

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

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## THE AUDITOR-GENERAL

ON

## MUNICIPALITY OF ELDORET

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

| PAPERS LAID        |              |
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# MUNICIPALITY OF ELDORET

*County Government of Uasin Gishu*

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2023

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

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**1. Acronyms & Glossary of Terms**

|                      |   |
|----------------------|---|
| 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. |
| SRC                  | Salaries and Remuneration Commission                                      |

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

### **a) Background information**

Eldoret Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act (UACA) No. 13 of 2011 and Cities and Municipal Charter granted on 17<sup>th</sup> December 2018. The Municipality is under the County Government of Uasin Gishu and is domiciled in Kenya.

According to Section 11 and 12 of the UACA, the governance and management of the municipality is vested in the county government and administered on its behalf by a municipal board constituted in accordance with section 13 or 14 of the act, a manager appointed pursuant to section 28; and other staff and officers determined by the county public service.

The board of the municipality is a body corporate with perpetual succession and a common seal and in its corporate name is capable of suing and being sued, taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property, borrowing money or making investments, entering into contracts and doing or performing all other acts or things for the proper performance of its functions in accordance with the act or any other written law which may lawfully be done or performed by a body corporate.

### **b) Principal Activities**

- a) Promotion, regulation and provision of refuse collection and solid waste management services;
- b) Promotion and provision of water and sanitation services and infrastructure (in areas within the Municipality not served by the Water and Sanitation Provider);
- c) Construction and maintenance of urban roads and associated infrastructure;
- d) Construction and maintenance of storm drainage and flood controls;
- e) Construction and maintenance of walkways and other non - motorized transport infrastructure;
- f) Construction and maintenance of recreational parks and green spaces;
- g) Construction and maintenance of street lighting;
- h) Construction, maintenance and regulation of traffic controls and parking facilities;
- i) Construction and maintenance of bus stands and taxi stands;
- j) Regulation of outdoor advertising;
- k) Construction, maintenance and regulation of municipal markets and abattoirs;
- l) Construction and maintenance of fire stations; provision of fire - fighting services, emergency preparedness and disaster management;
- m) Promotion, regulation and provision of municipal sports and cultural activities;
- n) Promotion, regulation and provision of animal control and welfare;
- o) Development and enforcement of municipal plans and development controls;

**e) Fiduciary Oversight Arrangements**

*The Key oversight activities are undertaken by the following:*

**a. Economic Planning Committee of the County Assembly**

Provide oversight role and operation of the finance and economic planning department

**b. Budget and Appropriation Committee**

- i. Examine annual and supplementary budget estimates of expenditure presented to the house
- ii. Provide oversight on the presentation and implementation of the budget

**c. Public Accounts and Investment Committee**

- i. Increase public confidence in the credibility of the government institution through providing oversight role on financial performance
- ii. To examine reports and accounts on the public investments.

**d. Audit Committee**

- i. Monitor the effectiveness of the County Governments performance management and performance information
- ii. Provide strong and effective oversight of the internal audit function
- iii. Provide independent review of reporting functions to ensure the integrity of financial reporting

**f) Registered Offices**

Municipality of Eldoret Headquarters,  
Stadium Road,  
Eldoret  
P.O Box 40 – 30100  
Eldoret, Kenya

**g) Municipality Contacts**

The Municipal Manager  
Telephone: (254) – 053 - 2016215, 053 - 2016125, 053 - 2016600  
E - mail: [manager@uasingishu.go.ke](mailto:manager@uasingishu.go.ke)  
Website: [www.municipal.uasingishu.go.ke](http://www.municipal.uasingishu.go.ke)

**h) Bankers**

Central Bank of Kenya  
Uganda Road  
P.O. Box 6000 - 00200  
Eldoret Branch  
Eldoret, Kenya

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Kenya Commercial Bank  
P.O Box 560 – 30100  
Eldoret, Kenya

Cooperative Bank  
P.O Box 2948 – 30100  
Eldoret, Kenya




**i) Independent Auditor**

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





**j) Principal Legal Adviser**




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

3. Municipality Board

| Name  | Details of qualifications, experience and committee   |
|---|---|
|  <p>Mr. Julius Kitur<br/>Chairman of the Board</p>   | <p>a) Post Graduate Diploma in Correctional Services and Security Management,<br/>b) Bachelor of Business Management</p> <p><b>Work Experience</b></p> <ul style="list-style-type: none"><li>• Public Service - 14 years,</li><li>• Private Sector - 12 years</li></ul> <p><b>Year Of Birth</b><br/>26<sup>th</sup> June 1970</p> |
|  <p>Ms. Beatrice Kemboi<br/>Vice Chairperson of the Board<br/>Chair, HR and Finance<br/>Committee</p> | <p>a) Bachelor of Arts,<br/>b) Certified Public Secretary</p> <p><b>Committee</b><br/>Vice Chair – Full Board<br/>Human Resource Committee,</p> <p><b>Work Experience</b><br/>Public Service - 17 years,<br/>Private Sector - 20 years</p> <p><b>Year of Birth</b><br/>24<sup>th</sup> July 1958</p>                              |
|  <p>Peter Mwaniki<br/>Board Member</p>   | <p>Diploma in Library Information Systems</p> <p><b>Work Experience</b><br/>Public Service - 20 years</p> <p><b>Committees</b><br/>Audit Committee,<br/>Culture, Sports and Social Services,<br/>Environment Committee,<br/>Finance and Human Resource Committee</p> <p><b>Year of Birth</b><br/>28<sup>th</sup> August 1968</p>  |



| Name   | Details of qualifications experience and committee  |
|--|---|
|  <p>Walter Ayot Chairman, Culture, Sports and Social Services Committee</p> | <p>a) Diploma in Automotive Electrical Engineering (Trainer and Instructor), Kishumu Industrial Training Centre and RVTTI<br/>                     b) Certificate in Public Oversight in Project Management.</p> <p><b>Work Experience</b><br/>                     Public Service - 10 years,<br/>                     Private Sector - 30 years</p> <p><b>Committees</b><br/>                     Culture Sports and Social Services</p> <p><b>Year of Birth</b><br/>                     15<sup>th</sup> October 1969</p>  |
|  <p>Ms. Winnie Maru Chairperson, Environment Committee</p>                 | <p>BSc. Computing and Internet Systems</p> <p><b>Work Experience</b><br/>                     Public Service - 17 years,<br/>                     Private Sector - 10 years</p> <p><b>Committees</b><br/>                     Environment Committee,<br/>                     Planning and Operations Committee,<br/>                     Audit Committee,<br/>                     Culture, Sports and Social Services</p> <p><b>Year of Birth</b><br/>                     24<sup>TH</sup> June 1974</p>  |
|  <p>Richard Omanyala Chairman, Audit Committee, Board Member</p>          | <p>a) Diploma in Purchasing and Supply - IPS, London<br/>                     b) Diploma in Christian and Religious Studies - Carlile College<br/>                     c) Certificate in Land Disputes Arbitration,<br/>                     d) Certificate in International Monetary Fund Projects - IMF</p> <p><b>Work Experience</b><br/>                     Public Service - 14 years,<br/>                     b) Private Sector - 30 years</p> <p><b>Committees</b><br/>                     Environment Committee,<br/>                     Planning and Operations Committee</p> <p><b>Year of Birth</b><br/>                     1953</p> |
|  <p>Dr. Job K. Ngetich Chairman, Planning and Operational Committee</p>   | <p>PhD. Environmental Planning and Management</p> <p><b>Work Experience</b><br/>                     Public Service - Ministry of Lands and Physical Planning - 18 years,<br/>                     University Lecturer - 6 years</p> <p><b>Committees</b><br/>                     Planning and Operations Committee,<br/>                     Audit Committee,<br/>                     Environment Committee</p> <p><b>Year of Birth</b><br/>                     21<sup>st</sup> March 1969</p>  |







| Name   | Details of qualifications, experience and committee  |
|--|--|
| <p>Board Member</p>  <p>Dr Janeth Kosgei<br/>Board Member</p> | <ul style="list-style-type: none"> <li>• PhD in Mathematics Education</li> <li>• Master's in Mathematics Education,</li> <li>• Bachelor of Education (Maths/Chemistry)</li> </ul> <p>Formerly lecturer Moi University Department of Curriculum instructions and Educational Media School of Education. Worked in TSC as Mathematics/Chemistry teacher. Member of ANIE Professional Body and Board Member of various secondary schools.</p> |
|  <p>Julius Koech<br/>Board Member</p>                         | <p>University of Pretoria( South Africa) - Doctor of Philosophy (PhD), Education Policy Studies (ongoing)</p> <p>Master of Science (MSc) Degree, Human Resource Development</p> <p>Master of Education (MEd) Degree in Educational leadership and policy studies. Postgraduate Diploma in International Relations.</p> <p><b>Work Experience</b><br/>Public Service – 24 Years</p> <p><b>Date of Birth</b><br/>22 February 1973</p>        |
|  <p>Tito<br/>Koiyet<br/>Municipal Manager</p>               | <p>PhD. Management Information Systems,<br/>MSc. Information Systems,<br/>BEd. Sc. - Physics and Mathematics<br/>Dip. Sustainable Urban Development</p> <p><b>Work Experience</b><br/>Public Service - 11 years<br/>Private Sector - 14 years</p> <p><b>Committees</b><br/>Secretary, Full Board and All Committees</p> <p><b>Date of Birth</b><br/>22<sup>nd</sup> July 1971</p>  |

