

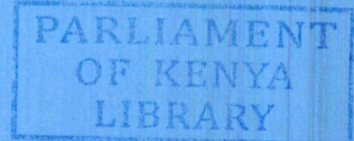
REPUBLIC OF KENYA



Enhancing Accountability

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DATE	31/5/2023
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COMMITTEE	—
CLERK AT THE TABLE	Chania

REPORT



OF

THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF VIHIGA



COUNTY GOVERNMENT OF VIHIGA

COUNTY REVENUE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



1921



County Government of Vihiga
County Revenue Fund
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022

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1. Key Entity Information and Management

a) Background information

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

b) Key Management

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

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

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	CPA Alfred Indeché
2.	Accounting Officer in charge of Finance	CPA Livingstone Imbayi
3.	Director Accounting Services/Finance	CPA Benjamin Otwoko

d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering:

- *Audit and Finance committee activities*
- *Senate Committee Activities*
- *County Assembly*
- *Development partner oversight activities*
- *Controller of Budget*
- *Office of the Auditor General*

(Provide a brief explanation on fiduciary activities undertaken during the financial year)





e) County Headquarters

P.O. Box 344 - 50300

Vihiga County Headquarters – Mbale

Mbale – Kegoye Road,

Off Kisumu - Kakamega Road

Maragoli, Kenya

f) County Contacts

E-mail: treasury@vihiga.go.ke

Website: www.vihiga.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

P.O. Box 344

Maragoli, KENYA



2. Statement by the CECM Finance

This is the Annual Report and Financial Statement for the year ending 30th June 2022. The AR & FS is prepared in fulfilment of Article 228(6) of the constitution of Kenya. Its primary objective is to provide an analysis of the budget implementation in the financial year 2021/22. Accordingly, the report analyses the County Government performance for the period under review, with specific focus on expected versus achieved revenue targets, expenditure analysis, statements of assets and liabilities and statement of cash flows

The reporting framework for the AR & FS is based on the operational and reporting guidelines which were developed by the Nation Treasury and State Department of Planning. As a standard procedural practise, every end financial year all National Government Departments and Agencies including County Government are required prepare and submit to the National Treasury the Annual Report and Financial Statements. Although the report focuses primarily on the County Government during the fiscal year 2021/22, information from the previous financial years have been incorporated in compiling this report. This served the purpose of providing both current information as well as fair representation of the annual assessment.

In FY2021/2, the aggregated approved budget for the County Government of Vihiga was Kshs 6,408,878,439 and comprised of Kshs.4,475,227,700 (70%) for recurrent expenditure and kshs 1,933,650,739 (30%) for development programmes. It is worth noting that the allocation for development expenditure conformed to section 107(2)(b) of the PFM Act 2012 which requires that over the medium term a minimum of thirty percent (30%) of the budget be allocated to development expenditure. To finance the approved budget the county government of Vihiga was expected to receive an allocation that comprised of Kshs 5,067,356,827 being equitable share of revenue raised nationally, Kshs 1,018,293,939 conditional allocation from the national government and development partners, Kshs. 232,658,877 from own source revenue and Kshs 90,568,796 from unspent cash balances from the fy 2020/21. During the year, the County received Kshs. 4,909,510,086 from the National government. The transfer comprised of Kshs 4,661,968,278 equitable share, Kshs 247,541,809 conditional grants, and Kshs. 240,890,593 actual own source revenue in which kshs 123,646,865 received in CRF account and Kshs 49,031,479 unspent balances carried forward from the previous financial year.

For:



Sign

CECM Finance and Economic Planning

County Government of Vihiga



3. Management Discussion and Analysis

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA).

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

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

- 1) Automation of revenue collection system – the County is currently using POS system in the department of Health. The construction of an ultra- modern data centre will pave way for automation of all revenue streams. Automation of revenue will reduce revenue leakages.
- 2) Review of the finance Act 2020 and Trade licensing Act 2017. This will align revenue rates with those charged by other counties in the region.
- 3) Introduction and innovation of more new revenue streams
- 4) Employment of county more revenue clerks and enforcement officers to enhance capacity of revenue section
- 5) Allocation of more vehicles to the revenue section to enhance service delivery

a) Revenue

In the year ended 30th June 2022, the County had projected revenues of Kshs 6,408,878,439 consisting of Kshs.232,658,879 from own sources, Kshs 5,067,356,827 from Equitable Share, Kshs 1,018,293,940 from domestic and foreign grants while Kshs 90,568,796 as balance brought forward from previous financial year 2020/2021.

