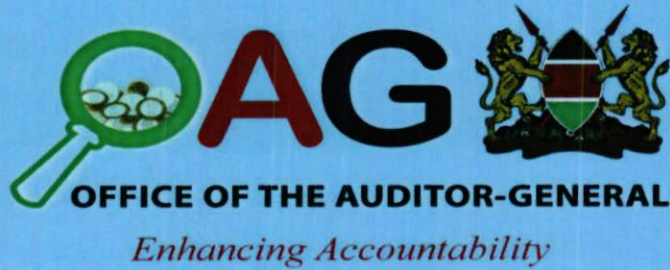


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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF KILIFI

**FOR THE YEAR ENDED
30 JUNE, 2021**



COUNTY GOVERNMENT OF KILIFI

COUNTY EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

THE COUNTY EXECUTIVE OF KILIFI
Annual Report and Financial Statements
For the year ended June 30, 2021.

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THE COUNTY EXECUTIVE OF KILIFI

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For the year ended June 30, 2021.

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

Vision

To be a leading, vibrant, highly productive, secure and prosperous county providing high quality life for all its inhabitants

Mission

To provide an enabling environment for efficient utilization of resources, industrial growth and effective provision of essential services for improved quality of life for all.

Core Values

- Integrity
- Prudent use of public resources
- Appreciation for diversity
- Environmental sustainability
- Transparency and accountability
- Inclusive and public participation

b) Key Management

The day-to-day management of the Kilifi County Executive is under the following officers:

No	Name	Designation	Date of Holding Office
1.	H. E. Amason J. Kingi	The Governor	21/08/2017
2.	H.E. Gideon E. Saburi	The Deputy Governor	21/08/2017
3.	Mr. Arnold Jefwa Mkare	County Secretary	01/03/2018
4.	Hon. Samuel Kombe Nzai	CEC Member for Finance and Economic Planning	04/01/2018
5.	Hon. Liciana Jumwa Sanzua	CEC Member for Agriculture, Fisheries and Livestock Development	04/01/2018
6.	Hon. Kiringi Karisa Mwachitu	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	04/01/2018
7.	Hon. Rachel Musyoki	CEC Member for Education and ICT	04/01/2018

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No	Name	Designation	Date of Holding Office
8.	Hon. Charles Dadu Karisa	CEC Member for Health Services	June 2020
9.	Hon. Professor Josphat Kazungu Mwatela	CEC Member for Roads, Transport and Public Works	04/01/2018
10.	Hon. Maureen Mnyazi Mwangovya	CEC Member for Lands, Energy, Housing, Physical and Urban Development	June 2020
11.	Hon. Dr. Anisa Ahmed Omar	CEC Member for Gender, Culture, Social Services and Sports	June 2020
12.	Hon. Nahida Mohamed Athman	CEC Member for Trade, Tourism and Cooperative Development	04/01/2018
13.	Hon. Professor Gabriel Gona Katana	CEC Member for Devolution, Public Service and Disaster Management	June 2020

Profiles of Members of the County Executive Committee



H.E Hon. Amason Jeffah Kingi, EGH

The Governor

H.E Hon. Kingi was sworn in as the first governor of Kilifi County on March 2013. Prior to his election as a governor, he was the Minister for Fisheries Development between 2010 to March 2013. He has also served as the Minister for East African community between 2008 and 2010. He has served as the Member of Parliament for Magarini from 2003-2013. H.E Kingi holds a degree in Law (LLB) from the University of Nairobi.

H.E Gideon Edmund Saburi



The Deputy Governor

H.E Saburi was elected as Deputy Governor for Kilifi County in August 2017. Between 2013 and 2017, he served as the CEC Member for Roads, Transport and Public works and later as CEC Member for Trade, Tourism, and Industrialisation. Previously, H.E Saburi worked as a lecturer and Chairman of the Civil Engineering Department at the Technical University of Mombasa. He holds a Master of Science (M.Sc) Engineering (Construction Management) degree from the Birmingham UK and a Bachelor of Science (B.Sc) in Civil Engineering degree from JKUAT). He is a civil engineer by profession.

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She holds a Bachelor of Science (B.Sc) degree in Horticulture from Egerton University, Master of Science (M.Sc) degree from Jomo Kenyatta University of Agriculture and Technology and currently due to graduate with PhD. Horticulture from Pwani University.

Hon. Mwachitu Karisa Kiringi



CEC Member for Water, Environment, Forestry, Natural Resources and Solid waste management

Hon. Mwachitu Kiringi was appointed as the CEC Member for Water, Environment, Forestry, Natural resources and Solid waste management in 2013. He has since been in the same role in managing and coordinating functions of the county department. Before his appointment Hon. Mwachitu was a conservation education officer at the wildlife club of Kenya in charge of rift valley region (Lake Nakuru environmental education centre). He holds a Bachelor Degree in Environmental Studies and Community Development from Kenyatta University.



Hon. Racheal Mbula Musyoki

CEC Member for Education and Information Communication and Technology

Hon. Musyoki was first appointed as the County Executive Committee Member for Devolution, PSM and Disaster Management in 2013. She was later in 2015 deployed to the Department of Health Services until December 2017. Her second appointment in the County Government was in January 2018 as the CEC Member for Devolution, PSM and Disaster Management where she served until June 2020. She is currently serving as the CEC Member for Education & information Communication & Technology. Prior to the above appointments, she served in different roles at the Kenya Ports Authority. Hon. Racheal holds a Bachelor Degree in Business Administration (Human Resource option) from Kenya Methodist University. She also holds a Masters Degree in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology. Hon. Musyoki is a member of the Kenya Institute of Management.

Mr. Arnold Jefwa Mkare



County Secretary

Mr. Mkare was appointed the County Secretary in March 2018. Prior to this appointment, he served as the Clerk of Assembly in the County Assembly of Kilifi between 2013 and March 2018. Previously, he worked as a Town Clerk in Kilifi and Kwale town councils at different periods. Mr. Mkare is a holder of a Masters degree in Development, Administration and Management from Kampala International University and a Bachelor of Business Administration (BBA) degree in Corporate Leadership and Governance from the University of Costa Rica.

Hon. CPA Samuel Kombe Nzai



CEC Member for Finance and Economic Planning

Hon. CPA Samuel Kombe Nzai was appointed as the CEC Member for Finance & Economic Planning on 4th January, 2018. Since his appointment he has played a key role in advising both the County Executive and County Assembly on financial matters. Prior to this appointment, Hon. Nzai served as a General Manager, Internal Audit & Compliance at Mombasa Water & Sanitation Company. He has also served as the Systems Audit Manager at the Agriculture and Food Authority. Hon. Nzai holds a Master of Business Administration (Finance Option) degree from the University of Nairobi and a Bachelor of Education (Maths and Economics) degree from Egerton University. He is a member of the Institute of Certified Public Accountants of Kenya.

Hon. Luciana Jumwa Sanzua



CEC Member for Agriculture, Livestock and Fisheries Development

Hon. Luciana Jumwa Sanzua was appointed as CEC Member for Agriculture, Livestock and Fisheries Development on 4th January 2018. Prior to her appointment, Hon. Sanzua worked with the Independent Electoral and Boundaries Commission as a Constituency Elections Coordinator. She also served as Principal Agricultural Officer and chief advisor to the Permanent Secretary in the Ministry of Regional Development Authorities. Previously, she served as Head of Agriculture at the Coast Development Authority.

Hon. Charles Dadu Karisa



CEC Member for Medical Services

Hon. Charles Dadu was appointed as the CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development in 4th January, 2018. In June 2020 he was appointed as CEC Member for Medical Services. Before his appointment as a CEC Member, Hon. Dadu worked with the University of Nairobi as a lecturer. He holds a Master of Arts in Urban and Regional Planning and a Bachelor of Architecture degree from the University of Nairobi.

Hon. Professor Josphat Kazungu Ziro Mwatela



CEC Member for Roads, Transport and Public Works

Hon. Prof. Mwatela was appointed as the CEC Member for Roads, Transport and Public Works on 4th January 2018. Prior to this appointment, Prof. Mwatela served as the first Vice Chancellor of the Technical University of Mombasa. He also served as the first Principal of the former Mombasa University Technical College. He is a holder of a Bachelor degree (B.Sc) in Engineering, Survey and Photogrammetry from the University of Nairobi, a Masters degree (M.Sc) in Civil Engineering from Tottori University in Japan. He is a Professor of Geomatics Engineering.

Hon. Maureen Mwangovya



CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development

Hon. Mwangovya was appointed CEC Member for Gender, Social Services, Culture, Youth and Sports on 4th January 2018. Later in 2020 she was appointed as CEC Member for Lands, Energy, Housing, Planning & Urban Development. She is a programmes specialist with over 15 years professional experience in programmes management and implementation, policy advocacy, partnership and networking in programmes that focus on health, Education, water & sanitation, livelihood, gender & child rights and capacity building of communities aimed at achieving sustainable development. Prior to her appointment, Hon. Mwangovya worked with International and National Non- Governmental Organization especially in the Coast Region. She holds a Bachelors of Arts Degree in Economics/Government and a Masters Degree in Project Planning and Management and is currently admitted for a

Doctorate degree in Gender.

Hon. Dr. Anisa Ahmed Omar



CEC Member for Gender, Social Services, Culture, Youth & Sports

Dr. Anisa Ahmed Omar was appointed as the CEC Member for Medical Services on 4th January 2018. Later in 2020 she was appointed as CEC Member for Gender, Social Services, Culture, Youth & Sports. Prior to her appointment, Dr. Anisa worked with Pathfinder International as the Deputy Chief of Party for the Afya Pwani Project and Technical Advisor to Service Delivery. She also served as Program Manager for Adolescent Health at the Ministry of Health Headquarters. She holds a Masters degree in medicine (M. Med in Paediatrics) and a Bachelors degree in medicine (MB.Ch.B) both from the University of Nairobi.



Hon. Nahida Mohamed Athman

CEC Member for Trade, Tourism and Cooperative Development

Hon. Nahida was appointed CEC Member for Trade, Tourism and Cooperative Development on 4th January 2018. Prior to this appointment, Hon. Nahida worked as a lecturer at the Technical University of Mombasa and later as Economic Advisor in the Office of the Governor in the County Government of Kilifi. She holds a Bachelors degree in Hotel and Hospitality Management from Moi University and a Masters degree in Business Administration (Strategic Management) from the University of Nairobi. She is currently undertaking PhD in Economics from Moi University.



Hon. Professor Gabriel Katana Gona

CEC Member for Devolution, PSM and Disaster Management

Hon. Prof. Gabriel Katana Gona was appointed as the CEC Member for Education and Information Communication and Technology on 4th January, 2018. Later in 2020 he was appointed as CEC Member for Devolution, PSM and Disaster Management. Prior to joining the County Government of Kilifi, Prof Katana served as a Registrar and Deputy Principal in charge of

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academic affairs at Pwani University. He also served as the Chair of the Kilifi County Education Board and president of the Eastern African DIES-network in higher Education. He is a holder of a Doctorate Degree in Physics from the University of Mainz-Germany. Prof. Katana is the current chair of the County Executive Committee Members Education Caucus of the Council of Governors.

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name	ICPAK Reg. No.
1.	CEC Member Finance & Economic Planning	Samuel Kombe Nzai	12429
2.	Chief Officer Finance	Benjamin Kai Chilumo	4342
2.	Chief Officer Economic	Kennedy Muganga Chilibasi	20920
3.	Chief Officer Office of the Governor	Amina Nassor	
4	Chief Officer Agriculture & Livestock	Fredrick Baraka Kaingu	
5	Chief Officer Water Environment, Forestry, Natural Resources and Solid Waste Management	Kenneth Kazungu	
6	Chief Officer Education, information, Communication & Technology	Everlyne Mwenda Karisa	
7	Chief Officer Health Services	Ibrahim Alio Adan	
8	Chief Office Roads & Public Works	Kenneth Kazungu	
9	Chief Officer Lands, Energy, Housing, Physical & Urban Development	Moses Gunda	
10	Chief Officer Gender, Culture and Social Services	Vincent Mwalimu Lugwe	
11	Chief Officer Trade and Cooperative Development	Mary Mukare	
11	Chief Exective Officer County Public Service Board	Johnson H Randu	

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No.	Designation	Name	ICPAK Reg. No.
13	Chief Officer Devolution, Disaster & Public Service Management	Adan Mohamed	
14	Director Accounting Services	Bonaventure F.M. Mwakio	3346

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies for the County for the year ended 30th June 2020 were:

- County Assembly of Kilifi
- Controller of Budget
- Kilifi County Audit Committee
- The County Assembly of Kilifi Public Accounts Committee
- The County Assembly of Kilifi Budget and Appropriation Committee
- The County Assembly of Kilifi Economic planning and Trade Committee

The following are some of the fiduciary activities undertaken during the financial year

- Approval of the 2020/2021 Executive budget and supplementary estimates by the County Assembly
- Approval of funds withdrawal from the County revenue fund by the Controller of Budget
- Review and recommendations on financial management by the Audit Committee
- Discussion and recommendations on the Executive 2018/2019 Auditor General report by the County Assembly public Investment and Accounts Committee.
- Deliberations and recommendations on the 2020/2021 Executive budget and supplementary estimates by County Assembly Budget and Appropriation Committee

e) County Executive Headquarters

County Government of Kilifi
 Governor's office Building
 Bofa Road
 Kilifi, KENYA

f) County Executive Contacts

P.O. Box 519-80108, Kilifi
 Telephone: (254)
 E-mail: info@kilifi.go.ke
 Website: www.kilifi.go.ke

g) County Executive Bankers

Central Bank of Kenya
 Haile Selassie Avenue
 P.O. Box 60000

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City Square 00200
Nairobi, Kenya

- 1) Kenya Commercial Bank
Kilifi Branch
 - 2) Equity Bank
Kilifi Branch
 - 3) National Bank
Malindi Branch
 - 4) Cooperative Bank
Kilifi Branch
 - 5) Diamond Trust Bank
Kilifi Branch
 - 6) NIC Bank
Kilifi Branch
 - 7) Absa Bank
Kilifi Branch
 - 8) SBM Bank
Malindi Branch
- h) **Independent Auditors**
Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA
- i) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

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3. FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING

Preamble

It is with great pleasure that I present the County Executive of Kilifi financial statements for the year ended 30th June 2021. The financial statements present the County's financial performance for the period of twelve months.

The financial statements have been prepared in accordance with section 164 of the Public Finance Management Act, 2012 which requires the accounting officer of a county government entity to prepare financial statements in respect of the entity in the formats to be prescribed by the Accounting Standards Board. These financial statements present a true and fair view of the state of affairs of the County Government of Kilifi operations for the year ended 30th June 2021.

Functions of the County Government as per the County Government Act.

The county government shall be responsible for—

- (a) County legislation in accordance with Article 185 of the Constitution;
- (b) Exercising executive functions in accordance with Article 183 of the Constitution;
- (c) Functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
- (d) Any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
- (e) Any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
- (f) Establishment and staffing of its public

County Government's financing

Article 202 of the Constitution of Kenya, 2010 provides that revenue raised nationally shall be shared equitably among the national and county governments. The division of revenue between the national and county governments is done through the Division of Revenue Act (DoRA) while the division of the county allocation between county governments is done through the County Allocation of Revenue Act (CARA).

In addition to the national share, Article 209 (3) of the Constitution of Kenya, 2010 gives powers to county governments to impose property rates, entertainment taxes and any other tax that it is authorised to impose by Act of Parliament. This revenue forms the county's own generated revenues.

The CARA allocation and the county government's own generated revenues are consolidated to form the county revenue annual budget which finances the annual expenditure.

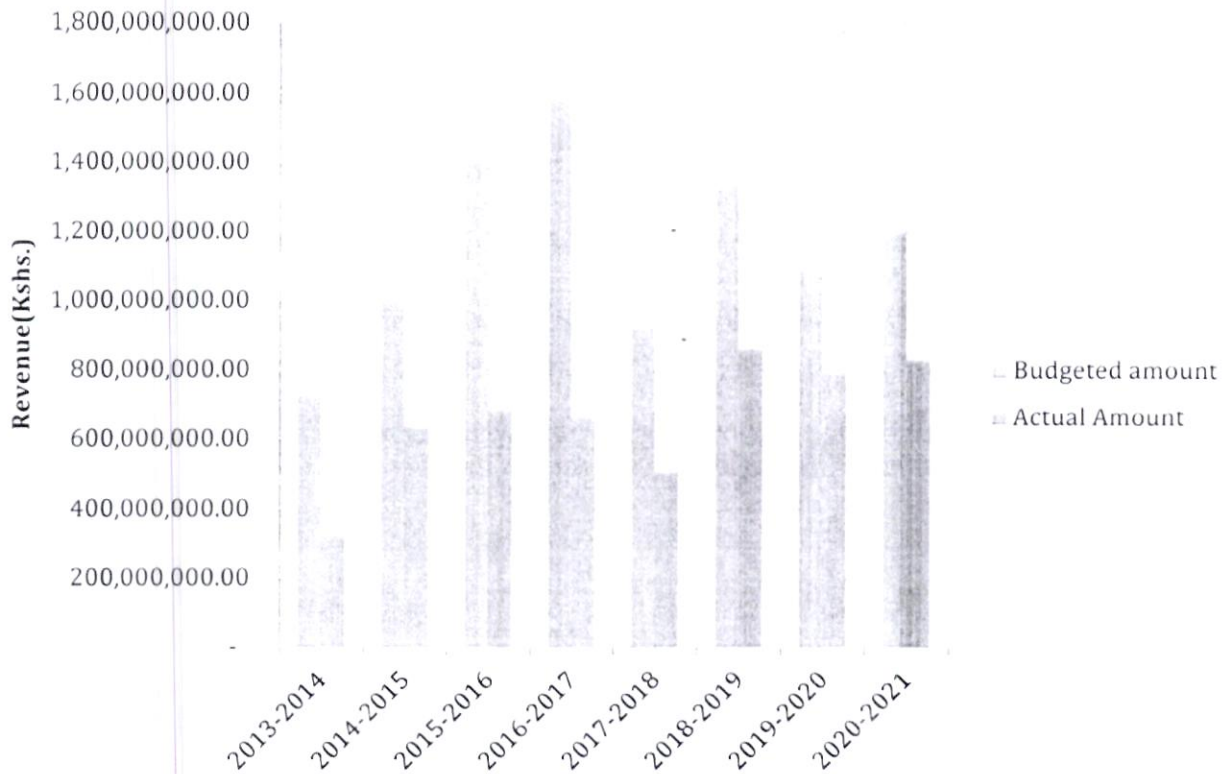
Financial Performance

(i) Receipts

In the financial year ended 30th June 2021 the County Government had an approved budget of Kshs. 14,661,031,385.