**County Government of Uasin Gishu**

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**4. Key Management Team**

|  | <b>Details of qualifications and experience</b>   |
|--|---|
| <br><b>Tito Koiyet</b><br>Municipal Manager                 | PhD. Management Information Systems,<br>MSc. Information Systems,<br>BEd. Sc. - Physics and Mathematics<br>Dip. Sustainable Urban Development |
| <br>CPA Lamek Keino<br>Deputy Director Finance-Municipality | CPA (K)<br>Certified Investment & Financial Analyst (Cifa)<br>Bsc Actuarial Science<br>Msc. Finance   |
| <br>Julie Ego<br>Human Resource Officer                     | Bachelor of Science in Human Resource Management<br>Higher Diploma in Human Resource Management   |
| <br>Gideon Kirwa<br>Environmental Officer                 | Bsc Environmental Science   |
| <br>William Kiplagat<br>Transport Officer                 | Diploma in Records Management   |
| <br>Alex Amdany<br>Chief Public Health Officer            | Diploma in environmental health science( public health)   |

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

The Municipality Board has continued to discharge its mandate in accordance with its statutory obligations as provided for in the Urban Areas and Cities Act, No. 13 of 2011, the County Governments Act of 2012 and the Municipal Charter. While there have been many challenges in the exercise of the responsibilities as provided, the board has made many strides in the realization of its functions.

### **Successes**

During the period under the review, the board was able to realize a number of milestones in the realization of its mandate.

One of the key milestones was the completion of the preparation and approval and adoption of the Integrated Development Plan (IDeP) 2021-2025 in accordance with Part V of UACA on integrated development planning. During the period also, the board approved the amended municipal spatial plan and through its partnership with the British High Commission's Foreign, Commonwealth Development support, under the Sustainable Urban Economic Development (SUED), approved the Urban Economic Plan (UEP).

During the period also, the board approved the municipality structured that the county executive and assembly have since also approved for implementation. The board also oversaw the completion of projects funded by the world bank under the Kenya Urban Support Programme (KUSP).

Other successes during the period include the completion of office renovations, streamlining of the municipal operations and kickstarting the upgrading of the municipality to city status.

### **Review of the Municipality Boards Performance**

The performance of the board within the current challenges has been commendable. Despite lack of full financial, planning and operational autonomy envisaged in the law, the board has continued to discharge its functions diligently.

**Challenges faced**

The lack of full financial, planning and operational autonomy envisaged in the law has been the biggest challenge. It is my hope that the current county administration will fully implement the Urban areas and cities act to grant the municipality the legitimacy envisioned in the law so as to realize its full potential.

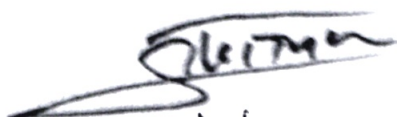
Other challenges have been the inadequate funding to the Municipality by the county government, the failure to transfer functions as per the law to facilitate the implementation of the municipal charter and lack of adequate staff to support the discharge of the board's operational obligations, functions and responsibilities.

**Changes in the Municipality Board during the year**

In the period under review, there were no changes in the municipality.

**Future Outlook of the Municipal Board**

The board looks forward to full autonomy of the Municipality. Further, the municipality hopes to transition to a city in the financial year 2023-2024. This will usher some changes in the board with the transitioning from a municipal board to a city board.



22/12/2023

.....  
**Name:** Julius Kitur

**Chairperson of the Board**

6. Report of the Municipal Manager

Budget performance

**Physical progress based on outputs, outcomes, and impacts since the establishment of Municipality**

| S.no | Program                                       | Physical progress   | Output/Outcome  | Impacts   |
|------|---|---|---|---|
| 1    | Solid waste management                        | Ongoing   | Improve the effectiveness and efficiency of solid waste management  | Improved solid waste storage, transportation and disposal   |
| 2    | Road and Transport infrastructure development | Planned construction of roads, Non motorized transport and construction of drainages complete at 100%   | <ul style="list-style-type: none"> <li>- Improve road and transport infrastructure</li> <li>- Improved road transport connectivity</li> </ul>                                 | <ul style="list-style-type: none"> <li>- Creation of employment during construction</li> <li>- Increased revenue due to addition of parking lots in the constructed roads</li> <li>- Improved accessibility</li> <li>- Improved drainage</li> <li>- Enhanced walkability</li> </ul> |
| 2    | Sports development                            | Construction of 64 stadium currently ongoing at 65%   | <ul style="list-style-type: none"> <li>- Rehabilitation of sport facilities</li> <li>- Increased uptake of sports activities</li> <li>- Promote sports development</li> </ul> | <ul style="list-style-type: none"> <li>- Creation of employment in the ongoing construction of 64 stadium</li> </ul>  |
| 3    | Public works services                         | Renovation Works, Construction of Gate and Sentry House At Municipality of Eldoret Headquarters In Uasin Gishu complete at 100%   | <ul style="list-style-type: none"> <li>- Improved working conditions in government buildings</li> <li>- Improved safety and condition of government buildings</li> </ul>      | <ul style="list-style-type: none"> <li>- Creation of employment during renovation</li> <li>- Improved aesthetic value of the Municipality headquarters</li> </ul>   |
| 4    | Physical Planning Services                    | <ul style="list-style-type: none"> <li>- Preparation of Municipality of Eldoret Urban Integrated Development Plan 2019-2024</li> <li>- Amendment of Eldoret LPDP to Municipality of Eldoret Spatial Plan</li> </ul> | <ul style="list-style-type: none"> <li>- Coordinated physical development and functional urban areas</li> <li>- Controlled physical development</li> </ul>                    | The plans are yet to be implemented but once implemented, they will ensure that there is proper physical and land use planning in the municipality  |
| 5    | Beatification and recreational activities     | <ul style="list-style-type: none"> <li>- Development of the Eldoret Arboretum that is now complete at 100%</li> <li>- Establishment of a park near central bank that is now complete at 100%</li> </ul>             | Increased protection of the environment and enhanced recreational facilities  | <ul style="list-style-type: none"> <li>- Provision of recreational facilities</li> <li>- Improved aesthetics</li> <li>- Improved Environmental conservation</li> </ul>  |

**Programs implemented by the Municipality and How they have been achieved**

The following programs have been achieved:

**1. Road and Transport infrastructure development**

During the period under review, the municipality completed a number of projects most of which were funded through the Kenya Urban Support programme.

One of the projects was the improvement of a total of 3.044 kilometers of road Infrastructure from Ndalat Stage (C39) through Oldonyo Lessos Bridge, CMC to Panvilla and Pioneer Health Centre to Rexona in Langas. A further 1.972 kilometers of road Infrastructure improvement was undertaken along Posta to Toyota Area through Kenya Railways, Wagon Wheel Hotel through the department of Lands offices to Iten Road and from Iten road through Dola Millers to Moi Girls on Kapsoya road junction.

The construction of storm water drainage from KPLC Yard to West Market Wetland through Arap Kitongo & Farmers Street was also undertaken. Further, the project comprised the beautification and greening between 64 Street and A104, and the construction of high masts at Kipkaren, Assis & Ngomongo as well as county headquarters frontage improvement along A104 from from Iten Road (C51) to Muliro Street. The stretch included drainage works.

