipality for the year ended 30 June, 2023

30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Bungoma Municipality as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Urban Areas and Cities Act, 2011.

Basis for Adverse Opinion

1. Unconfirmed Opening Balances

The statement of changes in net assets reflects an opening accumulated balance as at 1 July, 2022 of Kshs.42,220,905. Further, the statement of cash flows reflects a balance of Kshs.42,220,905 in respects of cash and cash equivalents as at 1 July, 2022. However, the source of these opening balances could not be confirmed since these are the first financial statements and first year of audit of the Municipality

In the circumstances, the accuracy and completeness of the opening balances under the two components could not be confirmed.

2. Inaccuracy of Transfers from the County Government

The statement of financial performance reflects transfers from the County Government amounting to Kshs.26,984,888 as disclosed in Note 6 to the financial statements. However, supporting schedules provided for audit reflect an amount of Kshs.26,326,615 resulting to un-explained and unreconciled variance of Kshs.658,273.

In the circumstances, the accuracy and completeness of Kshs.26,984,888 in respect of transfers from the County Government could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects a balance of Kshs.2,910,609 in respect of trade and other payables which, as disclosed in Note 13 to the financial statements, relates to retentions. However, detailed schedules were not provided to support the balance.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.2,910,609 could not be confirmed.

4. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance reflects an amount of Kshs.14,531,399 in respect of use of goods and services which as disclosed in Note 7 to the financial statements includes Kshs.5,917,970, Kshs.844,689, Kshs.720,550 and Kshs.1,860 in respect of hospitality supplies and services, office and general supplies and services, other operating expenses and bank charges respectively. However, supporting schedules were not provided.

In the circumstances, the accuracy, completeness and propriety of expenditure totalling Kshs.7,485,069 on use of goods and services could not be confirmed.

5. Inaccuracy of the Property, Plant and Equipment Balance

The statement of financial position reflects a balance of Kshs.30,309,005 in respect of property, plant and equipment as disclosed in Note 12 to the financial statements. However, the Municipality Management did not maintain a fixed assets register with information relating to: date of purchase, supplier, cost, location, unique identification number, accumulated depreciation and net book values.

In the circumstances, the accuracy, completeness and fair valuation of the property, plant and equipment balance of Kshs.30,309,005 could not be confirmed.

6. Un-Vouched Expenditure

6.1. Staff Costs

The statement of financial performance reflects an amount of Kshs.8,263,512 in respect of staff costs as disclosed in Note 8 to the financial statements. However, payment vouchers and related supporting documents were not provided for audit review.

6.2. Board Expenses

The statement of financial performance reflects an amount of Kshs.2,737,000 in respect of board expenses. However, payment vouchers and underlying supporting documents were not provided for audit.

In the circumstances, the propriety of expenditure totalling Kshs.11,000,512 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipt budget and actual on comparable basis amounts of Kshs.240,937,981 and Kshs.26,984,888 respectively, resulting to under-funding of Kshs.213,953,093 or 89% of the budget.

Similarly, the Municipality expended Kshs.25,531,911 against approved budget of Kshs.240,937,981 resulting to under-expenditure of Kshs.215,406,070 or 89% of the budget.

The under-funding and under-performance affected planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements of Bungoma Municipality were submitted to the Auditor-General on 5 October, 2023. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires financial statements of a public entity to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Lack of an Approved Budget

The Municipality Management did not provide approved budget for the year under review to support the amounts reflected in the statement of comparison of budget and actual

amounts. This is contrary to Section 45(1) of the Urban Areas and Cities Act, 2011 which requires a Board of a Municipality to prepare an annual budget for the Municipality.

In the circumstances, Management was in breach of law.

3. Lack of Operational Autonomy of Bungoma Municipality

During the audit, it was observed that only office operations were carried out by the Municipality Board while project implementation was carried out by the County Executive through the Department of Lands, Housing, Urban Areas Development, Physical Planning and Roads and Public Works. This is contrary to Section 21(1)(a) of the Urban Areas and Cities Act, 2011 which gives Municipalities executive authority as delegated by County Executives.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Reports

During the audit, it was observed that there were no internal audit reports and, as a result, there was no review of governance structures, value for money and risk-based audits. There was also no verification of internal controls and assets.

In the circumstances, the effectiveness of internal controls, risk management and overall governance could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

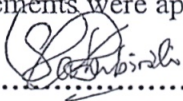
Nairobi

20 March, 2024


14 Statement of Financial Performance for the Year Ended 30 June 2023.

	Notes	2022/23 Kshs.
Revenue from non-exchange transactions		
Transfers from the County Government	6	26,984,888
Total revenue		26,984,888
Expenditure		
Use of goods and services	7	14,531,399
Staff costs	8	8,263,512
Board expenses	9	2,737,000
Depreciation & Amortization	10	777,154
Total expenses		26,309,065
Surplus/(deficit) for the period		675,823

The notes set out on pages 1 to 28 form an integral part of these Financial Statements. The entity financial statements were approved on 28/09/ 2023 and signed by:



.....
Name:
Municipality Manager



.....
Name:
Head of Finance

County Government of Bungoma
 Bungoma Municipality
 Annual Report and Financial Statements for the year ended June 30th, 2023

15 Statement of Financial Position As At 30 June 2023

	Note	2022/2023
Assets		
Current assets		
Cash and cash equivalents	11	15,498,332
		15,498,332
Non-current assets		
Property, plant, and equipment	12	30,309,005
Total Non-current Assets		30,309,005
Total assets		45,807,337
Liabilities		
Current liabilities		
Trade and other payables	13	2,910,609
Total liabilities		2,910,609
Net assets		
Accumulated surplus		42,896,728
Total net assets and liabilities		45,807,337

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 28/09/2023 and signed by:



Name:
 City/Municipality Manager
 Date: 28/09/2023



Name:
 Head of Finance
 Date: 28/09/2023

16 Statement of Changes In Net Assets For the Year Ended 30 June 2023

	Accumulated surplus	Total
	Kshs.	Kshs.
Balance as at 1 July 2022	42,220,905	42,220,905
Surplus/(deficit) for the period	675,823	675,823
Balance as at 30 June 2023	42,896,728	42,896,728

- I. The Opening accumulated Surplus is the Opening Bank Balance us were reporting for the first time.