Out of the projected revenue, the County was able to realize Kshs 5,199,432,159 in actual revenues, out of this amount Kshs 49,031,479 was from balances brought forward. The county did meet its projected local revenue targets as it collected Kshs 240,890,593 out of the projected Ksh 232,658,879, translating to 104% realization. This was due to improvement in certain streams in revenue collection such as N.H.I.F, Advertising, and Parking Fees among others.



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

Table 1: Revenue performance in FY 2021/2022

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Equitable Share	5,067,356,827	4,661,968,278	92%
Domestic and Foreign Grants	1,018,293,940	247,541,809	24%
Own generated revenues	232,658,879	240,890,593	104%
Balance brought forward	90,568,796	49,031,479	54%
Total	6,408,878,439	5,199,432,159	81%



4. Statement of Management Responsibility

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

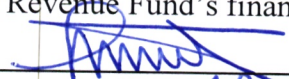
The Accounting Officer of the County Government is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on _____ 2022.

Signature 
Name James Apembo
Chief Officer - Finance
County Government of Vihiga





5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

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

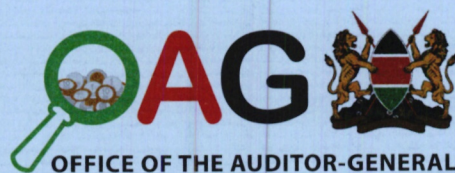


Name *James Aembo*
Chief Officer –Finance



REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

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 the 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 Revenue Fund – County Government of Vihiga set out on pages 1 to 9, which comprise of the statement of the statement of receipts and payments and statement of comparison of budget and actual amounts 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 effects 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 Revenue Fund as at 30 June, 2022, and of its financial performance 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. Misstatement of Comparative Year Balances

The statement of receipts and payments reflects total comparative balance of Kshs.133,476,284 without the respective individual item balances. The notes also do not have the comparative balances except Note 3 which includes a comparative opening balance of Kshs.144,389,170 as own source of revenue which however, differs from the audited financial statements for Vihiga County Executive for 2020/2021 indicating a balance of Kshs.165,894,340. Management did not provide explanation or reconciliation for the variances.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

2. Unsupported Return to CRF Issues

The statement of receipts and payments reflects an amount of Kshs.49,031,479 under return to CRF issues, which as disclosed under Note 4 to the financial statements relates to recurrent account (County Executive). However, the financial statements for the Executive for the year ended 30 June, 2021 reflected a deficit of Kshs.97,375,635 for the year. No explanation was provided on how the return to CRF issues arose.

In the circumstances, the occurrence and completeness of the return to CRF issues could not be confirmed.

3. Unsupported Fund Balance

The statement of receipts and payments reflects an amount of Kshs.88,928,962 as the fund balance whereas the cash book and bank statement reflect different balances of Kshs.88,928,962 and Kshs.597,400,325 respectively. The resultant differences between the two sets of records have not been reconciled or explained. Further, no bank reconciliation statement was provided to explain the variance between the cashbook balance and the bank statement balance.

In the circumstances, the accuracy of the fund balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of Vihiga 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.6,408,878,438 and Kshs.5,097,188,431 respectively resulting to revenue shortfall of Kshs.1,311,690,000 or 20% of the budget. Similarly, the Fund disbursed Kshs.5,141,735,753 against an approved budget of Kshs.6,408,878,439 resulting to an under-disbursement of Kshs.1,267,142,686 or 20% of the budget.

The shortfall in receipts and under disbursements affected the planned activities and may have impacted negatively on service delivery to the public.

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 matter 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

Unutilized Transfers from Other Government Agencies

The statement of receipts and payments reflects Kshs.15,000,000 as transfers from other government agencies and as disclosed in Note 2 to the financial statements which was transferred from Nutrition International. However, a balance of Kshs.2,500,000 remained in the County Revenue Fund account as at 30 June, 2022.

In the circumstances, the intended purpose for which the funds were donated was not achieved.

