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OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF HOMA BAY

FOR THE YEAR ENDED
30 JUNE, 2020





COUNTY EXECUTIVE OF HOMA BAY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

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COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

1. ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

The County Executive of Homa Bay's day-to-day management is under the following key organs:

- H.E CYPRIAN OTIENO AWITI - GOVERNOR;
- H.E HAMILTON ORATA - DEPUTY GOVERNOR;
- HON. ISALIAH OGWE - COUNTY SECRETARY

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	- Hon. Nicholas Koriko
2.	Chief Officer – Finance	- Mr. Noah Otieno
3.	Head of Accounts	- Mr. Daniel Owuor
4.	Deputy Head of Accounts	- Mr. Samuel Mainda

d) Fiduciary Oversight Arrangements

- **Audit and finance committee activities**
 - Strengthening systems and Internal Controls
- **County Assembly Committee Activities**
 - Approval of Budgets
 - Oversight of Development projects
 - Other checks and Balances

e) Entity Headquarters

P.O. Box 469-40300
Homa Bay, KENYA

f) Entity Contacts

Telephone: (254) 2038617565/55
E-mail: governorsofficeHoma Baycounty.go.ke
Website: www.Homa Bay.go.ke

g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Co-operative Bank
Co-operative House
Moi Avenue,
P.O Box 30084-00100
Nairobi, Kenya
3. Equity Bank Kenya Ltd
P.O Box 75104-00200,
Equity Centre,
Nairobi Kenya
4. Kenya Commercial Bank Ltd
Kencom House,
Moi Avenue,
P.O Box 48400-00100
Nairobi, Kenya.

h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

i) Principal Legal Adviser

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

2. KEY MANAGEMENT

The County Executive team during the financial year consisted of:



H.E. CYPRIAN ARCHELAUS AWITI-Governor

Cyprian Awiti was born on 14th December 1952 in Rachuonyo Sub County, Homa Bay County, in the western part of Kenya. He is a Kenyan politician and currently the Governor for Homabay county. He is a member of Orange Democratic Movement and a coalition member of Coalition for Reforms and Democracy.

1984- 1987: Graduate student at Manchester University, Master of Education in Management Administration.

Undergraduate student at Mombasa Technical Training Institute, Electrical Engineering. Secondary school student at Mawego Technical Institute Primary school student at Mawego Primary School in Rachuonyo.

Professional career

He was once a Country Director at Marie Stopes Kenya (he spearheaded development and Implementation of various health policies).

Between 1988 and 1994, he was the Principal at Railway Training School. Earlier between 1983- 1988, he was a Senior Education Officer, in the Ministry of Education. He was also a factory and Marketing Manager of Siemens Kenya, Senior lecturer at Mombasa Polytechnic and also a Government Electrical Inspector, Kenya's Ministry of Public Works.

Political career

Currently, as from April 2013, Mr. Awiti is serving as the 1st Governor of Homa Bay County Government. He was elected on an ODM ticket.

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H.E Hamilton O. Orata'

PROFILE - Deputy Governor, Homa Bay County

Mr Orata, born in 1953, comes from Kanyidoto in Ndhiwa Constituency, Homa Bay County and is a married man with children. He graduated in 1976 from The University of Nairobi with a Bachelor of Commerce in Accounting. He received sponsorship from Canadian International Development Agency where he successfully completed a course in Mutual Funds and Investment Companies in Toronto. Prior to that he undertook International Executive Management Program offered by Canadian Petroleum Institute in Alberta Canada among other professional courses.

WORK EXPERIENCE

Mr Orata has immersed rich experience in management from both the private and public sector that will be an asset in steering Homa Bay County's development initiative; After graduating from UON, he joined Barclays Bank of Kenya between 1976 and 1982 as a Management Trainee to senior Management. He left BBK in 1983 for Kenya Finance Bank Group as a Branch Manager where he successfully spearheaded computerization project. He then joined Merchant Card Ltd in 1994 where he served as the General Manager before joining Trust Bank as a Branch Manager in 1987 where he was later promoted to Senior Credit Manager in 1998. In his quest for career advancement, Mr Orata left Trust Bank in 1999 for Kenya Anti-Corruption Authority where he served diligently as Chief Officer-Finance and Administration for three years before he was promoted to the position of Assistant Director – Finance & Operations. Later in 2003, Mr.Orata joined Kenya Pipeline Company as the Finance Manager before he left for private practice. In his most recent engagement, he has been a Consultant in Accounting, Auditing and Financial Management from which he has served various companies and organizations.

MR ORATA'S MAJOR ACHIEVEMENTS

While at Kenya Anti-Corruption Authority, he was part of the Task Force that prepared Public Service Integrity Programme that is currently being used by Kenyan Government in training officers in the Public Service on integrity and Corruption Prevention. He spearheaded Computerization Project while at Kenya Finance Group during the bank's upgrade/restructuring initiative between 1983 and 1984



CPA ISAIAH OGWE

Portfolio: County Secretary

CPA Isaiah Ogwe joined the County Government of Homabay as County Secretary in 2013 at the inception of the County.

CPA Isaiah is distinguished professional in the field of finance, audit, and accounting having worked diligently under the Public Service Commission for over 20 years as both deputy district accountant and District Accountant.

He has also worked in various other positions within the National Government setup including director of internal audit in Rift Valley right before he was appointed as the Homabay County Secretary.

CPA Isaiah Ogwe holds a Master's degree in Business Administration (Finance). Also, he is a Certified Public Accountant (CPAK). Further, he also has numerous qualifications such as in senior management courses, strategic leadership development programme, as well as Financial Openness and risk control from the University of Pretoria and Public Financial Management for Developing Countries from Shanghai, China.



HON. NICHOLAS OBUYA KORIKO

Portfolio: CEC-M Finance and Economic Planning

He was initially appointed in May 2013, as the county Executive Committee Member in charge of Finance Economic Planning department until May 2016 and reappointed in 2017.

Hon. Koriko is a renowned banker who has worked with several banking institutions in senior management positions. His last employer before joining County Government was Eco bank Kenya Limited which is an international institution.

He holds a Master's Degree in Business Administration from Maseno University. He is currently pursuing PhD in Business Management – Fund Management from Moi University.

He has demonstrated acumen in fund management, financial solutions, technical design and development, and quality assurances.



CPA NOAH OTIENO

Portfolio: Chief Officer- Finance, Economic Planning and Service Delivery

He was appointed on 20 November, 2019 as the Chief Officer Finance, Economic Planning and Service Delivery.

CPA Noah has amassed indispensable experience in accounting, finance and management having worked in various departments of the National Government for over 20 years

He holds a master's degree in Business Administration (MBA, Finance Option). Also, he is a holder of Bachelor of Business Management and A Certified Public Accountant (CPAK).

3. FORWARD BY THE CEC

It is my pleasure to present the County Executive of Homa Bay financial statements for the year ended 30th June 2020. The financial statements present the financial performance of the county Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Homa Bay County included business permits, land rates, business plan approval, advertising fees, cesses, and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

1) REVENUE COLLECTION

The County has embarked on a paperless Revenue Service Delivery through the automation of its Revenue and Management Systems. Unstructured revenue which includes parking, market fees and cattle auction is now fully automated with 298 Point of Service (POS) machines distributed in all the eight sub-counties. Single Business Permit (SBP) is also fully automated and currently forms 60% of the structured revenue in the County. Moreover, the County has also gone cashless in various revenue streams such as parking fees and single business permit. All payments in these streams are done via M-Pesa Paybill and direct Bank Deposits. As a result, there has been an increase in prompt Supervision and follow-ups as well as reduced pilferages. We are now embarking on the training and sensitization of the general public towards 100% cashless and paperless system by June 2021.


CEC-M FINANCE, ECONOMIC PLANNING AND SERVICE DELIVERY
COUNTY EXECUTIVE OF HOMA BAY

4. KEY ONGOING PROJECTS IMPLEMENTED BY THE COUNTY EXECUTIVE OF HOMABAY

ONGOING KEY PROJECTS

i) Construction of Homabay County Modern Stadium

Homabay being a county within a region that has produced many prominent sports icons before and after independence, the County Government decided to put up a modern sports facility to promote the realization of sports talent within and beyond its borders. As such, even though sports facilities have been upgraded in all sub-counties, the construction of Homabay County Modern Stadium is also ongoing. Upon completion, the stadium will accommodate football and athletics among other sporting activities. When completed, the modern stadium will accommodate up to 30,000 persons.

The stadium is at 67% completion and will be completed and commissioned soon for use by sportsmen and sportswomen of Homabay County.

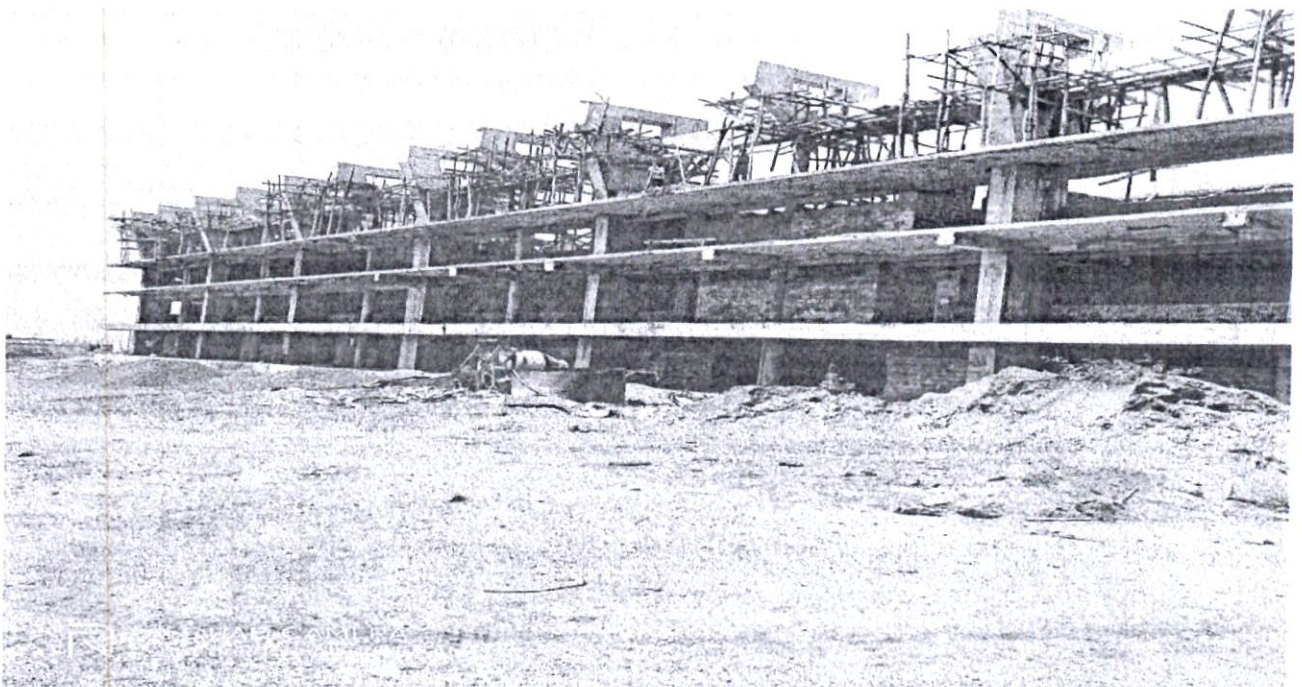


Image 1: Ongoing Construction of Homabay County Modern Stadium

ii) **Construction of Homabay Municipal Modern Market**

Another key ongoing project being implemented by the County Government of Homabay is the Homabay Municipal Modern Market at the heart of the vibrant Homabay town. Unlike many towns around, Homabay town is a town strategically located for small and medium-sized enterprises (SMEs) being that it is located along the busy Homabay-Kisumu highway as well as on the shores of Lake Victoria. Coupled with the need to provide traders with an improved facility with better security for their commodities, drainage for hygienic sanitation, better shades from scorching sun, and a safe place for business, these factors prompted the need to construct the Homabay Municipal Modern Market which is a project funded by the County Government of Homabay and the World Bank. Upon completion, the market will help small and medium traders earn better incomes and the County Government will be able to raise higher revenues as well.

The market is at 90% completion and will be completed and commissioned soon for use by traders and *wananchi* of Homabay County.

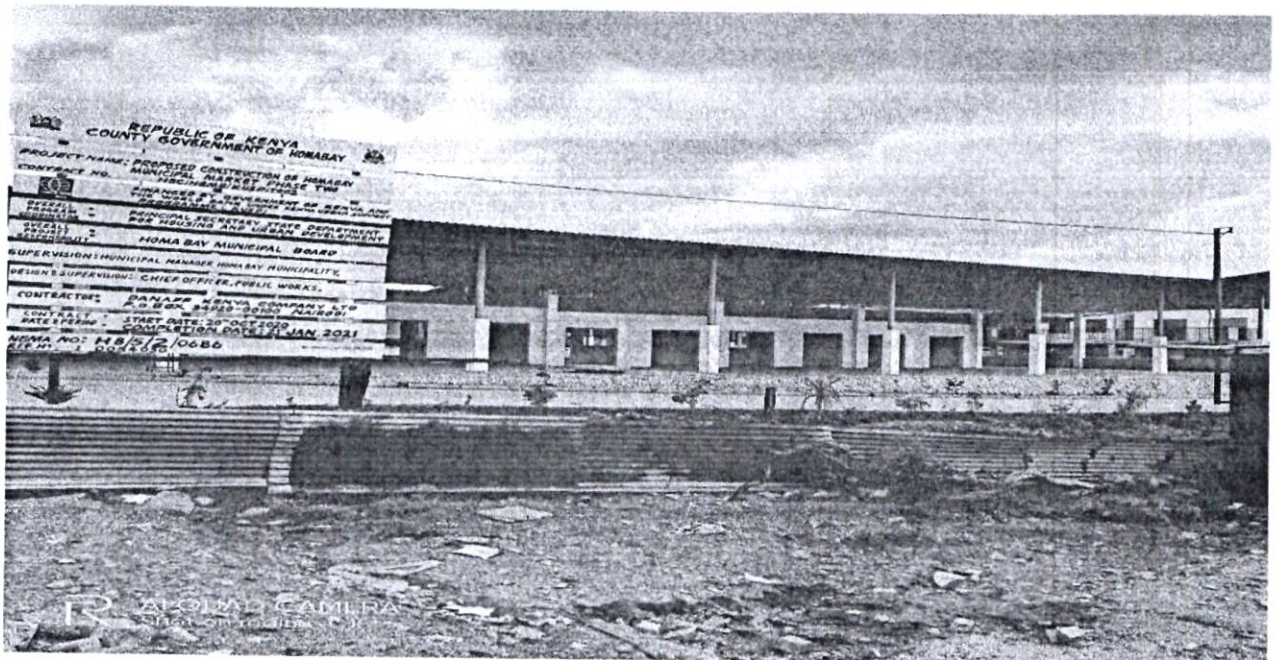


Image 2: Ongoing Construction of Homabay Municipal Modern Market

iii) Kigoto Grain Handling Store

Kigoto Grain Handling Store is one of the ongoing key projects by Homabay County Government located in Kigoto in Suba North Sub-County. The project was initiated by the need to safeguard large scale maize farmers from exploitation by middlemen.

