

REPUBLIC OF KENYA



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OF

THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNTY GOVERNMENT OF NAKURU



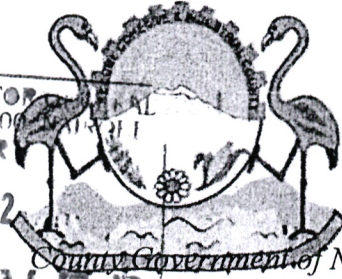


OFFICE OF THE AUDITOR
P. O. Box 30084 - 00100

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30 SEP 2022

RECEIVED



County Government of Nakuru

COUNTY REVENUE FUND
COUNTY GOVERNMENT OF NAKURU
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022.

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1. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management

The County Revenue Funds day-to-day management is under the following key organs:

- CECM Finance and Economic planning
- C.O Finance
- Director Accounting Services/Finance

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Ag. CECM Finance and Economic Planning	-Joseph Wainaina Kiuna
2.	Accounting Officer in charge of Finance	-Joseph Muchinah Gitau
3.	Ag. Director of Finance	-Dominic Otieno Nyabuto

d) Fiduciary Oversight Arrangements

- Audit and Finance committee activities

The Committee is charged with the responsibility of carrying out the internal audit functions of the County Executive.

- Senate Committee Activities

The committee provides a forum for engagement between the County and the National executive.

It serves as a channel of communication.

- County Assembly

Public Accounts and Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held mandatory meetings during the year. Additionally, it also held extra sittings to deal with arising matters.

- **Development partner oversight activities**

The partners have a responsibility for the planning, implementation and quality assurance of the developments.

- **Controller of Budget**

The office is established under Article 228 of the Constitution to oversee and report on implementation of the budgets of both National and County Governments.

- **Office of the Auditor General**

The office of the Auditor General has continually conducted independent audits in accordance with acceptable, professional and ethical standards and issued reports on the use of public resources.

e) County Headquarters

P.O. Box 2870-20100
NEW TOWN HALL BUILDING
MOI ROAD
NAKURU, KENYA

f) County Contacts

Telephone: (051) 221-6472
E-mail: nakurucountygovernor@gmail.com
Website: www.nakurucounty.co.ke

g) County Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

h) Independent Auditors

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

i) Principal Legal Adviser

The County Attorney
New Town Hall Building
Moi Road
P.O. Box 2870-20100
Nakuru, Kenya

2. Statement by the CECM Finance

It is my pleasure to present County Revenue Fund financial statements, of the County Government of Nakuru for the year ended 30th June, 2022. The financial statements present the financial performance of the County Government for the period under review, 1st July 2021 to 30th June 2022.

The constitution of Kenya under article 202 provides that revenue raised nationally should be equitably shared among the National Government and the County Governments. The County Allocation of Revenue Act is used as a basis for equitable allocation of resources to the Counties. The Commission of Revenue Allocation is mandated to equitably allocate financial resources to counties which is then approved by Parliament in accordance with Article 217 of the Constitution.

Financial Performance

a. Revenue

Revenue projections for the year ended 30th June 2022 was Kshs. 17,818,438,554 as analysed below:

Exchequer	Kshs.13,026,116,323.00
Own sources	Kshs 3,380,000,000.00
Domestic and foreign grants	Kshs 1,412,323,231.00

From the targeted revenue, the County Revenue Fund received Kshs.16,588,,453,378 representing a 93% performance on revenue collection.

