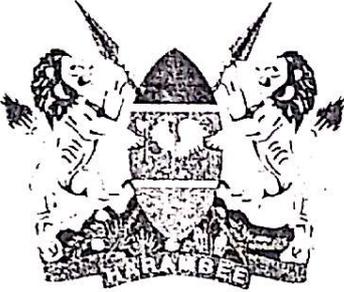


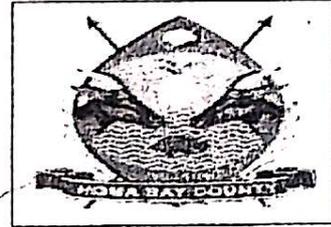
577

OYUGIS MUNICIPALITY  
P.O. BOX 682 - 40076, OYUGIS  
COUNTY GOVERNMENT OF HOMA BAY  
Date: 16/02/2026

FS OYUGIS  
MUNICIPALITY,



07 OCT 2025



---

# MUNICIPALITY OF OYUGIS

*County Government of Homa Bay*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

---

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

*[Handwritten signature]*

**OYUGIS MUNICIPALITY**  
P.O. BOX 952 - 40012, OYUGIS  
COUNTY GOVERNMENT OF HOMBAY  
Date: .....

*County Government of Homa Bay  
Oyugis Municipality*

**Annual Report and Financial Statements for the year ended June 30, 2025**

**Contents**

1. ACRONYMS & GLOSSARY OF TERMS ..... II

2. KEY MUNICIPALITY OF OYUGIS INFORMATION AND MANAGEMENT ..... III

3. MUNICIPALITY OF OYUGIS BOARD ..... VII

4. KEY MANAGEMENT TEAM ..... X

5. MUNICIPALITY BOARD CHAIRPERSON’S REPORT ..... XIII

6. REPORT OF THE MUNICIPALITY MANAGER ..... XIV

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY2024/2025 ..... XVII

8. CORPORATE GOVERNANCE STATEMENT ..... XXIV

9. MANAGEMENT DISCUSSION AND ANALYSIS ..... XXVIII

11. REPORT OF THE MUNICIPALITY BOARD MEMBERS ..... XXXIII

12. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES ..... XXXIV

13. REPORT OF THE INDEPENDENT AUDITOR – MUNICIPALITY OF OYUGIS ..... XXXVI

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025 ..... 1

15. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025 ..... 2

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025 ..... 3

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 .. ..... 4

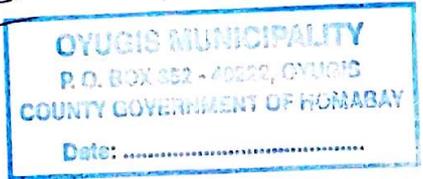
18. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025 .. 5

19. NOTES TO THE FINANCIAL STATEMENTS ..... 7

20. APPENDICES ..... 29

County Government of Homa Bay

Handwritten initials/signature



**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**1. Acronyms & Glossary of Terms**

**PSASB** Public Sector Accounting Standards Board

**FY** Financial Year

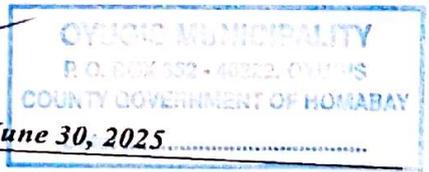
**OSHA** Occupational Safety & Health Act

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

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

**CIDP** County Integrated Development Plan

*Handwritten signature*



**2. Key Municipality of Oyugis Information and Management**  
**a) Background information**

Oyugis Municipality is established by and derives its authority and accountability from Urban Areas and Cities Act No. 13 of 2011 (amended 2019) and Cities and Municipal Charter on 9<sup>th</sup> Day of January 2023. The Municipality is under the County Government of Homa Bay and is domiciled in Kenya.

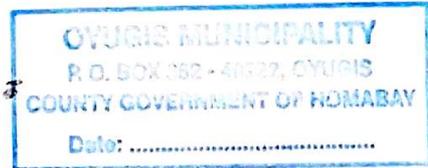
**b) Principal Activities**

The principal activity/mission/ mandate of the Municipality is to perform the following functions:

1. Construction and maintenance of urban roads and associated infrastructure
2. Construction and Maintenance of storm drainage and flood controls
3. Construction and maintenance of walkways and other non- motorized transport infrastructure.
4. Construction and maintenance of recreational parks and green spaces.
5. Construction, maintenance and regulation of traffic controls and parking facilities
6. Construction and maintenance of fire stations; provision of fire-fighting services, emergency preparedness and disaster management
7. Promoting and undertaking infrastructural development and services within the
8. Municipality
9. Promotion, regulation and provision of refuse collection and solid waste
10. Management services

**VISION:** *The Board Envisions "municipality of choice for all to invest, work, live and prosper in.*

**MISSION:** *To make Oyugis Municipality more attractive and Sustainable through effective policy formulation and implementation.*



County Government of Homa Bay  
Oyugis Municipality

*Annual Report and Financial Statements for the year ended June 30, 2025*

**c) Key Management**

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

S/No	Position	Name
1.	Chairperson of the Board	Mr. Davis Abilla
2.	Vice chairperson	Mrs Mary Anyango Gaya.
3.	Board Member 1	Mr. George Olweya
4.	Board Member 2	Mr. Dan Ochieng Were,
5.	Board Member 3	Mr. Solomon Ouko
6.	Board Member 4	Mr. Jared Ouma Achieng'a
7.	Board Member 5	Mrs. Florence Ochieng
8.	Board Member 6	Mrs Grace Odingo.
9.	CECM, Physical Planning, Housing, and Urban Development	Dr. Peter Ogolla
10.	Chief Officer: Housing, and Urban Development	Mr. Charles Obondo
11.	Municipality Manager	Mr. Cavin Oyugi Ongere.

**d) Fiduciary Management**

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

Ref	Position	Name
1	Municipality Manager	Mr, Cavin Oyugi Ongere.
2	Chief Officer- Urban Development	Mr. Charles Obondo
3	Accountant	Ms. Mercy Ogwenya.
4.	Municipal Engineer	Mr. Elly Abongo

**e) Fiduciary Oversight Arrangements**

The Municipal Manager who is the AIE holder is accountable to the Municipal board. The Municipal Board is then accountable to the County Executive Committee and the County Assembly.

i) Audit and Risk Management Committee

ii) The Board has constituted an audit and Risk committee which is headed by Mr. George Owande Olweya. In addition, the Municipality has a resident internal auditor seconded to it by the internal audit unit.

iii) County Assembly committee:

The board is answerable to the County Assembly of Homa Bay and makes Annual Financial Reports to the County Assembly. Whenever called upon, the board files report to relevant County Assembly departmental committee. In terms of financial matters, the board always make appearance before Public Accounts Committee, implementation committee, budget and appropriation committee whenever requested to do so.

iv) Committees of the Senate

The board can also be called to appear before the relevant Senate Committee like Public Investment Committee, and Public Accounts Committee as may be called upon to answer to any queries or matters raised concerning its financial management

**f) Registered Offices**

P.O. Box 352-40222

Public Works Compound Office block 2,

Kisumu Kisii Highway

OYUGIS MUNICIPALITY

HOMA BAY COUNTY

**g) Contacts**

Telephone: (+254) 16480935

E-mail: Cavinovic@gmail.com

Website: www,homabaycounty.go.ke

**h) Bankers**

**Commercial Banks**

1. Kenya Commercial Bank

Oyugis Municipality KUSP2SPA Account

A/C NO: 1327086085

P.O.BOX 476 40202

OYUGIS BRANCH

OYUGIS, KENYA

2. Kenya Commercial Bank

Oyugis Municipality Operation Account

A/C NO: 1319316905

P.O.BOX 476 40202

OYUGIS BRANCH

OYUGIS, KENYA

**i.) Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**j.) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

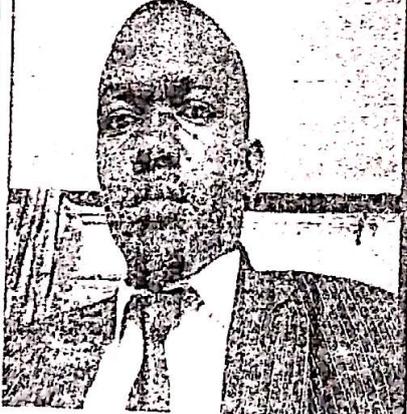
Nairobi, Kenya

3. Municipality of Oyugis Board

Serial No.	Name	Details of qualifications and experience
1	 MR.DAVIS ABILLA	Board Chairman Age 81 Years. Holds Bachelor of Commerce Degree in Business from University of Eastern Africa. Worked as a Credit controller at National Oil Corporation, also worked as credit manager at Mobil oil Kenya.
2	 MRS MARY ANYANGO GAYA	Vice Chair Person Age:65 years. Holds a Diploma in Human resource Management from Mount Kenya University and Certificate in County Governance from Bondo University college. She served as a nominated member of the county assembly of Homa Bay in the Second Assembly.
3	 MRS GRACE ANYANGO ODINGO	Age 63 years Grace Anyango Odingo was born on 1 <sup>st</sup> January 1962 went through education and attained diploma in Early Child Development (ECD) in 2013. She started working in Oyugis Primary till the year 1977 later transferred to Wire Primary School where she served till her retirement in 2022.