The project is at 89% completion and is intended to be completed and commissioned soon for use by farmers.

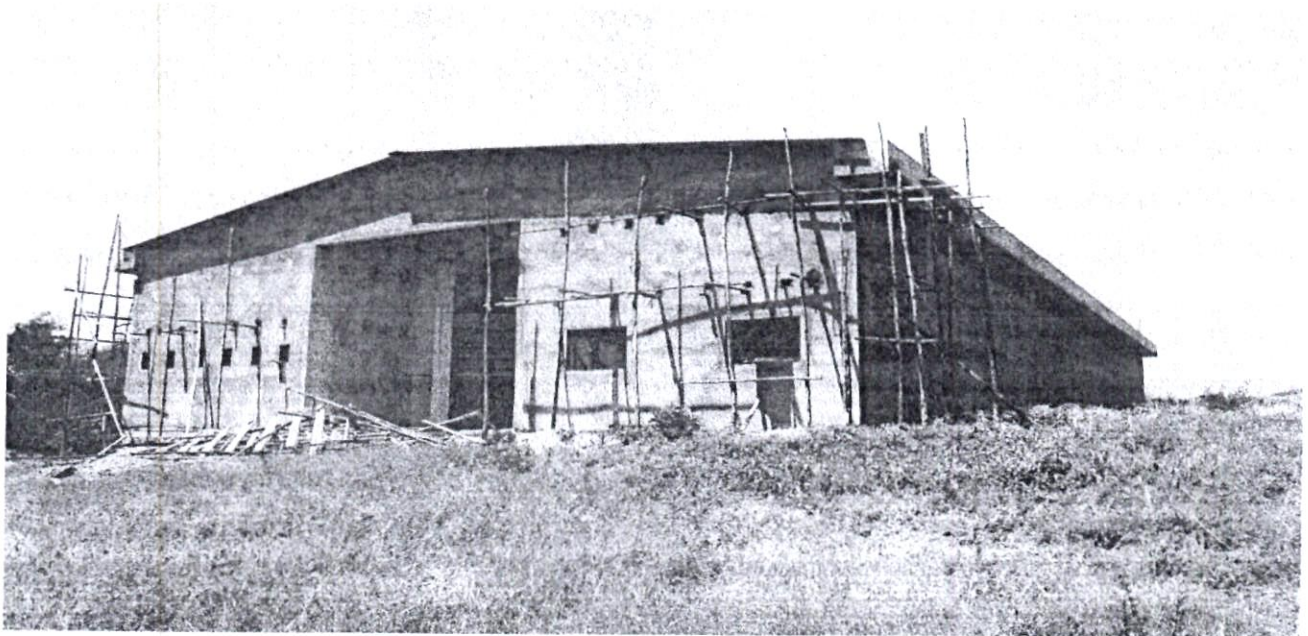


Image 3: Ongoing construction of Kigoto Grain Handling Store

(iv) Kigoto Maize Milling Plant

Kigoto Maize Milling Plant is one of the ongoing key projects by Homabay County Government located in Kigoto in Suba North Sub-County. The project was initiated by the need to create value addition of maize produced in large scale in Kigoto area and greater Suba North. This project is done concurrently with the Kigoto Maize Handling Store. Once completed, the maize mill will get maize supply from the Kigoto Grain Handling Store for value addition.

The project is at 73% completion and is intended to be completed and commissioned soon for use by farmers.

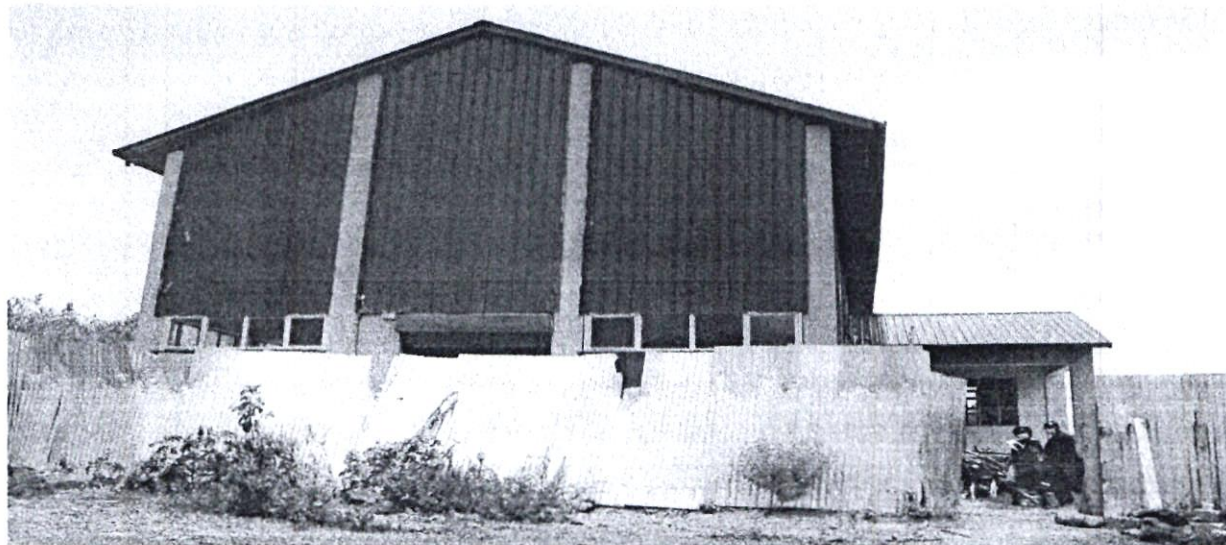


Image 4: Ongoing construction of Kigoto Maize Milling Plant

COMPLETED KEY PROJECTS

i) Construction of Nyakwere Modern Market

One of the key completed and commissioned projects in Financial Year 2019-2020 by the County Government of Homabay is the Nyakwere Modern Open Air Market in Wang'chieng ward. The market was strategically constructed for small and medium-sized enterprises (SMEs) along the busy Homabay-Kisumu highway as well as on the shores of Lake Victoria. The objective behind the open air market was to provide traders with a conducive and hygienic environment with ample selling space, and shade especially for perishable goods such as fish, and vegetables grown around the shores of Lake Victoria. The market is completed and operational with a capacity of over 1000 traders and serving traders from both Homabay and Kisumu counties while generating revenue for Homabay County hence boosting the County's GDP.



Image 5: Traders using Fish section of the completed Nyakwere Modern Open Air Market



Image 6: Traders using the Tomatoes and Vegetable Section of Modern Nyakwere Open Air Market

5. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

The County Objectives as outlined in the second CIDP include;

- i. To enhance food security for sustained growth and employment
- ii. To implement reforms that will facilitate business and employment growth;
- iii. To enhance food security for sustained growth and employment;
- iv. To support value addition for employment creation;
- v. To empower the youth and women for employment creation,;
- vi. To develop youth sports, culture, heritage and talents;
- vii. To modernize transport and logistics;
- viii. To improve access to adequate, affordable and reliable energy supply;
- ix. To expand road networks to facilitate agricultural transformation;
- x. To make water accessible to households and farmers;
- xi. To build a healthier county, provide quality and relevant education for all citizens;
- xii. To scale up social protection and further entrench devolution for better service delivery at all levels of the county government.

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer shall prepare the financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives (*Adopted from Homa Bay County CIDP 2018-2022*)

The County's 2018-2022 CIDP has identified eleven key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

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

The key development objectives of the 2nd County's 2018-2022 CIDP are to:

1. Expand investments in physical infrastructure to improve access to public transport, energy, water, sanitation and housing;
2. Fast-Track investment in manufacturing and value addition sector

3. Improve provision of health care with emphasis on universal healthcare coverage, reduction of mortality rates, broadening prevention, treatment and combating HIV/AIDS, malaria, tuberculosis and other communicable and non-communicable diseases.
4. Enhance agricultural production and productivity, food security and value addition;
5. Enhance early childhood and vocational skills development and access to quality education and training in the county;
6. Promote the development of sports, tourism and the blue economy within the County
7. Invest in science, innovation and technology particularly in areas of data generation and management; clean energy, nutrition and dietetics, artificial intelligence, computerized medicine, on-line education and virtual and augmented reality;
8. Improve climate change preparedness, adaptation and resilience;
9. Strengthen public finance management systems and implement procedures for enhanced access, efficiency and stability in the finance sector;
10. Support good governance and establish structures that enhance transparency, accountability and other national values and principles as outlined in the constitution; and
11. Undertake all the necessary additional measures to improve the entrepreneurial culture of local populations as well as growth and competitiveness of local businesses.

Progress on attainment of Strategic development objectives (*Adopted from Homa Bay County CIDP 2020*)

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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Department	Objective	Outcome	Indicator	Performance
Public Works, Roads & Transport	To develop and maintain safe roads and public transport across the entire county	Increased efficient transportation of people, goods and services	% of motorable and passable roads within the city	In FY 19/20 151km of new roads were opened across 40 wards under the Ward Based Development Program while a further 429.9 km were maintained. This increased our proportion of motorable roads to 65%.
Energy and Mining	To enhance access to affordable and reliable energy supply	Increased access to stable and reliable power supply	Number of markets and public institutions connected to power	Street lighting was undertaken in 40 wards under the Ward Based Development Program whereby solar lights were installed in 16 markets, street lights were installed in 4 urban centres, 150 solar lights repaired in markets and 60 more procured.
	To explore and exploit existing mineral resources in the County	Improved exploration and exploitation of mineral resources in the county	Number mineral resource policy documents formulated	
Education and ICT	To provide quality EYE education to every child and enhance access to polytechnic/vocational education/training	Increase access, quality of Early Years Education and improved access to vocational training	Number of EYE and VTC centres constructed across the entire county	Under the Ward Based Development initiative, procured and delivered curriculum design to 877 EYE Centers; conducted successful CBC trainings of EYE Teachers County wide; developed and delivered education and learning materials to 80 EYE Centers Complete construction of Ogenga EYE Centre in West Kasipul ward; renovated 8 no. VTCs (Sindo, Langi, Nyandiwa, Katieno, Ndiru, Oriwo, Nyakongo, Omiro); constructed twin workshop at Jwelu VTC
	To improve internet connectivity and integrate	Improved internet and intra-net	% of uptime on all county sectors	Trained a total of 700 students/youths on

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	ICT into operations of all county sectors and learning institutions	connectivity and integration of ICT into operations of all county sectors and learning institutions	and learning institutions	Ajira digital program in close partnership with Tom Mboya University. Achieved a 96% uptime on internet connectivity across all sectors
Lands, Housing, Urban Development and Physical Planning	To provide a spatial framework that would guide, develop, administer and manage land and its activities within the County	Improved spatial planning within the county towns and urban centres	% completion of the spatial planning framework	Established and operationalized the Homa-Bay Municipal Board; survey and demarcate 12 market centres, and facilitated construction of Homa Bay Municipal market which is at 81% completion rate.
	To improve suitable, conducive and affordable housing conditions in the County	Improved provision of affordable housing to all county residents	Number of households benefiting from the affordable housing scheme	Completed preliminary work on the affordable housing project; completed the Symbio-City Quick win project
Health Services	To minimize exposure to health risk and reverse the burden of communicable diseases	Reduction of HIV related mortality and new infections	% reduction of HIV-related mortality	The sector has been able to realize reduced HIV prevalence from 26.6% in 2012 to 19.6% in 2019 and achieved a 88% TB treatment success rate. Under the Ward Based Development initiative, 20 new health facilities were constructed and a further 8 renovated across all the wards. 5 new staff houses were also constructed and 2 renovated.
	To provide essential medical services at sub-county hospitals and county referral facility	Increased access to essential medical services cost-effectively within	% increase of access to specialised diagnostic	25% increase in access to essential medical services registered at health facilities prior to the inception of the coronavirus pandemic.

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		health facilities	services	
Agriculture, Livestock, Fisheries and Food Security	To increase agricultural productivity and output	Enhanced food security and improved livelihoods for county residents	Number of farmers supplied with farm inputs	Under the County Ward Based Development initiative, the sector supplied 100kg maize, 80g sorghum, , 40kg sunflower and 5kg water melon to 40 model farm host farmers, provided 4tons of upland rice seeds to 2000 rice farmers, provided 3.5 tons of beans under the traditional high value crops bulking project to 1758 farmers, distributed 15.9 tons maize seeds to 7950 farmers, 7.9 tons of sorghum to 3960 farmers, 960kg of sunflower to 960 farmers, 29.3kg of assorted vegetables to Oluch-Kimira farmers. Completed 42% of planned works on the post-harvest facility at Kigoto.
	To maximize contribution of fisheries to poverty reduction, food security and creation of wealth		Number of farmers onboarded under capture fisheries farming	
	To ensure food security in the county		% completion of works on post harvesting facility	
	To increase livestock productivity and output		Number of dairy farmers receiving extension services	
Trade, Industrialization, Co-operatives and Enterprise Development ServiceF	To improve the business environment, promote growth of entrepreneurs and improvement in governance, marketing and investment within the Co-operative	Improved trading and market access in the County	Number of markets improved and new Co-operatives registered or strengthened	Facilitated registration of 20 new Co-operatives; revived and strengthening of 5 dormant Co-operatives; audited and inspected books of accounts of 30 registered Co-operatives; constructed and fenced 42 markets; fence and gravel 24 markets; constructed 4 market sheds; constructed 65 toilets across markets in the county under the Ward Based Development program.
	To stimulate industrial	Improved County	% of works	

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	development through value addition, industrial research, technology and innovation and create enabling environment for investment	economy and wealth creation	completed in select value addition plants	Completed 51% of planned works on the Animal Feeds Factory in Arujo Ward; complete 63% of planned works on Kigoto Maize Processing Plant; completed 15% of planned works on the Cassava Processing Plant
Tourism, Gender, Sports, Youth, and Cultural Services	To map, preserve, develop, brand and promote niche products in tourism and local heritage, arts and cultural assets	Improved influx of both local and international tourists and developed tourism and cultural product for enhanced revenue earnings and economic empowerment of local community stakeholders	% increase in number of tourist, both local and international visiting tourist attraction sites within the county	13% increase in the number of local tourist visiting sites such the Tom Mboya Mausoleum in Rusinga which has since been fenced and branded; Lake Simbi Nyaima, Oyugis Bird Sanctuary among others
	To identify, nurture and promote sports talents for prospective earnings from sports	Identified, nurtured and promoted sports talents for prospective earnings from sports	% works completed on sports facilities across the county	60% of completion of the on-going construction of the pavilion; 14% construction of Homa-Bay stadium completed; assorted sports equipment procured and distributed to different sport clubs in the county; and ward tournaments conducted across the county.
Water,	To promote, conserve and protect the environment in a sustainable manner	Natural resources and the environment are sustainably managed for improved quality of life	% improvement in environmental safety and health of the citizens	Purchased and distributed 100 litter bins across the county, Developed 2 dumpsites, Established 1 tree nursery and Supply 20 schools with assorted tree seedlings for re-greening purpose
	To increase access to safe	Sufficient water and	Number of	Under Ward Based Development, 85No.