The County Government received 100% of its equitable share allocation of Kshs 10,444,500,000 as per the County Allocation of Revenue Act, 2020. The total collection of own source revenue for FY 2019/2020 was Kshs 829,717,651 which was 69% of the year's target of Kshs 1,205,616,156. However, the collection was high as compared to Kshs 793,713,056 collected in FY 2019/2020. This was largely attributed to the global Covid-19 pandemic, which paralyzed all sectors of the economy in the County and Country at large.

Revenue Performance for the last 8 years

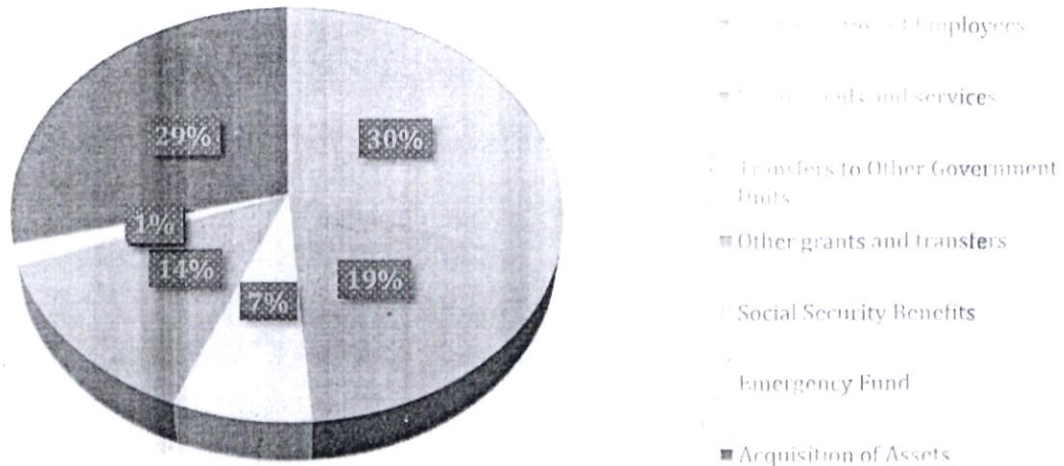


(ii) Expenditure

The County's actual expenditure for the FY 2020/2021 was Kshs 13,018,557,117 representing 89% of the approved budget for the year. An expenditure of Kshs 3,946,254,583 was utilized on compensation to employees. This represents 30% of the total expenditure which is in adherence to the fiscal responsibility principle that salaries and wages should not exceed 35% of the total budget. Development expenditure was Kshs 4,093,849,255 which is 31% of the total actual expenditure for the year and in line with the provisions of the PFM Act, 2012 on development expenditure.

A total of K.shs 965,897,386 was transferred to the County Assembly of Kilifi as a transfer to other government entities as provided for in the budget ceilings set by the Commission on Revenue Allocation.

Expenditure Performance



(iii) Departmental Performance

The County Executive of Kilifi has 12 entities namely:

- The Executive
- Finance & Economic Planning
- Agriculture Fisheries & Livestock Development
- Water Environment, Forestry, Natural Resources and Solid Waste Management
- Education and ICT
- Health Services
- Roads and Public Works
- Lands, Energy, Housing, Physical & Urban Development
- Gender, Culture And Social Services
- Trade and Cooperative Development
- Devolution, Public Service and Disaster Management
- County Public Service Board

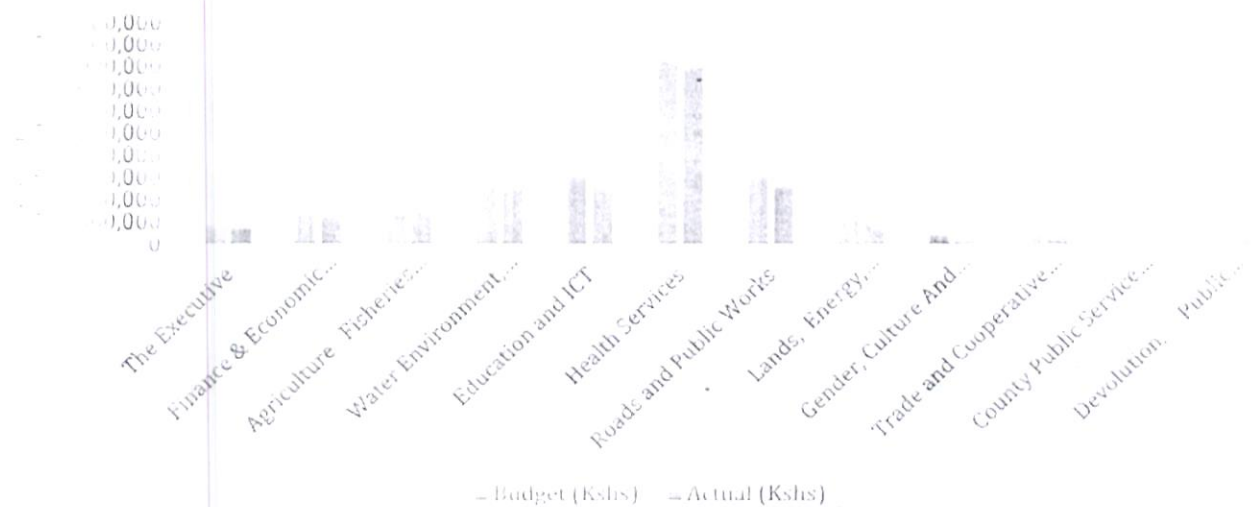
Each entity works independently in providing essential services to citizens. The performance of the County Executive entities during the financial 2020/2021 is highlighted below:

Department/entity	Original Budget (Kshs)	Approved Budget (Kshs)	Actual (Kshs)	Absorption Rate (%)
The Executive	370,395,858	443,930,350	402,392,445	91%
Finance & Economic Planning	792,846,889	805,890,540	664,540,422	82%
Agriculture Fisheries & Livestock Development	1,099,059,818	920,051,112	808,725,754	88%
Water Environment, Forestry, Natural Resources and Solid Waste Management	1,621,369,019	1,510,436,776	1,327,396,121	88%

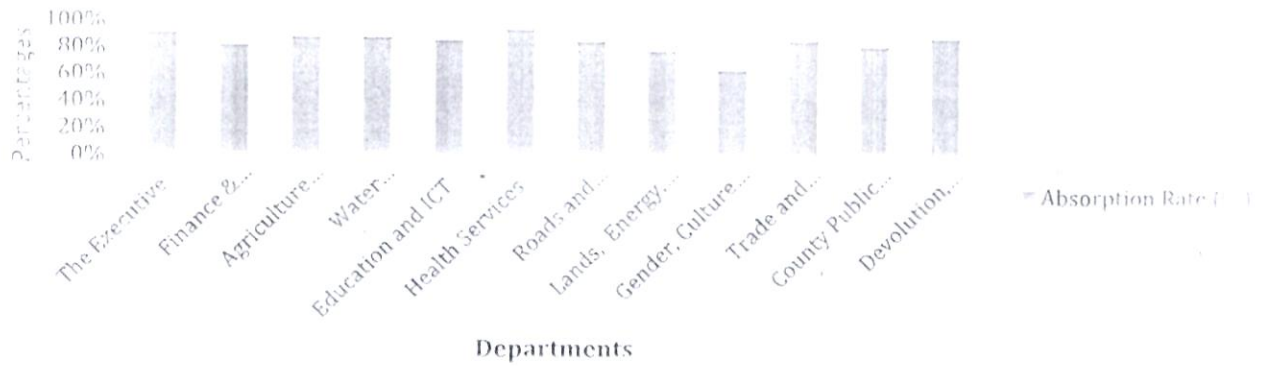
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Department/entity	Original Budget (Kshs)	Approved Budget (Kshs)	Actual (Kshs)	Absorption Rate (%)
Education and ICT	1,847,085,953	1,583,189,833	1,354,646,397	86%
Health Services	4,445,653,963	4,289,098,137	4,017,925,128	94%
Roads and Public Works	1,413,291,555	1,596,265,673	1,355,405,491	85%
Lands, Energy, Housing, Physical & Urban Development	697,628,579	681,613,559	528,738,857	78%
Gender, Culture And Social Services	314,321,886	274,513,513	176,639,836	64%
Trade and Cooperative Development	447,293,649	377,774,116	324,681,251	86%
County Public Service Board	65,158,201	66,158,201	54,256,517	82%
Devolution, Public Service and Disaster Management	613,439,152	760,479,106	672,372,351	88%
Total	13,727,544,522	13,309,400,916	11,687,720,571	88%

Departmental Performance
FY 2020-2021



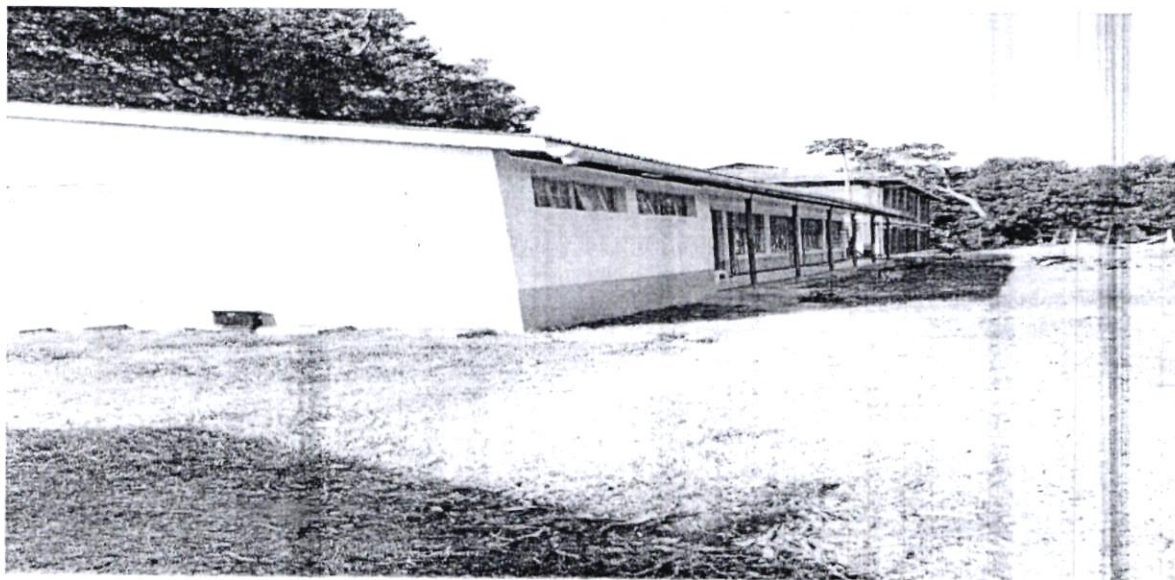
Departmental Budget Absorption
FY 2020-2021



Major projects

(i) Renovation of ATC building facilities

The facility renovated comprises 2 hostels blocks, 1 administration block and 1 classroom. These were completed at a cost of Kshs.17, 521,163.



(ii) Construction of cabro from Kaloleni stage Mariakani to Mariakani Secondary School road

The road formation, sub-grade, base (hardcore), cabro laying, 1.1km at a cost of kshs. 60,615,109.

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(iii) Kilifi County Hospital Funeral Home

The project was constructed at a costs Kshs.31,400,330.00



(iv) Mariakani Sub-County Hospital

The project was constructed at a cost of Kshs. 41,683,703



Implementation challenges of strategic objectives and County's future outlook

i. Implementation Challenges

The County encountered the following challenges during the financial year 2020/2021 on implementation of its strategic objectives:

Covid-19 pandemic

Covid-19 pandemic had an adverse effect on the economy as it led to closure of businesses such as hotels, manufacturing industries and quarries. This had a negative effect on County revenue collection as the revenue targets could not be realised.

On the other hand, the County could not fully implement the intended projects due to non-realization of revenue.

There was also slow implementation of programmes as officers were forced to work from home

Delay of funds disbursement from National treasury

The disbursement of funds from the National treasury have not been flowing in accordance to the PFM Act where Counties are expected to receive the same in the 15th day of every month. There has been a lot of delays with some of the disbursement being received after the end of the financial year. This has adversely affected the County budget implementation.

High poverty levels

Kilifi County is one of the Kenyan Counties with a high poverty level. This has had a big effect on the County's local revenue in terms of realizing the target or even increasing its

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revenue base. This has also been a hindrance in growing the commercial economic activities as majority of citizen only struggle to earn their daily bread.

Unpredictable and unreliable weather pattern

Most of the farmers in Kilifi County depend on rainfall. The rainfall patterns have of late been very unpredictable in most cases causing a big loss to farmers due to drought or even floods.

ii. Mitigation on the challenges

To overcome the challenges the County has undertaken the following measures:

Covid-19 pandemic

To assist and encourage businesses to pay their charges the County is making arrangements to provide waiver on interest and penalties. This is expected to increase local revenue and enhance the service delivery.

Delay of funds disbursement from National treasury

The Counties through the Council of Governors have been on continuous dialogue with the National Treasury to ensure that funds are disbursed on time.

High poverty levels

To reduce the high poverty level the County has come up with programmes on empowering the citizens to accelerate the economic activities. Such programmes include subsidized farm inputs like fertilizers, seeds and seedlings; interest-free loans under Mbegu Fund.

Unpredictable and unreliable weather pattern

To overcome the problem of unpredictable rainfall patterns and water shortage the County has undertaken construction of water pans and water pipelines. This enables harvest of water during the rainy season which can sustains the farmers for some periods after the rains. The water pipelines have enabled more citizen to access water.

iii. County's future outlook

In the coming financial year 2021/2022 the County has budgeted to spend Kshs. 14,873,899,430. This amount comprises Kshs. 9,060,783,423 for Recurrent and Kshs. 5,813,116,007 for development expenditures. Among the projects which have been earmarked from the County's strategic plan include the following:

No.	Project	Amount (Kshs.)
1	Construction of Sea Wall -Ngomeni fisheries landing site	73,000,000
2	Kadzuhoni to Marereni pipeline (cofunding with WSTF - 15% of Kshs. 150m)Development Centre (Cassava Processing plant	22,500,000
3	Purchase of ICT networking and Communications Equipment	12,497,983
4	Construction of 2 No. wards at Marafa health center	50,697,877
5	Upgrading of Adu health facility	68,435,001
6	Equipment for the Health Complex	200,000,000

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7	Purchase of Generator for the Health Complex	19,360,896
8	EMR System	45,960,831
9	Health Complex Waste Management	30,000,000
10	Upgrading to bitumen standards of Kibao cha Fundisa - Adu (Phase I)	200,000,000
11	Upgrading to Cabro Standard of Bengo Stage (Mazeras-Kaloleni B97 Road) to Rabai Museum Road	40,000,000
12	Deputy Governor's Residence	40,000,000

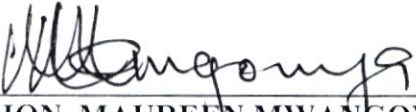
Key risk management strategies applied by the County

The County has applied the following strategies in mitigating risks:

- (i) Revenue enhancement
 - Automation of Revenue collection to minimise leakages and improve efficiency in revenue collection
 - Adoption of mobile banking by use of pay bill numbers
 - Use of bank agents to ensure timely banking of money collected, at the County hospitals
- (ii) Project Management
 - Introduction of a project management system, that will enhance monitoring and evaluation
- (iii) Enhancement of Accountability
 - Recruitment of additional staff in various cadres and designation, for instance project monitoring officers and accountants
 - Rotation of staff from one work station to another
 - Introduction of Hospital Services Improvement Fund (HSIF) at the County Hospitals
- (iv) Payroll management
 - Consolidation of the payroll budget and implementation from a central point, helps to monitor and ensure accuracy of the reports given.
 - Monthly reviews of the casuals' payroll by the County Public Service Board (CPSB) to monitor the casual wages.
- (v) Internal Controls

Formulation of policies, guidelines and legislations to mitigate on the identified gaps.

 - Guidelines on disbursement of cash to the elderly and vulnerable
 - Kilifi County persons with disability bill


 HON. MAUREEN MWANGOVYA
 COUNTY EXECUTIVE COMMITTEE MEMBER
 FOR FINANCE AND ECONOMIC PLANNING

4. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities 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 by the County Government of Kilifi

The County's 2018-2022 CIDP has identified 53 key strategic development objectives. Broadly, these objectives have been identified through a participatory process where each of the counties programmes has one objective that is aimed to be achieved through implementation of the Programme. These objectives have incorporated the development priorities of the Governor's Manifesto, the National Government's "Big Four", SDGs and the MTP III.