Paving of Eldoret CBD Service Lanes between Ronald Ngala and Oginga Odinga Street from Paradise area to Nandi Road, Standard Bank to Korosiot, Barclays Bank and Nandi Arcade as well as Main Stage to Elijah Cheruiyot and Nandi Park & Korosiot Frontages was also undertaken. A total of 1.43 kilometers were paved.

To improve city walkability, Non-Motorized Transport Infrastructure were also developed during the period. On both sides of the road, not-motorised transport infrastructure was developed between Chepkoilel Junction to Sogomo, Zion Mall to Rupa Mall and from the Rift Valley Technical Training Institute to AIC Kao La Amani (Kaplimo) and Sosiani Buas Park to Oil Libya. Another stretch started at Public Works Offices to PCEA Church along Oloo Street and along A104 from ACK Cathedral to Moi Teaching and Referral Hospital giving a total of 9.298 kilometers of walkability.

To serve one of the city's industrial zones, Arap Kitongo Road, a high grade tarmack measuring 0.6 kilometers was laid and completed as was the 2.1 kilometer tarmacking of Racecourse Road to Oletapes & Marriott in Racecourse Neighborhood.

Subsequent projects saw the construction and completion of Non-Motorized Transportation measuring 1.2 kilometers at the Eldoret Arboretum, 1.8 kilometers of nature trail and the general beautification of Eldoret Arboretum, the construction of a 6 storey watchtower, 2no. steel gates, 30 no. benches 2 modern toilets. Remaining CBD backlanes measuring 1.2 kilometers were also cabro paved. A strom water drainage project was undertaken in Kapsaos that also involved the construction of two security lighting high masts at at Kipkaren and Kapsaos.

## **2. Sports development**

The upgrading of 64 Stadium with a capacity of 12,000 spectators is now at 65% completion

## **3. Public works services**

Renovation Works, Construction of Gate and Sentry House at Municipality of Eldoret Headquarters was undertaken and completed.

## **4. Physical Planning Services**

Preparation of Municipality of Eldoret Urban Integrated Development Plan 2019-2024 was completed. The Eldoret Spatial Plan was also completed through a consultancy for the amendment of Eldoret Local Physical Development Plan.

### **Comment on value-for-money**

To ensure value for money in all the projects undertaken, close collaboration and coordination between the affected stakeholders was ensured. This started with the involvement of residents in the identification and prioritization of the projects right from the start.

Further, efforts have been made in the preparation of realistic budgets for projects and ensuring that the bills of quantities are well scrutinized based on market values to avoid overpricing

Efforts have also been made to ensure the implementation of projects within the stipulated time and without variation of the contract sum. High quality equipment are also purchased from accredited suppliers. Contracts are also awarded to credible companies with the required proven expertise as required by the applicable law.

### **Implementation challenges of strategic objectives for the municipality and the entities future look.**

- ✓ Operationalization of the municipal structure
- ✓ Inadequate funding for projects
- ✓ Lack of revenue streams to address municipal financial challenges directly
- ✓ Overreliance on donor funds
- ✓ Inadequate human capacity to design and implement projects

The roadmap to city status is affected by the slow implementation of the municipality as per the requirements of Urban Areas and Cities Act and the Municipal Charter. It is imperative that the full functioning of the municipality gives way to the greater responsibilities of a city status.

### **Key risk management strategies**

The Municipality implements projects with minimum negative impact on livelihoods and the environment. This helps us ensure minimum disruption of projects at implementation.

At the same time we work with experts every step of the way to ensure we don't perform projects that cause too much risk.



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All projects implemented go through mandatory screening prior to the selection and/or in parallel with the respective urban area project identification/ feasibility study. Environmental assessments are conducted along with preparation of environmental management plans (EMPs) for projects as determined by the screening and government regulations. This then allows for the integration of ESMPs into detailed engineering design, bid and contract documents before to award of works. In all cases we recommend appropriate interventions for enhancement of Safeguards compliance on projects.

*Tito Koiyet*

Name: Tito Koiyet

*22/12/2023*

Municipal 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 for a County Government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board including a statement of the county government entity's performance against predetermined objectives. The key strategic objectives of the Municipality of Eldoret as outlined on "2020 - 2024 Strategic Plan" as follows;

1. Urban Governance and administration
2. Improve level of governance and accountability
3. Municipal Service delivery
4. Strengthen waste collection and disposal
5. Strengthen urban planning functions
6. Improve infrastructure
7. Promote trade and investments
8. Improve the corporate visibility of the Municipality

### **Progress on attainment of Strategic development objectives.**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time -bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. The Table below provide the progress attained on the above stated objectives:

| <b>Thematic Area</b>                | <b>Strategic Objective</b>                         | <b>Indicator</b>                                     | <b>Performance</b> |
|-------------------------------------|--|--|--------------------|
| Urban Governance and administration | Developing Eldoret Municipality Service Charter    | Documented   | 100%               |
|                                     | Improve the level of governance and accountability | Documented Board Charter                             | 100%               |
| Municipal Service delivery.         | Speed up service delivery and foster innovation.   | Provision of e - services                            | Ongoing            |
|                                     |  | Develop a Municipality integrated information system | Pending            |

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|   |  |  |         |
|---|--|--|---------|
|   |  | ICT connectivity within the Municipality                             | Pending |
|   |  | Design and ICT incubation centre within the Municipality             | Pending |
|   |  | Implementation of a Quality Management System based on ISO standards | Pending |
|   | Waste Collection and Disposal                        | Develop a recycling for waste within the municipality                | Pending |
|   | Traffic and Parking Management                       | Develop an infrastructure development Plan.                          | Ongoing |
|   | Strengthen sports, arts and culture                  | Build and equip a social hall  | Ongoing |
| Improvement of Urban Planning infrastructure. | Strengthen Urban Planning Function                   | Build and equip GIS lab  | Pending |
| Promotion of Trade and Investments            | Industrialization                                    | Establish an industrial area zone near the source of raw materials.  | Pending |
|   | Improve the corporate visibility of the Municipality | Rebranding   | Done    |

## **8. Corporate Governance Statement**

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

Pursuant to Municipality of Eldoret charter the Board of the municipality shall be appointed through a competitive process by executive committee with approval by the County Assembly. The removal of the Board members-A member of the municipality may be removed from office on any of the grounds provided under 3.12.1 by:

- i. The county Governor,
- ii. A resolution of the board of the municipality supported by at least two-thirds of the members of the board of the municipality; or
- iii. Upon petition by the residence in the municipality
- iv. The procedure for the removal or petition for removal of a member of the board of the municipality under 3.12.1 above shall be provided by regulation under the urban areas and cities Act and, in the absence, thereof in accordance with the Kenyan labour law.
- v. Any vacancy arising out of the removal of a member of the board of the municipality be filled in the manner provided under article 3.3.

### **2. Roles and functions of the municipality**

The board of the municipality shall perform the following functions-

- i. Oversee the affairs of the Municipality;
- ii. Develop or adopt policies, plans, strategies and programs and set targets for service delivery.
- iii. Formulate and implement an integrated Development plan in consultation with the physical planning section.
- iv. Control land sub-division, land development and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other employments centers, residential areas, to recreational areas, parks, entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the municipality as delegated by the county government of Uasin Gishu.
- v. Promote and undertake infrastructural development and services within Municipality as delegated by the county government of Uasin Gishu.
- vi. Develop and manage schemes, including site development in collaborations with the relevant national and county agencies.
- vii. Maintain comprehensive data base and information system of the administration.
- viii. Administer and regulate its internal affairs.
- ix. Implement applicable national and county legislations.
- x. Enter into contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions.
- xi. Monitor and, where appropriate, regulate municipal services where those services are provided by service providers other than the board of the municipality.
- xii. Prepare and submit its annual budget estimates to the county Treasury for consideration and submission to the county assembly for approval as part of the annual county appropriation bill.

- xiii. Collect rates, taxes levies, duties, fees and surcharges on fees as delegated by the county government of Uasin Gishu.
- xiv. Settle and implement tariff, rates and tax and debt collection policies as delegated by the county government of Uasin Gishu.
- xv. Monitor the impact and effectiveness of any service, policies, programs or plans.
- xvi. Establish, implement and monitor performance management systems.
- xvii. Promote a safe and healthy environment.
- xviii. Facilitate and regulate public transport and perform such other functions as delegated by the county government of Uasin Gishu.