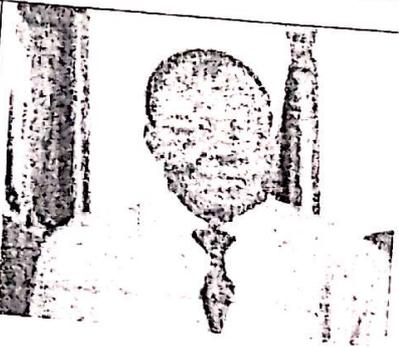
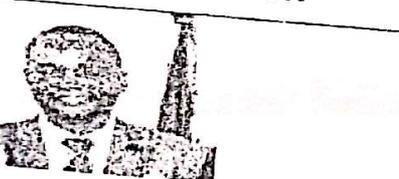
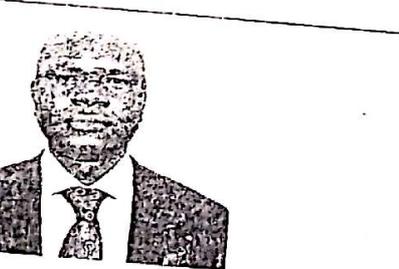
CEFP

County Government of Homa Bay  
Oyugis Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025

4	 <p>MRS. FLORENCE AGUTU OCHIENG'</p>	<p>Age 44 years.</p> <p>Florence Agutu Ochieng was born in the year 12<sup>th</sup> September 1981. Attained a Diploma in Education the year 2009, later got a Bachelor's Degree in Education Arts in 2013. Currently work Supervisor in Kanyamua Kosewe Ward, Ndhiwa from 2014.</p> <p>She is a CECM Representative.</p>
5	 <p>MR. DAN OCHIENG' WERE.</p>	<p>Age 55 years.</p> <p>Holds a Diploma in Purchasing and supplies from Kenya Institute of Management.</p> <p>He served as an elected member of Homa Bay County Assembly in second Assembly. He worked as Human Resource and Administrative Assistant at the Kenya National Highway Authority.</p> <p>He is a chairperson Finance committee.</p>
6	 <p>MR. CAVIN OYUGI ONGERE.</p>	<p>Board Secretary- Municipal Manager</p> <p>Oyugi Cavin Ongere is a top researcher in Governance, Actuarial science and applied statistics. He is a talented in mathematics, ambitious and ever committed in contributing in his area of research. Currently, he serves as the Municipal manager of Oyugis Municipality. He has BSc and MSc in Actuarial science and currently pursuing PhD applied statistics (final year) and CS – KASNEB (Intermediate level).</p>

Off

Date: .....

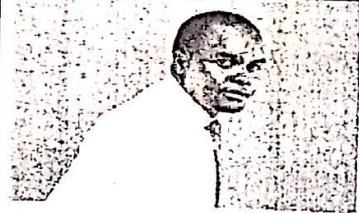
7	 MR. SOLOMON OUKO	<p>Age 75 years.</p> <p>Holds a Bachelor Degree in Education from University Nairobi, Advanced Public Administration, senior Management Course.</p> <p>He served as an advisor to the Governor Kakamega on La matters, also served as a Deputy Provincial commissioner R valley. He's a chairperson of Human resource committee.</p>
8	 MR. GEORGE OLWEYA	<p>Age 65 years.</p> <p>Holds a Master Degree in Education from Kenyatta University Bachelor's Degree in Education from Moi University.</p> <p>He served as Principal at Nyawita Mixed Secondary school. He is a chairperson of Audit Committee.</p>
9	 MR. JARED OUMA ACHIENGA	<p>Age 39 years.</p> <p>Holds a certificate in Electrical Installation and Electrician from Ramogi Institute.</p> <p>Worked at Ready consultancy Company Ltd at Migori county Energy Department.</p> <p>He is a chairperson of Technical and Strategy committee.</p>
10	 MR. CHARLES OBONDO	<p>A professional, ambitious and highly skilled in the field of urban planning, management and development with over 10 years working experience. Holds a Bachelor Degree in Urban Planning and Regional Planning from Maseno University.</p>

4. Key Management Team

Serial No	Name	Details of qualifications and experience
1.	 Mr. Cavin Oyugi Ongere	Municipal Manager – Overall Supervision <b>Academic and Professional Qualification-</b> He has BSc and MSc in Actuarial science and currently pursuing PhD applied statistics (final year) and CS – KASNEB (Intermediate level). <b>Work Experience</b> Oyugi Cavin Ongere is a top researcher in Governance, Actuarial science and applied statistics. He is over 10 years' experience in leadership and management, ambitious and ever committed in contributing in his area of research. Currently, he serves as the Municipal manager of Oyugis Municipality.
2.	 Mr. Elly Ochieng Abongo	Municipal Engineer <b>Academic and Professional Qualification</b> <ul style="list-style-type: none"> <li>• Holding a BSc in Civil Engineering from Technical university of Mombasa.</li> <li>• Currently Pursuing MSc in Environmental Science at Maseno University.</li> </ul> <b>Work Experience</b> He previously worked at Kenya National Highway Authority (KENHA) and Homabay Municipality under state Department of Housing and Urban Development with over 5 years' experience.

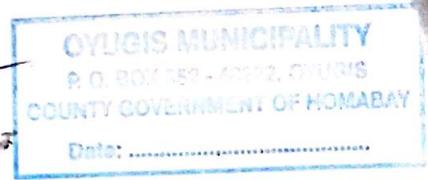
6/1/25

**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

3.	 Mr. Tobias Ouma Mboya	<p>Municipal Environment Officer.</p> <p><b>Academic and Professional Qualification;</b></p> <ul style="list-style-type: none"> <li>. Holding a Master's degree in project and planning management</li> <li>. Bachelor's degree in environment studies and also a certified environmental inspector and EIA expert</li> </ul> <p><b>Work Experience</b>          Is an accomplished expert in environment, climate change and project management with over 7 years of experience in the county Government of Homa Bay. Currently serving in Oyugis Municipality.</p>
4.	 Mr. Valentine Odoyo	<p>Municipal Social Development Officer</p> <p><b>Academic and Professional Qualification</b></p> <ul style="list-style-type: none"> <li>. Holding Bachelor's degree in political science, public administration and Psychology from University of Nairobi.</li> <li>. Holds Diplomas in monitoring and evaluation, leadership and management and project planning in Global Health from the University of Washington.</li> </ul> <p><b>Work Experience</b>          Passionate about education, gender equity and environmental sustainability.</p>
5.	 Ms. Mercy Ogwenya	<p>Municipal Accountant</p> <p><b>Academic and Professional Qualification</b></p> <ul style="list-style-type: none"> <li>. Holds a Bachelor's degree in Commerce (Banking and Finance option) from University of Eldoret.</li> <li>. Certified Public Accountant. CPA K</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>. Highest levels of integrity and professionalism in field of Accounting and Finance with over 5 years' experience</li> </ul>

County Government of Homa Bay  
Oyugis Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025

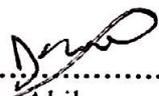
6	 Mr. Lameck Olweya	<p>Municipal Supply Chain Management Officer</p> <p><b>Academic and Professional Qualification</b></p> <ul style="list-style-type: none"><li>• Holds a Diploma in Purchasing and Supply chain Management from Kenya Institute of Management (KIM).</li></ul> <p><b>Work Experience</b></p> <p>Is an expert in supply chain management, Specializing in Supervising purchases, managing vendor relations and Overseeing Invoices approvals.</p>
7	 Mr. Asah Oyamo	<p>Municipal Budget Officer</p> <p><b>Academic and Professional Qualification</b></p> <p>Holds a Bachelor of Arts degree in Economics and Mathematics from Egerton University.</p> <p><b>Work Experience</b></p> <p>A highly accomplished budget officer in preparing regular reports on policy implementation, budget utilization and overall municipality performance.</p>
8	 Mr. Vincent Odhiambo Odera	<p>Municipal Human Resource Officer.</p> <p><b>Academic and Professional Qualification</b></p> <ul style="list-style-type: none"><li>• Diploma in Human Resource Management from Jaramogi Oginga Odinga University of Science and Technology.</li></ul> <p><b>Work Experience</b></p> <p>He has experienced with the county Government of Homabay, having previously worked as an assistant Human Resource Rachuonyo South Sub County.</p>



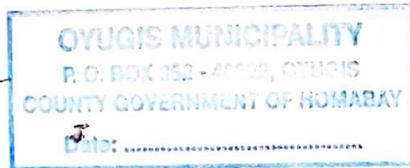
**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

It is with great pride and optimism that I present this annual report as the Chairperson of the Municipality Board. The past year has marked a season of remarkable progress, collaborative innovation, and transformative community impact for our municipality. Guided by a shared vision for sustainable urban development, inclusivity, and resilience, the Board has worked tirelessly to implement key projects and policies that are already shaping a cleaner, safer, and more liveable town for current and future generations. Among our most notable achievements is the successful collaboration with the Kenya National Highways Authority (KENHA) that led to the installation of 84 modern, energy-efficient streetlights and the construction of a pedestrian walkway stretching from DTB to Winimum Hotel. This milestone has not only enhanced night-time visibility and road safety but also stimulated evening economic activity along the corridor. The Board organized five public forums to ensure residents' voices remained central to urban planning and development. Additionally, three major clean-up campaigns were conducted across the municipality, achieving far-reaching results. These citizen-led efforts have significantly minimized waste accumulation, restored environmental hygiene, and reignited a culture of civic pride. As part of our commitment to ecological sustainability, we cleared major illegal dumping sites at the Farmers Lodge area and Masogo/Onanda estate, restoring dignity and functionality to these neighbourhoods. Working closely with Community-Based Organizations (CBOs), youth-led grassroots groups, NGOs, and the business community, we successfully planted over 400 indigenous trees at Rakewa Bird Sanctuary and other strategic locations. This greening initiative has bolstered local biodiversity and strengthened climate resilience. Through our strong institutional performance and adherence to World Bank standards, we unlocked Ksh. 8 million in Urban Institutional Grants and Ksh. 16.8 million in Urban Development Grants—resources that have been key to sustaining our progress. Notably, the Board also facilitated the procurement of 15 waste skips, with the process now at an advanced stage to improve solid waste management across the municipality. Looking ahead, the Board has allocated Ksh. 10 million in the FY 2025/26 budget for the acquisition and development of a designated dumpsite to provide a sustainable, long-term waste management solution. Additionally, Ksh. 9 million has been set aside for the upgrading of Onanda Market to enhance sanitation, accessibility, and trade infrastructure—further anchoring our municipality as a regional hub for commerce. While challenges persist—such as limited funding and rapid urbanization—the Board remains resolute and forward-looking. Plans are underway to scale up infrastructure development, deepen community engagement, and build on the foundations already laid. During our third-quarter meeting, the Board undertook a full reconstitution of its committees to enhance efficiency, oversight, and responsiveness to emerging urban challenges. This restructuring has brought in renewed leadership, improved accountability, and clearer mandates for each committee. I sincerely thank my fellow Board members, the Management Team, our partners, and most importantly, the people of the municipality for their unwavering support and participation.

