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# CITY OF ELDORET

*County Government of Uasin Gishu*



ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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



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**1. Acronyms & Glossary of Terms**

FY	Financial Year
IDeP	Integrated Development Plan
IPSAS	International Public Sector Accounting Standards
OSHA	Occupational Safety & Health Act
PSASB	Public Sector Accounting Standards Board
SRC	Salaries and Remuneration Commission
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
UACA	Urban Areas and Cities Act
UIG	Urban Institutional Grants
UDG	Urban Development Grants
UGC	Uasin Gishu County

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

### **a) Background information**

As at the time of the preparation of this report, the Municipality of Eldoret had been granted Municipality charter and conferred with the status of a Municipality, a culmination of a three-year process that meticulously adhered with the laid down process under Sections 5, 7 and 8 of Urban Areas and Cities Act (UACA), No. 13 of 2011, where the entity derives its accountability and authority. The charter was granted on 15<sup>th</sup> August 2024 being the successor to the Municipality of Eldoret which had been granted Municipal Charter on 17<sup>th</sup> December 2018. In accordance with Section 11 (b) of UACA, there is a principal and agency relationship between the Municipality and County Government of Uasin Gishu. The Municipality of Eldoret is domiciled in Kenya.

Section 12 of UACA states that management of a Municipality shall be vested in the county government and administered on its behalf by a board constituted in accordance with section 13 of the Act, a manager appointed pursuant to section 28 and such other staff or officers as the county public service may determine.

The board of the Municipality of Eldoret 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.

### **b) Principal Activities**

The Eldoret Municipality Charter articulates the functions of the Municipality as enumerated hereunder:

- a) Promote, regulate and provide mechanisms for refuse collection and recycling, solid waste management service, general sanitation and controlling all forms of nuisance;
- b) Subject to existing laws, promote and provide water and sanitation services and infrastructure within the Municipality;
- c) Construct and maintain urban roads and associated infrastructure;
- d) Construct and maintain storm drainage and flood controls;

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- e) Construct and maintain walkways and other non-motorized transport infrastructure;
- f) Construct and maintain recreational parks, green spaces and public amenities and entertainments;
- g) Construct and maintain street lighting;
- h) Construct, maintain and regulate traffic controls, auto-cycle transport, non-motorized transport and parking facilities;
- i) Construct and maintain bus stands and taxi stands;
- j) Regulate outdoor advertising;
- k) Construct, maintain and regulate urban commerce, Municipality markets and abattoirs;
- l) Construct and maintain fire stations, provide fire-fighting services, emergency preparedness and disaster management;
- m) Promote, regulate and provide sports and cultural activities;
- n) Promote, regulate and provide for animal control and welfare;
- o) Develop and enforce Municipality plans and development controls;
- p) Provide Municipality administration services including construction and maintenance of administrative offices;
- q) Promote and undertake infrastructural development and services including housing and health facilities within the Municipality;
- r) Promote and regulate urban agriculture
- s) Promote and regulate pre –primary education, childcare facilities and county vocational institutions and centres;
- t) Provide, maintain and regulate cemeteries, crematories and other burial places;
- u) Control and regulate alcoholic beverages; and
- v) Any other function as may be delegated or assigned by the County Executive Committee or County Assembly legislation.

**c) Key Management**

The Municipality management is under the following key organs:

- County Department for Lands, Physical Planning, Housing and Urban Development
- Municipality Board
- Municipality Manager
- Municipality Management Departmental heads

**d) Fiduciary Management**

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

S/No	Position	Name
1.	Acting Municipality Manager	Julius Koech
2.	Head of Finance	Lamek Keino
3.	Head of Administration	Moses Ruttoh
4.	Head of Human Resources	Abigael Mukosi
5.	Head of Engineering	Eng. David Lelei
6.	Head of Environment	Gideon Kirwa
7.	Head of Public Health	Alex Amdany
8.	Head of Transport	William Kiplagat

**e) Fiduciary Oversight Arrangements**

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

**a. Municipality Board**

The Municipality has the overarching responsibility to oversee the affairs of the Municipality

**b. Municipality Board Audit Committee**

- i) The committee has board delegated functions on auditing of Municipality resources.
- ii) Monitor the effectiveness of the Municipality performance management and performance information
- iii) Provide strong and effective oversight of the internal audit function
- iv) Provide independent review of reporting functions to ensure the integrity of financial reporting

**c. County Assembly committees**

**(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**

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- 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.

**f) The Senate County Public Accounts Committee**

Provides oversight to county government entities on financial matters

**g) Registered Offices**

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

**h) Municipality of Eldoret Contacts**

The Municipal Manager  
Telephone: (254) – 053 - 2016215, 053 - 2016125, 053 - 2016600  
E - Mail: Municipality manager@uasingishu.go.ke  
Website: www.Municipal .uasingishu.go.ke

**i) Bankers**

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

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

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

**j) Independent Auditor**

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

**k) Principal Legal Adviser**

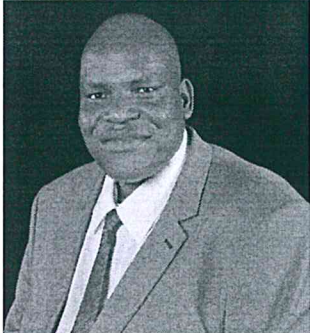

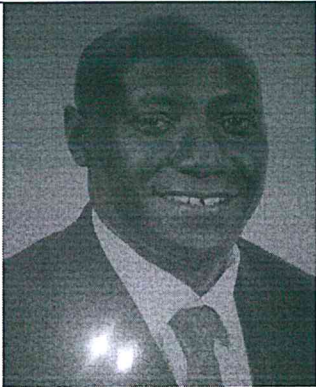
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
Municipal Square 00200  
Nairobi, Kenya

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### 3. The Municipal Board

The Board of the Municipality requires alignment with Section 13 (1A) of Urban Areas and Cities (Amendment) Act of 2019 which provides for an eleven-member board. The current board which aligns with Section 13 of Urban Areas and Cities Act, 2011 and constitutes nine members as below. The Municipality Manager and subsequently the Chief Officer, County Executive Member are ex-officio members of the board.