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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund'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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

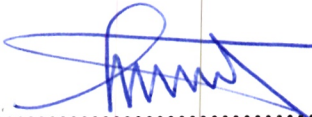
20 April, 2023

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

		2021/22	2020/21
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	4,909,510,087	-
Transfers from other government agencies	2	15,000,000	-
Own Source Revenue	3	123,646,865	-
Return to CRF issues	4	49,031,479	-
Total Receipts		5,097,188,431	-
Payments			
Transfers to County Executive	5	4,471,161,499	-
Transfers to County Assembly	6	670,574,254	-
Total Payments		5,141,735,753	-
Net increase (decrease) in cash for the year		(44,547,322)	-
Add Opening fund balance b/f		133,476,284	-
Closing Fund balance for the period		88,928,962	133,476,284

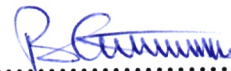
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



Name: CPA James Atemba
 Ag. Chief Officer - Finance

ICPAK Member No: 24296

Date: 16/01/2023



Name: CPA Benjamin Otwoko
 Director Accounting Services

ICPAK Member No: 5172

Date: 16/1/2023





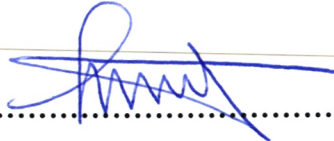
8. Statement of Comparison of Budget Actual Amounts for the year ended 30th June, 2022.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer releases	5,067,356,827	-	5,067,356,827	4,661,968,278	402,888,549	92
Other Conditional grants	1,018,293,939	-	1,018,293,939	247,541,809	770,752,130	24
Transfers from other government agencies				15,000,000	(15,000,000)	-
Own Source Revenue	232,658,877	-	232,658,877	123,646,865	109,012,012	53
Return to CRF issues	90,568,796	-	90,568,796	49,031,479	41,537,317	54
Total Receipts	6,408,878,439	-	6,408,878,439	5,097,188,431	1,311,690,008	80
Payments						
Transfers to County Executive	5,719,268,675	-	5,719,268,675	4,471,161,499	1,248,107,176	78
Transfers to County Assembly	689,609,764	-	689,609,764	670,574,254	19,035,510	97
Total Payments	6,408,878,439	-	6,408,878,439	5,141,735,753	1,267,142,686	80
Balance	-	-	-	(44,547,322)	-	



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

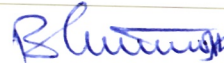
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



.....
Name: CPA James Atemba
Ag.Chief Officer - Finance

ICPAK Member No: 24296

Date: 16/01/2023



.....
Name: CPA Benjamin Otwoko
Director Accounting Services

ICPAK Member No: 5177

Date: 16/1/2023





9. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

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

d) Payments

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





Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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





10. Notes to the Financial Statements**1. Exchequer releases**

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

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share	4,661,968,278	-
NARIGP, THCSCP, DANIDA, ASDSPII	247,541,809	-
Total	4,909,510,087	-

2. Transfers from other government agencies**

	2021/22	2020/21
	Kshs.	Kshs.
Nutrition International	15,000,000	-
Total	15,000,000	-

3. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess	4,402,551	2,830,630
Land/Poll rate	2,569,693	1,085,373
Single/Business permits	22,405,402	48,464,700
Property rent	8,324,014	8,621,624
Parking fees	35,198,018	35,245,080
Market fees	14,624,916	14,562,280
Advertising	16,058,530	12,756,501
Hospital fees	-	-
Public health service fees	7,212,989	3,500,000
Physical planning and development	5,092,070	5,090,390
Hire of County Assets	405,960	1,986,745
Conservancy administration	13,200	1,073,070
Administration control fees and charges	5,779,720	6,307,330
Park fees	-	-





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Other fines, penalties, and forfeiture fees	1,413,300	1,694,795
Miscellaneous	160,923	1,170,651
Others (<i>Specify</i>)	-	-
Total	123,646,865	144,389,170

(The total of own source revenue should tally with disbursements from county receiver of revenue)

4. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	49,031,479	-
Development Account (<i>County Executive</i>)	-	-
Recurrent Account (<i>County Assembly</i>)	-	-
Development Account (<i>County Assembly</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	49,031,479	-

(Explain why)

5. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	3,898,289,089	-
Development Account	572,872,410	-
Special purpose Accounts	-	-
Total	4,471,161,499	-

(Explain as per County Appropriation Act)

6. Transfers to County Assembly

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	659,609,764	-
Development Account	10,964,490	-
Total	670,574,254	-





