REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

BOMET MUNICIPALITY

FOR THE YEAR ENDED 30 JUNE, 2025

BOMET MUNICIPALITY

County Government of Bomet

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

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

Key Entity Information and Management

a) Background information

Bomet Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and Cities and Municipal Charter on *26th May 2018.*The Municipality is an entity of the County Government of Bomet.

b) Principal Activities

The principal activity of the Municipality is to facilitate urbanization process in Bomet County through integrated urban and regional planning management framework of Kenya urban centres and towns.

c) Key Management

Ref	Position	Name
1.	Chairman of the Board	Rev. Philex Korir
2.	Chief Officer Lands, Housing and Urban Planning	Issah Yarrow
3.	Chief Officer finance	Milcah Chepkoech
4.	Vice Chairlady	Cherono Kosgei
5.	Board Member	Flavian Kenduiywa
6.	Board Member	Jonah Rotich
7.	Board Member	Hon. Joseph Kirui
8.	Municipal Manager	Davis Kipkirui

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Municipal Manager	Davis Kipkirui
2	Deputy Manager	Richard Kirui
3	Project Coordinator	Chirchir Erick
4	Finance Officer	CPA Christopher Kibet
5	Accountant	CPA Peter Langat
6,	HRM Officer	Tangus Robert
7.	Procurement Officer	Tere Erick
8	Enviromental Officer	Nelly Chepwogen
9	Valuer	Mary Chemu

f.) Registered Offices

Bomet Municipality
P.O. Box **19- 20400**
Old HRs office
Next to Bomet Huduma Centre

g.) Contacts

Telephone: (254)710256100
bometmunicipality@gmail.com
Website: www.bometcounty.go.ke

h.) Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   i) UIG Account number 1000385747
   P.0 Box 60000
   City Square 00200
   Nairobi, Kenya

   ii) Central Bank of Kenya
   Haile Selassie Avenue
   UDG Account number 1000385758
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya

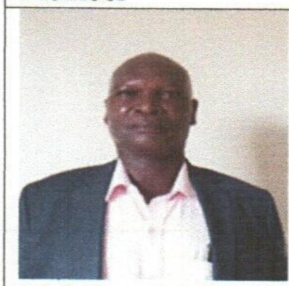
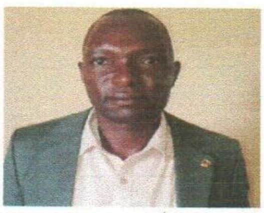
2. Equity Bank of Kenya
   Bomet Branch
   i) UDG Account number 1220278947148
   P.O Box 75104-00200
   Nairobi.

   ii) UIG Account number 1220278947204
   P.O Box 75104-00200
   Nairobi.

   iii) Retention Account
   Account number 1220284039609
   P.O Box 75104-00200
   Nairobi.

3. Municipality Board

Name	Details of qualifications and experience
 Rev. Philex Korir Chairman	**D.O.B**: 1967 **Academic /Professional qualification:** • Bachelors of Theology • Diploma in Guidance and Counselling • Diploma in Pastoral Ministry **Work experience:** • Chairman, Pastor's Interdenominational Fellowship (2014-2019) • Senior Pastor, Imani Fellowship A.G.C Bomet (2004 to date) • Chairman of the board, Bomet Municipality (2018 to date)
 Ms. Cherono Kosgei Vice Chairperson	**D.O.B**: 24/08/1982 **Academic /Professional qualification:** • Doctor of Philosophy in Business Administration (ongoing) • Master's in Business Administration • Bachelors in Business Management **Work experience:** • Chief Executive Officer, KNCCI Bomet Chapter • Part-time lecturer, Maasai Mara and University Of Kabianga (2019 to date) • Deputy Director of Cooperative, Bomet County (2016-2017) • Credit Officer, KIE (2014-2015) • Vice chairperson of the Board, Bomet Municipality (2018 to date)
 Mr. Jonah Rotich Member	**D.O.B**: 1958 **Academic /Professional qualification:** • Diploma in Water Technology • Diploma in building construction **Work experience:** • Chairman, Bomet Jua Kali Association (2001 to date) • Board member, Bomet Municipality (2018 to date) • Draughtsman II, Ministry of Water Nyamira District (1989-2000)