The strategic objectives are a synthesized 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 County's 2018-2022 CIDP are: -

- i. To increase crop productivity, value addition, marketing for sustained income and livelihoods.
- ii. To improve livestock production for wellbeing and wealth creation
- iii. To improve sustainable fisheries development and management for Socio-economic development
- iv. To improve the proportion of people with equitable access to decent and affordable housing
- v. To manage the development and growth of urban areas through integrated planning
- vi. To facilitate land survey for securing land tenure
- vii. To improve management and application of land information
- viii. To develop and manage an effective, efficient and secure road network
- ix. To enhance connectivity and mobility for socio-economic development
- x. To improve the institutional capacity for effective and efficient disaster management
- xi. To improve efficiency in public service delivery systems
- xii. To improve development of energy resources for livelihoods support
- xiii. To enhance access, equity and quality of Early Childhood Development and Education (ECDE) so as to nurture every learner's potential
- xiv. Provide Quality skilled training and increased access to VTC services
- xv. To develop, maintain and enhanced education quality standards
- xvi. To enhance access, equity and quality and relevance of university education through training and research
- xvii. To sustainably manage and conserve the environment
- xviii. To increase availability of safe and adequate water resources
- xix. To improve financial management practices

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- xx. To strengthen policy, legislative and institutional framework for effective and efficient governance
- xxi. To offer preventive and promotive services for improved health in the county
- xxii. To offer quality curative, rehabilitative health care services which are accessible by all
- xxiii. To Improve maternal child and adolescent health
- xxiv. To promote and develop trade and investment for income and wealth creation
- xxv. To enhance tourism development through marketing and product diversification
- xxvi. Promote and develop a vibrant cooperative sector for socio-economic development
- xxvii. To improve social well-being of vulnerable and marginalized persons
- xxviii. To improve access to equitable development opportunities for girls and boys and men and women
- xxix. To improve the utility of sports and talents for leisure, recreation and economic gain

Below we present the progress made in attaining the objectives of the CIDP (2018-2022) for Kilifi County.

Ref	Objective as per CIDP	Performance/Progress made up since 2018 up to date	Remarks (Explain the reasons underperformance/ Overperformance)
1.	To enhance access, equity and quality of Early Childhood Development and Education (ECDE) so as to nurture every learner's potential	Teacher Pupil Ratio reduced from 1:204 to 1: 47	Due to recruitment of more teachers
		487 ECDE Centres constructed and Teachers Recruited increase from initial 282	Budget constraints
		1266 Teachers Recruited instead of a target of 2166	Budget constraints
		Retention rate increased from 63% to 79.7%	Target was achieved
		Transition rate increased from 45% to 81.3%	Target was achieved
2.	Provide Quality skilled training and increased access to VTC services	Enrolment increased from 3,291 to 6,589	
		Completion rate increased from 37% to 73%	This is due to improvement in quality of education offered
		Teacher: Pupil Ration increased from 1;36 to 1: 40	Increase in ratio i9d due to more enrolment than the targeted
		124 technical instructors recruited	This is continuous/ ongoing activity
		18 VTC Equipment purchased	Target achieved

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		24 Workshops Constructed instead of 32	This was due to budget constraints
3.	To increase crop production and productivity for food sufficiency	% Change in Maize yield increased from 30% to 60%	Improved land preparation methods and increased utilization of recommended inputs and GAP trainings by KCEP CRAL contributed to better performance
		% Change in Cassava yield increased from 50% to 60%	Adoption of improved cassava varieties especially Tajirika by more farmers as a result of a robust campaign by the dept and stakeholders
		% Change in Cowpeas yield increased from 20% to 30%	GAP trainings by dept projects though targeting other value chains have had a multiplier effect on cowpeas
		% Change in Green grams yield increased from 30% to &70 %	Improved land preparation methods and increased utilization of recommended inputs and GAP trainings by KCEP CRAL contributed to better performance
		% Change in Coconut yield remained constant at 40%	An increase on acreage of coconut is observable, but most recent planted coconut are yet to mature and bear yields.
		% Change in Cashew nuts yield remained constant at 25	An increase on acreage of cashew is observable, but most recent planted cashew are yet to mature and bear yields.
		% of small holders farmers adopting modern agricultural technologies increased from 10% to 50%	Technologies in land preparation (tractor ploughing), maize shelling, and haematic bags have been extensively adopted.
		7200 farmers trained on climate smart agriculture from a target of 3100	KCEP CRAL is largely responsible for the excess achievement as it facilitated the training of over 460 farmer groups

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4.	To increase the proportion of land under irrigation for food security	1950 Acreage of land put under irrigation from the initial 1200	Increase in irrigated area achieved through construction of 4 water pans and rehabilitation of Dagamra irrigation scheme
5.	To increase equitable access to agricultural mechanization services for optimal crop	Proportion of farmers adopting mechanization increased from 5% to 20%	Mechanization Technologies in land preparation (tractor ploughing), maize shelling, and cassava chipping have been extensively adopted.
6.	To improve value addition and agribusiness marketing for crop products for income generation and sustained livelihoods	3000 agribusiness farmers supported, and linked to the market. This is above the target of 1181	This was mainly achieved through the 'agribiz' KCIC project targeting women and youth agri-entrepreneurs and through other stakeholders
7.	To improve livestock production for wellbeing and wealth creation	%Change in milk production from 40% to 58.1%	Survey done by NARIGP
		% Change in beef production decreased from 20% to 17.4%	Outbreak of COVID-19 reduced no of Beef slaughtered and inspected Demand for beef reduced due to closure of many eateries
		% Change in chevon goat meat increased from 40% to 73.3%	Increased consumption of chevon, small size and easier substitute for beef
		% of farmers linked to group marketing ventures increased from 10% to 15%	Linked through efforts of NARIGP and ASDSP projects
		Proportion of farmers adopting new breeding technologies increased from 10% to 35%	Increased access to the service due to subsidized costs.
8.	To increase sustainable capture of fisheries production for livelihoods support and wealth creation by 2022	Number of fishermen adopting modern fishing technologies increased from 400 to 694	Provision of funds by Department, GOK and Executive (Supply of GPS and Fish Finders and 2 boats equipped with fishing technologies (GPS/fish finders)-Dabaso
		marine fishermen acquiring fishing gears increased from 220 to 722	Supply of gill nets, handlines (Gongoni, Kilifi central, bofa and Mtwapabmu)

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		Number of fishermen (4,600) accessing fisheries development credit	The fishermen access credit facilities through Village banks (information based on survey at Kilifi and interrogation with fishers)
		of established fish landing facilities increased from 3 to 11	Increased funding to establish fish landing facilities (county and GOK)
9.	To increase by 20% aquaculture fisheries production for livelihoods support and wealth creation	No. of fish farmers acquiring fishing gears increased from 220 to 262	Pond liners, water pumps, fingerlings, fish feed provided, fish ponds constructed
		No. of rehabilitated fish ponds increased by 27.	Not funded, but done by individuals' farmers
		Number of institutional integrated fish farming (ponds & crops) was 17. This is below a target of 56	limited funds allocated
10	To improve value addition and marketing of fish and fish products for improved livelihoods and wealth creation	542 fish traders/BMUs trained on fish handling, quality and safety issues. This is below a target of 1020	Funds limitations and covid-19 Pandemic impact. Trainings-85-CGK, 330-WWF, 27-Cordio, 100-GoK
		3 fish auction markets developed	Ngomeni, Kichwa Cha Kati and Malindi markets being constructed by GOK
		852 fishermen and fish farmers trained on fisheries technologies. This is below target of 3000	Limited training funds. CGK-210 fish farmers, 542-fish traders, GOK-100 fisherman)

Progress on Attainment of Development Objectives from Annual Development Plan

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	Programme	Objective	Outcome	Indicator	Performance
Agriculture, Livestock Development and Fisheries	Crop Production and Management	To increase crop productivity, value addition, marketing for sustained income and livelihoods	Increased food sufficiency and income	No. of seedlings distributed to farmers	8, 000 cashew seedlings, 16000 Coconut seedlings, 10000citrus and 10,000 Mango seedlings were procured and planted
				Training carried out to farmers	10,000 farmers in various areas of training needs including Conservation Agriculture (CA) and Good Agriculture Practice (GAP) and push and pull technology was enhanced through on farm demonstrations and trainings;
	Livestock Resource Development and Management	To improve livestock production for wellbeing and wealth creation	Improved wellbeing and livelihoods for livestock farmers	No. of animals distributed to farmers	-1598 Galla goats procured and distributed to farmers; -50 in-calf Dairy heifers procured and distributed to farmers; -2000 Improved indigenous Chicken procured and distributed to farmers;

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Department	Programme	Objective	Outcome	Indicator	Performance
	Fisheries Development and Management	To improve sustainable fisheries development and management for Socio-economic development	Sustainable Fisheries Development and Improved livelihoods of fisherfolk	-Fishing equipment distributed -	-Fishing equipment (weighing scales-15, fishing nets-100, GPS-12) procured and distributed to the BMUs; -180 fisher folk trained on sea safety measures through Captain Andy, State Department of Fisheries/Bandari college; -360,000 fingerlings (mariculture seeds, catfish, tilapia-mono sex and Mix sex) were procured and distributed to fish farmers.
Lands, Energy, Housing, Physical Planning and Urban Development	Housing Development	To improve the proportion of people with equitable access to decent and affordable housing	Increased access in informal settlements and settlement schemes	No. of access roads opened in informal settlement	8 access roads opened in informal settlements
	Physical planning & Urban Development	To manage the development and growth of urban areas through integrated planning	Improved management of development and growth of urban areas	Development control Policy developed	In progress
	Land Survey, Mapping and Valuation	To facilitate land survey for securing land tenure	Improved access to security of land tenure	No of trading centers surveyed and allocated	4 trading centres surveyed & allocated
				No of plots surveyed and planned	1836 plots surveyed and planned
	Land Information Management	To improve management and application of land information	Improved storage and retrieval of land use information	Land information management system established	Land information management system established
	Energy Resources Development and Management	To improve development of energy resources for livelihoods support	Energy security and livelihoods support	affordable low-cost building materials and technologies	3No. of block making machines bought

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Department	Programme	Objective	Outcome	Indicator	Performance
		To ensure proper coordination in planning and implementation of all energy projects within Kilifi County	Improved policy and legislative framework and efficient service delivery	-No. of bills developed	The final draft energy bill report submitted awaiting tabling at the cabinet
Roads, Transport and Public Works	Road Transport	To develop and manage an effective, efficient and secure road network	Improved road motor ability	Km. Of road paved	7 Km. Of road paved
				No. of box culverts constructed	5 box culverts constructed
			Improved road networks for social economic activities	Km of road gravelled	105Km of road gravelled
				Km of road opened	1050km of road opened
				Cubic meters of potholes patched	200 Cubic meters of potholes patched
Reduced incidences of road accidents	No. of road bumps constructed/installed	40 road bumps constructed/installed			
Education and ICT	Early Childhood Development and Education	To enhance access, equity and quality of Early Childhood Development and Education (ECDE) so as to nurture every learner's potential	Improved access, equity and quality of Early Childhood Development and Education	No. of ECD classrooms constructed	Construction of ECD classrooms in all wards of the county
				No. of pre-schools furnished	Furnishing of pre-schools with furniture
	Vocational Education and Training	Provide Quality skilled training and increased access to VTC services	Employable skills	No. of VTCs constructed	Construction of vocational training centers;
				No. of VTCs equipped	Equipping of vocational training centers with modern tools and equipment
				No. of VTC receiving grant	32 registered vocational training centers received VT grant totalling to 80m with respect to level of enrolment
	Secondary education	To enhance access, equity, quality and relevance of secondary education	Improved access, equity, quality and relevant Secondary education	Amount in Ksh. of bursaries issued to needy students	350m issued to needy students for both secondary and tertiary education

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Department	Programme	Objective	Outcome	Indicator	Performance
	Tertiary and University Education	To enhance access, equity and quality and relevance of university education through training and research	Improved access, equity, quality and relevance of university education	Amount in Ksh. of bursaries issued to needy students	350m issued to needy students for both secondary and tertiary education
	ICT Infrastructure and connectivity	To improve efficiency in public service delivery systems	Increased adoption of technology in public service delivery	No. of policies developed	Developed County Communication policy and ICT policy
Water, Environment, Natural Resources and Solid Waste Management	Environmental Management and Protection	To sustainably manage and conserve the environment	Sustainable environmental conservation and management	-No. of dump sites rehabilitated	rehabilitate and fence Mariakani dumpsite
				No. of Acts established	-Gazette climate change Act and established climate change unit
	Natural Resources Conservation and Management	To sustainably manage and conserve the environment	Natural resources sustainably managed	Increase in % of forest cover	-Achieved 7.9% from the 7.2 % the previous year
	Water Resources and Sanitation Management	To increase availability of safe and adequate water resources	Increased access to safe and adequate water for human consumption	_km of water pipeline laid	-90kms of new water pipelines laid
-No. of water pans constructed				construct 8 No. water pans	
No. of boreholes drilled and equipped				-Drilled and equipped 16 no. boreholes across the county	
Finance and Economic Planning Intergovernmental Relations	Economic Policy and Planning Monitoring and Evaluation Services	To enhance efficiency in the utilization of resources	Effective and efficient utilization of resources.	No. of plans prepared	1 ADP prepared
		To strengthen Monitoring and Evaluation services	Effective Utilization of Public Resources	No. of M & E reports prepared	1 County M & E report prepared
	Public Financial Management	To improve financial management practices	Increased transparency and accountability in management of public resources	No. of monthly bank reconciliation statement prepared	12 monthly bank reconciliation statement prepared
				Value for money Audit undertaken	1 Value for money Audit undertaken
				No. of procurement plans developed	1 county procurement plans developed

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Department	Programme	Objective	Outcome	Indicator	Performance
				No. of revenue streams automated	10 revenue streams automated
Devolution, Public Service and Disaster Management	Public Service Transformation Disaster management	To improve the quality of public service delivery	Improved Public Service Delivery	Employees with medical cover & WIBA	4197 employees with medical cover
		To improve the institutional capacity for effective and efficient disaster management	Effective and efficient response to disasters	Number of operational community disaster management structures established	35 at ward level disaster committees and 7 at sub County committee
				No of households distributed with Food items distributed	64,308 households
		To cushion the vulnerable population from the socio-economic challenges	Continued cushioning of the vulnerable population from the socio-economic challenges	Number of beneficiaries in receipt of the CTP funds	1150 beneficiaries
County Health Services	Preventive and Promotive health services	To offer preventive and promotive services for improved health in the county	A community with reduced preventable diseases	-Access to health care	16 dispensaries operationalized
			Improved access to health care services	% of TB patients completing treatment	Increased from 78% to 84%
				% School age children de-wormed	Increased from 85% to 86%
			Reduced incidence of non-communicable diseases	No. of diabetes cases diagnosed & treated	10,893 diabetes cases diagnosed and treated (from 5,306)
			Increased access to health services	Cumulative no. of Community Health Units established	Increased from 87 to 233
	Curative, Rehabilitative and Referral Health services	To offer quality curative, rehabilitative health care services which are accessible by all	Reduced Morbidity and Mortality	Kilifi complex	Completed and equipped Phase 1 of Kilifi County Hospital Complex.
				No. of Referrals from other health facility	6628 from 48,940-a significant reduction
No. of specimens referred				14,420 specimens referred	

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Department	Programme	Objective	Outcome	Indicator	Performance
	Reproductive, Maternal, Neonatal, Child and Adolescent Health	To Improve maternal child and adolescent health	Improved maternal, neonatal, child and adolescent health	No. maternities, theatres constructed and equipped	constructed and equipped maternities and operating theatres at Mariakani, Bamba and Jibana Sub County Hospitals, Rabai and Marafa Health Centers.
% Fully immunized children				Improved from 78% to 80%	
% of Women of Reproductive Age receiving family planning				Improved from 52% to 54%	
% deliveries conducted by skilled attendant				Improved from 65% to 81%	
Trade, Tourism and Co-operatives Development	Trade development and Investment Promotion	To promote and develop trade and investment for income and wealth creation	Improved wellbeing and livelihoods of citizens	No of spaces created	302 trading spaces created
				No of markets refurbished	3 markets refurbished
				No of SMEs trained	1799 SMEs trained
				No. of equipment verified	2803 equipment verified
				No. of investment leads established and MOUs signed	3 investment leads established and MOUs signed
	Tourism development and promotion	To enhance tourism development through marketing and product diversification	Increased income from Tourism.	No. of tourism attraction sites profiled	22 tourism attraction sites profiled
				No. of Tourism stakeholder meetings	4 Tourism stakeholder meetings
	Co-operative Development and Management	Promote and develop a vibrant cooperative sector for socio-economic development	Improved Welfare and Economic Status of Citizens	No of New Registered Cooperative Societies	15 New Registered Cooperative Societies
				No. of co-operative audits done and registered	76 co-operative audits done and registered
	Culture and Sosial Services	Culture and Arts	To enhance conservation of culture and development of arts for economic gain and posterity	Improved conservation of culture and development of arts	No. of youth champions trained on cultural heritage conservation.
No. of policies developed					Kaya Conservation and Management Policy

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Department	Programme	Objective	Outcome	Indicator	Performance
	Social Protection	To improve social well being of vulnerable and marginalized persons	Improved wellbeing of vulnerable and marginalized persons	Numbers of vulnerable groups linked to Mbegu Fund,NGAAF, WEF Fund	45 vulnerable groups linked to Mbegu Fund,NGAAF, WEF Fund
	Gender and Development	To improve access to equitable development opportunities for girls and boys and men and women	Improved access to development opportunities for girls and boys and men and women,	Number of youths trained on entrepreneurship skills	1050 youth trained on entrepreneurship skills
				Number of youths sensitized on AGPO	1050 youth sensitized on AGPO
				Number of youths reached with SRHR information	3000 youth reached with SRHR information
				Number of women groups trained on accessing Affirmative Funds	70 women groups trained on accessing Affirmative Funds
				Number of men, women, boys and girls reached with SRHR information	400 men, women, boys and girls reached with SRHR information
				Sensitization forums against GBV at the ward level	Sensitization forums against GBV at the ward level (1050 members sensitized)
	Sports and Talent Development	To improve the utility of sports and talents for leisure, recreation and economic gain	Improved health and appreciation of sports and talents for economic gains	Number of teams/clubs equipped	600 teams/clubs equipped

5. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

4.1 Sustainability strategy and profile

The following are some of the sustainability measures that the County has undertaken and will continue to do: -

- i. To reduce conflict in projects ownership particularly in cases where there is no public land, before implementing any project on community land, get community to sign commitment of the land ownership
- ii. Engage community in project initiation and implementation to strengthen ownership
- iii. Strengthening of governance in community groups to manage projects after completion
- iv. Continuous Monitoring and Evaluation of projects
- v. Sensitization of the public through regular public forums available for use by county governments
- vi. Identifying policy issues early enough to ensure adequate preparation and wholesome solutions to issues identified;
- vii. Engage development partners to finance environment project since they are not given priority by the Government

4.2 Environmental performance

During the financial year the department has been able to legislate on the following legal frameworks:

- I. The Kilifi County Solid Waste Management Act No. 7 of 2019
- II. The Kilifi County Forest Conservation and Management Act No. 4 of 2019
- III. The Kilifi County Climate Change Act No. 1 of 2021
- IV. The Kilifi County Climate Change Policy

Success of the Policy in Solid waste management and Biodiversity conservation

- i. There are structures in place to enable stakeholders' engagement in sustainable waste management.
- ii. Community organization can now benefit economically through waste recycling initiatives as well as reduce the amount of waste transferred to the dumpsites thereby lowering the emission of methane gas which is a greenhouse gas into the environment.