### **3. Training, Municipality board members and members performance**

The board of municipality are trained once in every quarter of a financial year.

### **4. Number of municipality board meetings held and the attendance to those meetings by members**

The Board of the municipality shall hold its sittings to transact the business of the board once every three months.

### **5. Succession Plan**

The Board continues to implement the Municipal Structure as approved by the Executive and the County Assembly. Plans are at advanced stage to fill in all vacant positions to ensure optimal performance of the institution.

### **6. Existence of Service charter**

The municipality is in the process of developing a Service Charter in accordance with the Municipal Charter and the applicable law.

### **7. Conflict of interest**

Pursuant to municipality of Eldoret charter a member of the board of the municipality who has a conflict of interest in any discussions or decisions- making regarding any subject or transaction under considerations by the board of municipality, shall not participate in the discussions or decisions making, and not entitle to vote or agree to the subject or transaction relating to it.

### **8. Board remuneration**

The board is remunerated in accordance with the guidelines of the Salaries and Remuneration Commission.

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

The audit of the Board of the Municipality shall be as provided under section 46 and 47 of urban areas and cities act.

**9. Management Discussion and Analysis**

The Municipality of Eldoret formed in accordance to Urban Areas and Cities Act, 2011 as qualifying condition for access of World Bank funded Kenya Urban Support Programme. The World Bank entered to memorandum of Understanding with National Government for support of counties on service delivery in urban areas. This required creation of Municipalities as entity of funding. The funding is done through two programmes namely Urban Intuitional Grant (UIG) intended for Operations and Maintenance costs of the Municipality. The Urban Development Grant (UDG) for development projects.

During the year ended 30th June, 2023, the Municipality of Eldoret received both UIG and UDG received additional fund of Ksh 1,145,356 and 1,194,599 respectively. Reccurent expenditure of ksh 54,344,039 was incurred during the year hence assumed as tranfers to Eldoret Municipality since financial operations is under county executive.

**a. Income Receipts**

| <b>Descriptions</b>                       | <b>AMOUNT</b>     |
|---|-------------------|
| Transfers from other governments entities | 54,344,039        |
| <b>TOTAL</b>                              | <b>54,344,039</b> |

**b. Expenditure**

| <b>Expenses</b>                       | <b>Amount</b>     |
|---------------------------------------|-------------------|
| Use of goods and services             | 46,754,640        |
| Depreciation and amortization expense | 1,174,868         |
| <b>Total expenses</b>                 | <b>55,518,907</b> |

## **10. Environmental and Sustainability Reporting**

### **i) Sustainability strategy and profile**

Municipality of Eldoret derives its existence from the Urban Arrears and Cities Act, 2011 and subsequent Urban Arrears and Cities (Amendment) Act, 2019. The Municipality ensures compliance with all necessary legislations and ensures the service delivery to the people of Eldoret.

### **ii) Environmental Performance**

Municipality of Eldoret has put measures and policies that ensure conservation of the environment and protection of the ecosystem. This is done through garbage waste management and planting of trees on public land and greening of public parks.

### **iii) Employee Welfare**

The Municipality has put in place policies that ensure the employee welfare are well guarded and all staff are given fair and just treatment. All staff matters are considered through select committee that evaluates the staff matter and advise according for necessary action such promotion, deployment, reprimanding and or dismissal.

Municipality of Eldoret is equal opportunity employer with consideration for merit as prerequisite for hiring. The County ensures applicants are not discriminated by gender, religious background, ethnicity or any other form of personality.

The Municipality conducts annual staff appraisal that help to identify training needs and ways of improving staff productivity. The annual targets are negotiated and agreed between the officer and the supervisor at the beginning of the year. The Municipality has clear career progression structure and staff are awarded promotion timely basis.

### **iv) Market place practices -**

The Municipality of Eldoret is tasked with mandates as outlined on Urban Arrears and Cities Act, 2011.

In delivering its mandates the Municipality ensure maximum benefit to the citizenly and that public funds are utilized in the most efficient and effective manner.

### **v) Community Engagements -**

The Municipality of Eldoret undertakes public participation in order to identify the community priority and obtain views of the stakeholders.

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

The Municipality submits its report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

### **Principal activities**

The Municipality's principal activities are;

- (a) Urban planning, promotion of sustainable land use and regulation and control of physical development
- (b) Management and promotion of a safe and healthy environment
- (c) Promotion of the participation of residents in the governance of the municipality
- (d) Provision of municipal services e.g. solid waste management

### **Performance**

The results of the Municipality for the fourth quarter ended 30<sup>th</sup> June, 2023 are set out on page 1 - 5

### **Board**

The members of the Board of Board who served during the quarter are shown on page iv - vi.

### **Dividends/Surplus remission**

The Municipality is not required to remit any surplus or pay any dividends and the amount is appropriated in the subsequent financial year.

### **Auditors**

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

By Order of the Board



**Name:** Julius Kitur, Chairman

**Date:** 22/12/2023



## **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 City/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 Municipal Manager has assessed the Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

**County Government of Uasin Gishu**  
**Municipality of Eldoret**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

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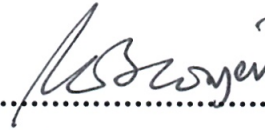
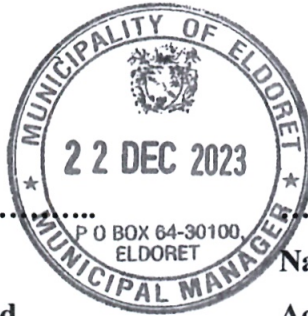
Nothing has come to the attention of the Municipal Manager to indicate that the Municipality will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Municipal financial statements were approved by the Board on 22<sup>nd</sup> December 2023 and signed on its behalf by:



.....  
**Name: Julius Kitur**  
**Chairperson of the Board**



.....  
**Name: Tito Koiyet**  
**Accounting Officer of the Board**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON MUNICIPALITY OF ELDORET FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Municipality of Eldoret set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Municipality of Eldoret 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 comply with the Public Finance Management Act, 2012, the Urban Areas and Cities Act, 2011 and the Municipal Charter.

## **Basis for Qualified Opinion**

### **1.0 Unconfirmed Capital Grants**

The statement of financial performance reflects transfers from other government entities amount of Kshs.54,344,039 which includes Urban Institutional Grants (UIG) amounts of Kshs.1,062,252 as disclosed in Note 1 to the financial statements. However, Management discussion and analysis discloses UIG receipts amount of Kshs.1,145,356 resulting to unreconciled and unexplained variance of Kshs.83,104.

In the circumstances, the accuracy of Urban Institutional Grants (UIG) amount of Kshs.1,062,252 could not be confirmed.

### **2.0 Unconfirmed Use of Goods and Services Expenditure**

The statement of financial performance reflects use of goods and services amount of Kshs.46,754,640 while Note 2 to the financial statements discloses use of goods and services amount of Kshs.45,615,840 leading to a variance of Kshs.1,138,800 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.46,754,640 could not be confirmed.

### **3.0 Inaccuracies in the Financial Statements**

#### **3.1 Variances Between the Statement of Financial Position and the Statement of Changes in Net Assets**

The statement of financial position reflects accumulated (deficit)/surplus and capital/development grants/fund balances of Kshs.(1,174,868) and Kshs.278,766,377 respectively while the statement of changes in net assets reflects corresponding balances of Kshs.(12,182,424) and Kshs.852,649,388 respectively leading to variances of Kshs.negative11,007,556 and Kshs.573,883,011 respectively which have not been explained or reconciled.

In addition, Note 7 to the financial statements reflects capital fund balance of Kshs.278,666,377 resulting to a further variance of Kshs.100,000 which has neither been reconciled nor explained.

In the circumstances, the accuracy and completeness of accumulated (deficit)/surplus and capital/development grants/fund balances of Kshs.(1,174,868) and Kshs.278,766,377 respectively could not be confirmed.

### **3.2 Statement of Changes in Net Assets**

The statement of changes in net assets reflects capital development grants/fund balance of Kshs.852,649,388. However, a recast of the statement shows capital development grants/fund balance of Kshs.853,824,259 resulting to unreconciled or unexplained variance of Kshs.1,174,871.