17 Statement Of Cash Flows for The Year Ended 30 June 2023

	Note	2022/23
		Kshs.
Cash flows from operating activities		
Receipts		
Transfers from the County Government	6	26,984,888
Total Receipts		26,984,888
Payments		
Use of goods and services	7	14,531,399
Staff costs	8	8,263,512
Board expenses	9	2,737,000
Finance costs		
Total Payments		25,531,911
Adjusted for:		
Increase/(decrease) in deposits and retention/ Trade Payables		2,910,609
Net cash flows from operating activities	14	4,363,586
Cash flows from investing activities		
Purchase of PPE & intangible assets	12	(31,086,159)
Net cash flows used in investing activities		(31,086,159)
Net increase/(decrease) in cash & cash equivalents		(26,722,573)
Cash And Cash Equivalents At 1 July	11	42,220,905
Cash And Cash Equivalents At 30 June	11	15,498,332

18 Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2023.

	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	138,840,063	102,097,918	240,937,981	26,984,888	213,953,093	11%
Total Revenue	138,840,063	102,097,918	240,937,981	26,984,888	213,953,093	11%
Expenses						
Use of goods and services	10,192,243	9,036,228	19,228,471	14,531,399	4,697,072	76%
Board expenses	5,000,000		5,000,000	2,737,000	2,263,000	55%
Staff Costs	11,760,120	-	11,760,120	8,263,512	3,496,608	70%
Total Expenditure	26,952,363	9,036,228	35,988,591	25,531,911	10,456,680	71%
Surplus for the period	111,887,700	93,061,690	204,949,390	1,452,977	203,496,413	1%
Capital Expenditure	111,887,700	-	204,949,390	31,086,159	173,863,231	15%

- I. The 11% on Receipts is attributed to delay disbursement of funds from The National Treasury.
- II. 102,097,918 is increase due to supplementary appropriation.

19 Notes to the Financial Statements

1. General Information

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

The Municipality principal activity is to develop the Municipality and Upgrade lives within the Municipality.

2. Statement of Compliance and Basis of Preparation

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

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

3. Application of New and revised standards (IPSAS)

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<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>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
Discontinued Operations	<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>

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.)*

(Notes to financial statements continued)

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 has 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 2022/23 was approved by the County Assembly on August 2022. 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 City/Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded additional appropriations of 102,097,918 (Amount) on 2023 (Date) following the governing body's approval.

The City/Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

c) 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.

d) 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. 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

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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 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.

e) 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.

f) Provisions

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

g) 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 need of society as a whole. The entity recognises a social benefit as an expense for the social benefit 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.

h) Contingent liabilities

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

i) Contingent assets

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

j) Nature and purpose of reserves

The City/Municipality creates and maintains reserves in terms of specific requirements.

k) Changes in accounting policies and estimates

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

l) Employee benefits– Retirement benefit plans

The City/Municipality provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the City/Municipality pays fixed

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

m) 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.

n) 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.

o) Related parties

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

p) 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. For the

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purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

q) Comparative figures

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

r) Events after the reporting period

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

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

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

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

s) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

Estimates and assumptions.

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

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Useful lives and residual values

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

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

Notes to the Financial Statement

6. Transfers from the County Government

Description	2022/2023
	Kshs
Transfers from County Govt. – Development	2,998,186.90
Payments by County on behalf of the entity	23,986,700.80
Total	26,984,887.70

7. Use of Goods and Services

Description	2022/2023
	Kshs
Communication, supplies and services	120,000
Domestic travel and subsistence	5,029,510
Training expenses	1,896,820
Hospitality supplies and services	5,917,970
Office and general supplies and services	844,689
Other operating expenses (<i>Specify</i>)	720,550
Bank Charges	1,860
Total	14,531,398.80

8. Staff costs

Description	2022/2023
	Kshs.
Salaries and wages	8,263,512.00
Total	8,263,512.00

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9. Board expenses

Description	2022/2023
	Kshs.
Travel and accommodation	2,737,000.00
Total	2,737,000.00

10. Depreciation and amortization

Description	2022/2023
	Kshs.
Property, plant and equipment	777,153.98
Total depreciation and amortization	777,153.98

11. Cash and cash equivalents

Description	2022/2023
	Kshs
Current account	15,498,331.96
Total cash and cash equivalents	15,498,331.96

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

Financial institution	Account number	2022/2023
		Kshs
a) Current account		
Family Bank-UIG	,077000039017	321,462
Family Bank-UDG	,077000039018	12,264,460
Family Bank-Retention Account	,0770000042514	2,912,410
Grand total		15,498,332

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(Notes to the Financial Statements Continued)

12. Property, Plant and Equipment

Description	Civil works & Roads	
	shs	
As at 30 th June 2022	-	
Additions	31,086,159	
As at 30 th June 2023	31,086,159	
Depreciation and impairment		777,154
Depreciation	777,154	777,154
As at 30 th June 2023		-
		-
NBV as at 30 th June 2022	30,309,005	30,309,005
NBV as at 30 th June 2023	2.5%	

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(Notes to The Financial Statements Continued)

13. Trade and other payables from exchange transactions

Description	2022/2023
	Kshs.
Retentions	2,910,609
Total trade and other payables	2,910,609
Ageing analysis:	
	Current FY
Under one year	2,910,609
Total	2,910,609

14. Cash generated from operations

	2022/2023
	Kshs
Surplus/ (deficit) for the year before tax	675,822.93
Adjusted for:	
Depreciation	(777,153.98)
Increase in payables	2,910,609.00
Net cash flow from operating activities	4,363,585.90

Notes to the Financial Statements

15. Related party balances

a) Nature of related party relationships

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

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

16. Financial risk management

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

I. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the City/Municipality's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the City/Municipality has recognised in the financial statements is

considered adequate to cover any potentially irrecoverable amounts. The City/Municipality has significant concentration of credit risk on amounts due from xxx.

