

REPUBLIC OF KENYA



Enhancing Accountability

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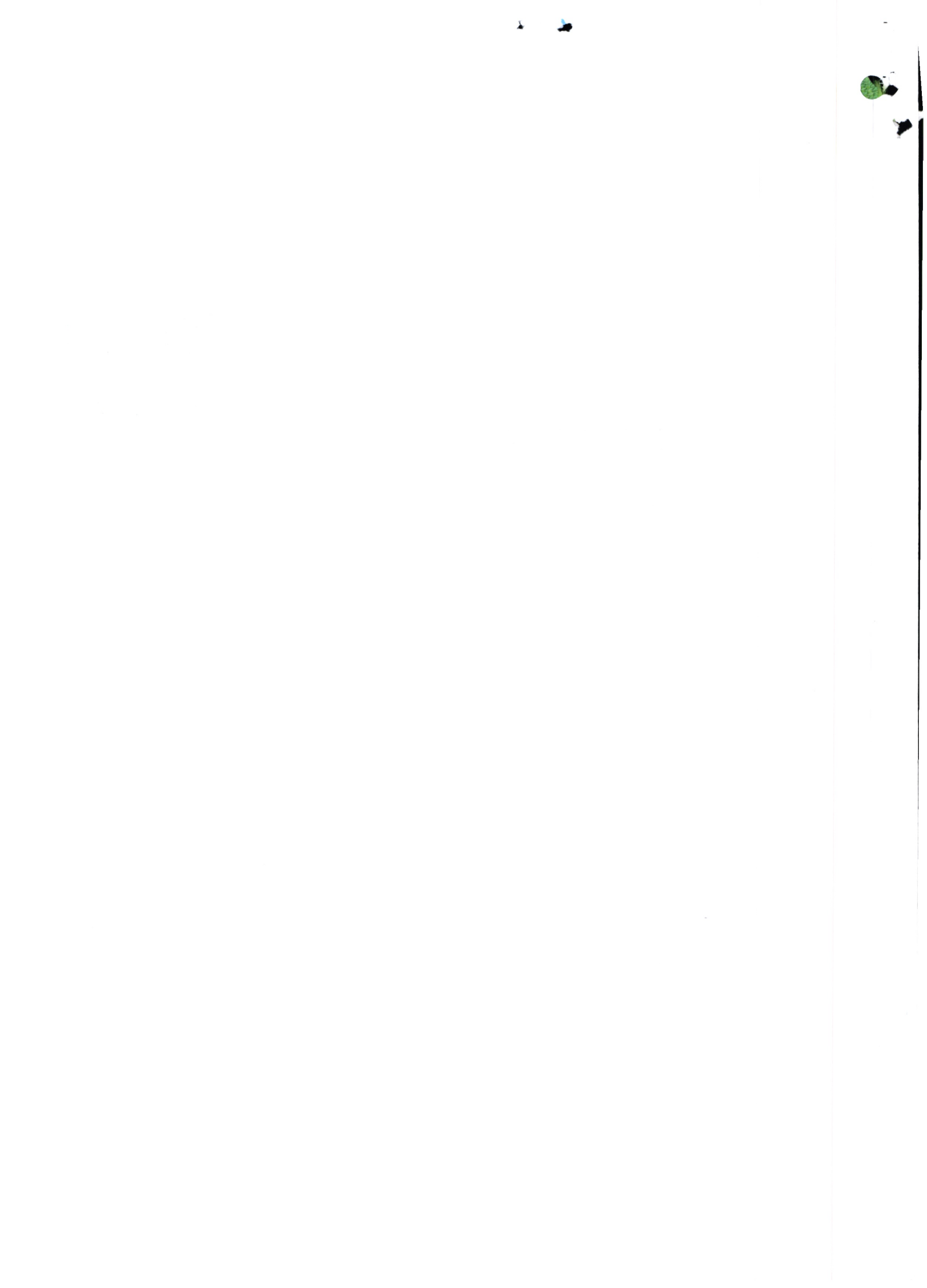
COUNTY REVENUE FUND