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- iii. Community resilience will be improved to adapt to the impacts of climate change through development projects which will be implemented by the Climate change fund which is now in place.
- iv. Protection of biodiversity has been ongoing through enforcement and management measures put in place by the forest Act.
- v. There is increased access to clean and adequate water to the community.

Shortcomings

- i. Lack of adequate financial resources to implement the Policies and Acts.
- ii. High poverty levels which put pressure into natural resources as communities struggle to survive.
- iii. Lack of political will especially in allocating resources for environmental conservation
- iv. Inadequate technical staff to implement the policies
- v. Expensive cleaner energy options for the communities

Efforts to manage Biodiversity

- i. The department has worked with stakeholders to empower communities to undertake nature-based enterprises like beekeeping and aqua-culture so that they sustainably use the natural resources.
- ii. In collaboration with other departments like energy and stakeholders, the department is working towards providing communities with cleaner methods of energy.
- iii. The department is also working with International and Local organizations to increase financial resources in the County for the purpose of undertaking climate change mitigation and adaptation actions in the County.
- iv. Awareness creation programmes on sustainable environmental protection, conservation and management are being undertaken in the County.
- v. The Department has an Environmental Impact Assessment Unit which enables other departments to undertake EIAs for development projects and monitor environmental compliance level of these projects within the County.

4.3 Employee welfare

The County Public Service Board recruits on behalf of the executive arm of the County Government. In the hiring process, the overall guiding principles are as outlined by the Constitution of Kenya, 2010 and the County Governments Act, 2012. The guiding principles in the hiring process are as per section 65 of the County Governments Acts, 2012.

In 2016, the County Public Service Board developed Recruitment and Selection Policy, 2016 which was forwarded to the County Assembly for approval. The policy is currently under review after four years of implementation. Under the current policy, gender mainstreaming, considerations on minority communities, marginalized communities, people living with disabilities, the youth etc are deliberately catered for. The policy went through stakeholder engagement. In every financial year, the Board sensitizes the public on its roles and specifically engages them on issues of hiring since this the most visible function of the Board in the public eye. The CPSB also submits annual reports to the County Assembly, the reports segregate the recruitments data as per the requirements of the constitution.

In 2016, the CPSB developed the Training and Development Policy which guides how skills in the County Public Service are improved. The CPSB has delegated the Training and Development function to the respective departments through the County Directorate of Human Resource but retains the overall policy formulation and supervision role through its Human Resource Management and Development committee. However, The CPSB still retains the approval role for long term and oversea trainings.

The Board, through its Performance Management committee implements career management mechanisms including appraisals and reward systems as outlined in the Performance Management tools which it developed in consultation with stake holders. The implementation of the Occupational Health and Safety Act has been delegated to the Directorate of Human Resource but ultimately the Board remains responsible for its implementation.

4.4 Marketplace practices-

a) **Responsible competition practice.**

The County has put up measures on Anti-corruption such as posters at the entrance with messages like "THIS IS A NO CORRUPTION ZONE", training programmes for anti-corruption and legal approach to any corruption proceeds. The County Government employs end-to-end e-procurement to promote competition as well as ensuring suppliers' confidentiality. Suppliers are also encouraged to express their views. Politicians are majorly involved at public participation in order to come up with the needed projects at the grassroots

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

The County evaluates suppliers fairly for contracts by use of the standard supplier evaluation process. The entity formulates a project team that works with the supplier for better implementation of contracts. The entity signs Contracts with successful bidders that would be binding on both parties. The entity also endeavours to make payment to suppliers on a first in first out basis depending on availability of funds.

c) **Responsible marketing and advertising-**

Marketing is a philosophy that ensures the entity makes known of her services to the common wananchi for their benefit. We make the following efforts to maintain ethical marketing practice: Transparency, committing to sustainability of the services, responding to public goods consumer/ wananchi concerns, maximising benefits and minimising risks.

d) **Product stewardship-**

Outline efforts to safeguard consumer rights and interests.

The County endeavours to make payments on time. It provides access to information through its website to the interested consumers. The County also ensures privacy of suppliers' information.

4.5 Community Engagements

The County Government of Kilifi partnered with various NGO to support the community under various CSR programmes such as the following:

Sponsoring of sports and social activities:

In collaboration with Moving the goal post (MTG) they have been sponsoring girls' tournaments and also buying equipment e.g. jersey and balls. Through sports the County has frequently sensitize the girls on menstrual hygiene, campaign against teen pregnancy and drug abuse

MTG has empowered girls and young mothers on gender-based violence, reproductive health, HIV/AIDS and economic empowerment. It used sports programmes for positive impact on their lives mainly to the disadvantaged girls between the ages of nine to twenty-four. Under this programme it made their voices heard while some have been employed in leadership position through mentorship programmes

In conjunction with the partners the County has been distributing sanitary towels to school girls in the county as a campaign tool of ending teen pregnancy.

The county government of Kilifi through the department of devolution and disaster management has also been distributing food and non-food items during the first phase of covid -19.

Health care

The County has been ensuring that communities access good health care through sensitization, provision of drugs, construction of health facilities and equipment.

A total of Kshs 4,017,925,127 was spent on health care during the year.

Education

In partnership with NGOs such as Plan international, Kesho Kenya, Action Aid, CREAM and World Vision the County played a big role in improving the standard of education in Kilifi County. This included building of more classrooms and other school facilities in both ECD and village polytechnics. The County has also been providing bursaries to need students through the scholarship fund. The county

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spent Kshs. 1,354,646,397 under education programmes which included Kshs. 350,000,000 on scholarship fund.

Water and sanitation

In collaboration with other stakeholders like world vision the County has been ensuring availability of water in all parts of the county through construction of dams, laying of distribution lines, drilling of boreholes and provision of water tanks. During the financial year the county spent Kshs 1,327,396,121 under water and sanitation.

Staff training and development

The County spent Kshs. 85,405,388.30 on staff training and development under both structured and unstructured programmes.

Care for the Elderly

The County was able to disburse Kshs. 21,748,000 to the elderly during the year. The elderly also benefited on t-shirts, vikois and face masks distributions from the County.

6. 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 and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2021. 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 Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2021, 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 Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

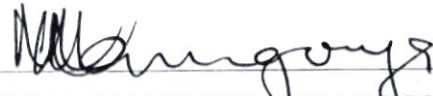
THE COUNTY EXECUTIVE OF KILIFI
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The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants and that the County Executive's funds received during 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 Executive'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

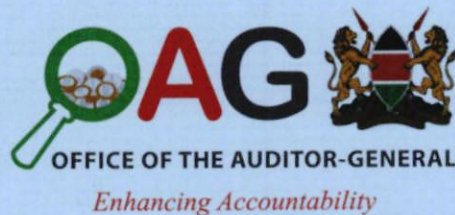
The County Executive's financial statements were approved and signed by the CEC member for finance on 29/9/ 2021.



HON. MAUREEN MWANGOVYA
COUNTY EXECUTIVE COMMITTEE MEMBER
FOR FINANCE AND ECONOMIC PLANNING

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Executive of Kilifi set out on pages 1 to 61, which comprise the statement of assets and liabilities as at

Report of the Auditor-General on County Executive of Kilifi for the year ended 30 June, 2021

30 June, 2021, and the statement of receipts and payments, 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 Kilifi as at 30 June, 2021, 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. Inaccuracies in the Financial Statements

1.1 Variance Between the Returned CRF Issues

The statement of receipts and payments reflects Returned County Revenue Fund (CRF) issues balance of Kshs.68,935 that differs from the amount of Kshs.1,132,168,534 shown in the summary statement of appropriation-recurrent and development combined. The resulting difference of Kshs.1,132,099,599 was not explained or reconciled.

1.2 Variances between the Financial Statements and IFMIS Balances

The statement of assets and liabilities reflects an accounts receivable balance of Kshs.104,233,149 which differs from the IFMIS generated report balance of Kshs.882,763,043 as at 30 June, 2021. The resultant variance of Kshs.778,529,894 was not reconciled or explained.

In the circumstances, the accuracy and completeness of the reported balances for Returned CRF issues and accounts receivable could not be confirmed.

2. Unsupported County Own Generated Receipts

The statement of receipts and payments reflects County own generated receipts of Kshs.829,910,051 which as disclosed at Note 3 to the financial statements, included Kshs.273,840,434 and Kshs.25,515,572 in respect of cess on natural resources and parking fees, respectively. The revenue was banked in two (2) escrow current accounts maintained locally in Malindi. However, detailed reports on the revenue collected were not provided for audit review.

In addition, the following inconsistencies were noted in the reported revenue balances:

Revenue	Revenue Balance as per Certificate of Bank Balance as at 30 June, 2020 (Kshs.)	Revenue collected in 2020/2021 (Kshs.)	Expected Revenue Balance as at 30 June, 2021 (Kshs.)	Revenue Balance as per Certificate of Bank Balance as at 30 June, 2021 (Kshs.)	Unreconciled Variance (Kshs.)
Cess on natural resources	350,396,502	273,840,434	624,236,936	503,044,754	121,192,182
Parking fees	95,071,059	25,515,572	120,586,631	121,929,492	(1,342,861)

In the circumstances, the completeness and accuracy of the reported revenue from cess on natural resources and parking fees could not be confirmed.

3. Accounts Receivable

The statement of assets and liabilities reflects accounts receivable of Kshs.104,233,149. The following observations were made regarding the balance:

3.1 Long Outstanding Imprests

As disclosed under Note 13 to the financial statements, the balance included outstanding imprests of Kshs.4,267,527. However, imprest amounting to Kshs.750,391 had been outstanding for more than two (2) years. Management explained that the amount related to imprests held by officers who had transferred services without full clearance by the County Management and that one (1) officer had since passed away, casting doubt on the validity and full recoverability of the imprests.

3.2 Dispute with KRA - Statutory Deductions and Withholding Tax

According to information and records maintained by the Management and as disclosed at Note 13 to the financial statements, Kenya Revenue Authority (KRA) accused the County Government of failure to honour an agency notice to recover taxes amounting to Kshs.41,618,306 from a supplier and enforced direct collections of the amount through demand notice on 28 April, 2021. In turn, the County Government, through a Court Order recovered the amount from the Pay As You Earn (PAYE) deductions for the month of May, 2021 and paid the balance of Kshs.15,228,759. However, KRA enforced another direct collection of Kshs.56,724,881 in respect of PAYE for the same month. The direct collection has been included in the reported balance for accounts receivable. As at the time of audit, the matter had not been settled and the recoverability of the receivable remained uncertain.

3.3 Loss of Cash

As previously reported, and as disclosed under Note 13 to the financial statements, the reported accounts receivable balance of Kshs.104,233,149 includes other accounts receivable of Kshs.43,240,740 relating to loss of cash through online transfer of funds

without supporting documents. The total amount lost was Kshs.51,569,775, of which Kshs.8,329,035 was recovered. Although the County was pursuing recovery of the balance of Kshs.43,240,740 in Court, as at the time of audit, the amount was yet to be recovered.

In view of the foregoing matters, it could not be confirmed that the accounts receivable balance of Kshs.104,233,149 was fairly stated.

4. Progress on Follow up of Prior Year Auditor's Recommendations

The Public Sector Accounting Standards Board pursuant to Section 194 (d) of the Public Finance Management Act, 2012 provides the format for financial statements and reporting by all state organs and public entities. However, although the Management provided a summary of the issues raised by the external auditor under the progress on follow up of prior year auditor's recommendations, the Management comments and the actions taken towards resolving the issues were not provided.

In the circumstances, the financial reporting guidelines provided by the Board had not been adhered to.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Kilifi 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. There were no key audit matters to report in the year under review.

Other Matter

Pending Bills

As summarized under Other Important Disclosures to the financial statements, the County Executive of Kilifi had pending bills amounting to Kshs.1,305,608,663 as at 30 June, 2021 comprising pending accounts payable - Kshs.1,253,307,074, pending staff payables – Kshs.47,501,054 and other pending payables – Kshs.4,800,535. Included in the pending accounts payable balance of Kshs.1,253,307,074 is a total of Kshs.72,257,851 due to two (2) suppliers. However, information obtained from the suppliers indicated bills of Kshs.172,965,996 on unpaid invoices resulting into an unexplained variance of Kshs.100,708,145.

In the circumstances, the accuracy and completeness of the reported pending bills totalling to Kshs.1,305,608,663 as at 30 June, 2021 could not be confirmed.

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. Projects Implementation

1.1. Failure to Spend Fully on the Projects as Budgeted

The County Executive allocated a total of Kshs.4,962,784,348 in the financial year 2020/2021 for implementation of six hundred and two (602) projects but only managed to spend Kshs.3,554,473,448, leaving an unspent balance of Kshs.1,408,310,900.

1.2. Delayed Projects Implementation

According to the projects implementation status report provided for audit, only four-hundred and nine (409) projects were completed during the year under review while one-hundred and eighteen (118) projects were on-going, five (5) had stalled and the remaining seventy (70) did not commence.

1.3. Completed Projects Not in Use

The Department of Gender budgeted to spend Kshs.85,900,000 on thirty-four (34) projects with an additional Kshs.29,251,440 earmarked in the budget for the financial year 2021/2022. The Department had spent Kshs.72,928,519 on these projects as at 30 June, 2021 and reported additional funding requirements of Kshs.144,961,071 to fully complete them. In addition, audit inspection in the month of October, 2021 revealed that a total of Kshs.15,121,392 had been spent on three (3) projects with a total budget of Kshs.12,000,000. The three (3) projects in Malindi, Kibarani and Gongoni Wards had been completed but remained idle.

Failure to implement the projects as planned may not only impact negatively on service delivery to the residents of Kilifi County but also lead to loss of public funds through cost escalations arising from delayed completion of the projects.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with overall governance are responsible for overseeing the County Executive of Kilifi's financial reporting process, reviewing the effectiveness of how the County Executive 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 Kilifi County Executive's 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 County Executive of Kilifi's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the 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 of Kilifi to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 May, 2022

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8. FINANCIAL STATEMENTS

7.1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

DESCRIPTION		2020/2021	2019/2020
	Note	KShs	KShs
RECEIPTS			
Exchequer releases	1	12,963,608,224	10,340,229,699
Proceeds from Domestic and Foreign Grants	2	316,014,399	503,487,122
County Own Generated Receipts	3	829,910,051	793,713,056
Returned CRF issues (County Assembly)	4	68,935	128,653
TOTAL RECEIPTS		14,109,601,609	11,637,558,530
PAYMENTS			
Compensation of Employees	5	3,946,254,583	3,943,716,880
Use of goods and services	6	2,418,519,612	2,326,975,118
Transfers to Other Government Units	7	965,897,386	999,517,108
Other grants and transfers	8	1,749,424,454	1,602,315,867
Social Security Benefits	9	52,498,277	26,091,937
Budget Contingency Reserve (Emergency Fund)	10	150,000,000	220,000,000
Acquisition of Assets	11	3,735,962,804	3,293,191,264
TOTAL PAYMENTS		13,018,557,117	12,411,808,176
SURPLUS (DEFICIT)		1,091,044,492	(774,249,646)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 29/09/ 2021 and signed by:


 Kennedy Muganga Chilibasi
 Chief Officer
 ICPAK Member No.20920


 Bonaventure F.M Mwakio
 Director Accounting Services
 ICPAK Member No.3346

THE COUNTY EXECUTIVE OF KILIFI
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7.2 STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

DESCRIPTION	Note	2020/2021 KShs	Restated 2019/2020 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	1,974,935,346	^a 1,132,168,534
Cash Balances	12B	14,655	225,113
Total Cash and cash equivalents		1,974,950,001	1,132,393,647
Accounts receivables	13	104,233,149	46,744,100
TOTAL FINANCIAL ASSETS		2,079,183,150	1,179,137,747
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	14	242,962,448	442,427,799
NET FINANCIAL ASSETS		1,836,220,702	736,709,948
REPRESENTED BY			
Fund balance b/fwd	15	736,709,948	1,506,260,728
Prior year adjustments	16	8,466,262	^b 4,698,866
Surplus/(Deficit) for the year		1,091,044,492	(774,249,646)
NET FINANCIAL POSITION		1,836,220,702	736,709,948

^a The adjustments of the restated bank balances figure of Kshs. 1,132,168,534 from Kshs. 1,127,469,668 is shown in Note 12A.