Signed.....  
Mr. Davies Abila,

**Chairperson, Municipality Board**



County Government of Homa Bay  
Oyugis Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

#### 6. Report of the Municipality Manager

The Board of the Municipality of Oyugis and the County Government of Homa Bay work together towards having proper Municipal plans that are prepared and implemented as per the County Governments Act of 2012, the Urban areas and Cities Act of 2011 (amended 2019), and the Oyugis Municipality Charter. The Integrated Urban Development Plan of Oyugis will ensure the Municipality is able to deal with the effects of urbanization such as urban sprawl, rise of informal settlements and uncontrolled developments.

The Municipality's objective is to provide overall policy and strategic direction for the transformation of the Oyugis Municipality and to promote effective development, management and maintenance of all municipal facilities.

In the financial year 2024/2025, the Municipality of Oyugis had printed estimates totalling to KES 37,633,620 of which KES 12,833,620 for recurrent expenditure while KES 24,800,000 was meant for capital expenditure.

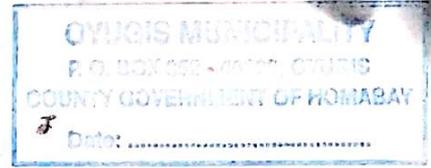
The Municipality's principal activities were as follows

1. Enhanced service delivery to the residents of Oyugis Municipality
2. Build and maintain functional infrastructure for the residents of the Municipality
3. Provide a framework to facilitate security of land tenure within the Municipality
4. Identify and analyse planning issues and challenges, harness existing opportunities and promote intervention measures for mitigating the planning issues and challenges.
5. Promote appropriate land uses, locations and permissible densities. Similarly, the entity will begin to provide a policy framework for socio-economic investments, economic use of space, infrastructure services and public facilities within the Municipality.

The Municipality faced a myriad of challenges during the period including;

- a) Inadequate funding by the county Government
- b) Lack of understanding of provisions of UACA and Oyugis municipality charter by Key stakeholders.
- c) The municipality is yet to tap full potential of all its revenue streams
- d) Inadequate office space, supervisory vehicles and other work tools.
- e) Failure to relinquish some of the municipality functions to it by other county departments

off



**County Government of Homa Bay  
Oyugis Municipality**

***Annual Report and Financial Statements for the year ended June 30, 2025***

- f) Delays in funding from the national Government slowed the implementation of key projects. This coupled with limited municipal resources, difficult to meet project timelines.
- g) Municipality faced challenges in project execution due to limited technical expertise in areas such as urban planning
- h) Despite progress in waste management, inconsistent waste disposal practices by residents, especially in informal settlements remain in persistent challenge

**Way forward**

Expanding public private partnership (PPPs) to reduce reliance on national government disbursement...

Investing in technical training for municipal staff will enhance their ability to manage and execute development projects more efficiently.

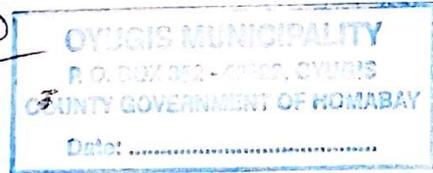
We plan to modernize waste management by introducing better collection systems and expanding public awareness on proper waste disposal. Partnering with private waste management companies is also being explored.

**Recommendations**

- Enhance Financial Planning

Better budget planning and execution are essential to prevent the accumulation of debts and improve financial management will ensure that municipality meets its financial obligations on time.

*OH*



**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

- Strengthen urban planning.

The rapid growth requires a comprehensive urban master plan, this will guide sustainability land use, infrastructure development and public service management.

The 2024/2025 financial year was marked by various challenges like Waste disposal issues, capacity building for staff and financial constraints needs to be addressed to maintain effective operation since Oyugis Municipality is well position in terms of its location to achieve betterness to its residence,

*OH*

.....  
Name: Cavin Oyugi Ongere.

Municipality Manager

## 7. Statement of Performance against Predetermined Objectives for the FY2024/2025

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 Oyugis Municipality in formats to be prescribed by the Accounting Standards Board including a statement of the county government municipality's performance against predetermined objectives. The key development objectives of the Oyugis Municipality are to: -

The key development objectives of the Oyugis Municipality plan are to: -

### a) Promote effective development, management and maintenance of all municipal facilities and roads.

- Roads and transport networks
- Water and sanitation systems
- Street lighting
- Public buildings and recreational facilities
- Drainage systems
- Waste management facilities ensuring that these infrastructures are of high quality and meet the community's needs | essential for fostering economic growth and improving residents' quality of life

### b) Promote proper Environmental Management and Conservation Services

Environmental sustainability is crucial for urban areas. This includes:

- Managing waste, including recycling and reduction strategies
- Preserving natural resources such as parks, wetlands, and rivers
- Controlling pollution (air, water, soil)
- Promoting green spaces and tree planting
- Implementing sustainable urban development policies, the goal is to balance development with environmental stewardship.

### c) Promote proper planning and development of urban areas within oyugis municipality.

Municipal planning is vital for organized growth and development, covering areas like:

- Land use management
- Urban design and development control
- Housing policies and affordable housing initiatives
- Public transportation planning
- Spatial planning to anticipate future needs Effective planning services ensure sustainable urban growth and prevent problems like overcrowding or unplanned settlements.

*[Handwritten signature]*



County Government of Homa Bay  
 Oyugis Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

Below we provide the progress on attaining the stated objectives:

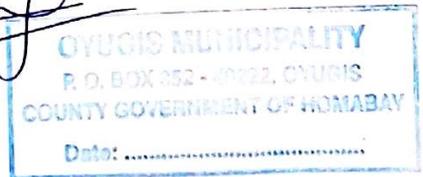
<b>PROGRAMME NAME</b>	<b>Environmental Management and Conservation</b>					
<b>OBJECTIVE</b>	To improve cleanliness, preserve and conserve the environment					
<b>Outcome</b>	Enhanced Safety and Healthier Environment					
<b>Sub-Programme</b>	<b>Key Outputs</b>	<b>Key Performance Indicators</b>	<b>Targets</b>			<b>Remarks</b>
			<b>Baseline</b>	<b>Planned</b>	<b>Achieved</b>	
Environmental, Cleaning and Conservation Services	Tree seedlings planted	No. of Tree seedlings planted	3000	2500	1950	Achieved 78% for the project
	Town cleaning and solid waste management awareness campaigns	No. town-cleanups and solid waste management awareness campaigns	12 (Monthly)	4 (Quarterly)	3	Achieved 75%
	Zones Cleaned	Number of designated zones cleaned	10 Zones	8	5	Achieved 62.5%

**Annual Report and Financial Statements for the year ended June 30, 2025**

<b>Programme Name</b>	<b>Administrative and support services</b>					
<b>Objective</b>	To improve the work environment, administration and governance					
<b>Outcome</b>	Improved service delivery					
<b>Sub-Programme</b>	<b>Key Outputs</b>	<b>Key Performance Indicators</b>	<b>Targets</b>			<b>Remarks</b>
			<b>Baseline</b>	<b>Planned</b>	<b>Achieved</b>	
Planning, administration and governance services	Board Meeting Minutes	No. of Board Meetings held per year	4 (Quarterly)	4 (Quarterly)	4 (Quarterly)	The board held 4 Ordinary meetings.
	Board Committee Meeting minutes	No. of Board Committee Meetings held per year	4 (Quarterly)	4	1	One Board committee meeting was held.
	Trained municipal staff and Board members	No training conducted annually	4	2	0	0%
	Pear learning event report	No benchmarking activity undertaken	1	1	0	0%

**a) Sector Challenges**

- Inadequate road networks, poor drainage systems, and insufficient public amenities.
- Limited Financial Resources: Budget constraints limiting the execution of development projects and maintenance of existing infrastructure.
- Challenges in solid waste collection and disposal, leading to environmental degradation.
- Uncontrolled urban sprawl, lack of adherence to zoning regulations, and informal settlements.



b) **Emerging Issues**

- Rapid population growth increasing demand for housing, infrastructure, and services.
- The need to incorporate smart technologies in urban management and service delivery.
- Increased frequency of extreme weather events affecting infrastructure and livelihoods.
- Rising concerns about public health due to poor sanitation and lack of clean water.
- Growing unemployment rates among the youth, leading to social and economic challenges.
- Increasing demand for greater public involvement in decision-making processes.

c) **Lessons Learnt**

- Successful implementation of development projects requires active community participation.
- Long-term, sustainable urban planning is essential to manage growth and environmental challenges effectively.
- Working closely with government agencies, NGOs, and private sector partners enhances project success.
- Flexibility in planning and project execution is crucial to address emerging challenges effectively.
- Continuous training and capacity building of municipal staff improve service delivery and project management.

d) **Recommendations**

- **Increase Budget Allocation:** Advocate for increased financial resources to support infrastructure development and maintenance.
- **Enhance Urban Planning:** Implement stricter zoning regulations and enforce urban planning guidelines to manage urban growth.
- **Strengthen Waste Management:** Invest in waste management infrastructure and promote community awareness on waste disposal.
- **Promote Environmental Conservation:** Develop and implement policies focused on environmental sustainability and climate change adaptation.
- **Leverage Technology:** Integrate technology in public service delivery and urban management to improve efficiency.
- **Boost Public Service Delivery:** Streamline processes, reduce bureaucracy, and improve responsiveness to public needs.
- **Youth Empowerment Programs:** Develop programs aimed at reducing youth unemployment through skills training and entrepreneurship support.
- **Improve Community Involvement:** Enhance mechanisms for public participation in planning and decision-making processes.