In the circumstances, the accuracy of the total net assets balance of Kshs.840,466,964 could not be confirmed.

### **3.3 Statement of Cash Flows**

The statement of cash flows reflects cash and cash equivalents balance of Kshs.7,035,830 as at 30 June, 2023. However, a recast of the statement results to a balance of Kshs.6,776,152 leading to a variance of Kshs.259,678 which has neither been reconciled nor explained. In addition, the statement reflects cash and cash equivalents balance of Kshs.64,342,982 as at 30 June, 2022 and a balance of Kshs.64,324,982 as at 1 July, 2022 resulting to a variance of Kshs.18,000 which has also neither been reconciled nor explained.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.7,035,830 as at 30 June, 2023 could not be confirmed.

### **3.4 Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects transfers from the county government - UDG actual on comparable basis amount of Kshs.58,683,138 while the statement of financial performance reflects transfers from other government entities amount of Kshs.Nil. The variance of Kshs.58,683,138 has neither been explained nor reconciled.

In the circumstances, the accuracy and completeness of transfers from the county government - UDG actual amount of Kshs.58,683,138 could not be confirmed.

### **3.5 Non-Current Assets**

The statement of financial position reflects total non-current assets balance of Kshs.270,455,679. However, a recast of the schedule of movement in property, plant and equipment reflects Kshs.271,568,679 resulting to unreconciled or unexplained variance of Kshs.1,113,000. In addition, the non-current assets balance of Kshs.270,455,679 include capital work in progress balance of Kshs.222,242,847 which was not supported

by certificates of work done. Further, a register of non-current assets was not provided for audit review.

In the circumstances, the accuracy and completeness of the non-current assets balance of Ksh.270,455,679 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Municipality of Eldoret 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 qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, no report or recommendations from the Management of the Municipality of Eldoret and oversight bodies were submitted for audit verification. Further, the issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Lack of Operational Independence of the Municipality**

As previously reported, the Municipality was granted Municipal Charter on 18 August, 2020 which was supposed to grant operational independence from the County

Government of Uasin Gishu. However, review of the operations of the Municipality revealed lack of autonomy as detailed below: -

- (i) The Municipality's budget was prepared and controlled by the County Executive and there was no budget approval by the Municipality Board.
- (ii) Except for project accounts with joint signatories from the County Treasury, the Municipality's expenditure was controlled by the County Treasury and did not have independent operations account.
- (iii) The County Government has continued to perform a number of functions which were transferred to the Municipality.

This is in contravention of Section 9(1) of the Urban Areas and Cities Act, 2011, which states that the County Governor may, on the resolution of the County Assembly, confer the status of a Municipality on a town that meets the criteria set out in Sub-Section (3), by grant of a Charter in the prescribed form. In addition, it contravenes Section 12(1) of the Urban Areas and Cities Act, 2011, which states that the Management of a City and Municipality shall be vested in the County Government and administered on its behalf by a Board, a Manager appointed pursuant to Section 28 and such other staff or officers as the County public service may determine.

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

## **2.0 Failure to Observe Gender Equity on Board Composition**

Review of the Municipality of Eldoret records provided for audit revealed that the Municipality of Eldoret had ten (10) Municipality Board members out of which two (2) Board members or about 20% are of the same gender contrary Section 13(3) of the Urban Areas and Cities Act, 2011 which requires that the Executive Committee shall, while appointing members of the board, ensure gender equity, representation of persons with disability, youth and marginalized groups.

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

## **3.0 Lack of an Independent Internal Audit Function**

Review of the documents provided for audit revealed that the Management of the Municipality of Eldoret had an audit committee which held meetings during the financial year 2022/2023 and yet they have not established an internal audit department to carry out internal audit functions contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. As such, the Municipality did not benefit from the assurance and advisory services from the internal audit function.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions, and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to continue 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 overall 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 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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**

**16 February, 2024**

County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023


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

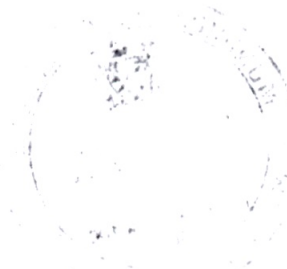
|   | Notes | 2022-2023          | 2021-2022           |
|---|-------|--------------------|---------------------|
| <b>Revenue from non-exchange transactions</b> |       |                    |                     |
| Transfers from other governments entities     | 1     | 54,344,039         | 43,724,567          |
| <b>Total Revenue</b>                          |       | <b>54,344,039</b>  | <b>43,724,567</b>   |
| <b>Expenses</b>                               |       |                    |                     |
| Use of goods and services                     | 2     | 46,754,640         | 43,724,567          |
| Depreciation and amortization expense         | 3     | 1,174,868          | 11,007,556          |
| Repairs and maintenance                       | 4     | 7,589,399          | 0                   |
| <b>Total expenses</b>                         |       | <b>55,518,907</b>  | <b>54,732,123</b>   |
| <b>Surplus/(deficit) for the period/year</b>  |       | <b>(1,174,868)</b> | <b>(11,007,556)</b> |

The notes set out on pages 7 to 27 form an integral part of these Financial Statements. The entity financial statements were approved on 22<sup>nd</sup> December 2023 and signed by:

  
Name: Tito Koiyet  
Municipal Manager



  
Name: Lamek Keino, CPA  
Head of Finance  
ICPAK M/No: 30334



County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position as at 30 June 2023

|   | Notes | 2022-2023          | 2021-2022          |
|---|-------|--------------------|--------------------|
|   |       |                    | Kshs               |
| <b>Assets</b>                           |       |                    |                    |
| <b>Current Assets</b>                   |       |                    |                    |
| Cash and cash equivalents               | 5     | 7,035,830          | 64,342,982         |
| <b>Total Current Assets</b>             |       | <b>7,035,830</b>   | <b>64,342,982</b>  |
| <b>Non-Current Assets</b>               |       |                    |                    |
| Property, plant and equipment           | 6     | 48,212,832         | 376,444,167        |
| Work in Progress                        | 6b    | 222,242,847        | 187,804,481        |
| <b>Total Non- Current Assets</b>        |       | <b>270,455,679</b> | <b>564,248,648</b> |
| <b>Total Assets</b>                     |       | <b>277,491,509</b> | <b>628,591,630</b> |
| <b>Liabilities</b>                      |       |                    |                    |
| <b>Current Liabilities</b>              |       |                    |                    |
| <b>Total Current Liabilities</b>        |       |                    |                    |
| <b>Net assets</b>                       |       |                    |                    |
| Accumulated surplus                     |       | (1,174,868)        | (11,007,556)       |
| Capital/Development Grants/Fund         | 7     | 278,766,377        | 639,599,186        |
| <b>Total Net Assets</b>                 |       | <b>277,491,509</b> | <b>628,591,630</b> |
| <b>Total Net Assets and Liabilities</b> |       | <b>277,491,509</b> | <b>628,591,630</b> |

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 22<sup>nd</sup> December 2023 and signed by:

.....  
Name: *Cito Kinyo*

Municipal Manager

Date: *22/12/2023*



.....  
Name: *LAMEK KEIRO*

Head of Finance

ICPAK M/No

Date:


County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement of Changes in Net Assets for the Year Ended 30 June 2023

| Description                               | Capital/<br>Development<br>Grants/Fund | Revaluation<br>Reserve | Accumulated<br>surplus | Total              |
|---|--|------------------------|------------------------|--------------------|
|   |  | Kshs.                  | Kshs.                  | Kshs.              |
| Bal as at 1 July 2022 (previous year)     | 610,640,513                            | 0                      |                        | 610,640,513        |
| Surplus/(deficit) for the year            |  | 0                      | -11,007,556            | -11,007,556        |
| Funds received during the year-UDG        | 0                                      | 0                      |                        | 0                  |
| funds received during the year-UGC        | 28,958,673                             | 0                      |                        | 28,958,673         |
| Revaluation gain/Transfer of depreciation |  | 0                      |                        | 0                  |
| <b>Bal as at 30 Jun 2022</b>              | <b>639,599,186</b>                     |                        | <b>-11,007,556</b>     | <b>628,591,630</b> |
| Bal as at 1 July 2022 (current year)      | 639,599,186                            | 0                      | -11,007,556            | 628,591,630        |
| Surplus/(deficit) for the year            |  | 0                      | -1,174,868             | -1,174,868         |
| Funds received during the year UGC        | 214,225,073                            |                        |                        | 214,225,073        |
| Revaluation gain                          |  |                        |                        |                    |
| <b>Balance as at 30 June 2023</b>         | <b>852,649,388</b>                     | <b>0</b>               | <b>12,182,424</b>      | <b>840,466,964</b> |