 Joseph Langat Member	**D.O.B**: 09/11/1973 **Academic /Professional qualification:** • BED (Arts)- Kiswahili & C.R.E • Primary Teachers Certificate, P1 Certificate • Leadership MLM Certicate – International Christian Ministries • Certificate in Principles of Good Primary Practice **Work experience:** • Member, Bomet County Education Board (2014 to date) • Examiner KCPE, Kiswahili Insha KNEC (2000 to date) • Executive Secretary, KNUT Bomet Branch (2013 to date) • Board member, Bomet Municipality (2018 to date)
 Charlotte Chelangat Member	**D.OB**: 29/05/1980 **Academic/Professional qualification:** • Master of Business Administration (Ongoing) • Bachelor of Business Information Technology **Work Experience:** • Head of Administration Bomet TTC- 2008-2019 • Member of the board, Bomet Municipality
 Kipkononden David Member	**D.O.B**: 24/12/1960 **Academic /Professional qualification:** • Bachelors of Education **Work experience:** • Principal of secondary school • Principal Siwot Polytechnic • BOM chair Chepkitwal Secondary School • Member of the board, Bomet Municipality
 Municipal Manager Davis Kipkirui	D.O.B 25th Dec 1983 • BED (Arts)- Kiswahili & History **Work experience:** • Secretary of the Board, Bomet Municipality Aug 2025to date • Municipal Manager, Bomet Municipality Aug 2025 • MCA Longisa Ward (2017 -2022) • County Youth & Sports Officer (2015- 2016) • TSC Teacher

5 Human Resource Officer Robert Tangus  Robert Tangus	Degree: Bsc. Business Management (HR option On) Institution: Institute of Human Resource Management, Kenya Higher Diploma: Human Resources Management Institution: Institute of Human Resource Management, Kenya Diploma: Personnel Management
6 Municipal Procurement Officer Terer Erick 	Moi university- Kericho Campus Bachelor of Business and Management (Procurement Option)
7 Principal Environment and Climate Change Officer Nelly Chepwogen 	NIRAS, Aarhus Denmark Climate Change: Adaptation, Mitigation and Resilience Cert. Jomo Kenyatta University of Agriculture & Technology Master'---MSC Occupational Safety and Health Makerere University Kampala, Uganda Bachelor of Science…Environmental Management
8. Municipal Accountant Peter Langat 	Bachelor of Commerce (ongoing KCA) CPAK (KCA) Member ICPAK
9.Mary Chemutai valuer 	Bachelor of real estate and property management Registered valuer

- **Challenges faced**

The major challenge faced was delay in completion of projects; this has led to payment bills, which are likely to affect the execution of the subsequent years projects; the other challenge is inadequate budgetary allocation to develop the basic policies and regulations

- **Future outlook of the Municipality Board**

The municipal board will continue to develop basic infrastructure, which befits an urban area. We expect phase two of Kenya Urban Support Program to help us to better address the challenges of Bomet backstreet roads which requires to be improved to bitumen standards; more extension of sewer line especially in the western part of Bomet town.

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Name: Rev Philex Korir

Chairperson of the Board

7. Statement of Performance Against Predetermined Objectives for the FY 2024/25

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 Bomet Municipality integrated development plan 2020- 2025 are;

Strategic development objectives

The Bomet municipal IDEP 2020-2025 has identified key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Reviewed Bomet municipal IDEP 2020-2025 are to:

1) To improve cleanliness of the Municipality and promote liveable urban spaces by efficiently collecting and managing solid waste through sustainable waste management practices both at the community and Municipality wide level

2) To improve sanitation in the Municipality through provision of adequate and proper storm water drainage facilities, adequate water supply to households and effective liquid waste disposal in all the urban areas within the Municipality

3) To increase accessibility to affordable and quality health care by constructing 3 dispensaries, upgrading two dispensaries to health centres, constructing 4 new health centres and upgrading one health centre to a level 4 (Sub-County) hospital

4) To improve liveability in residential areas through provision of adequate and accessible basic services and amenities