*[Signature]*

• Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Policy Planning and administration services	To provide overall policy and strategic direction for the transformation of the Oyugis Municipality	Well-staffed, equipped and operational municipal office	Number of Key staff employed and paid	Key staff employed and paid on time and operations funded to 85%
Public Works and Infrastructure Development Services	To promote effective development, management and maintenance of all municipal facilities and roads.	Well-developed and maintained infrastructure for public use.	2 Boda Boda Shades constructed	Construction of Boda Boda shade was not achieved
Environmental Management Services	To promote a proper waste disposal and clean environment	Procure waste skips for waste collection	9 waste skips procured	Not fully achieved. Procurement at advanced stage
Environmental Management Services	To promote a proper waste disposal and clean environment	Development of waste transfer stations	2 waste transfer stations developed	Not achieved. Challenges getting land that meets NEMA standards.
Environmental Management Services	To enhance tree cover and promote environmental conservation	Number of tree nurseries established	1 tree nursery established	Not achieved due to procurement challenges

e. Conclusion

The opportunities available to the Municipality include Waste management and creation of order through proper relocation of structure and control of land use within the municipality among others

Risk Management Strategies

The Municipality identified and undertook an assessment of impending risks to effective and efficient operations. These risks are environmental, political, organizational, operational, financial and technological in nature and affect implementation of programmes and its outcomes. The

foregoing risks call for accountability, monitoring and reporting on mitigation factors so as to ensure a prosperous Municipality. Using the Low, Medium and High risk ranking on the basis of Likelihood and impact, the significant risks are highlighted as follows:

Key Risks	Likelihood (H/M/L)	Impact (H/M/L)	Contingency Plan/ Steps to Mitigate Risk	Person(s) Responsible
Political instability and Insecurity (e.g. election unrest, terrorism etc.)	Low	High	<ul style="list-style-type: none"> <li>Utilizing already existing county government structures, national government and other key actors</li> </ul>	Office of the Governor
Limited Financial Resources	Medium	High	<ul style="list-style-type: none"> <li>Development of sustainable income generating programmes</li> </ul>	CEC and Chief Officer
Insufficient collaboration, cooperation and strategic partnerships with relevant stakeholders (PPP)	Medium	High	Enhancing partnerships with various stakeholders	Municipality Board/ CEC
Few technical staff	Medium	High	<ul style="list-style-type: none"> <li>Identifying, developing and retaining the requisite human resources to support the strategy implementation</li> <li>Provide a competitive remuneration and benefits policy</li> </ul>	Public Service Board
Rapid technological advancement	Medium	High	<ul style="list-style-type: none"> <li>Integrating information and communication technologies in the processes of services provision</li> </ul>	Directors

Sign .....  
  
**Mr. Cavin Oyugi Ongere**  
**Municipal Manager**  
**Municipality of Oyugis.**

County Government of Homa Bay  
 Oyugis Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

*[Handwritten Signature]*  
 OYUGIS MUNICIPALITY  
 P. O. BOX 952 - 40222, OYUGIS  
 COUNTY GOVERNMENT OF HOMA BAY  
 Date: .....

Program	Objective	Outcome	Indicator	Performance
<b>Policy Planning and administration services</b>	To provide overall policy and strategic direction for the transformation of the Oyugis Municipality	Well-staffed, equipped and operational municipal office	Number of Key staff employed and paid	Key staff employed and paid on time and operations funded to 85%
<b>Public Works and Infrastructure Development Services</b>	To promote effective development, management and maintenance of all municipal facilities and roads.	Well-developed and maintained infrastructure for public use.	Number Boda Boda Shades constructed	In FY under review, we increased the number of Boda Boda shades by 0%
<b>Environmental Management Services</b>	To promote a proper waste disposal and clean environment	Procure waste skips for waste collection	Number of waste skips procurement	In FY under review, number of waste skips was increased by 0%
<b>Environmental Management Services</b>	To promote a proper waste disposal and clean environment	Development of waste transfer stations	Number of waste transfer stations developed	In FY under review, number of waste transfer stations was increased by 0%.
<b>Environmental Management Services</b>	To enhance tree cover and promote environmental conservation	Number of tree nurseries established	Number of tree nursery established	In FY under review, number of tree nurseries was increased by 0%

## 8. Corporate Governance Statement

### 8.1 Appointment of Board Members, Process of Appointment and Removal, Size, Diversity, and Board Charter

The Oyugis Municipal Board was established as per Section 14 of the Urban Areas and Cities Act. The Board comprises nine (9) members, including representatives from resident associations, professional bodies, private sector, informal sector, youth, women, and persons with disabilities (PWDs), along with the Municipal Manager, Chief Officer for Housing and Urban Development and a representative of the County Executive Committee for Lands, Physical Planning, Housing, and Urban Development. Members are competitively selected through a public, transparent process and formally appointed by the Governor upon recommendation from the County Public Service Board. Board members serve three-year terms, renewable once. Removal from office follows procedures outlined in Section 15 of the Act, including grounds such as (1) A person may be removed from the office of chairperson, vice chairperson or a member of the board on any of the grounds provided under section 16 (a), (b), (c), (e), (f), (g), (h), (i) and (j)

- (a) A person may be removed under subsection (1);
  - (b) By the county governor;
  - (c) By the board, supported by the vote of at least two-thirds of the members of the board; or
  - (d) Upon petition by the residents of a city or municipality.
- (3) A resident of a city or municipality may file a writing petition with a board for the removal of a chairperson or vice chairperson.
- (4) The procedure for the removal or petition for removal of a chairperson or vice chairperson under subsections (1) and (2) shall be provided by regulations, violation of the law, incapacity, or misconduct. The Board operates under the Oyugis Municipal Charter and Urban Areas and Cities Act that defines its mandate, responsibilities, and ethical expectations.

### 8.2. Roles and Functions of the Board

Pursuant to Article 184 of the Constitution of Kenya, section 48 (1) (a) of the County Governments Act, 2012, sections 9 (1) and Section 20 of the Urban Areas and Cities Act, 2011 and section 6 of the Oyugis Municipal Charter, the Governor, Homa Bay County transferred the under listed functions to the Municipal Board of Oyugis—

- a) Oversee the affairs of Municipality of Oyugis;
- b) Develop and adopt policies, plans, strategies and programmes, and set targets for delivery of services;
- c) Formulate and implement integrated development plan;
- d) Maintain a comprehensive database and information system of the administration and provide public access thereto upon payment of a nominal fee to be determined by the board;
- e) Administer and regulate its internal affairs;
- f) Implement applicable national and county legislation;
- g) Enter into such contracts, partnerships or joint ventures as it may consider necessary for the discharge of its functions as required under the law;
- h) Monitor and, where appropriate, regulate municipal services where those services are provided by service providers other than the board of the municipality;
- i) Prepare its budget for approval by the county executive committee and administer the budget as approved;
- j) Monitor the impact and effectiveness of any services, policies, programmes or plans;
- k) Establish, implement and monitor performance management systems;
- l) Promote and undertake infrastructural development within the Municipality
- m) Promote a safe and healthy environment; and
- n) Perform such other functions as may be delegated by the county government or as may be provided for by any written law. The transfer of the above functions took effect immediately.

### 8.3. Induction, Training, and Development

Upon appointment, all Board members undergo an induction programme covering municipal legislation, governance principles, financial management, planning tools, and citizen engagement. Continuous training is provided through capacity-building workshops, peer learning forums, and refresher courses to enhance their governance, leadership, and technical skills

#### **8.4. Board and Members' Performance**

Performance is assessed through annual performance evaluations, aligned with objectives set in the Board Charter and Oyugis Municipality's performance management framework. The evaluation assesses attendance, contribution to meetings, strategic input, and ethical conduct. Performance reviews are used to guide training needs, succession planning, and ensure accountability.

#### **8.5. Number of Board Meetings Held and Attendance by Members**

During the reporting period, the Board held four (4) ordinary meetings and two (2) committee meetings. On average, attendance stood at 100%, reflecting strong member commitment. Attendance records are documented and made available to the public in annual governance reports.

#### **8.6. Succession Plan**

As per the applicable law the board of municipality shall be body corporate with perpetual succession and common seal. Each member of the board shall hold office for a term of five years, on part time basis.