Name	Details of qualifications, experience and committee
 <p>Mr. Julius Kitur Chairman of the Board</p>	<p>a) Post Graduate Diploma in Correctional Services and Security Management, 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> 26<sup>th</sup> June 1970</p>
 <p>Mrs. Beatrice Kemboi Vice Chairperson of the Board</p>	<p>a) Bachelor of Arts, b) Certified Public Secretary</p> <p><b>Committee</b> Vice Chair – Full Board Human Resource Committee,</p> <p><b>Work Experience</b> Public Service - 17 years, Private Sector - 20 years</p> <p><b>Date of Birth:</b> 24<sup>th</sup> July 1958</p>
 <p>Peter Mwaniki Board Member</p>	<p>Diploma in Library Information Systems</p> <p><b>Work Experience</b> Public Service - 20 years</p> <p><b>Committees</b> Audit Committee, Culture, Sports and Social Services, Environment Committee, Finance and Human Resource Committee</p> <p><b>Year of Birth</b> 28<sup>th</sup> August 1968</p>

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Name	Details of qualifications, experience and committee
 <p>Walter Ayot Board Member, Chairman, Culture, Sports and Social Services Committee</p>	<p>a) Diploma in Automotive Electrical Engineering b) Certificates in Public Oversight in Project Management, Resource Mobilization, Children’s Rights and Protection Advocacy, SACCO’S Management, Marketing, Procurement, Leadership and Management, Leadership Transformation.</p> <p><b>Work Experience</b> Public Service - 10 years, Private Sector - 30 years</p> <p><b>Committees</b> Culture Sports and Social Services</p> <p><b>Year of Birth</b> 15<sup>th</sup> October 1969</p>
 <p>Ms. Winnie Maru, Board Member, Chairperson, Environment Committee</p>	<p>BSc. Computing and Internet Systems</p> <p><b>Work Experience</b> Public Service - 17 years, Private Sector - 10 years</p> <p><b>Committees</b> Environment Committee, Planning and Operations Committee, Audit Committee, Culture, Sports and Social Services</p> <p><b>Year of Birth</b> 24<sup>TH</sup> June 1974</p>
 <p>Richard Omanyala Board Member, Chairman, Audit Committee</p>	<p>a) Diploma in Purchasing and Supply - IPS, London b) Diploma in Christian and Religious Studies - Carlile College c) Certificate in Land Disputes Arbitration, d) Certificate in International Monetary Fund Projects - IMF</p> <p><b>Work Experience</b> Public Service - 14 years, b) Private Sector - 30 years</p> <p><b>Committees</b> Environment Committee, Planning and Operations Committee</p> <p><b>Year of Birth:</b> 1953</p>

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Name	Details of qualifications, experience and committee
 <p>Dr. Job K. Ngetich Board Member, Chairman, Planning and Operational Committee</p>	<p>PhD. Environmental Planning and Management</p> <p><b>Work Experience</b> Public Service - Ministry of Lands and Physical Planning - 18 years, University Lecturer - 6 years</p> <p><b>Committees</b> Planning and Operations Committee, Audit Committee, Environment Committee</p> <p><b>Year of Birth</b> 21<sup>st</sup> March 1969</p>
 <p>Dr Janeth Kosgei County Executive Committee Member for and 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><b>Date of Birth:</b> 28th July 1975</p>
 <p>Julius Koech Chief Officer for Housing and Urban Development and 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> Public Service – 24 Years</p> <p><b>Date of Birth:</b> 22 February 1973</p>

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Name	Details of qualifications, experience and committee
 <p>Julius Koech            Ag. Municipal Manager and Board Secretary</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>            Public Service – 24 Years  <b>Date of Birth:</b> 22 February 1973</p>

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**4. Key Management Team**

	<b>Details of qualifications and experience</b>
 Julius Koech Ag. Municipal Manager	University of Pretoria (South Africa) - Doctor of Philosophy (PhD), Education Policy Studies (ongoing) Master of Science (MSc) Degree, Human Resource Development Master of Education (MEd) Degree in Educational leadership and policy studies. Postgraduate Diploma in International Relations. <b>Work Experience</b> Public Service – 24 Years <b>Date of Birth:</b> 22 February 1973
 CPA Lamek Keino Deputy Director Finance	Msc. Finance Bsc Actuarial Science CPA (K) Certified Public Accountant Certified Investment & Financial Analyst (Cifa) Finalist
 Moses Ruttoh Head of Administration	MBA Strategic Management Bachelor of Education Arts
 Abigail Mukosi Human Resource Officer	Bachelor of Science in Human Resource Management Higher Diploma in Human Resource Management Diploma in Human Resource Management
 Gideon Kirwa Environmental Officer	BSc. Environmental Science
 Eng. David Lelei, Municipality Engineer	Bsc Civil and Structural Engineering Registered Professional Engineer with Engineers Board of Kenya and Corporate Member of IEK
 William Kiplagat Transport Officer	Diploma in Records Management
 Alex Amdany Chief Public Health Officer	Diploma in environmental health science (Public Health)

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

### **Municipality of Eldoret, For the Period Ended 30 June 2025**

#### **1. Introduction**

On behalf of the Municipal Board, I am pleased to present this report as part of the financial statements for the period ended 30 June 2025. This year marked a critical period in our journey to strengthen urban governance, improve infrastructure and service delivery, and enhance the financial sustainability of our Municipality. The report outlines the Board's strategic guidance, oversight activities, and evaluation of the Municipality performance against its planned objectives under the fiscal framework for the year.