FOR THE YEAR ENDED

30 JUNE, 2022

COUNTY GOVERNMENT OF

UASIN GISHU





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

OFFICE OF THE AUDITOR - GENERAL
CENTRAL DISTRICT REGIONAL OFFICE
16 FEB 2023
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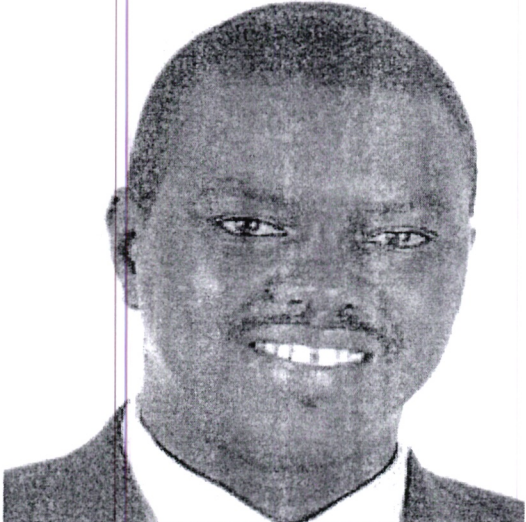

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1. Key Entity Information and Management

a) Background information

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

b) Key Management

<p>H.E Governor; Jackson K. Arap Mandago.</p> 	<p>Currently the Governor of Uasin Gishu County Government with Master's in Business Administration (MBA) –Strategic management from Catholic University of Eastern Africa, Bachelor of Science Degree from Kenyatta University worked with the ministry of education (MOE) on e-government program and the teachers service commission for 10 years</p>
<p>H.E D/Governor; Daniel K. Chemno</p> 	<p>Currently the deputy governor of Uasin Gishu county government with MBA – Management – Adventist International Institute of Advanced studies Philippines. BBA Management University of Eastern Africa Baraton. Diploma in education Kagumo Teachers College. Taught for over 22 years high schools, tertiary colleges and universities.</p>

<p>Mr. Barnabas. Tarus</p> 	<p>Currently the County Executive Committee Member for Devolution, Administration and Public Service Management. Bachelor of Arts from Egerton university and a former principal of Uasin Gishu high school and Koiwarusen secondary school and a high teacher in various schools</p>
<p>CPA Julius K Rutto .</p> 	<p>Currently the County Executive Committee Member for Finance and Economic Planning. A Bachelor of Finance and Banking from Moi University and A Certified Public Accountant CPA K. A qualified and dynamic accounting and banking professional with over 10 years of quality work experience acquired in challenging roles in private practice as an auditor. A highly committed and dedicated professional who is able to work under minimum supervision and meet stretching job targets. Specialised in valuation, advisory, consulting, taxation and accounting services relating to matters of income tax, service tax, and value.</p>
<p>Dr. Emily J. Kogos.</p> 	<p>Currently the County Executive Committee Member ICT, Trade & Industrialization – County Government of Uasin Gishu.</p> <p>A graduate of Moi university, (PHD) in Information and Library Studies and a graduate of BA management of Bhopal University of India where she majored in economics and accounts. She has a Masters of Philosophy In Information And Library Studies from Loughborough University – United Kingdom previously served as a senior lecturer of publishing and media – Moi university, Head Of Department Of Publishing And Media and a council member at the Kenya Bureau of Standards (KEBS). Also currently a board member at St.Lukes Hospital – Eldoret, chairperson of Ngeria girls –Uasin Gishu and a champion for women and youth</p>

Mrs Esther C. Mutai



Currently the County Executive Committee Member for Cooperatives and Enterprise Development at Uasin Gishu County. Holds a master's degree In Business Administration Strategic Management and Bachelor's Degree In Commerce Business Administration from University of Nairobi.

Worked in various fields such as;

Relation manager – CPf financial services ltd

Head of Marketing, Research and Communications- Women Enterprise Fund (WEF)

Public Relations and Communications Manager – CIC Insurance Group

Business Development and Marketing Manager – (KUSCCO ltd)




Regional Manager – Rift Valley (KUSCCO Ltd)



She has over 15 years' experience at senior management level in various financial institutions gaining wide knowledge and expertise in marketing and enterprise development as well as building networks and profitable strategic partnerships.