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	and sustainable water from 40% to 60% of the people of Homa Bay County by 2024	sanitation for improved health and safety of the county population	households accessing safe and clean water and sanitation services	<p>new boreholes have been sunk and 45No equipped. 18No. additional water pans have been rehabilitated and 20No. Springs protected to reduce water wastage and improve safety of water available to local households</p> <p>Number of households with access to clean water has increased from 68,884 to 75,772 representing 10% improvement.</p> <p>Rehabilitated 2 urban water supply schemes in Mbita and Homa-Bay Town sewerage system , upgraded 7 rural water supply schemes, Drilled and equipped 11 boreholes, Protected 17 water springs</p>
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6. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Government of Homa Bay exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on eight (8) pillars: Trans-formative Governance, Food Security, Affordable and Quality Healthcare, Industrialization and Employment Creation, Provision of Clean Portable Water, Infrastructural Growth and Development, Exploitation of our Natural Resource and growth of the Tourism Potential, Provision of Quality Early Childhood Education, Technical and Vocational Training.

1. Transformative Governance

The County Government of Homa Bay through its leadership team led by H.E. Cyprian Awiti, continues to pursue transformative leadership and governance that is accountable to the people and results oriented. This mantra is cascaded even to the lower cadres of employment and instilled at all levels

2. Food Security

Food security is a critical strategic objective of the County through the Agricultural sector and a lot of effort has been put in place to achieve this, even though the set targets have not been met yet. Provision of inputs to farmers and the establishment of post-harvest facilities are among some of the key initiatives aimed at achieving this objective.

3. Affordable and Quality Healthcare

Affordable quality healthcare is a strategic objective in line with the Universal Health coverage agenda of His Excellency the President. The County government and embarked on a mission of increasing physical access to health facilities by constructing more facilities across all wards as well as ensuring all health facilities are equipped with medical supplies and healthcare workers.

4. Industrialization and Employment Creation

Through its manufacturing agenda, the County government continues to allocate more resources towards value addition. Currently, the County government is on track to completing the Kigoto Maize Handling plant, the Animal Feeds Plant and the Cassava Processing Plant all with the aim of adding value to farm produces and creating jobs in the process. Additionally, the County Government rolled out the Ajira Program (Trade Fund) through the department of Trade and Investments, which is aimed at enhancing the entrepreneurial capacity of citizens.

5. Provision of Clean Portable Water

The County Government through the department of Water, Environment and Natural resources continues to ensure both rural and urban supply of clean and safe water and sanitation services to all residents. This is targeting increasing the capacity of urban water suppliers such as HOMAWASCO to meet the growing demand for urban water usage to both residential, commercial and learning institutions within the County. Similarly, rehabilitation of water pans, sinking of boreholes and preservation of natural springs are also the other strategies put on place to achieve this pillar.

6. Infrastructural Growth and Development

The County Government of Homa Bay recognizes the need to enhance accessibility for ease of movement of goods and services, and in doing this has continued to allocate more resources towards infrastructure development including opening up of new roads, grading and gravelling of existing roads within the Wards and bituminization of select County roads. Additional resources have been set aside for development of roads with the Wards and this is expected to expand the road network in the medium term.

7. Exploitation of our Natural Resource and growth of the Tourism Potential

Natural resource endowments offer substantial local revenue to the overall resource envelop for the County. The County Government has therefore earmarked such natural resources and tourist attraction sites and positioned them for sustainable exploitation and use. Tourist attraction sites such as the Tom Mboya Mausoleum and Lake Simbi Nyaima have been branded and fenced to attract both local and international tourists.

8. Provision of Quality Early Childhood Education, Technical and Vocational Training

Early Years Education as well as Technical and Vocational training continues to be a key pillar of development for the County. The County has allocated resources towards construction of EYE classrooms and centres in all wards, recruitment of more EYE teachers to meet the approved teacher-learner ratio and capacity building of teachers. Similarly, more resources through the support of the National Government has been channelled towards development of Vocational Training Centres across the County especially for infrastructure improvement and provision of learning materials and equipment

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

7. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2020. 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 Government; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government 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 CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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 Government's financial statements were approved and signed by the CEC Member for Finance on 30/09/2020 2020.

County Executive Committee Member – Finance, Economic Planning and Service Delivery

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF HOMA BAY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Homa Bay set out on pages 1 to 36, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of changes in equity, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Homa Bay as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1.0 Presentation of the Financial Statements

1.1 Inadequate Disclosure on Prior Year Audit Issues

The financial reporting format set by Public Sector Accounting Standard Board (PSASB) requires Management to disclose the progress made in following up on issues raised by the Auditor and indicate the expected timeframe for their resolution. However, Note 22 to the financial statements - other important disclosures - provides two disclosures on progress made in resolving the issues raised in the audit report for the previous (2018/2019) financial year whereas the report of the Auditor-General for the year had highlighted seventeen (17) issues.

As a result, the financial statements do not comply with the reporting format prescribed by the PSASB.

2.0 Unconfirmed Balances

2.1 County Own-Generated Revenue

2.1.1 Housing Fees

The statement of receipts and payments reflects County-own generated revenue totalling Kshs.274,595,613 which, as indicated in Note 4 to the financial statements, includes housing fees totalling Kshs.23,000 paid by tenants in houses owned by the County Government. However, Management had estimated the year's receipts at Kshs.2,124,000 based on the inventory of the houses. Therefore, the receipts totalling Kshs.23,000 fell short by Kshs.2,101,000.

In addition, review of rental income records indicated that arrears owed by employees of the County Executive as at 30 June, 2020 totalled Kshs.2,201,000, with some of the debts having arisen in the 2013/2014 financial year. However, the arrears have not been disclosed in the Notes to the financial statements. Further, no plausible explanation has been provided why the debts were not deducted from the debtors' monthly salaries.

In view of the omitted income, the disclosures provided in the financial statements in respect to housing fees are insufficient and as a result, the reported fees totalling Kshs.23,000 may not be fairly stated.

2.1.2 Liquor Fees

The statement of receipts and payments reflects own-generated revenue totalling Kshs.274,595,614. Revenue records examined reflected nil collection on liquor licensing fees against Kshs.1,467,324 budgeted for the year. However, Management did not prepare or submit for audit the financial statements of the Alcoholic Drinks Control Fund. In addition, records on bank statements, liquor outlets and licences issued were not provided for audit review.

As a result, the accuracy, completeness and validity of the nil liquor licensing fees reported in the year under review could not be confirmed.

2.2 Compensation of Employees

The statement of receipts and payments reflects compensation of employees payments totalling Kshs.3,145,409,833 as further disclosed in Note 5 to the financial statements. The balance is comprised of Kshs.2,954,391,336 paid through the electronic Integrated Personnel and Payroll Database (IPPD) System and Kshs.191,018,497 paid through a manual payroll.

The manual system requires monthly and annual updates and calculation of deductions by hand and is therefore prone to human error and misstatement. Management did not provide a satisfactory explanation for not processing all its workers' salaries through the IPPD system prescribed by The National Treasury.

Further, the three hundred (300) employees in the manual payroll did not have payroll and Kenya Revenue Authority tax (PIN) numbers. As a result, it was not clear how their taxes were deducted and remitted to the Authority. Also, fifty (50) employees in the manual payroll were not assigned job groups and consequently, salaries and other benefits paid to them could not be verified.

In view of these issues, the accuracy and validity of the compensation of employees payments totalling Kshs.191,018,497 that were processed manually in the year under review could not be confirmed.

2.3 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services payments totalling Kshs.1,103,968,018. The balance includes purchases of specialized materials and services totalling Kshs.324,647,785 which in turn includes Kshs.4,610,600 spent on purchase of emergency livestock vaccines. The vaccines were bought through cash payments even though the respective transaction values were higher than the low-value purchases threshold prescribed in the First Schedule of the Public Procurement and Asset Disposal Act, 2015. Further, the items were not entered in stock control cards.

In the circumstance, the regularity of the procurement and the use of the livestock vaccines valued Kshs.4,610,600 could not be confirmed.

2.4 Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers totalling Kshs.257,605,986. However, the analysis provided for the balance in Note 12 to the financial statements reflects transfers totalling Kshs.248,805,986 only made to National Agricultural and Rural Inclusive Growth Project (NARIGP). As a result, the nature and destination of the unanalyzed transfers totalling Kshs.8,800,000 could not be confirmed. In addition, Management did not submit for audit financial statements or expenditure returns on the transfers made to the Project.

In view of these issues, the accuracy, validity, completeness and propriety of the other transfers balance totalling Kshs.257,605,986 reflected in the statement of receipts and payments could not be confirmed.

2.5 Capital Grants and Transfers

The statement of receipts and payments reflects capital grants and transfers totalling Kshs.120,535,273 made in the year under review. Note 11 to the financial statements indicates that transfers totalling Kshs.85,371,975 were made to the Homa Bay Municipal Board and the remainder Kshs.35,163,298 to village youth polytechnics. However, Management did not submit for audit the financial statements or expenditure returns on use of the grants.

As a result, the accuracy, completeness and propriety of the grant transfers could not be confirmed.

2.6 Acquisition of Assets

2.6.1 Fencing at Kigoto Maize Processing Plant

The statement of receipts and payments reflects acquisition of assets expenditure totalling Kshs.2,769,144,159 as further disclosed in Note 10 to the financial statements. The balance includes payments for other infrastructure and civil works totalling Kshs.1,543,228,854 out of which Kshs.1,833,949 was paid to a contractor to fence Kigoto Maize Processing Plant in Suba South Sub-County.

However, audit inspection of the project site in October, 2020 indicated that although the fencing posts were erected, the chain-link was not installed. In addition, the contractor was not on site. Further, the respective procurement and payment documents for the expenditure and the Bills of Quantities were not presented for audit review.

In view of the failure to complete the works as contracted, value for money was not attained on the expenditure totalling Kshs.1,833,949 spent on the fencing contract. In addition, in the absence of sufficient records, the accuracy and validity of the expenditure could not be confirmed.

2.6.2 Undelivered Animal-Feeds Milling Equipment

The statement of receipts and payments for the year ended 30 June, 2020 reflects acquisition of assets payments totalling Kshs.2,769,144,159, as further disclosed in Note 10 to the financial statements. Included in the balance are payments for purchase of specialized plant equipment and machinery amounting to Kshs.116,328,542 out of which Kshs.16,000,000 was paid to a firm to import animal-feeds milling equipment from India. As reported in the audit report for the previous year, the Department of Trade and Industrialization had in June, 2014 contracted the firm to supply and install a nine (9) ton-per-hour animal feed processing mill for the Homa Bay Feeds Industries Limited at a cost of Kshs.42,245,280.

However, an audit inspection conducted in October, 2020 established that the equipment had not been installed in spite of payments totalling Kshs.16,000,000 having been made to the contractor. As a result, the propriety and validity of the payments could not be confirmed.

2.7 Fixed Assets

Disclosed in Annex 3 to the financial statements is a summary of the County Executive's fixed assets register which reflects assets valued at Kshs.1,769,315,881 as at 30 June, 2020. However, the summary register does not include the additions and disposals of assets made during the year and assets valued at Kshs.56,165,738 brought forward from the previous year.

In the circumstance, ownership and valuation of the fixed assets totalling Kshs.1,769,315,881 reflected in the financial statements was not confirmed.

In addition, expenditure records indicated that Kshs.3,834,230 was paid to a freight company to process the importation of one (Renault) ambulance and two units of (Volvo FL6) firefighting trucks reportedly donated by the County Council of Cumbria in England. However, the County Government had as at 30 June, 2020 not acquired the log-books for the three specialized motor vehicles. As a result, ownership of the equipment by the County Government could not be confirmed.

2.8 Payments Made Outside the Integrated Financial Management Information System

Bank statements for development and recurrent accounts operated at the Central Bank of Kenya reflected transfers of cash to departmental operations accounts totalling Kshs.43,760,651. However, the transactions were not effected through the Integrated Financial Management Information System (IFMIS).

Consequently, the validity, accuracy and completeness of the payments made outside IFMIS totalling Kshs.43,760,651 in the year under review could not be confirmed.

2.9 Pending Accounts Payables

Note 18 to the financial statements reflects Kshs.314,867,512 in respect to opening account payables and a closing balance as at 30 June, 2020 totalling Kshs.646,637,491. However, the opening balance excludes Kshs.136,000,000 owed as at 30 June, 2019 under the contract for improvement of Kadongo-Gendia Road to bitumen standards.

As a result of the omission, the closing pending bills balance totalling Kshs.646,637,491 as at 30 June, 2020 may not be fairly stated.

Further, the closing pending bills balance rose sharply relative to the previous year, suggesting that Management did not pay eligible old and new bills as advised by The National Treasury.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Homa Bay 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 qualified 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. I have determined that there were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

1.1 Receipts

Revenue records indicated that the County Executive realized receipts totaling Kshs.9,170,732,26 in the year under review, against Kshs.8,969,578,696 budgeted for, resulting to a surplus of Kshs.201,153.

1.2 Expenditure

The budgeted expenditure totalled Kshs.8,969,578,696 and actual expenditure Kshs.8,278,738,551 resulting to net under-expenditure of Kshs.690,840,145 or 8% of the budget.

The under-expenditure constrained the ability of the County Executive to implement planned projects and deliver services to the residents of Homa Bay County.

1.3 County Own-Generated Receipts

County-own generated revenues totalling Kshs.177,591,524 were budgeted for but actual collections were Kshs.274,595,613 resulting to a surplus of Kshs.97,004,089.

1.4 Nil Revenue Collection on Eleven Items

Examination of revenue records indicated that eleven (11) revenue streams through which Management had budgeted for receipts totalling Kshs.3,046,816 in the year under review recorded nil balances. These included lease charges, nursery school fees, sale of tender documents, inspection fees, liquor licensing and conservancy fees, among others. The underperformance suggested that Management may not have established effective means to collect revenue under these items.

2.0 Delayed Exchequer Receipts

Note 1 to the financial statements reflects exchequer releases totalling Kshs.7,231,797,300 out of which Kshs.1,676,842,500 were for the previous (2018/2019) financial year received in the year under review. The balance includes Kshs.1,070,112,000 received in the last week of June, 2020, as indicated in the table below:

Received Date	Reference Number	Details	Amount (Kshs.)
05 July, 2019	FT191186349T8	Exchequer issue	535,056,000
05 July, 2019	FT191186M42JC	Exchequer issue	535,056,000
	Total		1,070,112,000
24 June, 2020	FT20176BZHJ5	Exchequer issue	606,730,500
	Total		1,676,842,500

Other records indicated that Kshs.579,764,700 of the year's budgeted funds were released by The National Treasury on 5 August, 2020.

The late receipt of budgeted funds resulted in delay in implementation of planned programmes and activities and denied the County residents access to goods and services expected 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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Unsatisfactory Implementation of Projects

1.1 Failure to implement Budgeted Projects

The Projects Implementation Status Report as at 30 June, 2020 indicated that forty-six (46) projects valued at Kshs.186,249,288 contracted out for implementation in the year under review had not started as at 30 June, 2020, as indicated in Appendix 1 to this report.

As a result, the residents of Homa Bay County did not obtain the benefits they had been promised the projects would provide to them.

1.2 Uncompleted Projects

Further, examination of the Projects Implementation Status Report revealed that forty (57) projects with an aggregate budget of Kshs.225,810,131 scheduled for completion by 30 June, 2020 were not completed. Payments totaling Kshs.105,570,505 had been made to the respective contractors as at 30 June, 2020, as summarized in Appendix II.