Revenue Classification	Budget Kshs	Actual Kshs	Realisation
Exchequer Releases	13,026,116,323	13,026,116,323.00	100%
Own source	3,380,000,000	3,257,108,245.35	96%
domestic and foreign grants	1,412,322,231	305,228,810.30	22%
Total	17,818,438,554	16,588,453,378.65	93%

Equitable share funds for the year were received as follows,

Date	Amount	Reference number
25-08-2021	1,042,089,306.00	FT21237BD34K
23-09-2021	1,107,219,887.00	FT212660XS2C
19-10-2021	1,107,219,887.00	FT21292XDKYZ
10-12-2021	1,042,089,306.00	FT21344WKYMD
14-01-2022	1,107,219,887.00	FT220141L2X9
22-02-2022	1,042,089,306.00	FT2205358BYJ
07-04-2022	1,107,219,887.00	FT22097RWYZD
22-04-2022	1,107,219,888.00	FT221124YY59

County Government of Nakuru

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30th June 2022

13-05-2022	1,042,089,306.00	FT221133GS589
17-06-2022	1,172,350,469.00	FT2216846ZYW
27-06-2022	1,107,219,887.00	FT22178N6P4J
29-08-2022	1,042,089,307.00	FT22241704LG
Total	13,026,116,323.00	

Disbursements made from the CRF

In the period under review the County executive received Kshs.17,690,796,337 from the fund while County assembly requisitioned Kshs.1,530,183,125 to fund their operations.



Sign

CECM Finance and Economic Planning

County Government of Nakuru

3. Management Discussion and Analysis

The Nakuru County Revenue Fund was started in the year 2013 and under the Constitution of Kenya 2010.

And as stated again below, article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The monies received in this fund has increased over the years and in the last three years the funds received as equitable share were as follows,

Financial Year 2020-2021

Date	Amount	Reference number
13-10-2020	890,472,750	FT20287BTJWG
13-10-2020	838,092,000	FT20287BTJWG
19-01-2021	890,472,750	FT21019VVTW4
19-01-2021	838,092,000	FT21019VVTW4
19/03/2021	890,472,750	FT21078RYTGP
13/04/2021	838,092,000	FT21103MV2WQ
16/04/2021	890,472,750	FT2110608MCW
17/05/2021	890,472,750	FT21137C7XH4
23/06/2021	838,092,000	FT21174F3L87
23/06/2021	942,853,500	FT21174C84NS
30/06/2021	838,092,000	FT21181Q9D0G
02/07/2021	890,472,750	FT21183Q7SPX
Total	10,476,150,000	

Financial Year 2019-2020

Date	Amount	Reference number
19-09-2019	523,807,500	FT192629RZ49
25-09-2019	1,299,042,600	FT19268DZN57
14-11-2019	838,092,000	FT19318PRQ43
20-12-2019	1,047,615,000	FT19353F755N
14-02-2020	942,853,500	FT200458YGHB
28-02-2020	1,099,995,750	FT2005919MP8
15-04-2020	942,853,500	FT201067ZQX4
29-05-2020	838,092,000	FT201504LG4L
15-06-2020	1,099,995,750	FT20167HZX96

County Government of Nakuru
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

24-06-2020	942,853,500	FT20176WKLK2
05-08-2020	900,948,900	FT202183BLMQ
Total	10,476,150,000	

Financial Year 2018-2019

Date	Amount	Reference number
26/09/2018	472,570,000	FT18269XM3ML
31/10/2018	661,598,000	FT1830469QZ6
30/11/2018	850,626,000	FT18334VBCSB
01-02-2019	945,140,000	FT190025FH7W
29/01/2019	945,140,000	FT19029866HZ
01/03/2019	756,112,000	FT19060N9RZC
29/03/2019	897,883,000	FT19088NQQPD
26/04/2019	850,626,000	FT19116Y3834
28/05/2019	756,112,000	FT191484BPBH
27/06/2019	803,369,000	FT19178K9JD1
5/07/2019	756,112,000	FT19186MLKK7
2019-05-07	756,112,000	FT19186RP8X5
Total	9,451,400,000	

4. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer of the County Government is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2022. 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 County Revenue Fund; (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 County Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (*where applicable*). Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 28/9/2022.

Signature 
Name: Wilson Mungai
Chief Officer - Finance

County Government of Nakuru

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Other receipt includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.


Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

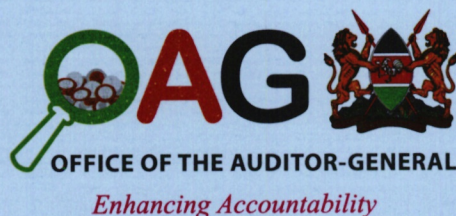
The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2022.

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.....
Name: Wilson Mungai
Chief Officer – Finance

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2022 – COUNTY GOVERNMENT OF NAKURU

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Revenue Fund set out on pages 1 to 12, which comprise the statement of receipts and payments and statement of comparison of budget and actual amounts for the year ended 30 June, 2022, and a summary of significant accounting policies and other explanatory information in

accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial performance of County Revenue Fund of Nakuru and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Exchequer Releases

The statement of receipts and payments reflects exchequer releases amount of Kshs.13,331,345,133. However, the amount varies from the Nakuru County Executive statement of receipts and payments for the year ended 30 June, 2022 which reflects an amount of Kshs.13,026,116,323 resulting in a variance of Kshs.305,228,810 between the two statements which has not been explained or reconciled.

Under the circumstance, the accuracy and completeness of exchequer releases amount to Kshs.13,331,345,133 for the year ended 30 June, 2022 could not be confirmed.

2. Inaccurate Own Source Revenue

The statement of receipts and payments reflects own source revenue amount of Kshs.3,257,108,245 that differed with County Executive financial statement amount of Kshs.3,628,840,753 resulting to unreconciled variance of Kshs.371,732,508.

Further, the statement of receipt and payment reflect income from Cess under note 6 to the financial statements of Kshs.17,654,313 whereas the County Executive reflect the same as Kshs17,689,313 resulting to unreconciled variance of Kshs.35,191

In the circumstances, the accuracy and completeness of own source revenue amount of Kshs.3,257,108,245 for the year ended 30 June, 2022 could not be confirmed.

3. Transfer to County Executive

The statement of receipts and payments reflects transfers to County Executive balance of Kshs.17,690,796,338. However, the amount differed with County Executive financial statements total receipts amount of Kshs.16,654,957,076 resulting to unreconciled variance of Kshs.1,035,839,262. Further, the amount differed with the County Revenue Fund bank account statement payments to the County Executive balance of Kshs.18,051,754,160 resulting to another unreconciled variance of Kshs.360,957,823.

Under the circumstances, the accuracy and completeness of transfers to County Executive balance of Kshs.17,690,796,338 for the year ended 30 June, 2022 could not be confirmed.

4. Inaccurate Fund Balance

The statement of receipts and payments reflects opening Fund balance of Kshs.902,313,262 which differed with the prior year closing balance of

Kshs.4,531,152,425 resulting to unreconciled balance of Kshs.3,628,839,163. Further, the balance differed with the opening cash book balance of Kshs.4,140,051,904 resulting to unexplained variance of Kshs.3,237,738,642.

Further, the statement reflects a negative closing Fund balance of Kshs.1,665,460,599 that differed with the cash book balance of Kshs.1,902,700,369 resulting to unreconciled variance of Kshs.3,568,160,968.

In the circumstances, the accuracy and fair statement of the Fund opening and closing balances of Kshs.902,313,262 and Kshs.(1,665,460,599) respectively as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse opinion and Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report and Basis for Conclusion on Effectiveness of Internal Control Risk Management and Governance section of my report, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 March, 2023

7. Statement of Receipts and Payments Statement for the year ended 30th June,2022.

		2021/22	2020/21
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	13,331,345,133.30	11,991,967,507.00
Transfers from other government agencies	2	42,984,310.00	298,675,672.00
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	3,257,108,245.35	2,822,949,912.00
Return to CRF issues	7	21,767,912.50	5,486,026.35
Total Receipts		16,653,205,601.15	15,119,079,117.35
Payments			
Transfers to County Executive	8	17,690,796,337.56	13,799,319,410.00
Transfers to County Assembly	9	1,530,183,125.00	1,091,058,398.00
Other Transfers	10	-	-
Total Payments		19,220,979,462.56	14,890,377,808.00
Net increase (decrease) in cash for the year		(2,567,773,861.41)	228,701,309.35
Add Opening fund balance b/f	11	902,313,262.10	4,302,451,115.55
Closing Fund balance for the period	11	(1,665,460,599.31)	4,531,152,424.90

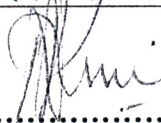
.....