Mrs Everlyne c. Nyangwaria



Currently the County Executive Committee Member for Health Services Uasin Gishu Government. Master of Science in Nursing (Obstetric Nursing/ Midwifery)- University of Nairobi. Bachelor Of Science, Nursing – University of Eastern Africa Baraton, strategic leadership development programme Kenya school of Government. Sub –Saharan Africa Foundation in advancement in medical education and research fellowship , commonwealth research fellowship , commonwealth research fellow at university of Manitoba Canada and strengthening midwifery education , research and leadership at Karolinska institute Sweden.

<p>Mrs. Mary W. Njogu .</p> 	<p>Currently the County Executive Committee Member for Water, Environment, Natural Resources, Tourism & Wildlife Management – Uasin Gishu county government.</p> <p>Master of Philosophy, Guidance and Counselling from Moi University BED (art) second class honors, upper division Kiswahili, Guidance Counselling from Moi University. Diploma In Education –Kiswahili and English From Siriba Teachers College.</p>
<p>Mr. Gideon K Birir</p> 	<p>Currently The County Executive Committee Member for Roads, Transport, Energy & Public Works. Member of The Engineers Board of Kenya and a professional member of institute of engineers of Kenya. Holder Of Bachelor Of Science In Civil Engineering From University Of Nairobi with a post Graduate Diploma In Transport Planning , Development And Management From Galilee International Management Institute (Israel)</p>
<p>Mr. Samuel K Yego</p> 	<p>Currently The County Executive Committee Member for Agriculture, Livestock and Fisheries Uasin Gishu County Government. BSc Agriculture. Previously worked for National Cereals Board for 21 years in a position of quality and pest control officer and a regional manager</p>

<p>Eng .Nelson K , Maritim</p> 	<p>Currently the County Executive Committee Member Lands Housing Physical Planning and Urban Development, Uasin Gishu County, MSc Civil Engineering (JKUAT), BSc Hons Civil Engineering University Of Nairobi And Diploma, Project Management (KIM). Registered engineer graduate, EBK and graduate member IEK Kenya Worked various organisations as; Assistant engineer –ministry of roads and public works Assistant lecturer – Western University of Science and Technology, Department of Civil and Structural Engineering Lecturer Masinde Muliro University of Science and Technology, Department of Civil and Structural Engineering Chief Officer Roads Transport and Public Works Uasin Gishu County Chief Officer Lands Housing and Physical Planning, Uasin Gishu Member Board of Directors of Eldoret Water and Sanitation Company Eldowas</p>
<p>Mr .Joseph k kurgat</p> 	<p>Currently the County Executive Committee Member for Education Culture Social Services Sports and Youth Affairs Uasin Gishu County Government. He Has a Master's Degree in Education Administration and Management and A Degree in Education Science from Kenyatta University. Was Principal for Various Secondary Schools from the years 2001- 2017, Chairperson Kenya Secondary Schools Heads Association Mosop Sub County and Vice Chairman Nandi County Heads Association</p>

c) Fiduciary Management

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

No.	Designation	Name
1.	Chief Officer- Finance	Mr Peter Chesos
2.	Chief Officer-Economic planning	Ms Millicent Okonjo
3.	Chief Officer-Public Service Management	Mrs Ann Koech
4.	Chief Officer-ICT and E-Government	Mr. John Kemboi
5.	Chief Officer-Trade Tourism Wildlife and Industrialisation	Mr Simeon Tanui
6.	Chief Officer- health services	Dr. Joseph Morogo
7	Chief Officer--Environment Energy Water and Natural Resources	Simon K Kemei
8	Chief Officer- Roads Transport and Public Works	Barnabas Too
9	Chief Officer- agriculture livestock fisheries	Julius K Rotich
10	Chief Officer- lands housing	Mrs Ruth Rop
11	Chief Officer- education and culture	Mrs Jane Njuguna
12	Chief Officer- youth affairs and sports	Mr Joseph Maritime
13	Chief Officer--devolution and administration	Mr Samwuel Kiptoo
14	Chief Officer- physical planning and urban development	Mr Kenneth Mbeka
15	Chief Officer-livestock and fisheries	Mrs Victoria Chepkirui

d) Fiduciary Oversight Arrangements

a. Economic Planning Committee of the County Assembly

- i. Provide oversight role and operation of the finance and economic planning department