The Municipality of Eldoret 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 Municipality 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 mandate.

#### **2. Governance and Oversight**

The Municipality Board maintained strong governance practices in line with the Urban Areas and Cities Act, 2011, and the Public Finance Management Act, 2012. Key areas of focus included: Oversight of Municipality development priorities and the performance of the Municipal Manager. Approval of key policy and planning instruments, including the Annual Development Plan (ADP), Municipal Integrated Development Plan (IDeP), and Annual Procurement Plans. Evaluation of project implementation progress and service delivery targets across infrastructure, solid waste, public health, and revenue enhancement. Monitoring of compliance with statutory financial reporting timelines and audit readiness.

#### **3. Strategic Performance Overview**

Despite resource constraints and external challenges, the Board is proud to report steady progress on several fronts:

##### **a) Urban Infrastructure Development**

Roads, drainage, and public lighting projects were prioritized, with notable progress in continued upgrading of 64 stadium, Maintenance of roads and drainages within the Municipality. Continued cleanliness of resident's premises, streets and social amenities (including parks) aimed at improving livelihoods and urban resilience.

##### **b) Service Delivery and Environmental Management**

Solid waste management coverage improved, with new community collection points expanded. Public sanitation facilities cleaned regularly to give citizens conducive environment to conduct their business.

#### **4. Financial Oversight**

The Board reviewed quarterly budget execution reports, expenditure patterns, and procurement performance. Key highlights include: Expenditure remained within the approved ceilings. Development spending accounted for [Approximately 30%] of total expenditure, in line with the minimum threshold set by PFM regulations. No major audit concerns were raised in the internal reviews conducted during the year.

The Board also ensured that the financial statements for period 2024/25 were prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and submitted to the Office of the Auditor-General within the statutory timelines

### **5. Successes**

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

Since 2021, the board has been pursuing the elevation of the Municipality of Eldoret to City Status. The approval for the conferment of the city status in November 2023 marked a key turning point in the history of Eldoret. The conferment of City status and grant of charter happened on August 15 2024. The period was also marked with the review of statutory documents including the IDeP 2021-2025 in accordance with Part V of UACA on integrated development planning and the Municipal Spatial Plan as well as the Urban Economic Plan

### **6. Challenges Faced**

While notable achievements were realized, the Board acknowledges key challenges:

- Delays in disbursement of equitable share and conditional grants from the national government impacted project timelines.
- Land disputes in key project areas delayed site handovers and implementation of capital works.
- The rising cost of materials and fuel increased project delivery costs, requiring budget adjustments

### **7. Outlook for FY 2025/2026**

Looking ahead, the Board remains committed to strengthening urban systems and citizen-centred service delivery. Priorities for the coming year include:

- Completion of ongoing infrastructure projects, especially those targeting informal settlements.
- Expansion of digital platforms for service access and feedback.
- Enhanced monitoring and evaluation of cities project implementation.

We will also focus on strengthening partnerships with development agencies, the private sector, and the local community to accelerate our urban development agenda.

### **8. Appreciation**

I wish to thank the Municipal Manager and team for their professionalism and commitment. I also thank the County Executive Committee, the County Assembly, and all development partners for their continued support. Lastly, I commend the residents of Municipality of Eldoret for their active participation and feedback, which continue to shape a more inclusive and responsive urban governance framework.



Name: Julius Kitur

Municipal Board Chairman

Date: 10/12/2025

## **7. Report of the Municipal Manager**

I as a Municipal Manager in a Uasin-Gishu County, I have the honour of presenting the Annual Report and Financial Statements of Eldoret Municipality for the period ended 30<sup>th</sup> June 2025. This report provides a comprehensive overview of our financial performance, expenditure allocation, key initiatives, and governance standards as upheld during the year.

### **Financial Performance Overview**

#### **1.1 Budget Allocation**

During the period 2024-2025 the Municipality budget expected a gross figure of Ksh 515,055,948 (This included the anticipated KUSP II Funds that eventually we didn't receive). After supplementary II budget, we received additional funds amounting to Kshs 39,673,660). For period 2025/2026, the County allocated the Municipality of Eldoret a KSh 179,188,710 budget of this: KSh 94,188,710 was designated for recurrent expenditure, KSh 85,000,000 (approximately 30% of total budget) was allocated to development projects—complying with the Public Finance Management Act's stipulation of at least 30% development allocation. Also, in anticipation of KUSP II Funds amounting to Kshs 385,000,000 for U.I.G and Kshs 32,000,000 for U.I.G for the period 2025/2026.

#### **1.2 Key priority areas:**

KSh 50,000,000 million dedicated to the urban development and management, supporting improvement of the Municipality Outlook, while KSh 35,000,000 allocated for land management and administration programme will bolster the outward developing centres for the Municipality.

#### **1.3 Governance, Audit, and Controls**

For the period 2023/2024 fiscal year (period ending 30 June 2024), the Auditor-General issued a qualified opinion, recognizing significant improvements in financial accuracy despite material misstatements. Previously, the Municipality of Eldoret had received qualified opinion between FY 2019–2022. The qualified opinion marks a positive shift in governance and internal controls. The Municipal Manager remains committed to addressing all audit observations, enhancing financial reporting frameworks, and strengthening internal control systems to promote full compliance

#### **1.4 Strategic Priorities and Outcomes**

**Digitization and Efficiency:** Continued implementation of digital platforms such as human resource department on leave application has significantly improved efficiency and compliance on staff performance.

**Enhanced Enforcement:** Aggressive recovery strategies and monitoring of Municipality cleanliness has attracted much investors and create a conducive environment for investment.