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

II. Liquidity risk management

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

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

III. Market risk

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

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

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20 Appendices

Appendix 1. Progress on Follow up of Auditors Recommendations.

This is the first time we are being audited.

.....

Municipal Manager.

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Appendix 2: Inter Entity Transfers

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

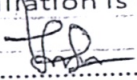
.....
 Signed by the Head of Accounts of the Entity and the transferring Entities

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Appendix 3: Bank Reconciliation.

Bungoma Municipality- UDG		
ACCOUNT NAME: UDG		
FACILITY A/C NO:	077000039018	
Bank Reconciliation statement as at 30/06/2023		
	KSHS	KSHS
Balance as per Bank Certificate		12,264,460.40
LESS 1. Payment in cash book not yet recorded in Bank Statement(Unpresented Cheques)(Note 1)		-
2. Receipts in Bank Statement not yet recorded in Cash Book.(Note 2)		
ADD		
3. Payments in Bank Statement not yet recorded in the Cash Book(Note 3)		
4. Receipts in Cash Book not yet recorded in Bank Statement		-
Bank Balance as per Cash Book as at 30/06/2023		12,264,460.40

I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature.....  Designation Finance Officer Accountant Date 28/07/2023

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Bungoma Municipality- Special Purpose Retention Account

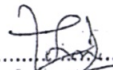
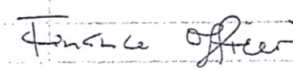
ACCOUNT NAME: Specila Purpose Retention Account

FACILITY A/C NO: 077000042514

Bank Reconcilliation statement as at 30/06/2023

	KSHS	KSHS
Balance as per Bank Certificate		2,912,409.63
LESS 1. Payment in cash book not yet recorded in Bank Statement(Unpresented Cheques)(Note 1)		-
2. Receipts in Bank Statement not yet recorded in Cash Book.(Note 2)		
ADD		
3.Payments in Bank Statement not yet recorded in the Cash Book(Note 3)		
4. Receipts in Cash Book not yet recorded in Bank Statement		-
Bank Balance as per Cash Book as at 30/06/2023		2,912,409.63


I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature.....  Designation..... 28/09/2023 Accountant Date 

County Government of Bungoma
 Bungoma Municipality
 Annual Report and Financial Statements for the year ended June 30, 2023.

Bungoma Municipality - UIG		
ACCOUNT NAME: UIG		
FACILITY A/C NO:	077000039017	
Bank Reconciliation statement as at 30/06/2023		
	KSHS	KSHS
Balance as per Bank Certificate		321,461.93
LESS 1. Payment in cash book not yet recorded in Bank Statement(Unpresented Cheques)(Note 1)		-
2. Receipts in Bank Statement not yet recorded in Cash Book.(Note 2)		
ADD		
3. Payments in Bank Statement not yet recorded in the Cash Book(Note 3)		
4. Receipts in Cash Book not yet recorded in Bank Statement		
Bank Balance as per Cash Book as at 30/06/2023		321,461.93

I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature.....  Designation..... Finance Officer..... Accountant Date 28/09/2023

P.O BOX 74145 -00200

06th July 2023

COUNTY GOVERNMENT OF BUNGOMA
BUNGOMA MUNICIPAL BOARD

P.o Box 437-50200 Bungoma

Dear Sir/Madam,

**RE: CERTIFICATE OF BANK BALANCE –BUNGOMA MUNICIPALITY-URBAN
DEVELOPMENT GRANT(UDG)**

In reference to your letter dated 3rd July 2023 on the above, herein below see our findings,

Account balance as at 30th June 2023 was

ACCOUNT NUMBER	BALANCE
077000039018	12,264,460.00

For any clarification, kindly contact the undersigned.

Regards,

For and on behalf of Family Bank Limited.

**FAMILY BANK LTD.
BUNGOMA BRANCH**

 Operations Manager

Chepkoech Bentrice

BRANCH OPERATIONS MANAGER -BUNGOMA

P.O BOX 74145 -00200

06TH July 2023

COUNTY GOVERNMENT OF BUNGOMA
BUNGOMA MUNICIPAL BOARD

P.o Box 437-50200 Bungoma

Dear Sir/Madam,

**RE: CERTIFICATE OF BANK BALANCE –BUNGOMA MUNICIPALITY-COUNTY
URBAN INSTITUTIONAL GRANT(UIG)**

In reference to your letter dated 3th July 2023 on the above, herein below see our findings,


Account balance as at 30th June 2023 was

ACCOUNT NUMBER	BALANCE
077000039017	321,461.93

For any clarification, kindly contact the undersigned.

Regards,
For and on behalf of Family Bank Limited.

**FAMILY BANK LTD.
BUNGOMA BRANCH**


Operations Manager

Chepkoech Beatrice
BRANCH OPERATIONS MANAGER -BUNGOMA

06TH July 2023

COUNTY GOVERNMENT OF BUNGOMA
BUNGOMA MUNICIPAL BOARD

P.o Box 437-50200 Bungoma

Dear Sir/Madam,

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

In reference to your letter dated 3th July 2023 on the above, herein below see our findings,


Account balance as at 30th June 2023 was

ACCOUNT NUMBER	BALANCE
077000042514	2,912,409.63

For any clarification, kindly contact the undersigned.