#### **8.7 Policy to Manage Conflict of Interest**

A comprehensive Conflict of Interest Policy is enforced. All members are required to declare conflicts before deliberations. A register of interests is maintained and reviewed annually, and members recuse themselves from discussions where conflicts are identified.

#### **8.8. Board Remuneration**

Board members are remunerated as per guidelines from the Salaries and Remuneration Commission (SRC). Remuneration includes sitting allowances, transport reimbursement, and facilitation for training, in line with public sector standards.

#### **8.9. Ethics and Conduct**

Board members adhere to a strict Code of Ethics and Conduct, emphasizing integrity, professionalism, confidentiality, and impartiality. Regular ethics training is conducted, and violations are addressed through disciplinary mechanisms outlined in the Board Charter and Public Officer Ethics Act.

#### 8.10 Governance Audit

A governance audit was conducted during the year by the County Internal Audit Department in collaboration with external stakeholders. The audit assessed compliance, efficiency, and effectiveness in governance processes. Key recommendations are being implemented, including improved record-keeping, streamlined reporting, and enhanced risk management

#### 8.11 Communication Policy

The municipality maintains a Communication and Public Participation Policy, promoting transparency through structured communication channels, including the municipal website, noticeboards, public forums, and local radio stations. The Board communicates key decisions, development updates, and opportunities for engagement clearly and regularly.

#### 8.12 Terms of Reference of Committees

The Board has established specialized committees with defined Terms of Reference (ToRs), including the Finance Committee, Audit Committee, Technical and Strategy Committee, and Human Resource Committee, these committees provide focused oversight and support the full Board in fulfilling its responsibilities effectively.

#### 8.13 Policy on Related Party Transactions

The municipality enforces a Policy on Related Party Transactions to ensure transparency and fairness. All transactions involving Board members or their affiliates must be disclosed, reviewed, and approved following strict protocols to avoid favoritism, corruption, or misuse of public resources

## 9. Management Discussion and Analysis

In the financial year 2024/25, the Municipality Board was allocated a total of KSHs. 37,633,620, consisting of KSHs. 12,833,620 for recurrent expenditure and KSHs. 24,800,000 for development purposes. The Board strategically planned and allocated these funds across critical programmes to enhance operational efficiency, infrastructure development, and environmental sustainability. Under the Policy, Planning and Administration Services Programme, the Board channeled KSHs. 705,831 towards policy and plan development to strengthen governance frameworks, KSHs. 6,556,056 to support staff remuneration, and KSHs. 5,571,733 to facilitate monitoring and evaluation activities, as well as general office operations. This prudent allocation enabled continuous service delivery, staff retention, and improvement in administrative oversight, positioning the Municipality for long-term institutional sustainability. In the Public Works and Infrastructure Improvement Services Programme, KSHs. 2,500,000 was budgeted for the construction of two waste transfer stations. However, the initiative could not proceed due to the unavailability of suitable land within the CBD that meets the stringent NEMA requirements. The Municipality continues to engage relevant stakeholders to identify alternative land parcels to support this vital infrastructure. Similarly, KSHs. 500,000 was allocated for the construction of two Bodaboda shades, but this project was not implemented due to procurement challenges. The KUSP-UDG allocation of KSHs. 16.8 million remained undisbursed as at the time of reporting. On a positive note, the Urban Institutional Grant (UIG) was recently disbursed to counties, and plans are underway to begin targeted activities immediately. Under the Housing and Urban Development Services Programme, KSHs. 4.5 million was allocated for the procurement of 15 waste skips, a project that has progressed significantly and is now at an advanced stage of procurement. These skips will greatly enhance waste collection and management across the Municipality. However, the planned development of a tree nursery (KSHs. 500,000) did not materialize due to technical delays in land preparation and procurement. Despite these setbacks, the Board remains committed to full implementation of all projects. Efforts are underway to fast-track procurement processes, resolve land acquisition challenges, and engage stakeholders to ensure compliance and successful execution.

The Board has maintained full compliance with statutory and regulatory frameworks, including the Public Finance Management Act and the World Bank's performance conditions. No material arrears in statutory obligations were recorded. However, challenges such as delayed intergovernmental disbursements, limited local revenue streams, and infrastructure gaps due to rapid urbanization remain persistent. The Municipality continues to uphold fiscal responsibility, maintain statutory compliance, and adapt proactively to operational risks as it pursues its mission to build a cleaner, greener, and better-serviced urban area.

## 10. Environmental and Sustainability Reporting

### 10.1. Sustainability strategy and profile

The accounting officer recognizes that global political and macroeconomic trends, such as climate change, energy insecurity, and inflation, continue to shape sustainability priorities at the local level. Guided by international frameworks such as the Sustainable Development Goals (SDGs)—particularly SDG 11 (sustainable cities and communities), SDG 13 (climate action), and SDG 12 (responsible consumption and production)—Oyugis Municipality aligns its sustainability efforts with global best practices. Locally, these efforts are anchored in key planning documents including the Oyugis Municipality Physical and Land Use Plan, Integrated Development Plan (IDeP), Annual Development Plan (ADP), and the Sustainable Solid Waste Management Policy. Key achievements during the reporting period include successful clean-up and environmental education and awareness campaigns, enhanced waste management planning, increased waste collection coverage, and tree planting campaigns. However, challenges such as low public awareness, inadequate financial resources, climate change impacts, and inadequate infrastructure limited the impact of some initiatives. These are being mitigated through increased stakeholder engagement and capacity building. The entity has planned to develop a Service Delivery Charter to outline its commitment to efficiency and transparency. In contracts management, the municipality is consistently encouraging local suppliers, including youth, women, and persons with disabilities (PWDs) to apply for its tenders and contracts. All its contracts are awarded to local suppliers and 50% of the contracts are reserved for youths and PWDs.

### 10.2. Environmental performance

Oyugis Municipality operates under the Sustainable Solid Waste Management Policy, which provides the framework for ensuring environmentally responsible development and service delivery. To operationalize this policy, the municipality developed the Oyugis Municipality Waste Management Plan, a strategic tool that guides activities and monitors progress in sustainable waste handling. As evidence of implementation, during the period under review, the municipality conducted three clean-up campaigns and two tree-planting exercise, enhancing environmental awareness and community engagement. Successes include increased public participation in waste collection efforts, improved cleanliness in market centers, and enhanced visibility of environmental stewardship within the municipality. However, shortcomings such as insufficient waste segregation at source, limited recycling infrastructure, and inadequate public sensitization remain challenges. To mitigate these, the municipality is increasing public education campaigns, expanding partnerships with private recyclers, and planning for the installation of waste segregation bins across public spaces. Efforts to manage biodiversity include the tree-planting campaign, which promoted indigenous species to restore degraded areas and create urban green spaces. Waste management practices have also improved, guided by the 4Rs (Refuse, Reduce, Reuse, Recycle) framework. This includes promoting reusable shopping bags, discouraging single-use plastics, and piloting community-based recycling initiatives.

**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

The Municipality has embraced environmental impact reduction by encouraging staff to minimize plastic bottle use, and promoting biodegradable packaging for municipal supplies. Regular vehicle maintenance is enforced to reduce carbon emissions. In response to climate change, the municipality has partnered with GIZ to educate youth, women, and persons with disabilities (PWDs) on clean cooking technologies, promoting inclusive climate resilience. Plans are also underway to adopt green building standards, incorporating natural lighting, ventilation, and solar heating systems in future infrastructure projects.

### **10.3. Employee welfare**

Oyugis Municipality's hiring process is guided by the National Employment Policy, Public Service Commission (PSC) guidelines, and the County Human Resource Management policies, which emphasize meritocracy, transparency, and inclusivity. Recruitment policies actively promote equitable representation by considering gender balance, youth, and Persons with Disabilities (PWDs), in line with the constitutional requirement for at least 30% inclusion of special interest groups. Stakeholder engagement is integral, particularly during public participation forums, and policies are reviewed periodically to align with emerging needs and national directives. The municipality invests in capacity building, career development, and performance appraisal systems, complemented by a reward and recognition framework. It upholds a strong commitment to employee welfare through the national Occupational Safety and Health Act (OSHA), 2007. During the review period, no major work-related injuries were reported, reflecting strengthened safety awareness, routine workplace inspections, and compliance enforcement to minimize occupational risks.

### **10.4. Market place practices**

Oyugis Municipality is commitment to responsible competition practice, responsible supply chain and supplier relations, responsible marketing and advertisement or responsible engagement with the citizens, Product stewardship or Awareness creation, and Product stewardship or Awareness creation through the following ways:

### **10.5. Responsible competition practice.**

Oyugis Municipality promotes responsible competition and improved service delivery through transparent and accountable practices. The municipality adheres to open tendering procedures to ensure fair competition and respect for competitors, in line with the Public Procurement and Asset Disposal Act. Anti-corruption guidelines are in place, with clear reporting channels and public awareness campaigns to deter unethical conduct. There is are anti-corruption champions to champion anti-corruption practices. Service delivery is enhanced through the installation of suggestion and compliant/complement boxes within the municipality office and cashless payment options to improve efficiency and reduce fraud. Public sensitization forums and outreach activities further strengthen citizen engagement, trust, and access to quality municipal services.