**Infrastructure and Social Investment:** Allocation to critical sectors including infrastructure, markets, and drainages underlines our commitment to inclusive development and Municipality modernization

#### **1.5 Forward-Looking Outlook**

With prudent budgeting, the Municipality of Eldoret is well-positioned to execute transformative development and service delivery in the period 2025/2026. Continued efforts will focus on: Strengthening audit compliance and achieving an unqualified audit opinion, scaling up digital and citizen-centric platforms, Intensifying cost-effective public service delivery across sectors.

## **2. Solid Waste Management**

Under the year of review 2024/2025 a number of items were purchased including, Brush Cutters, Makuti Brooms, this has played a critical role in ensuring that the safety of the staff working under the solid waste management function is enhanced.

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

There are several achievements the Municipality of Eldoret made in terms of value for money. Some examples include:

- **Reducing Waste:** Implementing initiatives to reduce waste, such as recycling programs or composting facilities can help to save money and improve the environment.
- **Improving Public Services:** Investing in public services, such as parks, can help to improve the quality of life for residents and make the Municipality more attractive to potential residents and businesses.
- **Increasing Efficiency:** Implementing new technologies such as automated traffic management systems, can help to save money and improve the quality of services provided.
- **Building Infrastructure:** Investing in infrastructure, such continue upgrading of 64 stadium.

### **Implementation challenges of strategic objectives for the Municipality**

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


The Municipality status has been achieved as per the requirements of Urban Areas and Cities Act and the Municipality Charter.

### **Concluding Remarks:**

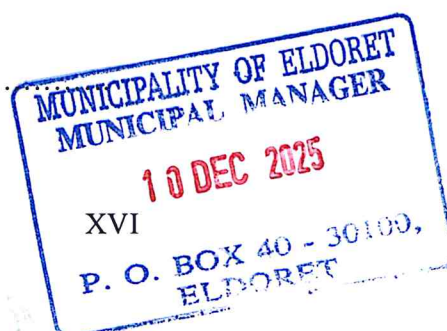
The fiscal year ended 30 June 2025 has been one of strong financial performance, enhanced governance, and impactful budgetary execution. Eldoret Municipality continues to build on its momentum, channelling resources toward infrastructure, services, and citizen welfare, while reinforcing accountability and operational excellence. If you'd like to delve deeper into specific areas, such as detailed development, project performance, or audit management actions, I'd be happy to put those together.

### **Note:**

This report is constructed based on available public data up to June 2025, extrapolated into a full fiscal-year narrative. Actual FY for the period Ended 2024/2025 financial statements and audit findings will be key to refining and validating the complete official report.

  
Name: Julius Koech

**Ag. Municipal Manager**



**8. Statement of Performance against Predetermined Objectives for the period Ended 2024/2025**

**Introduction**

**Overview and Strategic Alignment**

The County's performance is assessed against its Programme-Based Budget (PBB) for FY 2024/2025, framed around the "Nguzo Kumi" (Ten Pillars) development agenda. Key areas of focus include: Safe drinking water access, Quality healthcare services, Agricultural productivity, Road infrastructure improvements, Electricity Municipality access, Quality education, Enhanced business environment and public service delivery, Efficient revenue mobilization and fiscal management, Effective resource utilization and project implementation, Robust monitoring and evaluation systems.

Under 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. Municipality 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
9. Ensure operations and maintenance for physical infrastructure, movable and immovable assets

**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 and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. The Table below provides the progress attained on the above stated objectives:

Key Areas	Strategic Objective	Indicator	Performance
Urban Governance and administration	Developing Eldoret Municipality Board	Documented	100%

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	Service Charter		
	Improve the level of governance and accountability	Documented Board Charter	100%
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
Corporate Visibility of the Municipality	Improve the corporate visibility of the Municipality image	Rebranding	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		Pending

**Strengths:**

Proactive planning in urban management and infrastructure integrity. Adoption of inter-agency approach (e.g. partnership) shows commitment to safety and standards.

**Challenges:**

Solid waste target not yet met. Infrastructure gaps in resource constraints. Lack of publicly reported performance data (e.g., actual kilometres of roads built)

**Rationale of Performance Gaps:**

Procurement delays and land administration issues on implementation of some projects. Institutional capacity Municipality improving, but full results are still emerging. Monitoring and reporting mechanisms, though referenced in public portal is required better transparency and public dissemination.

**Recommendations for Future Improvement**

Strengthen M&E Frameworks – Provide clear performance metrics (e.g., km of roads built and maintained) and report them publicly. Enhance Transparency – Early disclosure of full-year performance data would build trust and accountability. Address Capital Municipality Bottlenecks – Expedite procurement processes. Leverage Partnerships – Expand collaborations like that with World Bank across other sectors and counties.

## **9. Corporate Governance Statement**

### **a. 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. 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 is filled in the manner provided under article 3.3.

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

The board of the Municipality shall perform the following functions-

- i. To promote regulate and provide mechanisms for refuse collection and recycling, solid waste management service, general sanitation and controlling all forms of nuisance.
- II. Subject to existing laws, promote and provide water and sanitation services and infrastructure within the Municipality.
- III. Construct and maintain urban roads and associated infrastructure.
- IV. Construct and maintain storm drainage and flood controls.
- V. Construct and maintain walk and other non-motorized transport infrastructure.
- VI. Construct and maintain recreational parks, green spaces and public amenities and entertainments.
- VII. Construct and maintain street lighting.
- VIII. Construct, maintain and regulate traffic controls, auto cycles transport, non-motorized transport and parking facilities.
- IX. Construct and bus stands and taxi stands.
- X. Regulate outdoor advertising activities.
- vi. Construct, maintain and regulate urban commerce, municipal markets and abattoirs.

### **c. Training, Municipality board members and member's performance**

The board of Municipality is trained once in every quarter of a financial year.

**d. 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.

**e. Succession Plan**

The Board has implemented the Municipality Structure as approved by the Executive and the County Assembly.

**f. Existence of Service charter**

The Municipality is in has a Service Charter in accordance with the Municipality Charter and the applicable law.