Budget and Appropriation Committee

- i. Examine annual and supplementary budget estimates of expenditure presented to the house
- ii. Provide oversight on the presentation and implementation of the budget

Public Accounts and Investment Committee

- i. Increase public confidence in the credibility of the government institution through providing oversight role on financial performance
- ii. To examine reports and accounts on the public investments.

e) County Headquarters

Uasin Gishu County Executive

P.O Box 40 – 30100

County Hall Building

Uganda Road

Eldoret, Kenya

f) County Contacts

Telephone: (254) – 053-2016215

-053-2016125

-053-2016600

E-mail: info@uasingishu.go.ke

Website: www.uasingishu.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O Box 560-30100
Eldoret
3. SBM Bank (k) Ltd
PO Box 2926- 30100
Eldoret
Family Bank Ltd
PO Box 629- 30100
Eldoret

- 4 National Bank of Kenya
PO Box 3111
Eldoret
- 5 Cooperative Bank of Kenya
PO Box 2948
Eldoret
- 6 Paramount Bank Ltd
PO Box 4362
Eldoret
- 7 Spire Bank Ltd
PO Box 52467
Nairobi

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

County Hall Office

P.O. Box 40,

Eldoret, Kenya

2. Statement by the CECM Finance

County governments in Kenya are one of the two arms of government. The other arm is the National Government. Article 1(4) of the Constitution says that people exercise their sovereign power at the national and the county level. Article 6(1) divides the territory of Kenya into the counties specified in the First Schedule. The governments at the national and county levels are distinct and inter-dependent.

The Fourth Schedule of the Constitution contains information on the devolved services in Kenya. It stipulates the division of functions between the national and the county governments in Kenya. The devolved functions in Kenya performed by county governments are as follows.

Agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs (slaughterhouses), plant and animal disease control, and fisheries. 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 which is a national government function), cemeteries, funeral parlours and crematoria, and refuse removal, refuse dumps and solid waste disposal. Control of air pollution, noise pollution, other public nuisances, and outdoor advertising. Cultural activities, public entertainment and public amenities, including – betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports and cultural activities and facilities, and county parks, beaches and recreation facilities. County transport, including – County roads (Class D, E and Unclassified Roads), street lighting, traffic and parking, public road transport, and ferries and harbours (excluding the regulation of international and national shipping and matters related thereto). Animal control and welfare, including – licensing of dogs, and facilities for the accommodation, care, and burial of animals. Trade development and regulation, including – markets, trade licences (excluding regulation of professions), fair trading practices, local tourism, and cooperative societies.

County planning and development, including – statistics, land survey and mapping, boundaries and fencing, housing, and electricity and gas reticulation and energy regulation. Education – only pre-primary education (ECD), village polytechnics, home craft centres and childcare facilities. Implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation, and forestry. County public works and services, including – storm water management systems in built-up areas, and water and sanitation services. Firefighting services and disaster management.

Control of drugs and pornography. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

It is my pleasure to present the County Government of Uasin Gishu financial statements which presents the financial performance for the year ended 30th June 2022. The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. Financing of the County Governments Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Article 183 provides for the functions of the county executive committee in Kenya being, implementation of county legislation, and implementation of national legislation within the county if the legislation so requires, management and coordination of the functions of the county administration and its

departments and performance of any other functions conferred on it by the Constitution or national legislation. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. The financial reports are utilized in informing policy decisions regarding operations, management and service delivery and also ensure the most effective and efficient use of resources. It further reviews the performance of county departments and agencies in regard to budget allocations and execution as outlined in their annual work plans. This consolidated report presents only key achievements in the period under review; the County also finances its operations through own generated revenues. The key local revenue sources for County Government of Uasin Gishu includes business permits, land rates, business plan approval, advertising fees, cesses and various other administrative charges. The County continues to explore new and innovative ways of increasing its local revenue collections.