**10.7. Responsible Supply chain and supplier relations**

Oyugis Municipality upholds good business practices by fostering transparent and ethical relationships with its suppliers. The municipality ensures fair and competitive procurement through open tendering processes that comply with the Public Procurement and Asset Disposal Act. It honours contractual obligations, respects agreed timelines, and processes payments promptly to maintain trust and financial discipline. Suppliers are engaged professionally, with regular communication to address any concerns or delays. By upholding integrity, fairness, and accountability, the municipality creates a predictable business environment that encourages participation from diverse suppliers, including local enterprises, youth, women, and persons with disabilities, thereby supporting inclusive economic growth.

**10.8. Responsible marketing and advertisement or Responsible engagement with the citizens**

Oyugis Municipality is committed to ethical outreach and public sensitization practices that uphold transparency, accuracy, and respect for all stakeholders. The municipality avoids false or exaggerated promises by ensuring all communication is based on verified information and aligned with service capacity. Regular updates are provided through social media sites, and the municipality website, enabling the public to access accurate and timely information. Consultative forums and public participation meetings are conducted to gather diverse views and foster inclusivity in decision-making. Outreach materials respect cultural diversity, use appropriate language, and avoid anti-social messaging. The municipality also provides adequate information on services and development projects to promote informed engagement and build public trust in a responsible and ethical manner.

**10.9. Product stewardship or Awareness creation**

Oyugis Municipality actively safeguards citizens' rights and interests by promoting transparency, access to information, and protection of personal data. The municipality provides adequate service information on key public services such as county single business permits and solid waste management services, community forums, and digital platforms. Citizens are educated on their rights to representation, bail, and peaceful demonstrations, in line with the Constitution. A structured dispute resolution and redress mechanism is in place to address service complaints fairly and promptly. The municipality also upholds whistleblower protections and enforces data privacy measures to safeguard personal information collected during service delivery, ensuring accountability and citizen trust.

**10.10. Corporate Social Responsibility/Community Engagements**

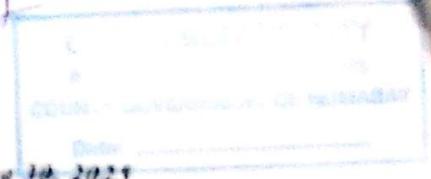
During the reporting period, Oyugis Municipality carried out several Corporate Social Responsibility (CSR) activities aligned with its core mandate of sustainable urban development and environmental stewardship. The municipality actively engaged in community-based environmental initiatives, including partnerships with youth-led grassroots organizations such as Celeb World, Young and Bold, Miyale Films, Agape, Jakongo Comedy, Team Vijana, NGOs like Compassion International, and businesses such as Topkrim and Zuri Hotel. Together, they implemented tree planting exercises in public schools, county forests (e.g., Kodera and Wire), and community spaces, promoting reforestation and environmental conservation. In line with public health promotion, the municipality organized quarterly town clean-ups and environmental awareness campaigns, enhancing hygiene and solid waste management.

*[Handwritten signature]*

*County Government of Homa Bay  
Oyugis Municipality  
Annual Report and Financial Statements for the year ended June 30, 2025*

---

Health-focused CSR activities included sanitary pad distribution drives in primary and secondary schools, as well as education and awareness sessions on teenage pregnancy, HIV/AIDS, and sickle cell anaemia, supporting adolescent health and empowerment. On social development, the municipality conducted quarterly public forums and ensured robust public participation in the budget-making process and during the development of the Annual Development Plan (ADP), enhancing transparency and inclusiveness in governance. Through collaboration with GIZ, the municipality trained youth on clean cooking technologies, equipping them with sustainable livelihood skills while promoting climate-smart practices. These activities demonstrate strong corporate social investment, with long-term societal benefits. Evidence of impact includes improved environmental awareness, enhanced public health knowledge, strengthened youth capacity, and increased community ownership of development projects—positioning Oyugis Municipality as a proactive and inclusive local government authority.



## 11. Report of the Municipality Board Members

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Municipality affairs.

### Principal activities

The principal activities of the Municipality are: Promotion, regulation, and provision of refuse collection and solid waste management services, Construction and maintenance of urban roads and associated infrastructure, Construction and maintenance of storm drainage and flood controls, Construction and maintenance of walkways and other non-motorized transport infrastructure, Construction and maintenance of street lighting, Development and enforcement of municipal plans and development controls, Municipal administration services, Promoting and undertaking infrastructural development and services within the municipality, and Construction, maintenance, and regulation of Municipal markets.

### Performance

The performance of the Municipality for the year ended June 30, 2025 are set out on page 1.

### Board Members

The members of the Board who served during the year are shown on page iv.

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

By Order of the Board

Name: Cavin Oyugi Ongere.

Secretary of the Board

*OFF*

## 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's financial statements, which give a true and fair view of the state of affairs of the Municipality for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

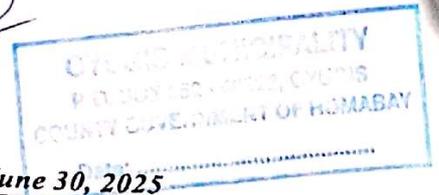
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Municipality,
- (iii) Designing, 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'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. 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.

County Government of Homa Bay  
Oyugis Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

Off



**Approval of the financial statements**

The Municipal financial statements were approved by the Board on 29th September 2025 and signed on its behalf by:

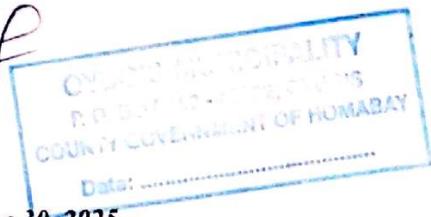
  
.....

Name: Mr. Davis Abilla  
Chairperson of the Board

  
.....

Name: Mr. Cavin Oyugi Ongere.  
Accounting officer of the Board

*off*

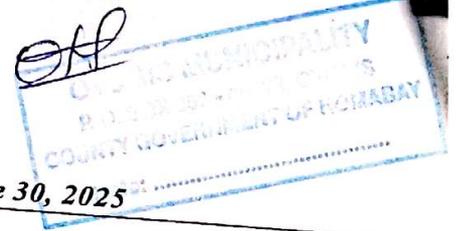


*County Government of Homa Bay  
Oyugis Municipality*

*Annual Report and Financial Statements for the year ended June 30, 2025*

---

**13. Report of the Independent Auditor – Municipality of Oyugis**



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	2,250,000	-
Payments by County on behalf of the entity-Operations	7	257,000	-
Other revenues (Direct payments by county government)	7	5,960,000	-
<b>Total revenue</b>		<b>8,467,000</b>	<b>-</b>
<b>Expenditure</b>			
Use of goods and services			
Staff costs	9	1,958,263	-
Board expenses	10	5,960,000	-
Depreciation and amortization	11	280,000	-
<b>Total expenses</b>	12	<b>158,512</b>	<b>-</b>
<b>Surplus/(deficit) for the period</b>		<b>8,356,775</b>	<b>-</b>
		<b>110,225</b>	<b>-</b>

The notes set out on pages 7 to 28 form an integral part of these Financial Statements. The Municipality financial statements were approved on 29<sup>th</sup> September 2025 and signed by:

.....  
 Name: Carvin Ongere  
 Municipality Manager  
 Date: 29th September 2025

.....  
 Name: CPA Mercy Akoth  
 Head of Finance  
 ICPAK M/No AS100/1043

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

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	268,737	-
<b>Total current assets</b>		<b>268,737</b>	<b>-</b>
<b>Non-current assets</b>			
Property, Plant and equipment	15	661,588	-
<b>Total Non-current Assets</b>		<b>661,588</b>	<b>-</b>
<b>Total assets (A)</b>		<b>930,325</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Total current liabilities</b>		-	-
<b>Non-current liabilities</b>			
<b>Total liabilities (B)</b>		-	-
<b>Total Net Assets (A-B)</b>		<b>930,325</b>	<b>-</b>
<b>Represented by:</b>			
Accumulated Surplus		930,325	
<b>Net Assets/Equity</b>		<b>930,325</b>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Municipality financial statements were approved on 29<sup>th</sup> September 2025 and signed by:

*OFF*  
 .....

Name: Cavin Oyugi Ongere.

Municipality Manager

Date: 29<sup>th</sup> September 2025

*Mercy*  
 .....

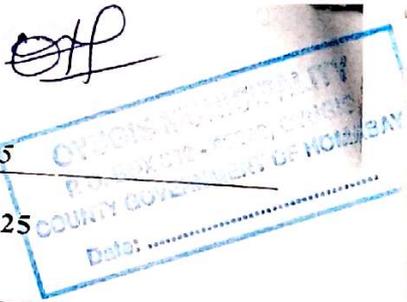
Name: CPA Mercy Akoth

Head of Finance

ICPAK M/No *A5566/1043*

Date: 29<sup>th</sup> September 2025

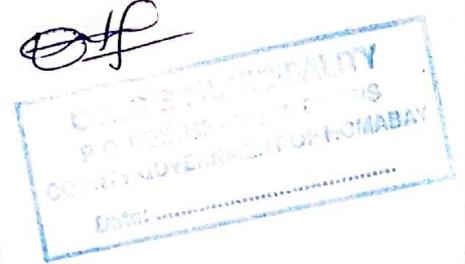
*[Handwritten signature]*



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				
Bal as at 30 Jun 2024	-	-	-	-
Bal as at 1 July 2024	-	-	-	-
Equity/capital	-	-	-	-
Surplus/(deficit) for the year			820,100	820,100
Balance as at 30 June 2025	-	-	110,225	110,225
			930,325	930,325

Oyugis Municipality  
 County Government of Homa Bay  
 Annual Report and Financial Statements for the year ended June 30, 2025



