



COPY

COUNTY GOVERNMENT OF KIAMBU

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

P.O Box 2344 - 00900 Kiambu, Kenya

Tel: +254 209 877 000

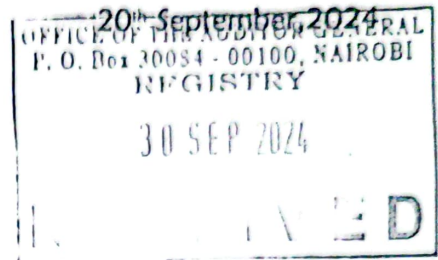
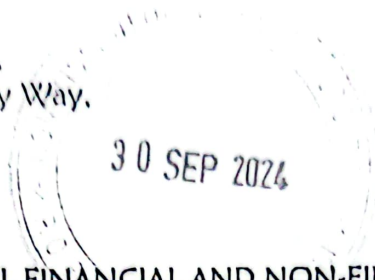
Email: info@kiambu.go.ke

Website: www.kiambu.go.ke

Twitter: @KiambuCountyGov

Our Ref: KCC/FEP/16/01/VOL.III (57)

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



RE: SUBMISSION OF ANNUAL FINANCIAL AND NON-FINANCIAL REPORT FOR THE YEAR ENDED 30th June 2024 FOR KARURI MUNICIPALITY

Pursuant to PFM Act 2012 section 164(4), attached is the annual financial and non-financial report for the financial year ended 30th June 2024 for Karuri Municipality

Nancy Kirumba

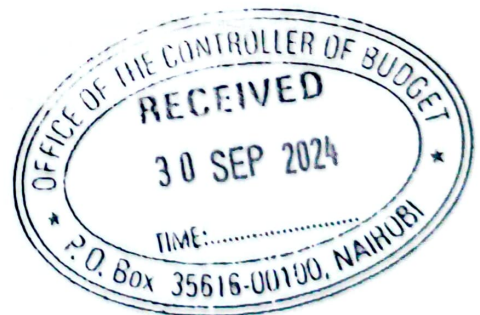
Nancy Kirumba
CECM - Finance, ICT & Economic Planning

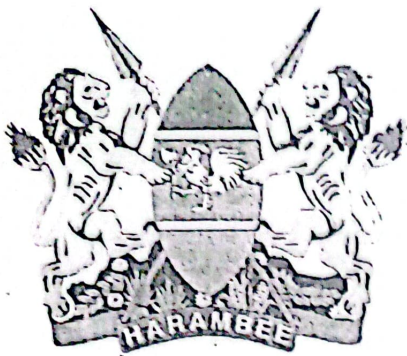
Copies to :

The Chief Executive Officer,
Commission on Revenue Allocation,
Prism Towers -28th Floor,
P. O Box 1310 - 00200,
NAIROBI

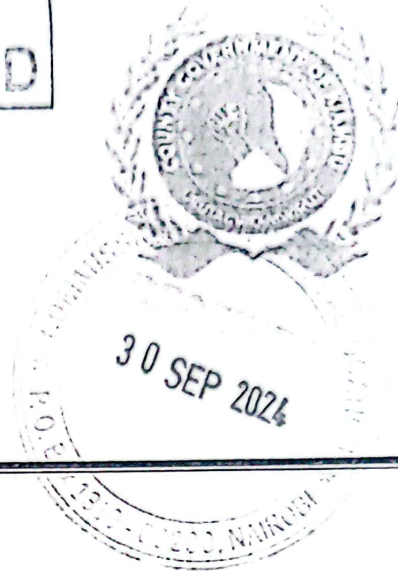
The Controller of Budget,
Bima House
P.O Box 35616-00200,
NAIROBI

