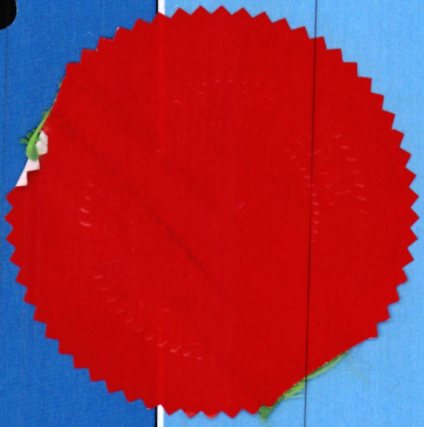
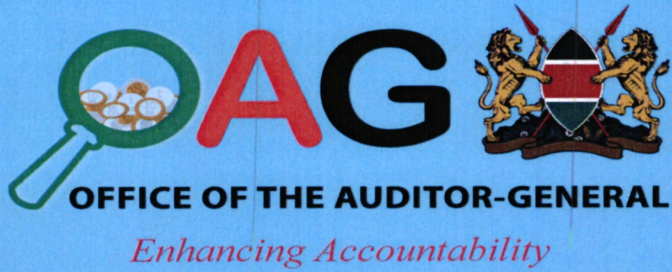


REPUBLIC OF KENYA



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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF VIHIGA**

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





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**VIHIGA COUNTY ASSEMBLY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

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

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## 1. Key Entity Information and Management

### (a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 38 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

### (b) Key Management

The *entity's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Accounting Officer- Clerk	<b>Mr. Joab Ambaka Kilinga</b>
2.	Chief Finance Officer	<b>Mr. Miyinzi Oscar Jagona</b>
3.	Principal Accountant	<b>Mr. Stephen Masambu</b>
4.	Senior Procurement officer	<b>Ms. Juliet Asila</b>

**(c) Fiduciary Management**

The key management personnel who held office during the year ended 30.06.2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	<b>Mr. Joab Ambaka Kilinga</b>
2.	Chief Finance Officer	<b>Mr. Miyinzi Oscar Jagona</b>
3.	Principal Accountant	<b>Mr. Stephen Masambu</b>
4.	Senior Procurement officer	<b>Ms. Juliet Asila</b>

**Key Entity Information and Management (Continued)****(d) Fiduciary Oversight Arrangements**

- *Audit committee activities*

During the year, the audit committee membership was as follows:

No	Name	Designation
1	Cpa. Nebert Avutswa	Chairperson
2	Cpa. Harriet Mahasi	Member
3.	Cpa. Lucy Anangwe	Member
4.	MS. Linet Mugalitsi	Member
5.	Cpa. Brenda Ajema	Secretary

- The audit committee sits from time to time to review and discuss internal audit reports and reports of the auditor general.

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**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Finance committee activities**

The finance committee is in charge of reviewing the county assembly's quarterly financial statements and reporting to the assembly. During the year, the following were the members of the finance committee.

No.	Name	Designation
1.	Hon. Paul Tira	Chairperson
2.	Hon. Clementine Osodo	Member
3.	Hon. Gladys Analo	Member
4.	Hon. Victor Ijaika	Member
5.	Hon. Alice Ahuga	Member
6.	Hon. Maureen Amunga	Member
7.	Hon. Lucy Kemunto	Member
8.	Hon. Dominic Baraka	Member
9.	Hon. Wimsy Osore	Member
10.	Hon. Collins Ayugu	Member
11.	Hon. Vincent Atsiaya	Member
12.	Hon. Tom Atingo	Member
13.	Hon. Violet Bagada	Member

**Public Accounts and Investment committee**

The public accounts and investment committee is charged with the responsibility of interrogating the Auditor General Reports of the entity. During the year, the committee was able to interrogate the Auditor General's Report on the Operations of the entity.

No	Name	Designation
1.	Hon. Jackline Lukalo Mwenesi	Chairperson
2.	Hon. Moses Opole	Vice-Chairperson
3.	Hon. Zakayo Manyasa	Member
4.	Hon. Joyce Mayodi	Member
5.	Hon. Sally Inonda	Member
6.	Hon. Maureen Amunga	Member
7.	Hon. Naomi Mandela	Member
8.	Hon. Douglas Beru	Member
9.	Hon. Karega Mboku	Member
10.	Hon. Japheth Mugalitsi	Member
11.	Hon. Clementine Osodo	Member
12.	Hon. Kilaha Evans	Member

**- Budget and Appropriation committee**

No	Name	Designation
1.	Hon. Patrick Akhwale	Chairperson
2.	Hon. Moses Opole	Vice-Chairperson
3.	Hon. Zakayo Mwenesi	Member
4.	Hon. Joyce Mayodi	Member
5.	Hon. Sally Inonda	Member
6.	Hon. Maureen Amunga	Member
7.	Hon. Naomi Mandela	Member
8.	Hon. Douglas Beru	Member
9.	Hon. Karega Mboku	Member
10.	Hon. Japheth Mugalitsi	Member

**Vihiga County Assembly**  
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**(e) Entity Headquarters**

P.O. Box 90

Clerks Chambers

Luanda-Majengo Road

**MARAGOLI, KENYA**

**(f) Entity Contacts**

Telephone: (254) 0202094140

E-mail: [vihigaassembly@gmail.com](mailto:vihigaassembly@gmail.com)

Website: [vihigaassembly.go.ke](http://vihigaassembly.go.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Co-operative Bank of Kenya

Mbale Branch

P.o Box 48231

Nairobi 00100

3. Kenya Commercial Bank

Mbale Branch

P.o box 1123, Maragoli

**(h)Independent Auditor**

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

## **2.0 Foreword by the Clerk of the Assembly**

### **2.1 Budget performance**

The county assembly had a total budget of Kshs; 621,955,167 and Kshs; 30,000,000 for development vote, this brings the total budget to Kshs; 651,955,167 for the year. There was a supplementary budget that raised the allocation by kshs: 37,654,597 bringing the total budget for the year to Kshs; 689,802,588. During the year, the county assembly received a total of kshs; 659,409,035 for the recurrent vote and kshs; 23,393,552 for development. The total receipts translates to 97% of the budget

### **2.2 Operational Performance**

a) During the year under review, the county assembly of Vihiga passed a total of 5 bills and 15 motions as follows:

1. The Vihiga County Appropriation Bill 2021(as approved on the 24<sup>th</sup> of June 2021)

An Act of the County Assembly of Vihiga to authorize of certain sums of money out of County Revenue Fund and the application towards the service of the year ending on the 30<sup>th</sup> June 2022 and to appropriate those sums for certain public services and purposes.

2. The Vihiga County Supplementary Appropriation Bill, 2021 (approved on 2<sup>nd</sup> December 2021).

3. The Vihiga County Health Services Bill,2022

This bill is to provide for the establishment and delineation of Health Units within the county for effective and efficient delivery of community based health services and establish the necessary institutional and regulatory mechanisms.

4. The Vihiga County Finance Bill, 2021(as approved on the 10<sup>th</sup> of November 2022)

An Act of County Assembly of Vihiga to provide for the imposition or variation of various fees, charges, licences, rents or rates for services and for connected purposes.

5. The Vihiga County Climate Change Fund (Amendment) Bill, 2021

An Act of the County Assembly of Vihiga to amend the County Climate Change Fund Bill. The Act seeks to combat climate change

**Motions Approved with or without amendments**

- a. Motion of approval of the budget estimates of Vihiga County for financial year 2021/22 as approved on the 23<sup>rd</sup> of June 2021
- b. Motion for the approval of the first supplementary budget estimates as undertaken on the 22<sup>nd</sup> of November 2022
- c. Motion of approval of the second supplementary budget estimates of Vihiga county as approved on the 18<sup>th</sup> of May 2022
- d. Motion that the Thanks of the County Assembly be recorded for the exposition of public policy contained in the address of H.E. the Governor delivered on Wednesday 15<sup>th</sup> day of December, 2021.
- e. Motion seeking adjournment of the House to enable Members proceed for long recess as from 3<sup>rd</sup> December, 2021 and resume on Monday 7<sup>th</sup> February, 2022.
- f. Motion seeking for adjournment to enable Members attend the 7<sup>th</sup> (and final) Annual Devolution Conference that took place from 23<sup>rd</sup> to 26<sup>th</sup> November, 2021 in Makueni County.