  
Name: Tito Koiyet  
Municipal Manager  
20/12/2023



  
Name: Lamek Keino  
Head of Finance  
ICPAK M/No: 30334

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17. Statement of Cash Flows for the Year Ended 30 June 2023

| Description   | Note | 2022-2023    | 2021-2022     |
|---|------|--------------|---------------|
|   |      | Kshs.        | Kshs.         |
| <b>Cash flows from operating activities</b>                   |      |              |               |
| <b>Receipts</b>   |      |              |               |
| Transfers from the County Government                          | 1    | 54,344,039   | 43,724,567    |
| Public contributions and donations                            |      |              |               |
| Interest received   |      |              |               |
| Miscellaneous receipts ( <i>Specify</i> )                     |      |              |               |
| <b>Total Receipts</b>   |      | 54,344,039   | 43,724,567    |
| <b>Payments</b>   |      |              |               |
| Use of goods and services                                     | 2    | 46,754,640   | 43,724,567    |
| Staff costs   |      |              |               |
| Board expenses  |      | -            |               |
| Repairs and Maintainace                                       | 4    | 7,589,399    |               |
| <b>Total Payments</b>   |      | 54,344,039   | 43,724,567    |
| <b>Net cash flows from operating activities</b>               |      | 0            | 0             |
| <b>Cash flows from investing activities</b>                   |      |              |               |
| Purchase of PPE & intangible assets                           | 6    | (58,743,389) | (575,256,204) |
| Proceeds from sale of PPE                                     |      |              |               |
| <b>Net cash flows used in investing activities</b>            |      | (58,743,389) | (575,256,204) |
| <b>Cash flows from financing activities</b>                   |      |              |               |
| Receipt from capital grants                                   | 7    | (1,194,559)  | (137,967,244) |
| <b>Net cash flows used in financing activities</b>            |      | (1,194,559)  | (137,967,244) |
| <b>Net increase/(decrease) in cash &amp; cash equivalents</b> |      | (57,548,830) | (713,223,448) |
| Cash And Cash Equivalents At 1 July                           | 5    | 64,324,982   | 777,566,430   |
| <b>Cash And Cash Equivalents At 30 June</b>                   | 5    | 7,035,830    | 64,342,982    |

.....  
Name: Tito Koiyet  
Municipal Manager

.....  
Name: Lamek Keino  
Head of Finance  
ICPAK M/No: 30334



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

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

| Description                                    | Original budget    | Adjustments        | Final budget       | Actual on comparable basis | Performance difference | % of utilisation |
|--|--------------------|--------------------|--------------------|----------------------------|------------------------|------------------|
|  | Kshs.              | Kshs.              | Kshs.              | Kshs.                      | Kshs.                  |                  |
|  | a                  | b                  | c=(a+b)            | D                          | e=(c-d)                | f=d/c            |
| <b>Revenue</b>                                 |                    | <b>Kshs.</b>       | <b>Kshs.</b>       | <b>Kshs.</b>               | <b>Kshs.</b>           |                  |
| Transfers from the County Government-UIG       | -                  | 1,062,252          | 1,062,252          | 1,077,600                  | -                      | 0%               |
| Transfers from the County Government-Recurrent | 53,281,787         | -1,653,629         | 51,628,158         | 53,281,787                 | -1,653,629             | -3%              |
| Transfers from the County Government-UDG       | -                  | 65,635,863         | 65,635,863         | 58,683,138                 | 6,952,725              | 89%              |
| Transfers from the County Government-Dev       | 180,695,891        | 52,116,022         | 232,811,913        | 214,225,073                | 9,431,215              | 92%              |
| <b>Total Revenue</b>                           | <b>233,977,678</b> | <b>117,160,508</b> | <b>351,138,186</b> | <b>336,423,223</b>         | <b>14,730,311</b>      |                  |
| <b>Expenses</b>                                |                    |                    |                    |                            |                        |                  |
| Use of goods and services-Recurrent            | 53,281,787         | -                  | 53,281,787         | 51,628,158                 | 1,653,629              | 97%              |
| Use of goods and services-UIG                  | 1,075,685          | -                  | 1,075,685          | 1,077,600                  |                        | 100%             |
| <b>Total Expenditure</b>                       | <b>54,357,472</b>  | <b>-</b>           | <b>54,357,472</b>  | <b>52,705,758</b>          | <b>1,653,629</b>       | <b>97%</b>       |

Budget notes:

**19. Notes to the Financial Statements**

**1. General Information**

Municipality of Eldoret is established by and derives its authority and accountability from Urban area and Cities Act 2011 and the Municipal Charter.

**2. Statement of Compliance and Basis of Preparation**

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

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

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

**3. Application of New and revised standards (IPSAS)**

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

| Standard                        | Effective date and impact:  |
|---------------------------------|---|
| IPSAS 41: Financial Instruments | <p><b>Applicable: 1<sup>st</sup> January 2023:</b></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</p> |



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| Standard  | Effective date and impact:  |
|---|---|
|   | <p>information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> |
| <p><b>IPSAS 42: Social Benefits</b></p>   | <p><b>Applicable: 1<sup>st</sup> January 2023</b></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> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>   |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for</p>  |

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| Standard                    | Effective date and impact:   |
|-----------------------------|--|
|                             | <p>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><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <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 1<sup>st</sup> January 2023.</li> </ul> |

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><b>Applicable 1<sup>st</sup> January 2025</b></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><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the</p>  |

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| Standard                | Effective date and impact:  |
|-------------------------|---|
| Discontinued Operations | depreciation of such assets to cease and:<br>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. |

*iii. Early adoption of standards*

The Municipality of Eldoret adopt International Public Sector Accounting Standard on accrual basis reporting because it found the Municipal Financial Reporting at a nascent stage.

**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 Municipality of Eldoret 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 28<sup>th</sup> April 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible assets**

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

**e) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments.

Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

#### **Financial liabilities**

##### **Classification**

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

##### **f) Inventories**

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

Raw materials: purchase cost using the weighted average cost method

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

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

##### **g) Provisions**

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

**h) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the 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.

**i) Contingent liabilities**

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

**j) Contingent assets**

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

**k) Nature and Purpose of Reserves**

The Municipality has no financial reserves.

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

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



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

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

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

The Municipality regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the City/Municipality,

*(Significant accounting policies continued)*

or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Managers and Municipality Accountant.

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

**s) Events after the reporting period**

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

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

(b) Those that are indicative of conditions that arose after the reporting date.

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

**t) Currency**

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

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

The preparation of the City/Municipality's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions

and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made.

**Estimates and assumptions.**

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

**Useful lives and Residual Values**

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

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

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Notes to the Financial Statements

1. Transfers from the County Government

| Description                             | 2022-2023         | 2021-2022         |
|---|-------------------|-------------------|
|   |                   | Kshs.             |
| Transfers from County Govt. – Recurrent | 53,281,787        | 33,942,792        |
| UIG                                     | 1,062,252         | 9,781,775         |
| UDG                                     | -                 | -                 |
| <b>Total</b>                            | <b>54,344,039</b> | <b>43,724,567</b> |

*N/B Total expenditure of recurrent ksh 53,281,787 has been treated as transfer from County since expenditure is managed by executive.*

2. Use of Goods and Services

| Description   | 2022-2023         | 2021-2022         |
|---|-------------------|-------------------|
|   |                   | Kshs.             |
| Utilities, supplies and services                                | 56,119            | 53,584            |
| Communication, supplies and services                            | 995,500           | 340,500           |
| Hospitality supplies and services                               | 11,070,141        | 1,594,810         |
| Office and general supplies and services                        | 993,610           | 368,683           |
| Routine maintainance-Other Assets                               | 0                 | 7,319,590         |
| Printing, advertising, supplies & services                      | 4,155,520         | 330,700           |
| Specialized materials and services/Sanitary                     | 1,204,980         | 800,000           |
| Trade Shows and Exhibitions                                     | 464,520.00        |                   |
| Travel Costs (airlines, bus, railway, mileage allowances, etc.) | 2,803,110         |                   |
| Supplies and Accessories for Computers and Printers             | 149,100           |                   |
| Domestic travel and subsistence                                 | 1,844,339         | 14,666,380        |
| Other general expenses  | 2,661,850         | 1,301,278         |
| Daily Subsistance Allowance                                     | 900,000           | 50,000            |
| Fuel, oil and lubricants  | 18,317,051        | 16,899,042        |
| <b>Total</b>  | <b>45,615,840</b> | <b>43,724,567</b> |

(Kshs 54,344039 includes kshs 45,615,840 and repair and maintenance of kshs 7589,399.)