5) To promote local economic development by providing adequate and appropriate spaces and facilities for industrial development, wholesale and retail traders, jua kali artisans, transport operators, tourism activities, talent development and inclusion of marginalized communities in economic activities

6) To promote investments in the Municipality by providing appropriate and adequate water, sewer and road infrastructural facilities

7) To enhance the capacity of the Municipality in delivering its mandate to the people of Bomet through establishing necessary structures and increasing its financial resources

8) To increase revenue for the Municipality through optimal utilization of existing sources, enhanced revenue collection measures and promotion of local investment

8. Corporate Governance Statement

According to Bomet Municipality Charter and Urban Cities Act

a.) Appointment as member of the board of the Municipality

A person shall be qualified for appointment as a member of the board if that person:

(a) Holds at least a diploma from an institution recognized in Kenya;
(b) Has a distinguished career in a medium level management position in either the private or public sector;
(c) Holds at least five years' post qualification professional experience; and Satisfies the requirements of Chapter Six of the Constitution;
(d) Is ordinarily resident or has a permanent dwelling in the municipality; and carries on business in the municipality or has lived in the municipality for at least five years.

A person shall not be appointed as a member of the Board if that person;
(a) Is an undischarged bankrupt;
(b) As been removed from office for contravening the Constitution or any other law;

(c) Is not a citizen of Kenya; or
(d) Has in the conduct of his or her affairs not met any statutory obligations.

b.) Removal of members of the Board of the Municipality

A member of the Board of the Municipality shall cease to hold office if the member:

(a) Is unable to perform the functions of the office by reason of mental or physical infirmity;
(b) Is declared or becomes bankrupt or insolvent;
(c) Is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
(d) Resigns in writing to the County Governor;
(e) Without reasonable cause, the member is absent from three consecutive meetings of the Board or Committee of the Board of the Municipality within one financial year;
(f) Is found guilty of professional misconduct by the relevant professional body;
(g) Is disqualified from holding a public office under the Constitution;
(h) Fails to declare his or her interest in any matter being considered or to be considered by the Board or Board Committees;
(i) Engages in any gross misconduct; or
(j) Dies.

A member of the Board of the Municipality may be removed from office by;the County Governor;

(a) A resolution of the Board of the Municipality supported by at least two-thirds of the members of the Board of the Municipality; or
(b) Petition by the residents of the Municipality.

The procedure for the removal or petition for removal of a member of the Board of the Municipality under above shall be provided by Regulations under the Urban Areas and Cities Act.

d.) Induction and training, Municipality Board members and member's performance,

The members of the Municipality have undergone Induction training in which they were Provided **core information to enable them to understand the organization and their roles** and to also **Provide all relevant governance documents e.g. role descriptions, terms of reference of committees**

e.) Number of Municipality Board meetings held and the attendance to those meetings by members, Meetings of the Board of the Municipality

The Board of the Municipality hold its sittings to transact the business of the Board once every three months.

Notwithstanding Article 3.12.1, the Chairperson of the Board of the Municipality may, and upon request in writing by at least one-third of the members of the Board of the Municipality shall, convene a special meeting to transaction any urgent business of the Board of the Municipality.
All regular meetings of the Board of the Municipality called for the purpose of transacting public business, where a majority of the members elected are present, shall be open to the public.
The Board shall have the privilege of holding executive sessions from which the public is excluded, however, no by-laws, resolution, rule or regulation shall be finally adopted at such an executive session.
The board held none statutory meeting during the fiscal year. During the year under Review the board fails to hold meeting due to lack of quorum to transact the business of the board

2. **Succession plan,**

The procedure for the succession of a member of the Board of the Municipality are stipulated in the Urban Areas and Cities Act 2011.

3. **Existence of a service charter,**

Bomet Municipality has a signed charted granted by the Governor

4. **Conflict of interest,**

Board members have assigned a declaration form on Conflicts of Interests

5. **Board remuneration,**

The Board of the Municipality is not entitled to a salary. However, members of the Board of the Municipality are be paid such allowances as the County Executive Committee shall, with the approval of the County Assembly, and on the advice of the Salaries and Remuneration Commission, determine.