**Vihiga County Assembly**  
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- g. Motion seeking adjournment of the House to enable members proceed for CASA games 202 in Mombasa County as from Wednesday 27<sup>th</sup> October, 2021 to 8<sup>th</sup> November, 2021.
- h. Motion that the CECM health services provides to the house measures the department has taken to equip drugs in the health facilities, measures to contain the community spread of COVID 19 and mitigation measures for the residents suffering from COVID – 19.
- i. Motion approving the appointment of Members of the County Assembly to the Select committees that shall investigate the allegations levelled against four CEC Members.
- j. Motion that the Department of Lands, Urban and Physical Planning and other relevant county government departments and agencies begin within the financial year the relevant appraisal processes that will lead to the recommendation of conferment of municipality status to Luanda Town.
- k. Motion on vote of account to allow the County Government of Vihiga to access an equivalent of 30% of the approved budget for the FY 2020/21 from the County Revenue Fund.
- l. Motion that the House resolves that the County Government deploys resources to the planting of appropriate trees around springs, demarcation, fencing and construction of water springs.
- m. Motion that the County Assembly recommends that the County Government develops policies and legislations to protect the elderly including their registration, build a home for the elderly or improve their living conditions, capacity building and structures for value addition from the allowance received and establish a geriatric clinic at Vihiga County Referral Hospital.

- n. Motion that the CECM Agriculture, Livestock and fisheries come up with a policy and bill to ensure promotion and management of aquaculture in the county.

Motion that the House resolves to compel the Department of Transport and Infrastructure and all accounting officers to immediately set up disposal committees and transfer un roadworthy vehicles to Vocational Training Centres within the County.

The Vihiga County budget was approved on 24<sup>th</sup> June 2021. The Vihiga County Supplementary Appropriations Bill, 2021 was approved on 2<sup>nd</sup> December 2021. Vihiga County Supplementary Appropriation (no.2) was approved on the 19<sup>th</sup> may 2022.

The County Assembly of Vihiga operates under Committees as outlined below:

**1. County Assembly Sectorial Committee on Water, Environment and Natural Resources;**

**Mandate;** Implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and Outdoor advertising.

**2. County Assembly Sectorial Committee on Agriculture, Livestock and Fisheries**

**Mandate;** All matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries, implementation of specific national government policies on agriculture, animal control and welfare, irrigation, fisheries development, production and marketing.

**3. County Assembly Sectorial Committee on Health Services;**

**Mandate;** All matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession) cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal.

**4. County Assembly Sectorial Committee on Transport and Public Works;**

**Mandate;** All matters related to and including; county roads, street lighting, traffic and parking, public road transport and ferries and harbors, excluding the regulation of international and national shipping and matters related thereto; county Public works and services including storm water management systems in built-up areas and water and sanitation services.

**5. County Assembly Sectorial Committee on Lands, Housing and Physical Planning;**

**Mandate;** All matters related to county planning and development including statistics, housing, land and settlement.

## **6. County Assembly Sectorial Committee on Public Service**

**Mandate;** All matter related to the county public service, including investigating, monitoring and evaluate the efficiency of the county public service, hear and determine appeal and petitions in respect to county government public service, perform other functions and exercise conferred by any legislation, report on all matters relating to management, administration, operations and estimates of assigned duties as responsibilities of county departments.

## **7. County Assembly Sectorial Committee on Early Education and Vocational Training**

**Mandate;** All matters related to pre-primary education, vocational training, village training, village polytechnic. Home craft and child care facilities role of the County Assembly.

### **1. Committee on Justice and legal Affairs;**

**Mandate;** all matters relating constitutional Affairs, the administration of law and justice, including the integrity and anti-corruption and human rights

## **9. County Assembly Sectorial Committee on Trade, Tourism and Entrepreneurship**

**Mandate;** All matters related to trade, including trade development and regulations, including markets

(excluding regulation of professions ) consumer protection , commerce , industrialization including economic zones, enterprise promotion ,

including small and medium size enterprises , fair trading , intellectual property , industrial standards , anti-counterfeit polices , local tourism and cooperation's , lotteries , including licensing of dogs and facilities for Accommodation, liquor license, video shows and hiring, including betting, casinos and other forms of gambling and racing.

**10. County Assembly Sectorial Committee on Youth, Social Welfare, Children and Culture**

**Mandate;** All matters related to labour, trade union relations manpower or human resource planning, culture, youth service, children welfare, national heritage, cultural activities, County parks, beaches and recreation facilities, fire fighting services, and management, control of drugs and pornography.

**11. County Assembly Committee on Finance and Planning;**

**Mandate;** all matters relating to county planning and statistics, public Finance, public debts, investment and divesture policies, Pricing, policies.

**12. County Assembly House Business Committee;**

**Mandate;** Prepare and if necessary, from time to time adjust the County Assembly Calendar with the approval of the County Assembly; monitor and oversee the implementation of the County Assembly Business and programs; Implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly; determine the order in which the reports of Committees shall be debated in the County Assembly; Take decisions and issue directives and guidelines to prioritize or postpone any business of the County Assembly acting with

the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be; Consider such matters as may from time to time arise in connection with the business of the County Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the County Assembly.

**14. County Assembly Committee on Selection;**

**Mandate;** The Committee on Selection shall nominate members to serve in Committees, save for the membership Of the House Business Committee and Committee on Appointments.

**15. County Assembly committee of Appointments;**

**Mandate;** Consider, for approval by the County Assembly, appointments under Articles 179(2) (Members for County Executive Committees).

**16. County Assembly Committee of Public Accounts and Investment**

**Mandate;** The examination of the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit: The examination of the reports, accounts and workings of the county public investments; The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

**17. County Assembly Budget and Appropriation Committee**

**Mandate;** Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget:

Discuss and review the estimates and make recommendations to the County Assembly; Examine the County Budget Policy Statement presented to the County Assembly; Examine Bills related to the national budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and Programs with direct budget outlays.

#### **18. County Assembly, Rules, Procedure, Powers Committee**

**Mandate;** The Committee shall consider and report on all matters relating to these Standing Orders: The Committee may propose amendments to these Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly; Committee may propose rules for the orderly and effective conduct of committee business and any such rules, shall upon Approval by the County Assembly, continue in force until amended or repealed by the County Assembly. Any rules approved under paragraph (5) shall be annexed to the Standing Orders and shall be binding upon Committees to the same extent as the Standing Orders.

#### **19. Committee on Implementation**

**Mandate;** The Committee shall scrutinize the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County executive Committee and examine – Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and whether or not legislation passed by the County Assembly has been

operationalized and where operationalized, the extent to which Such Operationalization has taken place within the minimum time necessary. The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

**20. County Assembly Committed on Delegated Legislation;**

**Mandate;** Shall consider in respect of any statutory instrument whether it-is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law; infringes on fundamental rights and freedoms of the public; contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of the County Assembly; contains imposition of taxation; directly or indirectly bars the jurisdiction of the Courts; gives retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power; involves expenditure from the County Revenue Fund or other public revenues; is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation; appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made; appears to have had unjustifiable delay in its publication or laying before County Assembly; makes rights , liberties or obligations unduly dependent upon non reviewable decisions; makes rights ,

liberties or obligations unduly dependent insufficiently defined administrative powers; inappropriately delegates legislative powers; imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation; appears for any reason to infringe on the rule of law; inadequately subjects the exercise of legislative power to County Assembly scrutiny; and, accords to any other reason that the Committee considers fit to examine.

**21. County Assembly Liaison Committee;**

**Mandate;** Shall-guide and co-ordinate the operations, policies and mandates of all Committees; deliberate on and apportion the annual operating budget among the Committees; consider the programs of all Committees, including their need to travel and sit away from the precincts of County Assembly; ensure that Committees submit reports as required by these Standing Orders; determine, whenever necessary, the committee or committees to deliberate on any matter; and give such advice relating to the work and mandate of select committees as it may Consider necessary.