**g. Conflict of interest**

Pursuant to the 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.

**h. Board remuneration**

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

**i. 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.

## 10. 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 Municipality as an 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.

### a. Income Receipts

<b>Descriptions</b>	<b>Amount</b>
Transfers from other governments entities	148,939,177
<b>TOTAL</b>	<b>148,939,177</b>

### b. Expenditure

<b>Expenses</b>	<b>Amount</b>
Use of goods and services	76,148,598
Depreciation and amortization expense	10,011,755
<b>Total expenses</b>	<b>86,160,353</b>

## **11. Environmental and Sustainability Reporting**

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

Municipality of Eldoret derives its existence from the Urban Areas and Cities Act, 2011 and subsequent Urban Areas 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 employees welfare are well guarded and all staff are given fair and just treatment. All staff matters are considered through selected committee that evaluates staff matter and advise according for necessary action such promotion, deployment, reprimanding and or dismissal.

Municipality of Eldoret is an equal opportunity employer with consideration for merit as prerequisite for hiring. The County ensures applicants are not discriminated by gender, religious background, ethnicity within the Municipality 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.

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

The Municipality of Eldoret is tasked with mandates as outlined on Urban Areas and Cities Act, 2011. In delivering its mandates the Municipality ensure maximum benefit to the citizenry 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.

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

The Municipality submits its report together with the audited financial statements for the period ended June 30, 2025, which show the state of the Municipality affairs.

### **Principal activities**

The Municipality principal activities are;

- (a) Provision of Municipality services e.g., solid waste management.
- (b) Management and promotion of a safe and healthy environment.
- (c) Promotion of the participation of residents in the governance of the Municipality.
- (d) Open Spaces and Parks Maintenance.

### **Performance**

The results of the Municipality for the period ended 30<sup>th</sup> June, 2025 are set out on page 1- 5.

### **Board**

The members of the Board who served during the whole financial year are shown on page viii- xi.

### **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 Municipality in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



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

**Title:** Municipal Board Chairman

**Date:** 10/12/2025

### **13. Statement of Management's Responsibilities**

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

The Municipality Manager is responsible for the preparation and presentation of the Municipality 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 period ended on June 30, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of the Municipality
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Municipality Manager accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Urban Areas and Cities Act No. 13 of 2011*. The Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of Municipality transactions during the financial year ended June 30, 2025, and the financial position as at that date.

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

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systems of internal financial control. In preparing the financial statements, the Municipality Manager has assessed the Municipality 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.

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

**Approval of the financial statements**

The Municipality financial statements were approved by the Board on and signed on its behalf by:



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

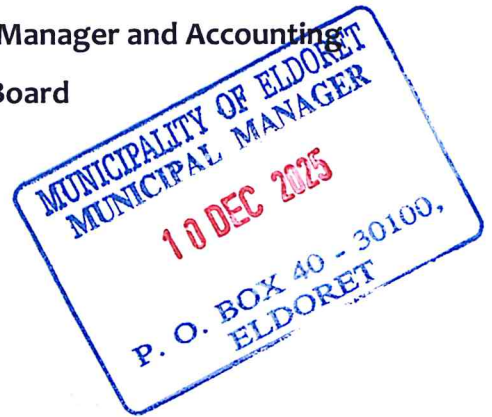
**Municipality Board Chairman**



.....  
**Name: Julius Koech**

**Ag. Municipal Manager and Accounting**

**Officer of the Board**



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**14. Report of the Independent Auditor on Municipality of Eldoret for the period ended 30th June 2025**

Auditor General, Republic of Kenya

15. Statement of Financial Performance for the Period Ended 30<sup>th</sup> June 2025.

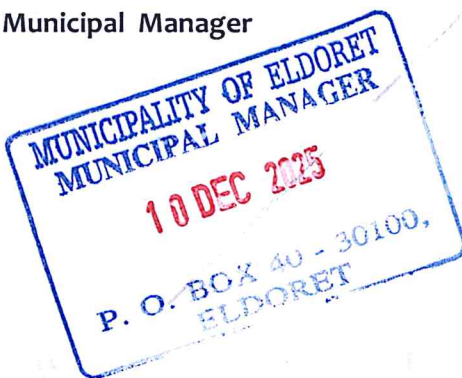
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-exchange transactions</b>			
Transfer from the County Governments	1	148,939,177	41,279,479
		<b>148,939,177</b>	<b>41,279,479</b>
Revenue from exchange transactions			
<b>Total revenue</b>		<b>148,939,177</b>	<b>41,279,479</b>
<b>Expenditure</b>			
Use of Goods and services	2	76,148,598	40,516,850
Depreciation and Amortization	3	10,011,755	2,873,948
Repairs and Maintenance	4	72,791,878	762,629
Total Expenses		<b>158,952,231</b>	<b>44,153,427</b>
<b>Surplus/(deficit) for the period</b>		<b>(10,013,054)</b>	<b>2,873,948</b>

The notes set out on pages 6 to 25 form an integral part of these Financial Statements. The entity financial statements were approved on ..... 10/12/2025 and signed by:



Name: Julius Koech

Ag. Municipal Manager




Name: Lamek Keino, CPA

Deputy Director and Head of Finance

ICPAK M/No: 30334

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16. Statement of Financial Position as at 30<sup>th</sup> June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,877,019	2,878,318
<b>Total Current Assets</b>		<b>2,877,019</b>	<b>2,878,318</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6a	1,232,250,255	436,434,420
Work in Progress			487,176,011
<b>Total Non- Current Assets</b>		<b>1,232,250,255</b>	<b>923,610,431</b>
<b>Total Assets</b>		<b>1,235,127,274</b>	<b>926,488,749</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	79,907,544	
<b>Total Current Liabilities</b>		<b>79,907,544</b>	
<b>Net assets</b>		<b>1,155,219,730</b>	<b>926,488,749</b>
Accumulated surplus		-14,730,657	-4,048,816
Capital/Development Grants/Fund		1,169,950,387	930,537,565
<b>Total Net Assets</b>		<b>1,155,219,730</b>	<b>926,488,749</b>
<b>Total Net Assets and Liabilities</b>		<b>1,155,219,730</b>	<b>926,488,749</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 .....2025 and signed by:



Name: Julius Koech

Ag. Municipal Manager

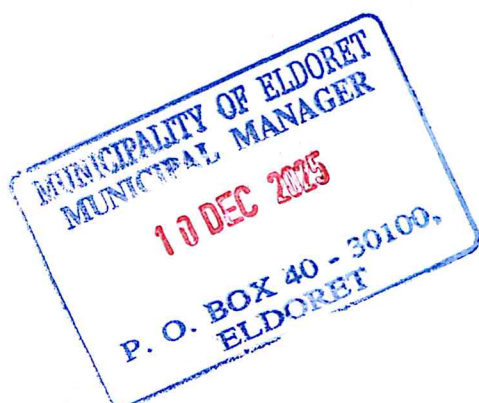
Date: .....



Name: Lamek Keino, ICPAK M/No: 30334

Deputy Director and Head of Finance

Date: ... 10/12/2025 .....



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17. Statement of Changes in Net Assets for the Period Ended 30<sup>th</sup> June 2025

Description	Development Grants/Fund	Reserve	surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023 (previous year)	853,824,259	0	-1,174,868	852,649,391
Surplus/(deficit) for the year		0	-2,873,948	-2,873,948
Funds received during the year-UDG	6,951,579	0		6,951,579
funds received during the year-UGC	69,761,727	0		69,761,727
Revaluation gain/Transfer of depreciation		0		
<b>Bal as at 30 Jun 2024</b>	<b>930,537,565</b>	<b>0</b>	<b>-4,048,816</b>	<b>926,488,749</b>
Bal as at 1 July 2024 (current year)	930,537,565	0	-4,048,816	926,488,749
Surplus/(deficit) for the year		0	-10,013,054	-10,013,054
Prior Year Adjustment for depreciation			-668,787	-668,787
Prior Year Adjustment (Work in Progress)	198,623,322			198,623,322
Funds received during the year-UDG	0			0
Funds received during the year-UGC	40,789,500			40,789,500
Revaluation gain				0
<b>Balance as at 30 June 2025</b>	<b>1,169,950,387</b>	<b>0</b>	<b>-14,730,657</b>	<b>1,155,219,730</b>



Name: Julius Koech

Ag. Municipal Manager

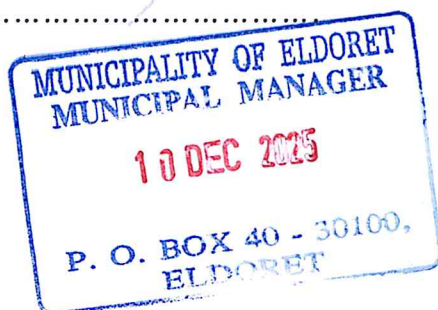
Date: .....



Name: Lamek Keino, ICPAK M/No: 30334

Deputy Director and Head of Finance

Date: 10/12/2025



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**18. Statement of Cash Flows for the Period Ended 30<sup>th</sup> June 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1	148,939,177	41,279,479
Public contributions and donations			
Interest received			
Miscellaneous receipts			
<b>Total Receipts</b>		<b>148,939,177</b>	<b>41,279,479</b>
<b>Payments</b>			
Use of goods and services	2	76,148,598	40,516,850
Staff costs			
Board expenses			
Repairs and Maintenance	4	72,791,878	762,629
<b>Total Payments</b>		<b>148,940,476</b>	<b>41,279,479</b>
<b>Net cash flows from operating activities</b>		<b>-1,299</b>	<b>0</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE & intangible assets		-42,633,810	- 81,202,286
Proceeds from sale of PPE			
<b>Net cash flows used in investing activities</b>		<b>-42,633,810</b>	<b>- 81,202,286</b>
<b>Cash flows from financing activities</b>			
Receipt from development grants		42,633,810	77,044,774
<b>Net cash flows used in financing activities</b>		<b>42,633,810</b>	<b>77,044,774</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>-1,299</b>	<b>-4,157,512</b>
Cash And Cash Equivalents At 1 July		2,878,318	7,035,830
<b>Cash And Cash Equivalents At 30 June</b>	<b>5</b>	<b>2,877,019</b>	<b>2,878,318</b>