Name: Wilson Mungai

Chief Officer –Finance

ICPAK M/No. 7241

Date:

.....


Name: Jacinta N. Mwangi

Head of Accounting Services

ICPAK M/No:8593

Date:

8. Statement of Comparison of Budget Actual Amounts for the year ended 30th June, 2022.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Exchequer releases	14,285,140,682	-	14,285,140,682	13,331,345,133	953,795,549	7
Transfers from other government agencies	153,297,872	-	153,297,872	-	153,297,872	100
Other conditional grants	-	-	-	-	-	0
Proceeds from Domestic Borrowing	-	-	-	-	-	0
Proceeds from Foreign Borrowing	-	-	-	-	-	0
Own Source Revenue	3,112,133,447	267,866,553	3,380,000,000	3,257,108,245	122,891,755	0
Return to CRF issues	5,695,548,026	-	5,695,548,026	-	5,695,548,026	0
Total Receipts	23,246,120,027	267,866,553	23,513,986,580	16,588,453,379		-
Payments						
Transfers to County Executive	21,659,512,621	267,866,553	21,927,379,174	17,690,796,338	4,236,582,836	81
Transfers to County Assembly	1,586,607,406	-	1,586,607,406	1,530,183,125	56,424,281	96
Others						
Total Payments	23,246,120,027	267,866,553	23,513,986,580	19,220,979,463	4,293,007,117	
Balance	-	-	-	(2,632,526,084)		

9. Significant Accounting Policies

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

c) Receipts

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

County own source revenue is recognized as receipts when the funds are received in the County Exchequer Account.

d) Payments

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

Significant Accounting Policies (Continued)

e) Fund Balances

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. There were no other restrictions on cash during the year.

10. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

	2021/22	2020/21
	Kshs	Kshs
Equitable Share (a)	11,984,027,016.00	10,476,150,000.00
Equitable Share (a) Cash in Transit	1,042,089,307.00	
Level 5 hospitals (b)	-	373,872,832.00
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	79,405,205.25	37,076,450.00
World Bank-NARIGP-State Department of Crop Development	187,784,783.05	201,067,363.00
Primary Health Care	11,533,279.00	-
Agricultural Sector Development Support Programme (ASDSP)-State Department of Crop Development	19,006,143.00	13,672,572.00
DANIDA Grant -Primary Health care in devolved context -Ministry of Health		29,790,000.00
Development of Youth Polytechnics-State Department of TVETS		66,289,894.00
User Fees Foregone -Ministry of Health		38,723,265.00
Kenya Urban Support Programme		589,950,942.00
Kenya Devolution Support Programme		165,374,189.00
Agricultural Sector Development Support Programme (ASDSP)-State Department of Crop Development	2,500,000.00	-
Nutrition International	4,999,400.00	-
Total (d=a+b+c)	13,331,345,133.30	11,991,967,507.00

2. Transfers from other government agencies**

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	290,544,581.00
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	-
World Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	-
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	-	-
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	-	-
World Bank-Emergency Locust Response Project (ELRP) State Department of Crop Development	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support-(IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	-	-
Unicef Global Alliance	22,864,900.00	1,661,830.00
Clinton Health Access Initiative (CHAI)	1,942,000.00	240,000.00
H. Young	-	174,360.00
World Relief International	16,754,210.00	
Nutrition International	-	3,994,901.00
AMREF	-	1,309,000.00
Marie Stopes Kenya	68,000.00	