Regards,
For and on behalf of Family Bank Limited.

**FAMILY BANK LTD.
BUNGOMA BRANCH**

 Operations Manager

Chepkoech Beatrice
BRANCH OPERATIONS MANAGER -BUNGOMA

GENERAL LEDGER BUNGOMA MUNICIPAL BOARD 2023

Particulars	DR	CR
Revenues.		
Transfers from county government		2,998,187
Payments by County on behalf of the entity		23,986,701
Trade payables(Unpaid Retention		2,910,609
Famil Bank- Special Purpose Retention account	2,912,410	1,801
Family Bank-UIG	321,462	61,184
Family Bank-UDG	12,264,460	42,157,920
Acquisition Of assets(property Plant & equipment	30,309,005	
Depreciation and amortization		
Property, plant and equipment	777,154	
Use of Goods and Services		
Communication, supplies and services	120,000	
Domestic travel and subsistence	5,029,510	
Training expenses	1,896,820	
Hospitality supplies and services	5,917,970	
Office and general supplies and services	844,689	
Other operating expenses (<i>Specify</i>)	720,550	
Bank Charges	1,860	
Staff costs		
Salaries and wages	8,263,512	
Board expenses		
Travel and accommodation	2,737,000	
Total Amount	72,116,401	72,116,401

Bungoma Municipality- UDG

ACCOUNT NAME: UDG

FACILITY A/C NO:

077000039018

Bank Reconciliation statement as at 30/06/2023

Balance as per Bank Certificate
 LESS 1. Payment in cash book not yet recorded in
 Bank Statement(Unpresented Cheques)(Note 1)
 2. Receipts in Bank Statement not yet
 recorded in Cash Book.(Note 2)
 ADD
 3. Payments in Bank Statement not yet
 recorded in the Cash Book(Note 3)
 4. Receipts in Cash Book not yet recorded in
 Bank Statement
 Bank Balance as per Cash Book as at 30/06/2023

KSHS	KSHS
	12,264,460.00
	-
	-
	12,264,460.00

I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature..... Designation.....Accountant Date

LESS 1. Payment in cash book not yet recorded in Bank Statemnt(Upresented Cheques)

PAYEE	CHQ NO.	AMOUNT
TOTAL		-

4. RECEIPT IN CASHBOOK NOT RECORDED IN BANK STATEMENT

Bungoma Municipality- UIG

ACCOUNT NAME: UIG

FACILITY A/C NO:

077000039017

Bank Reconciliation statement as at 30/06/2023

Balance as per Bank Certificate
 LESS 1. Payment in cash book not yet recorded in
 Bank Statement(Unpresented Cheques)(Note 1)
 2. Receipts in Bank Statement not yet
 recorded in Cash Book.(Note 2)
 ADD
 3. Payments in Bank Statement not yet
 recorded in the Cash Book(Note 3)
 4. Receipts in Cash Book not yet recorded in

KSHS	KSHS
	321,461.93
	-

Bank Statement
 Bank Balance as per Cash Book as at 30/06/2023

	321,461.93
--	------------

I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature..... Designation.....Accountant Date

LESS 1. Payment in cash book not yet recorded in Bank Statemnt(Upresented Cheques)

PAYEE	CHQ NO.	AMOUNT
TOTAL		

4. RECEIPT IN CASHBOOK NOT RECORDED IN BANK STATEMENT

Bungoma Municipality- Special Purpose Retention Account

ACCOUNT NAME: Specila Purpose Retention Account

FACILITY A/C NO:

077000042514

Bank Reconcillation statement as at 30/06/2023

	KSHS	KSHS
Balance as per Bank Certificate		2,912,409.63
LESS 1. Payment in cash book not yet recorded in Bank Statement(Upresented Cheques)(Note 1)		-
2. Receipts in Bank Statement not yet recorded in Cash Book.(Note 2)		
ADD		
3. Payments in Bank Statement not yet recorded in the Cash Book(Note 3)		
4. Receipts in Cash Book not yet recorded in Bank Statement		-
Bank Balance as per Cash Book as at 30/06/2023		2,912,409.63

I certify that I have verified the Bank Balance in the cash Book with the Bank statement and that the above Reconciliation is correct.

Signature..... Designation.....Accountant Date

LESS 1. Payment in cash book not yet recorded in Bank Statemnt(Upresented Cheques)

PAYEE	CHQ NO.	AMOUNT
TOTAL		

4. RECEIPT IN CASHBOOK NOT RECORDED IN BANK STATEMENT

"H"