17. Statement of Cash Flows for the Year 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		2,250,000	-
Payments by County on behalf of the entity-Operations		257,000	-
<b>Total Receipts</b>		<b>2,507,000</b>	-
<b>Payments</b>			
Use of goods and services		1,958,263	-
Staff costs		-	-
Board expenses		280,000	-
Finance costs		-	-
<b>Total Payments</b>		<b>2,238,263</b>	-
<b>Net cash flows from operating activities</b>	16	<b>268,737</b>	-
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>268,737</b>	-
Cash And Cash Equivalents At 1 July 2024		-	-
<b>Cash And Cash Equivalents At 30 June 2025</b>		<b>268,737</b>	-

  
 Name: Cavin Oyugi Ongere  
 Municipality Manager  
 Date: 29<sup>th</sup> September 2025

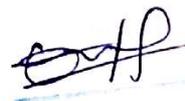
  
 Name: CPA Mercy Akoth  
 Head of Finance  
 ICPAK M/No. Assoc/1093  
 Date: 29<sup>th</sup> September 2025

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	37,633,620	-	37,633,620	8,467,000	29,166,620	22.5%
<b>Total Receipts</b>	<b>37,633,620</b>	<b>-</b>	<b>37,633,620</b>	<b>8,467,000</b>	<b>29,166,620</b>	<b>22.5%</b>
Payments						
Use of goods and services	4,621,733	-	4,621,733	1,958,263	2,663,470	42.4%
Board expenses	950,000	-	950,000	280,000	670,000	29.5%
Staff Costs	7,261,887	-	7,261,887	5,960,000	1,301,887	82.1%
Finance costs	-	-	-	-	-	-
<b>Total expenditure Payments</b>	<b>12,833,620</b>	<b>-</b>	<b>12,833,620</b>	<b>8,198,263</b>	<b>4,635,357</b>	<b>64%</b>
Capital Expenditure Payments	24,800,000	-	24,800,000	-	24,800,000	0%
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,737</b>	<b>-</b>	<b>-</b>

Budget Notes

- Low budget utilization is due to lack of funds to the Municipality
- The use of goods has been utilized by approximately this is due to delay of disbursement of funds to Municipality
- Staff cost has been fully utilized as budgeted

  
 OLIVER MUNICIPALITY  
 P.O. BOX 174, OLIVER, OLIVER  
 COUNTY GOVERNMENT OF NOMBAY  
 Date: .....

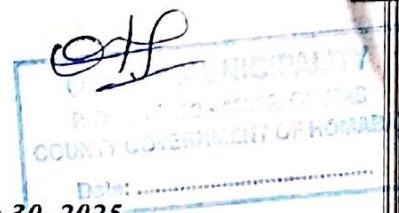
**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	268,737
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	268,737

*Off*

**OYUGIS MUNICIPALITY**  
P.O. BOX 102 - 40100, OYUGIS  
COUNTY GOVERNMENT OF HOMABAY  
Date: .....



## 19. Notes to the Financial Statements

### 1. General Information

Oyugis Municipality is established by and derives its authority and accountability from cities Act. The Municipality is under the Homa Bay County Government and is domiciled in Kenya.

Oyugis Municipality principal activity is

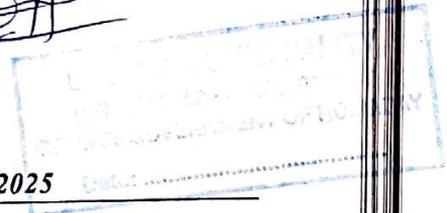
### 2. Statement of Compliance and Basis of Preparation

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'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 Oyugis Municipality.

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.

*OH*



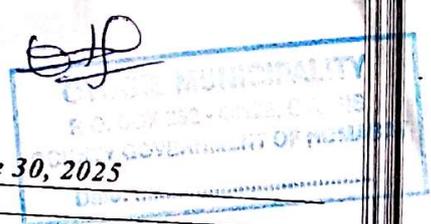
**3. Application of New and revised standards (IPSAS)**

i. *New and amended standards and interpretations in issue effective in the year ended 30<sup>TH</sup> June 2025.*

There were no new and amended standards issued in the financial year.

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><i>Applicable 1<sup>st</sup> January 2025</i></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 Municipality.</p> <p>The new standard requires municipalities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that</p>



Standard	Effective date and impact:
	<p>satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>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 municipality 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.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>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 geared to provide guidance to municipalities that provide transfers on accounting for such transfers.</p>

County Government of Homa Bay  
 Oyugis Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

*CS*  
 OYUGIS MUNICIPALITY  
 P.O. BOX 912 - 11002, CT  
 COUNTY GOVERNMENT OF HOMABAY  
 Date: .....

Standard	Effective date and impact:
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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	<i>Applicable 1<sup>st</sup> January 2027</i> 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 measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

**iii. Early adoption of standards**

The Oyugis Municipality did not early – adopt any new or amended standards in the financial year.

(Notes to financial statements continued)

**4. Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government Agencies**

Revenues from non-exchange transactions with other government municipalities 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 has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Interest income**

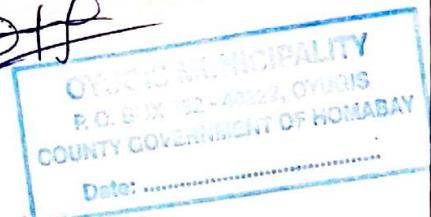
Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each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

**b) Budget information**

The original budget for FY 2024/25 was approved by the County Assembly on 28/06/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the Municipality upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Municipality recorded no additional appropriations as at April 2025 following the governing body's approval.

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.

*SH*



*County Government of Homa Bay  
Oyugis Municipality*

*Annual Report and Financial Statements for the year ended June 30, 2025*

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,

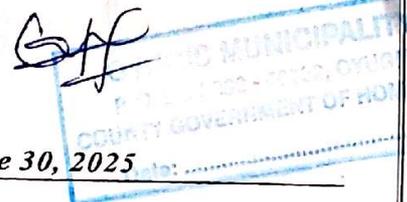
Prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement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

**c) Property, plant and equipment**

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

**d) Intangible assets**

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



*(Significant accounting policies continued)*

**e) Biological Assets**

The entity 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. (amend as appropriate).*

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.

(Significant accounting policies continued)

**Financial assets**

**Classification of financial assets**

The Oyugis 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 it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless a Municipality has made irrevocable election at initial recognition for particular investments in equity instruments.

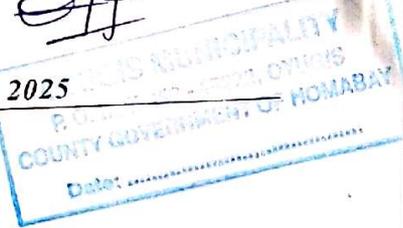
**Subsequent measurement**

Based on the business model and the cash flow characteristics, the Municipality 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 these 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.

*Off*



(Significant accounting policies continued)

**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 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.

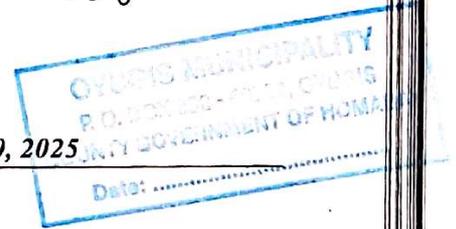
**Impairment**

The Municipality 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 Municipality 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 *Note*

**Financial liabilities**

**Classification**

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



(Significant accounting policies continued)

**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:

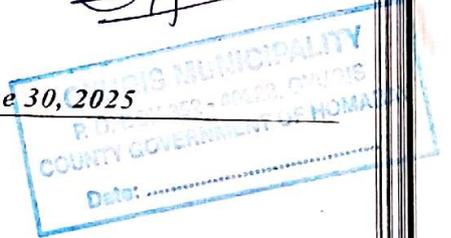
Raw materials: purchase cost using the weighted average cost method

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 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.

**h) 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.



(Significant accounting policies continued)

**i) 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 needs of society as a whole. The entity recognises a social benefit as an expense for the social benefits 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.

**j) 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.

**k) 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

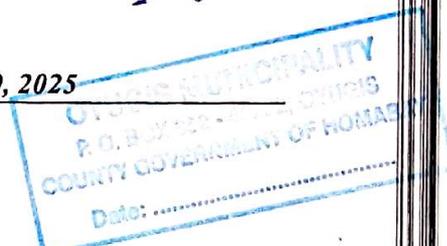
**l) Nature and purpose of reserves**

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.

*[Handwritten signature]*



*(Significant accounting policies continued)*

**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.

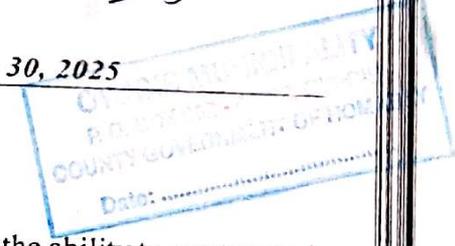
**o) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**p) 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.

*[Handwritten signature]*



*(Significant accounting policies continued)*

**q) 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 Managers and Municipality Accountant.

**r) 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.

**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**

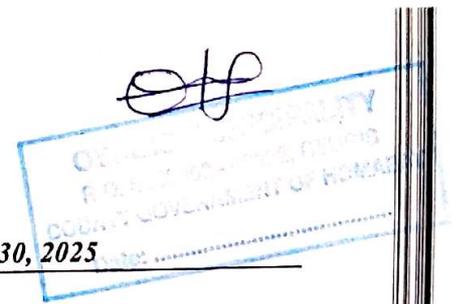
Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (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.



## 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.

*OFF*  
COUNTY GOVERNMENT OF HOMA BAY  
Date: .....