Chief Officer Finance & Economic Planning
Kiambu County





OFFICE OF THE AUDITOR GENERAL
P.O. Box 30254 - 00100, NAIROBI
REGISTRY
30 SEP 2024

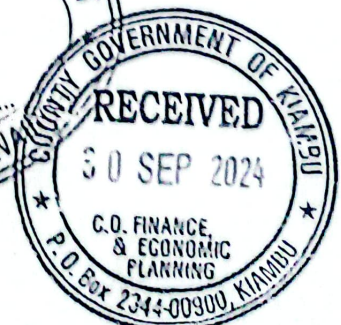
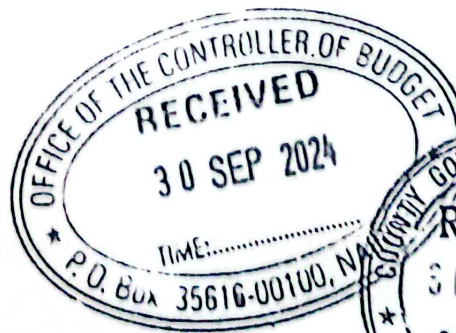


KARURI MUNICIPALITY

County Government of Kiambu

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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



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

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 development objectives of the Karuri Municipality are:

- a) Provide quality physical infrastructure.
- b) Urban planning.
- c) Urban governance and administration

Most of the projects listed below were continuing projects from FY 2022/2023 since there was no funding for the year FY 2023/2024.

Detailed analysis for each objective and outcome is presented in the table below;

| Programme Name: Karuri Municipality | | | | | | |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------|-------|-------------------------|-----------------|
| Objective: To Improve Infrastructural Developments in Karuri Municipality and its Urban Areas | | | | | | |
| Outcome: Creation of liveable cities, improved urban infrastructure, revenue improvement | | | | | | |
| Sub Programme | Key output | Key performance indicator | Baseline | | Planned Target FY 23/24 | Actual FY 23/24 |
| | | | Year | Value | | |
| General Administration & Support Services: Costing of Salaries | Improved efficiency and effectiveness in quality service delivery | No. of Officers Recruited | 2022 | 0 | 1 | 1 |
| Staff Training and development programs | Sustainable and satisfied work force | No. of staff sponsored for promotional, refresher courses & CPD programs | 2022 | 0 | 10 | 12 |
| Operation & Maintenance: General office | Consistency of information, methods, skills and controls | No. of offices equipped & furnished and general office maintenance | 2022 | 0 | 1 | 1 |
| Construction and upgrading of Municipal Infrastructures | Improvement of Roads | Kilometres of Roads Constructed | 2022 | km | 5km | 5km |
| | Improvement of Sewer System | Kilometres of Sewer lines constructed | 2022 | km | 0km | 0km |
| | Improvement of Street Lighting | No. of Street Lights Installed | 2022 | 0 | 15 | 20 |
| | Improvement of Bus Parks | No. Bus parks Rehabilitated | 2022 | 0 | 0 | 0 |
| | Improvement of Market sheds & Ablution Blocks | No. of Market sheds & Ablution Blocks | 2022 | 0 | 0 | 0 |
| | Construction & | | No. of Stadia built or | 2022 | 0 | 0 |

County Government of Kiambu

Karuri Municipality

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| | | | | | | |
|-------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------|----|------|-----|
| | Rehabilitation of Stadium | rehabilitated | | | | |
| | Provision of Waste Management & Equipment | No. of Waste Management stations constructed or/& Equipment bought | 2022 | 0 | 0 | 0 |
| | Improvement of NMT & Parking Lots | No. of NMTs & Parking Lots constructed | 2022 | km | 5km | 5km |
| | Construction of Recreational centers | No. Recreational facilities Constructed | 2022 | 0 | 0 | 0 |
| | Construction of Fire station and Purchase of Disaster management Equipment | No. of Fire stations constructed and Disaster management Equipment Purchased | 2022 | 0 | 0 | 0 |
| | Construction of Storm water Drains | Kilometers of storm water Drains Constructed | 2022 | km | 5 km | 5km |
| Renewable Energy and Climate Change | Incorporation of green energy as an alternative source of power within the municipality | No. of KWh units of wind energy generated | 2022 | 0 | 0 | 0 |
| | | Volume of bio gas produced | 2022 | 0 | 0 | 0 |
| | | No. of KWh units of solar PV energy generated | 2022 | 0 | 0 | 0 |
| Total | | | | | | |

9. Management Discussion and Analysis

The Municipality has increased revenue collection improving financial performance of the entity within the year by improving service delivery and enforcement.