COUNTY GOVERNMENT OF BUNGOMA
BUNGOMA MUNICIPALITY

PROGRESS REPORT ON SETTLEMENT OF PENDING BILLS AS AT 31ST DECEMBER, 2023

S/No.	Supplier/Contractor Name	LPO/LSO Contract No.	Date of the LPO/LSO Contract No.	Invoice no.	Date invoiced	Details of Work Performed	Outstanding Pending Bill Amount as of 30th June, 2023 (Kshs.)	Amount Paid (Kshs.)	Outstanding Pending Bill Amount as of 30th June, 2023 (Kshs.)
							A	B	C=A-B
1	Satecom Solutions Ltd	3512366	06/04/2023	2	12/04/2023	supply and delivery of sanitary items	96,350.00	-	96,350.00
2	Standard Group PLC	1769857	19/04/2023	444738	19/04/2023	provision for space order for advertisement	83,080.00	-	83,080.00
3	Standard Group PLC	1663910	20/04/2023	430998	02/02/2023	provision for space order for advertisement	216,920.00	-	216,920.00
4	African Touch Safaris	direct		TIN0423051402	26/05/2023	air travel for ICPAK training mombasa	41,200.00	-	41,200.00
5	Kika Hotel	1769862	26/06/2023	3438	26/06/2023	hotel and conference facilities	148,000.00	-	148,000.00
6	County Green Hotel	1769856	03/06/2023	13/01/1901	03/06/2023	hotel and conference facilities	19,950.00	-	19,950.00
7	Dot Engineering Construction	3512361	14/03/2023	33/34	05/04/2023	supply and delivery of stationery items	298,670.00	-	298,670.00
8	Sawan Hotel	1769860	26/06/2023			hotel and conference facilities	160,000.00	-	160,000.00
9	African Touch Safaris	direct	01/12/2022	TIN0422111747	28/11/2022	air travel for ICPAK training mombasa	40,170.00	-	40,170.00
10	County Green Hotel	1769856	03/04/2023	401	03/04/2023	hotel and conference facilities	50,000.00	-	50,000.00
11	Kenya Institute of Supplies Management (KISM)	direct	15/11/2022	KISMQT28480	15/11/2021	Annual renewal of KISM membership	4,000.00	-	4,000.00
12	Institute of Certified Public Accountants	direct	03/04/2023	INV241838	01/01/2021	annual subscription	22,400.00	-	22,400.00
13	Kenya Urban Forum (KUF)	1769865	12/06/2023	KUF-6217029	05/06/2023	registration fees (KUF) workshop	140,000.00	-	140,000.00
Total							1,320,740.00	-	1,320,740.00

Signed by Accounting Officer

Signed:

COUNTY GOVERNMENT OF BUNGOMA



THE MUNICIPALITY OF BUNGOMA

County Works Office,
P.O BOX 437-50200,
BUNGOMA

Email: bgmunicipality039@gmail.com

Telephone: +254700-892013

09th January, 2023

TO;

STAFF MEMBERS (BUNGOMA MUNICIPALITY)

NAME	DESIGNATION
1. C.P.A Gabriel Kibiriti	Manager
2. Caleb Kishombe	Administrator
3. Pascal Wakafura	P.H.O
4. Michael Wekesi	Finance Officer
5. Andrew Keya	Physical Planner
6. Susan Misiko	Accountant
7. Sarah Mutama	Office Administrative Assistant

BOARD MEMBERS

- 1) Ms. Jacqueline Malomba – The Chairperson;
- 2) Hon. John Munyasia – Board Member;
- 3) Hon. Justus Mbinga – Board Member;
- 4) Hon. Edith Shitandi – Board Member;
- 5) Arch. Dauglas Sasita – CECM, LUPPH&M;
- 6) Ms. Christine Simiyu – CECM Rep. and Board Member.

RE: Invitation to attend Benchmarking exercise in Wote Municipality, Makueni County.

You are hereby invited to attend a benchmarking exercise which will take place on 10th January to 14th January 2023 at the county Hotel.

Caleb Kishombe

Administrator – Bungoma Municipality

COUNTY GOVERNMENT OF BUNGOMA



THE MUNICIPALITY OF BUNGOMA

BENCHMARKING PROGRAM FOR BOARD AND STAFF HELD AT COUNTY HOTEL ON 10TH JANUARY TO 14TH JANUARY 2023. IN MAKUENI COUNTY

PROGRAM.

DATES: Tuesday 10TH - 14TH Saturday 2023

VENUE: COUNTY HOTEL, MAKUENI COUNTY

DAY 1: Tuesday, 10th January 2023

TIME	ACTIVITY/SESSION	FACILITATOR(S)
8:30am- 9:00Am	-Registration	<i>Secretariat.</i>
9:30Am - 10:00Am	-Introduction and Climate setting	<i>-CPA. Gabriel Kibiriti- Manager Kimilili Municipality.</i>
10:00Am- 10:30Am	-Opening Remarks:	<i>-His Excellency The Governor -Hon. CECM-Lands, Urban, Physical Planning and Housing.</i>
10:30Am - 11:00Am	-Introduction to the programme	<i>-C.P.A Gabriel Kibiriti- Manager. Kimilili Municipality.</i>
11:00Am -11:30Am	Health Break	
11:30Am - 1:00Pm	- Consultative Session between the Three Municipalities	<i>Manager Wote Municipality.</i>
1:00 Pm - 2:00 Pm	Lunch Break	
2:00 Pm - 4:00 Pm	-Municipality Operations	<i>Manager Wote Municipality.</i>
4:00Pm	Health Break	

DAY 2: Wednesday, 11th January 2023

TIME	ACTIVITY/SESSION	FACILITATOR(S)
8:00Am - 8:30 Am	-Recap of day 1 and key learning Areas.	CS John Ndombi.
9:00 Am - 10:30 Am	-Visit to the Fruit Plant in Makueni	Chairman Board-Wote Municipality.
10:30Am - 11:00 Am	Health Break	
11:00Am - 12:45Pm	-Visit to the Fruit Plant in Makueni	Chairman Board-Wote Municipality
12:45Pm - 2:00Pm	Lunch Break	
2:00Pm - 3:00Pm	-Visit to the Fruit Plant in Makueni	Chairman Board-Wote Municipality
3:00Pm-4:00Pm	-Plenary Session	Manager Wote Municipality.
4:00Pm	Health Break	

DAY 3: Thursday, 12th , January, 2023

TIME	ACTIVITY/SESSION	FACILITATOR(S)
8:30Am - 9:00Am	Recap of day 2 and key learning Areas.	CPA Gabriel Kibiriti
9:00Am - 10:30Am	-Reporting Structures of Municipalities.	Manager Wote Municipality
10:30Am - 11:00Am	Health Break	
11:00Am - 1:00Pm	-Meeting the Governor's Office	Governor Makueni County
1:00Pm -2:00Pm	Lunch Break	
2:00Pm - 3:00Pm	-Plenary	Arch. Douglas Sasita-CCEM LUPPH.
3:00Pm-4:00Pm	-Closing Remarks	County Secretary-Makueni County.
4:00Pm	Health Break	