**22. County Assembly Committee on Selection;**

**Mandate;** The Committee on Selection shall nominate members to serve in Committees, save for the membership Of the House Business Committee and Committee on Appointments.

**23. County Assembly committee of Appointments;**

**Mandate;** Consider, for approval by the County Assembly, appointments under Articles 179(2) (Members for County Executive Committees).

#### **24. County Assembly Committee of Public Accounts and Investment**

**Mandate;** The examination of the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit: The examination of the reports, accounts and workings of the county public investments; The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

#### **25. County Assembly Budget and Appropriation Committee**

**Mandate;** Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget: Discuss and review the estimates and make recommendations to the County Assembly; Examine the County Budget Policy Statement presented to the County Assembly; Examine Bills related to the national budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and Programs with direct budget outlays.

#### **26. County Assembly, Rules, Procedure, Powers Committee**

**Mandate;** The Committee shall consider and report on all matters relating to these Standing Orders The Committee may propose amendments to these Standing Orders and any such amendments shall upon approval by the County

**Vihiga County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Assembly, take effect at the time appointed by the County Assembly; The Committee may propose rules for the orderly and effective conduct of committee business and any such Rules, shall upon Approval by the County Assembly, continue in force until amended or repealed by the County Assembly. Any rules approved under paragraph (5) shall be annexed to the Standing Orders and shall be binding upon Committees to the same extent as the Standing Orders.

**27. Committee on Implementation**

**Mandate;** The Committee shall scrutinize the resolutions of the County Assembly (Including adopted committee reports), petitions and the undertakings given by the County Executive Committee and examine – Whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which Such Operationalization has taken place within the minimum time necessary. The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

**28. County Assembly Committed on Delegated Legislation;**

**Mandate;** Shall consider in respect of any statutory instrument whether it-is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law; infringes on fundamental rights and freedoms of the public; contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of the County Assembly; contains imposition of taxation; directly or indirectly bars the jurisdiction of the Courts; gives retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power; involves expenditure from the County Revenue Fund or other public revenues.

**29. County Assembly Liaison Committee;**

**Mandate;** Shall-guide and co-ordinate the operations, policies and mandates of all Committees; deliberate on and apportion the annual operating budget among the Committees; consider the programs of all Committees, including their need to travel and sit away from the precincts of County Assembly; ensure that Committees submit reports as required on the oversight role of the County Assembly.

### **2.3 Performance of key development projects**

(a) The assembly has undertaken several development projects over the years. Since inception in the financial year 2013/2014, we have completed renovations and boundary wall at the county assembly headquarters, completed the cabling works and landscaping at the premises, purchase of land for construction of the official speakers residence, construction of the speakers residence now nearing completion.

- a) During the year, we started construction of the speakers' residence at Chavakali in west Sabatia Ward. The project will provide housing to the speaker of the county assembly. The project has provided employment to the area residents since the contractor was identified from the locality. Once completed, the security in the area will greatly be enhanced.
- b) Vihiga county assembly has ensured fairness in our activities; we have ensured all our processes are done in a transparent manner. All goods and services are sourced competitively. All members of the county assembly and staff have been able to sign and abide by the leadership and integrity Act. All our suppliers were selected in a transparent manner; we have ensured timely payments to our suppliers.

### **2.4 Comment on value-for-money achievements**

All the projects we undertook have had a great impact to people of Vihiga at large. The construction of speaker's Residence has offered employment opportunities, businesspersons have benefited from our regular procurements, especially the Youth, women and people living with disabilities. Timely payments has ensured less suffering for our suppliers.

## **2.5 Challenges and Recommended Way Forward**

The welfare of our employees are well catered for, we have ensured fairness in recruitment of our staff giving priority to the best suited, we have ensured gender balance. We have continued to give training opportunities to our staff in collaboration with other government training institutions such as Kenya School of Government. to ensure a healthy workforce, the assembly recruited competent insurance service providers to provide comprehensive medical insurance to all our employees and their respective families.

We have faced numerous challenges while implementing our strategic goals. Late disbursement of funds hindered our Planning. For example, we missed payment of statutory deductions to various institutions such as Kenya Revenue Authority; this has led to heavy fines and interests being levied to us because of default. The disbursement of funds to county Assemblies should be made independent from the county executive.

..........

**Name: Joab Ambaka Kilinga**

**Clerk of the County Assembly**

### **3. Statement of Performance against County Assembly 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.

The key mandate of the County Assembly of Vihiga is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2021/2022

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2021/2022MCA were trained on Budget making processes, oversight of County Executive
	Enhanced professional	Review standing	% Increase in efficient	Standing orders were reviewed

	development of MCAs – Review standing orders	orders	Assembly operation	and resulted to increase in number of bills and motions passed.
<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Administrative Services	Enhanced professional development of members of staff	More on job trainings and short courses	% increase in efficiency and professionalism among staff establishment	35 staff were trained in various short term courses.

#### **4. Corporate Social Responsibility Statement/Sustainability Reporting**

Vihiga County assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on transparency, efficiency, and equality pillars; putting the customer first, delivering relevant goods and services and improving operational excellence. During the year, the county assembly did not undertake corporate responsibility activities due to funds constraints and the Covid 19 Pandemic

##### **a) Sustainability strategy and profile**

Our organizational sustainability strategies are geared towards ensuring the organization meets its short-term needs and obligations while sustaining the long term as well as focusing on its mandate, growth, social justice, inclusion and environmental sustainability.

Our strategies include

- i. Partnering with employees to ensure professionalism and dedication to service delivery, improved employee retention and increased productivity.
- ii. Water and electricity conservation through rainwater harvesting and embracing green energy through solar power.
- iii. Sustaining reliable supply chains so as to guarantee seamless service delivery that is not subject to financial hiccups
- iv. Purchase of energy efficient products so as to ensure conservation of power and the environment.
- v. Embracing cost reduction initiatives such as purchasing consumable items.

Further, then County Assembly continues to pursue and promote cross-party initiatives to complement civil society interaction with the government. Political and macroeconomic trends that affect the sustainability priorities in Vihiga County Assembly include;

- i. Unstable financial remittances from the exchequer which creates an uncertainty in implementation of sustainability strategies.
- ii. Persistent and frequent interference in internal operations by other state actors such as the EACC
- iii. Unfavourable and unpredictable taxation regime that hinders operational planning and implementation of our strategies
- iv. Politically informed National government directives that impact on our priorities and strategies.

**b) Environmental performance**

The County Assembly Board, the board legally mandated as per the County Assemblies Act 2017 to approve policies hasn't approved any environmental policy to date, it has in the meantime adopted national environmental policies, until it approves its own that is presently in draft form.

In the circumstances waste is deposited in a pit, however these after separating decomposing material from non-decomposing materials like plastics. Non-hazardous material that is decomposing is burnt while the hazardous material and others are collected for disposal by the County Executive waste disposers.

**c) Employee welfare**

The County Assembly Service Board, the legally mandated body is guided by the County Assemblies Services Act, the County Government Act and the Vihiga County Assembly Services Act.

The assembly as a public institution ascribes to the procedures on recruitment and employment as provided for by the Public Service Commission. It has domesticated its own human resource manual, which is largely borrowed from the SOCCAT( Society of clerks at the table ) and the PSC manual .It provides for the processes of recruitment, from the first step of identification of vacancy, drawing of the indent with all the requirements as guided by the career progression, guidelines, selection process, placement, orientation to induction stage.

The said manual further provides for the gender sensitivity including male to female ratio. There is a challenge however on this aspect in relation to ward staff, who are partisan, they being recruited to work majorly in the Mcas offices at the wards.

**Vihiga County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

The skills of staff have been improved through continuous training of staff by sponsoring them to attend short courses ranging at various government specialized institutions ( e.g. Kenya school of government , centre of parliamentary studies ) from 1( one) week to 6 (six) months .

The assembly as well mentor, guide, and endeavour to build a strong succession management in case of any exit. Performance management is the responsibility of the managers and the county assembly service board.