Ethics and conduct as well as governance audit undertaken if any

Professional ethics is to be upheld by all municipality staff as provided for by the law.

10. Environmental And Sustainability Reporting

The Board of the Municipality of Bomet and the County Government of Bomet work towards implementing municipal plans that are prepared and implemented as per the County Governments Act of 2012 and the Urban areas and Cities Act of 2011 (amended 2019). The Integrated Urban Development Plan of Bomet ensure the municipality is able to deal with the effects of urbanization such as urban sprawl, rise of informal settlements and uncontrolled developments. Below are the specific objectives:

1) To provide a framework to facilitate security of land tenure
2) To identify and analyse planning issues and challenges, harness existing opportunities and propose intervention measures for mitigating the planning issues and challenges
3) To propose appropriate land uses, locations and permissible densities
4) To provide a policy framework for socio-economic investments, economic use of space, infrastructure services and public facilities
5) To facilitate the implementation of County Urban Institutional Development Strategy

The municipal board and staff ensure proper planning through the control of development, provide services to the residents and provide proper Governance structures. It also develop adequate policies and regulations that govern the Municipality.

1. **Sustainability strategy and profile**
   Adequate public participation is carried out so that people present their views prior to the implementation of the projects. This minimizes politicization during its implementation
2. **Environmental performance**
   An environmental and impact assessment report is carried out before the commencement of any project; to examine the extent to which the implementation of the project affects flora and fauna.
3. **Employee welfare**
   Bomet municipality gives equal opportunity to all, without discriminating in terms or gender or tribe. The Bomet municipal is compliant with policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.
4. **Market place practices**
   The Bomet Municipality outline its efforts to:
   a) **Responsible competition practice.**
   Every tender is advertised for competitive bidding as per Procurement and disposal act 2015 and other guidelines issued by PPRA.
   b) **Responsible Supply chain and supplier relations**
   All bids are evaluated based on merit and reasons for bidders' success or unsuccessful are communicated to the bidders as per Procurement act 2015
5. **Community Engagements**
   There were no CSR activities carried out during the year under review

12. Statement of Management's Responsibilities

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

The Municipality manager is responsible for the preparation and presentation of the Municipality financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 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 Bomet Municipality,
(v) Selecting and applying appropriate accounting policies, and
(vi) Making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Municipality Manager has assessed the Municipality's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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.

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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
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HEADQUARTERS
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Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BOMET MUNICIPALITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomet Municipality set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, In the circumstance, the accuracy and completeness of the reserves totalling Kshs.32,309,300 could not be confirmed.

4. Inaccuracy of Accumulated Surplus

The statement of financial position reflects accumulated surplus totalling Kshs.52,614,101. However, the amount differs with the 86,656,533 accumulated surplus reflected in the statement of changes in net assets resulting in unexplained variance of Kshs.34,052,432.

In the circumstance, the accuracy and completeness of the accumulated surplus totalling of Kshs.52,614,101 could not be confirmed.

5. Inaccuracies in Comparative Figures

The statement of financial position reflects comparative balances in respect of property, plant and equipment and accumulated surplus of Kshs.58,196,011 and Kshs.58,208,269, respectively, both of which vary with the corresponding balances of Kshs.56,896,368 and Kshs.92,250,701 respectively reflected in the audited financial statements for 2023/2024 financial year.

In the circumstances, the accuracy of the comparative balances reported in the statement of financial position could not be confirmed.

6. Inaccuracy of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 24 to the financial statements reflects property, plant and equipment totalling Kshs.55,597,243. However, the amount does not include roads, Bomet fire station, market stalls, solid waste handling equipment, cabro works, sewer line extension and storm water drainage all valued at Kshs.365,982,856 recorded in the assets register.

Further, the ownership documents for the assets were not provided for audit review. The assets were also not tagged as property of the Municipality to prevent theft of the assets.

In the circumstances, accuracy, valuation and ownership of property, plant and equipment totalling Kshs.55,597,243 could not be confirmed.

7. Unsupported Trade and Other Payables

The statement of financial position and as disclosed in Note 27 to the financial statements reflects trade payables totalling Kshs.2,995,600. However, the detailed schedule indicating particulars of the creditors, invoice numbers, delivery notes, local service or local purchase order numbers, interim or completion certificates for the works and services done, counter receipt vouchers, counter requisition, issue vouchers and amount due were not provided for audit review.