The county devolved all functions to the municipalities thus making them autonomous.

| Karuri Municipality | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|------------------|-----------------|----------------------------|-----------------------------|
| Project Name | Contract Sum | Budget Allocation | Implementation % | Start date | End date | Works done |
| Upgrading of Equity Rwaka slaughter road to bitumen standard and upgrading of Muchatha Access roads (400m) to Cabro standards | 68,687,043.75 | 75,000,000 | 100% | 22nd March 2022 | 30 th June 2023 | Project Complete and in Use |

Compliance with statutory requirements

The municipality is compliant with the various statutory requirements:

- NEMA requirements were complied with by obtaining the licenses for our projects
- KRA on remittance of statutory deductions

Major risks facing the organization

1. Unaligned Karuri Municipality Charter

The municipality needs support and goodwill from the County Government for the charter to be reviewed and aligned to the UACA 2011, 2019

2. Lack of implementation of the Governance and Institutional Framework

The municipality needs support and goodwill from the County Government for deployment of staff and delegation of responsibilities according to the UACA 2011, 2019.

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

14. Statement of Financial Performance for the Year ended 30th June 2024.

| | Notes | FY 2023/2024 | FY 2022/2023 |
|-----------------------------------------------|-------|--------------|--------------|
| | | Kshs. | Kshs. |
| Revenue from non-exchange transactions | | | |
| Transfers from the County Government | 6 | - | 1,194,559 |
| Public contributions and donations | 7 | - | - |
| Levies Fines and Penalties | 8 | - | - |
| Other revenues (<i>Specify</i>) | 9 | - | - |
| | | - | 1,194,559 |
| Revenue from exchange transactions | | | |
| Interest income | 10 | 0 | 0 |
| Other Income | 11 | 0 | 0 |
| | | 0 | 0 |
| Total revenue | | - | 1,194,559 |
| | | | |
| Expenditure | | | |
| Use of goods and services | 12 | - | - |
| Staff costs | 13 | - | - |
| Board expenses | 14 | - | - |
| Finance costs | 15a | 6,716 | 35,904 |
| Infrastructure Projects | 15b | 3,433,419 | 51,427,155 |
| Total expenses | | 3,440,135 | 51,463,059 |
| Other gains/losses | | | |
| Gain/loss on disposal of assets | 16 | - | - |
| Surplus/(deficit) for the period | | (3,440,135) | (50,268,500) |

The notes set out on pages 20 to 32 form an integral part of these Financial Statements. The entity financial statements were approved on 16th September 2024 and signed by:



.....
Name: Philip Mubea
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No

County Government of Kiambu

Karuri Municipality

Annual Report and Financial Statements for the year ended June 30, 2024

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

| | Note | FY 2023/2024 | FY 2022/2023 |
|---------------------------------------------|------|-------------------|-------------------|
| | | Kshs. | Kshs. |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 17 | 686,412 | 4,126,546 |
| Receivables from exchange transactions | 18 | - | - |
| Receivables from Non- exchange transactions | 19 | - | - |
| Prepayments | 20 | - | - |
| Inventories | 21 | - | - |
| Total Current Assets | | 686,412 | 4,126,546 |
| Non-current assets | | | |
| Property, plant, and equipment | 22 | 58,293,589 | 54,860,634 |
| Intangible assets | 23 | - | - |
| Total Non-current Assets | | - | - |
| Total assets | | 58,980,001 | 58,987,180 |
| | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 24 | - | - |
| Provisions | 25 | - | - |
| Borrowings | 26 | - | - |
| Employee benefit obligations | 27 | - | - |
| | | - | - |
| Non-current liabilities | | | |
| Provisions | 25 | - | - |
| Borrowings | 26 | - | - |
| Non-current employee benefit obligation | 27 | - | - |
| | | - | - |
| Total liabilities | | - | - |
| | | | |
| Net assets | | 58,980,001 | 58,987,180 |
| Capital/Development Grants/Fund | | | |
| Reserves | | | |
| Accumulated surplus | | 58,980,001 | 58,987,180 |
| Total net assets and liabilities | | 58,980,001 | 58,987,180 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 16th September 2024 and signed by:

*County Government of Kiambu
Karuri Municipality
Annual Report and Financial Statements for the year ended June 30, 2024*



.....
Name: Philip Mubea
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No

17. Statement of Cash Flows for the Year ended 30th June 2024

| | Note | FY 2023/2024 | FY 2022/2023 |
|---------------------------------------------------------------|------|--------------------|---------------------|
| | | Kshs. | Kshs. |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the County Government | 6 | - | 1,194,559 |
| Public contributions and donations | 7 | - | - |
| Interest received | 10 | - | - |
| <i>Other receipts (Specify)</i> | | | |
| Total Receipts | | - | 1,194,559 |
| Payments | | | |
| Use of goods and services | 12 | - | - |
| Staff costs | 13 | - | - |
| Board expenses | 14 | | - |
| Finance costs | 15a | (6,716) | (35,904) |
| Total Payments | | (6,716) | (35,904) |
| Net cash flows from operating activities | | (6,716) | 1,158,655 |
| Cash flows from investing activities | | | |
| Purchase of PPE & intangible assets | | (3,433,419) | (51,427,155) |
| Proceeds from sale of PPE | | - | - |
| Net cash flows used in investing activities | | (3,433,419) | (51,427,155) |
| Cash flows from financing activities | | | |
| Receipts from Capital grants | | 0 | 0 |
| Proceeds from borrowings | | 0 | 0 |
| Repayment of borrowings | | 0 | 0 |
| Net cash flows used in financing activities | | 0 | 0 |
| Net increase/(decrease) in cash & cash equivalents | | (3,440,135) | (50,268,500) |
| Cash And Cash Equivalents At 1 July | 17 | 4,126,546 | 54,395,046 |
| Cash And Cash Equivalents At 30 June | 17 | 686,412 | 4,126,546 |



Name: Philip Mubea

Municipality Manager



Name: Brian Mwangi

Head of Finance

ICPAK M/No

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

16. Statement of Changes In Net Assets for the Year ended 30th June 2024

| | Capital/ Development Grants/Fund | Revaluation Reserve | Accumulated surplus | Total |
|--------------------------------------------|----------------------------------------|------------------------|------------------------|--------------|
| | | Kshs. | Kshs. | Kshs. |
| Balance as at 1 st July 2022 | | | 54,395,046 | 54,395,046 |
| Surplus/(deficit) for the period | | | (50,268,500) | (50,268,500) |
| Funds received during the year | | | | - |
| Revaluation gain | | | | - |
| Balance as at 30th June 2023 | - | - | 4,126,546 | 4,126,546 |
| | | | | - |
| Balance as at 1 st July 2024 | - | - | 4,126,546 | 4,126,546 |
| Surplus/(deficit) for the period | | - | (3,440,135) | (3,440,135) |
| Funds received during the year | | | | |
| Revaluation gain | | | | |
| Balance as at 30th June 2024 | - | - | 4,125,466 | 4,125,466 |



.....
Name: Philip Mubea
Municipality Manager



.....
Name: Brian Mwangi
Head of Finance
ICPAK M/No