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	2021/22	2020/21
ORPower 4	136,600.00	
Florenseis Charitable Trust	-	25,000.00
African Research Collaboration	1,018,600.00	574,000.00
Mediheal	-	28,000.00
Kengen	200,000.00	18,000.00
Marubeni	-	106,000.00
<i>Total</i>	42,984,310.00	298,675,672.00

** These include other government grants that do not pass through the Exchequer.

3. Other grants**

	2021/22	2020/21
	Kshs	Kshs
Donor 1 (<i>Specify</i>)	-	-
Donor 2 (<i>Specify</i>)	-	-
Donor 3 (<i>Specify</i>)	-	-
Others (<i>Specify</i>)	-	-
	-	-

** These are funds received from development partners directly through CRF

4. Proceeds from Domestic borrowing

	2021/22	2020/21
	Kshs	Kshs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

There were no borrowing during the period under review

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

	2021/22	2020/21
	Kshs	Kshs
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

6. Own Source Revenue

Description	2021/22	2020/21
	Kshs	Kshs
Cess	17,654,313.00	22,284,895.00
Land/Poll rate	306,574,794.00	401,518,169.00
Single/Business permits	341,261,525.00	316,448,065.00
Property rent	9,744,944.00	
Parking fees	238,870,908.00	219,378,664.00
Market fees	39,203,883.00	40,093,432.00
Advertising	136,108,803.00	-
Hospital fees- Collected as AIA	1,550,628,478.35	1,194,128,375.00
Public health service fees	58,740,865.00	54,858,105.00
Physical planning and development-Plan Approval	35,500,072.00	-
Hire of County Assets	2,824,515.00	-
Conservancy administration	252,571,928.00	223,995,891.00
Administration control fees and charges	-	-
Park fees Social Premises Use Charges	96,150.00	108,618,320.00
Other fines, penalties, and forfeiture fees	-	-
Rents	18,414,677.00	14,351,317.00
Liquor License	78,091,205.00	39,783,231.00
Other Education-Related Fees	179,700.00	
Slaughter Houses Administration	10,032,250.00	8,431,939.00
All Bed Occupancy Fees	5,281,210.00	
Animal Sanctuary Licences	58,140.00	

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Cooperative Audit Fees	369,248.00	
Calibration of Machines	1,669,153.00	
Boat Licensing (For Tourism)	256,841.00	
Clearance Certificate	8,230,000.00	
Construction Site Boards	5,588,489.00	
Building Occupation Permits	3,523,500.00	
Hoarding Fees	229,950.00	
Extension of Lease	904,502.00	
Certificate of Lease/Conveyance Fees	5,000.00	
Beacon Search/Beacon Certificates	3,700,000.00	
Change of User/Extension of User	5,976,000.00	
Development Application Fees	4,208,975.00	
Demolition of Buildings	73,000.00	
Sub-division	4,410,730.00	
Amalgamation	139,100.00	
Renovation/Alteration of Buildings	77,000.00	
Building Inspection fees	4,122,795.00	
Certificate of Compliance (Buildings)	634,000.00	
Impounding of Building Materials	26,000.00	
Survey Fees	5,360,899.00	
Structural drawings	7,859,979.00	
Consent fees	25,000.00	
Permit For Temporary Extension	15,760.00	
Land Transfer Fees	6,219,500.00	
Vaccination of Pets e.g. Dogs, Cats etc.	455,079.00	
Holding Grounds(all animals)	72,000.00	
Fish Trader licenses	1,010,001.00	
Fishing Boat Registration Fees	1,591,400.00	
Unclamping fees	2,688,100.00	
Impound Towing of Private vehicles	325,000.00	
Impound Towing of private TLBs	1,061,400.00	
Approval of Way-leaves	14,640,190.00	
Fire Inspection Certificates	68,366,046.00	
All Impounding fees	270,200.00	
Refund of Salaries/Imprest Surrender	837,148.00	

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Other miscellaneous receipts	327,900.00	179,059,509.00
Total	3,257,108,245.35	2,822,949,912.00

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	76,239.60	1,508,965.30
Development Account (<i>County Executive</i>)	1,487,096.25	2,672,942.45
Recurrent Account (<i>County Assembly</i>)	15,007.25	2,247.20
Development Account (<i>County Assembly</i>)	20,189,569.40	1,301,871.40
Others (<i>Specify</i>)	-	-
Total	21,767,912.50	5,486,026.35

These were funds held in recurrent and development accounts at the close of the year.

8. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	11,004,829,653.00	10,872,548,812.00
Development Account	3,680,520,510.00	2,926,770,598.00
Special purpose Accounts	1,486,683,117.00	-
Others (<i>Specify</i>)	-	-
Total	16,172,033,280.00	13,799,319,410.00

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

	2021/22	2020/21
	Kshs	Kshs
Recurrent Account	1,100,420,000.00	-
Development Account	329,763,125.00	-
Special purpose accounts	100,000,000.00	-
Comparative 2021-2022		1,091,058,398.00
Others (<i>Specify</i>)	-	-
Total	1,530,183,125.00	1,091,058,398.00

10. Other Transfers

Description	2021/22	2020/21
	Kshs	Kshs
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

11. Fund balance

	2021/22	2020/21
	Kshs	Kshs
County Exchequer Account -County Revenue fund Account (<i>CBK Account number 1000171607</i>)	902,313,262.10	4,302,451,115.55
Total	902,313,262.10	4,302,451,115.55

11. Annexes

Annex 1: Progress on follow up of Auditor’s 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)

Name
 Chief Officer Finance
 ICPAK Member No
 Date

Annex 2 . Analysis Of Receipts from The National Treasury Exchequer Releases

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	2,149,309,193	2,149,309,193	2,149,309,193	5,536,099,437	11,984,027,016.00
Equitable Share (a) Cash in Transit				1,042,089,307.00	1,042,089,307.00
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	-	-
World Bank – THUSCP	-	-	-	79,405,205.25	79,405,205.25
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	187,784,783.05	187,784,783.05
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-	-	19,006,143.00	19,006,143.00
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Primary Health Care (PHC)				11,533,279	11,533,279.00
Agricultural Sector Development Support Programme (ASDSP)-State				2,500,000	2,500,500.00

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Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Department of Crop Development					
Nutrition International	-	-	4,999,400.00	-	4,999,400.00
Total	2,149,309,193.00	2,149,309,193.00	2,154,308,593.00	6,878,418,154.30	13,331,345,133.30

Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	1,608,114,867.00	1,914,469,868.00	3,366,018,452.00	4,226,226,466.00	11,114,829,653.00
County Executive -Dev	-	725,796,200.00	878,408,292.00	2,076,316,018.00	3,680,520,510.00
County Assembly -Rec	89,083,681.00	424,179,629.00	310,418,766.00	376,737,924.00	1,200,420,000.00
County Assembly -Dev	-	98,147,308.00	64,436,702.00	167,179,115.00	329,763,125.00
Transforming Health Services	-	-	-	79,405,205	79,405,205.00
Primary Health Care	-	-	-	11,533,279	11,533,279.00
Roads Maintenance Levy Fund	-	-	74,343,117	290,544,582	364,887,699.00
KUSP-Ke Devo Support Pr II	-	-	120,374,189	-	120,374,189.00
Agricultural Sector Support Programme(ASDSP)	-	-	2,697,358	-	2,697,358.00
National Agriculture and Rural Growth Project	-	-	-	165,074,585	165,074,585.00
Village Polytechnic Project Funds	-	-	27,760,460	-	27,760,460.00
Ministry of health- Nutrition International	-	10,000,000	4,999,400	-	14,999,400.00
Kenya Urban Development Grant	-	-	589,950,942	-	589,950,942.00
Total	1,697,198,548.00	3,172,593,005.00	5,439,407,678.00	7,393,017,174.00	17,702,216,405.00