1.3 Stalled Projects

The Project Status Report as at 30 June, 2020 further indicated that the following two (2) projects approved for implementation in the 2014/2015 financial year had since stalled:

1.3.1 Construction of Animal Feeds Factory at Arujo

As previously reported, the County Government contracted a firm to build an animal feeds factory and stores at Arujo in the financial year 2014/2015. The contract was valued at Kshs.45,160,064 and was to be implemented in eight months from 28 April, 2015 to 31 December, 2015. However, examination of the contract documents and physical

verification of the project site in October, 2020, revealed the following unsatisfactory matters:

- (i) The works had not been completed even though the contract period had expired more than five years earlier. Only the substructure and superstructure works had been done.
- (ii) The contractor was not at the project site, which appeared to have long been abandoned.
- (iii) Further, the project's budgetary allocation totalling Kshs.27,300,000 in the year under review was not utilized.

In view of the delay in completing the project, the benefits it was expected to provide to farmers and other stakeholders in the County have not been realized.

1.3.2 Construction of Kenya Medical Training College at Sindo

Management in the year 2015/2016 awarded a contract for construction of classrooms, an office and an ablution block at Kenya Medical Training College at Sindo in Suba North at a contract sum of Kshs.18,650,109. The project was to be executed in eight (8) weeks starting from 18 October to 5 December, 2016. Documents provided for audit indicated that Management paid the contractor Kshs.9,9,646,565 in 2017/2018 financial year. However, physical verification of the project site in October, 2020 revealed that the works were abandoned at 45% level of completion.

In addition to denying potential learners and residents services and other benefits, the stalled project may result in waste of public funds.

1.4 Other Unsatisfactory Projects Works

1.4.1 Conversion of Blood Bank into an Intensive Care Unit at Homa Bay County Referral Hospital

Expenditure records indicated that Kshs.5,847,020 was paid to a contractor to convert part of the Homa Bay County referral hospital blood bank into an Intensive Care Unit (ICU) under a contract valued at Kshs.11,841,316.

The contract was awarded through Request for Quotations procedure contrary to Section 91(1) of Public Procurement and Asset Disposal Act, 2015 which prescribes open tendering as the preferred procurement method for procurement of goods, works and services. Therefore, Management may have breached the law.

An audit verification done in October, 2020 confirmed that the County Government did not have trained personnel to operate the specialized ICU equipment installed at the Centre. As a result, the expenditure totalling Kshs.11,841,316 budgeted for the project may not be spent in an effective way.

1.4.2 Irregularities and Poor Quality Work in Construction of Classrooms at Ondiwa Gamba Primary School

Records on acquisition of assets expenditure indicated that Kshs.1,066,710 was spent on construction of Early Childhood Education (ECDE) classrooms at Ondiwa Gamba Primary School at a contract sum of Kshs.1,780,307. However, physical verification on 21 October, 2020 revealed the following anomalies:

- (i) The walls were weak ostensibly due to the improper mixture of cement and sand used to build the embedded bricks, contrary to specifications in the Bill of quantities
- (ii) The Chief Officer Roads, Transport and Public Works in a letter dated 26 May, 2020 requested the Chief Officer, Ministry of Education to pay the contractor the 1st interim certificate amounting to Kshs.1,066,710 citing attachments which included Bills of Quantities, contractor's letter of request for payment and the Inspection Report. However, audit examination of the Inspection and Acceptance Committee Report indicated that it was signed on 30 June, 2020. Therefore, the basis and validity of the payment recommended by the Engineer on 26 May, 2020 was not clear.
- (iii) The mortar used on the walls would peel-off by mere scratching and further, part of the wall had collapsed, both indicators of low quality workmanship.

In view of these issues, the regularity and value for money on the payment amounting to Kshs.1,066,710 made in respect to the contract in the year under review could not be confirmed.

1.4.3 Lingering Delay in Construction of Maize Processing Plant

The acquisition of assets records indicated that a contractor was hired to build a maize processing plant at Kigoto-Suba North Sub-County in the 2014/2015 financial year at a contract sum of Kshs.12,940,392. The contract was expected to be executed in six (6) months from July to December, 2015 but had not been completed six years later as at 30 June 2020. Payments totalling Kshs.11,550,395 were made in the financial year under review.

Physical verification conducted in October, 2020 noted the slow pace of construction in spite 89% of the contract sum having been paid to the contractor. No records were provided to confirm the level of project completion attained. Management did not provide a satisfactory explanation for the delay in completion of the project.

In view of the delay, the benefits expected to have been received by farmers and other stakeholders in the County have not been realized.

1.4.4 Slow Pace of Work in Construction of Homa Bay Stadium

Project records indicated that Kshs.123,537,869 had as at 30 June, 2020 been paid to a contractor for the construction of Homa Bay County Stadium. The respective contract was awarded in the previous financial year at Kshs.369,781,250 and entailed

construction of the main works, a main pavilion and western wing. The contract agreement was signed on 20 June, 2019 and the commencement date set for 5 July, 2019 for execution in 78 weeks to 1 January, 2021. However, the following anomalies were noted in respect to implementation of the contract:

- (i) A cost variation was made to include construction of an underground water tank . However, the variation was not quantified.
- (ii) Supervision of the project was shortly after commencement handed over to the National Government. However, the terms and conditions of the handover were not provided for audit review.
- (iii) The project's Bills of Quantities were not provided for audit review.
- (iv) Payments totalling Kshs.123,537,869 were made to the contractor in the year under review and as a result, the approved budget allocation totalling Kshs.120,329,509 was irregularly exceeded by Kshs.3,208,360.

Audit verification in the month of October, 2020, revealed that the works were behind schedule and were unlikely to be completed before the end of the contract period on 21 January, 2021.

In view of these issues, the regularity and value for money on the contract valued at Kshs.369,781,250 could not be confirmed.

1.4.5 Completed Projects Not Put to Use

Expenditure records indicated that payments totalling Kshs.25,503,916 were made to six (6) contractors for construction of dispensaries as detailed below:

Project Name		Amount Paid (Kshs.)	Status
1.	Construction of Outpatient Block at God Agak Dispensary	4,353,584	Not in use
2.	Construction of Outpatient Block at Ogwang Bware Dispensary	4,493,289	Not in use
3.	Construction of Rapogi Dispensary	4,408,520	Not in use
4.	Construction of Outpatient Block at Thuo Gweno Dispensary	4,060,862	Not in use
5.	Construction of Pedo Health Centre	4,235,000	Not in use
6.	Construction at Kilambo Dispensary	3,952,661	Not in use
Total		25,503,916	

However, verification of the respective project sites in October, 2020 revealed that the projects were not put to use upon their completion. Therefore, the benefits they were expected to provide to the residents of Homa Bay County were not realized and as a result, no value for money was obtained on the expenditure totalling Kshs.25,503,916 spent on the projects.

Failure to utilize the projects contravened Section 162(2)(c)(i) of the Public Finance Management Act, 2012 which requires Accounting Officers to make adequate arrangements for proper use, custody, safeguarding and maintenance of public property.

1.4.6 Uncompetitive Award of Tender for Construction of God Nyango Bridge

Expenditures records indicated that the County Executive spent Kshs.704,869,209 on construction of major roads, access roads and bridges in the year under review. The expenditure included Kshs.7,016,260 spent on construction of God Nyango Bridge awarded to a contractor in the previous financial year.

Review of the tender documents revealed that Management awarded the contract to the second (2) lowest bidder instead of the lowest bidder at Kshs.4,942,470. As a result, savings of public funds totalling Kshs.2,073,790, being the difference between the lowest bid and the contracted sum, were forfeited.

No plausible explanation was provided for the failure to award the tender to the lowest bidder.

Consequently, the propriety and value for money on the expenditure totalling Kshs.7,016,260 incurred on the project could not be confirmed.

1.4.7 Unsatisfactory Execution of Covid-19 Mitigation Projects

Revenue records indicated that by the time of the audit in October 2020, the County Executive had received Kshs.170,825,535 for funding Covid-19 mitigation. The following unsatisfactory issues were noted in respect of Covid-19 funds spent in the year under review:

1.4.7.1 Renovated Kisegi Health Centre Not Put to Use

Procurement records indicated that a contract for renovation and alteration of Kisegi Health Centre was awarded at Kshs.8,804,288 and the contract agreement signed on 8 June, 2020. However, on 13 July, 2020 Management paid Kshs.7,264,972 to the contractor before the contractor submitted the Letter of Acceptance to undertake the contract. In addition, an audit inspection conducted on 28 October, 2020 revealed that the Centre was not put to use after the renovations were completed. Further, there was no record of qualified medical practitioners having been deployed at the Centre.

In the circumstance, Management breached the law and further, value for money was not obtained on expenditure totalling Kshs.7,264,972 incurred on the works.

1.4.7.2 Low Quality Workmanship in Renovation of Tom Mboya Hospital

Expenditure records indicated that the County Executive awarded a contractor for renovation of Tom Mboya Hospital at a contract sum of Kshs.3,051,192. The contract agreement was signed on 29 June, 2020 and a payment of Kshs.3,027,350 was thereafter made to the contractor on 13 July, 2020.

However, the tender documents were not provided for audit review. Further, an audit inspection conducted in October, 2020 revealed the following unsatisfactory issues:

- (i) Workmanship on the gatehouse was of low quality as there were cracks on the structure.
- (ii) The ceiling board displayed cracks too and the painting work was of low quality.
- (iii) There was no running water for use at the facility.

Consequently, propriety and value for money on expenditure totaling Kshs.3,051,192 spent on the project could not be confirmed.

1.4.7.3 Low Quality Workmanship in Renovation of Nyangiela Health Centre

A contract for renovation of Nyangiela Health Centre awarded at Kshs.5,215,244 was varied by Kshs.811,005 to Kshs.6,026,249 only one and a half months after it was awarded. The variation related to repair of a three-door pit latrine and construction of a four-door one, even though these had been provided for in the Bills of Quantities at Kshs.100,000 and Kshs.350,000 respectively. Further, physical inspection of the building in October, 2020 indicated that the quality of the work done was low.

In addition, records showing utilization of provisional sums totalling Kshs.752,500 set aside in the Bills of Quantities were not provided for audit.

In view of these anomalies, value for money may not have been attained on expenditure totalling Kshs.6,026,249 incurred on the contract.

1.4.7.4 Works Paid for Not Done in Renovation of Nyagoro Health Centre

A contract for the renovation of Nyagoro Health Centre at a contract sum of Kshs.3,429,516 was signed on 23 June, 2020. The works entailed tiling, painting and fixing of windows and doors at the Centre. Records on the project indicated that an invoice was issued on 30 June, 2020 and the payment certificate on 6 July, 2020 with the payment following thereafter on 13 July, 2020.

Physical inspection of the project in October, 2020 indicated that works valued at Kshs.332,000 were not done despite a certificate of completion having been issued to the contractor by Management. Further, records on the project indicated that the contractor carried out the works in an improbable one week from the date the contract agreement was signed on 23 June, 2020 to the invoice date of 30 June, 2020.

Consequently, the propriety and value for money on the payments totalling Kshs.332,000 could not be confirmed.

2.0 Un-Surrendered Imprests

Note 14 of other important disclosures to the financial statements reflects outstanding imprests totalling Kshs.16,537,980 that were not surrendered within seven (7) days after the imprest holders returned to their respective duty stations. Failure to surrender the imprests contravened Regulation 93(5) of the Public Finance Management (County Governments) Act, 2015 which requires a holder of a temporary imprest to account or surrender for the imprest within seven (7) working days after returning to duty station.

Consequently, Management is in breach of the law.

3.0 High Wage Bill

Expenditure records indicated that the County Executive spent Kshs.3,145,409,833 on compensation of employees in the year under review. The spending was equivalent to 38% of the County revenue for the year totalling Kshs.8,213,774,541 and was therefore above the threshold of 35% prescribed for the item in Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstance, Management breached the law on prudent use of public funds and constrained its capacity to fund public services required by the residents.

4.0 Improper Use of Project Funds

Records on domestic travel and subsistence indicated that payments totalling Kshs.3,392,000 were made to Members of Homa Bay County Assembly (MCA'S) who attended a workshop organized by the National Agricultural and Rural Inclusive Growth Project (NARIGP) in Kisumu County for two days. Paragraph 1.2.1. of the Project's funding provisions indicated that its objective was to increase agricultural productivity and profitability in targeted rural communities living in selected counties.

In the circumstance, the use of the project's funds in a workshop for the MCAs held outside the County did not appear to support this objective. As a result, it was not possible to confirm whether value for money was obtained on the expenditure totalling Kshs.3,392,000 incurred on the workshop.

5.0 Lack of Diversity in Staffing

Review of human resource records indicated that the County Executive had 4,590 employees as at 30 June, 2020 out of whom 4,302 or 94% were members of the ethnic community dominant in the County. The high level of dominance by one community was contrary to the provisions of Section 7(1) of the National Cohesion and Integrity Act, No 12 of 2008 which requires representation of the diversity of the people of Kenya in staff establishments of public entities.

In the circumstance, the County Executive of Homa Bay may be in breach of the law.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Control, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Lack of Staff Establishment

Audit review of human resource records indicated that the County Executive did not have an approved staff establishment. As a result, Management lacked objective means to recruit and deploy staff for optimal results. Consequently, it was not possible to confirm whether staffing in the County Executive was regular and optimal.

2.0 Lack of Information Technology and Risk Management Polices

Audit review of the County Executive's use of Information Communication Technology (ICT) revealed that Management had not formulated a policy to guide investment in and use of the technology. Therefore, the investments made by the County Executive in the technology may not be effective. Further, Management did not have means to identify, measure and mitigate operational and other risks dependent on the technology.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 ability of the County Executive to sustain its 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 dissolve the County Executive.