In the circumstances, the accuracy and completeness of the trade payables of Kshs.2,995,600 could not be confirmed.

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit reports of the previous year, twenty (20) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance as shown below:

Financial Year	Audit Issue
2023-2024	Unsupported transfers from the County Government
2023-2024	Unsupported use of goods and services
2023-2024	Inaccuracy of depreciation and amortization
2023-2024	Unsupported cash and cash equivalents
2023-2024	Unsupported property, plant and equipment
2023-2024	Unsupported capital/development grants/fund
2023-2024	Inaccuracy of cash flows from operating activities
2023-2024	Inaccuracies in the statement of comparison of budget and actual amounts
2023-2024	Unsupported prior adjustments
2023-2024	Budgetary control and performance
2023-2024	Unresolved prior year matters
2023-2024	Lack of approved annual budget
2023-2024	Lack of independence of the Municipality
2023-2024	Lack of approved staff establishment
2023-2024	Lack of training needs assessments
2023-2024	Failure to review the Municipality's integrated development plan
2023-2024	Lack of policies and by laws
2023-2024	Unconfirmed recruitment and meetings of the Municipality Board
2023-2024	Lack of a fixed asset register and ownership documents
2023-2024	Lack of internal audit review and audit committee
2023-2024	Lack of risk management strategies

However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

Management is responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information and Management, Municipality Board, Key Management Team, Municipality Board Chairperson's Report, Report of the Municipality Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Municipality Board Members, and Statement of engagement and conditions of service. This was contrary to Section 8.1.1 of the Bomet Municipal Charter, 2023 which mandates the Board of the Municipality, subject to the approval by the County Public Service Board, to employ such officers and employees as it deems necessary to execute the powers and duties provided by the Charter or other any other law.

Further, the Municipality did not have an approved staff establishment. This was contrary to Policy B.2 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires every public entity to prepare Human Resource Plans based on comprehensive job analysis to support achievement of goals and objectives in their Strategic Plans. It was therefore not possible to determine whether the Municipality operated with an optimal number of staff.

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

3. Failure to Review the Municipality's Integrated Development Plan

The Municipal Board had not designed a Performance Management Plan to evaluate performance of the Municipality and review its Integrated Development Plan. This was contrary to Section 42 of the Urban Areas and Cities Act, 2011 which states that a City or Municipal Board shall review its integrated development plan annually to assess its performance in accordance with performance management tools set by it and may amend the plan where it considers it necessary.

Further, the Board did not conduct any citizen forum during the year under review to invite petitions and representations from the residents with regard to the administration and management of the affairs within the Municipality. This was contrary to Section 22(2) of the Urban Areas and Cities Act, 2011 which states that A board shall invite petitions and representations from the Citizen Fora with regard to the administration and management of the affairs within an Urban Area or City under its jurisdiction.

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

4. Lack of Policies and By-laws

During the year under review, the Municipal Board operated without by laws passed by the Board of the Municipality. This was contrary to Paragraph 4.1 of Bomet Municipal Charter which requires the Board to exercise its legislative authority by passing Municipality By-laws.

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

5. Unconfirmed Meetings of the Municipality Board

The Municipal Board was composed of nine (9) members. However, Management did not provide recruitment documents for six (6) Board Members to confirm that the members were recruited through a competitive process. Further, Management did not provide work plans and minutes as proof that the Board met and executed its mandate. This was that the County Government entity develops risk management strategies, which include fraud prevention mechanism.

Further, Management had not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure and a risk register which is a central repository of identified risks and their associated management actions had not been developed.

In the circumstances, Management's ability to identify and evaluate the risks and allocate resources to mitigate them could not be confirmed.

