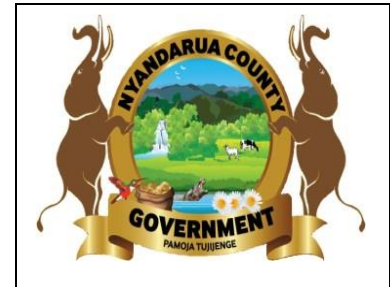


*Revised 30<sup>th</sup> June 2024*



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**ENGINEER MUNICIPALITY**  
*County Government of Nyandarua*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

PSASB	Public Sector Accounting Standards Board
FY	Financial Year
OSHA	Occupational Safety & Health Act

### B. Definition of Key Terms

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## 2. Key Entity Information and Management

### a) Background information

- b) Engineer municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 and **Engineer Municipal Charter on**. The municipality is under the County Government of Nyandarua and is domiciled in Kenya.

### c) Principal Activities

The principal activity/mission/ mandate of the Municipality is

- i. Managing essential services such as water supply, sewage and waste management, and public transportation.
- ii. Overseeing land use, zoning regulations, and construction permits to guide the growth and development of the community.
- iii. Providing and maintaining police, fire, and emergency medical services to ensure the safety and security of residents.
- iv. Developing and maintaining parks, recreational facilities, libraries, and cultural programs to enhance the quality of life.
- v. In some areas, municipalities are involved in the management and funding of local schools and educational programs.
- vi. Promoting local business growth, attracting investment, and supporting job creation to bolster the local economy.
- vii. Offering public health services, social support programs, and community assistance for vulnerable populations.
- viii. Maintaining and improving infrastructure such as roads, bridges, and public buildings.
- ix. Enacting and enforcing local laws, ordinances, and regulations to address community needs and issues.

## VISION STATEMENT

“A Functional, Competitive, and Sustainable Municipality Excelling in Service and Innovation.”

## MISSION STATEMENT

*To serve Engineer Municipality and the wider county with excellence, fostering economic development, sustainability, and good governance, to ensure a functional, competitive, and sustainable future for all.*

## CORE VALUES

Transparency, Integrity, Social inclusion, Equity and diversity, Sustainability, Resilience, Accountability and good governance, Creativity and innovation, Professionalism and customer focus.

### d) Key Management

The Municipality’s management is under the following key organs:

- County Department in charge of Cities/Municipalities
- Board of Management
- Accounting Officer/ Municipality Manager
- Management

### e) 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:

Ref	Position	Name
1	Municipality Manager	Tabitha Njoki Gatuhi
2	Chief Officer- Urban development	
3	Chief Officer- Finance	CPA Joseph Wahome

**f) Fiduciary Oversight Arrangements**

- i) Audit and Risk Management Committee
- ii) County Assembly Committee
- iii) Committees of the Senate
- iv) Municipal Board Committees

**g) Registered Offices**

P.O. Box 701, 20303  
Nyandarua County Ardhi House  
Olkalou, KENYA

**h) Contacts**

Telephone: (+254) 0202660859  
E-mail: [info@nyandarua.go.ke](mailto:info@nyandarua.go.ke)  
Website: [www.nyandarua.go.ke](http://www.nyandarua.go.ke)


**i) Independent Auditor**

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


**j) Principal Legal Adviser**


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

### 3. Municipality Board

Serial No.	Name	Details of qualifications and experience
1	 <p data-bbox="313 730 623 762">Tabitha Wambui Magiri</p>	<p data-bbox="824 401 1156 432"><b>Municipal Chair Person</b></p> <p data-bbox="824 457 1474 596">Holds a bachelor of Business Information technology, Diploma in Project Management, diploma in Information Technology.</p> <p data-bbox="824 621 1474 869">She has over 16 years working experience where she served as ICT Lead at the Kenya Climate Innovation Centre, Lead Creator at Tecnotymes Printers, Technical Operations and Systems support Officer at Munshiram International.</p> <p data-bbox="824 894 1474 978">She is aged at 37 years and currently serves as the municipal board Chair Person.</p>
2	Samuel Mwangi	<p data-bbox="824 1003 1425 1087"><b>Board member and Audit Committee Chair Person</b></p> <p data-bbox="824 1113 1468 1197">Holds a bachelor of Education (Economics and Geography), Diploma in Accounting Technicians.</p> <p data-bbox="824 1222 1468 1583">Has over 28 years of working experience in serving as Chairman of Board of the ENNUS ltd, Director at the Aberdare Sacco, Education Officer at the Ministry of Education, Officer incharge Elementaita Division- Ministry of Education, Senior Quality Assurance and Standards officer- Ministry of Education.</p> <p data-bbox="824 1608 1172 1640">He is at the age of 53 years</p>