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 financial reporting process, reviewing the effectiveness of how the entity 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 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 ability of the County Executive 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 County Executive to cease 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 County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 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

08 December, 2021

APPENDICES

Appendix I

Unimplemented Projects

Project Activity		Budget (Kshs.)
1.	Installation of Solar Lights in the County	20,000,000
2.	Delineation of Urban Areas	13,000,000
3.	Renovation works - Residential Houses	7,006,000
4.	Survey Demarcation Upgrading of 14 Markets	6,165,000
5.	Wadhbuoch Road	5,540,105
6.	Acquisition of Land for Dumpsite	6,000,000
7.	Drilling of Angiya Borehole	2,972,475
8.	Drilling of Apuoche Borehole	2,972,475
9.	Drilling of Mit meda Borehole	2,200,000
10.	Drilling of Kital Borehole	2,975,897
11.	Drilling of Olweya Ratanga Borehole	2,972,475
12.	Drilling of Kigenya Borehole	2,973,836
13.	Drilling of Rapedhi Borehole	3,365,267
14.	Construction Works at Akuba Fish Market	5,970,824
15.	Kenya Informal Settlements Improvement Programme	5,000,000
16.	Construction of a new ECDE Centre Classroom at Nyakasera	1,543,425
17.	Construction of a new ECDE Classroom at Waringa	1,543,425
18.	Construction of a new ECDE Classroom at Waregi	1,462,482
19.	Construction of a new ECDE Classroom at Oriwo	1,780,307
20.	Construction of a new ECDE Classroom at Kijawa	1,790,400
21.	Construction of a new ECDE Classroom at Kaksingri	1,790,562
22.	Construction of a new ECDE Classroom at Nyadenda	1,796,562
23.	Construction of a new ECDE Classroom at Kibuogi	1,796,562
24.	Construction of a new ECDE Classroom at Kogela Kalanya	2,182,366
25.	Construction of Ward Administrator's Office at Sori-Kabondo	4,620,003

Project Activity		Budget (Kshs.)
26.	Construction of Ward Administrator's Office at Dol Kodera	4,620,003
27.	Construction of Ward Administrator's Office at Imbo	4,620,003
28.	Construction of ward administrator's Office at Mariwa-Kanyadoto	4,620,003
29.	Construction of ward administrator's Office at Kitare-Gembe	4,620,003
30.	Construction of Ward administrator's Office at Kitawa Market Centre	4,620,003
31.	Construction of Ward Administrator's Office at Ndiru	4,620,003
32.	Construction of Amoyo Dispensary	4,289,645
33.	Construction of Sena Level 4 hospital	3,712,809
34.	Construction of Minyere Dispensary	4,195,361
35.	Construction of Kilusi Dispensary	4,950,760
36.	Construction of Nyawawa Dispensary	2,484,275
37.	Construction of Masogo Dispensary	1,954,194
38.	Construction of Ponge Structure	3,681,260
39.	Construction of Shooting Range Box Culvert	3,764,670
40.	Grading and gravelling of Wirakuom-Ochuoga-Kanyangasi	1,390,956
41.	Grading and gravelling of Yago-Kiseke Rd	2,020,000
42.	Grading and gravelling of Simbi-Paul Mboya School Rd	2,377,597
43.	Construction of Gendo Dispensary	4,000,000
44.	Construction of Samakera Dispensary	2,000,000
45.	Construction of Anyuongi Health Centre	4,025,095
46.	Construction of Selemia Ochieng Dispensary	4,262,200
	Total	186,249,288

Appendix II

Uncompleted Projects

	Project Name	Contract Sum (Kshs.)	Actual Payments During the Year (Kshs.)	Status
1.	Homa Bay Municipal Market Phase II	49,875,800	46,500,000	On-going
2.	Grading and Gravelling of Mfangano Ring Road	18,259,890	11,250,000	On-going
3.	Grading and Gravelling of Nyakwere-Chuowe Rd	11,113,366	9,653,500	On-going
4.	Construction of a New ECDE Classroom at Mwamba	1,780,307	1,066,710	On-going
5.	Construction of a New ECDE Classroom at Kogonda	1,780,307	1,066,710	On-going
6.	Construction of a New ECDE Classroom at Orero	1,478,374	830,000	On-going
7.	Construction of a New ECDE Classroom at Kamasi	1,513,301	823,042	On-going
8.	Construction of a New ECDE Classroom at Osika	1,481,065	800,170	On-going
9.	Construction of a New ECDE Classroom at Ndwara	1,484,603	800,170	On-going
10.	Construction of a New ECDE Classroom at Atero	1,480,849	800,170	On-going
11.	Construction of a New ECDE Classroom at Ochunyo	1,489,615	750,000	On-going
12.	Construction of a New ECDE Classroom at Umayi	1,725,000	717,587	On-going
13.	Construction of a New ECDE Classroom at Ogango	1,478,374	682,206	On-going
14.	Construction of a New ECDE Classroom at Nyawino	1,485,183	681,290	On-going
15.	Construction of a New ECDE Classroom at Rambim	1,521,908	677,240	On-going
16.	Construction of a new ECDE Classroom at Weta	1,584,677	620,417	On-going
17.	Construction of a New ECDE Classroom at Agoro Sare	1,496,806	341,175	On-going
18.	Construction of a New ECDE Classroom at Otaro	749,300	300,000	On-going
19.	Construction of a New ECDE Classroom at Sero	998,026	500,000	On-going
20.	Construction of a new ECDE Classroom at Kome	1,016,117	600,117	On-going
21.	Construction of a New ECDE Classroom at Wikoteng	1,067,716	750,000	On-going

Project Name		Contract Sum (Kshs.)	Actual Payments During the Year (Kshs.)	Status
22.	Construction of a New ECDE Classroom at Wiodielo	1,421,677	800,000	On-going
23.	Construction of a New ECDE Classroom at Longo	1,430,821	700,000	On-going
24.	Construction of a new ECDE Classroom at Rangenya	1,475,609	700,000	On-going
25.	Construction of a New ECDE Classroom at Yiembe	1,475,609	720,000	On-going
26.	Construction of a New ECDE Classroom at Abuno	1,497,305	840,000	On-going
27.	Construction of a New ECDE Classroom at Bondo	1,505,483	600,000	On-going
28.	Construction of a new ECDE Classroom at Osani	1,543,425	600,000	On-going
29.	Construction of a New ECDE Classroom at Lieta Kabunde	1,955,157	600,000	On-going
30.	Construction of Mkende Dispensary	3,508,530	600,000	On-going
31.	Construction of Manga Dispensary	2,475,904	600,000	On-going
32.	Construction of Nyambare Dispensary	2,916,863	600,000	On-going
33.	Construction of Gendo Dispensary	3,946,523	600,000	On-going
34.	Construction of Samakera Dispensary	3,994,779	600,000	On-going
35.	Construction of Ringa Health Centre	4,570,250	600,000	On-going
36.	Construction of Kichawa Health Centre	4,063,387	600,000	On-going
37.	Construction of Wagwe Health Centre	3,862,860	600,000	On-going
38.	Constuction of Msare Dispensary	3,783,920	600,000	On-going
39.	Construction of Wiga Dispensary	3,715,311	600,000	On-going
40.	Construction of Adita Dispensary	4,649,411	600,000	On-going
41.	Construction of Pala Health Centre	1,426,684	600,000	On-going
42.	Construction of Oyombe Dispensary	4,522,631	600,000	On-going
43.	Construction of Kuge Health Centre	3,870,256	600,000	On-going
44.	Construction of Got Agulu Dispensary	4,720,160	600,000	On-going
45.	Construction of Ngeta Dispensary	1,472,444	600,000	On-going
46.	Construction of Oriwo Health Centre	2,567,492	400,000	On-going
47.	Construction of Adiedo Health Centre	3,882,691	600,000	On-going

Project Name		Contract Sum (Kshs.)	Actual Payments During the Year (Kshs.)	Status
48.	Construction of Nyaruenya Health Centre	4,328,366	900,000	On-going
49.	Construction of Magoma Structure	4,178,958	800,000	On-going
50.	Construction of Njeri-Sare Drainage	3,613,742.98	850,000	On-going
51.	Construction of Koliech Box Culvert	3,350,138	630,000	On-going
52.	Construction of Kobino Jakafuata Structure	5,822,649	600,000	On-going
53.	Grading and gravelling of Kawaindia Gaka-Nyandiwa Road	5,809,568	600,000	On-going
54.	Grading and gravelling of Nyatindo-Ojwando-Anyona Road	5,889,956	1,820,000	On-going
55.	Grading and Gravelling of Kosiare-Kanga Road	1,338,728	800,000	On-going
56.	Grading and Gravelling of Ragwe-Obawa-Onjinyo Road	4,531,155	2,600,000	On-going
57.	Grading and gravelling of Ongukwa-Kona Kogelo-Ligongo Road	5,831,102	600,000	On-going
Total		225,810,129	106,570,504	

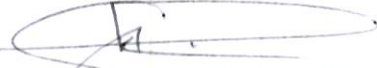
COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020


8. FINANCIAL STATEMENTS

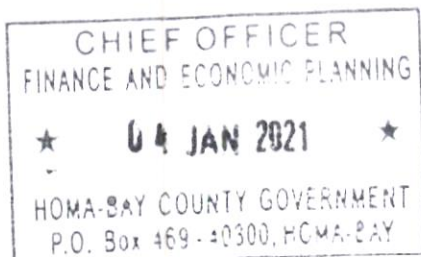
8.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2020

		2019-2020	2018-2019
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	7,231,797,300	5,618,088,000
Conditional Grants from National Government	2	266,461,728	189,495,832
Conditional Grants from Development Partners	3	440,919,900	250,442, 504
County Own Generated Receipts	4	274,595,613	215,039,531
TOTAL RECEIPTS		8,213,774,541	6,273,065,867
PAYMENTS			
Compensation of Employees	5	3,145,409,833	3,136,349,023
Use of goods and services	6	1,103,968,018	871,221,489
Transfers to Other Government Units (County assembly)	7	861,000,000	890,623,273
Transfer to Homa Bay County Bursary Fund	8	-	103,000,000
Social Security Benefits	9	21,075,282	13,031,720
Acquisition of Assets	10	2,769,144,159	1,048,074,713
Capital Grants and Transfers	11	120,535,273	-
Other Grants and Transfers	12	257,605,986	-
TOTAL PAYMENTS		8,278,738,551	6,062,300,218
SURPLUS/DEFICIT		(64,964,010)	210,765,649

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/20 2020 and signed by:


 Chief Officer
 Name: Mr Noah Otieno
 ICPAK Member Number: 16596


 Head of Treasury Accounts
 Name: Mr Daniel Owuor

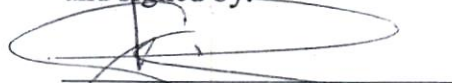



COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

8.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE, 2020

		2019-2020	2018-2019
	Notes	KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13	886,748,289	945,839,821
Total Cash and cash equivalent		886,748,289	945,839,821
Accounts Receivables- Outstanding Imprests	14	16,537,980	11,117,900
TOTAL FINANCIAL ASSETS		903,286,269	956,957,721
FINANCIAL LIABILITIES			
Accounts Payables- Deposits and retentions	15	16,710,320	5,417,762
NET FINANCIAL ASSETS		886,575,949	951,539,959
REPRESENTED BY			
Fund balance b/fwd	16	951,539,959	724,322,532
Prior year adjustments	17		16,451,778
Surplus/Deficit for the year		(64,964,010)	210,765,647
NET FINANCIAL POSITION		886,575,949	951,539,959

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06/2020 and signed by:


 Chief Officer
 Name: Mr Noah Otieno
 ICPAK Member Number: 16596


 Head of Treasury Accounts
 Name: Mr Daniel Owuor

CHIEF OFFICER
 FINANCE AND ECONOMIC PLANNING
 ★ 04 JAN 2021 ★
 HOMA-BAY COUNTY GOVERNMENT
 P.O. Box 469 - 40300, HOMA-BAY

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

8.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2019-2020	2018-2019
	Notes	KShs	KShs
Receipts from operating income			
Exchequer releases	1	7,231,797,300	5,618,088,000
Conditional Grants from National Government	2	266,461,728	189,495,832
Conditional Grants from Development Partners	3	440,919,900	250,442,504
County Own Generated Receipts	4	274,595,613	215,039,531
		8,213,774,541	6,273,065,867
Payments For Operating Expenses			
Compensation of Employees	5	3,145,409,833	3,136,349,023
Use of goods and services	6	1,103,968,018	871,221,489
Transfers to Other Government Units (County Assembly)	7	861,000,000	890,623,273
Other grants and transfers	8	-	103,000,000
Social Security Benefits	9	21,075,282	13,031,720
Capital Grants and Transfers	11	120,535,273	-
Other Grants and Transfers	12	257,605,986	-
Total Payments		5,509,594,392	5,014,225,505
Adjusted For:			
Changes in Receivables		5,420,080	8,225,889
Changes in Payables		(11,292,558)	(7,580,884)
Total Adjustments		(5,872,478)	645,005
Net cash flows from operating activities		2,698,307,671	1,259,485,367
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets	10	2,769,144,159	1,048,074,713
Net cash flows from Investing Activities		2,769,144,159	1,048,074,713
NET INCREASE IN CASH AND CASH EQUIVALENTS		(70,836,488)	211,410,654
Cash and cash equivalents at BEGINNING of the year	16	945,839,821	734,429,167
Cash and cash equivalents at END of the year		886,748,289	945,839,821

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/2020 and signed by:



Chief Officer
Name: Mr Noah Otieno
ICPAK Member Number: 16596



Head of Treasury Accounts
Name: Mr Daniel Owuor


CHIEF OFFICER
FINANCE AND ECONOMIC PLANNING
★ 04 JAN 2021 ★
HOMA-BAY COUNTY GOVERNMENT
P.O. Box 469 - 40300, HOMA-BAY

Reports and Financial Statements
For the year ended June 30, 2020


8.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020

9. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer Releases	7,149,771,000	(408,321,000)	6,741,450,000	7,231,797,300	(490,347,300)	107%
Conditional Grants from National Government	380,624,069	-	380,624,069	266,461,728	114,162,341	70%
Loans and Grants from Development Partners	599,801,103	-	599,801,103	440,919,900	158,881,203	74%
County Own Generated Receipts	207,591,524	(30,000,000)	177,591,524	274,595,613	(97,004,089)	155%
Other Receipts including Balances from previous year	-	1,070,112,000	1,070,112,000	956,957,721	113,154,279	89%
TOTAL	8,337,787,696	631,791,000	8,969,578,696	9,170,732,262	(201,153,566)	
PAYMENTS						
Compensation of Employees	2,961,158,064	168,118,741	3,129,276,805	3,145,409,833	(16,133,028)	101%
Use of goods and services	1,286,716,566	(138,544,807)	1,148,171,759	1,103,968,018	44,203,741	96%
Transfers to County Assembly of HomaBay	1,054,516,376	-	1,054,516,376	861,000,000	193,516,376	82%
Capital Grants and Transfers	120,535,273	-	120,535,273	120,535,273	-	100%
Other Grants and Transfers	257,605,986	-	257,605,986	257,605,986	-	100%
Transfer to Homabay County Bursary Fund	103,000,000	6,000,000	109,000,000	-	109,000,000	0%
Acquisition of Assets	2,533,180,149	596,217,066	3,129,397,215	2,769,144,159	360,253,056	88%
Social Security Benefits	21,075,282	-	21,075,282	21,075,282	-	100%
TOTAL	8,337,787,696	631,791,000	8,969,578,696	8,278,738,551	690,840,145	

The entity financial statements were approved on 30/09/2020 and signed by:


 Chief Officer

Name: Mr Noah Otieno
 ICPAK Member Number: 16596


 Head of Treasury Accounts

Name: Mr Daniel Owuor

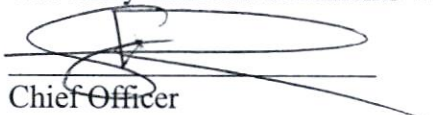
CHIEF OFFICER
 FINANCE AND ECONOMIC PLANNING
 ★ 04 JAN 2021 ★
 HOMA-BAY COUNTY GOVERNMENT
 P.O. Box 469 - 40300, HOMA-BAY


COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

8.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

6. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,391,225,863	(408,321,000)	3,982,904,863	5,059,185,300	(490,347,300)	127%
Conditional Grants from National Government	345,460,771	-	345,460,771	231,298,430	114,162,341	67%
Loans and Grants from Development Partners	480,439,603	-	480,439,603	355,547,925	124,891,678	74%
County Own Generated Receipts	207,591,524	(30,000,000)	177,591,524	274,595,613	(97,004,089)	155%
Other Receipts including balances from previous Year	-	473,894,934	473,894,934	473,894,934	118,572,041	100%
TOTAL	5,424,717,761	35,573,934	5,460,291,695	6,394,522,202	(229,725,329)	
PAYMENTS						
Compensation of Employees	2,961,158,064	168,118,741	3,129,276,805	3,145,409,833	(16,133,028)	101%
Use of goods and services	1,149,645,853	(138,544,807)	1,148,171,759	1,103,968,018	44,203,741	96%
Transfers to Other Government Units-County Assembly	932,232,576	-	932,232,576	816,000,000	116,232,576	88%
Other Grants and Transfers	257,605,986	-	257,605,986	257,605,986	-	100%
Transfer to Homabay County Bursary Fund	103,000,000	6,000,000	109,000,000	-	109,000,000	0%
Social Security Benefits	21,075,282	-	21,075,282	21,075,282	-	100%
TOTAL	5,424,717,761	35,573,934	5,460,291,695	5,344,059,119	253,303,289	

The entity financial statements were approved on 30/09/2020 and signed by:


 Chief Officer
 Name: Mr Noah Otieno
 ICPAK Member Number: 16596


 Head of Treasury Accounts

Name: Mr Daniel Owuor





Reports and Financial Statements
For the year ended June 30, 2020

8.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020

6. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchequer Releases	2,758,545,137	-	2,758,545,137	2,172,612,000	585,933,137	79%
Conditional Grants from National Government	35,163,298	-	35,163,298	35,163,298	-	100%
Loans and Grants from Development Partners	119,361,500	-	119,361,500	85,371,975	33,989,525	72%
Other Receipts including balances from previous Year	-	596,217,066	596,217,066	483,062,787	113,154,279	81%
TOTAL	2,913,069,935	596,217,066	3,509,287,001	2,776,210,060	733,076,941	
PAYMENTS						
Transfers to Other Government Units	122,283,800	-	122,283,800	45,000,000	77,283,800	37%
Capital Grants and Transfers	120,535,376	-	120,535,376	120,535,273	-	100%
Acquisition of Assets	2,670,250,862	596,217,066	3,266,467,928	2,769,144,159	497,323,769	85%
TOTAL	2,913,069,935	596,217,066	3,509,287,001	2,934,679,432	574,607,569	

The entity financial statements were approved on 30/09/ 2020 and signed by:


 Chief Officer
 Name: Mr Noah Otieno
 ICPAK Member Number: 16596


 Head of Treasury Accounts
 Name: Mr Daniel Owuor

CHIEF OFFICER
 FINANCE AND ECONOMIC PLANNING
 ★ 04 JAN 2021 ★
 HOMA-BAY COUNTY GOVERNMENT
 P.O. Box 469 - 40300, HOMA-BAY

COUNTY EXECUTIVE OF HOMA BAY

Reports and Financial Statements

For the year ended June 30, 2020

8.7.1. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2020

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020	2019/2020	2019/2020	2019/2020	
	KShs	KShs	KShs	KShs	KShs
DEP OF AGRICULTURE,LIVESTOCK AND FISGERIES					
Policy , Planning,General Administration and Support services	198,973,123	0	198,973,123	177,772,332.00	21,200,791.00
Crop, Land and Agri Business and Development Services	436,938,246	-30,469,000	406,469,246	401,419,417.00	5,049,829.00
Food Security enhancement services	34,497,000	0	34,497,000	32,439,970.00	2,057,030.00
Fisheries , resources development Services	67,024,038	-43,858,000	23,166,038	21,966,020.00	1,200,018.00
Livestock Development Programme	78,075,000	-30,896,800	47,178,200	45,220,199.90	1,958,000.10
SUB-TOTAL	815,507,407	-105,223,800	710,283,607	678,817,938.90	31,465,668
DEP OF TOURISM SPORT GENDER, CULTURE AND SOCIAL SERVICES					
Policy , Planning General Administration and Support services	40,486,669	0	40,486,669	34,454,598.45	6,032,071
Tourism and Culture developmment and promotion services	26,615,425	-15,520,425	11,095,000	5,527,179.55	5,567,820

Reports and Financial Statements
For the year ended June 30, 2020

Social Development and Empowerment services	23,990,316	-14,990,316	9,000,000	-	9,000,000
Management and Development of Sports and Sports Facilities	172,529,509	-9,489,259	163,040,250	151,437,296.55	11,602,953
SUB-TOTAL	263,621,919	-40,000,000	223,621,919	191,419,074.55	32,202,844
DEP OF TRANSPORT AND INFRASTRUCTURE					
General Administration, Planning and Support Services	76,774,699	-5,455,900	71,318,799	71,548,798.40	-229,999
Public Works and Maintenance Services	8,144,100	-4,544,100	3,600,000	3,300,000.00	300,000
Roads Development and Maintenance Services	394,504,374	362,387,907	756,892,281	703,163,003.00	53,729,278
Transport Services	25,920,000	115,535,900	141,455,900	100,341,105.00	41,114,795
SUB-TOTAL	505,343,173	467,923,807	973,266,980	878,352,906.40	94,914,074
DEPARTMENT OF ENERGY AND MINING					
Energy Services	76,231,936	-7,675,000	68,556,936	58,713,260.20	9,843,676
Mineral Resource Development and Marketing Services	3,000,000	-1,000,000	2,000,000	-	2,000,000
General Administration, Planning and Support Services	35,782,555	0	35,782,555	25,509,956.00	10,272,599
SUB-TOTAL	115,014,491	-8,675,000	106,339,491	84,223,216.20	22,116,275
DEPARTMENT OF EDUCATION AND ICT					
General Administration and quality Assurance Services	537,678,199	22,552,109	560,230,308	451,005,542.35	109,224,766

COUNTY EXECUTIVE OF HOMA BAY
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For the year ended June 30, 2020

ECDE and Vocational Training Services	111,734,899	0	111,734,899	100,203,038.00	11,531,861
ICT Services	12,552,109	21,122,891	33,675,000	21,526,782.00	12,148,218
SUB-TOTAL	661,965,207	43,675,000	705,640,207	572,735,362.35	132,904,845
DEPARTMENT OF HEALTH SERVICES					
Policy , Planning, General Administration and Support services	1,877,964,774	126,339,230	2,004,304,004	2,004,302,314.00	1,690
Preventive and promotive health services	124,900,000	0	124,900,000	124,896,603.00	3,397
Curative and Rehabilitative Health Services	603,265,419	-156,200,905	447,064,514	447,056,506.00	8,008
Research and Development Services	6,203,000	20,796,567	26,999,567	26,992,662.00	6,905
SUB-TOTAL	2,612,333,193	-9,065,108	2,603,268,085	2,603,248,085	20,000
DEP OF LANDS,HOUSING, URBAN DEVELOPMENT AND PHYSICAL PLANNING					
Lands and Physical Planning	41,709,370	15,690,048	57,399,418	55,196,919.00	2,202,499.00
Housing and Urban Development	130,992,860	-81,992,860	49,000,000	43,226,783.35	5,773,216.65
General Administrative Services	60,163,399	-8,000,000	52,163,399	52,018,620.00	144,779.00
SUB-TOTAL	232,865,629	-74,302,812	158,562,817	150,442,322	8,120,495

Reports and Financial Statements
For the year ended June 30, 2020

DEP. OF TRADE , INDUTSRIALIZATION, COOPERATIVES AND ENTERPRISE DEVELOPMENT					
Trade,Co-Operatives and Entrepreneurship Development Services	106,135,404	69,064,596	175,200,000	171,541,216.00	3,658,784
Industrial Development and Investments Services	51,800,000	19,757,711	71,557,711	70,557,711.00	1,000,000
Planning and Administrative Services	217,949,199	-20,000,000	197,949,199	197,943,140.10	6,059
SUB-TOTAL	375,884,603	68,822,307	444,706,910	440,042,067	4,664,843
DEP OF WATER AND ENVIRONMENT					
Water supply and Management services	280,345,920	32,000,000	312,345,920	282,863,002.00	29,482,918
Environmental protection and Management services	50,300,000	0	50,300,000		50,300,000
General Administrative Services	157,358,105	-30,000,000	127,358,105	126,331,018.00	1,027,087
SUB-TOTAL	488,004,025	2,000,000	490,004,025	409,194,020.00	80,810,005
DEP OF FINANCE AND ECONOMIC PLANNING					
Planning , Budgeting and Development Coordination Services	150,876,074	0	150,876,074	150,874,707.00	1,367
Strategy and Service Delivery Improvement Services	11,959,200	13,997,564	25,956,764	25,951,658.00	5,106
Resource Mobilization Services	62,169,528	0	62,169,528	62,169,475.00	53

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
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Financial Management Services	90,873,270	0	90,873,270		3,980
				90,869,290.00	
General Administration and Devolution Support Services	159,823,326	75,000,000	234,823,326		34
				234,823,292.00	
SUB-TOTAL	475,701,398	88,997,564	564,698,962	564,688,422.00	10,540.00
EXECUTIVE SERVICES					
Governance and coordination Services	248,831,410	-23,999,500	224,831,910		14,829,741
				210,002,169.00	
Strategy and Service Delivery Improvement Services	66,053,240	-11,053,240	55,000,000		0
				55,000,000.00	
Public Service administration support Services	323,050,920	64,415,588	387,466,508		1,401,538
				386,064,970.35	
SUB-TOTAL	637,935,570	29,362,848	667,298,418	651,067,139.35	16,231,278.65
COUNTY PUBLIC SERVICE BOARD					
Policy , Planning General Administration and Support services	59,569,205	0	59,569,205		11,094,406.00
				48,474,799.00	
Personnel Sourcing and Management Services	16,342,500	0	16,342,500		16,342,500
Performance Management Services	783,000	0	783,000		325,632
				457,367.80	
SUB-TOTAL	76,694,705	0	76,694,705	48,932,166.80	27,762,538.20
COUNTY ASSEMBLY SERVICE BOARD					
Legislative Services	376,807,357	0	376,807,357		0
				376,807,357.00	
Oversight and Control Services	39,581,120	0	39,581,120		39,581,120
				-	
Ward Representation Services	135,619,464	0	135,619,464		90,619,464

COUNTY EXECUTIVE OF HOMA BAY

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				45,000,000.00	
Policy , Planning General Administration and Support services	502,508,435	0	502,508,435	439,192,643.00	63,315,792
SUB-TOTAL	1,054,516,376	0	1,054,516,376	861,000,000.00	193,516,376
COUNTY MUNICIPAL BOARD					
Policy, Planning, General Administration and Support services	16,400,000	8,570,791	24,970,791	20,485,610.00	4,485,181
Urban Development Services	6,000,000	-294,597	5,705,403	4,250,000.00	1,455,403
Other Infrastructure and civil works			160,000,000	119,840,220.80	40,159,779
SUB-TOTAL	22,400,000	8,276,194	190,676,194	144,575,831	46,100,363
GRAND TOTAL	8,337,787,696	471,791,000	8,969,578,696	8,278,738,552	690,840,144

8.7. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. 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 set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Homa Bay County Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Government recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the County Executive of Homa Bay in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County Executive of Homa Bay includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government are detailed in the notes to this financial statement.

6. 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

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.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to KShs 16,710,319.55 compared to KShs 5,417,762 in prior period as indicated on note 15.

There were no other restrictions on cash during the year

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

10. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *county Executive of Homa Bay* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

11. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Contingent Assets

The Entity 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 Entity 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.

13. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive of Homa Bay budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 28th June 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There was one (1) number of supplementary budgets passed in the year. A high-level assessment of the County Executive of Homa Bay's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

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

15. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

16. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: (i) restating the comparative amounts for prior period(s) presented in which the error occurred; or (ii) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

17. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

6.7. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Total Exchequer Releases for quarter 1	2,243,124,300	334,410,000
Total Exchequer Releases for quarter 2	1,213,461,000	1,738,932,000
Total Exchequer Releases for quarter 3	2,460,629,250	1,839,255,000
Total Exchequer Releases for quarter 4	1,314,582,750	1,705,491,000
Total	7,231,797,300	5,618,088,000

2. DONOR FUNDS RELEASED THROUGH EXCHEQUER RELEASES AS PER CARA

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Rehabilitation of Village Polytechnics	35,163,298	35,239,625
Compensation for User fee forgone	22,185,346	22,185,346
KRB- Road Maintenance Levy Fund	201,434,082	132,070,861
Agriculture Sector Development Support Project (ASDSP)	7,679,002	-
Total	266,461,728	189,495,832

3. LOANS AND GRANTS FROM DEVELOPMENT PARTNERS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)		
DANIDA - Universal Healthcare in Devolved Units Programme	19,968,750	21,870,000
Transforming Health Systems for UNIVERSAL CARE PROJECT – (THS-UCP)	47,973,188	49,023,004
National Agricultural & Rural Inclusive Growth Project (NARIGP)	248,805,986	50,000,000
Kenya Devolution Support Programme (KDSP)	30,000,000	-
Kenya Urban Support Project (KUSP-UDG)	85,371,975	119,361,500
Kenya Urban Support Project- (KUSP-UIG)	8,800,000	10,188,000
Total	440,919,900	250,442,504

COUNTY EXECUTIVE OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

4. OTHER REVENUES (LOCALLY GENERATED)

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Land rates	1,942,706	1,619,211
Land transfers/sales/change of use	45,000	147,925
Lease Charges (Consent/transfers)	0	10,000
Stalls/plot/ground rents	1,164,942	365,899
Single Business Permits	28,282,265	20,825,411
Market/Trade centre fees	27,094,832	22,053,227
Approval of plans/transfers/certificates	1,527,620	737,675
Housing fees	23,000	140,000
Fish Cess	5,356,153	4,071,105
Other Cess Incomes	5,784,913	5,863,688
Motorbike fees	2,193,596	1,005,545
Site Value Rates	45,000	14,106
Kiosk Rent	3,541,510	3,511,665
Slaughter House fees	975,122	1,040,860
Stock Auction Fees (Cattle/ goats/sheep)	3,718,296	3,708,785
Stock Movement Fees	249,330	291,950
Veterinary Charges	201,500	248,000
Advertising/bill boards	44,000	196,000
Landing fees (boats, planes, etc)	24,000	27,500
Bus park fees/ parking fees	24,893,094	17,691,410
Liquor licensing	0	-
Administration fees (Search/Beaconing)	25,100	40,350
Sanitation fees	8,390	303,240
Noise Pollution permit fees	144,947	-
Fire Inspection fees	0	27,000
Hire of Machinery and Equipment	1,006,000	16,610
Sale of tender documents	0	2,000
Conservancy fees/wildlife grants	0	3,300
Nursery School fees	0	-
Water Charges (Application/survey)	2,345	50,770
Registration of groups/schools/renewal	0	6,400
Fines and penalties	969,697	36,575
Survey/subdivision fees	0	-
Weights and measures fees	287,900	-
Bricks/sand/murram/stones	7,686,692	2,555,115
Miscellaneous incomes	1,265,797	2,773,829
Health Sector Charges (A-I-A)	156,091,866	125,654,378
Total	274,595,613	215,039,531