3. Depreciation and amortization

| Description                   | 2022-2023        | 2021-2022        |
|-------------------------------|------------------|------------------|
|                               | Kshs.            | Kshs.            |
| Property, Plant and Equipment | 1,174,868        | 2,813,322        |
| <b>Total</b>                  | <b>1,174,868</b> | <b>2,813,322</b> |

*County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023*

**4. Repairs and Maintainace**

| Description             | 2022-2023 | 2021-2022 |
|-------------------------|-----------|-----------|
|                         | Kshs.     | Kshs.     |
| Repairs and Maintainace | 7,589,399 |           |

**5. Cash and cash equivalents**

| Description                                       | 2022-2023        | 2022-2022         |
|---|------------------|-------------------|
|   | Kshs.            | Kshs.             |
| UDG- Co-op Bank Account Number<br>011419576581100 | 6,952,726        | 64,340,116        |
| UIG-Kcb Bank Account Number<br>12588437260        | 83,104           | 2,866             |
| UDG- Central Bank<br>1000372068                   | -                |                   |
| UIG- Central Bank                                 | -                |                   |
| <b>Total Cash and Cash Equivalents</b>            | <b>7,035,829</b> | <b>64,342,982</b> |

**5. Detailed analysis of the cash and cash equivalents are as follows:**

| Description                                       | 2022-2023        | 2021-2022         |
|---|------------------|-------------------|
|   | Kshs.            | Kshs.             |
| UDG- Co-op Bank Account Number<br>011419576581100 | 6,952,726        | 64,340,116        |
| UIG-Kcb Bank Account Number<br>12588437260        | 83,104           | 2,866             |
| UDG- Central Bank<br>1000372068                   | -                |                   |
| UIG- Central Bank                                 | -                |                   |
| <b>Total Cash and Cash Equivalents</b>            | <b>7,035,829</b> | <b>64,342,982</b> |

County Government of Uasin Gishu  
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Annual Report and Financial Statements for the year ended June 30, 2023  
(Notes to the Financial Statements Continued)

6. Property, Plant and Equipment

| Description   | Land | Building | Motor vehicles | Furniture and fittings | Computers | Roads, Civil Works & infrastructure | Capital Work in progress | Total       |
|---|------|----------|----------------|------------------------|-----------|-------------------------------------|--------------------------|-------------|
|   | Shs  | Shs      | Shs            | Shs                    | Shs       | Shs                                 | Shs                      | Shs         |
| <b>As at 1 July 2021 (previous year)</b>                  |      |          |                |                        |           |                                     |                          |             |
| Additions   | -    | -        | -              | 1,590,000              | -         | 385,861,723                         | 187,804,481              | 575,256,204 |
| Disposals   | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| Transfers/adjustments                                     |      |          |                |                        |           |                                     |                          |             |
| <b>As at 30<sup>th</sup> June 2022</b>                    | -    | -        | -              | 1,590,000              | -         | 385,861,723                         | 187,804,481              | 575,256,204 |
| Additions for the year                                    |      |          |                | -                      |           | 58,743,389                          | 222,242,847              | 280,986,236 |
|   | -    | -        | -              | -                      | -         | 58,743,389                          | 222,242,847              | 280,986,236 |
| <b>As at 30<sup>th</sup> June 2023 (current year)</b>     |      |          |                | 1,590,000              |           | 44,605,112                          | 410,047,325              | 856,242,440 |
| <b>Depreciation and impairment</b>                        |      |          |                |                        |           |                                     |                          |             |
| <b>At 1 July 2021 (previous year)</b>                     |      |          |                |                        |           |                                     |                          |             |
| Depreciation  | -    | -        | -              | 477,000                | -         | 10,530,556                          |                          | 11,007,556  |
| Impairment  | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| Transfers/ Adjustments                                    | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| <b>As at 30 June 2022</b>                                 | -    | -        | -              | 477,000                | -         | 10,530,556                          | -                        | 11,007,556  |
| Depreciation for the year                                 | -    | -        | -              | -                      | -         | 1,174,868                           | -                        | 1,174,868   |
| Disposals for the year                                    | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| Impairment for the year                                   | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| Transfer/adjustment                                       | 0    | 0        | 0              | 0                      | 0         | 0                                   | 0                        | 0           |
| <b>As at 30<sup>th</sup> June 2023 (current year)</b>     | -    | -        | -              | 477,000                | -         | 1,174,868                           | -                        | 1,174,868   |
| <b>NBV as at 30<sup>th</sup> Jun 2022 (previous year)</b> |      |          |                | 1,113,000              |           | 375,331,167                         | 187,804,481              | 564,248,648 |
| <b>NBV as at 30<sup>th</sup> Jun 2023 (current year)</b>  |      |          |                | 1,113,000              |           | 48,212,832                          | 222,242,847              | 270,455,679 |

NOTE:WIP Ksh 222,242,847 will be subjected to depreciation upon the completion of the projects.

**County Government of Uasin Gishu**  
**Municipality of Eldoret**  
**Annual Report and Financial Statements for the year ended June 30, 2023**

| No.          | Description                          | Payee                 | AMOUNT             |
|--------------|--------------------------------------|-----------------------|--------------------|
| 1            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 102,500,000        |
| 2            | Research, Feasibility Studies        | Dama Services Limited | 8,463,200          |
| 3            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 58,575,647         |
| 4            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 52,704,000         |
| <b>TOTAL</b> |                                      |                       | <b>222,242,847</b> |

**6b**  
**Work**  
**in**  
**progr**  
**ess**

## 7. Capital Fund

| Description                     | 2022-2023          | 2021-2022          |
|---------------------------------|--------------------|--------------------|
|                                 | Kshs.              | Kshs.              |
| <b>UDG</b>                      | -                  | -                  |
| <b>1<sup>st</sup> July</b>      | 64,441,304         | 610,640,513        |
| County development funds in CRF | 214,225,073        | 28,958,673         |
| <b>Totals</b>                   | <b>278,666,377</b> | <b>639,599,186</b> |

## Other Disclosures

### 8. Related party balances

#### a) Nature of related party relationships

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

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

### 9. Financial risk management

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

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

#### I. Credit risk

The Municipality has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents,



*(Notes to the Financial Statements)*

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 Municipality's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

**Liquidity risk management**

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

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

**Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Municipality's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

***County Government of Uasin Gishu***

***Municipality of Eldoret***

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

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***(Notes to the Financial Statements)***

Municipality's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Municipality's exposure to market risks or the manner in which it manages and measures the risk.

20. Appendices

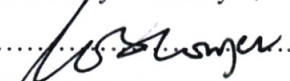
Appendix 1. Progress on Follow up of Auditors Recommendations.

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

| Reference No. on the external audit Report | Issue / Observations from Auditor                           | Management comments   | Status: (Resolved / Not Resolved) | Timeframe |
|--|---|---|-----------------------------------|-----------|
| 4.4  | Lack of operational independence of municipality (autonomy) | Management are working modalities with county executive to ensure municipality get independence | No resolved                       | N/A       |
| 4.2  | Lack of approved staff establishment                        | Staff establishment has been approved   | Resolved                          | N/A       |
| 4.7  | Lack of independent audit function                          | Audit department shall be established upon advertisement as per the structure                   | Not Resolved                      | N/A       |

**Guidance Notes:**

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

.....  
  