^b The adjustments of the restated prior year adjustments figure of Kshs. 4,698,866 is shown in Note 16.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on

29/09/2021 and signed by:


 Kennedy Muganga Chilibasi
 Chief Officer
 ICPAK Member No.20920


 Bonaventure F.M Mwakio
 Director Accounting Services
 ICPAK Member No.3346

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7.3 STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2021

DESCRIPTION	Note	2020/2021 KShs	Restated 2019/2020 KShs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	12,963,608,224	10,340,229,699
Proceeds from Domestic and Foreign Grants	2	316,014,399	503,487,122
County Own Generated Receipts	3	829,910,051	793,713,056
Returned CRF issues	4	68,935	128,653
Payments for operating expenses			
Compensation of Employees	5	3,946,254,583	3,943,716,880
Use of goods and services	6	2,418,519,612	2,326,975,118
Transfers to Other Government Units	7	965,897,386	999,517,108
Other grants and transfers	8	1,749,424,454	1,602,315,867
Social Security Benefits	9	52,498,277	26,091,937
Budget Contingency Reserve (Emergency Fund)	10	150,000,000	220,000,000
Adjusted for:			
Changes in receivables	17	(57,489,049)	1,234,675
Changes in payables	14	(199,465,351)	132,227,537
Total Adjustments		(256,954,399)	133,462,212
Net cash flows from operating activities		4,570,052,896	2,652,403,831
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	3,735,962,804	3,293,191,264
Net cash flows from investing activities		3,735,962,804	3,293,191,264
NET INCREASE / (DECREASE IN CASH AND CASH EQUIVALENT		834,090,092	(640,787,434)
BEGINNING of the year Cash and cash equivalent	15	1,132,393,647	1,768,482,214
Prior year adjustments	16	8,466,262	^b 4,698,866
END of the year Cash and cash equivalent	12	1,974,950,001	^a 1,132,393,647
As per statement of assets		1,974,950,001	1,132,393,647

^a The restated end of the year Cash and cash equivalent figure of Kshs. 1,132,393,647 from Kshs. 1,127,694,781 was caused by adjustments on the bank balances as shown in Note 12A.

^b The adjustments of the restated prior year adjustments figure of Kshs. 4,698,866 is shown in Note 16.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on _

29/09/2021 2021 and signed by:

THE COUNTY EXECUTIVE OF KILIFI
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Kennedy Muganga Chilibasi
Chief Officer Finance
ICPAK Member No. 20920



Bonaventure F.M. Mwakio
Director Accounting Services
ICPAK Member No. 3346

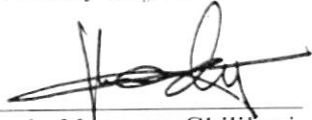
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7.4 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Receipt/Expense Item	Original Budget Kshs a	Adjustments Kshs b	Final Budget Kshs c=a+b	Actual on Comparable Basis Kshs d	Budget utilization difference Kshs e=c-d	% of Utilization Kshs f=d/c %
RECEIPTS						
Exchequer releases	12,093,975,744	415,980,063	12,509,955,807	12,963,608,224	(453,652,417)	104%
Proceeds from Domestic and Foreign Grants	316,014,399	-	316,014,399	316,014,399	-	100%
County Own Generated Receipts	900,000,000	305,616,156	1,205,616,156	829,910,051	375,706,105	69%
Returned CRF issues	1,367,787,241	(738,342,218)	629,445,023	1,132,168,534	(502,723,511)	180%
TOTAL	14,677,777,384	(16,745,999)	14,661,031,385	15,241,701,208	(580,669,823)	104%
PAYMENTS						
Compensation of Employees	3,829,566,114	254,342,872	4,083,908,986	3,946,254,583	137,654,403	97%
Use of goods and services	3,460,040,080	(856,679,534)	2,603,360,546	2,418,519,613	184,840,933	93%
Transfers to Other Government Units	936,088,616	-	936,088,616	965,897,386	(29,808,770)	-3%
Other grants and transfers	1,139,665,083	430,981,636	1,570,646,719	1,749,424,454	(178,777,736)	111%
Social Security Benefits	35,000,000	17,500,000	52,500,000	52,498,277	1,723	100%
Budget Contingency Reserve (Emergency Fund)	150,000,000	-	150,000,000	150,000,000	-	100%
Acquisition of Assets	5,127,417,491	137,109,027	5,264,526,518	3,735,962,804	1,528,563,714	71%
Acquisition Of Financial Assets	-	-	-	-	-	0%
TOTAL	14,677,777,384	(16,745,999)	14,661,031,385	13,018,557,118	1,642,474,267	89%

THE COUNTY EXECUTIVE OF KILIFI
Annual Report and Financial Statements
For the year ended June 30, 2021.

The County Executive financial statements were approved on 29/09/ 2021 and signed by:



Kennedy Muganga Chilibasi
Chief Officer Finance
ICPAK Member No. 20920




Bonaventure F.M. Mwakio
Director Accounting Services
ICPAK Member No. 3346

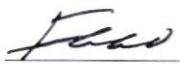
THE COUNTY EXECUTIVE OF KILIFI
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For the year ended June 30, 2021.

7.5 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	7,343,075.445	76,830,449	7,419,905,894	9,205,603,728	(1,785,697,834)	124%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	0%
County Own Generated Receipts	900,000,000	305,616,156	1,205,616,156	829,910,051	375,706,105	69%
Returned CRF issues	1,367,787,241	(738,342,218)	629,445,023	894,997,658	(265,552,635)	142%
TOTAL	9,610,862,686	(355,895,613)	9,254,967,073	10,930,511,437	(1,675,544,364)	118%
PAYMENTS						
Compensation of Employees	3,829,566,114	254,342,872	4,083,908,986	3,946,254,583	137,654,403	97%
Use of goods and services	3,440,040,080	(854,679,534)	2,585,360,546	2,402,287,372	183,073,174	93%
Transfers to Other Government Units	936,088,616	-	936,088,616	965,897,386	(29,808,770)	0%
Other grants and transfers	954,665,189	292,981,650	1,247,646,839	1,215,028,236	32,618,603	97%
Social Security Benefits	35,000,000	17,500,000	52,500,000	52,498,277	1,723	100%
Budget Contingency Reserve (Emergency Fund)	150,000,000	-	150,000,000	150,000,000	-	100%
Acquisition of Assets	265,502,687	(66,040,601)	199,462,086	192,742,008	6,720,078	97%
Acquisition Of Financial Assets	-	-	-	-	-	0%
TOTAL	9,610,862,686	(355,895,613)	9,254,967,073	8,924,707,862	330,259,211	96%

The County Executive's financial statements were approved on 29/09/2021 and signed by:


 Kennedy Muganga Chilibasi
 Chief Officer Finance
 ICPAK Member No. 20920

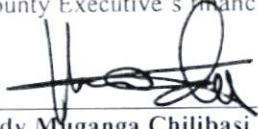

 Bonaventure F.M. Mwakio
 Director Accounting Services
 ICPAK Member No. 3346


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7.6 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,750,900,299	339,149,614	5,090,049,913	3,758,004,496	1,332,045,417	74%
Proceeds from Domestic and Foreign Grants	316,014,399	-	316,014,399	316,014,399	-	100%
County Own Generated Receipts	-	-	-	-	-	0%
Returned CRF issues	-	-	-	237,170,876	(237,170,876)	0%
TOTAL	5,066,914,698	339,149,614	5,406,064,312	4,311,189,771	1,094,874,541	80%
PAYMENTS						0%
Use of goods and services	20,000,000	(2,000,000)	18,000,000	16,232,241	1,767,759	90%
Transfers to Other Government Units	-	-	-	-	-	0%
Other grants and transfers	184,999,894	137,999,986	322,999,880	534,396,219	(211,396,339)	165%
Acquisition of Assets	4,861,914,804	203,149,628	5,065,064,432	3,543,220,796	1,521,843,636	70%
TOTAL	5,066,914,698	339,149,614	5,406,064,312	4,093,849,256	1,312,215,056	76%

The County Executive's financial statements were approved on 29/09/2021 and signed by:


Kennedy Muganga Chilibasi
Chief Officer Finance
ICPAK Member No. 20920


Bonaventure F.M. Mwakio
Director Accounting Services
ICPAK Member No. 3346

THE COUNTY EXECUTIVE OF KILIFI

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7.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
County Executive					
County Attorney					
Administration, Planning and Support Services	90,000,000.00	4,264,529.00	94,264,529.00	68,909,288.41	25,355,240.59
Sub-total County Attorney Office of the Governor	90,000,000.00	4,264,529.00	94,264,529.00	68,909,288.41	25,355,240.59
Administration, Planning and Support Services	269,395,858.00	69,094,595.00	338,490,453.00	322,712,280.60	15,778,172.40
General Administration Planning and Support Services;	11,000,000.00	175,368.00	11,175,368.00	10,770,875.94	404,492.06
Sub-total Office of the Governor	280,395,858.00	69,269,963.00	349,665,821.00	333,483,156.54	16,182,664.46
Total for County Executive Finance and Economic Planning	370,395,858.00	73,534,492.00	443,930,350.00	402,392,444.94	41,537,905.06
County Division for Economic Planning					
County Fiscal Planning	66,910,250.00	19,000,000.00	85,910,250.00	58,558,771.40	27,351,478.60
Statistical Information Services/Monitoring	20,514,532.00	15,000,000.00	35,514,532.00	25,068,505.00	10,446,027.00
Administration, Planning and Support Services	-	-	-	7,500,000.00	(7,500,000.00)
Subtotal County Division for	87,424,782.00	34,000,000.00	121,424,782.00	91,127,276.40	30,297,505.60

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	2020/2021	2020/2021	2020/2021	
	KShs	KShs	KShs	KShs	KShs
Economic Planning					
County Division for Finance					
Accounting Services	11,625,000.00	(5,500,000.00)	6,125,000.00	5,263,602.95	861,397.05
Audit Services	6,130,000.00	-	6,130,000.00	4,820,852.80	1,309,147.20
Budget Formulation, Cordination and Management	28,062,000.00	(6,069,515.00)	21,992,485.00	12,770,628.35	9,221,856.65
Kenya Devolution Support Programme Capacity and Performance	45,000,000.00	30,000,000.00	75,000,000.00	71,551,287.00	3,448,713.00
Resource Mobilization/Debt Management	23,670,519.00	18,000,000.00	41,670,519.00	32,569,478.05	9,101,040.95
Supply Chain Management Services	9,300,000.00	2,200,000.00	11,500,000.00	2,605,136.00	8,894,864.00
Administration, Planning and Support Services	581,634,588.00	(59,586,834.00)	522,047,754.00	443,832,160.71	78,215,593.29
Subtotal County Division for Finance	705,422,107.00	(20,956,349.00)	684,465,758.00	573,413,145.86	111,052,612.14
Total Finance and Economic Planning	792,846,889.00	13,043,651.00	805,890,540.00	664,540,422.26	141,350,117.74
Agriculture, Livestock and Fisheries Development					
County Division for Agriculture					
Agribusiness and information management	61,653,431.00	(6,720,566.00)	54,932,865.00	32,387,457.80	22,545,407.20
Food security initiatives	54,063,600.00	(31,308,032.00)	22,755,568.00	24,265,521.15	(1,509,953.15)

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Development Planning and Land Reforms	547,264,357.00	(15,276,080.00)	531,988,277.00	507,827,914.26	24,160,362.74
Promotion of Irrigation and Drainage Development and Management	75,194,574.00	(8,061,157.00)	67,133,417.00	54,086,341.40	13,047,075.60
Subtotal for County Division for Agriculture	738,175,962.00	(61,365,835.00)	676,810,127.00	618,567,234.61	58,242,892.39
County Division for Fisheries					
Assurance of Fish Safety, Value Addition and Marketing	114,820,684.00	(44,691,701.00)	70,128,983.00	61,001,888.95	9,127,094.05
Fisheries Policy, Strategy and capacity building	15,221,671.00	(4,200,000.00)	11,021,671.00	7,745,513.95	3,276,157.05
Marine and Fisheries Research	22,000,000.00	(8,500,000.00)	13,500,000.00	4,398,800.00	9,101,200.00
Sub-total County Division for Fisheries	152,042,355.00	(57,391,701.00)	94,650,654.00	73,146,202.90	21,504,451.10
County Division for Livestock					
Development Planning and Land Reforms	26,793,000.00	(4,229,097.00)	22,563,903.00	11,664,129.15	10,899,773.85
Food Safety and Animal Products Development	20,792,038.00	(10,612,082.00)	10,179,956.00	8,370,467.40	1,809,488.60
Livestock Diseases Management and Control	30,876,629.00	(14,113,550.00)	16,763,079.00	12,953,404.25	3,809,674.75
Livestock Policy Development and capacity building Programme	7,275,000.00	2,797,665.00	10,072,665.00	5,193,089.00	4,879,576.00
Livestock Production and Management	66,240,000.00	(6,350,769.00)	59,889,231.00	52,064,208.70	7,825,022.30

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Livestock Products Value Addition and Marketing	56,864,834.00	(27,743,337.00)	29,121,497.00	26,767,017.85	2,354,479.15
Subtotal County Division for Livestock	208,841,501.00	(60,251,170.00)	148,590,331.00	117,012,316.35	31,578,014.65
Agriculture, Livestock and Fisheries Development Total	1,099,059,818.00	(179,008,706.00)	920,051,112.00	808,725,753.86	111,325,358.14
Water, Environment, Forestry Natural Resources and Solid Waste Management					
County Division for Environment, Natural Resources & Wildlife					
Catchment Rehabilitation and Conservation	113,519,353.00	18,696,808.00	132,216,161.00	114,583,764.35	17,632,396.65
Forests Conservation and Management	59,513,912.00	(3,260,119.00)	56,253,793.00	41,912,776.10	14,341,016.90
Sub-total County Division for Environment, Natural Resources & Wildlife	173,033,265.00	15,436,689.00	188,469,954.00	156,496,540.45	31,973,413.55
County Division for Water & Sanitation					
Administration, Planning and Support Services	193,077,617.00	2,199,014.00	195,276,631.00	205,232,131.83	(9,955,500.83)
Water Supply Infrastructure	1,255,258,137.00	(128,567,946.00)	1,126,690,191.00	965,667,448.85	161,022,742.15
Sub-total County Division for Water & Sanitation Total	1,448,335,754.00	(126,368,932.00)	1,321,966,822.00	1,170,899,580.68	151,067,241.32
Total Water, Environment, Forestry Natural Resources and Solid Waste	1,621,369,019.00	(110,932,243.00)	1,510,436,776.00	1,327,396,121.13	183,040,654.87

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Management					
Education and Information, Communication and Technology					
County Division for Education					
Scholarship, Bursary and Loan	350,000,000.00	4,500,000.00	354,500,000.00	177,519,400.00	176,980,600.00
Free Pre-Primary Education	521,095,209.00	(164,199,061.00)	356,896,148.00	416,564,203.10	(59,668,055.10)
Administration, Planning and Support Services	638,564,598.00	2,559,671.00	641,124,269.00	588,581,158.05	52,543,110.95
Revitalization of Youth Polytechnics	173,714,638.00	(24,900,976.00)	148,813,662.00	119,391,459.95	29,422,202.05
Sub-total County Division for Education	1,683,374,445.00	(182,040,366.00)	1,501,334,079.00	1,302,056,221.10	199,277,857.90
County Division for Information, Communication & Technology					
E Government Services	163,711,508.00	(81,855,754.00)	81,855,754.00	52,590,176.05	29,265,577.95
County Division for Information, Communication & Technology					
Total	163,711,508.00	(81,855,754.00)	81,855,754.00	52,590,176.05	29,265,577.95
Total Education and Information, Communication and Technology	1,847,085,953.00	(263,896,120.00)	1,583,189,833.00	1,354,646,397.15	228,543,435.85
Medical Services					
County Division for Medical Services					

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Administration, Planning and Support Services	3,330,698,774.00	(275,692,785.00)	3,055,005,989.00	3,028,030,614.42	26,975,374.58
County Health Care Services	1,600,000.00	(807,906.00)	792,094.00	352,600.00	439,494.00
County Referral Services	8,100,000.00	(311,840.00)	7,788,160.00	5,926,450.00	1,861,710.00
Capacity Building & Training	5,620,000.00	(2,981,700.00)	2,638,300.00	1,252,340.00	1,385,960.00
Family planning services	4,700,000.00	(906,660.00)	3,793,340.00	405,040.00	3,388,300.00
Forensic and Diagnostics	15,900,000.00	(3,862,560.00)	12,037,440.00	6,627,651.05	5,409,788.95
Health Policy, Planning & Financing	97,183,844.00	44,036,956.00	141,220,800.00	140,775,339.60	445,460.40
Health Standards, Quality Assurance & Standards	1,400,000.00	(1,400,000.00)	-	-	-
Immunization	1,200,000.00	(589,011.00)	610,989.00	124,055.40	486,933.60
Maternity	5,150,000.00	(2,490,018.00)	2,659,982.00	600,000.00	2,059,982.00
Specialized services (Spinal Injury)	444,320,000.00	122,449,698.00	566,769,698.00	426,730,311.10	140,039,386.90
Sub-total County Division for Medical Services	3,915,872,618.00	(122,555,826.00)	3,793,316,792.00	3,610,824,401.57	182,492,390.43
County Division for Public Health					
Administration, Planning and Support Services	33,000,000.00	5,000,000.00	38,000,000.00	15,753,683.00	22,246,317.00

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	2020/2021	2020/2021	2020/2021	
	KShs	KShs	KShs	KShs	KShs
Communicable Disease Control	98,300,000.00	(37,101,500.00)	61,198,500.00	35,759,028.50	25,439,471.50
Non-communicable Disease Prevention & Control	398,481,345.00	(1,898,500.00)	396,582,845.00	355,588,014.85	40,994,830.15
Sub-total County Division for Public Health	529,781,345.00	(34,000,000.00)	495,781,345.00	407,100,726.35	88,680,618.65
Total Medical Services	4,445,653,963.00	(156,555,826.00)	4,289,098,137.00	4,017,925,127.92	271,173,009.08
Roads, Transport & Public Works					
General Administration, Planning and Support Services	299,028,294.00	91,781,971.00	390,810,265.00	371,733,044.43	19,077,220.57
Maintenance of Roads	1,114,263,261.00	91,192,147.00	1,205,455,408.00	983,672,446.83	221,782,961.17
Total Roads, Transport & Public Works	1,413,291,555.00	182,974,118.00	1,596,265,673.00	1,355,405,491.26	240,860,181.74
Lands Energy, Housing, Physical Planning and Urban Development					
County Division for Lands & Energy Administration, Planning & Support Services	134,260,212.00	34,061,744.00	168,321,956.00	123,963,213.40	44,358,742.60
Agricultural Policy, Legal and Regulatory Frameworks	156,808,148.00	30,296,356.00	187,104,504.00	166,167,665.65	20,936,838.35
Land Survey	195,348,761.00	(27,547,062.00)	167,801,699.00	125,071,670.20	42,730,028.80
Total County Division for Lands & Energy	486,417,121.00	36,811,038.00	523,228,159.00	415,202,549.25	108,025,609.75

THE COUNTY EXECUTIVE OF KILIFI
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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
County Division for Physical Planning, Urban Development and Housing					
Town administration services	6,787,825.00	-	6,787,825.00	2,200,170.00	4,587,655.00
Housing Development	174,820,722.00	(52,826,058.00)	121,994,664.00	99,248,610.00	22,746,054.00
Land Use	24,602,911.00	-	24,602,911.00	10,183,993.60	14,418,917.40
Stalled and new Government buildings	5,000,000.00	-	5,000,000.00	1,903,534.50	3,096,465.50
Total County Division for Physical Planning, Urban Development and Housing	211,211,458.00	(52,826,058.00)	158,385,400.00	113,536,308.10	44,849,091.90
Lands Energy, Housing, Physical Planning and Urban Development	697,628,579.00	(16,015,020.00)	681,613,559.00	528,738,857.35	152,874,701.65
Gender, Social Services, Culture, Youth and Sports					
Gender, Culture, Social Services and Sports					
Conservation of Heritage	9,700,000.00	3,559,300.00	13,259,300.00	9,711,795.00	3,547,505.00
Betting Control and lottery Policy services	4,036,809.00	(646,900.00)	3,389,909.00	1,234,140.00	2,155,769.00
Development and Management of Sports Facilities	85,703,440.00	(37,661,540.00)	48,041,900.00	24,302,427.15	23,739,472.85
Gender Mainstreaming	19,000,000.00	16,037,000.00	35,037,000.00	25,448,776.55	9,588,223.45

THE COUNTY EXECUTIVE OF KILIFI

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For the year ended June 30, 2021.