The County Assembly has endeavoured to comply with the provisions of the Occupational Safety and Health Act, 2007 .In these regard it ensures staff exposed to risk are well taken off, in order to reduce or eliminate risk.

Protective clothing material and working tools are bought for the maintenance staff, and bi annually the uniform is replenished.

There is sufficient water for drinking, ventilation in the offices, well done floors, fire extinguishers and assembling point. Pit latrines and wash rooms are there for use by staff and Mcas. More are due to be put up.

The assembly provides medical cover running annually for members and staff. It provides for groups and personnel accident cover to the tune of three year basic salary in the event of an accident

**d) Market place practices-**

Vihiga County Assembly is a public institution created pursuant to article 176 of the constitution of Kenya, 2010 and a public entity as defined under section 2 of Public Procurement and Disposal Act, 2015 and its subsequent regulations, the Public Procurement and Disposal Regulations 2020. In its conduct in regard to the procurement and disposal of goods and services, the County Assembly has adhered strictly to the provisions of the aforesaid pieces of legislations and regulations. Hence;

- a) Provided fair competition and respect to competitors by according equal opportunities to all .In these respect, procurement plans of goods and services were made internally through consultations. Adverts seeking for prequalification of goods and services were advertised in national newspapers, website and in the PPIP (public procurement information portal) to enable a wide reach and to get value for money
- b) We don't enter into contract with the staff, politicians (Mcas, and speaker) nor does it do with business with them thus no iota conflict of interest would rise. Further to that the accounting officer, supply chain officer, and evaluation officers don't involve in any corrupt, coercive, obstructive, collusive and or fraudulent practice in any procurement process or assert disposal in adherence to section 66 of the PPDA act 2015.
- c). Honours the terms and obligations of the contracts as entered into with the suppliers, in case of delays due to inevitable circumstances the aforesaid delays aren't inordinate. This is evidentially seen with the lack of suits against the county assembly over the same.
- d) The assembly procures Standard goods, services and at known market prices pursuant to section 54 of the PPDA act and regulation 43 of the PPDA regulations

## **5. Statement of Management Responsibilities**

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended 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 Assembly; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly'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 Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2022, and of its financial position as at that date. The Clerk further confirms the completeness of the

accounting records maintained for the County Assembly 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 Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

#### **Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30.06.2022.

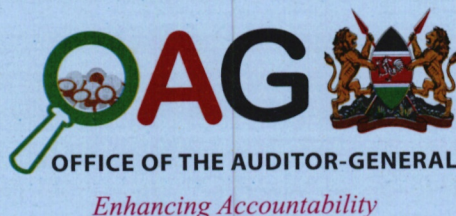
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**Name: Joab Ambaka Kilinga**

**Clerk of the County Assembly**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF VIHIGA FOR THE YEAR ENDED 30 JUNE, 2022

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### 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 County Assembly of Vihiga set out on pages 1 to 29, which comprise of the statement of financial assets and liabilities

as at 30 June, 2022, statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts - 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 Assembly of Vihiga as at 30 June, 2022, 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unexplained Variance on Compensation of Employees**

The statement of receipts and payments for the year ended 30 June, 2022 reflects compensation of employees' payments amounting to Kshs.379,942,079. However, the IFMIS vote book reflected an amount of Kshs.361,052,427 resulting to a variance of Kshs.18,580,652 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the amount of Kshs.379,942,079 on compensation of employees could not be confirmed.

#### **2. Unsupported Domestic Travel and Subsistence payments**

The statement of receipts and payments reflects expenditure on use of goods and services of Kshs.252,015,284 which, as disclosed in Note 4 to the financial statements includes domestic travel and subsistence allowances amounting to Kshs.85,380,864. However, payment vouchers to account for expenditure amounting to Kshs.1,524,781 to four companies were not provided for audit review.

Further, a payment to a travel company, of Kshs.500,000 was not supported with details of the persons who travelled, travelling dates and where they travelled to. In addition, a payment of Kshs.352,500 on 16 June, 2022 to a catering services company does not indicate where, how and when the services were delivered.

In the circumstances, the accuracy and validity of the expenditure totalling to Kshs.2,377,281 could not be confirmed.

#### **3. Excessive Payment of Daily Subsistence Allowances**

The statement of receipts and payments reflects expenditure on use of goods and services of Kshs.252,015,284 which as disclosed in Note 4 to the financial statements includes domestic travel and subsistence allowances amounting to Kshs.85,380,864. This amount in turn includes payments totalling to Kshs.20,421,500 paid to twelve (12)

staff in respect to daily subsistence allowances. The amount was paid to cover periods ranging from 73 days to 259 days which is excessive.

In the circumstances, the regularity of domestic travel and subsistence allowance could not be confirmed.

#### **4. Undisclosed Bank Balances**

The statement of financial assets and liabilities as at 30 June, 2022 and as disclosed in Note 9A to the financial statements reflects bank balances of Kshs.328,837 from five (5) bank accounts held by the County Assembly. However, it was noted that the County Assembly had thirty-eight (38) ward operations bank accounts holding unqualified amount of money and which had not been disclosed in the financial statements. In addition, the cash books, bank statements, bank certificate of balances, and bank reconciliation statements for the thirty-eight (38) ward operations accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the bank balances of Kshs.328,837 could not be confirmed.

#### **5. Exchequer Releases – Unexplained Variance Between County Assembly and County Revenue Fund Figures**

The statement of receipts and payments and as disclosed under Note 1 to the financial statements reflects an amount of Kshs.682,802,588 under exchequer releases, while the financial statements of Vihiga County Revenue Fund reflect transfers to the County Assembly of Kshs.670,574,254 resulting to a variance of Kshs.12,228,334 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of exchequer releases of Kshs.682,802,588 disclosed in the financial statements could not be confirmed.

#### **6. Misstatement of Contingent Liabilities**

Note 6 on other disclosures to the financial statements reflects a contingent liability balance of Kshs.11,653,819 in respect to an arbitration award by the High Court of Kenya to Kenchuan Architects amounting to Kshs.25,665,259 comprising of the final pay of Kshs.19,310,548, arbitration cost of Kshs.3,770,346 incurred by the contractor, fees advanced to the arbitrator by the contractor of Kshs.2,584,364 and a 14% simple interest on all the sums from the date of the arbitration award of 08 May, 2019. However, the Assembly's contingent liability had increased to Kshs.31,653,819 as at 21 December, 2020 and therefore, the disclosed balance of Kshs.11,653,818 as at 30 June, 2022 is understated by the accrued interest payable of Kshs.5,988,561 on the award.

In the circumstances, the accuracy and completeness of the disclosed contingent liabilities of Kshs.11,653,818 could not be confirmed.

## 7. Unexplained Variance between Payments Reported in the Financial Statements and IFMIS Records

The statement of receipts and payments for the year ended 30 June, 2022 reflects total payments amounting to Kshs.686,751,940 while the IFMIS payment details reflect an amount of Kshs.715,951,833 resulting to a variance of Kshs.29,199,893 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of payments of Kshs.686,751,940 as reported in the financial statements could not be confirmed.

## 8. Un-reconciled Statement of Comparison of Budget and Actual Amounts - Recurrent and Development

The statement of comparison of budget and actual amounts - recurrent and development reflects Kshs.362,629,981 as budget for compensation of employees while the recalculated total amount is Kshs.361,566,781 resulting to a variance of Kshs.1,063,200 which has not been explained or reconciled. In addition, use of goods and services budget and actual on comparable basis amounts of Kshs.251,246,204 and Kshs.252,015,284 respectively includes three (3) expenditure items which exceeded the budget amounts as follows:

Expenditure Item	Budget Amount (Kshs.)	Actual Expenditure (Kshs.)	Over Expenditure (Kshs.)
Foreign Travel and Subsistence	22,000,000	25,138,168	(3,138,168)
Specialized Materials and Services	1,790,000	2,949,405	(1,159,405)
Pay As You Earn (PAYE)	33,000,000	36,187,952	(3,187,952)

However, the over expenditure has not been explained and the budget provision for PAYE was irregular since this was an expenditure which was covered under compensation of employees.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts - recurrent and development could not be confirmed.