Summary of Outcomes/Outputs Indicators – Finance

Output/Outcome	Indicator	Baseline FY2020/2021	Target FY 2021/2022	Actual FY 2021/22	Remarks
Decrease in revenue collection and Administration	Annual Increment on OSR at a rate of 3%	1,105,676,541	1,414,917,111	858,349,786	Didn't meet the Target
Improved expenditure performance	Absorption rate	-	100	78	Recurrent – 91% Development - 62%

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I also thank my colleagues, the County Executive Committee Members in charge of other departments whom we have worked hand in hand to ensure that County Government of Uasin Gishu achieves its mission. I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Uasin Gishu County.

MR MICAH K ROGONY
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING
COUNTY GOVERNMENT OF UASIN GISHU

3. Management Discussion and Analysis

The Uasin Gishu County Revenue Fund had good progress during the financial year under review. The fund received an exchequer amount totalling to Kshs 7,423,349,652 which is low compared to Kshs 7,703,702,518 in the previous financial year. Full disbursement of Funds was not made by the National Treasury.

During the period under review, the fund received a total of Ksh 858,349,786 which was transferred from the Receiver of Revenue Fund. The total targeted amount was KSh 1,414,917,111 which translates to a shortfall of 39 percent. This underperformance can be attributed to the period under review being electioneering year.

A total of KSh. 9,265,267,117 was transferred from the fund to various development and recurrent accounts to be spent on both development and recurrent activities. This expenditure represented 78 percent of the total County Executive annual budget of KSh 13,213,659,493. Actual development expenditure amounted KSh 3,780,199,098 against an approved budget of KSh. 6,110,635,324 which translates to an absorption rate of 62 percent. On the other hand, actual recurrent expenditure was KSh 6,472,342,928 against the budgeted amount of KSh 7,103,024,169 which translates to an absorption rate of 91 percent.

The fund realised several challenges of concern which includes delays in exchequer releases from the National Treasury and delays in passage of Finance bill which affected revenue performance.

The fund is committed to delivering services to the residents of Uasin Gishu County and being accountable as per the requirements of Section 167 of the Public Finance Management Act.2012

4. Statement of Management Responsibility

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

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

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

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

Approval of the Financial Statements

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

Signature _____

Name **Mr Peter K Chesos**

Chief Officer - Finance

County Government of Uasin Gishu

1. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

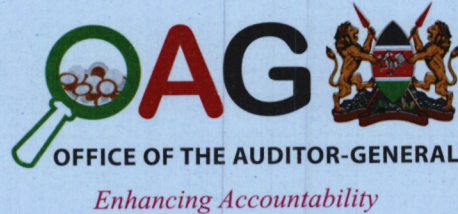
The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

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

.....
Name: Mr Peter K Chesos
Chief Officer – Finance

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Uasin Gishu set out on pages 1 to 10, which comprise of the statement of

receipts and payments for the year ended 30 June, 2022, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Uasin Gishu 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 Article 207 of the Constitution of Kenya.

Basis for Qualified Opinion

Own Source Revenue

The statement of receipts and payment reflects own source revenue of Kshs.858,349,786 as disclosed in Note 6 of the financial statements. However, examination of cash book, bank statement and reports from receiver of revenue reveals that a total amount of Kshs.932,262,253 was disbursed to County Exchequer Account resulting to unexplained variance of Kshs.73,912,467.

In the circumstances, the accuracy of receipts from own source revenue of Kshs.858,349,786 could be confirmed.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Disbursements from Receiver of Revenue

The statement of receipts and payments reflects total own source revenue of Kshs.858,349,786 as disclosed in Note 6 of the financial statements. There is a further undisbursed cash and bank balance of commercial banks-revenue from 2020/2021 financial year of Kshs.75,594,253. Therefore, funds available for disbursement to County Exchequer Account comes to a total of Kshs.933,944,039. However, during the year under review a total amount of Kshs.932,262,253 was disbursed to County Exchequer Account which has not been supported with acknowledgement receipts from the County Treasury as required in Regulation 81(3) of Public Financial Management (County Governments) Regulations, 2015. There is a risk of loss of public funds due to non-accountability and monitoring usage of the funds received.