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(Explain as per County Appropriation Act)

7. Fund balance

	2021/22	2020/21
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number xxx)	88,928,961	133,476,284
Total	88,928,961	133,476,284





11. Annexes

Annex 1: Progress on follow up of Auditor's Recommendations

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

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



Name James Atemb9
 Chief Officer Finance
 ICPAK Member No 24296
 Date



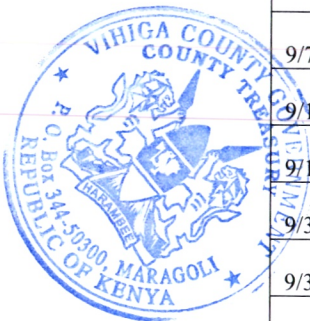
Annex 2. Analysis Of Receipts from The National Treasury Exchequer Releases

SUMMARY TRANSFERS FROM NATIONAL TREASURY- EXCHEQUER ISSUES - 2021/2022							
PERIOD	Equitable Share	Danida	CLIMATE CHANGE	THUSP	NARIGP	ASDSP	TOTAL TRANSFERS FROM NATIONAL TREASURY
Exchequer Releases for quarter 1	836,113,876	-	7,000,000	-	-	-	843,113,876
Exchequer Releases for quarter 2	1,266,839,206	-		-	-	-	1,266,839,206
Exchequer Releases for quarter 3	1,266,839,206	-		-	-	-	1,266,839,206
Exchequer Releases for quarter 4	1,292,175,990	5,154,188		46,810,125	172,354,374	16,223,122	1,532,717,799
TOTAL	4,661,968,278	5,154,188	7,000,000	46,810,125	172,354,374	16,223,122	4,909,510,087



Annex 3: Analysis of Transfers from the County Revenue Fund

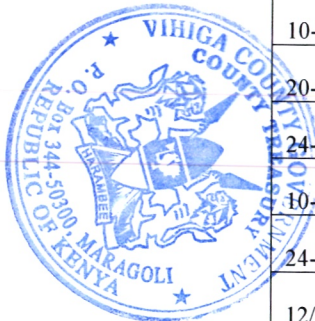
QUARTERLY EXCHEQUER REQUISITIONS FY 2021-22		COUNTY EXECUTIVE		COUNTY ASSEMBLY		TOTAL
DATE	PURPOSE	RECURRENT	DEVELOPMENT	RECURRENT	DEVELOPMENT	
FIRST QUARTER 2021/22						
9/7/2021	County Executive	379,398,297				379,398,297
	Climate Change	7,000,000				
9/7/2021	County Assembly			28,530,583		28,530,583
9/13/2021	County Executive	48,227,590				48,227,590
9/10/2021	County Assembly			27,382,606		27,382,606
9/30/2021	County Assembly			28,000,000		28,000,000
9/30/2021	County Executive	228,771,269				228,771,269
9/10/2021	County Assembly			21,238,021		21,238,021
9/30/2021	County Assembly			28,393,006		28,393,006
END OF FIRST QUARTER TOTALS		663,397,156	-	133,544,216	-	789,941,372
SECOND QUARTER 2021/22						
6-Oct-21	County Executive	69,896,209				69,896,209
1-Nov-21	County Assembly			29,641,672		29,641,672
5-Nov-21	County Assembly			41,842,288		41,842,288
5-Nov-21	County Executive	219,059,646				219,059,646





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8-Nov-21	County Executive	103,145,312				103,145,312
12-Nov-21	Nutrition International	5,000,000				5,000,000
13-Nov-21	SPORTS FUND	9,000,000				9,000,000
8-Dec-21	BUSARY FUND	60,000,000				60,000,000
8-Dec-21	County Executive	157,268,530				157,268,530
8-Dec-21	County Executive	191,997,300				191,997,300
10-Dec-21	County Executive	24,261,620				24,261,620
10-Dec-21	County Assembly			26,367,071		26,367,071
20-Dec-21	County Assembly			51,262,929		51,262,929
24-Dec-21	County Executive	104,546,125				104,546,125
10-Dec-21	ASDSP II	8,000,000				8,000,000
24-Dec-21	Nutrition International	8,500,000				8,500,000
12/24/2021	Climate Change	30,000,000				30,000,000
12/24/2021	Education Fund	35,000,000				35,000,000
12/25/2021	County Executive	225,008,673				225,008,673
12/31/2021	County Assembly			24,000,000		24,000,000
12/31/2021	County Assembly			28,764,488		28,764,488
END OF SECOND QUARTER TOTALS		1,250,683,415	-	201,878,448	-	1,452,561,863
THIRD QUARTER 2021/22						
1/6/2022	County Executive		14,496,896			14,496,896
1/26/2022	KDSP		93,307,470			93,307,470