DAY 4: Friday, 13th January, 2023

TIME	ACTIVITY/SESSION	FACILITATOR(S)
8:30Am - 9:00Am	Recap of day 3 and key learning Areas.	CPA Gabriel Kibiriti
9:00Am - 10:30Am	Functions of the Board.	Chairman- Kimilili Municipality
10:30Am - 11:00Am	Health Break	
11:00Am - 1:00Pm	-Experience Sharing among the Municipalities	Manager -Wote Municipality Board Chair-Kimilili Municipality
1:00Pm -2:00Pm	Lunch Break	
2:00Pm - 3:00Pm	-Plenary	Manager-Wote Municipality.
3:00Pm-4:00Pm	-Closing Remarks	County Secretary-Makueni County.
4:00Pm	Health Break	

DAY 5: 14th, January, 2023

TIME	ACTIVITY/SESSION	FACILITATOR(S)
8:30Am - 9:00Am	Recap of day 4 and key learning Areas.	CPA Gabriel Kibiriti
9:00Am - 10:30Am	Travelling to Fruit Plant in Makueni.	Governor -Makueni County
10:30Am - 11:00Am	Health Break	
11:00Am - 1:00Pm	-Meeting at the fruit plant in Makueni	Governor -Makueni County
1:00Pm -2:00Pm	Lunch Break	
2:00Pm - 3:00Pm	-Meeting at the ICT park in Wote town	Governor -Makueni County.
3:00Pm-4:00Pm	-Closing Ceremony and Depature	County Secretary-Makueni County.
4:00Pm	Health Break	

GENERAL LEDGER BUNGOMA MUNICIPAL BOARD 2023

Particulars	DR	CR
Revenues.		
Transfers from county government		2,998,187
Payments by County on behalf of the entity		23,986,701
Trade payables(Unpaid Retention		2,910,609
Famil Bank- Special Purpose Retention account	2,912,410	1,801
Family Bank-UIG	321,462	61,184
Family Bank-UDG	12,264,460	42,157,920
Acquisition Of assets(property Plant & equipment	30,309,005	
Depreciation and amortization		
Property, plant and equipment	777,154	
Use of Goods and Services		
Communication, supplies and services	120,000	
Domestic travel and subsistence	5,029,510	
Training expenses	1,896,820	
Hospitality supplies and services	5,917,970	
Office and general supplies and services	844,689	
Other operating expenses (<i>Specify</i>)	720,550	
Bank Charges	1,860	
Staff costs		
Salaries and wages	8,263,512	
Board expenses		
Travel and accommodation	2,737,000	
Total Amount	72,116,401	72,116,401

COUNTY GOVERNMENT OF BUNGOMA



BUNGOMA MUNICIPAL BOARD.

Telephone:

County Works Offices
P.O BOX 437
BUNGOMA.

Cell: +254- 0700892013

31th, January, 2023.

E-mail: bgmunicipality039@gmail.com.