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

Responsibilities of Management and the Municipality Board

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

In preparing the financial statements, Management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

14. Statement of Financial Performance for The Year Ended 30 June 2025.

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	5,528,806
Public contributions and donations	7	200	
Levies Fines and Penalties	8		-
Other revenues			-
Revenue from exchange transactions			
Interest income	10	-	-
Miscellaneous Income	11	-	-
			-
Total revenue		**200**	**5,528,806**
Expenditure			
Use of goods and services	12	-	5,212,806
Staff costs	13	-	-
Board expenses	14	-	316,000
Finance costs	15	-	-
Depreciation and amortization	16	5,594,368	-
Repairs and maintenance	17	-	
Total expenses		**5,594,368**	**5,528,806**
Other gains/losses			
Gain/loss on disposal of assets	18	-	-
Surplus/(deficit) for the period		**(5,594,168)**	-

The notes set out on pages 22 to 36 form an integral part of these Financial Statements. The entity financial statements were approved on **13/10/2025** and signed by:

COUNTY GOVERNMENT OF BOMET
BOMET MUNICIPALITY
Date:
P.O. BOX 19-220400, BOMET.

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Name: Davis Kipkirui
Municipality Manager

Name: : Kibet Christopher
Head of Finance
ICPAK M/No 11543

15. Statement of Financial Position As At 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	19	12,458	12,258
Receivables from exchange transactions	20		-
Receivables from non-exchange transactions	21	32,309,300	-
Prepayments	22		-
Inventories	23		-
Total current assets		**32,321,758**	**12,258**
Non-current assets			
Property, plant, and equipment	24	55,597,243	58,196,011
Intangible assets	25		-
Biological Assets	26		-
Total Non-current Assets		55,597,243	**58,208,269**
Total assets (A)		**87,919,001**	**58,208,269**
Liabilities			
Current liabilities			
Trade and other payables	27	2,995,600	-
Refundable deposits from customers	28	-	-
Provisions	29	-	-
Borrowings	30	-	-
Employee benefit obligations	31	-	-
Deferred Income	32	-	-
Social Benefits	33	-	-
Total current liabilities		**2,995,600**	-
Non-current liabilities			
Provisions	29	-	-
Borrowings	30	-	-
Non-current employee benefit obligation	31	-	-
Deferred Income	32	-	-
Social Benefits	33	-	-
Total liabilities (B)		**2,995,600**	-
Net Assets (A-B)		**84,923,401**	**58,208,269**

16. Statement of Changes in Net Assets For the Year Ended 30 June 2025

Description	Capital/ Development Grants/Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs.	Kshs.	Kshs.
Bal as at 1 July 2023 (previous year)	**58,208,269**	-	-	**58,208,269**
Surplus/(deficit) for the year		-	-	
Funds received during the year		-	-	
Revaluation gain/loss		-	-	
Bal as at 30 Jun 2024	58,208,269	-	**92,250,701**	150,458,970
Bal as at 1 July 2024 (current year)	**58,208,269**	-	-	**58,208,269**
Surplus/(deficit) for the year	(5,594,168)		(5,594,168)	(5,594,168)
Funds received during the year	32,309,300			32,309,300
Revaluation gain/loss				
Balance as at 30 June 2025	**84,923,401**		86,656,533	84,923,401

18. Statement of Comparison of Budget & Actual Amounts for the Year ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from the County Government	73,898,289	-23,170,000	50,728,289		50,728,289	0%
Public contributions and donations	0	-	0	200	-200	0%
Interest income	-	-	-	-	0	-
Miscellaneous income (specify)	-	-	-	-	0	-
KUSP 11	34,800,000	-2,490,700	32,309,300		32,309,300	0%
Total Receipts	**108,698,289**	**(25,660,700)**	**83,037,589**	**200**	**83,037,389**	**0%**
Payments						
Use of goods and services	5,600,000	300,000	5,900,000	0	5,900,000	0%
Board expenses	1,000,000	-500,000	500,000	0	500,000	0%
Staff Costs	40,000,000	-19,730,000	20,270,000	0	20,270,000	0%
Finance costs	20,000	0	20,000	0	20,000	0%
Total expenditure Payments	**46,620,000**	**-19,930,000**	**26,690,000**	**0**	**26,690,000**	**0%**
Capital Expenditure Payments	**62,078,289**	**(5,730,700)**	**56,347,589**	**0**	**56,347,589**	**0%**
Surplus for the period	0	0	0	200	-200	

19. Notes to the Financial Statements

1. General Information

Bomet Municipality is established by and derives its authority and accountability from PFM Act. The Municipality is under the Bomet County Government and is domiciled in Kenya.