Municipal Manager  
22/12/2023




County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023

Appendix 2: Inter Entity Transfers

| MUNICIPALITY NAME: ELDORET   |                                     |                            |                       |  |
|--|-------------------------------------|----------------------------|-----------------------|--|
| Breakdown of Transfers from the County Executive of Uasin Gishu County |                                     |                            |                       |  |
| FY 2022/2023   |                                     |                            |                       |  |
|  |                                     | <u>Bank Statement Date</u> | <u>Amount (Kshs.)</u> | <u>Indicate the FY to which the amounts relate</u> |
| 54a.   | Recurrent Grants                    |                            |                       |  |
|  | Opening Balance and Receipting      |                            | 1,062,252             | 2022/2023  |
|  | County Government Recurrent Expense |                            | 53,281,787            | 2022/2023  |
|  |                                     | <b>Total</b>               | <b>54,344,039</b>     |  |
| b.   | Development Grants                  | <u>Bank Statement Date</u> | <u>Amount (Kshs.)</u> | <u>Indicate the FY to which the amounts relate</u> |
|  | Opening Balance and Receipts UDG    |                            | 64,441,304            | 2022/2023  |
|  | County Government Development       |                            | 1,194,559             | 2022/2023  |
|  |                                     | <b>Total</b>               | <b>65,635,863</b>     |  |
| c.   | Direct Payments                     | <u>Bank Statement Date</u> | <u>Amount (Kshs.)</u> | <u>Indicate the FY to which the amounts relate</u> |
|  |                                     |                            | 6,265,000             | 2021-2022 (Refund of inter borrowing)              |
|  |                                     | <b>Total</b>               | <b>6,265,000</b>      |  |

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

.....  
ISABELLA AYARI  
Deputy Director, Finance

.....  
  
Director, Finance

*County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023*

**Appendix 3: Work in progress**

| <b>No.</b>   | <b>Description</b>                   | <b>Payee</b>          | <b>AMOUNT</b>      |
|--------------|--------------------------------------|-----------------------|--------------------|
| 1            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 102,500,000        |
| 2            | Research, Feasibility Studies        | Dama Services Limited | 8,463,200          |
| 3            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 58,575,647         |
| 4            | Other Infrastructure and Civil Works | Pinnie Agency Limited | 52,704,000         |
| <b>TOTAL</b> |                                      |                       | <b>222,242,847</b> |

County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023

**Appendix 3: Development Vote**

30-JUNE 2023 Eldoret Municipality

| Head   | Sub Head                             | Item-source-program me geographical | Title and details | Printed Estimate | Reallocati on/ Transfer | Supplement ary Estimates | Approve d Estimate s (Net) | Cumulati ve Expenditu re | Outstandin g Commitme nts | Total Payment Commitme nts | Balanc e |
|--|--------------------------------------|-------------------------------------|-------------------|------------------|-------------------------|--------------------------|----------------------------|--------------------------|---------------------------|----------------------------|----------|
| Kes  | Kes                                  | Kes                                 | Kes               | Kes              | Kes                     | Kes                      | Kes                        |                          |                           |                            |          |
| <b>0001</b>                                  | <b>Eldoret Municipality</b>          |                                     |                   |                  |                         |                          |                            |                          |                           |                            |          |
| <b>01</b>                                    | <b>Finance and Administration</b>    |                                     |                   |                  |                         |                          |                            |                          |                           |                            |          |
| 2640499-00001001-0109024310-43100001         | Other Current Transfers - Othe       | 0                                   | 0                 | 2,339,914        | 2,339,914               | 428,000                  | 649,600                    | 1,077,600                | 1,262,314                 |                            |          |
| <b>GROSS EXPENDITURE</b>                     | 0                                    | 0                                   | 2,339,914         | 2,339,914        | 428,000                 | 649,600                  | 1,077,600                  | 1,262,314                |                           |                            |          |
| <b>Net Expenditure Sub Head 000101 .....</b> | 0                                    | 0                                   | 2,339,914         | 2,339,914        | 428,000                 | 649,600                  | 1,077,600                  | 1,262,314                |                           |                            |          |
| <b>02</b>                                    | <b>Engineering Management</b>        |                                     |                   |                  |                         |                          |                            |                          |                           |                            |          |
| 2220206-00001001-0109024310-43100001         | Maintenance of Civil Works           | 50,000,000                          | 0                 | -1,122,873       | 48,877,127              | 44,378,543               | 4,443,732                  | 48,822,275               | 54,852                    |                            |          |
| 3111504-00001001-0109024310-43100001         | Other Infrastructure and Civil Works | 103,000,000                         | 0                 | -500,000         | 102,500,000             | 102,500,000              | 0                          | 102,500,000              | 0                         |                            |          |
| <b>GROSS EXPENDITURE</b>                     | 153,000,000                          | 0                                   | -1,622,873        | 151,377,127      | 146,878,543             | 4,443,732                | 151,322,275                | 54,852                   |                           |                            |          |
| <b>Net Expenditure Sub Head 000102 .....</b> | 153,000,000                          | 0                                   | -1,622,873        | 151,377,127      | 146,878,543             | 4,443,732                | 151,322,275                | 54,852                   |                           |                            |          |
| <b>03</b>                                    | <b>Urban Planning Management</b>     |                                     |                   |                  |                         |                          |                            |                          |                           |                            |          |
| 3111499-00001001-0109024310-43100001         | Research, Feasibility Studies        | 27,695,891                          | 0                 | 0                | 27,695,891              | 18,384,313               | 0                          | 18,384,313               | 9,311,578                 |                            |          |
| <b>GROSS</b>                                 | 27,695,891                           | 0                                   | 0                 | 27,695,891       | 18,384,313              | 0                        | 18,384,313                 | 9,311,578                |                           |                            |          |

*County Government of Uasin Gishu  
Municipality of Eldoret  
Annual Report and Financial Statements for the year ended June 30, 2023*

|  |   |   |             |             |             |             |             |             |         |  |  |
|--|---|---|-------------|-------------|-------------|-------------|-------------|-------------|---------|--|--|
| <b>EXPENDITURE</b>                               |   |   |             |             |             |             |             |             |         |  |  |
| Net Expenditure<br>Sub Head<br>000103 .....      | 27,695,891                              | 0 | 0           | 27,695,891  | 18,384,313  | 0           | 18,384,313  | 9,311,578   |         |  |  |
| <b>05</b>  | <b>Social Services</b>                  |   |             |             |             |             |             |             |         |  |  |
| 3110504-<br>00001001-<br>0109024310-<br>43100001 | Other Infrastructure and<br>Civil Works | 0 | 0           | 117,034,844 | 117,034,844 | 111,279,647 | 5,574,000   | 116,853,647 | 181,197 |  |  |
| <b>GROSS<br/>EXPENDITURE</b>                     | 0                                       | 0 | 117,034,844 | 117,034,844 | 111,279,647 | 5,574,000   | 116,853,647 | 181,197     |         |  |  |
| Net Expenditure<br>Sub Head<br>000105 .....      | 0                                       | 0 | 117,034,844 | 117,034,844 | 111,279,647 | 5,574,000   | 116,853,647 | 181,197     |         |  |  |
| Net Expenditure<br>Head 000100 ..<br>...         | 180,695,891                             | 0 | 117,751,885 | 298,447,776 | 276,970,503 | 10,667,332  | 287,637,836 | 10,809,940  |         |  |  |
| <b>Total Net<br/>Expenditure<br/>vote D4331</b>  | 180,695,891                             | 0 | 117,751,885 | 298,447,776 | 276,970,503 | 10,667,332  | 287,637,836 | 10,809,940  |         |  |  |

**Republic of Kenya**  
**County Government of Uasin Gishu**

Email: [manager@uasingishu.go.ke](mailto:manager@uasingishu.go.ke)  
Fax: +254-053-2062884  
Website: [www.municipal.uasingishu.go.ke](http://www.municipal.uasingishu.go.ke)



When Replying, Please Address to:  
The Municipal Manager,  
Municipality of Eldoret,  
P. O Box 40-30100,  
**Eldoret, Kenya**

Municipality of Eldoret

Ref: CGU/ME/ADM/4/254

*22<sup>nd</sup>*  
**20<sup>th</sup> December 2023**

Office of the Auditor General  
North Rift Regional Office  
ELDORET

**RE: DRAFT REPORT OF THE AUDITOR GENERAL ON MUNICIPALITY OF  
ELDORET FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023.**

The above matter refers and your letter Ref: OAG/NRRO/2022-2-01-0027-21  
MOE/ dated 18<sup>th</sup> December 2023.

Enclosed herein please find a report for your necessary action.

Regards,



Tito Koiyet  
**Municipal Manager**

Encl