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

2. Late Disbursement of Transfers from Other Government Agencies

The statement of receipts and payments reflects transfers from other government agencies amount of Kshs.312,623,229 as disclosed in Note 2 to the financial statements. However, examination of the County Revenue Fund bank statements revealed that only an amount of Kshs.14,219,271 was disbursed by the National Treasury into the County Revenue Fund bank account during the year under review leaving a balance of Kshs.298,403,958 that was disbursed in five tranches in July 2022 hence making it difficult for the County Government to implement most of its projects during the period under review.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 March, 2023

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

	Notes	2021/22 Kshs.	2020/21 Kshs.
Receipts			
Exchequer releases	1	7,423,349,652	7,703,702,518
Transfers from other government agencies	2	312,623,229	230,398,373
Other grants	3	-	46,395,000
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	858,349,786	1,105,676,541
Return to CRF issues	7	6,661,863	-
Total Receipts		8,600,984,530	9,086,172,431
Payments			
Transfers to County Executive	8	8,476,356,249	-
Transfers to County Assembly	9	788,910,868	702,372,120
Other Transfers	10	0	-
Total Payments		9,265,267,117	-
Net increase (decrease) in cash for the year		(664,282,587)	-
Add Opening fund balance b/f	11	1,402,319,123	826,975,199
Closing Fund balance for the period	11	738,036,536	-

NB; The difference in Cashbook closing balance of **kshs 818,639,291** in Note 11 and closing fund balance for the Period is brought about by the following:

- Kshs 75,594,253 revenue closing balances for financial year 2020/2021
- Kshs (102,990) bank charges to revenue commercial bank accounts
- Kshs (2,696,841) revenue closing balances for financial year 2021/2022
- Kshs (908,969) an amount included in revenue amount and have not yet been received in CRF
- Kshs 55,432 is an amount returned to CRF included in cashbook balance.

Name: Peter K Chesos

Chief Officer - Finance

Sign.....

Name: Silas K Ronoh

Director Accounting Services

ICPAK Member No. 8151

Sign.....

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

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
Receipt/Payments	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Exchequer releases	8,068,858,318	-	8,068,858,318	7,423,349,652	645,508,666	
Transfers from other government agencies	608,853,967	107,020,980	715,874,947	312,623,229	403,251,718	
Other conditional grants			-		-	
Proceeds from Domestic Borrowing			-		-	
Proceeds from Foreign Borrowing			-		-	
Own Source Revenue	1,000,000,000	413,017,111	1,413,017,111	858,349,786	554,667,325	
Return to CRF issues	6,661,863		6,661,863	6,661,863	0	
Total Receipts	9,684,374,148	520,038,091	9,684,374,148	8,600,984,530	1,083,389,618	
Payments						
Transfers to County Executive	8,619,992,657		8,619,992,657	8,476,356,249	143,636,408	
Transfers to County Assembly	1,064,591,808		1,064,591,808	788,910,868	275,680,940	
Others			-		-	
Total Payments	9,684,584,465		9,684,584,465	9,265,267,117	419,317,348	
Balance				(664,282,587)	664,072,270	

5. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

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

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

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

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

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share (a)	7,423,349,652.00	6,874,380,000.00
Level 5 hospitals (b)	0	0
Others (<i>Specify</i>) (c)	0	0
Total (d=a+b+c)	7,423,349,652.00	6,874,380,000.00

2. Transfers from other government agencies**

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	180,175,372.7
Covid-19	-	46,395,000.0
Development of Youth Polytechnics-State Department of TVETS	-	40,129,894.0
User Fees Foregone -Ministry of Health	-	20,813,065
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	110,491,189.8
Word Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	178,576,410	239,984,700
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	7,012,500	18,000,000
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	14,219,271	12,221,652
Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	-	50,223,000