The principal activity of the Municipality is to facilitate urbanization process in Bomet County through integrated urban and regional planning management framework of Kenya urban centres and towns

2. Statement of Compliance and Basis of Preparation

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

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

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

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	IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and

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 and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The Municipality's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial

statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts,

prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a

e) Biological Assets

The Municipality recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

f) Financial instruments

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

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 Municipality classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a surplus or deficit model.

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

g) Inventories

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

Raw materials: purchase cost using the weighted average cost method

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current 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

l) Nature and purpose of reserves

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

m) 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.

n) 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.

s) Comparative figures

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

t) Events after the reporting period

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

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

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

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

u) Currency

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

Notes to the Financial Statements

6. Transfers from the County Government

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent		
Payments by County on behalf of the entity	-	5,528,806
Unconditional development /Recurrent grants	-	-
Total	-	**5,528,806**

7. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Donation from development partners KUSP11	-	-
Contributions from the public	200	-
Total	**200**	-

8. Levies, Fines and penalties

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Levies	-	-
Fines	-	-
Penalties	-	-
Others	-	-
Total	-	-

9. Other Revenues

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from other government entities	-	-
Others	-	-
Total	-	-

13. Staff costs

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Salaries and wages	-	-
Staff gratuity	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

14. Board expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Chairman/Members' Honoraria	-	-
Sitting allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	-	316,000
Conference Costs	-	-
Other allowances Z	-	-
Total	-	**316,000**

15. Finance costs

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

16. Depreciation and amortization

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property, plant and equipment	5,594,368	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	**5,594,368**	-

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

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

Financial institution	Account number	2024/2025	2023/2024
		Kshs.	Kshs.
a) **Fixed deposits account**			
Equity Bank -UDG RETENTION ACCOUNT	1220284039609	126	126
Sub- total		**126**	**126**
b) **Current account**			
Equity Bank	1220278947148	12085	12085
Equity Bank	220278947204	47	47
CBK UDG Account	1000385758	-	-
CBK UIG Account	1000385747	-	-
Diamond Trust Bank	0242595001	-	-
Diamond Trust Bank	0242595002	-	-
Diamond Trust Bank	0278931002	200	-
Sub- total		**12,132**	**12,132**
Grand total		**12,458**	**12,258**

20. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Current Receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables (a)	-	-
Non-Current receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Non- current receivables (b)	-	-
Total	-	-

22. Prepayments

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Other	-	-
Total	-	-

23. Inventories

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Consumable stores	-	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	-	-

Detailed Disclosure on Inventories

	2024/2025	2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others	-	-
Closing balance	-	-

Description	Land	Building	Motor vehicles	Furniture and fittings	Computers	Other Assets	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate								
Depreciation rate		2%	12.5%	12.5%	33.3%	10%	-	-
Transfers/ Adjustments								
As at 30 June 2024		11,196,011	9,500,000	5,335,515	-	35,160,085	-	61,191,611
Depreciation for the year		223,920	1,187,500	666,939	-	3,516,009	-	5,594,368
Disposals for the year		-	-	-	-	-	-	-
Impairment for the year		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
As at 30th June 2025 (current year)		**223,920**	**1,187,500**	**666,939**	**-**	**3,516,009**	**-**	**5,594,368**
NBV as at 30th Jun 2024 (previous year)		**11,196,011**	**9,500,000**	**5,335,515**	**-**	**35,160,085**	**-**	**61,191,611**
NBV as at 30th Jun 2025 (current year)		**10,972,091**	**8,312,500**	**4,668,576**	**-**	**31,644,076**	**-**	**55,597,243**

28. Refundable deposits and prepayments from customers

Description	2023/2024	2024/2025		
	Kshs.	Kshs.		
Rent deposits	-	-		
Prepayments	-	-		
Others	-	-		
Total	-	-		
Ageing analysis:	**Current FY**	**% of the Total**	**Comparative FY**	**% of the Total**
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