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2020/2021	KShs	2020/2021	KShs	2020/2021	KShs	2020/2021	KShs	
General Administration, Planning and Support Services	70,092,915.00		2,844,714.00		72,937,629.00		64,006,239.10		8,931,389.90
Social Welfare and vocational rehabilitation	125,788,722.00		(41,957,947.00)		83,830,775.00		43,887,029.60		39,943,745.40
Youth Development Services	-		18,017,000.00		18,017,000.00		8,049,428.45		9,967,571.55
Total for Gender, Social Services, Culture, Youth and Sports	314,321,886.00		(39,808,373.00)		274,513,513.00		176,639,835.85		97,873,677.15
Trade, Tourism and Cooperative Development									
County Division for Cooperative Development									
Cooperative Governance	1,800,000.00		400,000.00		2,200,000.00		205,296.55		1,994,703.45
Promotion of Cooperative & Advisory services	7,000,000.00		(175,599.00)		6,824,401.00		4,280,480.00		2,543,921.00
Cooperative marketing and value addition	5,550,000.00		(224,401.00)		5,325,599.00		269,600.00		5,055,999.00
Sub-total County Division for Cooperative Development	14,350,000.00		-		14,350,000.00		4,755,376.55		9,594,623.45
County Division for Trade & Tourism									
Fair Trade and Consumer Protection	2,678,000.00		1,399,950.00		4,077,950.00		668,915.50		3,409,034.50
Market Development	92,860,000.00		(5,663,678.00)		87,196,322.00		76,682,697.60		10,513,624.40
Niche tourism products development and diversification	1,820,000.00		(70,000.00)		1,750,000.00		1,628,950.00		121,050.00

THE COUNTY EXECUTIVE OF KILIFI
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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Tourism promotion and marketing	16,600,000.00	(397,740.00)	16,202,260.00	9,213,676.00	6,988,584.00
Tourism training and capacity building	1,070,000.00	-	1,070,000.00	752,650.00	317,350.00
Trade Development	206,282,414.00	(47,134,519.00)	159,147,895.00	157,192,379.25	1,955,515.75
General Administration Planning and Support Services	99,433,235.00	(17,652,132.00)	81,781,103.00	62,198,294.43	19,582,808.57
Investments promotion	12,200,000.00	(1,414.00)	12,198,586.00	11,588,312.05	610,273.95
Sub-total County Division for Trade, & Tourism	432,943,649.00	(69,519,533.00)	363,424,116.00	319,925,874.83	43,498,241.17
Total Trade, Tourism and Cooperative Development	447,293,649.00	(69,519,533.00)	377,774,116.00	324,681,251.38	53,092,864.62
County Public Service Board					
Coordination and Supervision	2,922,200.00	117,535.00	3,039,735.00	1,565,381.90	1,474,353.10
General Administration Planning and Support Services	52,582,963.00	843,819.00	53,426,782.00	46,271,422.04	7,155,359.96
Human Resource Development	5,100,000.00	-	5,100,000.00	4,158,545.00	941,455.00
Performance Management	4,553,038.00	38,646.00	4,591,684.00	2,261,168.15	2,330,515.85
Total County Public Service Board	65,158,201.00	1,000,000.00	66,158,201.00	54,256,517.09	11,901,683.91

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Devolution, Public Service and Disaster Management					
County Division for Devolution and Disaster Management					
Relief and Rehabilitation Sub county and ward administration services	36,000,000.00	(4,000,000.00)	32,000,000.00	-	32,000,000.00
Disaster Risk Reduction	6,650,000.00	(3,426,300.00)	3,223,700.00	2,839,585.00	384,115.00
General Administration, Planning and Support Services	103,850,000.00	51,100,000.00	154,950,000.00	151,623,112.00	3,326,888.00
Management of devolution affairs	29,230,000.00	(5,686,843.00)	23,543,157.00	12,979,407.65	10,563,749.35
Public Education, Advocacy, And Research	43,960,041.00	(25,000,000.00)	18,960,041.00	4,004,872.95	14,955,168.05
Sub-total County Division for Devolution and Disaster Management	4,600,000.00	(2,727,843.00)	1,872,157.00	1,476,101.00	396,056.00
County Division Public Service Management	224,290,041.00	10,259,014.00	234,549,055.00	172,923,078.60	61,625,976.40
Human Resource Management	6,200,000.00	(5,200,000.00)	1,000,000.00	353,500.00	646,500.00
Human Resource Development	3,400,000.00	(1,222,800.00)	2,177,200.00	1,528,296.05	648,903.95
General Administration, Planning and Support Services	379,549,111.00	143,203,740.00	522,752,851.00	497,567,476.60	25,185,374.40
Sub-total County Division Public Service Management	389,149,111.00	136,780,940.00	525,930,051.00	499,449,272.65	26,480,778.35

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Programme/Sub-programme	Original Budget 2020/2021 KShs	Adjustments 2020/2021 KShs	Final Budget 2020/2021 KShs	Actual on comparable basis 2020/2021 KShs	Budget utilization difference KShs
Total for Devolution, Public Service and Disaster Management	613,439,152.00	147,039,954.00	760,479,106.00	672,372,351.25	88,106,754.75
Municipality					
Kilifi Municipality					
Administration, Planning & Support Services	25,000,000.00	96,593,668.00	121,593,668.00	113,170,692.50	8,422,975.50
Sub-total Kilifi Municipality	25,000,000.00	96,593,668.00	121,593,668.00	113,170,692.50	8,422,975.50
Malindi Municipality					
Administration, Planning & Support Services	71,000,000.00	222,948,184.55	293,948,184.55	251,768,467.50	42,179,717.05
Total Malindi Municipality	71,000,000.00	222,948,184.55	293,948,184.55	251,768,467.50	42,179,717.05
Sub-total Municipality Total	96,000,000.00	319,541,852.55	415,541,852.55	364,939,160.00	50,602,692.55
County Assembly of Kilifi					
County Assembly of Kilifi	936,088,616.00	-	936,088,616.00	965,897,386.00	(29,808,770.00)
Total County Assembly of Kilifi	936,088,616.00	-	936,088,616.00	965,897,386.00	(29,808,770.00)
Grand Total	14,759,633,138.00	(98,601,753.45)	14,661,031,384.55	13,018,557,117.43	1,642,474,267.12

9. 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 County Executive 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 Kilifi County Executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

Recognition of receipts and payments

a) Recognition of receipts

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

ii) 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 Executive

iii) 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 Executive 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 County Executive or any other debt the County Executive 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 2021, 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 to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) 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.

v) 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 County Executive recognises all expenses when the event occurs and the related cash has actually been paid out.

i) Compensation of employees

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

ii) 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.

iii) Interest on borrowing

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) 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.

v) 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.

In-kind contributions

In-kind contributions are donations that are made to the County Executive 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 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.

a) Third Party Payments

This relates to payments done directly to supplier on behalf of the county Executive s 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 Executive is detailed in the notes to this financial statement.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

a) 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.

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.

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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 County Executive's fixed asset register a summary of which is provided as a memorandum to these financial statements.

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 at the end of the year.

Pending bills 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.

Contingent Liabilities

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

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.

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

Contingent Assets

The County Executive 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 County Executive 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.

3. 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's 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 30th June, 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There were two number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

Comparative figures

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

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10. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

Description	2020/2021	2019/2020
	KShs	KShs
Total Exchequer Releases	12,963,608,224	10,340,229,699

1.A. Equitable Share

Description	2020/2021	2020-2021
	KShs	KShs
Exchequer Releases for quarter 1	898,227,000	1,817,343,000
Exchequer Releases for quarter 2	2,611,125,000	1,880,010,000
Exchequer Releases for quarter 3	2,558,902,500	3,812,242,500
Exchequer Releases for quarter 4	5,274,472,500	2,036,677,500
Total	11,342,727,000	9,546,273,000

1.B Level 5 Hospital Allocation

Description	2020/2021	2019/2020.
Transfers for level 5 hospitals	-	-
Total	-	-

1.C Donor Funds released through Exchequer Releases as per CARA

Description	2020-2021	2019/2020
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	29,700,000	44,418,750
World Bank – THUSCP		118,565,287
National Agricultural & Rural Inclusive Growth Project (NARIGP)	191,629,568	204,559,883
East Africa Public Health Laboratory Networking Project (EAPHLNP)		2,500,000
Kenya Devolution Support Programme	147,491,953	30,000,000
Youth Polytechnic support grant	79,999,894	58,863,298
Abolishment of user fees in health centres' and dispensaries	25,969,864	25,969,864
Kenya Urban Support Programme	180,513,740	45,211,098
THS	264,848,909	-
Agriculture Sector Development Support Project (ASDSP)	12,483,432	18,853,079
Water & Sanitation Development Programme (WSDP)	688,243,864	45,015,440
Total	1,620,881,224	793,956,699

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2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	2020-2021	2019/2020
	Kshs	Kshs
Grants Received from other levels of government		
Kenya Roads Board (Roads Maintenance Levy Fund)	316,014,399	296,474,063
COVID 19 Grant	-	205,947,000
Capital Grants from Foreign Governments (GOVT OF SLOVAKIA)		1,066,059
Total	316,014,399	503,487,122

3 COUNTY OWN GENERATED RECEIPTS

Receipts from Hospital Fees and Charges (HSIF)	162,517,035	179,400,631
Land Rates and other Land Revenue	170,329,040	131,437,899
Cess on natural resources	273,840,434	276,601,301
Business Permit	57,731,023	42,495,339
Parking fees	25,515,572	29,805,584
Market fees	9,285,225	7,439,593
Billboards & Signage	29,147,422	24,837,467
Building Plan approval and Inspection	51,174,860	26,827,201
Rent/Stall rents	7,432,190	5,411,657
Survey fees and plot rents	537,730	1,179,405
Plot ground rent	5,686,017	7,292,635
House rent	2,677,814	10,468,655
Refuse Collection	2,267,500	4,384,327
Food Hygiene Fees	5,035,910	4,152,351
Slaughter House and Livestock sale Yards	1,045,190	3,526,063
Others	25,687,089	38,452,948
Total	829,910,051	793,713,056

4 RETURNED CRF ISSUES

Description	2020-2021	2019/2020
	Kshs	Kshs
Returns from County Assembly of Kilifi	68,935	128,653
Total	68,935	128,653

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5 COMPENSATION OF EMPLOYEES

Description	2020-2021	2019/2020.
	Kshs	Kshs
Basic salaries of permanent employees	1,907,401,133	1,858,748,394
Basic wages of temporary employees	242,987,599	322,944,936
Personal allowances paid as part of salary	1,592,329,795	1,603,058,593
Personal allowances paid as reimbursements	1,683,601	169,999
Employer Contributions to Compulsory National Social Security Schemes	201,852,455	158,794,958
Total	3,946,254,583	3,943,716,880

6 USE OF GOODS AND SERVICES

Description	2020-2021	2019/2020
	Kshs	Kshs
Utilities, supplies and services	95,962,549	80,340,124
Communication, supplies and services	27,590,896	12,136,867
Domestic travel and subsistence	112,015,207	150,961,934
Foreign travel and subsistence	5,770,842	48,989,535
Printing, advertising and information supplies & services	128,243,368	146,015,491
Rentals of produced assets	52,155,697	54,414,773
Training expenses	85,405,388	43,512,093
Hospitality supplies and services	105,630,057	167,440,439
Insurance costs	366,747,487	285,565,905
Specialised materials and services	649,951,120	603,654,738
Office and general supplies and services	81,398,785	107,509,481
Fuel Oil and Lubricants	89,281,255	79,787,925
Other operating expenses	363,797,900	354,789,021
Routine maintenance – vehicles and other transport equipment	69,837,768	88,261,520
Routine maintenance – other assets	184,731,294	103,595,274
Total	2,418,519,612	2,326,975,118

7 TRANSFER TO OTHER GOVERNMENT UNITS

Description	2020-2021	2019/2020.
	Kshs	Kshs
Transfer to County Assembly of Kilifi	965,897,386	999,517,108
Total	965,897,386	999,517,108

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8 OTHER GRANTS AND TRANSFERS

Description	2020-2021	2019/2020
	Kshs	Kshs
Scholarships and other educational benefits	350,000,000	350,000,000
Emergency relief and refugee assistance	148,513,142	281,586,431
Other Current Transfers, Grants and Subsidies	490,059,903	483,984,425
Other Capital Grants and Transfers	760,851,410	486,745,011
Other Current Transfers Others (Car Loans & Mortgages)	-	-
Total	1,749,424,454	1,602,315,867

9 SOCIAL SECURITY BENEFITS

Description	2020-2021	2019/2020
	Kshs	Kshs
Government pension and retirement benefits {gratuity}	52,498,277	26,091,937
Total	52,498,277	26,091,937

10 BUDGET CONTINGENCY RESERVE

Description	2020-2021	2019/2020
	Kshs	Kshs
Emergency Fund	150,000,000	220,000,000
Total	150,000,000	220,000,000

11 ACQUISITION OF ASSETS

Description	2020-2021	2019/2020
	Kshs	Kshs
Non Financial Assets		
Purchase of Buildings	-	19,185,948
Construction of Buildings	736,003,607	625,928,665
Refurbishment of Buildings	29,831,232	18,477,560
Construction of Roads	998,479,973	1,307,098,310
Construction and Civil Works	1,114,588,713	673,573,370
Purchase of Vehicles and Other Transport Equipment	8,672,250	163,991,506
Purchase of Household Furniture and Institutional Equipment	14,506,182	25,741,074

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Description	2020-2021	2019/2020
Non Financial Assets	Kshs	Kshs
Purchase of Office Furniture and General Equipment	328,609,111	169,591,833
Purchase of Specialised Plant, Equipment and Machinery	257,020,653	121,419,385
Purchase of Specialised Plant	13,342,002	4,063,494
Purchase of Certified Seeds, Breeding Stock and Live Animals	68,907,422	123,104,417
Research, Studies, Project Preparation, Design & Supervision	18,540,838	33,063,507
Rehabilitation of Civil Works		7,952,196
Acquisition of Intangible Assets	147,460,822	
Total	3,735,962,804	3,293,191,264

12 CASH AND BANK

12.A BANK ACCOUNTS

Name of Bank & Number	Bank	Account Type	2020-2021	2019/2020 Restated
			Kshs	Kshs
01. County Revenue Fund-1000170212	CBK	CRF	819,403,227.85	1,155,439.35
02. Kilifi County Wbank DANIDA Grants Account-1000268492	CBK	Programme	1,426,614.00	95,025.20
03. KILIFI COUNTY VILLAGE POLY GRANT-1000368508	CBK	Programme	2,781,820.00	486,820.00
04. KENYA DEVOLUTION SUPPORT PROGRAMME ACCOUNT-1000371684	CBK	Programme	47,376,499.00	172,465.90
05. Kilifi County Recurrent Account-1000170239	CBK	Recurrent	915.00	1,051.65
06. Kilifi County Development Account-1000170198	CBK	Development	100,053.00	3,920.65
07. Kilifi County Road Maintenance Fuel Levy-1000260928	CBK	Programme	1,414,586.00	755,859.00
08. KILIFI COUNTY NAGRIP-1000366389	CBK	Programme	-	-
09. KILIFI COUNTY- AGRI. SEC.DEV. SUPP. 1000366378	CBK	Programme	-	-
10. KCG Kenya Urban Support Program-1000396628	CBK	Programme	86,390,337.55	236,411,097.00
11. KILIFI COUNTY WATER AND SANITATION-1000394889	CBK	Programme	15,440.00	15,440.00