Name: Julius Koech

Ag. Municipal Manager

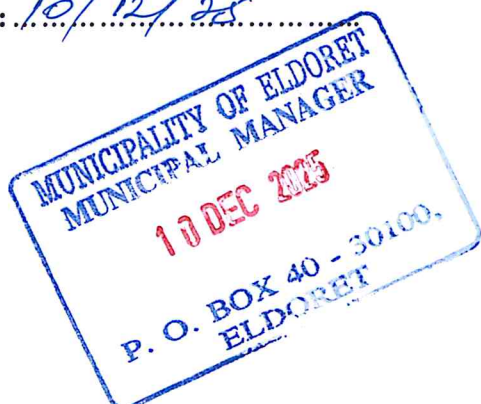
Date: 10/12/25



Name: Lamek Keino, ICPAK M/No: 30334

Deputy Director and Head of Finance

Date: 10/12/2025



19. Statement of Comparison of Budget & Actual Amounts for the Period ended 30<sup>th</sup> June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	0
<b>Receipts</b>						
Transfers from the County Government -Recurrent	199,047,976.00	-	199,047,976.00	148,939,177.00	50,108,799.00	75%
Transfers from the County Government-Dev	71,847,961.00	-	71,847,961.00	42,633,810.00	29,214,151.00	59%
Transfers from the County Government-UIG	35,000,000.00	-	35,000,000.00	-	35,000,000.00	0%
Transfers from the County Government-UDG	385,055,948.00	-	385,055,948.00	-	385,055,948.00	0%
Miscellaneous income (Bank opening balances)	-	2,877,019.00	2,877,019.00	2,877,019.00	-	100%
<b>Total Receipts</b>	<b>690,951,885.00</b>	<b>2,877,019.00</b>	<b>693,828,904.00</b>	<b>194,450,006.00</b>	<b>499,378,898.00</b>	<b>28%</b>
<b>Payments</b>						
Use of goods and services	101,222,277.00	2,877,019.00	104,099,296.00	76,148,598.00	27,950,698.00	73%
Repairs and maintenance	99,673,660.00	-	99,673,660.00	72,791,878.00	26,881,782.00	73%
<b>Total expenditure Payments</b>	<b>200,895,937.00</b>	<b>2,877,019.00</b>	<b>203,772,956.00</b>	<b>148,940,476.00</b>	<b>54,832,480.00</b>	<b>73%</b>
<b>Capital Expenditure Payments</b>	<b>490,055,948.00</b>		<b>490,055,948.00</b>	<b>42,633,810.00</b>	<b>447,422,138.00</b>	<b>9%</b>
<b>Surplus for the period</b>				<b>2,875,720.00</b>	<b>(2,875,720.00)</b>	

**Budget notes:**

Budget Reconciliation		Amount in Kshs
Description of Particulars		
	Actual Surplus Amounts as per the statement of Budget	2,875,720.00
1	UIG KCB ACCOUNT BANK CHARGES	1299
2	Reason for differences	xx
3	Reason for differences	xx
4	Reason for differences	xx
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,877,019.00

**20. 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 Municipality 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 *Municipality 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 *Municipality of Eldoret*.

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 2025.*

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> <ul style="list-style-type: none"> <li>• IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</li> </ul>

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Standard	Effective date and impact:
	<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 OtherIPSAS resulting fromIPSAS41, 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>

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Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><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 Now</i> 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 Standard</i> 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 2025.*

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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b>  The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

*iii. Early adoption of standards*

The Municipality of Eldoret adopts International Public Sector Accounting Standard on accrual basis reporting because it found the Municipality 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***

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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 2024-25 was approved by the County Assembly on 22<sup>nd</sup> July 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 approvals in order to conclude the final budget. The Municipality 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 of the statement of comparison of budget and actual amounts 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

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net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/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 cost of Municipality , but excluding borrowing costs.

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

**g) Provisions**

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

**h) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the 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 Municipality, or vice versa. Members of key management are regarded as related parties and comprise the Board members, the Municipality Manager 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 are indicative of conditions that arose after the reporting date.

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

**t) Currency**

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

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

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

State all judgements, estimates and assumptions made.

**Estimates and assumptions.**

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

**Useful lives and Residual Values**

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

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

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**Notes to the Financial Statements**

**1. Transfers from the County Government**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	148,939,177	41,279,479
UIG	-	-
UDG	-	-
<b>Total</b>	<b>148,939,177</b>	<b>41,279,479</b>

*N/B Total expenditure of recurrent kshs 83,666,465 and kshs 65,272,712 totalling to Kshs 148,939,177 has been treated as transfer from County government.*

**2. Use of Goods and Services**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Utilities, supplies and services	102,590	278,172
Communication, supplies and services	0	525,000
Hospitality supplies and services	44,851,190	12,463,575
Office and general supplies and services	276,743	250,000
Routine maintenance-Other Assets	0	0
Printing, advertising, supplies & services	91,640	1,371,000
Specialized materials and services/Sanitary	27,827	48,168
Trade Shows and Exhibitions	0	222,140
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	1,637,910	1,638,300
Supplies and Accessories for Computers and Printers	0	0
Domestic travel and subsistence	0	3,330,450
Other general expenses	5,248,198	1,004,095
Daily Subsistence Allowance	2,034,650	1,569,400
Bank Charges	1,299	-
Fuel, oil and lubricants	21,876,551	17,816,550
<b>Total</b>	<b>76,148,598</b>	<b>40,516,850</b>

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**3. Depreciation and amortization**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Property, Plant and Equipment	10,011,755	2,873,948
<b>Total</b>	<b>10,011,755</b>	<b>2,873,948</b>

**4. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Repairs and Maintenance	72,791,878	762,629
	<b>72,791,878</b>	<b>762,629</b>

**5. Cash and cash equivalents**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
UDG- Co-op Bank Account Number 011419576581100	2,877,019	2,877,979
UIG-Kcb Bank Account Number 12588437260	0	339
UDG- Central Bank 1000372068	0	0
<b>Total</b>	<b>2,877,019</b>	<b>2,878,318</b>
Description	2024-2025	2023-2024

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

Description	2024-2025	2023-2024
	Kshs.	Kshs.
UDG- Co-op Bank Account Number 011419576581100	2,877,019	2,877,979
UIG-Kcb Bank Account Number 12588437260	0	339
UDG- Central Bank 1000372068	0	0
<b>Total Cash and Cash Equivalent</b>	<b>2,877,019</b>	<b>2,878,318</b>

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(Notes to the Financial Statements Continued)