County Government of Uasin Gishu

County Revenue Fund

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

	2021/22	2020/21
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	-	-
Kenya Urban Support Programme		342,682,017
Kenya Devolution Support Programme	112,815,048	45,000,000
Total	312,623,229	1,106,115,890

3. Other grants

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

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

4. Proceeds from Domestic borrowing

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

(Give a brief description of the nature and sources of borrowings including any assets pledged as security and the legal authority to borrow)

Notes to the Financial Statements (Continued)**5. Proceeds from Foreign Borrowing**

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

6. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess	59,877,215	72,515,788
Land/Poll Rate	139,945,034	272,350,043
Single/Business Permits	161,398,381	222,391,638
Property Rent	21,096,038	33,068,636
Parking Fees	272,337,078	282,009,981
Market Fees	17,257,061	22,731,840
Advertising	58,796,110	61,366,600
Hospital Fees	38,398,830	32,723,915
Public Health Service Fees	15,930,169	14,103,620
Physical Planning and Development	32,115,911	20,278,374
Hire Of County Assets	2,275,071	3,755,973
Conservancy Administration	16,974,710	37,211,864
Administration Control Fees and Charges	9,516,979	15,604,659
Park Fees	0	0
Other Fines, Penalties, And Forfeiture Fees	12,226,574	15,391,885
Miscellaneous receipts	204,625	171,726
Total	858,349,786	1, 105,676,541

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

Notes to the Financial Statements (Continued)**7. Return to CRF Issues**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (County Executive)	527,130	-
Development Account (County Executive)	6,134,733	-
Recurrent Account (County Assembly)		-
Development Account (County Assembly)		-
Others (Specify)		-
Total	6,661,863	-

8. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	5,664,986,569.	-
Development Account	2,811,369,680.	-
Special purpose Accounts		
Others (<i>Specify</i>)		
Total	8,476,356,249	7,703,702,518

(*Explain as per County Appropriation Act*)

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	707,782,222	702,372,120
Development Account	81,128,646	-
Special purpose accounts		-
Others (<i>Specify</i>)		-
Total	788,910,868	702,372,120

(Explain as per County Appropriation Act)

10. Other Transfers

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

(Explain as per County Appropriation Act)

11. Fund balance

	2021/22	2020/21
	Kshs.	Kshs.
County Exchequer Account - (CBK 1000171685)	818,639,291	1,402,319,123
Total	818,639,291	1,402,319,123

7. Annexes

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

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

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

.....
Name
Chief Officer Finance
ICPAK Member No
Date

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

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,331,361,622	1,331,361,622	1,331,361,622	3,429,264,786	7,423,349,652
Level 5 Hospitals					-
DANIDA - Universal Healthcare in Devolved Units Programme				7,012,500	7,012,500
World Bank – THUSCP					
National Agricultural & Rural Inclusive Growth Project (NARIGP)					-
Kenya Devolution Support Programme	112,815,048				112,815,048
Youth Polytechnic support grant					
Abolishment of user fees in health centres and dispensaries					-
Kenya Urban Support Programme					-
Agriculture Sector Development Support Project (ASDSP)				14,219,271	14,219,271
Kenya Climate Smart Agriculture Project (KCSAP)				178,576,410	178,576,410
Water and Sanitation Development Project					
Total	1,444,176,670	1,331,361,622	1,331,361,622	3,629,072,967	7,735,972,881

Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive –Recurrent	928,387,321.00	1,596,416,039.00	1,273,884,038.00	1,866,299,171.00	5,664,986,569
County Executive –Development	-	612,825,266.00	328,125,090.00	1,870,419,324.00	2,811,369,680
County Assembly –Recurrent	124,740,706.00	291,589,836.00	196,178,754.00	95,272,926.00	707,782,222
County Assembly –Development	14,151,653.00		49,193,427.00	17,783,565.00	81,128,645
Special Purpose A/c (Specify)	-	-	-	-	-
Total	1,067,279,680	2,500,831,141	1,847,381,309	3,849,774,986	9,265,267,116