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5. COMPENSATION TO EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic salaries of permanent employees	1,366,869,635	2,964,219,471
Basic Wages of temporary employees	1,483,963,718	
Personal allowances paid as part of salary	221,101,966	135,618,156
Compulsory national social security schemes	9,476,400	2,997,886
Compulsory national health insurance schemes	63,998,114	33,513,510
Total	3,145,409,833	3,136,349,023

6. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	34,772,825	38,813,887
Communication, supplies and services	13,714,375	15,681,601
Domestic travel and subsistence	117,602,815	64,068,960
Foreign travel and subsistence	-	3,744,500
Printing, advertising and information supplies & services	41,397,190	41,101,616
Rents and rates-non-residential	12,633,415	4,670,000
Training expenses	48,682,655	45,958,785
Hospitality supplies and services	27,866,210	47,070,458
Insurance costs	20,992,952	28,234,680
Specialized materials and services	324,647,785	237,570,050
Office and general supplies and services	56,689,188	91,541,290
Other grants and transfers	266,227,213	83,322,852
Contracted Professional services	69,577,599	74,732,258
Routine maintenance of motor vehicles	24,800,550	27,873,625
Refined Fuel, oil and lubricants	37,570,377	51,417,601
Routine maintenance – other assets	6,792,869	15,419,326
Total	1,103,968,018	871,221,489

7. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to County Assembly of Homa Bay	861,000,000	890,623,273
TOTAL	861,000,000	890,623,273

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8. TRANSFER TO HOMA BAY COUNTY BURSARY FUND

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Scholarships and other educational benefits-Bursary	0	103,000,000
TOTAL	-	103,000,000

9. SOCIAL SECURITY BENEFITS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
National social security fund (Employer's contribution)	1,421,460	2,997,886
Government Pension and Retirement Benefits/Lap Trust	4,557,236	1,605,092
Government Pension and Retirement Benefits/Lap Fund	15,096,586	8,428,742
TOTAL	21,075,282	13,031,720

10. ACQUISITION OF ASSETS

<u>Non- Financial Assets</u>	2019 - 2020	2018 - 2019
	Kshs	Kshs
Construction of Buildings-Non Residential	331,720,285	44,257,616
Refurbishment of Buildings- Non Residential	47,332,506	-
Construction of major Roads, access roads and bridges	704,869,209	355,668,035
Other Infrastructure and civil works	1,543,228,854	543,072,254
Purchase of Office Furniture and General Equipment	11,164,763	11,908,122
Purchase of motor vehicles	14,500,000	
Purchase of Specialized Plant, Equipment and Machinery	116,328,542	77,464,305
Purchase of Certified Seeds, Breeding Stock and Live Animals		5,999,000
Project preparation, engineering and design	-	9,705,381
Total	2,769,144,159	1,048,074,713

11. CAPITAL GRANTS AND TRANSFERS

	2019-2020	2018-2019
	Kshs	Kshs
Village Youth Polytechnic	35,163,298	
Homa Bay Municipal Board (KUSP-UDG)	85,371,975	
Total	120,535,273	

12. OTHER GRANTS AND TRANSFERS

	2019-2020	2018-2019
	Kshs	Kshs
Other Grants and Transfers (NARIGP)	248,805,986	
KUSP-UIG	8,800,000	
Total	257,605,986	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CASH AND BANK BALANCES

BANK BALANCES

Name of Bank, Account No. & Currency	2019/2020	2018/2019
	KShs	Kshs
<i>Homa Bay County CBK-CRF A/C No.1000171065</i>	360,692,673	437,751,984
<i>Homa Bay County CBK-Development A/C NO.1000170611</i>	73,150,218	18,696
<i>Homa Bay County CBK-Recurrent A/C NO.1000170627</i>	6,804,980	51,331,617
<i>Homa Bay County CBK-NARIG A/C NO.10000369148</i>	87,359,105	50,000,000
<i>Homa Bay County CBK-NARIG KCB-NARIG A/C NO1236900391</i>	25,364,672	
<i>Homa Bay County Government CBK Deposit A/C No.1000260343</i>	16,710,320	3,900,000
<i>Homa Bay County KCB-Revenue A/c NO.1140763555</i>	1,440,044	2,439,064
<i>Homa Bay County CBK-ASDSP A/C NO1000389699</i>	2	5,500,000
<i>Homa Bay County CBK-UNIVERSAL Health Care Project A/C NO 1000347031</i>	49,838,258	22,582,366
<i>Co-operative Bank Standing Imprest A/C No.01141590600100</i>	4,036,439	92,322,784
<i>Homa Bay County CBK-Road Maintenance Levy Fund A/C NO.1000260351</i>	204,206,516	112,943,340
<i>Homa Bay County CBK-Kenya Urban Support Programme A/C NO. KCB 12147953181</i>	17,722,285	116,361,500
<i>Department of Finance and Economic Planning –Equity Bank A/C No. 0980262854542</i>	2,120,743	13,075,783
<i>Department of Education and ICT -Equity Bank A/C No.9802086811721</i>	11,993	932,846
<i>Department of Transport And Infrastructure- Equity Bank A/C No.980263681703</i>	972,763	344,908
<i>Department of Trade, Industrialization and Co-operatives- Equity Bank A/C No.980203681992</i>	254,466	148
<i>Department of Lands and Physical Planning - Equity Bank A/C No.980263681992</i>	677,945	3,296
<i>Department of Energy and Natural Resources - Equity Bank A/C No.980263681592</i>	86,142	542
<i>Department of Agriculture Livestock and Fisheries - Equity Bank A/C No.980263682688</i>	74,980	10,896

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County Public Service Board - Equity Bank A/C No.98026718929	3,390	45,385
Department of Health Services - Equity Bank A/C No.9802353681654	2,119,617	10,455,211
Department of Tourism Sports and Culture - Equity Bank A/C No.980235681654	1,463	3,786
Department of Water Services and Environment - Equity Bank A/C No. 980263681691	1,817,105	- 3,205
Department of Executive Services - Equity Bank A/C No. 980268738509	18,326	1,008
Department of Agriculture Livestock and Fisheries - ASDSP KCB Bank A/C No.1233914715	9,112,394	
Executive Loan Account -A/C No.0980265695534	-	-
Education Bursary Fund -Equity Bank A/C No.0980263410113	-	-
Emergency Fund Account-Equity Bank A/C No.	-	
Homa Bay County Village Polytechnic CBK A/C No.1000369857	-	-
Nyakwere Market Project -Equity Bank A/c No.0980268924175	-	709,718
Homa Bay County -Deposit and Retention A/C No.01141589952400	-	1,517,762
SUB COUNTY HOSPITALS		
Homa Bay County Referral Hospital -Co-op Bank A/C No.01141589382900	4,672,564	4,659,335
Homa Bay County Referral Hospital -KCB Bank Collection A/C No.1252185146	1,000,184	1,511,353
Ogongo Subcounty Hospital -Co-op Bank A/C No.1141331281300	220	475,510
Rangwe Subcounty Hospital -Co-op Bank A/C No.11415893800	342,935	777,796
Kuge Health Centre-CO-OP Bank A/C No.01141331765800	-	97,161
Kendu Bay Subcounty Hospital -Co-op Bank A/C No.1141589338400	323,195	1,022,983
Rachuonyo District Hospital -Co-op Bank A/C No.1141589338400	213,146	2,414,361
Kisegi Level 4 Hospital -KCB Bank A/C No.1164813048	323,888	514,834
Kiembe Health Centre -CO-OP Bank A/C No. 01100047275100	2,608	

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<i>Mbita District Hospital-CO-OP Bank A/C No.</i>	53,693	751,642
<i>Mbita Sub-District Hospital- KCB Bank A/C No.1163186821</i>	249,252	861,865
<i>Kabondo Sub County Hospital-CO-OP Bank A/C No1141455391900</i>	473,952	
<i>Ndhiwa Sub District Hospital-CO-OP Bank A/C No.01141636116300</i>	2,495,221	789,235
<i>Kandiege 4 Hospital -KCB Bank A/C No.1164813048</i>	919,057	819,124
<i>Nyagoro Health Centre-CO-OP Bank A/C No.1141048044200</i>	-	151,798
<i>Oridi Community Health Centre-CO-OP Bank A/C No.1109076500500</i>	2,089	1,416
<i>Got Oyarro Health Centre-KCB Bank A/C No.11422554171</i>	219,777	152,409
<i>Otarro Health Centre-Co-op Bank A/C No.01141590794600</i>	106,878	
<i>Harambee Health Centre -KCB Bank A/C</i>	505	63,587
<i>Kadhola Community Health Centre-CO-OP Bank A/C No.11000047804900</i>	1,626	17,886
<i>Nyatoto Health Centre-CO-OP Bank A/C No.1141330077300</i>	-	
<i>Magina Health Centre – CO-OP Bank A/C No.1121842089</i>	68,261	2,087
<i>Seka Health Centre-CO-OP Bank A/C No.11410763372500</i>	-	
<i>Odino Health Centre – CO-OP Bank A/C No. 1216915385</i>	-	
<i>God Bura Health Centre-CO-OP Bank A/C No.1141076437300</i>	-	
<i>Magunga Health Centre-CO-OP Bank A/C No.1141076455000</i>	(33,380)	
<i>Ndiru Health Centre-CO-OP Bank A/C No.1141076464600</i>	1,144,590	
<i>Usao Health Centre-CO-OP Bank A/C No.1141330271000</i>	-	
<i>Tom Mboya Health Centre-CO-OP Bank A/C No.1141076983500</i>	-	31,757
<i>Sena Health Centre-CO-OP Bank A/C No.1141076847900</i>	1,043,016	707,810
<i>Okiki Amayo Memorial Health Centre-KCB Bank A/C No.1105031985</i>	-	745

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Got Kojowi Health Centre-CO-OP Bank A/C No.1141047961001	28,962	197,181
Wagwe Health Centre-KCB Bank A/C No.11354498822	-	
KogwenoOriang Health Centre-KCB Bank A/C No.1135720134	-	19,897
Oriang SDA Dispensary-KCB Bank A/C No 1252829663	346,050	
Kitare Health Centre-CO-OP Bank A/C No.1141293509000	481,607	
Rachar Health Centre- CO-OP Bank A/ C No.01141590854200	114,365	
Tom Mboya Health Centre-KCB Bank A/C No.1164404172	63,317	
Othoro Health Centre-KCB Bank A/C No.117926311	-	
Kokwanyo Health Centre-KCB Bank A/C No.1135297665	394,638	327,762
Ringa Health Centre- KCB Bank A/C No.1216487863	36,695	
Marindi Health Centre-CO-OP Bank A/C No.1141076050000	-	236,530
Makongeni Health Centre-CO-OP Bank A/C No.1141456943000	1,256	214,677
Homa Lime Health Centre-CO-OP Bank A/C No.1134076370600	-	98,787
God Ber Health Centre-KCB Bank A/C No.1125322063	4,387	4,551
Pala Masogo Health Centre-CO-OP Bank A/C No.1141456915700	-	
Obanga Health Centre-CO-OP Bank A/C No.1141076442400	-	
Pala Health Centre – KCB Bank A/C No. 1121528406	889,887	197,658
Nyabola Health Centre-CO-OP Bank A/C No.1142303187	56,087	
Nyangiela Health Centre-CO-OP Bank A/C No.01141796275500	10,925	
Suba District Hospital-KCB Bank A/C No.1163886289	1,322,888	2,560,568
Lwanda Gwasi Community Health Centre-CO-OP Bank A/C No.1141292209600	81,983	
Nyarut Health Centre-CO-OP Bank A/C No.1141456958100	86,271	34,576

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<i>Kauma Ramba Health Centre-KCB Bank A/C No.1118240472</i>	130,963	132,871
<i>Kokech Mirondo Health Centre-CO-OP Bank A/C No.1141455701300</i>	-	
<i>Ngere Health Centre-Equity Bank A/C No.760199725773</i>	-	
<i>Oredho Health Centre – CO-OP Bank A/C No.01141796099900</i>	-	78,599
<i>Mukuyu Health Centre - CO-OP Bank A/C No.01141636799600</i>	840	
<i>Nyaoga Community Dispensary-CO-OP Bank A/C No.01141590482000</i>	-	79,184
<i>Oriwo Health Centre -KCB Bank A/C No.1178082385</i>	-	3,889
<i>Misare Health Centre-CO-OP Bank A/C No.1141076462200</i>	-	101
<i>Amoyo Health Centre – CO-OP Bank A/C No. 01100076486000</i>	1,083	24,841
<i>Orego Health Centre-CO-OP Bank A/C No.1141589806500</i>	-	9,899
<i>Wikomino Health Centre-CO-OP Bank A/C No.01141292909100</i>	-	2,433
<i>St. Elizabeth Ndisi Health Centre – CO-OP Bank A/C No.01141636726300</i>	2,142	5,590
<i>Awach Health Centre – KCB Bank A/C No. 1184125694</i>	506	93,288
<i>Tonga Mission Health Centre-Co-op Bank A/C No.01100048331600</i>	129,348	23,565
<i>Ugina Health Centre-CP Bank A/C No. 01141076649300</i>	-	138,014
<i>Miriu Health Centre-KCB Bank A/C No.1109937040</i>	-	
<i>Ober Health Centre-K CB Bank A/C No.1105527441</i>	570,006	
DISPENSARIES		
<i>Ngeta Dispensary -Co-op Bank A/C No.1141455147800</i>	60,528	68,664
<i>Oyuma Dispensary –KCB Bank A/C No.1135663493</i>	9,115	107,027
<i>Ober Kabuoch Dispensary- Co-op Bank A/C No.01141047517500</i>	1,130	2,218
<i>Mukende Dispensary Co-op Bank A/c No 01141293534301</i>	-	2,512
<i>Kasewe Dispensary -KCb Bank A/C No.1150482435</i>	25,236	1,659
<i>Atela Dispensary – KCB Bank A/C No. 1137863021</i>	111,772	26,965
<i>Kiasa Dispensary -CO-OP Bank A/C</i>	74,366	-

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No.1141047305400		
Wikoteng Dispensary -Co-op Bank A/C No.1141456962100		31,832
Ongako Dispensary-CO-OP Bank A/C No.01141636450700	51,382	7,497
Rayudhi Community Dispensary-CO-OP-Bank A/C 01141047116000	53,821	32,633
Langi Kadero Health Centre-CO-OP Bank A/C No.01141981625500	77	
Andiwo Health Centre -CO-OP Bank A/C No.01141636205400	49,213	1,307
Kawanga Dispensary-CO-OP Account No.01141637284900	257,712	
Pala Dispensary KCB -Bank A/C No.1210289091	7,318	1,388
Kosele Dispensary -KCB Bank A/C No.1149786728	3,629	1,575
Lela Dispensary -KCB Bank A/C No.1138855383	-	18,132
Olando Dispensary -KCB Bank A/C No.1141944987	20,601	
Kisaku Dispensary -CO-OP Bank A/C No.1141330081700	-	
Okok Dispensary -CO-OP Bank A/C No.1141047986500	1,293	30,480
Ombo Kach Eng' Dispensary - CO-OP Bank A/C No. 01100047460000	3,968	4,414
Omboga Dispensary -CO-OP Bank A/C No.1141017265700	-	
Kwamo Community Dispensary -CO-OP Bank A/C No.1141076487800	13,154	22,823
Kijebi Dispensary- KCB Bank A/C No.1197703829	107,196	1,016
Nguku Dispensary -CO-OP Bank A/C No.1141047412700	2,092	4,213
Kobodo Dispensary -CO-OP Bank A/C No.1141434893500	116,153	62,841
Kome Dispensary -CO-OP Bank A/C No.1100047430100	56,031	817
Ndere Dispensary -KCB Bank A/C No.1176945742	646	
Kigua Dispensary -CO-OP Bank A/C No.01141047336800	-	1,172
Lwanda Kobita Dispensary -CO-OP Bank A/C No.1100047432600	-	
Adiedo Dispensary -KCB Bank A/C No.11355740984	-	104,215
Unga Dispensary -KCB Bank A/C No.1101511818	1,136	1,025
Ndhuru Dispensary -CO-OP Bank A/C	-	