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Name of Bank & Number	Bank	Account Type	2020-2021	2019/2020 Restated
			Kshs	Kshs
12. KILIFI THS UNIVERSAL HEALTH CARE-1000403853	CBK	Programme	39,250,049.00	-
KILIFI THS UNIVERSAL HEALTH CARE-1000339276	CBK	Programme	-	3,999,988.50
13. The County Government of Kilifi-Project Retention--0028950001	DTB-Kilifi	Deposit	80,871,781.00	329,256,064.31
14. Kilifi County Government - Standing Imprest Account Fin-Mgt-01141465788001	Co-op Bank-Kilifi	Imprest	579,721.09	587,401.10
15. Kilifi County Elders Cash Transfer Fund Account-1060268537210	Equity Bank-Kilifi	Programme	1,200.00	30,574,892.50
16. KCG - Main Revenue Account-01141691026400	Co-op Bank-Kilifi	Revenue	243,073.04	375,065.02
17. Kilifi County Revenue Collection-1140769235	KCB-Kilifi	Revenue	958,845.19	131,621.74
18. KCG-Land Rates Revenue-01001135200100	NBK-Kilifi	Revenue	357,473.00	330,883.70
19. The County Government of Kilifi-Cess Revenue Account-0198094843001	SBM - Malindi	Revenue	503,044,754.00	350,396,501.85
20. The County Government of Kilifi-Parking Fee Revenue Account-0198094843002	SBM - Malindi	Revenue	121,929,491.55	95,071,059.25
21. The County Government of Kilifi-Parking Fee Revenue Account-1175862436	KCB-Kilifi	Revenue	-	8,604.50
22. The County Government of Kilifi - Cess Revenue Account-1175862053	KCB-Kilifi	Revenue	-	2,132.10
23. KCG-Agriculture Revenue Collection Account-01141466268700	Co-op Bank-Kilifi	Revenue	-	7,500.00
24. Kilifi County Govt. ATC Revenue-1173577289	KCB-Mtwapa	Revenue	80.00	-
CGK Health Revenue Collection Account-1275498507	KCB-Kilifi	Revenue	17,728,941.00	
25. KCG- Jibana Sub County Hosp - FIF-1159898804	KCB-Kilifi	Revenue	-	11,780.50
26. KCG- Jibana Sub County Hosp PBF-1168061334	KCB-Kilifi	Revenue	950,198.00	513,010.00

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27. KCG- Jibana Sub County Hosp PBF-1119390117	kcb-mariakani	Revenue	-	-
28. Bamba Sub District Hospital-1122196520	KCB-mariakani	Revenue	-	1,853,852.50
29. KCG-Lands and Housing Revenue Collection-2031340988	BBK-Kilifi	Revenue	248.00	305,912.00
30. Kilifi Liquor Control Fund Account-1184369607	KCB-Kilifi	Revenue	-	-
31. KCG - FIF Revenue Collection Account-01141779176400	CO-OP-Kilifi	Revenue	-	19,098,055.00
32. Kilifi County Government Gratuity-01001019119800	NBK-Kilifi	Deposit	-	2,602,154.93
33. Kilifi County Government - Salary Suspence Account - 01243465788000	Co-op Bank-Kilifi	Deposit	-	436,632.65
34. Kilifi County Executive Salary Account-1147302626	KCB-Kilifi	Deposit	-	5,529,294.00
35. KCG-Payroll Commissions-1006089603	NIC-Kilifi	Revenue	12,227,703.88	5,180,683.76
36. Kilifi County Government - Executive Standing Imprest-01141465788000	Co-op Bank-Kilifi	Imprest	-	50.00
37. Kilifi County Government Imprest Recovery Account-1171207026	KCB Kilifi	Imprest	-	383.00
38. KCG-Mariakani Sub County Hospital PBF-01141254535100	Co-op-Mariakani	Revenue	13,136,438.00	2,680,295.00
39. Mariakani District Hospital HCSF-1107831857	KCB-Kilifi	Revenue	-	-
40. Kilifi County Hospital-PBF Account-01001068243400	NBK-Kilifi	Revenue	31,622,703.00	11,220,780.00
41. KCG- Malindi Sub County Hospital District - PBF-01001018366800	NBK-Malindi	Revenue	46,906,530.00	7,304,780.00
42. KCG-Malindi/Magarini Public Health-1160452970	KCB - Malindi	Revenue	-	308,555.00
43. KCG-Bamba Sub County Hospital PBF Account-01001068243700	NBK-Kilifi	Programme	5,370,683.00	2,946,850.00
44. County Director of Health-1144462355	KCB Kilifi	Programme	-	-
45. KCG -HSSF KILIFI CHMT-1153100622	KCB Kilifi	Programme	-	-
46. KCG Land and Housing Revenue-01141779473400	Co-op Bank-Kilifi	Revenue	-	-

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47. County Government of Kilifi Donation Account-1060279268120	Equity Bank-Kilifi	Programme	5,422,545.15	22,200,180.00
CGK Cash Transfer Programme Account-1283242303	KCB	Programme	2,316,413.00	
48. EAP Health Labs Networking Project Account - 1148548434	KCB-Kilifi	Programme	80,522.95	80,522.95
49. Kilifi County Deposit Account -1000357339	CBK	Deposit	133,026,460.00	55,929.40
Total			1,974,935,346	1,132,168,534.01

Adjusted Bank balances 2019-2020 due to adjusted cashbooks as follows:

Description	2019/2020
	Kshs
Bank balances as per Audited Financial Statements 2019-2020	1,127,469,668
Adjustment for overstated amount on County Revenue Fund-1000170212	(229,816,864)
Adjustment for understated amount on Kilifi County Recurrent Account-1000170239	1,052
Adjustment for understated amount on Kilifi County Development Account-1000170198	3,921
Adjusted for understated amount on Kilifi County Road Maintenance Fuel Levy-1000260928	755,859
Adjustment for understated amount on KCG Kenya Urban Support Program-1000396628	236,411,097
Adjustment for overstated amount on KCG - Main Revenue Account-01141691026400	(1,162,331)
Adjustment for overstated amount on KCG-Agriculture Revenue Collection Account-01141466268700	(470,040)
Adjustment for overstated amount on KCG-Lands and Housing Revenue Collection-2031340988	(1,095,931)
Adjustment for understated amount on EAP Health Labs Networking Project Account – 1148548434	72,104
Adjusted/. Bank balances 2019-2020	1,132,168,534

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The bank balances reflects a figure of Kshs.1,974,935,346 which includes Kshs.503,044,754 and Kshs.121,929,492 being cess revenue account and parking fee revenue account respectively. The balances were held in escrow accounts which could not be accessed due to court order. The case is still active in court.

12.B CASH IN HAND

Description	2020-2021	2019/2020
	Kshs	Kshs
Cash in Hand – Held in domestic currency	14,655	225,113
Total	14,655	225,113

Cash in hand is analyzed as follows:

Description	2020-2021	2019/2020
	Kshs	Kshs
Rabai	-	-
Kaloleni	-	112,790
Ganze	8,980	-
Malindi	-	-
Kilifi North	3,075	112,323
Kilifi South	2,600	-
Magarini	-	-
Total	14,655	225,113

13 ACCOUNTS RECEIVABLE

Description	2020-2021	2019/2020.
	Kshs	Kshs
Government Outstanding Imprests	4,267,527	3,503,360
Prepayment of PAYE	56,724,882	0
Other Accounts Receivables - Loss of Cash	43,240,740	43,240,740
Total	104,233,149	46,744,100

Loss of Cash of Kshs. 43,240,740

This was an amount lost through fraudulent online transfer without supporting documents. The total funds fraudulently transferred was Kshs. 51,569,775 out of which Kshs. 8,329,035 was recovered after reporting the mater to oversight agencies including the EACC and Anti bank fraud unit resulting in the unaccounted loss of Kshs. 43,240,740. Investigations were commenced and

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suspects taken to court. The County is still pursuing the matter in court in anticipation to recover the lost money.

Prepayment of PAYE 56,724,882

Kenya Revenue Authority erroneously enforced two direct collections through Demand notice on 28th April, 2021 of Kshs. 16,001,386 and Kshs. 25,616,920 against Kilifi County Government on allegation that they had paid Little Puppies Limited the same amount while an Agency notice was in force which was not the case.

Kilifi County Government moved to Court for Conservatory orders, then recovered the over recovery in the PAYE deduction for the month of May 2021 of Kshs. 56,847,065.05 and paid the balance of Kshs. 15,228,759.05.

However, despite the effort of the County Government to reach an understanding with Kenya Revenue Authority on the misunderstanding, the later enforced another direct collection through demand notice dated 30th June, 2021 on the full PAYE for May 2021 of Kshs. 56,724,881 resulting to the excess recovery of the same amount.

Government Imprest Holder

Name of Officer or Institution	Department	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Unsurrendered amount Kshs
John Kalama Vuko	Finance	1/27/2020	45,100	45,100	-
Felix Lalo Wanje	Finance	1/27/2020	118,600		118,600
John Mwangi Muhuga	Finance	6/30/2020	708,000	708,000	-
Charles Rhondo Nguru	Finance		192,400		192,400
Michael Ngombo Mwangi	Finance	6/30/2020	172,200	172,200	-
Emmanuel Salim Nguyah	Finance	17-Dec-20	38,800		38,800
Jackline Mavuna Maro	Finance	12-Mar-21	170,100		170,100
Kennedy Mganga Chilibasi	Finance	18-May-21		-	-
Abdul Mbarak	Finance	B/F 16-17	60,000		60,000
Duncan Obura	Finance	B/F 16-17	83,500		83,500
Kieti Kigen Kelvin	Finance	B/F 16-17	123,251		123,251
Vincent Mbiti	Finance	B/F 16-17	88,000		88,000
Omar Abuu Mohamed	Executive	12/13/2019	24,500	24,500	-
Arnold Mkare Jefwa	Executive	9/6/2019	47,800		47,800
Arnold Mkare Jefwa	Executive	11/27/2019	1,312,811		1,312,811
Arnold Mkare Jefwa	Executive	2/4/2020	26,800		26,800

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Name of Officer or Institution	Department	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Unsurrendered amount Kshs
Jimmy Baya Maitha	Executive	15-Feb-21	-		-
Everlyne Chepchirchir	Health	Bal b/f	375,000		375,000
Shadrack Jefwa	Health	Bal b/f	5,040		5,040
Maurice Pole Tsuma	Lands	1/24/2020	500		500
Kennedy Ochieng Oludo	Lands	4/1/2020	36,660		36,660
Margaret Magombe Munga	Lands	4/1/2020	10,798		10,798
Hesbon Saro Mae	PSM	3/18/2020	248,880	248,880	-
Busara Canana Kongwe	Roads	11/2/2019	320		320
Ali Mwambiti	Water	Bal/b/f	15,000	-	15,000
Joseph Tinga	Water	Bal/b/f	600	-	600
Safari Mlewa Katana	psm	30/06/2021	97,050		97,050
Adan Mohamed	psm	30/06/2021	97,050		97,050
Sharon Odhiambo	finance	30/06/2021	546,600		546,600
Vincent Lugwe	trade	30/06/2021	96,750		96,750
Mary Mkare	trade	30/06/2021	96,750		96,750
Jane Mwanda Mutula	cpsb	30/06/2021	303,400		303,400
Ann Muthoni Kamenwa	cpsb	30/06/2021	303,400		303,400
Maurice Pole Tsuma	lands	30/06/2021	20,000		20,000
Margaret Magombe Munga	lands	30/06/2021	547		547
TOTALS			5,466,207	1,198,680	4,267,527

14 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019/2020. Kshs
Gratuity		2,616,915
Salaries		5,849,347
Contractors Retention CBK	133,026,460	-
Contractors Retention DTB	102,196,430	380,580,713
KCG Land and Housing Revenue-01141779473400	600	-
KCG Elders Cash Transfer	2,316,413	30,575,493
County Government of Kilifi Donations		22,804,140
KCG- Jibana Sub County Hosp PBF-1119390117		1,191
County Government of Kilifi Donation Account-1060279268120	5,422,545	
Total	242,962,448	442,427,799

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15 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019/2020.
	Kshs	Kshs
Bank accounts	1,132,168,534	1,764,528,532
Cash in hand	225,113	3,953,682
Receivables - lost cash	43,240,740	43,240,740
Receivables - Outstanding Imprests	3,503,360	4,738,035
Payables – Deposits	(442,427,799)	(310,200,262)
Total	736,709,948	1,506,260,728

16 PRIOR YEAR ADJUSTMENTS

Description	2020-2021	2019/2020
	Kshs	Kshs
Adjustments on bank account balances	-	4,698,866
Adjustments on cash in hand	-	
Adjustments on payables	8,466,262	
Adjustments on receivables	-	
Others Adjustments(<i>specify</i>)	-	
Total	8,466,262	4,698,866

These are payments for gratuity of Kshs 2,610,915 and salaries of Kshs 5,849,347 previous paid and expensed off but funds had not been collected by the beneficiaries. The expense has been reversed (as prior year adjustment) and the corresponding accounts payable adjusted accordingly

17 CHANGES IN RECEIVABLES

	2020-2021	2019/2020.
	Kshs	Kshs
Receivables b/f	46,744,100	47,978,775
Additions during the year	189,453,835	215,724,286
Recovered during the year	131,964,786	216,958,961
Outstanding at year end of year D= A+B-C	104,233,149	46,744,100
Net changes in account receivables E= A-D	(57,489,049)	1,234,675

18 CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS

Description	2020-2021	2019/2020.
	KShs	KShs

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Description	2020-2021	2019/2020.
Deposit and Retentions as at Beginning of the Period (A)	329,311,993	310,200,262
Deposit and Retentions withheld during the Year (B)	173,572,021	408,045,626
Deposit and Retentions paid out during the Year (C)	288,985,776	257,409,569
Deposit and Retentions as at End of the Period D = A+B-C	213,898,238	460,836,318
Net changes in account payables E = D-A	(115,413,755)	150,636,056

OTHER IMPORTANT DISCLOSURES

1. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	202,249,296.43	158,951,733.85	173,253,516.61	187,947,513.67
Construction of civil works	190,488,381.58	195,456,891.86	36,609,060.58	349,336,212.86
Supply of goods	97,256,907.20	375,974,072.88	173,738,001.35	299,492,978.73
Supply of services	355,325,205.10	198,044,725.77	136,839,562.45	416,530,368.42
Total	845,319,790.31	928,427,424.36	520,440,140.99	1,253,307,073.68

2. Pending Staff Payables (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management	10,150,724.20	-	1,331,829.00	8,818,895.20
Middle management				

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	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
	16,629,444.00	-	1,738,075.00	14,891,369.00
Unionisable employees	16,176,883.75	-	2,453,891.00	13,722,992.75
Others	10,748,796.72	-	681,000.00	10,067,796.72
Total	53,705,848.67	-	6,204,795.00	47,501,053.67

3. Other Pending Payables (See Annex 4)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Govt Entities	117,309.80	-	77,051.50	40,258.30
Amounts due to Third Parties	4,760,277.05	-	-	4,760,277.05
Total	4,877,586.85	-	77,051.50	4,800,535.35

OTHER IMPORTANT DISCLOSURES (Continued)

4. 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 Executive:

- i) 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.
- ii) County Ministries and Departments.
- iii) The National Government.

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- iv) Other County Governments Entities and
v) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	Cumulative	Cumulative	Cumulative
DESCRIPTION	2020- 2021	2019- 2020	2018- 2019
	Kshs	Kshs	Kshs
Key Management Compensation (Governors, CEC Members and C.Os)			
Transfers to related parties			
Transfer to the County Assembly	965,897,386	999,517,108	999,517,108
Transfers to Scholarships Fund	350,000,000	350,000,000	350,000,000
Transfers to Mbegu Fund	105,000,000	105,000,000	30,000,000
Transfers to Emergence Fund	150,000,000		
Transfers to Kilifi Municipality	113,170,692	0	96,750,100
Transfers to Malindi Municipality	251,768,467	0	233,784,400
Total Transfers to related parties	1,935,836,545	1,454,517,108	1,710,051,608
Transfers from related parties	0		
Transfers from the Exchequer	11,342,727,000	10,444,500,000	11,616,361,508
Transfers from National Government-KRB	316,014,399	296,474,063	285,223,456
Transfers from National Government-DANIDA	29,700,000	44,418,750	45,178,279
Transfers from National Government-Level 5 Hospital Allocation	0	0	0
Other Transfers- Donor funds transferred through exchequer	1,591,181,224	748,104,008	732,183,229
Total Transfers from related parties	13,279,622,623	11,533,496,821	12,678,946,472

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OTHER IMPORTANT DISCLOSURES (Continued)

5. Establishment of other County Government Entities

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Scholarships Fund	December 2013	County HQ	NEEMA SIRYA
Mbegu Fund	June 2016	County HQ	Mercy Mahoro
Kilifi Municipality	June 2018	Kilifi Town	ELIAS CHIPA
Malindi Municipality	June 2018	Malindi Town	SILAS NGUNDO
County Water Service Providers (KIMAWASCO)	March 2013	Kilifi Town	Hezekiah N. Mwarua
Health Services Improvement Fund	2019/2020	County HQ	Bahati Mashalaghu
County Water Service Providers (MAWASCO)	March 2013	Malindi Town	Gerald Mwambire

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OTHER IMPORTANT DISCLOSURES (Continued)

6. Disclosure of Balances in Revenue Collection Accounts

Name of Bank & Number	Bank	Account Type	2020-2021 Kshs	2019/2020 Kshs
<i>KCG - Main Revenue Account-01141691026400</i>	Co-op Bank- Kilifi	Revenue	-	375,065
<i>Kilifi County Revenue Collection-1140769235</i>	KCB-Kilifi	Revenue	-	131,622
<i>KCG-Land Rates Revenue- 01001135200100</i>	NBK-Kilifi	Revenue	357,473	330,884
<i>The County Government of Kilifi-Cess Revenue Account- 0198094843001</i>	SBM - Malindi	Revenue	503,044,754	350,396,502
<i>The County Government of Kilifi-Parking Fee Revenue Account-0198094843002</i>	SBM - Malindi	Revenue	121,929,492	95,071,059
<i>The County Government of Kilifi-Parking Fee Revenue Account-1175862436</i>	KCB-Kilifi	Revenue	0	8,605
<i>The County Government of Kilifi - Cess Revenue Account- 1175862053</i>	KCB-Kilifi	Revenue	0	2,132
<i>KCG-Agriculture Revenue Collection Account- 01141466268700</i>	Co-op Bank- Kilifi	Revenue	0	7,500
<i>Kilifi County Govt. ATC Revenue-1173577289</i>	KCB- Mtwapa	Revenue	80	0
<i>KCG- Jibana Sub County Hosp - FIF-1159898804</i>	KCB-Kilifi	Revenue	0	11,781

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Name of Bank & Number	Bank	Account Type	2020-2021	2019/2020
<i>KCG- Jibana Sub County Hosp PBF-1168061334</i>	KCB-Kilifi	Revenue	950,198	513,010
<i>KCG- Jibana Sub County Hosp PBF-1119390117</i>	KCB - Mariakani	Revenue	0	0
<i>Bamba Sub District Hospital- 1122196520</i>	KCB- Mariakani	Revenue	0	1,853,853
<i>KCG-Lands and Housing Revenue Collection- 2031340988</i>	BBK-Kilifi	Revenue	-	305,912.00
<i>Kilifi Liquor Control Fund Account-1184369607</i>	KCB-Kilifi	Revenue	0	0
<i>KCG - FIF Revenue Collection Account- 01141779176400</i>	CO-OP-Kilifi	Revenue	0	19,098,055
<i>KCG-Payroll Commissions- 1006089603</i>	NIC-Kilifi	Revenue	12,227,704	5,180,684
<i>KCG-Mariakani Sub County Hospital PBF- 01141254535100</i>	Co-op- Mariakani	Revenue	13,136,438	2,680,295
<i>Mariakani District Hospital HCSF-1107831857</i>	KCB-Kilifi	Revenue	0	0
<i>Kilifi County Hospital-PBF Account-01001068243400</i>	NBK-Kilifi	Revenue	31,622,703	11,220,780
<i>KCG- Malindi Sub County Hospital District - PBF- 01001018366800</i>	NBK-Malindi	Revenue	46,906,530	7,304,780
<i>KCG-Malindi/Magarini Public Health-1160452970</i>	KCB - Malindi	Revenue	0	308,555

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Name of Bank & Number	Bank	Account Type	2020-2021	2019/2020
<i>KCG Land and Housing Revenue-01141779473400</i>	Co-op Bank-Kilifi	Revenue	0	0
Total			730,175,372	494,801,074

7. Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments in the year 2020/21 amounts relating to leased medical equipment was Kshs 132,021,277 (2019/2020 Kshs 131,914,894)-

8. VARIANCE BETWEEN THE FINANCIAL STATEMENTS AND IFMIS BALANCES

Though the current year financial statements reconcile with the IFMIS balances, the prior years' financial statements figures vary with IFMIS balances.