**6a. Property, Plant and Equipment**

Description	Land	Building	Motor vehicles	Furniture and fittings 10%	Computers 30%	Roads,Civil Works &infrastructure 2%	Capital Work In Progress	Total
<b>As at 1st July 2023 (previous year)</b>				<b>1,590,000</b>		<b>444,605,112</b>	<b>410,047,325</b>	<b>937,444,723</b>
Additions	-			4,073,600	-		77,128,686	<b>81,202,286</b>
Disposals	-	-	-		-			-
Transfers/adjustments	-	-	-					
<b>As at 30th June 2024</b>	-			<b>5,663,600</b>		<b>444,605,112</b>	<b>487,176,011</b>	<b>1,018,647,009</b>
Additions for the year				0	1,844,310		120,697,044	122,541,354
Prior year Adjustment	-	-	-				198,623,322	<b>198,623,322</b>
<b>As at 30<sup>th</sup> June 2025 (current year)</b>				<b>5,663,600</b>	<b>1,844,310</b>	<b>444,605,112</b>	<b>806,496,377</b>	<b>1,258,609,399</b>
<b>Depreciation and impairment</b>								
<b>At 1 July 2023 (previous year)</b>				<b>477,000</b>		<b>11,705,424</b>		<b>12,182,424</b>
Depreciation	-			1,699,080	-	1,174,868		<b>2,873,948</b>
Impairment	-	-	-		-			
Transfers/ Adjustments	-	-	-					
<b>As at 30 June 2024</b>	-	-	-	<b>2,176,080</b>		<b>12,880,292</b>		<b>15,056,372</b>
Depreciation for the year				566,360	553,293	8,892,102		<b>10,011,755</b>
Disposals for the year	-	-	-					
Impairment for the year	-	-	-					
Transfer/adjustment								
<b>As at 30<sup>th</sup> June 2025 (current year)</b>	-	-	-	<b>2,742,440</b>	<b>553,293</b>	<b>21,772,394</b>		<b>25,068,127</b>
<b>NBV as at 30<sup>th</sup> Jun 2024 (previous year)</b>				<b>4,709,600</b>		<b>431,724,820</b>	<b>487,176,011</b>	<b>923,610,431</b>
<b>NBV as at 30<sup>th</sup> Jun 2025 (current year)</b>				<b>2,921,160</b>	<b>1,291,017</b>	<b>422,832,718</b>	<b>806,496,377</b>	<b>1,233,541,272</b>

N/B Prior Year Adjustments for work in Progress (Understatement in IPC)

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<b>6b. Work in Progress</b>						
<b>Upgrading Of 64 Stadium</b>						
<b>Analysis of Payments</b>						
IPC	Date of payment	Cheque Nos.	Kusp	Gok	Total Amount	
1	17.05.2022	160161162163	142,308,783.85	-	142,308,783.85	
2	17.05.2022	139140141138	125,310,919.00	-	125,310,919.00	
3	18.05.2022		-	83,862,841.57	137,738,255.00	
	08.07.2022	175176177178	53,875,413.43	-		
4	16.11.2022	196197198199	58,575,646.25	103,400,000.98	161,975,647.23	
5	10.05.2023		-	52,704,000.00	118,465,727.50	
	14.09.2023		-	65,761,727.00		
6	14.03.2025		-	40,789,500.00	40,789,500.00	
	Payables(IPC 6)		-	79,907,544.00	79,907,544.00	
	As at 30 <sup>th</sup> June, 2025	<b>Total Payment Up to Date</b>	<b>380,070,762.53</b>	<b>426,425,613.55</b>	<b>806,496,376.58</b>	

**7. Trade and other Payables**

No	Current Liabilities	Amount
1	Other Payables	79,907,544
		<b>79,907,544</b>

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(Notes to the Financial Statements Continued)

**8. Capital Fund**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
1 <sup>st</sup> July	-	-
UDG	2,877,019	2,877,979
County development funds in CRF	71,844,310	73,835,327
<b>Totals</b>	<b>74,721,329</b>	<b>76,713,306</b>

**Other Disclosures**

**9. 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 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.

**10. 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 '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,

and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

**Notes to the Financial Statements**

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

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

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managing market risk rests with the Audit and Risk Management Committee. Municipality 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.

**21. Appendices**

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

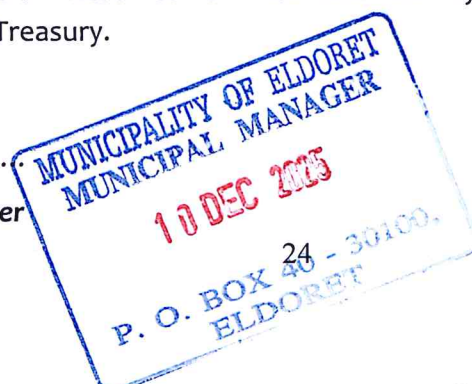
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
1.0	Lack of operational independence of the Municipality	Management are working modalities with county executive to ensure Municipality get independence	No resolved	N/A
2.0	Failure to observe gender equity on board composition	The appointment of the CECM for Lands, Housing & Urban development to represent gender has resolved the gender rule	Resolved	N/A
3.0	Lack of independent audit function	Audit department shall be established upon advertisement as per the structure	Not Resolved	N/A

**Guidance Notes:**

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

  
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Ag. Municipal Manager



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**Appendix 2: Inter Entity Transfers**

MUNICIPALITY NAME: ELDORET					
Breakdown of Transfers from the County Executive of Uasin Gishu County					
FY 2024/2025					
		Bank Statement Date	Amount (Kshs.)		Indicate the FY to which the amounts relate
a.	Recurrent Grants		0		2024/2025
	Opening Balance and Receipting				
	County Government Recurrent Expense		76,148,598		2024/2025
	<b>Total</b>		<b>76,148,598</b>		
b.	Development Grants	Bank Statement Date	Amount (Kshs.)		Indicate the FY to which the amounts relate
	Opening Balance and Receipts UDG		2,877,019		2024/2025
	County Government Development		71,844,310		2024/2025
	<b>Total</b>		<b>74,721,329</b>		
c.	Direct Payments	Bank Statement Date	Amount (Kshs.)		Indicate the FY to which the amounts relate
			0		2024/2025
	<b>Total</b>		<b>0</b>		

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

 .....  
 Deputy Director, Finance

 .....  
 Director, Finance