## 9. Irregular Expenditure

The statement of receipts and payments reflects expenditure on use of goods and services of Kshs.252,051,284 which as disclosed in Note 4 to the financial statements includes domestic travel and subsistence payments amounting to Kshs.85,380,864. This amount in turn includes a payment of Kshs.2,982,000 to a member of staff as imprest taken on behalf of thirty-eight (38) Members of County Assembly, Ag. Director Finance, Speaker, Deputy Speaker and Deputy Clerk to facilitate the preparation of calendar of events and programme for the financial year 2021/2022 from 23 to 28 June, 2021. However, the imprest warrant was not provided for audit review and it was not explained

as to why imprest was issued to one officer instead of issuing individual imprests to participating officers.

In the circumstances, the regularity of the expenditure of Kshs.2,982,000 could not be confirmed.

#### **10. Irregular Payments of PAYE**

Note 3 in respect to other disclosures to the financial statements reflects other pending payables balance of Kshs.76,080,065 which include an amount paid to KRA during the year of Kshs.36,187,952 which comprises of PAYE amount of Kshs.24,000,000 paid on behalf of thirty-eight (38) Members of County Assembly (MCAs) and the Speaker, and another amount of Kshs.12,187,952 paid on behalf of County Assembly staff in respect to payment of salary arrears. The payments relate to PAYE payable on transport facilitation benefit of Kshs.2,000,000 each and Kshs.4,000,000 given to individual MCAs and the Speaker respectively which had not been deducted at source. However, this PAYE was irregularly paid by the County Assembly out of public funds instead of charging it to individual beneficiaries. Further, the transport facilitation benefit had been paid to beneficiaries from the Vihiga County Assembly Members and Staff Mortgage and Car Loans Scheme Fund and was therefore not a function of Vihiga County Assembly.

In the circumstances, Management made irregular payments using public funds.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Vihiga County Assembly 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**

#### **Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow-up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

# 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.

### **1. Delayed Completion of Speaker's Residence**

The statement of receipts and payments reflects acquisition of assets expenditure amounting to Kshs.27,042,880 which as disclosed in Note 7 to the financial statements includes construction of buildings amount of Kshs.23,393,552. This amount in turn includes a payment to a construction company of Kshs.15,866,901 for erection and completion of the Speaker's residence. The seven (7) months contract for a sum of Kshs.34,494,743 started on 08 July, 2020 and was to run up to 01 March, 2021 but was extended by another eight (8) months to 01 November, 2021. In addition, the project's interim certificate No.3 reflects total works certified amounting to Kshs.29,890,497 or (87%) completed, and the contractor had been paid a total of Kshs.28,570,069 without the County Assembly making any provisions for retention fees while the performance bond for the contract expired on 12 July, 2021 leaving the contract unsecured.

Further, the technical report on the project dated 03 November, 2022 indicated that the project is 100% complete. However, completion certificate, handover report and the appointment letters of the Project Implementation Committee (PIC) were not provided for audit review.

In the circumstances, the unsecured contract was irregularly operating beyond the contracted period whose completion and handover could not be confirmed.

### **2. Failure to Carry Out Citizen Participation**

During the year under review, the County Assembly did not make a budget provision for undertaking public participation in its planning and budgeting. Therefore, the public was not involved in the planning and budgeting for the County Assembly as no documents were provided to demonstrate that the process was undertaken as required by law.

In the circumstances, Management was in breach of law.

### **3. Uneconomical Legal Proceedings**

The County Assembly awarded Kenchuan Architects Limited a contract on 15 April, 2014 for the proposed design and architectural works at Vihiga County Assembly headquarters and renovation of office block. However, a dispute arose between the contractor and the client which was subjected to an arbitration and ruled by the High Court of Kenya in favour of the contractor. The ruling stated that the County Assembly should pay the contractor a total amount of Kshs.25,665,258 which comprised of final pay of Kshs.19,310,548,

arbitration cost incurred by the contractor of Kshs.3,770,346, fees advanced to the arbitrator by the contractor of Kshs.2,584,364 and a 14% simple interest on all the sums from the date of the arbitration award of 08 May, 2019.

In addition, the County Assembly filed an appeal in the Court of Appeal on 21 December, 2020 which ordered the Assembly to deposit a total of Kshs.31,653,819 to a joint account with the contractor before the start of the appeal proceedings since the arbitration award had accrued an interest of Kshs.5,988,561 at the time of the appeal. During the year under review, the County Assembly made a deposit of Kshs.20,000,000 in a joint account as part of the required Kshs.31,653,819 but the appeal proceedings did not start since the County Assembly had not paid the full amount. Although Management has explained that the County Assembly Service Board has engaged the contractor with a view of resolving the issue out of court, no documents have been provided in support of this explanation.

In the circumstances, value for money could not be established.

#### **4. Long Outstanding Imprests**

The statement of financial assets and liabilities reflects a balance of Kshs.2,842,100 in respect to imprests and advances which, as disclosed in Note 10 to the financial statements includes Kshs.2,754,091 issued as imprests to staff. This amount in turn included imprests amounting to Kshs.2,122,241 which was issued in November, 2021 and had not been surrendered as at 30 June, 2022 contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

In the circumstances, Management was in breach of law.

#### **5. Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees of the County Assembly was two hundred and two (202) out of which one hundred and ninety-four (194) or 96 % of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

In the circumstances, Management was in breach of the law.

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

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of a Functional Internal Audit Department**

During the year under review, the evaluation of the County Assembly's internal audit department revealed that the office had only two auditors, one of whom left the Country in January, 2022 on a three-years study leave leaving the Count Assembly with one internal auditor who was not able to undertake internal audits during the year under review. The annual workplan and the internal audit charter detailing scope, responsibilities and purpose of internal audit were not prepared, and no internal audit exercise was undertaken during the year under review and such the entity did not benefit from the assurance and advisory services from the internal audit function. Further, the internal auditor reports to the Management instead of Vihiga County Assembly Audit Committee.

In the circumstances, the effectiveness of internal controls could not be confirmed.

### **2. Non-Implementation of the Recommendations of Oversight Bodies**

During the year under review, Vihiga County Assembly Public Accounts and Investment Committee (CPAIC) issued a report on November, 2021 on the Auditor-General's report on the financial statements for Vihiga County Assembly for the year ended 30 June, 2019. However, the recommendations made have not been implemented by the Assembly. Further, it was noted that CPAIC is yet to discuss the Auditor-General's reports for 2019/2020 and 2020/2021 financial years. In addition, the Senate deliberated on the Auditor-General's report on the financial statements for Vihiga County Assembly for the year ended 30 June, 2020 in August, 2021 but the recommendations have also not been implemented by the County Assembly.

In the circumstances, Management's determination in improving the governance and management of the County Assembly was doubtful.

### **3. Outstanding Debts**

Note 3 in respect to other disclosures to the financial statements reflects other pending payables balance of Kshs.76,080,065 which includes a balance of Kshs.72,918,081 in respect to a debt owed to Vihiga County Assembly Members and Staff Mortgage and Car Loans Scheme Fund as at 30 June, 2022. This debt has been outstanding for a long

period and during the year under review, only a minimal repayment of Kshs.3,000,000 was made.

In the circumstances, the Management commitment in repaying the debt in full was doubtful.

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 County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly 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 County Assembly'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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


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

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

- Conclude on the appropriateness of 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 Assembly'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 Assembly 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 County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

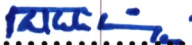
**Nairobi**

**30 March, 2023**

### 7. Statement of Receipts and Payments for the Year Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
<b>Receipts</b>			
Exchequer releases	1	682,802,588	623,812,571
Other receipts	2	3,100,500	7,913,136
<b>Total receipts</b>		<b>685,903,088</b>	<b>631,725,707</b>
<b>Payments</b>			
Compensation of employees	3	(379,942,079)	(331,878,118)
Use of goods and services	4	(252,015,284)	(227,626,863)
Transfers to other government entities	5	(3,000,000)	(16,892,521)
Social security benefits	6	(24,668,126)	(25,107,904)
Acquisition of assets	7	(27,042,880)	(31,088,942)
Finance costs	8	(83,571)	(309,892)
		<b>(686,751,940)</b>	
<b>Total payments</b>			<b>(632,904,240)</b>
<b>Surplus/deficit</b>		<b>(848,852)</b>	<b>(1,178,534)</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.06. 2022 and signed by:

.....  