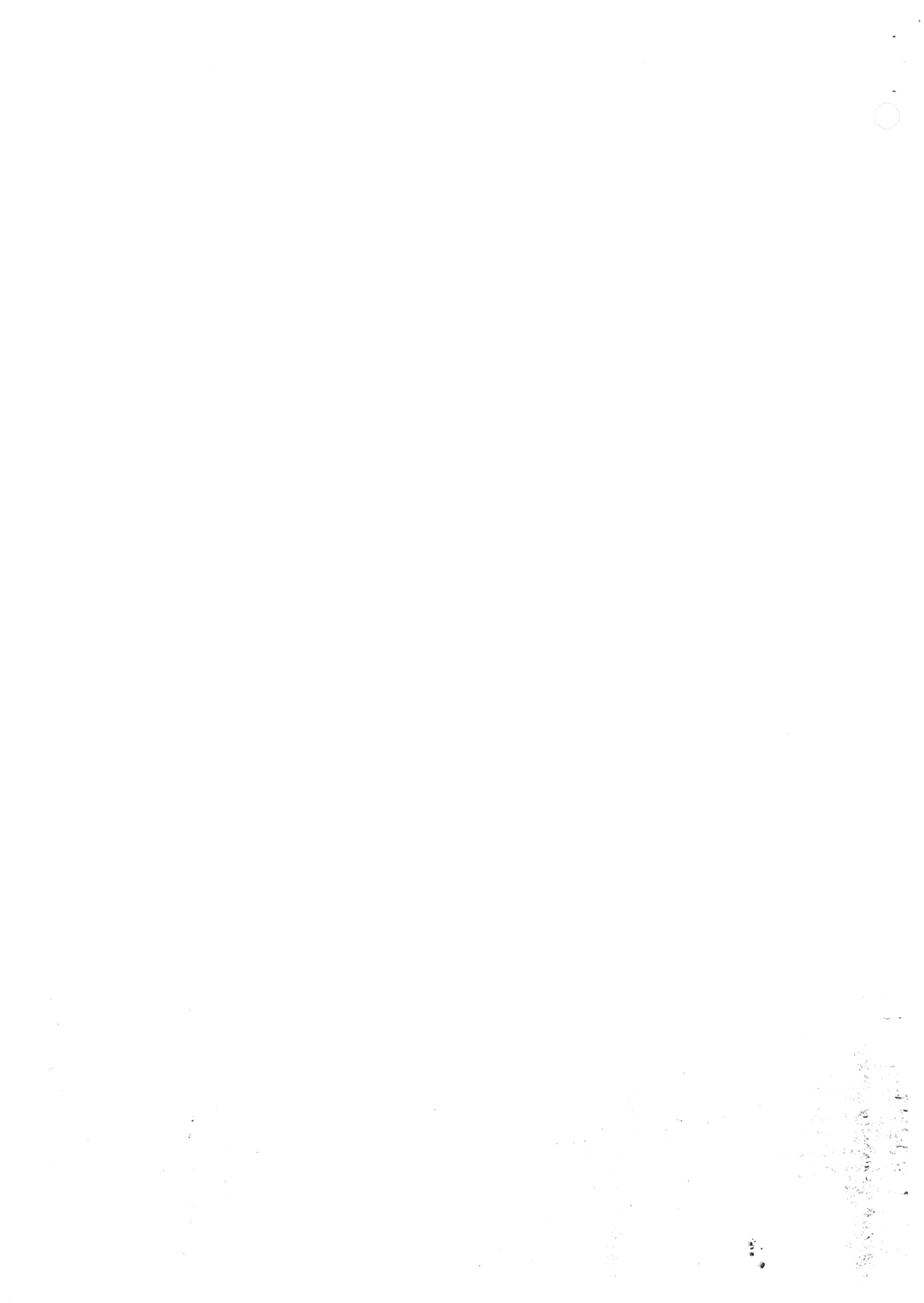
LEARNING TOUR TO WOTE MUNICIPALITY MAKUENI COUNTY ON 10TH AND 14TH JANUARY 2023

Introduction

The team comprising board members, manager, staffs and delegation from the office of the governor visited Makeni County- Wote Municipality for the learning tour. The purpose of the tour was to benchmark on the operationalization of Wote Municipality in the following areas;



H.E the Governor Lusaka and the delegation



Areas of focus

1. Establishment and operationalization of the municipal board
Wote municipal board is well established with Manager as the Secretary.
2. Status of transfer of functions
The municipality is at the final stage of transfer of functions especially; Revenue, waste management and infrastructure development.
3. costing and funding of the functions
Funding of programs is done by Makueni county government through Exchequer, World Bank and KUSIP. Makueni County government has allocated budget to fund development projects such as roads, Markets and Public Park within the Municipality.
4. staffing and reporting relationship
County government was in the process of deploying over 60 staffs to the municipality in various sections. All staffs reports directly to Municipal Manager.
5. performance contracting
6. handling of the revenue function
Wote Municipality already has revenue account and the manager as the receiver.
7. management of infrastructure
Municipality manages development of infrastructure with some assistance from County ministries.
8. Budgeting / financial reporting and auditing by the municipality
9. General view and practice on the principal agency relationship between the municipality and the county government. How does the municipality relate with other county departments
10. Board operation and evaluation
 - Are there specific and measurable assignments given to the board and evaluated to the county government.?
 - Status and functioning of board committees / public participation / citizen for a
11. Reparation and implementation of the municipal by laws

Asset management

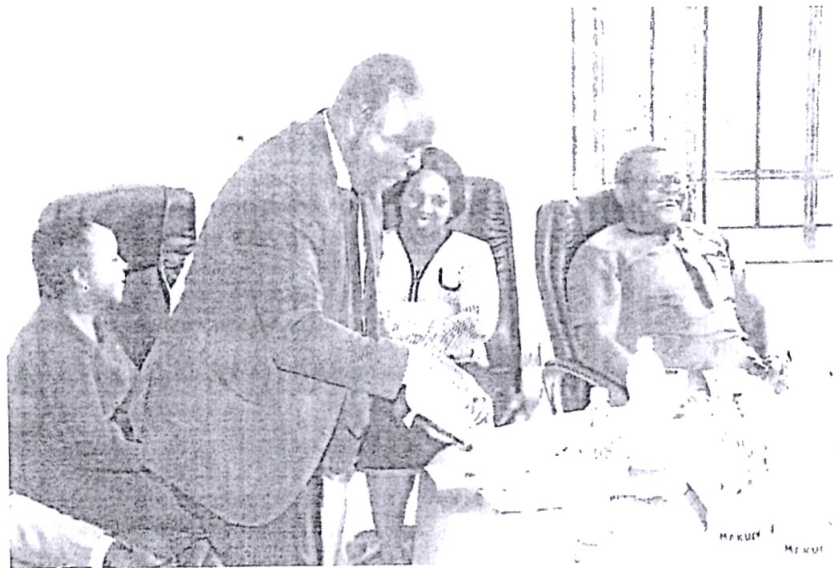
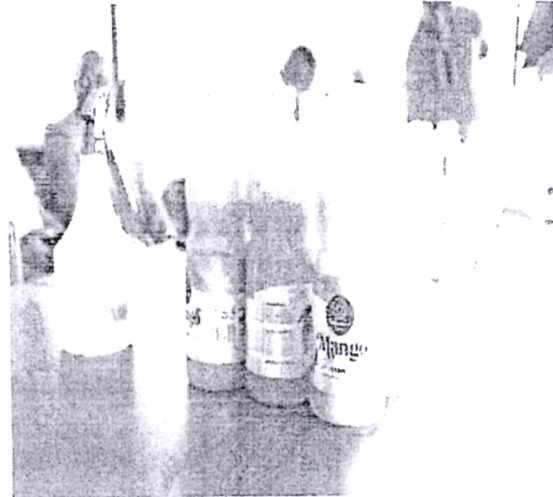
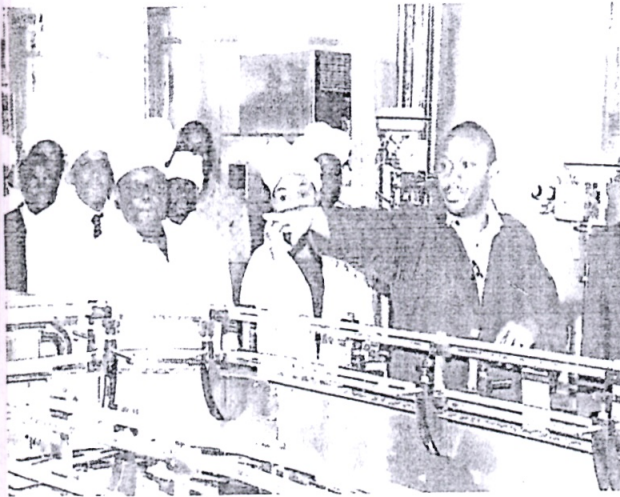
Which specific county office does the municipal board report to?