The County Government of Kilifi introduced IFMIS system in September 2013 though it was partially adopted. County Government staff challenges in operating the system as they were in the learning process. The following major challenges were experienced:

- i. Surrendering of imprest -Though issuance was done through the System surrendering was being done manually.
- ii. System cleaning up challenges after closure of the financial years.
- iii. Inability to perform Auto bank reconciliation in the system since inception to 2019 when the module was introduced.

The challenges led to the accumulated variances between the financial statements and the IFMIS balances.

The County Government has been making efforts to reconcile and make the necessary system adjustment in those years.

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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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0.	Financial Statement Differences between the Statement of receipts Payments and the Integrated Financial Management Information System (IFMIS) Figures. The statement of receipts and payments figures presented for audit review were at variance with IFMIS report figures	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022

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2.0	<p>Cash and Cash Equivalents – Stale and Un-presented cheques: The statement of assets and liabilities reflects bank balance of Kshs. 1,742,179,579. However, the bank accounts balance excludes two (2) stale Cheques totaling to Kshs. 1,372,677 that had not been reversed in the cashbook. Further, the Management had two (2) un-presented Cheques totaling to Kshs. 47,415,938 but subsequent reconciliation statements had not been availed for audit review to confirm whether they were cleared or not. Consequently, the accuracy and completeness of the bank account balances totaling to Kshs. 1,742,179,579 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>Resolved</p>
3.0	<p>Unauthorized Re-Allocation of Development Funds: The Management made payments amounting to Kshs. 629,860,403 for construction and civil works. However, the amount excludes an amount of Kshs. 17,197,618.10 reallocated from development vote to recurrent vote and used to pay various local service providers for garbage collection services, contrary to Section 154 of the Public Finance Management Act, 2012.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>2022</p>

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4.0	<p>Loss of Cash: As was reported during the previous years' audit, and as disclosed under Note 12 to the financial statements, the statement of assets and liabilities reflects accounts receivables balance of Kshs. 50,260,932. However, the figure includes a cash balance of Kshs. 43,240,740 which was lost through online transfer from Recurrent Bank Account to fictitious individuals or firms under unclear circumstances as they had not been contracted by the County. Management has indicated that the matter was reported to the relevant Government agencies and is under investigation.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	Court Case ongoing
5.0	<p>Unsupported Expenditure: As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs. 2,466,324,997 under Use of Goods and Services. However, the management did not avail supporting documents by way of files and payment vouchers for nine (9) projects with a total contract value of Kshs. 99,169,895 for audit review.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	Payment vouchers still held by the DCI
6.0	<p>Failure to Submit Accounts by the Receiver of Revenue: Note 3 to the financial statements reflects county own generated revenue of Kshs. 864,317,126. However, the audit revealed that the receiver of revenue did not submit an account to the Auditor-General, contrary to Section 165 sub section 1 the Public Finance Management Act, 2012.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	Resolved

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7.0	<p>Unsupported Accounts Payables Balance: As disclosed under Note 13 to the financial statements, the statement of assets and liabilities reflects accounts payables of Kshs. 310,200,262. However, only an amount of Kshs.2,616,915 had been supported by schedules leaving an unsupported balance of Kshs. 307,583,347.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	Resolved
8.0	<p>Budgetary Control and Performance: According to the summary statement of appropriation: recurrent and development combined, the County Executive had an approved balance budget of Kshs. 14,471,491,081 but realised actual receipts amounting to Kshs. 13,492,154,785 while actual expenditure totaled to Kshs. 11,896,888,844 resulting to an under expenditure of Kshs. 1,595,265,942 or 12% of the realized receipts. In particular, the County Government had an approved Own Generated receipts budget of Kshs. 1,345,066,521 but collected Kshs. 864,317,126 resulting to an under collection of Kshs. 480,749,395 or 35.6%.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022

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9.0	<p>Pending Bills: The financial statements for the year ended 30 June 2019 reflects pending bills amounting to Kshs. 1,166,851,970 as disclosed in other important disclosure note 1. However, audit revealed that pending bills amounting to Kshs. 8,193,860 were supported with photocopies of invoices, local purchase orders and delivery notes instead of original documents.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
1.0	<p>Report on lawfulness and effectiveness in use of public resources</p> <p>Compensation of Employees</p>			
1.1	<p>Non-Remittance of Payroll Deductions: During the year under review, the management made several staff deductions amounting to Kshs.41,259,172.35. However, Management had not remitted to the relevant bodies as at the time of the audit.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	Resolved
1.2	<p>Irregular Payroll Deductions Examination of the payroll revealed that net pay for twenty-seven (27) employees totalling to Kshs. 2,904,470 was less than a third of their corresponding basic pay of Kshs.9,918,275.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
2.0	<p>Use of Goods and Services</p>			

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2.1	<p>Invalid Local Purchase Order and Local Service Order:</p> <p>The management made payments of Kshs.22,865,379 whose local purchase orders and local service orders were beyond the validity period of thirty (30) days contrary to Regulation 52. (1) of the Public Finance Management (County Governments) Regulations, 2015 .</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
2.2	<p>Unsupported Training Expenses: Management incurred training expenses of Kshs. 65,611,149. However, evidence of training needs assessments to identify skills gap, identification and selection and annual training plans to inform budget allocation and skill gap to be filled were not availed for audit review. In addition, the annual training plan to identify when staff will be trained or inducted and to ensure that each staff undergoes at least 5 days of training was not availed for audit verification contrary to Section H1 (4) of Human Resource Policies and Procedures Manual of May 2016.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022

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2.3	<p>Hospitality Supplies and Services: The management incurred hospitality supplies and services of Kshs. 282,146,226. However, included in this amount is prepayment for hotel and conference facilities amounting to Kshs. 2,453,663.80 to a hotel for team building and bonding activities. Further, the list of participants, availed for audit review was a photocopy with hand written date. In addition, arrival and departure dates were not indicated in the pro-forma invoice, hence it was not possible to confirm when the services were eventually rendered by the hotel.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
2.4	<p>Foreign Travel Expenses: The management spent Kshs. 59,095,662 on foreign travel and subsistence payments which include foreign travel and training of Kshs. 978,576. However, the management did not avail supporting documents by way of; annual work plan, the intended benefits to be achieved and how the participants were identified, for audit verification.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
2.5	<p>Unauthorized Contributions to the Council of Governors: The management incurred other operating expenses of Kshs. 300,705,564. This amount includes payments of Kshs. 12,859,383 to the Council of Governors as intergovernmental contributions, contrary to Section 37 (c) of the Intergovernmental Relations Act, 2012.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
3.0	Acquisition of Assets			

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3.1	<p>Irregular Contract-Supply of Heifers: Purchase of certified seeds, breeding stock and live animals includes Kshs. 18,774,460 for supply and delivery of eighty-one (81) in-calf heifers and 4,999 straws of bull semen. However, the contract agreement was signed on 24 January, 2019 and entered into elapsed on 31 January 2019, contrary to Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
3.2	<p>Payment for Certified Seeds, Breeding stock and Live Animals before Delivery: Under the purchase of certified seeds, breeding stock and live animals is included Kshs. 4,518,800 for the supply and delivery of 8,000 tree seedlings to Kilifi Sub-counties. However, payment to the suppliers was made on 9th May, 2019 while delivery of the seedlings was done on 11 May, 2019 and 29th May, 2019 contrary, to Section 146 of the Public Procurement and Assets Disposal Act, 2015.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
3.3	<p>Delayed Completion of Administrator's Building: The management entered into a contract for construction of Rabai sub-county administrator's building at a contract sum of Kshs. 8,289,230 which was to be completed by 11 March, 2015. However, as at the time of audit in the month of October, 2019, the project had not been completed. In addition, the management did not provide, for audit review, the contractor's request for extension of time to complete the project and contractors' all risk insurance.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022

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3.4	<p>Undelivered Antivirus Licenses: The management made payments of Kshs.4,995,900 for supply and delivery of 600 users licenses keys and support services for antivirus and security. Installation and commissioning certificate were issued by the supplier on 14 February, 2019 and license certificate issued on 30 January, 2019 while an inspection and acceptance report were issued on 14 March, 2019. However, during physical verification in the month of September, 2019 revealed that only 254 machine/users out of 842 machines were serviced leaving a balance of 346 licenses not used since county officers declined to have their machines under the security of the county government. It is not clear how the 600 licenses were purchased without first involving the users, and the management has not indicated how they intend to deal with the situation considering that the contract is still running without the purchased antivirus.</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
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<p>4.0</p>	<p>Outstanding Imprests: Disclosed under Note 12 to the financial statements is outstanding imprests 7,020,192 out of which Kshs. 3,311,768 has been outstanding for more than one year in contravention of Section 93(5) of the Public Finance Management (County Governments) Regulations, 2015. Management explained that the amount relates to imprests held by officers who had transferred services without full clearance from the county. Management have also written to the organizations where these officers are currently stationed to initiate the process of recovery.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>2022</p>
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<p>5.0</p>	<p>Wasteful Utilization of Public Resources - Valuation Roll: Note 3 to the financial statements for the year ended 30 June 2019 reflects county own generated revenue of Kshs. 864,317,126. Included in this balance is an amount of Kshs. 187,241,170 in respect of land rates and other land revenue collected during the year. However, the County Government has not yet adopted the Valuation roll that would have enabled it to capture all the revenue. Further, Note 6 to the Financial statements for the year ended 30th June, 2019 reflects office and general supplies and services amounting to Kshs.120, 352,809. This amount includes a payment of Kshs. 2,900,000 to a firm for consultancy services on revision of the valuation roll. Records availed for audit review indicated that the management had previously, on 13 October 2015, paid an amount of Kshs. 37,885,000 to the same company for the preparation of the valuation roll. However, as at the time of audit in the month of October 2019, the valuation roll had not been put into use. The management has not explained why it has taken long to implement the use of the valuation roll which was aimed at increasing revenue collection in the county.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>2022</p>
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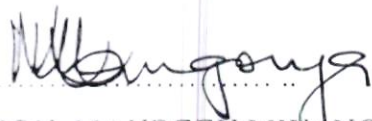
<p>6.0</p>	<p>Unsatisfactory Implementation of Projects: Physical verification done in October, 2019 of twenty-two (22) sampled projects with total contract sums of Kshs. 392,938,325 revealed the various projects completed but not in use while in some there was evidence of poor workmanship. A site visits of the projects revealed that there were six (6) projects that had been completed but were not in use as at the time of the audit. This raises doubt on how the decision to undertake the projects was arrived at. Further, inspection of three school projects revealed that the toilets erected in the three (3) projects were not completed even though the school was operational and this has been part of the contract works. Road shoulders and road furniture had also not been completed for three (3) road projects. No satisfactory explanations have been rendered for the deficiencies in projects implementation contrary to the values and principles of public service as provided for under Article 232 (1- c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>2022</p>
	<p>Report on effectiveness of internal controls, risk management and governance</p>			

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1.0	<p>Failure to Maintain Updated Assets Register: Examination of the assets register established that most of the departmental assets' registers were not updated with asset details such as estimated useful life and date of disposal, location of the asset and where applicable proceeds on disposal. Further, the items were not tagged contrary to Section 7.2.2 of the County Financial Accounting & Reporting Manual .</p>	Detailed explanations to observation given in the Audit response	Awaiting feedback from the Senate and Kilifi C/ Assembly	2022
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<p>2.0</p>	<p>Lack of Controls on Distribution of Furniture and Equipment: As disclosed in Note 6 to the Financial statement of receipts and payments reflects an expenditure of Kshs. 2,829,276,111 under acquisition of assets which includes payments in respect of office furniture and general equipment amounting to Kshs.15,020,438 made to various suppliers for supply and delivery of Early Childhood Development Education chairs, tables and learning materials. Available records indicated that the management designed distribution forms to record quantities issued and acknowledgement of delivery by the recipients/beneficiaries. However, the forms were not serialized for accountability and control purposes. In addition, from the list of twenty-eight (28) schools which applied for furniture, only six (6) schools benefited. The furniture meant to be supplied to the remaining twenty-two (22) schools was diverted to other schools which had not applied for the same.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Awaiting feedback from the Senate and Kilifi C/ Assembly</p>	<p>2022</p>
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HON. MAUREEN MWANGOVYA
 COUNTY EXECUTIVE COMMITTEE MEMBER
 FOR FINANCE AND ECONOMIC PLANNING

Date 27/04/2022

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11. ANNEXES
4.6 ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period (2020/21)	Quarter 1 (K.shs)	Quarter 2 (K.shs)	Quarter 3 (K.shs)	Quarter 4 (K.shs)	Total (K.shs)
Equitable Share	898,227,000.00	2,611,125,000.00	2,558,902,500.00	5,274,472,500.00	11,342,727,000.00
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	29,700,000.00	29,700,000.00
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	165,318,533.35	-	26,311,034.65	191,629,568.00
Kenya Devolution Support Programme	-	-	45,000,000.00	102,491,953.00	147,491,953.00
Youth Polytechnic support grant	-	-	39,999,947.00	39,999,947.00	79,999,894.00
Abolishment of user fees in health centres and dispensaries	-	-	-	25,969,864.00	25,969,864.00
Kenya Urban Support Programme	-	94,123,402.60	-	86,390,336.95	180,513,739.55
Agriculture Sector Development Support Project (ASDSP)	-	-	12,272,362.00	211,070.00	12,483,432.00
Water and Sanitation Development Project	-	347,093,107.60	-	341,150,756.45	688,243,864.05
Transforming Healthcare Services	-	-	138,909,504.00	125,939,404.75	264,848,908.75
Roads Maintenance levy fund	-	79,003,600.00	79,003,600.00	158,007,199.20	316,014,399.20
Total	898,227,000.00	3,296,663,643.55	2,874,087,913.00	6,210,644,066.00	13,279,622,622.55

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ANNEX 2 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical cost c/f Kshs	Additions during the year Kshs	Disposals during the year Kshs	Historical cost c/f Kshs
	2020/2021	2020/2021	2020/2021	2020/2021
Land	-	-	-	-
Buildings and structures	3,231,428,580	766,762,527	-	3,998,191,106
Transport equipment	431,180,893	7,913,000	-	439,093,893
Office equipment, furniture and fittings	534,815,749	299,171,916	-	833,987,664
ICT Equipment, Software and Other Assets	125,158,085	22,189,038	-	147,347,123
Other Machinery and Equipment	722,568,103	228,773,430	-	951,341,533
Heritage and cultural assets	-	-	-	-
Intangible assets	17,580,000	-	-	17,580,000
Biological assets	175,525,145	-	-	175,525,145
Research & feasibility study	42,004,867	3,997,200	-	46,002,067
Household Furniture and Institutional Equipment	-	6,175,312	-	6,175,312
Water supplies	-	11,999,998	-	11,999,998
Refurbishment of Buildings	-	11,853,712	-	11,853,712
Total	5,280,261,421	1,358,836,132	-	6,639,097,553

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ANNEX 7 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
	County Assembly	92,000,000	286,783,540	178,730,246	408,383,600	965,897,386	965,897,386	0	
	Total	92,000,000	286,783,540	178,730,246	408,383,600	965,897,386	965,897,386	0	

Director of Finance
County Executive

Fuss

(NB: This appendix must be agreed and signed by the issuing and receiving party)

N/A
Director of Finance
County Assembly



ANNEX 9 – BANK RECONCILIATION/FO 30 REPORT
(Attach FO 30 Reports from IFMIS)