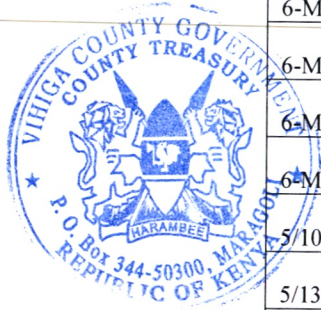
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2/2/2022	County Assembly			39,183,704		39,183,704
2/2/2022	County Assembly			58,763,000		58,763,000
2/9/2022	County Executive	216,225,602				216,225,602
2/14/2022	County Executive		20,849,605			20,849,605
2/14/2022		82,939,238				82,939,238
3/9/2022	County Assembly			6,102,560		6,102,560
3/9/2022	County Assembly			40,666,440		40,666,440
3/9/2022	County Executive	211,089,055				211,089,055
16/03/2022	County Executive		9,505,446			9,505,446
16/03/2022	County Executive		67,516,095			67,516,095
3/21/2022	County Executive	96,912,883				96,912,883
3/22/2022	KRB CO-Funding		6,211,448			6,211,448
3/22/2022	County Assembly				7,526,651	7,526,651
END OF THIRD QUARTER TOTALS		607,166,778	211,886,960	144,715,704	7,526,651	971,296,093
FOURTH QUARTER 2021/22						
4/1/2022	County Assembly - PE			35,097,385		35,097,385
4/1/2022	County Executive - PE	217,443,614				217,443,614
4/4/2022	County Assembly O&M			13,969,081		13,969,081
4/20/2022	County Executive - KUSP UDG		19,315,525			19,315,525
4/20/2022	County Executive - O&M	68,341,076				68,341,076
4/20/2022	County Executive		80,546,697			80,546,697





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6-May-22	County Executive - DANIDA	2,921,625			2,921,625
6-May-22	County Executive - N.I	6,000,000			6,000,000
6-May-22	County Assembly O&M			8,759,745	8,759,745
6-May-22	County Executive - O&M	10,161,751			10,161,751
6-May-22	County Assembly - PE			31,817,409	31,817,409
6-May-22	County Executive - Village Poly		69,060,000		69,060,000
5/10/2022	County Executive - PE	205,063,078			205,063,078
5/13/2022	County Executive		76,488,101		76,488,101
6/9/2022	County Executive - Sports Fund	11,000,000			11,000,000
6/9/2022	County Assembly O&M			17,555,595	17,555,595
6/9/2022	County Assembly - PE			27,284,405	27,284,405
6/9/2022	County Executive - O&M	102,750,775			102,750,775
6/9/2022	County Executive		115,575,127		115,575,127
6/9/2022	County Executive - PE	204,384,641			204,384,641
7/6/2022	County Executive - O&M	155,579,288			155,579,288
7/6/2022	County Executive - PE	218,877,245			218,877,245
8/7/2022	County Executive - KDSP-Co-funding	2,000,000			2,000,000
8/7/2022	County Assembly - PE			3,437,839	3,437,839
8/7/2022	County Executive - DANIDA	5,154,188			5,154,188
8/7/2022	BUSARY FUND	12,000,000			12,000,000
8/7/2022	County Executive - ASDSPII	16,223,122			16,223,122



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8/7/2022	County Assembly - O&M			19,570,798		19,570,798
8/7/2022	County Assembly - PE			25,416,978		25,416,978
8/7/2022	County Executive - THS	46,810,125				46,810,125
8/7/2022	County Executive - NARIGP	92,331,212				92,331,212
		1,377,041,740	360,985,450	179,471,396	3,437,839	1,920,936,425
GRAND TOTAL RECEIPTS		3,898,289,089	572,872,410	659,609,764	10,964,490	5,134,735,753
Tranfers from County Executive to Clerk to County Assembly			4,471,161,499			
Total Transfers to County Assembly					670,574,254	