3	Martin Mwangi	<p><b>Board Member and Infrastructure committee Chair Person</b></p> <p>Holds a Diploma in Airport Operations, Certificate in AvSec C-IED Awareness, Diploma in Clearing, Forwarding and Shipping Management.</p> <p>Has over 6 years working experience where he has served as Operations Manager at Aerospace Aviation Services, Airport Security Supervisor at Jomo Kenyatta International Airport, and Airport Security Screener at the Jomo Kenyatta International Aripport.</p> <p>His age is 34 years.</p>
4	 <p>David Kinyanjui</p>	<p><b>Board member and Chair Person of Finance Committee</b></p> <p>Holds a diploma in county Governace, Diploma in Theology, O Level Certificate and CPE Certificate.</p> <p>Has over 26 years working experience as Board member-Magumu High and Heni Secondary School, Development Chairman at AIPCA, Vice Chair Nyandarua County council, Secretary General Satima Sacco Limited.</p> <p>He is aged 60 years</p>

	 <p>Julie Gachiku</p>	<p><b>Board Member and Tourism committee chair Person</b></p> <p>Holds Masters of science, Entrepreneurship &amp; Innovation Management, Bachelors of Science in Actuarial Science.</p> <p>Founder and Chief Executive Officer of Yummy Pot Limited.</p> <p>She has 19 years working experience as the Organization Manager &amp; MSME Consulting at Afridev Resources Limited, Director and Regional Liason Coordinator at African Development Studies Centre, Customer Service assistant at CFC Life Assuarance Limited, Medical Claims Analyst at Minet Insurance Brokers and Field Research Assistant at TNS RMS East Africa Limited</p>
	 <p>Tabitha Njoki Gatuhi</p>	<p><b>Board Secretary</b></p> <p>Currently pursuing Masters of science, Entrepreneurship &amp; Innovation Management at the University of Nairobi, holds Bachelor’s Degree in Commerce-Finance option and CPA finalist.</p> <p>Serves as the Manager- Engineer Municipality.</p>

#### 4. Key Management Team

S/ No	Name	Details of qualifications and experience
1.	 Tabitha Njoki Gatuhi	<b>Municipal Manager</b> Currently pursuing Masters of science, Entrepreneurship & Innovation Management at the University of Nairobi, holds Bachelor's Degree in Commerce-Finance option and CPA finalist. Serves as the Manager- Engineer Municipality.
2.	Josphine Muiru	<b>Chief Officer Lands, physical Planning and Urban Development</b>
3.	CPA Joseph Wahome	<b>Chief Officer Finance</b>

*(Note: The City/Municipality Manager will feature under both the 'Board' and 'Management'.)*



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

I am pleased to present the Annual Report and Financial Statements for Engineer Municipality for the financial year ending 30<sup>th</sup> June 2024. This report highlights the significant achievements and challenges encountered as the board worked diligently to implement the 2020-2025 Integrated Development Plan (IDeP) amidst a dynamic and challenging environment.

Over the past year, the municipality successfully received the secondment of staff from the county government, ensuring that essential services are delivered efficiently. The Board also facilitated the acquisition of office space for the municipality, providing a centralized location for administrative functions and community engagement. A comprehensive needs assessment was also conducted in Engineer town, Ndunyu Njeru, Murungaru town, Weru town, Munyaka town, and Gathara shopping center to understand the challenges faced by the community. It was noted that economic activities in some towns were nearly dead, requiring the Board to devise strategies for their revival. Common issues identified across these areas included a lack of drainage systems, waste management and sewerage systems, insufficient floodlights, poor road conditions, encroachment on roads, and a lack of urban planning. This assessment has informed our planning and decision-making processes.

The board prioritized the enhancement of urban services within the municipality, recognizing the critical role that infrastructure plays in the overall well-being of our residents. Substantial investments were made in key areas, including the construction of estate roads, pedestrian walkways, and parking facilities. These infrastructure projects have not only improved the safety and efficiency of transportation within the municipality but also contributed to a reduction in road user costs and travel time, while simultaneously enhancing revenue collection for the county.