Notes to the Financial Statements

6. Transfers from the County Government

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from County Govt. – Recurrent	2,250,000	-
Payments by County on behalf of the entity-Salaries	5,960,000	-
Payments by County on behalf of the entity-Operations	257,000	-
<b>Total</b>	<b>8,467,000</b>	<b>-</b>

(a) Transfers from County Government of Homa Bay.

Name Of The Entity Sending The Grant	Amount recognized to Statement of financial performance* Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2023/2024
			Kshs	Kshs	Kshs
Homabay County	2,250,000				-
<b>Total</b>	<b>2,250,000</b>				<b>-</b>

7. Direct Payment on Behalf of the Oyugis Municipality

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Payments by County on behalf of the entity-Salaries	5,960,000	-
Payments by County on behalf of the entity-Operations	257,000	-
<b>Total</b>	<b>6,217,000</b>	<b>-</b>

County Government of Homa Bay  
 Oyugis Municipality  
 Annual Report and Financial Statements for the year ended June 30, 2025

*D/P*

OYUGIS MUNICIPALITY  
 P.O. BOX 102 - 10200, OYUGIS  
 COUNTY GOVERNMENT OF HOMA BAY  
 Date: .....

**8. Other Revenues**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Transfers from other government entities	5,960,000	-
Payments by County on behalf of the entity-Operations	250,000	-
<b>Total</b>	<b>6,210,000</b>	<b>-</b>

**9. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Utilities, supplies and services	10,000	-
Domestic travel and subsistence	789,370	-
Foreign travel and subsistence	430,630	-
Travel cost	56,300	-
Hospitality supplies and cleaning services	133,100	-
Office and general supplies and services	144,200	-
Electricity	36,773	-
Catering services	262,900	-
Routine maintenance – Building	89,400	-
Bank Charges	5,590	-
<b>Total Use of Goods</b>	<b>1,958,263</b>	<b>-</b>

**10. Staff costs**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Salaries and wages	5,960,000	-
<b>Total</b>	<b>5,960,000</b>	<b>-</b>

D/H

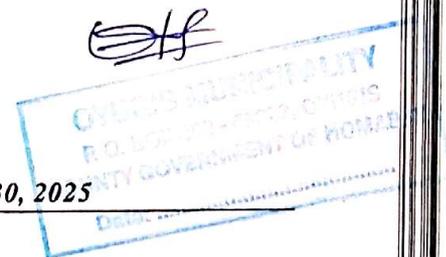
OYUGIS MUNICIPALITY  
P.O. BOX 40000, HOIMA  
COUNTY GOVERNMENT OF HOMABAY  
DATE: .....

**11. Board expenses**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Sitting allowances	250,000	-
Conference Costs	30,000	-
<b>Total</b>	<b>280,000</b>	<b>-</b>

**12. Depreciation and amortization**

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant and equipment	158,512	-
<b>Total depreciation and amortization</b>	<b>158,512</b>	<b>-</b>



13. Repairs and Maintenance

Description	2024/2025	2023/2024
	KShs	KShs
Repair of Toilets and Grills to Office windows	89,400	-
<b>Total repairs and maintenance</b>	<b>89,400</b>	<b>-</b>

14. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Current account	268,737	-
<b>Total cash and cash equivalents</b>	<b>268,737</b>	<b>-</b>

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

Financial institution	Account number	2024/2025	2023/2024
		Kshs.	Kshs.
<b>a) Current account</b>			
Kenya Commercial bank	1319316905	268,737	-
<b>Grand total</b>		<b>268,737</b>	<b>-</b>

15. Property, Plant and Equipment

Description	Land	Buildings	Roads & Infrastructure	Computers and Printers	Furniture and Fittings	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation Rate	-	4%	-	30%	12.50%	-	-
As at 1 July 2023	-	-	-	-	-	-	-
Additions for the year 2023/2024	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-
Additions for the year	-	-	-	320,000	500,100	-	820,100
Disposal for the year	-	-	-	-	-	-	-
As at 30th June 2025	-	-	-	320,000	500,100	-	820,100
Depreciation and impairment	-	-	-	-	-	-	-
As at 1 July 2023	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-
Depreciation	-	-	-	96,000	62,513	-	158,513
As at 30th June 2025	-	-	-	96,000	62,513	-	158,513
NBV as at 30th June 2024	-	-	-	-	-	-	-
NBV as at 30th June 2025	-	-	-	224,000	437,588	-	661,588

*[Handwritten Signature]*

PROVINCIAL GOVERNMENT  
COUNTY GOVERNMENT OF HOMABAY

### 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. 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 assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Municipality's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

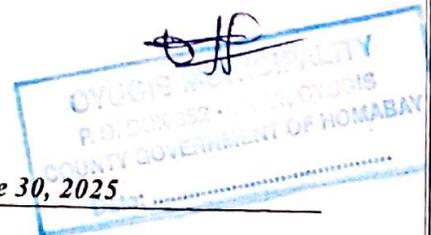
The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Municipality has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Municipality has significant concentration of credit risk on amounts due from

The Municipality Board sets policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### II. 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.



**III. Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Municipality's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Municipality's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Municipality's exposure to market risks or the manner in which it manages and measures the risk.

**IV. Interest rate risk**

Interest rate risk is the risk that the Municipality's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

**V. Capital risk management.**

The objective of the Municipality's capital risk management is to safeguard the Municipality's ability to continue as a going concern. The Municipality capital structure comprises of the following Municipality:

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Revaluation reserve	0	0
Capital/Development Grants Municipality	0	0
Accumulated surplus	0	0
<b>Total Funds</b>	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

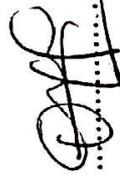
**County Government of Homa Bay**  
**Oyugis Municipality**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

  
 .....  
**Gavin Oyugi Ongere**  
**Oyugis Municipality Manager**

  
**OYUGIS MUNICIPALITY**  
**P.O. BOX 40400, HOMBA**  
**COUNTY GOVERNMENT OF HOMA BAY**  
 Date: .....

County Government of Homa Bay  
Oyugis Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

Appendix 2: Inter Oyugis Municipality Transfers

MUNICIPALITY NAME: OYUGIS			
Breakdown of Transfers from the County Executive of Homa Bay County			
FY 2024/2025	Bank Statement Date	Amount (K.shs.)	Indicate the FY to which the amounts relate
a. Recurrent Grants			
Homa Bay County Treasury transfer for operations	25/10/24	250,000	2024/2025
Homa Bay County Treasury transfer for operations	06/12/24	250,000	2024/2025
Homa Bay County Treasury transfer for operations	14/01/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	07/02/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	13/02/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	30/04/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	21/05/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	20/06/25	250,000	2024/2025
Homa Bay County Treasury transfer for operations	30/06/25	250,000	2024/2025
<b>Total</b>		<b>2,250,000</b>	
b. Development Grants			
	Bank Statement Date	Amount (K.shs.)	Indicate the FY to which the amounts relate
c. Direct Payments			
Direct payment by County Government	30/06/2025	5,960,000	2024/2025
Payments by County	3/04/2025	257,000	2024/2025
<b>Total</b>		<b>6,217,000</b>	2024/2025

  
 COUNTY GOVERNMENT OF HOMA BAY  
 OYUGIS MUNICIPALITY

  
 .....

**MERCY AKOTH**

Signed by the Head of Accounts of the Municipality and the transferring Entities

County Government of Homa Bay  
Oyugis Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

OYUGIS MUNICIPALITY BOARD					
REPORTS AND FINANCIAL STATEMENTS					
STATEMENT OF TRIAL BALANCE FOR THE PERIOD ENDED 30TH JUNE 2025					
ACCOUNT NAME AND DESCRIPTION	FY2024-2025		FY2023-2024		
	DR	CR	DR	CR	
Cash and Cash Equivalent	Ksh		Ksh	Ksh	Ksh
Plant Property and Equipment	268,737	-			-
Accumulated Surplus	661,588				-
Transfers from the County Government	-	930,325			-
Direct Payment by the County Government	-	2,250,000			-
Depreciation for the Year end 30th June 2025	-	6,217,000			-
<b>USE OF GOODS</b>	158512				
2210201- Electricity, Telephone, Telex, Facsimile and Mobile Phone Services	46,773				-
2210301-Travel Costs (airlines, bus, railway, mileage allowances, etc.)	321,300				-
2210302- Accommodation - Domestic Travel					-
2210303- Daily Subsistence Allowance					-
2210801- Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	955,000				-
	262,900				-

OTJUGIS MUNICIPALITY  
COUNTY GOVERNMENT OF HOMA BAY  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

County Government of Homa Bay  
Oyugis Municipality

Annual Report and Financial Statements for the year ended June 30, 2025

221101-General Office Supplies (papers, pencils, forms, small office equipment etc)	144,200	-	-	-
221102- Supplies and Accessories for Computers and Printers	-	-	-	-
221103- Sanitary and Cleaning Materials, Supplies and Services	133,100	-	-	-
Routine maintenance for the year	89,400	-	-	-
BANK CHARGES	5,590	-	-	-
2110202- Staff Costs	5,960,000	-	-	-
2210809-Board Sitting Allowance	280,000	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	110,225	-	-	-
<b>TOTALS</b>	<b>9,397,325</b>	<b>9,397,325</b>	-	-

*[Signature]*  
 COUNTY GOVERNMENT OF HOMA BAY  
 P.O. BOX 100, HOMA BAY  
 COUNTY GOVERNMENT OF HOMA BAY  
 Date: .....