**Name: Joab Ambaka Kilinga**

**Clerk of the Assembly**

.....  


**Name: Miyinzi Oscar Jagona**

**Chief Finance Officer – County  
 Assembly**

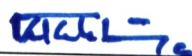
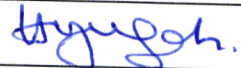
**ICPAK Member Number: 24443**

Vihiga County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022

8. Statement of Financial Assets and Liabilities as At 30th June 2022

Financial assets	Note	2021-2022 Kshs	2020-2021 Kshs
<b>Cash and cash equivalents</b>			
Bank balances	9A	328,837	910,956
Cash balances	9B		100
<b>Total cash and cash equivalents</b>		<b>328,837</b>	<b>911,056</b>
Imprests and Advances	10	2,842,100	3,108,733
<b>Total financial assets</b>		<b>3,170,937</b>	<b>4,019,789</b>
<b>Represented by</b>			
Fund balance b/fwd.	11	4,019,789	5,198,323
Surplus/(deficit) for the year		(848,852)	(1,178,534)
<b>Total Net Financial Assets and Liabilities</b>		<b>3,170,937</b>	<b>4,019,789</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.06. 2022 and signed by:

	
Name: <b>Joab Ambaka Kilinga</b>	Name: <b>Miyinzi Oscar Jagona</b>
Clerk of the Assembly	Chief Finance Officer – County Assembly
	ICPAK Member Number: <b>24443</b>

**9. Statement of Cash Flows for the Period Ended 30<sup>th</sup> June 2022**

		2021-2022	2020-2021
	Note	KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Exchequer releases	1	682,802,588	623,812,571
Other receipts	2	3,100,500	7,913,136
<b>Payments for operating expenses</b>			
Compensation of employees	3	(379,942,079)	(331,878,118)
Use of goods and services	4	(252,015,284)	(227,626,863)
Transfers to other government entities	5	(3,000,000)	(16,892,521)
Social security benefits	6	(24,668,126)	(25,107,904)
Finance costs	8	(83,571)	(309,892)
<b>Adjusted for:</b>			
Decrease/(increase) in accounts receivable:	12	266,633	1,508,658
<b>Net cash flows from operating activities</b>		<b>26,460,661</b>	<b>31,419,066</b>
<b>Cashflow from investing activities</b>			
Acquisition of assets	7	(27,042,880)	(31,088,942)
<b>Net cash flows from investing activities</b>		<b>(27,042,880)</b>	<b>(31,088,942)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>(582,219)</b>	<b>330,124</b>
<b>Cash &amp; cash equivalent at Start of the year</b>		<b>911,056</b>	<b>580,932</b>
<b>Cash &amp; cash equivalent at end of the year</b>		<b>328,837</b>	<b>911,056</b>

**Vihiga County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.06. 2022 and signed by:

.....  


**Name: Joab Ambaka Kilinga  
Clerk of the Assembly**

.....  


**Name: Miyinzi Oscar Jagona  
Chief Finance Officer – County  
Assembly  
ICPAK Member Number:24443**

**10. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>Receipts</b>					
Exchequer releases	651,955,167	37,654,597	689,609,764	682,802,588	99%
Other receipts	0	-		3,100,500	-
<b>Total</b>	<b>651,955,167</b>	<b>37,654,597</b>	<b>689,609,764</b>	<b>685,903,088</b>	<b>99.4%</b>
<b>Payments</b>					
Compensation of employees	345,526,384	17,103,597	362,629,981	(379,942,079)	104%
Use of goods and services	238,923,783	12,896,421	251,246,204	(252,015,284)	101%
Social security benefits	27,400,000	7,654,579	35,054,579	(24,668,126)	68.7%
Transfers to other Govt entities				(3,000,000)	
Acquisition of assets	39,889,000		39,889,000	(27,042,880)	67.8%
Finance costs	216,000	-	216,000	(83,571)	
<b>Total</b>	<b>651,955,167</b>	<b>37,654,597</b>	<b>689,609,746</b>	<b>(686,751,940)</b>	<b>99.5%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(848,852)</b>	<b>-</b>

The changes in releases from the exchequer are due to increase in allocation by the commission on Revenue Allocation during the financial year. This was done through the first supplementary budget.

The entity financial statements were approved on 30.06. 2022 and signed by:

There was over expenditure on compensation of employees by kshs: 17,342,098 due to late receipt of disbursements for the month of june 2021. This was paid in July 2021 hence the over expenditure.



.....  
**Name: Joab Ambaka Kilinga**  
**Clerk of the Assembly**



.....  
**Name: Miyinzi Oscar Jagona**  
**Chief Finance Officer – County Assembly**  
**ICPAK Member Number:24443**

**11.Statement of Comparison of Budget & Actual Amounts: Recurrent**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	d=c-a	
<b>Receipts</b>					
Exchequer releases	621,955,167	37,654,597	659,609,764	659,409,035	100%
Other receipts		-	3,100,500	3,100,500	-
<b>Total</b>	<b>621,955,167</b>	<b>37,654,597</b>	<b>659,609,764</b>	<b>662,509,535</b>	<b>100%</b>
<b>Payments</b>					
Compensation of employees	345,526,384	17,103,597	362,629,981	(379,942,079)	104%
Use of goods and services	238,349,783	12,896,421	251,820,204	(252,015,284)	101%
Social security benefits	27,400,000	7,654,579	35,054,579	(24,668,126)	68.6%
Transfers to other Govt Entities				(3,000,000)	
Acquisition of assets	9,889,000	0	9,889,000	(3,649,328)	37%
Finance costs	216,000	0	216,000	(83,571)	38%
<b>Total</b>	<b>621,955,167</b>	<b>37,654,597</b>	<b>659,609,764</b>	<b>(663,358,388)</b>	<b>101%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(848,853)</b>	<b>-</b>

(a)There was underutilisation on social security benefits since the assembly had not remitted deductions for the month of June 2022

- (b) There was under absorption on Acquisition of assets since most of the supplies for the month of June had not been delivered and Payments not done.
- (c) There was under absorption for bank charges due to adoption of internet banking hence reduction of the costs associated

The entity financial statements were approved on 30.06.2022 and signed by:

*Joab Kilinga*

.....  
**Name: Joab Ambaka Kilinga**  
**Clerk of the Assembly**

*Miyinzi Oscar Jagona*

.....  
**Name: Miyinzi Oscar Jagona**  
**Chief Finance Office – County Assembly**  
**ICPAK Member Number:24443**

**12.Statement of Comparison of Budget & Actual Amounts: Development**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs ( a )	Kshs (b)	c=a+b	d=a-c	Kshs
<b>Receipts</b>					
Treasury/ exchequer releases	30,000,000	-	30,000,000	23,393,552	78%
Other receipts	-	-	-	-	-
<b>Total</b>	<b>30,000,000</b>	<b>-</b>	<b>30,000,000</b>	<b>23,393,552</b>	<b>78%</b>
<b>Payments</b>					
Acquisition of assets	30,000,000	-	30,000,000	(23,393,552)	78%
<b>Total</b>	<b>30,000,000</b>	<b>-</b>	<b>30,000,000</b>	<b>23,393,552</b>	<b>78%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The entity financial statements were approved on 30.06. 2022 and signed by:

.....  


**Name:Joab Ambaka Kilinga**  
**Clerk of the Assembly**

.....  