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No.1141047938100		
Nyamadede- Community Dispensary -Equity Bank A/C 0760193623504	49,486	
Alum Beach Dispensary -KCB Bank A/C No.1135908486	-	
Okok Dispensary -CO-OP Bank A/C No.1141047986500	-	
Chuoye Dispensary -KCB Bank A/C No.1113917709	15,589	
ChuthBer Dispensary -CO-OP Bank A/C No.1141456703000	-	
Ombo Kachieng Dispensary -CO-OP Bank A/C No.1100047460000	-	
Maram Dispensary -CO-OP Bank A/C No.1141292824200	88,420	82,894
Lwanda Awiti Dispensary -CO-OP Bank A/C No.1141433196200	-	4,483
Kodulla Community Dispensary -KCB Bank A/C No.1177332183	86,147	70,865
Nyalgosi Dispensary -KCB Bank A/C No.1119816920	-	
Koduogo Dispensary CO-OP Bank A/C No.01141456911400	108,164	25,069
Ponge Dispensary -National Bank A/C No.101248046522200	141,027	96,317
Ponge Community Dispensary -National Bank A/C No.1248046522200	-	
Wikondiek Dispensary -CO-OP Bank A/C No.1141454777900	76,644	152,096
Chuh Ber Dispensary-CO-OP Bank A/C No.01141456703000	-	78,800
Kachuth Dispensary -CO-OP Bank A/C No.1141434476800	2,342	
Rangwe Dispensary -KCB Bank A/C No.1134787510	-	5,908
Otange Dispensary -CO-OP Bank A/C No.1141433929000	9,116	7,796
Randhore Dispensary -CO-OP Bank A/C 01109433994900	-	53,257
Nyawango Dispensary -CO-OP Bank A/C No.1141454182600	-	179,762
Randung Dispensary -CO-OP Bank A/C No.1141047451300	43,537	
Kimonge Dispensary -KCB Bank A/C No.1119674980	67,387	
Masogo Dispensary -KCB Bank A/C No.1119612144	92,224	

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<i>Kangire Community Dispensary -CO-OP Bank A/C No.1141589149300</i>	-	70,377
<i>Malela Dispensary -KCB Bank A/C No.1143762061</i>	-	2,396
<i>Obuya Dispensary-CO-OP Bank A/C No.01141456894200</i>	-	68,962
<i>Kobuya Community -KCB Bank A/C No.1119685103</i>	5,894	
<i>Ngei Community Health Centre Project -Equity Bank A/C No.0760199725773</i>	-	723
<i>Roo Dispensary-CO-OP Bank A/C No.01141331157400</i>	-	55,746
<i>Lambwe Dispensary -CO-OP Bank A/C No.1141076920800</i>	-	5,656
<i>Nyamrisra Dispensary -Equity Bank A/C No.076029545280</i>	-	917
<i>Rariew Dispensary -CO-OP Bank A/C No.1141047963500</i>	146,450	100,727
<i>Agawo Dispensary – KCB Bank A/C No.1135766940</i>	-	
<i>Opemle Community Dispensary-KCB Bank A/C No.1133706088</i>	2,858	
<i>Kigwa Dispensary -CO-OP Bank A/C No.1141047336800</i>	85,829	
<i>Nyawita Dispensary-CO-OP Bank A/C No.01141456905300</i>	-	160,793
<i>Ongamo Dispensary – KCB Bank A/C No.1136686991</i>	-	21,064
<i>Got Kamondi Dispensary -KCB Bank A/C No.114268509</i>	45,677	
<i>Yala Dispensary -CO-OP Bank A/C No.1141266172400</i>	-	581
<i>Angiya Dispensary -CO-OP Bank A/C No.1141330090300</i>	32,084	
<i>Waware Dispensary -CO-OP Bank A/C No.1141076827400</i>	--	
<i>Ngodhe Dispensary -CO-OP Bank A/C No.1141076982600</i>	-	21,383
<i>Nyawawa Dispensary -CO-OP Bank A/C No.11414569800</i>	-	
<i>Yokiya Self Help Dispensary -Equity Bank A/C No.760193043171</i>	-	
<i>Obalwanda Dispensary -Equity Bank A/C No.760293733003</i>	-	96,106
<i>Lwanda Obita Dispensary -CO-OP Bank A/C No.01100047432600</i>	71,472	1,811
<i>Nduga Dispensary -CO-OP Bank A/C No.1141456912500</i>	-	44,930

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Ragwe Dispensary -KCB Bank A/C No.1134787510	82,180	
Ringiti Dispensary -CO-OP Bank A/C No 01141331762900	-	
Miniambo Community -CO-OP Bank A/C No.114292373900	-	
Kijawa Dispensary -CO-OP Bank A/C No.1141076526800	283,585	200,185
Nyalkinyi Dispensary -CO-OP Bank A/C No.1141293642900	152,094	80,404
Nyawango Dispensary -CO-OP Bank A/C No.1141454182600	-	179,762
Ojwando Dispensary -KCB Bank A/C No.1149802065	70,135	76,967
Nyamasi Dispensary -CO-OP Bank A/C No.1141047485101	83,608	70,598
Wiga Dispensary -CO-OP Bank A/C No.11411048182000	-	126,175
GK Prison Dispensary -CO-OP Bank A/C No.1141293996600	44,618	1,292
Omiro Dispensary -KCB Bank A/C No.1118846257	-	
On'gamo Dispensary -KCB Bank A/C No.11366686991	-	
Lambwe Forest Dispensary -CO-OP Bank A/C No.1141292949900	1,336	
Tala Dispensary -KCB Bank A/C No.1136084053	102,675	642
Ndegu Dispensary - CO-OP Bank A/C No. 01141048163300	-	
Gongo Dispensary -CO-OP Bank A/C No.1141047541500	-	34,294
Ombek Dispensary -KCB Bank A/C No.1136985387	-	6,188
Malongo Community Dispensary -CO-OP Bank A/C No.1141293502200	-	
NYS Lambwe Dispensary Project -CO-OP Bank A/C No.1100048228500	62,608	3,309
Kiwa Island Dispensary -KCB Bank A/C No.1113031379	58,440	
Ngegu Dispensary -CO-OP Bank A/C No.1141848163300	-	84,786
Nyadenda Dispensary -Equity Bank A/C No.760295131198	-	
Obunga Dispensary -Co-op Bank A/C No.11000472212200	-	
Sino Dispensary -KCB Bank A/C No.1119724015	75,429	

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<i>Oeno Dispensary -CO-OP Bank A/C No.1141456109600</i>	-	17,420
<i>Nyandiwa Dispensary-CO-OP Bank A/C No.01141330322600</i>	3,543	
<i>Atella Dispensary -KCB Bank A/C No.1137863021</i>	-	
<i>Randu Dispensary -CO-OP Bank A/C No.1100047451300</i>	-	
<i>Adiedo Dispensary -KCB Bank A/C No.1135740984</i>	-	
<i>Remba Dispensary -CO-OP Bank A/C No.1141331134300</i>	-	
<i>Nyangajo Dispensary -KCB Bank A/C No.2345261161</i>	44,285	
<i>Kajiei Dispensary -KCB Bank A/C No.11388330453</i>	229,251	290,910
<i>Nyakweri Dispensary -CO-OP Bank A/C No.1141330561600</i>	-	
<i>Wakula Dispensary – CO-OP Bank A/c No 01141076826000</i>	-	29,917
<i>Soklo Dispensary –Co-op Bank A/c No 01141330126900</i>	-	
<i>Takawiri Dispensary- Co-op Bank A/C No 01141047027200</i>	47,634	18
<i>SimbiKogembo Dispensary -KCB Bank A/C No.1137002360</i>	71,093	2,481
<i>Koywech Dispensary -KCB Bank A/C No.1135095639</i>	43,590	21,916
<i>Rakwaro Dispensary -KCB Bank A/C No.1225537657</i>	58,633	12,489
<i>Agao Dispensary -KCB Bank A/C No.1135766940</i>	-	
<i>Aimo Dispensary – CO-OP Bank No.01141796064100</i>	-	
<i>Nyambare Dispensary -CO-OP Bank A/C No.1141456964600</i>	-	
<i>Obwanda Dispensary – CO-OP Bank A/C No 01141076503900</i>	1,771	95,644
<i>Obwanda Dispensary -Equity Bank A/C No.760993733003</i>	-	
Total	886,748,289	945,839,821

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7. OTHER IMPORTANT DISCLOSURES

14. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2019 - 2020	2018 - 2019
	KShs	KShs
Government Imprests		-
Debtors and staff imprest	16,537,980	11,117,900
Total	16,537,980	11,117,900

15. ACCOUNTS PAYABLE

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Deposits and Retention	16,710,320	5,417,762
Total	16,710,320	5,417,762

16. FUND BALANCE BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	KShs	KShs
Bank accounts	951,539,959	724,322,532
Total	951,539,959	724,322,532

17. PRIOR YEAR ADJUSTMENTS

Description	2019/2020	2018/2019
	Kshs	Kshs
Adjustments on bank account balances	-	16,451,778
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (<i>specify</i>)		
Total	-	16,451,778

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18. PENDING ACCOUNTS PAYABLE - PENDING BILLS (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	201,269,377	328,042,280	108,564,920	420,746,737
Supply of goods	105,144,301	92,326,815	-	197,471,116
Supply of services	8,453,834	19,965,804	-	28,419,638
Total	314,867,512	440,334,899	108,564,920	646,637,491

ADDITIONAL NOTES TO THE AMENDED STATEMENT

19. PRIOR YEAR ADJUSTMENTS

The figure of prior year adjustment of Kshs 16,451,778 comprised of; Casting error of Kshs 10,000,000 and understated revenue of Kshs 6,451,778 were revenue from Health Facilities which had not been captured.

20. RENT RECEIVABLE ARREARS

	2019 - 2020	2018 - 2019
	KShs	KShs
	2,201,000	-
Total	2,201,000	-

21. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

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Related party transactions

	2019- 2020	2018- 2019
	Kshs	Kshs
Key Management Compensation (Governors, CEC Members and COs)		
<u>Transfers to related parties</u>		
Transfer to the County Assembly	861,000,000	890,623,273
Total Transfers to related parties	861,000,000	890,623,273
<u>Transfers from related parties</u>		
Transfers from the Exchequer	7,231,797,300	5,618,088,000
Transfers from MDAs	258,782,726	189,495,832
Transfers from SCs and SAGAs- National Government	448,598,903	250,442,504
Total Transfers from related parties	7,939,178,929	6,058,026,336

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22. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0 Social Security Benefits	Social Security Benefits of Kshs 13,031,720 Ledger not provided	The Management Concurred with the Auditors Observation. However, the Ledger has now been provided for Audit Review	Chief Officer Finance	Resolved	
4.0 Bank Balance for Health Facilities	Bank Statements, Certificates of Bank Balance and Bank statements for 64 Facilities amounting to Kshs 8,877,924 not provided for audit	The Management concurred with the Auditors Observation, However, the Bank statements, Certificates for the 64 facilities have been provided for audit review	Chief Officer Finance	Resolved	

CEC, County Treasury

Sign.....

Date..... 04/09/2021

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9.1. ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER FOR THE YEAR ENDED 30 JUNE, 2020

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Other transfers- Donor funds transferred through exchequer	Total Transfers from the National Treasury/ Exchequer
Exchequer Releases for quarter 1	2,243,124,300	-	-	-	2,243,124,300
Exchequer Releases for quarter 2	1,213,461,000	-	-	101,850,977	1,315,311,977
Exchequer Releases for quarter 3	2,460,629,250	19,968,750	-	201,434,082	2,682,032,082
Exchequer Releases for quarter 4	1,314,582,750	-	-	384,127,819	1,698,710,569
Total	7,231,797,300	19,968,750	-	687,412,879	7,939,178,928

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ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE FOR THE YEAR ENDED 30TH JUNE, 2020

Supplier of Goods or Services	Outstandin g Balance 2018/2019	Additions for the Year 2019/2020	Amount Paid To-Date	Outstanding Balance 2019/2020	Comments
	A	B	c	d=a+b-c	
Construction of buildings					
1. Construction of buildings					
Sub-Total					
Construction of civil works					
2. Construction of civil works	201,269,377	328,042,280	108,564,920	420,746,737	
Sub-Total	201,269,377	328,042,280	108,564,920	420,746,737	
Supply of goods					
3. Supply of Goods	105,144,301	92,326,815		197,471,116	
Sub-Total	105,144,301	92,326,815		197,471,116	
Supply of services					
4. Supply of services	8,453,834	19,965,804		28,419,638	
Sub-Total	8,453,834	19,965,804		28,419,638	
Grand Total	314,867,512	440,334,899	108,564,920	646,637,491	

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER FOR THE YEAR ENDED 30TH JUNE, 2020

Asset class	Historical Cost b/f (Kshs) 2018/2019	Historical Cost c/f (Kshs) 2019/2020
Land	-	
Buildings and structures	44,257,616	
Transport equipment	-	
Office equipment, furniture and fittings	11,908,122	
Other Assets in form of Services		
Assets Description		
Construction of Roads		531,869,209
Other Infrastructure and civil works		939,393,881
Refurbishment of Buildings- Non-Residential		47,332,506
Construction of Buildings-Non-Residential		250,720,285
Total	56,165,738	1,769,315,881

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ANNEX 4 – INTER-ENTITY TRANSFERS FOR THE YEAR ENDED 30TH JUNE, 2020

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred Kshs	Amount Confirmed as received Kshs	difference	explanation
1	County Assembly	160,000,000	200,000,000	284,000,000	217,000,000	861,000,000	861,000,000		
2	Bursary fund								
3	NARIGP				248,805,986	248,805,986	248,805,986		
4	Village Youth Polytechnic				35,163,298	35,163,298	35,163,298		
5	ASDP				7,679,002	7,679,002	7,679,002		
6	KUSP-UDG				85,371,975	85,371,975	85,371,975		
7	KUSP-UIG				8,800,000	8,800,000	8,800,000		
7	Road Levy Fund				201,434,082	201,434,082	201,434,082		
8	USER FEES				22,185,346	22,185,346	22,185,346		
9	DANIDA				19,968,750	19,968,750	19,968,750		
10	HOMA WASCO								
	Total	160,000,000	200,000,000	284,000,000	846,408,439	1,490,408,439	1,490,408,439		