Despite these accomplishments, the municipality faced several challenges that impacted its ability to deliver services effectively. Budget constraints were a recurring issue, limiting the scope and scale of

projects that could be undertaken. Additionally, the shortage of skilled personnel posed a significant challenge that continues to limit the municipality's ability to maintain high standards of service delivery.

In terms of governance, the Engineer Municipal Board experienced a noteworthy transformation with the addition of four new members, bringing the total to seven. This expansion reflects the board's commitment to enhancing its governance framework. The inclusion of members with diverse expertise and perspectives is expected to enrich the board's decision-making processes and strategic direction to establish a more informed and effective governance.

Looking ahead, the board is committed to promoting sustainable urban development, ensuring that all growth within the municipality aligns with the principles of sustainability, considering both immediate needs and the long-term prosperity of the community.

In summary, Engineer Municipality has made considerable progress in its development journey. The board remains committed to overcoming challenges, leveraging opportunities, and steering the municipality towards a brighter and more sustainable future.

**Sign:**.....

**Name:**

**Chairperson of the Board**

## **6. Report of the Municipality Manager**

This report has been prepared by the Municipal Board to offers a comprehensive review of the projects and programs implemented in the 2023/2024 financial year in its strive to provide affordable, accessible, and high-quality municipal services. It includes financial statements that detail the allocation and utilization of funds for various initiatives throughout the period. The report adheres to the guidelines established by Section 164 of the Public Finance Management Act, 2012, and the Public Sector Accounting Standards Board.

Throughout the year, the Municipal Board remained committed to fulfilling its strategic objectives as outlined in the 2020-2025 County Integrated Development Plan. A significant focus was placed on improving road infrastructure to enhance both accessibility and safety within the municipality. Key projects included the construction of estate roads, pedestrian walkways, and parking lots, all designed to reduce road user costs, boost county revenue, and decrease travel times and accident rates. The projects are expected to foster social cohesion, support community development, and stimulate local economic growth within the municipality.

The Board also prioritized the construction of drainage systems within the four wards which are within the boundaries of Engineer Municipality namely; Gathaara, North Kinangop, and Murungaru wards. This initiative is critical to improving sanitation and preventing flooding in these areas.

These improvements aimed to create a more vibrant and functional market environment for both traders and consumers.

Environmental and social sustainability were also key considerations in the board's project planning. We are committed to greening the municipality and creating a conducive environment for businesses. Public involvement has been a cornerstone of this effort, with citizen forums providing a platform for residents to voice their opinions on all development matters. Environmental and social impact

assessments were conducted for all new projects to ensure they met the established environmental and social safeguard standards. This approach was taken to support the municipality's commitment to sustainable development and to mitigate any potential negative impacts on the local ecosystem.

Despite these accomplishments, the board faced several ongoing challenges. Limited resources and budget constraints continued to hamper the municipality's ability to complete planned projects and deliver services efficiently. The shortage of skilled personnel also posed a significant challenge, affecting the quality and speed of service delivery. These challenges highlight the need for continued efforts to secure additional resources and human capital to enhance effectiveness in service delivery within the municipality.

Going forward, The Board maintains its commitment to increase the municipality's own-source revenue by improving infrastructure that facilitates revenue collection. The board is also keen on developing and enforcing bylaws that promote public order and the provision of civic amenities, enhancing the quality of life for all residents. We are dedicated to overcoming the existing obstacles and advancing its mission to provide high-quality municipal services. Our leadership maintains its focus on strategic planning, resource optimization, and stakeholder engagement to ensure the successful implementation of future projects and the sustainable development of the municipality in future.

The following are photos illustrate up-to-date work progress of existing project.





.....

**Name:**  
**City/Municipality Manager**

## **7. Statement of Performance Against Predetermined Objectives for the FY**

### ***Guidance***

*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.*

*[Refer to the City/Municipality's annual budget and program plan report on the extent of the City/Municipality's progress in attaining the plan. Report on the metrics met, objectives yet to be met, challenges and opportunities of the City/Municipality in implementation of its program plan. Refer to the strategic plan if the entity has one.] (This guidance statement should be removed in the final set of financial statements).*

The key development objectives of the XXX City/Municipality (state the period of the strategic document/plan) plan are to:

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

*(Progress on the attainment of Strategic development objectives (Adopted from XX City/Municipality- Customize as per specific City/Municipality),*

Below we provide the progress on attaining the stated objectives:

*(NB: Entities can prepare this performance information as per the table below or in a more relevant format suitable for the nature of its activities)*

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Urban planning</b>	To control urban development	To create orderly development in urban areas	Number of developments conforming with rules and regulations governing urban development	In FY under review we increased Housing unit by xx%.
Program 2	-	-	-	-

## **8. Corporate Governance Statement**

*(Two-to-three pages)*

*Under this section, you may include the following among other relevant matters:*

- a. Process of appointment and removal of Board members.*
- b. Roles and functions of the City/Municipality Board members,*
- c. Induction and training, City/Municipality Board members and member's performance,*
- d. Number of City/Municipality Board meetings held and the attendance to those meetings by members,*
- e. Succession plan,*
- f. Existence of a service charter,*
- g. Conflict of interest,*
- h. Board remuneration,*
- i. Ethics and conduct as well as governance audit undertaken if any*

## **9. Management Discussion and Analysis**

*(2- 3 pages)*

*Under this section, the management shall give a report:*

- a. On the operational and financial performance of the City/Municipality during the period,*
- b. Entity's key projects or investments decision implemented or ongoing,*
- c. City/Municipality's compliance with statutory requirements,*
- d. Major risks facing the City/Municipality, material arrears in statutory and other financial obligations, and*
- e. Any other information considered relevant to the users of the financial statements.)*

*(The management should make use of tables, graphs, pie charts, and other descriptive tools to make the information as understandable as possible.)*

## **10. Environmental And Sustainability Reporting**

*(Two-to-three pages)*

### **1. Sustainability strategy and profile**

*Include an Introductory paragraph on the main mandate of the organization and its strategy on sustainability. Sustainability being the ability to maintain or continue offering services to the citizens of the country over the long- term. The top management especially the Accounting Officer should make reference to sustainable efforts, broad trends in political and macroeconomic factors affecting sustainability priorities, reference to international best practices, and key achievements and failures.*

### **2. Environmental performance**

*Outline clearly, the environmental policy guiding the organisation, and provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy, and efforts to reduce the environmental impact of the organisation's products.*

### **3. Employee welfare**

*Give an account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements, and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal, and reward systems. The City/Municipality should also disclose their policy on safety and compliance with the Occupational Safety and Health Act of 2007, (OSHA).*

### **4. Market place practices**

*The organisation should outline its efforts to:*

#### **a) Responsible competition practice.**

*Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors.*

#### **b) Responsible Supply chain and supplier relations**

*Explain how the organisation maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices.*



**c) Responsible marketing and advertisement**

*Outline efforts to maintain ethical marketing practices*

**d) Product stewardship**

*Outline efforts to safeguard consumer rights and interests*

**5. Community Engagements**

*Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The City/Municipality gives details of CSR activities carried out in the year and the impact on the society. The statement may also include how the City/Municipality promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives) Where no CSR activities are undertaken during the year, there is no need to include the statement).*



**11. Report of the City/Municipality Board Members**

The Board Members submit their report together with the audited financial statements for the year ended June 30, 20XX which show the state of the City/Municipality affairs.

**Principal activities**

The principal activities of the City/Municipality are *(continue to be)* ....

**Performance**

The performance of the City/Municipality for the year ended June 30, 20XX are set out on page xx

**Board Members**

The members of the Board who served during the year are shown on page xxx *(refer to the key entity information and management page)*. The changes in the Board during the financial year are as shown below:

**Auditors**

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

OR

*[XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 20xx, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].*

By Order of the Board

.....

**Name:**

**Secretary of the Board**

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

Section 180 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of the City/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 City/Municipality manager is responsible for the preparation and presentation of the City/Municipality's financial statements, which give a true and fair view of the state of affairs of the City/Municipality for and as at the end of the financial year ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the City/Municipality, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the City/Municipality, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The City/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 City/Municipality Manager is of the opinion that the financial statements give a true and fair view of the state of City/Municipality's transactions during the financial year ended June 30, 20XX, and the financial position as at that date.

The City/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 Directors have assessed the Fund's ability to continue as a going concern (*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

City/Municipality Manager to indicate that the City/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 City/Municipal/City's financial statements were approved by the Board on \_\_\_\_ 20XX and signed on its behalf by:

.....

**Name:**

**Chairperson of the Board**

.....

**Name:**

**Accounting officer of the Board**

**13. Report of the Independent Auditor (Specify Entity)**