**Name: Miyinzi Oscar Jagona**  
**Chief Finance Office – County Assembly**  
**ICPAK Member Number: 24443**

**13. Budget Execution by Programmes and Sub-Programmes**

<b>Programme/Sub-Programme</b>	<b>Final Budget</b>	<b>Indicators</b>	<b>Outcomes</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>Kshs</b>	<b>%/ number</b>	<b>%/ number</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Programme 1</b>	-	-	-	-	-
Legislative	<b>221,915,322</b>	-	-	221,915,322	<b>100%</b>
	-	-	-	-	-
	-	-	-	-	-
<b>Programme 2</b>	-	-	-	-	-
Administrative	<b>437,694,442</b>	-	-	440,594,213	<b>100%</b>
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>659,609,764</b>	-	-	<b>662,509,535</b>	<b>100%</b>

## **14. Significant Accounting Policies**

The Significant 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 statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

### **2. Reporting entity**

The financial statements are for the Vihiga County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

### **3. Recognition of receipts and payments**

#### **a) Recognition of receipts**

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

#### **i) Transfers from the Exchequer/ County Treasury**

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

#### **ii) Other Receipts**

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

#### **b) Recognition of payments**

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

#### **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) 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.

**3. In-kind contributions**

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

**4. Third Party Payments**

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

**5. 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.

**7. 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.

**8. Imprests and Advances**

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.

### **9. Third party deposits and retention**

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.

### **10. Non-current assets**

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

### **11. 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 *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**Significant Accounting Policies (Continued)**

**12. Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

**13. Contingent Assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to

ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **14. Budget**

Classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law. The original budget was approved by the County Assembly on 24<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 2<sup>nd</sup> December and 22 February 2022. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

#### **15. Comparative figures**

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

#### **16. Subsequent events**

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

### **17. Prior Period Adjustment**

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

### **18. Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

The donor receipts were from the china government for the support of public participation through the Bunge Mashinani Programme.

## 15. Notes to the Financial Statements

### 1. Exchequer Releases

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for q1	194,198,165	96,308,092
Transfers from the county treasury for q2	201,878,448	207,626,773
Transfers from the county treasury for q3	152,242,355	139,311,601
Transfers from the county treasury for q4	134,483,620	180,566,105
<b>Cumulative amount</b>	<b>682,802,588</b>	<b>623,812,571</b>

### 2. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Staff Surcharges	0	530,004
Car loan and mortgage account	0	6,654,800
Refunds	0	728,331
Donor Support	3,100,500	
<b>Total</b>	<b>3,100,500</b>	<b>7,913,136</b>

### 3. Compensation of Employees

	2021- 2022	2020- 2021
	Kshs	Kshs
Basic salaries of permanent employees	127,707,504	92,850,563
Basic Salaries- MCAS	70,406,398	71,552,256
Basic Salary- Ward Staff	31,717,640	26,064,416
Personal Allowances paid as part of salary	127,658,793	124,240,745
Pension and other social security contributions	22,262,144	16,975,338
Compulsory National Social Security cont.	189,600	194,800
<b>Total</b>	<b>379,942,079</b>	<b>331,878,118</b>

**Vihiga County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**4. Use of Goods and Services**

	2021 – 2022	2020 – 2021
	Kshs	Kshs
Utilities, supplies and services	350,588	155,411
Communication, supplies and services	105,250	135,250
Domestic travel and subsistence	85,380,864	135,922,905
Foreign travel and subsistence	25,138,168	0
Printing, advertising and information supplies & services	1,543,360	2,292,448
Rentals of produced assets	4,093,500	2,910,000
Training expenses	4,004,740	2,707,763
Hospitality supplies and services	15,042,352	11,751,800
Insurance costs	32,323,970	33,736,267
Specialized materials and services	2,949,405	4,804,948
Office and general supplies and services	2,526,020	7,102,947
Fuel, oil and lubricants	1,843,148	1,298,000
Other operating expenses	71,140,993	19,656,496
Routine maintenance – vehicles and other transport equipment	2,598,500	1,675,669
Routine maintenance – other assets	2,974,425	3,476,959
<b>Total</b>	<b>252,015,284</b>	<b>227,626,863</b>

**Vihiga County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

5. Transfers to Other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transfers to county revenue fund</b>	0	87,665
Transfer to County Treasury		8,000,000
<b>Transfers to other county assembly entities</b>		
Car loan scheme fund	3,000,000	8,274,246
Transfer to Development Account	0	530610
<b>Total</b>	<b>3,000,000</b>	<b>16,892,521</b>

6. Social Security Benefits

	2021 – 2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits		
Gratuity Mcas	16,817,780	13,948,117
Employer Social Benefits	7,850,346	11,159,787
<b>Total</b>	<b>24,668,126</b>	<b>25,107,904</b>

7. Acquisition of Assets

<b>Non- financial assets</b>	2021 – 2022	2020-2021
	Kshs	Kshs
Construction of buildings	23,393,552	12,703,170
Refurbishment of buildings	0	0
Construction and civil works	0	0
Purchase of office furniture and general equipment	2,186,000	2,680,000
Acquisition of ICT Equipment	1,463,328	15,705,772
<b>Total acquisition of non- financial assets</b>	<b>27,042,880</b>	<b>31,088,942</b>

Vihiga County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022

**8. Finance Costs**

	2021- 2022	2020 – 2021
	Kshs	Kshs
Bank charges	83,571	309,892
<b>Total</b>	<b>83,571</b>	<b>309,892</b>

**9. Cash and Bank Balances**

**9A. Bank Balances**

Name Of Bank, Account Name & Currency	Account Number	TYPE	2021 - 2022	2020 – 2021
			Kshs	Kshs
Co-operative bank Kenya shillings	01141471295100	Recurrent	151,074	52,832
Co-operative bank- Bunge Mashinani- Kenya shillings	01141246327100	Recurrent	103,914	0
Kenya Commercial Bank-Kenya shillings	1240161565	Recurrent	26,968	69,791
Central Bank of Kenya	1000195355	Recurrent	1	788,330
Central Bank of Kenya	1000195347	Development	46,880	2.0
<b>Total</b>			<b>328,837</b>	<b>910,956</b>

**9B. Cash in Hand**

	2021 – 2022	2020 – 2021
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Vihiga County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022

	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	0	100
<b>Total</b>	<b>0</b>	<b>100</b>

### 10. Imprests and Advances

<i>Description</i>	2021 - 2022	2020– 2021
	Kshs	Kshs
Government Imprests	2,754,091	2,788,733
Salary Advance	88,009	320,000
<b>Total</b>	<b>2,842,100</b>	<b>3,108,733</b>

<i>Breakdown Of Imprest And Salary Advance Per Department</i>	2021 - 2022	2020 – 2021
<i>Imprests</i>	Kshs	Kshs
Finance and Accounting	280,000	150,000
Human Resource and Administration	1,212,791	1,440,811
Clerks Department	976,100	1,167,692
Hansard Department	284,200	23,450
<b>Sub-Total</b>	<b>2,754,091</b>	<b>2,781,953</b>
<i>Salary Advance</i>		
Clerks Department	88,009	220,000
Hansard and ICT		100,000
<b>Sub-Total</b>	<b>88,009</b>	<b>320,000</b>
<b>Grand Total</b>	<b>2,842,100</b>	<b>3,108,733</b>

*\*See Annex 5 for a detailed analysis of the outstanding imprests.*

### 11. Fund Balance Brought Forward

Description	2021 - 2022	2020 – 2021
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**Vihiga County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

	<b>Kshs</b>	<b>Kshs</b>
Bank Accounts	0	910,956
Cash In Hand	0	100
Accounts Receivables	0	3,108,733
<b>Total</b>	<b>0</b>	<b>4,019,789</b>

**12. Changes in Imprests and Advances**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Account Receivables As At 1 <sup>st</sup> July 2022	3,108,733	4,617,392
Closing Account Receivables As At 30 <sup>th</sup> June 2022	2,842,100	3,108,733
Change In Account Receivables	<b>266,633</b>	<b>1,508,659</b>

**Notes to the Financial Statements (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 Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and

**Related party transactions:**

	<b>2021- 2022</b>	<b>2020- 2021</b>
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	Kshs	Kshs
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	144,812,905	150,435,434
Key Management Compensation (Clerk and Heads of departments)	29,191,784	17,881,546
<b>Total Compensation to Key Management</b>		<b>168,316,980</b>
<b>Transfers to related parties</b>		
Transfers to other County Government Entities such as car and mortgage schemes	3,000,000	8,274,246
Transfers to County Treasury	-	8,087,665
<b>Total Transfers to related parties</b>	-	<b>16,361,911</b>
<b>Transfers from related parties</b>		
Transfers from the County Executive- Exchequer	682,802,588	623,812,571
Transfers From Mortgage Account	-	6,654,800
<b>Total Transfers from related parties</b>	<b>682,802,588</b>	<b>630,467,371</b>

**Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

	Balance b/f FY 2020- 2021	Additions for the period	Paid during the year	Balance c/f FY 2021- 2022
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	13,749,488	-	13,749,488	-
Construction Of Civil Works		-		-
Supply Of Services	-	-	-	-
<b>Total</b>	<b>13,749,488</b>	<b>-</b>	<b>13,749,488</b>	<b>-</b>

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**2. Pending Staff Payables (See Annex 2)**

	Balance b/f FY 2020- 2021	Additions for the period	Paid during the year	Balance c/f FY 2021- 2022
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	7,806,958	-	7,806,958	-
Middle Management	25,608,675	-	25,608,958	-
<b>Total</b>	<b>33,415,633</b>	<b>-</b>	<b>33,415,916</b>	<b>-</b>

**3. Other Pending Payables (See Annex 3)**

	Balance b/f FY 2020- 2021	Additions for the period	Paid during the year	Balance c/f FY 2021- 2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities-KRA	15,349,936	24,000,000	36,187,952	3,161,984
Amounts due to Car Loan and Mortgage Account	75,918,081	0	3,000,000	72,918,081
<b>Total</b>	<b>91,153,017</b>	<b>24,000,000</b>	<b>39,187,952</b>	<b>76,080,065</b>

**4. External Assistance**

	FY 2021- 2022	FY 2020- 2021
Description	Kshs	Kshs
External assistance received in cash	3,100,500	0
<b>Total</b>	<b>3,100,500</b>	<b>0</b>

**5. Contingent Assets**

<b>Contingent Assets</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case 155 of 2020 (Kenchuan Architects against Vihiga County Assembly)	20,000,000	0
<b>Total</b>	<b>20,000,000</b>	<b>0</b>

This relates to amounts deposited in a joint interest earning account no held at cooperative bank of Kenya. This is as per the court order on the above stated case.

**6. Contingent Liabilities**

<b>Contingent liabilities</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case 155 of 2020 (Kenchuan Architects against Vihiga County Assembly)	11,653,818.73	31,653,818.73
<b>Total</b>	<b>11,653,818.73</b>	<b>31,653,818.73</b>

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**16. Progress on Follow on Prior Year Auditor's Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.	Variances between financial statements and IFMIS balances	Noted, reconciliation being finalised	Not resolved	December 2022
2.	Transfers from the County Treasury/Exchequer Releases	Reconciliation with county treasury ongoing	Not resolved	December 2022
3.	Unsupported transfers to Other Government Entities	Supporting documents to be availed	Not resolved	December 2022
4.	Irregular payments to County Assemblies Forum and SOCCAT	Relevant enabling documentations to be availed	Not resolved	December 2022
5.	Unsupported Cash	Supporting	Not	December

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	payments	documentations to be availed	resolved	2022

*Joab L.*

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**Joab Ambaka Kilinga**  
**Clerk of the County Assembly**

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17. Annexes

Annex 1 – Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Comments
			a	b	C	
<b>Construction Of Buildings</b>						
1. PEKALS LIMITED	8 <sup>th</sup> JULY 2020	34,494,742	13,749,490		13,749,490	
<b>Sub-Total</b>		<b>34,494,742</b>	<b>13,749,490</b>		<b>13,749,490</b>	
<b>Supply Of Goods</b>						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**Annex 2 – Analysis Of Pending Staff Payables**

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							
2.							
Sub-Total							
Grand Total							

## Annex 3 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Amounts Due To Kenya Revenue Authority	Tax Audit	2021	39,349,936	36,187,952	3,161,984	15,234,936	
1.							
<b>Sub-Total</b>			<b>39,349,936</b>	<b>36,187,952</b>	<b>3,161,984</b>	<b>15,234,936</b>	
Amounts Due To Car Loan and Mortgage Account	Refunds	2017	84,192,327	11,274,246	72,918,081	75,918,081	
2.							
<b>Sub-Total</b>			<b>84,192,327</b>	<b>11,274,246</b>	<b>72,918,081</b>	<b>75,918,081</b>	

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Annex 4 – Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (KShs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (KShs) 2021-2022
Land	10,400,000	-	-	-	10,400,000
Buildings and structures	67,248,829	23,393,552			90,642,381
Transport equipment	23,943,000				23,943,000
Office equipment, furniture and fittings	17,905,150	2,186,000			20,091,150
ICT equipment	22,259,489	1,463,328			23,722,817
Machinery and equipment	3,432,360				3,432,360
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
<b>Total</b>	<b>145,188,828</b>	<b>27,042,880</b>			<b>172,231,708</b>

*NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly.. Additions during the year should tie to note 10 on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.*

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**Annex 5 – Analysis Of Accounts Receivables**  
*(a) Government Imprest*

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
GEORGE MAKOKHA	NOVEMBER 2021	123,200	-	123,200
JOHN VIDOLO	NOVEMBER 2021	123,200	-	123,200
KILLIAN LIJODI	NOVEMBER 2021	123,200	-	123,200
MOSES AKHABELE	NOVEMBER 2021	123,200	-	123,200
JAMES NGERESA	NOVEMBER 2021	123,200	-	123,200
PERIS ODARI	NOVEMBER 2021	154,000	-	154,000
SELWINE LWIMBO	NOVEMBER 2021	123,200	-	123,200
VINCENT MUHANDO	NOVEMBER 2021	123,200	-	123,200
SALMA OCHIENG	NOVEMBER 2021	123,200	-	123,200
LINET MUGALITSI	NOVEMBER 2021	60,500	-	60,500
ASTON EMILE	NOVEMBER 2021	50,000	-	50,000
JOAN JAI	NOVEMBER 2021	50,000	-	50,000
NANCY OYIGO	NOVEMBER 2021	60,500	-	60,500
VICTOR CHADIVA	NOVEMBER 2021	60,500	-	60,500
SALMA OCHIENG	NOVEMBER 2021	42,000	-	42,000

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EMMANUEL MWAMBUKI	NOVEMBER 2021	24,500	-	24,500
ALFRED MBATI	NOVEMBER 2021	24,500	-	24,500
DORCAS WEMA	NOVEMBER 2021	69,300	-	69,300
FRANCIS RAKEWA	NOVEMBER 2021	154,000	-	154,000
EMMANUEL MWAMBUKI	NOVEMBER 2021	69,300	-	69,300
BENARD INGANJI	NOVEMBER 2021	123,200	-	123,200
BRENDA AJEMA	NOVEMBER 2021	123,200	-	123,200
BEAUTUS SIJAONA	NOVEMBER 2021	71,141	-	71,141
FRANCIS RAKEWA	OCTOBER 2021	200,000	-	200,000
ABIGAIL NYANDOYA	FEBRUARY 2022	10,000	-	10,000
GEORGE KIBISU	FEBRUARY 2022	7,050	-	7,050
JOAN JAI	NOVEMBER 2021	167,000	-	167,000
BRENDAH AJEMA	DECEMBER 2021	33,600	-	33,600
CLEMENT SLOYA	DECEMBER 2021	29,400	-	29,400
NANCY OYIGO	DECEMBER 2021	42,000	-	42,000
PERIS NYAMBURA	DECEMBER 2021	33,600	-	33,600
PERIS ODARI	DECEMBER 2021	42,000	-	42,000
PHELISTAS ALUBALE	DECEMBER 2021	33,600	-	33,600
STEPHEN	DECEMBER	33,600	-	33,600

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OTENDA	2021			
<b>Total</b>		2,754,091		<b>2,754,091</b>

**(b) Salary Advance**

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Peris Odari</i>	1 <sup>ST</sup> APRIL 2021	127,999	39,990	88,009
<b>Total</b>		<b>127,999</b>	<b>39,990</b>	<b>88,009</b>