29. Provisions

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Balance at the beginning of the year	-	-
Additional Provisions	-	-
Provision utilised	-	-
Balance at the end of the year	-	-
Current Portion of provision	-	-
Long term portion of provision	-	-
Total Provisions	-	-

30. Borrowings

The table below shows the classification of borrowings long-term and current borrowings:

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

The deferred income movement is as follows:

Description	County government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Non- Current	-
Total	-

33. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
PWD benefit scheme	-	-
Elderly social benefit scheme	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

36. Contingent liabilities

Contingent liabilities	2024/2025	2023/2024
	Kshs.	Kshs.
Court case - against the entity	-	-
Bank guarantees	-	-
Total	-	-

37. Contingent Assets

Contingent liabilities	2024/2025	2023/2024
	Kshs.	Kshs.
Court case - against the entity	-	-
Others	-	-
Total	-	-

38. 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 the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Municipality does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		nor done valuation to determine the carrying amounts of assets. We have since initiated the process of verification, identification and recording of our assets as well as customizing own policy on assets upon getting full autonomy of the municipality.		
4	**Unsupported Cash and Cash Equivalents**	The management has noted and provided , certificates of bank balances, cash books, bank statements and bank reconciliations for your verification	***Resolved***	
5	**Unsupported Property, Plant and Equipment**	The Municipality has not defined the policy of valuation/depreciation and disposal nor the assets have been subjected to any form of valuation and therefore the figures may not give a fair realistic figure. This is because the assets of the municipality were still being disclosed in the county executives report on cash basis since most assets had not yet been formally handed over to the municipality.	***Not Resolved***	
6	**Unsupported Capital/Development Grants/ fund**	The anomaly in statement of changes in net assets has been noted and resulted in restated figures of Kshs.34,747,000 which had been reconciled by passing the necessary journal entries	***Not Resolved***	
7	**Inaccuracy of cash flows from operating activities**	Its true that there was an omission of a figure of Kshs.4,774,200 which was due to oversight while transferring data from the work sheets to the template but has been well indicated in note 33 comprising of	***Resolved***	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2	**Lack of Independence of the Municipality**	the county Government of Bomet has continuously made progress to ensure that Bomet municipality is independent. Functions have been transferred to Bomet Municipality vide Kenya gazette notice No. 1280 of 2024. The Bomet county public service Board has seconded key staff to perform the transferred functions effective on 1st July 2024. The county government has set up administrative offices for the municipality. Enhancement of the municipal budget has also been carried through the county Fiscal strategy paper (CFSP) for the financial year 2025/2026, this increased the budget ceiling for Bomet Municipality.	***Not Resolved***	
3	**Lack of an Approved Staff Establishment**	Bomet Municipality has got a staff establishment approved by the Bomet county assembly on 19th October 2020. Further Bomet County Public service board deployed staff to Bomet Municipality. Evidence of minutes approving the staff establishment and secondment letters of staff by Bomet County public service board are hereby attached	***Not Resolved***	
4	**Lack of Training Needs Assessment**	The municipality has an approved training need assessment copy attached	***Not Resolved***	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	MANAGEMENT AND GOVERNANCE			
1	**Lack of a Fixed Asset Register and Ownership Documents**	The management has noted this anomaly and steps have been made to address this. A committee was appointed by the County Governor to carry out the transfer of functions, Assets and Human resource to Bomet Municipality. During the time of the audit, the committee was yet to give a report on assets transferred to Bomet Municipality. One the process is complete; all assets will be tagged to curb pilferages	Not Resolved	
2	**Lack of Internal Audit Review and Audit Committee**	The management has taken note of the need to have its own Audit Committee, however the operations of the municipality has always been audited by the county executive's internal audit and deliberated by the County executive Audit committee. Furthermore, an internal auditor was seconded to Bomet Municipality from 1st July 2024 to provide control on internal mechanisms.	Not Resolved	
3	**Lack of Risk Management Strategies**	Bomet Municipality is fairly a new entity, so far it does not have many policies. However, there is a number of policy and strategies in draft form. The management has taken note of this anomaly and would abide by the recommendations given by your team	Not Resolved	