Challenges faced in operationalization of the urban areas and cities act and recommendations on the way forward.

Projects toured

1. The team toured makueni fruit processing plant and water bottling factory.

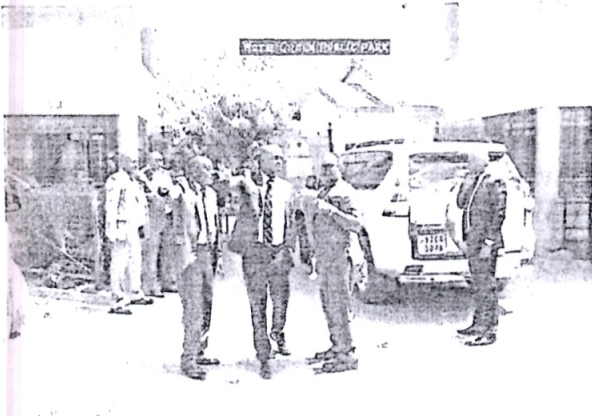
The factory provides opportunities for local fruit farmers to grow wealth, learn new technologies on value addition. The plant has capacity to process 5 metric tonnes of raw mangoes producing 3,000 liters of puree (mango concentrate) per hour.



At the fruit processing plant

2. The team also toured wote green park and innovation hub

The project was undertaken by Wote Municipality and consists of following amenities: green recreational spaces with various gardens with exotic trees and flowers, walking paths, lighting, park paved open air theatre, Hot spots (wi-fi), ICT innovation centre, children play ground, public toilets, food courts and stalls, low perimeter wall and solid waste management system.



Wote Public Park

Conclusion

The governor pledged to streamline both Bungoma and kimilili municipalities to enhance a better service delivery to the people.

ASSET REGISTER

NAME OF PUBLIC ENTITY:		BUNGOMA MUNICIPALITY			
LOCATION OF PUBLIC ENTITY :		KANDUYI SUB-COUNTY			
S/NO	DEPARTMENT	ASSET DESCRIPTION	LOCATION/SITE	QUANTITY/SI ZE	STATUS
1	BUNGOMA MUNICIPALITY	LAPTOPS			
		HP core i5	Office Administrator	1	Good Condition
			Administrative officer	1	Good Condition
			Procurement officer	1	Good Condition
			Finance Officer	1	Good Condition
			Physical Planner	1	Good Condition
			Public Health Officer	1	Good Condition
Survayor	1		Good Condition		
2	BUNGOMA MUNICIPALITY	COMPUTER DESKTOP			
		Dell	Office Administrator	1	Good condition
			Accountants	1	Good condition
			Human Resource	1	Good condition
			Physical planner	1	Good condition
			Finance officer	1	Good condition
	1		Good condition		
3	BUNGOMA MUNICIPALITY	PRINTER			
		HP laserjet	Municipal Manager	1	Good condition
			Officer Administrator	1	Good condition
			Accountants	1	Good condition
Human Resource	1		Good condition		
4	BUNGOMA MUNICIPALITY	PHOTOCOPYING MACHINE			
		HP KM -1635	HQ Main Office	1	Good condition
5	BUNGOMA MUNICIPALITY	PAPER SHREDDER			
			HQ Main Office	1	Good condition
6	BUNGOMA MUNICIPALITY	CHAIRS			
		High back leather executive ergonomic	Municipal Manager	1	Good condition
		High back leather executive ergonomic	Physical Planner	1	Good condition
		Secretarial chair	Officer Administrator	1	Good condition
		Linked vistors chair	HQ Main Office	3	Good condition
		Executive conference chairs	HQ Main Office	12	Good condition
		High back executive fabric chair	Administrative officer	1	Good condition
			Finance officer	1	Good condition
			Accountant	1	Good condition
Public Health officer	1		Good condition		
	procurement officer	1	Good condition		

		Revenue clerk	1	Good condition
		Human Resource	1	Good condition
		Environmentalist	1	Good condition
		Survayor	1	Good condition
		Auditor	1	Good condition
		High back Executive fabric chair	HQ Main Office	2 Good condition
7	BUNGOMA MUNICIPALITY	TABLE		
		Executive conference table	HQ Main Office	1 Good condition
		Double door steel cabinet	Municipal manager	1 Good condition
		Lockable wall cabnet	Municipal manager	1 Good condition
		Executive tables (1.6M)	Municipal manager	1 Good condition
			Administrative officer	1 Good condition
		Executive tables (1.4 M)	Physical planner	1 Good condition
			Finance Officer	1 Good condition
			Accountant	1 Good condition
			Human Resource Officer	1 Good condition
			Procument	1 Good condition
			Office administrator	1 Good condition
			Public Healty Officer	1 Good condition
			Revenue Clerk	1 Good condition
			Auditor	1 Good condition
			savayor	1 Good condition
8	BUNGOMA MUNICIPALITY	REFRIDGERATOR		
		Haier - HRD-210MP/W	HQ Main office	1 Good condition
9	BUNGOMA MUNICIPALITY	COOKING GAS		
		6KG Cylinder	HQ Main office	1 Good condition
10	BUNGOMA MUNICIPALITY	KITCHEN UTENSILS		
		Assorted kitchen utensils	HQ Main office	Good condition

Prepared by: Peninah Malisia
 Designation: Supply chain management officer
 Date:
 Signature:

Approved by: CPA Gabriel Kibiriti
 Designation: The Municipal Manger
 Date:
 Signature:

