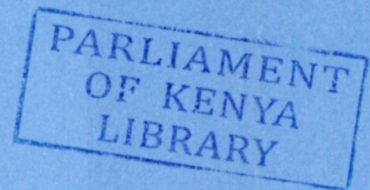


REPUBLIC OF KENYA



REPORT



OF

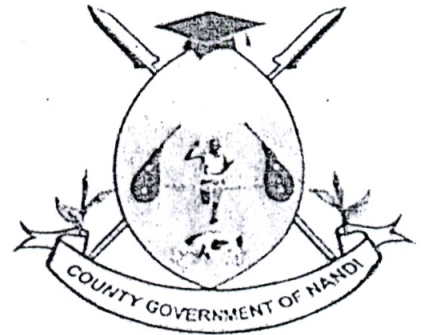
THE AUDITOR-GENERAL

ON

PAPERS LAID	
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COUNTY EXECUTIVE OF NANDI

**FOR THE YEAR ENDED
30 JUNE, 2023**



COUNTY GOVERNMENT OF NANDI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

OFFICE OF THE AUDITOR-GENERAL
NORTH RIFT REGIONAL OFFICE

14 DEC 2023

RECEIVED

P.O. Box 2774-30100, ELDORET

*COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023*

14 DEC 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
----------------------	---

2. Key Entity Information and Management

a) Background information

County Government of Nandi is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing devolved functions to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Local authority and the ones that have been transferred from the national government. The County is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CECM – Finance and Economic Planning is financial reporting at the County level.

Vision

“To be the leading County in Kenya where people are empowered economically, socially and politically through equitable sharing of resources to achieve the highest standards of living

Mission

“To improve the living standards of all residents of Nandi County by offering quality and sustainable services in an equitable and transparent manner through modern technology, innovation, enhance workforce, environmental sustainability and entrepreneurship in all spheres of life.”

Core Values

County Government of Nandi upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and teamwork.

b) Key Management team

The County’s day-to-day management is under the following key organs:

H.E. Stephen Kipyego Sang	Governor	25 th Aug. 2022
H.E. Dr. Yulita Cheruiyot	Deputy Governor	25 th Aug. 2022
Hillary Serem	CECM, Finance and Economic Planning	24th Nov.2022
Ms.Ruth Koech	CECM, Health & Sanitation	24th Nov.2022
Isaiah Keter	CECM Administration ,public service and ICT	24 th Nov 2022
Dr. Benard K. Lagat	CECM, Agriculture and Cooperative Development	24th Nov.2022
CPA Alfred Lagat	CECM, Trade, Tourism Industrialization and Enterprise development	24th Nov.2022
Ms. Rose Kenda Eboso Angira	CECM, Sports, Youth Affairs, Culture, Gender	24th Nov.2022

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

	And Social welfare	
Eng. Drice Rono	CECM, Transport, Public works And Infrastructure Development	24th Nov.2022
Dr. Philemon Kiptoo Bureti	CECM, Land ,Physical Planning ,Housing , Water, Environment, Natural Resources And Climate Change	24th Nov.2022
Ms.Scholastica Tuwei	CECM, Education, And Vocational Training	24th Nov.2022
Ms Prisca Jepchirchir	C.O Finance & Economic Planning	20 th March.2023
Mr. Jonathan Misoi	C.O ICT	20 th March.2023
Mr. Fredrick Kiptum	C.O Heath And Sanitation	20 th March.2023
Mr. Paul Sanga	C.O Agriculture	20 th March.2023
Ms Carolyn Chepchirchir Lagat	C.O Cooperative Development	20 th March.2023
Mr. Benjamin Kiprotich	C.O Trade, Tourism, Industrialization and Enterprise Development.	20 th March.2023
Mr. Beatrice Chemurgor	C.O Sports, Youth Affairs, Culture, Gender And Social welfare	20 th March.2023
Mr. Joseph Kipchumba	C.O Education and Vocational Training	20 th March.2023
Mr. Jonah Kipruto Biwott	C.O Land, Physical Planning, Housing, Water, Environment, Natural Resources and Climate Change	20 th March.2023
Mr. David Koech	C.O Transport, Public Works and Infrastructure Development.	20 th March.2023

c) Fiduciary Management

The key management personnel who were in office during the financial year end June 30, 2023 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	Mr. Hillary Serem	CECM, Finance and Economic Planning
2.	Ms. Prisca Jepchirchir, CPA (K),BBM (MBA)	Chief Officer Finance & Economic Planning
3.	Ms. Hellen J. Kemboi, CPA (K),(MBA)	Director of Finance & Economic Planning

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended June 30,2023 were:

1. County Assembly of Nandi.
2. Public Accounts and Investment Committee
3. Budget and Appropriations Committee.

Some of the fiduciary activities undertaken during the financial year included the review of the audit report of the financial year 202/2021 by PIC and PAC the committee.

e) County Executive Headquarters

County Government of Nandi,
P.O. Box 802 – 30300,
Kapsabet, Kenya.

f) County Executive Contacts

Telephone: (254) 053 525 2355,

E-mail: info@nandi.go.ke

Website: www.nandi.go.ke.

g) County Executive Bankers

1. Central Bank of Kenya Haile Selassie Avenue

P.O. Box 60000 City Square
00200, Nairobi, Kenya.

2. Cooperative Bank

P.O. Box 19828 – 00100,
Nairobi, Kenya.

3. Equity Bank

P.O. Box 75104–00200,
Nairobi, Kenya.

4. KCB

P.O. Box 48400–00100,
GPO Nairobi.

h) Independent Auditor

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 & Department of Justice,
Harambee Avenue,
P.O Box 40112,
Nairobi, Kenya.

3. Governance Statement

Nandi County is constituted as per the Constitution of Kenya, 2010. The County is headed by a Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive, Kanawasco, Kaimosi ATC and Kapsabet Municipality Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

The County Executive

The County Executive team during the financial year consisted of:

KEY MANAGEMENT

The County Executive team during the financial year consisted of:



H.E. Stephen Kipyego Sang – Governor

H.E. Stephen Kipyego Sang was elected as the second Governor of Nandi County on 25th Aug 2022. The governor was elected on an agenda of transforming Nandi County, improving the County’s roads, boosting agriculture output, improving the health sector and uplifting the people of Nandi County from poverty. It’s these key pillars that the government of H.E. Stephen Kipyego Sang has been working on since coming into power.

Governor Sang holds a Bachelor of Law Degree from the University of Nairobi and postgraduate Diploma from Kenya School Of Law. Before his election as the governor, he served as the Senator for Nandi County for one term.

H.E. Dr. Yulita Cheruiyot – Deputy Governor

H.E. Dr. Yulita Cheruiyot was elected as the second Deputy Governor of Nandi County on 25th Aug 2022. Before her election as the Deputy Governor, she served as a Senior lecturer at the University of Eldoret. She has also held various top management positions in different institutions among them chairperson of the Disability Mainstreaming Committee at the University of Eldoret

The Deputy Governor has a passion for PWLDs and the less fortunate whom she has been championing for their empowerment.





DR.FRANCIS SANG

Dr. Francis Kipkemboi Sang, is a distinguished individual currently serving as the County Secretary and Head of County Public Service at the county government of Nandi. Education is a cornerstone of Dr. Sang's background, holding a PhD in Educational Management and Policy Studies from Moi University. His academic journey also includes a master's degree in educational administration, a bachelor's degree in education with a focus on Mathematics and Economics, and a postgraduate diploma in education management. Furthermore, he boasts a prestigious Certificate in Corporate Governance from South Africa, showcasing his commitment to excellence in governance.



Mr. Hillary Serem -CECM, Finance and Economic Planning.

Mr. Hillary Serem was appointed as the CECM, Finance and Economic Planning on 24th November 2022. Before his appointment Mr. Serem served as a MCA, Nandi County Assembly.

Mr. Serem has worked in different capacities including Relationship Manager in Groups & Investment Program, Micro Credit Office-Group lending in Co-operative Bank of Kenya,

Mr. Serem has been involved in management and leadership skills has a Member of County Assembly, Treasurer-Nandi County Sacco, Member, Board Management-Kapsigilai Girls Secondary School.

Mr. Serem holds Bachelor of Business Management (Accounting option)

Ms. Ruth C. Koech - CECM, Health Services and sanitation

Ms. Ruth C. Koech was appointed the CECM, Health services on 24th November 2022. Ruth is a well renowned healthcare provider with global acclamations for her work. She has been involved in Health Administration for Iowa State Public Health Department in the USA.

Mrs. Koech has a degree in Nursing, Biology and Masters in Public Health Management, with a public background in the health sector for over two decades.





Dr. Benard Kiplimo Lagat - CECM, Agriculture and Cooperative Development

Dr. Benard Kiplimo Lagat was appointed the CECM Agriculture and cooperative Development on 24th November 2022. Dr. Benard Kiplimo Lagat is a Development Economist with over ten years' experience in consultancy research and training in both Public and Private sectors.

He was initially a senior Lecturer and the postgraduate Chairman in the department of Economic, School of Business and Economics at Moi University teaching both postgraduate and undergraduate students.

Dr. Lagat was initially in-charge of Trade.



Mr. Isiah Kiplagat Keter - CECM, Administration, Public Service & ICT

Mr. Isiah Keter was appointed as the CECM, Administration, public service and ICT on 24th November 2022. Before his appointment Mr. Keter was serving in Municipality of Kapsabet as the acting municipal manager. Keter has worked as an Executive Administrator, County office Manager in Governor's office.

Mr. Keter holds a Bachelor of Commerce (Accounting option) from Egerton University.

CPA Alfred Lagat - CECM, Trade, Tourism Industrialization and Enterprise development

CPA Alfred Lagat was appointed as the **CECM, Trade, Tourism Industrialization and Enterprise development** on 24th November 2022. Before his appointment CPA Alfred Lagat was serving as the CECM Finance and Economic Planning.

CPA Alfred Lagat has worked as a Senior Associate in Deloitte and Touché. He also worked as an Assistant Finance Manager at Diamond Trust Bank. He was previously the lead consultant for Tullon Consulting Ltd. CPA Alfred holds a Bachelor Of Commerce (Finance). He is also a Certified Public Accountant of Kenya (CPAK).



ENG. DRICE RONO CECM,

Transport, Public works And Infrastructure Development.

Eng. Drice Rono was appointed as a CECM, Transport and Infrastructure on 24th November 2022. Before his appointment he had served as Senior Superintendent Engineer Mechanical in Samburu County Government.

He holds a Bachelor of Engineering (Mechanical & Production) Moi University. Executive certificate of proficiency in insurance (ECOP)





Mrs. Scolastica Tuwei – CECM, Education, And Vocational Training

Scolastica J. Tuwei was appointed as a CECM, Education, And Vocational Training on 24th November 2022. She holds a Master’s degree in Education from Kisii University and a Bachelor of Education, Arts, from Moi University. Before her appointment Scolastica Tuwei was serving as the Chief Officer in the department of Education.

She is dynamic and goal-oriented person with self-determination focused on quality and products that meet organizational set objective, having worked at Kisii University as an Administrator during her Masters degree program.

Tuwei, in her career path, has been awarded several awards including marketing and corporate social responsibility at Kisii University, and officiated the Nandi County music festival, Rift Valley Regional music festival official, Nakuru Region music Festival and the Eldoret campus cultural Day at Kisii University.

She also facilitated the Woman Empowerment and enhancement training, Pastors enhancement Training program at Kisii University.

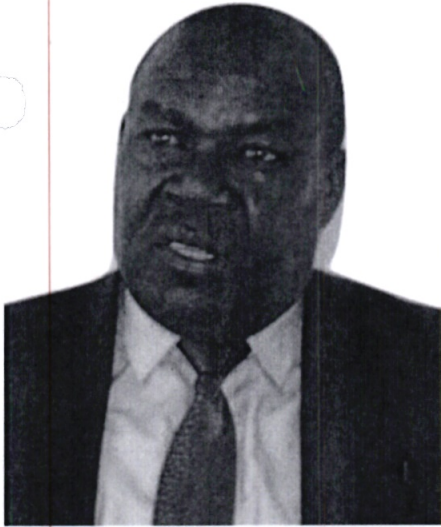
She is a woman Empowerment Specialist for Kericho and Kisumu Counties.



Ms. Rose Kenda Eboso Angira- CECM, Sports, Youth Affairs, Culture, Gender And Social welfare

ms. Rose Kenda Eboso Angira was appointed the CECM, sports, youth affairs, culture, gender and social welfare

on 19th March 2023. Rose has served in various educational institutions as high school principal . She holds a masters degree in leadership and policy from moi university and also an undergraduate degree in education (BED- Science).



DR. PHILEMON KIPTOO BURETI

CECM, Land , Physical Planning, Housing, Water, Environment, Natural Resources And Climate Change

Dr. Philemon Kiptoo Bureti was appointed as a CECM, Land, Physical Planning, Housing, Water, Environment, Natural Resources and Climate Change on 24th November 2022. Before his appointment he had served in a dynamic academician and administrator with 10 years in Teaching, Research and Administration at the University, 10 years as an Accountant in the Army and 10 years as a Finance Officer in the Kenyan Ordinance and Factories Corporation.

He holds a MBA in strategic management-GLUK, BBM-Accounting option-GLUK, DPHIL in Religious Studies-Southern Evangelical Seminary (USA), MA in Strategic Leadership-Luther Rice University, CPA-KASNEB and ACNC-KASNEB.

- a) Nandi County has a unit that deals with county citizen engagement, participation and civic education. Nandi County Public Participation and Civic Education Act of 2021. The objectives and purpose of the act is to give effect to establish platforms for public participation in the governance of Nandi County. The act also gives principles that guide public participation activities in the county.

Nandi County Public Participation Act part (IV) 22 AND 23 coordinate public participation activities in the county as provided by the guidelines in the act. Public participation activities that are conducted across the County include the following:

- During formation of committees such as PMC, Project identification committees.
- During Budget processes
- The input of citizens during CIDP and ADPS
- Formation of policies and Bills
- Part (v) 31 and 31, of the act provide for petitions to the County Government or any its organs or agencies

Second schedules (S.13(2) of Public participation guidelines are provided for In all civic engagements, they guide all the processes public participation to take place.

- b) Safeguards against unethical conduct and corruption.

The County Government of Nandi in collaboration with Ethics and Anti-Corruption Commission (EACC) undertook a Corruption Risk Assessment a Report presented on the findings into the systems, policies, procedures and practices of the County Executive of Nandi. The report made recommendations on how to strengthen systems of control in order to prevent corruption in the County Executive Programmes. The process of implementation of the recommendations is in progress and Ethics and Anti-Corruption Commission has developed Guidelines that provide a Standardized approach in the establishment, composition and operationalization of the Corruption Prevention Committees (CPCs) in Public Entities. As a County the Guidelines are being Implemented.

- c) Engagement of the county assembly

The county government of Nandi engages the county assembly of Nandi on regular basis through its committee. All bills sponsored by county Executive are always forwarded to the county assembly for subsequent enactment into laws

The county assembly is also consulted through the budget process

The county executive report to the Senate all the county audited reports are submitted to the senate on annual basis through Public Accounts Committee where the county government is required and clarify all the pending audit issues

During g the year under review there was a good working relationship between the county assembly and the senate.

- d) Indicate your engagement with the County Assembly through its committees and the Senate including number of bills sponsored by the executive and any other matters presented for deliberations.
- e) Risk management

The County Government of Nandi recognizes that commitment to risk management contributes to the creation of sustainable value and increases the quality-of-service delivery to the County Government residents. County public servants, stakeholders as well as assets, obligations and ability to deliver on its mandate are constantly affected by risks. However, the County Government recognizes that risk can be both positive and negative.

The County Government of Nandi accepts its legal, moral and fiduciary duties in making informed decisions about how best to control and minimize the downside of risk, whilst still maximizing opportunity and benefiting from positive risks. The County Government of Nandi will ensure that the County Executive Committee, County Public Servants and County Government Agencies understand their responsibilities to identify and manage risks.

The Governor commits the County Government to a process of risk management that is aligned to the principles of good corporate governance as supported by the International Professional Practices Framework (IPPF), The Private Sector Corporation for Governance Trust (PSCGT) Code, The Commonwealth Association for Corporation Governance (CACG) Code, the Organization for Economic Corporation and Development (OECD) Code, the Calpers Code, the Cardbury Code, the Kings Code, Chapter Six of the *Constitution of Kenya (2010)* and the Mwongozo Code of Governance for State Corporations, 2015.

The County Government recognizes that risk management is an integral part of responsible management and therefore adopts a comprehensive approach to the management of risk. The features of this approach are outlined in the County Government's risk management strategy. All County Government operations and processes are subject to the risk management strategy.

The County Government departments will integrate risk management into their operations, decision-making processes and performance management reporting activities. Further, it will recognize all the environmental aspects relevant to the stakeholders. The County Government

departments and agencies, operations and processes will work together in a consistent and integrated manner, with the overall objective of reducing risk to the acceptable risk appetite.

The Accounting Officers are responsible to their relevant Departments and Agencies in the development and implementation of risk management processes, specific to their departments operations and County Government's needs.

This Risk Management Policy confirms the County Government's commitment to systematically identify, assess and manage risks which may prevent the achievement of strategic goals and

Risk management process

The County Government's risk identification is based on assessing the risks and intervening factors that can derail the attainment of the set County Government's objectives in an economical, efficient and effective way. The identification process is based on identifying the key risks, the likelihood of the risks occurring and the impact on the set County Government objectives should the risks occur. Risk assessment is based on qualifying and quantifying the consequence level should the risks occur. Risk management is based on identifying mitigation measures that would best assure the cost-effective attainment of the stated County Government's objectives under unfavourable circumstances.

The County Government is exposed to ten broad types of risk. The first four of these risks are derived from the COSO framework namely:

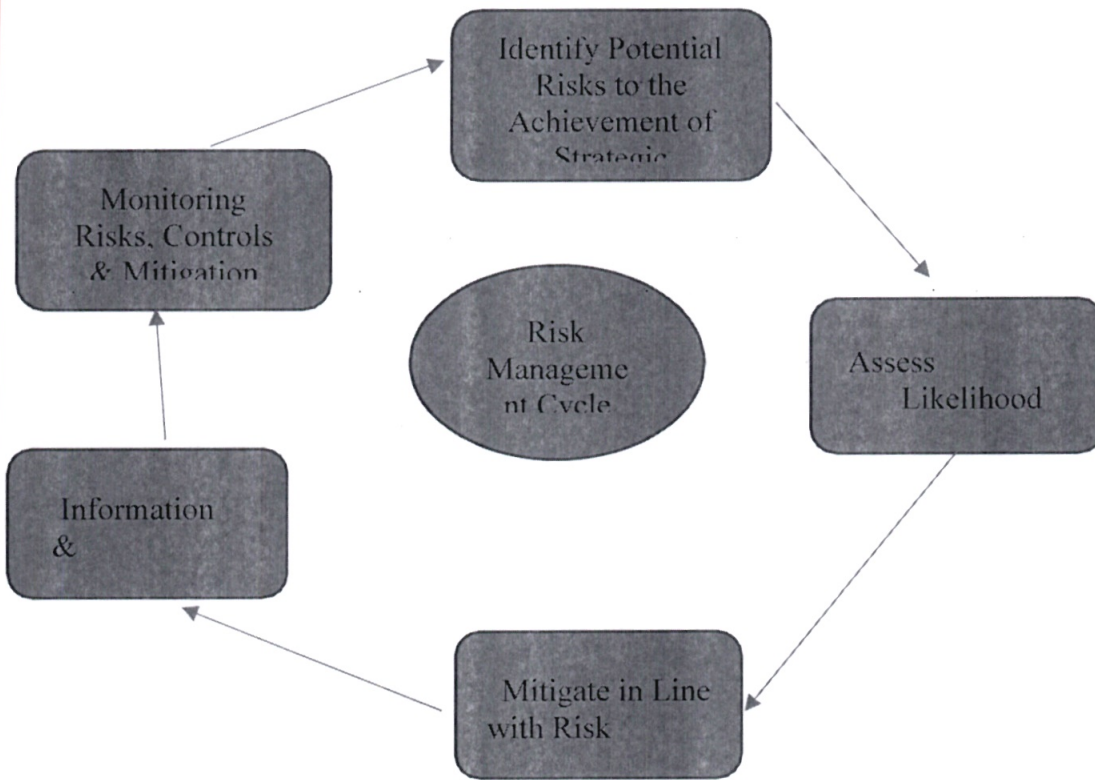
- a) **Strategic** – Risks that are associated with achieving the strategic objectives of the operating departments and agencies and the County Government as a whole.
- b) **Financial** – Risks that are associated with the financial health and sustainability of departmental and the County Government's programmes.
- c) **Compliance** – Risks that are associated with Officers of the County Government complying with all statutory and regulatory requirements governing their work.
- d) **Operational** – Risks that are associated with the day-to-day operations, projects, or programmes deviating from and not achieving the short, medium and long term County Government's goals.

Other additional types of risk include:

- a) **Leadership** – Risks that are associated with senior management (the County Executive Committee (CEC), Chief Officers (COs) and Directors) in the County Government acting in the best interest of the County Government at all times.
- b) **Hazards** – Risks that are associated with the safety and health of the County Government's working environment and acts or omissions of county public servants.
- c) **Reputation** – Risks that are associated with acts or omissions of county public servants, putting the County Government to disrepute.
- d) **External** – Risks that are associated with the impact of other County Governments' acts or omissions, National Government's acts or omissions, regional markets impact, global markets

- impact or technological impact on the County Government.
- e) **Fraud and Corruption-** The risk that a perpetrator commits an act using deception or acts contrary to the interest of the County Government and abuses position of trust in order to achieve personal gain.
 - f) **Information Security-**The potential that a given threat will exploit vulnerability to cause loss or damage to an information asset.

Risk Management Cycle



Management will identify potential events that, if they occur, will affect the County Government and determine whether they represent opportunities or whether they might adversely affect the County Government’s ability to successfully implement strategy and achieve objectives. Events with negative impact represent risks, which require management’s assessment and response. Events with positive impact represent opportunities, which management channels back into the strategy and objective setting processes. When identifying events, management considers a variety of internal and external factors that may give rise to risks and opportunities, in the context of the full scope of the County Government processes.

Risk assessment allows the County Government to consider the extent to which potential events will have an impact on achievement of objectives. Management assesses events from two perspectives, **likelihood** and **impact**, and normally uses a combination of qualitative and quantitative methods. The positive and negative impacts of potential events will be examined, individually or by category, across the County Government. Risks are assessed on both an inherent and a residual basis.

In the process of prioritizing risks, the County Government will use a risk tool table of a three-by-three matrix that will allow assigning a risk to one of the nine cells based on a qualitative assessment of its relative **impact** (high, medium or low) and the **likelihood** of its occurrence (high, medium or low).

Risk Matrix

LIKELIHOOD OF OCCURRENCE	HIGH	LH	MH	HH
	MEDIUM	LM	MM	HM
	LOW	LL	ML	HL
		LOW	MEDIUM	HIGH

RELATIVE IMPACT

KEY

Green - Low: Rating shall be between **0.01 - 0.33**

Yellow – Moderate/Medium: Rating shall be between **0.34 - 0.67**

Red - High: Rating shall be between **0.68 - 1.0**

The risks prioritization cells shall be defined as follows:

Low Impact-Low Probability (LI-LP)

Risks that will be characterized as both low impact and low likelihood of occurrence will be essentially negligible and will be eliminated from active consideration.

Low Impact-High Probability (LI-HP)

An event that is very likely to occur and has a low probability of failure will not have significant consequences of failure for the County Government and will be recorded on the risk register.

Medium Impact-Medium Probability (MI-MP)

An event that is has average probability of occurrence and has a moderate probability of failure, will not have significant consequences of failure for the County Government and it will be recorded on the risk register.

High Impact-Medium Probability (HI-MP)

An event that is very likely to occur and has a high probability of failure, will have significant consequences of failure for the County Government and this risk will be recorded on the risk register.

High Impact-High Probability (HI-HP)

Risks that are characterized as both high impact and high likelihood of occurrence will often cause the County Government programs to be terminated, or to fail if they are continued in spite of the risks. These risks will be recorded in the risk register and escalated to the County Executive for deliberation.

Low Impact-High Probability (LI-HP)

Low-impact, high-probability risks will be those largely due to uncertainties about a number of elements that may be minor risks individually but that in the aggregate could amount to a significant risk.

High Impact-Low Probability (HI-LP)-

High-impact, low-probability events are rare occurrences, and therefore it is very difficult to assign probabilities to them based on historical records. Data do not exist and so subjective estimates of probabilities will be necessary.

RISK RESPONSE

Having assessed relevant risks, management will determine how it will respond. In considering its response, management will assess the effect on risk likelihood and impact, as well as cost and benefit, selecting a response that bring residual risk within desired risk tolerance. Management will identify any opportunities that might be available, and take the County Government-wide, or portfolio view of risk and determine whether overall residual risk will be within the County Government's risk appetite. The response will take the form of:

- i). **Avoidance** – An activity may be terminated if it is out of appetite and deemed too risky. Choosing avoidance suggests management has not been able to identify a response that would reduce the risk to an acceptable level of severity.
- ii). **Reduction** – Mitigating action is taken to reduce the likelihood and/or potential impact of the risk to bring the risk within appetite. This typically involves implementation of controls, and for material risks may also require institutional or process changes.
- iii). **Sharing/Transferring** – Mitigating action is taken to reduce the likelihood and/or potential impact of the risk by sharing elements of the risk. Outsourcing to third-party specialists or service providers, for instance, may share execution and implementation risks (but not fully the reputational impacts). Similarly, the financial impact of some risks may be mitigated by insurance.
- iv). **Acceptance** – Risk is accepted without the need for any further mitigating measures. This applies when risk is within appetite but sometimes also when a risk is out of appetite but there is no feasible mitigation. Acceptance of risks that are out of appetite requires appropriate Accounting Officer approval and for material risks is escalated to the County Executive Committee.

- v). **Pursue** – Provided a risk is within appetite, or there is a clearly agreed path to meet appetite, an increased level of risk may be pursued to achieve strategic objectives and/or improve performance. A decision by the Accounting Officer to increase risk where it is already out of appetite will be escalated to the County Executive Committee.
- f) Appointment operation and membership of the audit committee and its charter.

The Audit committee appointment was done through competitive recruitment process by the public service Board. In 2020 as per the gazette notice 2690 sec 4.2 (4).

Chair. Cornelius Serem

Member. Regina Ngetich

Member. Isack Koros

Member. Hosea Kemboi

- g) **Compliance**
The entity should identify the laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.
- h) Any other Governance issue include committees that the county may need to disclose.

4. Forward by the CECM Finance and Economic Planning

It is my pleasure to present the Financial Statements for the County Government of Nandi for the year ended June 30, 2023. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into 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.

I. Functions of the County Government

The county Government shall be responsible for any function assigned to it under the constitution or by an act of parliament, a county government shall be responsible for:

- a. County legislation in accordance with Article 185 of the constitution.
- b. Exercise executive functions in accordance with Article 183 of the constitution.
- c. Functions provided for in Article 186 and assigned in the fourth schedule of the constitution.
- d. Any other function that may be transferred to County governments from the National government under Article 187 of the constitution.
- e. Any function agreed upon with other County governments under Article 182 of the constitution and.
- f. Establishment and staffing of its public service as contemplated under Article 235 of the constitution

II. 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. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue streams for Nandi County comprises of Single Business Permits (SBP), Revenue from public health and medical services, Vehicle Parking Fees, Kiborgok tea Estate proceeds, House and stall Rents, Cess, Plot Rents, Agriculture, Market/Trade Centre fees,

Slaughterhouses Administration cost, Sewerage and water, Cattle dips/veterinary and other small varied sources.

Public sector struggles to respond to the countless demand placed on them. in addition to the complexity of managing county government budget constraints which forms a major risk. To mitigate against budget constraints an average local collection forecast was considered by involving all the stakeholders in budget planning and preparation process through public participation.

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.

- a. Agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs (slaughterhouses), plant and animal disease control, and fisheries.
- b. 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 parlors and crematoria, and refuse removal, refuse dumps and solid waste disposal.
- c. Control of air pollution, noise pollution, other public nuisances, and outdoor advertising.
- d. 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.

The County continues to explore new and innovative ways of increasing its own source revenue collections.

III. Payments

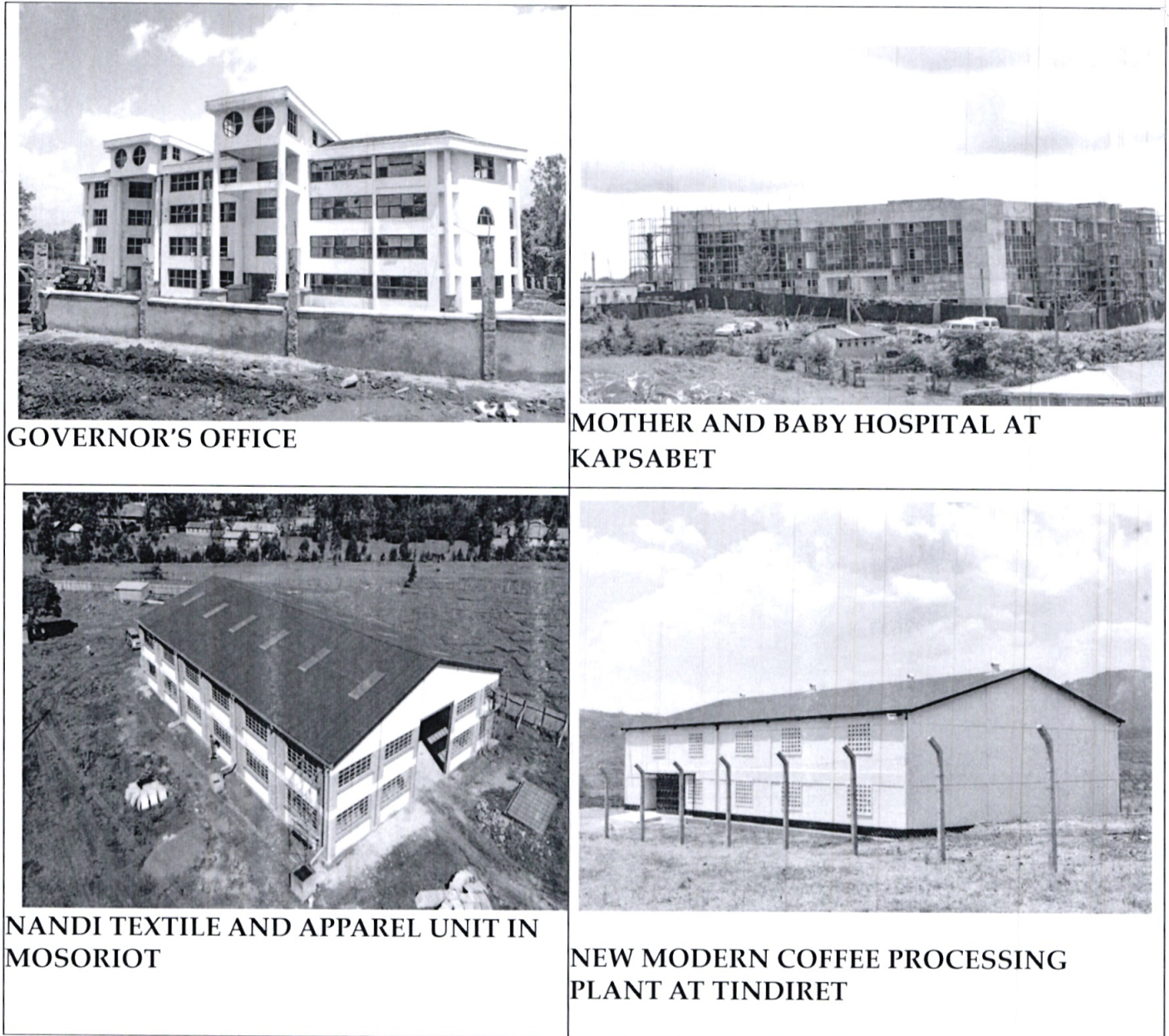
The total expenditure for the year amounted to **Ksh. 7,268,804,093** comprising of recurrent expenditure amounting to Kshs. **5,397,415,403** and development expenditure amounting to Kshs. **1,871,388,690**.

1. IV. County flagship projects and how they have been achieved.

In pursuit of addressing the needs of the people of Nandi and spurring economic growth, the County Government of Nandi through public participation in the development of the CIDP 2023- 2027, came up with strategies that culminated into various programmes and projects. This led to identification of six flagship projects meant to have a significant impact on the livelihood of the people and also stimulate the realization of various programmes in the CIDP II. The four flagship projects namely: New hospital complex with mother and baby unit at Kapsabet County Referral Hospital; Nandi Cooperative Creameries in Kabiyeet (Milk processing Plant); Eliud Kipchoge Modern Athletic Training Camp in Kapsabet and Nandi Textile and Apparel Unit in Mosoriot (NATEX). Coffee milling machine at songhor soba ward and chicken slaughter house at Kapsabet

The flagship projects are capital intensive in nature hence are multiyear funded through the County Budgets.

Figure 2: County Government Flagship projects completed in FY 2022/2023



GOVERNOR'S OFFICE

**MOTHER AND BABY HOSPITAL AT
KAPSABET**

**NANDI TEXTILE AND APPAREL UNIT IN
MOSORIOT**

**NEW MODERN COFFEE PROCESSING
PLANT AT TINDIRET**

V. Cash Flows

In the FY 2022/2023, there was delayed disbursement of funds as compared to the previous financial year. Most of the disbursements came towards end of FY. The cash and cash equivalents decreased from **Kshs.573, 945, 875** as at 30th June 2022 to **Kshs. 216,785,559.** as at 30th June2023.

Accounts Receivables

During the financial year ended June 30, 2023 the County Government realised 100% in sharable revenue, this was majorly attributed to total release of all disbursement by the national treasury

Pending Bills

The total pending bills as at the end of the financial year was **Kshs. 12,967,992**. The focus as a County is to settle bills as soon as they fall due. In every budget cycle, we ensure that part of the allocations is towards settlement of pending financial obligations.

Fixed Assets

Nandi County Government has made significant investments in fixed assets since its inception in the year 2013. Additionally, we inherited some assets from the defunct local authorities. A newly developed asset management unit is operational and currently the unit is in process of tagging all county assets, which is intended to be finalized in FY 2023/2024. The system has among other things incorporated physical verification of all assets, valuation of assets and maintenance of asset register.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their continued support. I also want to thank my colleagues, the County Executive Committee Members in charge of all the other departments, for their teamwork and having worked tirelessly to ensure that County Government Nandi delivers.

I thank all staff in the entire County Government for their continued commitment and dedication through hard work in delivering services to the people of Nandi County and ensuring that Nandi County remains the source of champions.



.....
CECM Finance and Economic Planning
County Government of Nandi

5. Statement of Performance against County Predetermined Objectives

Introduction

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

Strategic development objectives

The County's 2023-2027 CIDP has identified seven key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

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

The key development objectives of the Nandi County's 2023-2027 CIDP are to:

- a) Provide quality physical infrastructure in the County
- b) Provision of maternal and child health services.
- c) Improved livestock breed.
- d) Expansion of ECDE infrastructure.
- e) Construction and upgrading of sports facilities within the county.
- f) Establishment of resource centres at community level.
- g) Increased access to safe and clean water

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2022-2023

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

COUNTY EXECUTIVE OF NANDI:
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Department	Objective	Outcome	Indicator	Performance
Public Works,Roads & Transport	To develop and maintain roads and storm water drainage to global standards to improve road network in Nandi county.	Increased efficient transportation of people, Goods and services	70% of motorable and passable roads within the city	In FY 22/23 we increased motorable and passable roads by 45%(2,830 Km of roads were maintained during the financial year)
Health Services	To reduce incidences of child birth death	Reduction of child birth related complications	60% reduction of child birth death	In FY 22/23 we reduced incidences of child birth death from 26/1000 in FY 22/23 to 22/1000 in FY 2020/21
Agriculture	To Improve livestock breeds to enhance Agricultural productivity.	Improvement of livestock breed	70% Improvement of livestock breed	In FY 22/23 we improved livestock breed by 45%
Trade, Tourism, investment and industrialization	To provide friendly business environment	More trading and Tourism	73% business attraction	In FY 22/23 we attracted new businessmen and women by 32%
Finance and Economic Planning	To ensure prudent public financial management	More value for money	80% transparency in public funds	In FY 22/23 we ensured that there was over 50% transparency and accountability of public funds.
Sports, Youth affairs, Culture and Social Welfare	To promote culture and talent through marketing and training of youths through sports and youth programmes.	More cultural activities and talents identified	78% local tourist attraction and 75% talent identification	In FY 22/23 we attracted new local tourist by 14% and identified new talents by 30%
Land Environment & Natural Resources	To minimize and mitigate adverse environmental and social impact.	Pollution free environment	70% clean working environment	In FY 22/23 we ensured more clean working environment
Education, Research and Vocational Training	To provide, promote and coordinate Quality education training and research.	Quality education for pre-school education	82% school turn out	In FY 22/23 we attracted more pre-school by 14%
Administration, Public Services and E- Government	Providing people centered, timely and user friendly human resources services to the general public	Reformed public service	79% public service	In FY 22/23 we increased public service satisfaction by 25%

6. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

In the financial year 2022-2023 the county leadership had to strike a balance between politics and service provision to the public, value for money remains to be our key objective.

The County Government of Nandi has advocated for all the stakeholders i.e. Constituencies and County officials to work together in promoting participatory and inclusive governance and accountability.

The strategy has been achieved through public participation in planning for budget making process.

2. Environmental performance

When the County treasury provide departments with finance to invest in projects such as building a road, providing people with water the aim is to ensure that the people and the environment are protected from potential adverse impacts. This is done through policies that identify, avoid, and minimize harm to people and the environment. These policies requires department to address certain environmental and social risks in order to receive further support for investment projects from experience including environmental and social considerations into project design and implementation to improve development outcomes.

Safeguard Policies

The current environmental and social policies are known as the "Safeguard Policies," the mechanism for addressing environmental and social issues in our project design, implementation and operation, and they provide a framework for consultation with communities and for public disclosure. Examples of these requirements include conducting environmental and social impact assessments, consulting with affected communities about potential project impacts, and restoring the livelihoods of displaced people.

3. Employee welfare

Nandi county government has provided instruction, training and supervision so as to ensure health and safety at work of his workers.

Policies have been put in place to ensure Employment of worker at any machine or in any process that may cause ill health or bodily injury is prohibited unless worker has been fully instructed about the hazards involved and precautions that must be observed. Worker should be properly trained or required to work under supervision of experienced persons

4. Market place practices-

To ensure responsible competition practices, the County Government of Nandi has undertaken vigorous training at various sub counties on emerging issues of corruption both touching on county staff and the public.

The Government has ensured that fair competition environment exist for all the residents living in Nandi by eliminating all unethical or illegal business practices.

During the financial year 22/23 there was timely payment to the suppliers. 30% of the total contracts for the year were reserved to groups under AGPO

To maintain ethical marketing, the County Government of Nandi has embarked on ensuring that products of various companies operating within the county are not only benefiting consumers but also socially responsible and environmentally suitable.

To safeguard customer rights and interest, the County Government of Nandi has adopted weight & measures to ensure that majority of products sold to the public meet the required quantity and quality.

5. Community Engagements

Measures Established for PWDs

- i. The County Government of Nandi in partnership with Eldoret Textile Manufacturing Company Ltd trained registered groups for Persons Living with Disabilities to produce face masks that was bought back and marketed to the public by the Company. The benefits from sales were shared among the members of the respective groups to assist cushion their livelihoods during the pandemic.
- ii. Received and distributed a consignment of food items to cushion severely vulnerable households against hunger during this pandemic in partnership with the Church of Jesus

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- Christ for the Latter-Day Saints. priority was given to beneficiaries from households of Persons Living with Disabilities.
- iii. Partnered with Kenya Society for Blind to distribute white canes for the Visually Impaired (VIs) together with packages of basic food items to support and improve their livelihood during the pandemic. The consignment of food donated to as an accompaniment to be distributed together with white canes to the visually impaired comprised of rice, Beans, sugar, green grams, bar of soap and salt.
 - iv. Signed MOUs with the following Bodies; Kenya Society for the Blind, King of Christ ambassadors, Partners for Care and Bethany Kids to facilitate donation of various types of Assistive Devices including wheel chairs, special seats for Disabled children, mobility carts, crutches and white canes.

1. EMPOWERMENT OF WOMEN AND PWDS GROUPS

- i. The empowerment of the registered groups of women and PWDs began in financial year 2017/ 2018 targeting only women and persons with disabilities registered groups. Since the financial year 2018/2019,296 empowerment kits have been issued. seven groups were empowered per ward whereby five groups were issued with sewing machines and two groups issued with complete sets of saloon kits; however, priority was given to PWDs groups, in this case all 26 groups of PWDs.
- ii. Regular public awareness & sensitization at the community at the sub-county level on registration of persons with disabilities and capacity building of youth and women groups to access devolved funds and resource mobilization.

2. PWD MAINSTREAMING

- i) On yearly basis the sector has been collaborating with various partners on assistive devices to enable PWDs move from one destiny to another and manage their day-to-day chores with minimal assistance, from the year 2018 the sector has issued wheelchairs mobility carts and crutches to over one thousand five hundred (**1500**) PWDs, this was achieved after conducting a comprehensive medical assessment across the county wards. Currently we have issued 1500 wheelchairs and special seats, 240 white canes, and 20 crutches and walking frames, 80 amputees (lower limbs)
- ii) In the last quarter we have been able to undertake this activity in Mosoriot Health center, Masan Health Center and Chemokonja- Kiptuiya ward were assessed and registered.
- iii) Informed the public during these activities the availability of the new generation NCPWD cards
- iv) We have sensitized the PWD county staff to register in order to qualify for PWDs guide allowances and get tax exemption certificates this activity was undertaken by NCPWD regional office at Uasin Gishu Huruma Hospital on 19th-22nd August 2023
- v) We have trained 4 staff members on sign language in order to improve service delivery to the persons with hearing impairment.
- vi) Collaborated with the National Council for Persons Living with Disabilities and the Kapsabet school for the deaf in planning and celebrating International Week for Deaf Awareness this is done yearly.

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- vii) In collaboration with SDA western field undertook sensitization programme targeting 1000 PWDs from across north rift, western and Nyanza regions
- viii) Formulation of the Nandi County Disability mainstreaming Policy is ongoing and we have been able to do stakeholder engagement
- ix) Established a liaison office for PWD

3. GENDER MAINSTREAMING.

- i. We Have partnered with NOREB through Nandi Rural Women Peace link to develop the Nandi County Gender Action plan, which we have been able to launch in this quarter.
- ii. In bid to fight SGBV and create awareness we have done mentorship programmes in all the sub-counties targeting the youth in school and youth out of school we have achieved these through incorporation of sporting activities to undertake outreach programmes in this quarter.
- iii. Collection of girl child voices and prospective establishment of a Safe Space and a rescue centre for victims of Gender Based Violence in Nandi.
- iv. Ongoing formulation of the Nandi County Gender Mainstreaming Policy guiding the CGN and its partners to allocate resources for mainstreaming gender issues and promote in partnership with FAO
- v. Organized and Facilitated capacity building workshops in Kabwareng Ward and Kaptel/Kamoiywo ward on Girl and boy child empowerment on pertinent topics such as Sex & Gender Based Violence, reproductive health, menstrual hygiene, teenage pregnancies, drug and substance abuse etc.
- vi. Create linkages with the department of health GBV clinic.

5 YEARLY CHRISTMAS PACK FOR VULNERABLE HOUSEHOLDS, CHILDREN HOMES, SPECIAL SCHOOLS & CORRECTIONAL INSTITUTIONS

- i. The sector's main goal is to provide care and support to vulnerable members of the community. It is integral in coordinating socio-economic development interventions and programs, enhancing social protection mechanisms and championing advocacy and capacity building initiatives especially for vulnerable members of the community including and not limited to women, children and Persons Living with Disabilities across the County.
- ii. Promotion and inclusion of vulnerable groups especially women and Persons Living with disabilities in all spheres of development cannot be overemphasized during county public participation fora.
- iii. Mobilize its resources for acquisition of a package of the annual Christmas gifts to celebrate with the vulnerable. We recognize the significant input of the County leadership in designing policies, programs and initiating responsive and sustainable interventions targeting to improve livelihoods.

1. CONSTRUCTION OF THE NANDI PWDS EMPOWERMENT CENTRE

Based on the lessons learnt during issuance of the empowerment kits, it was established that most of the PWDs had not gone through any form of technical training apart from a few who had not

practiced on what they had trained on, the sector wrote a proposal and the construction of the Centre is complete and equipped only waiting to be launched.

2. COMMUNITY SENSITIZATION ON ENVIRONMENT AND NATURAL RESOURCES

The sector in collaboration FAO manage to conduct training of youths out schools on the proper management of natural resources, reproductive health and land ownership for women. Were it not for COVID 19 the program was to be cascaded to ward level particularly on environmental issues. Two groups were formed per sub-county to help disseminate information to the ward level

3. OBSERVATION OF IMPORTANT INTERNATIONAL DAYS

The sector has been in the forefront in supporting and facilitating celebrations of following distinct days on yearly basis.

1. International women's day
2. International PWDs day
3. White cane day
4. Day of the African child
5. Albinism day
6. 16 days of GBV activism.
Deaf Awareness week

7. Statement of Management Responsibilities

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

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

The CEC member for finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2023, and of its financial position as at that date.

COUNTY EXECUTIVE OF NANDI:
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The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

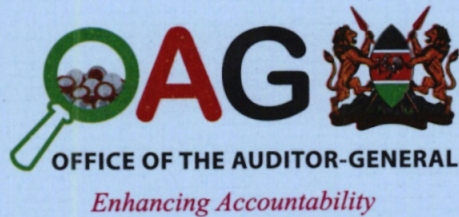
Approval of the financial statements

The County Executive's financial statements were approved and signed by the CEC member for finance on 3rd NOV 2023.



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County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NANDI FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 Executive of Nandi set out on pages 1 to 45, which comprise of the statement of receipts and payments,

statement of assets and liabilities, statement of cash flows, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Nandi as at 30 June, 2023 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Variances between Financial Statements and Integrated Financial Management Information System (IFMIS) Reports

The statement of receipts and payments reflects total revenue and expenditure amounts of Kshs.7,279,260,501 and Kshs.7,268,804,093 respectively. However, the balances differs with the Integrated Financial Management Information System (IFMIS) ledger balances as shown below:

	Amount in Financial Statements (Kshs.)	Amount in IFMIS Reports (Kshs.)	Variance (Kshs.)
Compensation of Employees	3,514,768,261	3,393,388,422	121,379,839
Use of Goods and Services	1,520,007,460	2,091,010,705	(571,003,245)
Subsidies	6,263,018	-	6,263,018
Transfer to Other Government Entities	230,000,000	-	230,000,000
Other Grant and Transfers	589,372,404	89,224,998	500,147,406
Acquisition of Assets	1,410,392,950	1,604,923,242	(194,530,292)
Cash and Cash Equivalents	216,785,559	312,951,403	(96,165,844)
Fund Balance Brought Forward	573,945,875	212,238,272	361,707,603
Prior Year Adjustments	(367,616,724)	-	(367,616,724)

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2.0 Unsupported Payment of Salary Arrears

The statement of receipts and payments reflects compensation of employees amount of Kshs.3,514,768,261 which includes Kshs.13,702,881 in respect of salary arrears. However, the appropriate authority, supporting documentation and pay change advice were not provided for audit.

In the circumstances, the accuracy and completeness of the salary arrears amounting to Kshs.13,702,881 could not be confirmed.

3.0 Unsupported Payments on Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amounting to Kshs.1,520,007,460 which as disclosed in Note 4 to the financial statements includes routine maintenance-vehicles and other transport equipment amounts of Kshs.20,598,471 which further includes Kshs.5,403,092 which was not supported by inspection reports, Local Service Orders and work tickets. Similarly, included in the use of goods and services amounts includes fuel, oil and lubricants amount of Kshs.55,075,195 which was not supported with the suppliers' fuel statements, LPOs, work tickets, list of fueled vehicles, detail orders and reports of monthly reconciliations of fuel consumed.

Further, County Executive of Nandi maintains fuel terminal under the department of health. However, the fuel registers maintained do not indicate the fuel balances, which made it difficult to determine the reorder levels which could lead to misuse of fuel. In the absence of such documents, it was not possible to ascertain whether the fuel paid were drawn and utilized for the intended purposes.

In addition, use of good and services includes Kshs.13,891,864 in respect of training expenses. However, the County Government did not carry out staff appraisals and Training Needs Assessment (TNA) to ascertain the areas of training priority during the year and there was no training committee to deal with the training approvals.

In the circumstances, the accuracy and completeness of use of goods and services amounting to Kshs.74,370,151 could not be confirmed.

4.0 Inaccuracies in Non-Current Assets Balance

Annex 6 to the financial statements reflects historical cost carried forward balance of Kshs.10,669,375,271 made up of historical cost brought forward balances of Kshs.9,280,286,337 and Kshs.1,410,392,950 for the year under review. However, a recast of the summary shows a historical cost carried forward of Kshs.10,690,679,287 resulting to an unexplained variance of Kshs.21,304,016.

In the circumstances, the accuracy and completeness of non-current assets balance of Kshs.10,669,375,271 could not be confirmed.

5.0 Unsupported Pending Bills

Note 20 to the financial statements discloses pending staff payables balance of Kshs.253,632,405. However, Annex 3 to the financial statements does not indicate the detailed analysis of the staff payables.

In the circumstances, the accuracy and completeness of the pending staff payables balance of Kshs.253,632,405 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Nandi Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development combined amounts reflects final receipts budget and actual on comparable basis amount of Kshs.7,783,488,405 and Kshs.7,485,589,652 respectively resulting to an underfunding of Kshs.297,898,753 or 4% of the budget. Similarly, the County Executive expended Kshs.7,268,804,093 against an approved budget Kshs.7,783,488,405 resulting to an under-expenditure of Kshs.514,684,312 or 7% of the budget. The underfunding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My Opinion is not modified in respect of this matter.

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

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Compensation of Employees

1.1 Payment of Salaries Outside Integrated Personnel and Payroll Database (IPPD)

The statement of receipts and payments reflects compensation of employees' amount of Kshs.3,514,768,261 which include salaries amounting to Kshs.104,893,746 paid outside IPPD. No explanation has been provided for the processing of the wages outside the IPPD system. This is contrary to Section 1.5.1 of the Treasury Guidelines through the Financial Accounting Recording and Reporting manual which requires that each County Government department is responsible for populating the IPPD with the information contained in these documents, issuing each appointee with a unique payroll number from the system, and providing the appointee with a letter of appointment (with a reference to the PSB's letter of approval). The salaries, allowances and/or arrears of County Government staff are processed on the IPPD at every month end.

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

1.2 Unremitted Retirement Benefits Contributions

Review of the personnel records revealed that the County Executive did not remit retirement benefits contributions totalling to Kshs.252,273,334. This is contrary to Section 53A(1) of the Retirement Benefits Act, 2017 which states that where an employer, having with the agreement of an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice, institute proceedings for the recovery of the deduction.

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

1.3 Failure to Observe One-Third Rule on Staff Composition

Review of records provided for compensation of employees revealed that the County Executive had a total of three thousand seven hundred and thirty-eight (3,738) employees out of which three thousand five hundred and fifty-three (3,571) or approximately 96% were from the dominant community.

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.

1.4 Failure to Deduct Service Charge for Service Rendered in Processing Payroll Deduction for Third-Party Institutions

The statement of receipts and payments reflects compensation of employees of Kshs.3,514,768,261 as disclosed in Note 3 to the financial statements. However, analysis of the monthly payroll deductions revealed that service charge on various third-party deductions was not deducted. This is contrary to Ministry of Public Service, circulars Ref. No. DPM 23/5A VOLC XII/(53) dated 02 May, 2007 and MPYG/DPSM/23/5A. VOL.V(5) dated 15 August, 2019, which stipulated the charges to be paid by organizations which receive services from Ministries/Departments in form of payroll by-products.

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

1.5 Non-Compliance with One-Third of Basic Salary Rule

During the year ended 30 June, 2019, eighty-seven (87) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management has not given an explanation for the failure to comply with the policy.

This may expose the staff to pecuniary embarrassment.

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

1.6 Non-Compliance with Fiscal Responsibility on Wage Bill

The statement of receipts and payments reflects an expenditure of Kshs.3,514,768,261 on compensation of employees representing 48% of the total receipts of Kshs.7,279,260,501. This is contrary to Regulation 25(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 and Section 107(2)(c) of the Public Finance Management Act, 2012 which requires that the County Government's expenditure on wages and benefits for its public officers shall not exceed 35% of the County Government's total revenue.

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

2.0 Irregular Subscriptions to Council of Governors

The statement of receipts and payments reflects use of goods and services amounting to Kshs.1,520,007,460 which, as disclosed in Note 4 to the financial statements includes training expenses amounting to Kshs.13,891,864. Included in the training expenses amount is subscription to Council of Governors amount of Kshs.3,000,000. This is contrary to Section 37(b) of the Intergovernmental Relations Act, 2012 which states that the operational expenses in respect of the structures and institutions established in this Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the Council of County Governors.

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

3.0 Stalled Governor's Office

Review of records provided show that the County Government contracted a construction company to construct the Governor's office but the contract was terminated. However, the details of the project concerning the contract sum, how much was paid, the percentage of completion at that time and why the contract was terminated could not be determined, because the project file containing the signed contract and certificates of work done were not provided for audit. The Contractor was paid an amount of Kshs.10,956,274 during the year.

Further review of records revealed that after termination of the initial contract, the County Government entered into the second contract with the local contractor on 08 September, 2021 for proposed completion works for County Executive of Nandi Government offices at a contract sum of Ksh.45,847,895. Physical inspection conducted in August, 2023 showed that the contractor was on site and the project was not complete.

In the circumstances, the value for money obtained from the project could not be confirmed.

4.0 Delayed Installation of Milk Processing Equipment for Nandi Co-Operative Creameries Dairy Plant at Kabiyet

Review of documents revealed that the County Executive paid Kshs.46,507,268 to a contractor for construction of buildings under the design, supply, installation and commissioning of milk processing equipment for Nandi Co-operative Creameries dairy plant at Kabiyet, project. In addition, two Letters of Credit totalling Kshs.155,973,444 were also issued towards procurement of equipment from an overseas supplier, under the World Bank funded National Agricultural and Rural Inclusive Growth Project (NARIGP) towards the same project. However, as reported previously, the of buildings contract did not indicate the project completion date. Physical inspection of the project in August, 2023 revealed that the project was not complete although the contractor was on site.

In the circumstances, value for money obtained from the project could not be confirmed.

5.0 Stalled Kipchoge Keino Stadium

Review of documents revealed that the County Government of Nandi entered into a contract agreement for construction of track field and VIP stand at Kipchoge stadium phase 2 with a local contractor at a contract price of Kshs.95,469,450 with effect from 25 May, 2016 and Kshs.5,778,675 was paid to the contractor. However, the project file was not provided for audit, therefore, the contract number, the date of completion of the project, the total payments made to the contractor and percentage of completed work could not be confirmed. Further, physical inspection carried out in August, 2023 revealed that the toilet had been vandalized, the whole project had stalled and the contractor was not on site.

Although Management has explained that the project had been taken over by the National Government which has since advertised the tender for its upgrade to FIFA standards, no documentary evidence was provided to support the explanation.

In the circumstances, value for money on Kshs.95,469,450 incurred on the project could not be confirmed.

6.0 Delayed Completion of Nandi County Spatial Plan

Review of records provided revealed that the County Executive of Nandi issued a notice of intention to prepare a County Spatial Plan on 14 March, 2019 and signed a contract with two firms at a contract sum of Kshs.83,000,000 on 28 May 2019 to develop a County Spatial Plan which involved the identification of key spatial planning issues, mapping, zoning among others with the aim of achieving prosperity, equity and sustainable development. The contract period was 88 months from the date of signing of the contract. A total of Kshs.23,441,250 was paid to a contractor between December, 2022 and July, 2023 for preparation of a County Spatial Plan. Further, physical inspection carried out in August, 2023 revealed that the project was still incomplete.

In the circumstances, the value for money obtained from the project could not be confirmed.

7.0 Delayed Construction of New Hospital with Mother and Baby Unit at Kapsabet County Referral Hospital

The County Government entered into a contract with a local contractor for construction of New Hospital with Mother and Baby Unit at Kapsabet County Referral Hospital for contract sum of Kshs.409,813,441 which was, signed on 17 April, 2019. The contract was to be for a duration of two years, two months and two weeks to coincide with the close of the financial year 2020-2021. During the year a total of Kshs.142,500,462 was paid to the contractor. However, physical inspection on 06 September, 2023, noted that although the contractor was on site the project had not been completed.

In the circumstances, value for money obtained from the project could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, 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 THE 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 governance were not effective.

Basis for Conclusion

1.0 Lack of an Independent Internal Audit Function

During the year under review, the County Executive had not established an independent internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function. As such, the County Executive did not benefit from the assurance and advisory services from the internal audit function.

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

2.0 Lack of an Approved Staff Establishment

Examination of the human resource records for the financial year under review revealed that the County Executive had a total number of 4107 staff, which included 3,738 permanent and pensionable employees and 369 employees who are on contract. However, the approved Human Resource Plan, staff establishment and approved annual recruitment plan were not provided for audit. It was therefore not possible to ascertain that the human resource requirements and establish the basis of recruitment of new County employees, both permanent and temporary, during the year under review.

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

3.0 Failure to Maintain a Fixed Assets Register

The County Executive of Nandi did not maintain a register for the assets contrary to Regulation 149(2)(o) of the Public Finance Management Act, 2012 which requires Accounting Officers to ensure that the respective County Government entity has adequate systems and processes in place to plan for, procure, account for, maintain, store and dispose of assets, including an asset register that is current, accurate and available to the relevant County Treasury or the Auditor-General.

In the circumstances, the existence of effective internal controls on management of fixed assets could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls 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 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 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 applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to 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 Executive 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


18 January, 2024

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

9. Statement of Receipts and Payments for the year ended 30th June 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Receipts			
Transfers from the CRF	1	7,279,260,501	7,523,401,547
Miscellaneous receipts	2	-	11,401,302
Total receipts		7,279,260,501	7,534,802,849
Payments			
Compensation of employees	3	3,514,768,261	3,649,417,748
Use of goods and services	4	1,518,007,460	1,380,479,065
Subsidies	5	6,263,018	9,500,000
Transfers to other government entities	6	230,000,000	803,003,318
Other grants and transfers	7	589,372,404	392,680,715
Social security benefits	8	-	-
Acquisition of assets	9	1,410,392,950	1,080,487,617
Finance costs, including loan interest	10	-	-
Repayment of principal on domestic & foreign Borrowing	11	-	-
Other payments	12	-	-
Total payments		7,268,804,093	7,315,568,463
Surplus/deficit*		10,456,408	219,234,386

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 2nd NOV 2023 and signed by:



Name: Prisca Jepchirchir

Chief Officer -Finance



Name: CPA Hellen Kemboi
 Head of Accounting Unit
 ICPAK M/No 11936

COUNTY EXECUTIVE OF NANDI:

Reports and Financial Statements

For the year ended June 30, 2023

10. Statement of Assets and Liabilities as at 30th June 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	13A	216,759,589	573,925,503
Cash balances	13B	25,970	20,372
Total cash and cash equivalents		216,785,559	573,945,875
Outstanding imprests and advances	14	-	-
Total financial assets		216,785,559	573,945,875
Financial liabilities			
Deposits and retentions	15	-	-
Net financial assets		216,785,559	573,945,875
Represented by			
Fund balance b/fwd.	16	573,945,875	370,361,392
Prior year adjustments	17	(367,616,724)	(15,649,903)
Surplus/deficit for the year		10,456,408	219,234,386
Net financial position		216,785,559	573,945,875

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 8th Nov 2023 and signed by:



.....
Name: Prisca Jepchirchir
Chief Officer - Finance



.....
Name: Hellen Kemboi
Head of Accounting Services
ICPAK M/No 11936

COUNTY EXECUTIVE OF NANDI:**Reports and Financial Statements****For the year ended June 30, 2023****11. Statement of Cash Flows for the period ended 30th June 2023**

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	7,279,260,501	7,523,401,547
Miscellaneous receipts	2	-	-
Total receipts from operating income		7,279,260,501	7,523,401,547
Payments for operating expenses			
Compensation of employees	3	(3,514,768,261)	(3,649,417,748)
Use of goods and services	4	(1,518,007,460)	(1,380,479,065)
Subsidies	5	(6,263,018)	(9,500,000)
Transfers to other government entities	6	(230,000,000)	(803,003,318)
Other grants and transfers	7	(589,372,404)	(392,680,715)
Social security benefits	8	-	-
Finance costs, including loan interest	10	-	-
Other payments	12	-	-
Total payments for operating expenses		(5,858,411,143)	(6,235,080,846)
Net receipts/ (payments) from operations		1,420,849,358	1,288,320,700
Adjusted for:			
Prior year adjustments	17	(367,616,724)	
Decrease/(increase) in outstanding imprests & advances	18	-	(750,000)
Increase/(decrease) in deposits and retentions	19	-	(3,498,601)
Net cash flow from operating activities		1,053,232,634	1,284,072,100
Cash flow from investing activities			
Acquisition of assets	9	(1,410,392,950)	(1,080,487,617)
Net cash flows from investing activities		(1,410,392,950)	(1,080,487,617)
Cash flow from Financing activities			
Repayment of principal on domestic and foreign Borrowing	11	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(357,160,316)	203,584,483
Cash and cash equivalents at beginning of the year		573,945,875	370,361,392
Cash and cash equivalents at end of the year		216,785,559	573,945,875

COUNTY EXECUTIVE OF NANDI:

Reports and Financial Statements

For the year ended June 30, 2023

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 8th NOV 2023 and signed by:



.....
Name: Prisca Jepchirchir
Chief Officer Finance



.....
Name: Hellen Kemboi
Head of Accounting Services
ICPAK Member Number 11936

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2022

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30th June 2023

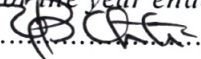
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c = a+b	d	e = c-d	f = d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	7,530,693,484	-	7,530,693,484	7,279,260,501	251,432,983	97
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts e.g., DANIDA	252,794,921	-	252,794,921	206,329,151	46,465,770	82
Total	7,783,488,405	-	7,783,488,405	7,485,589,652	297,898,753	96
Payments						
Compensation of employees	3,755,359,007	-	3,755,359,007	3,514,768,261	240,590,746	94
Use of goods and services	1,539,033,598	-	1,539,033,598	1,518,007,460	21,026,138	99
Subsidies	10,000,000	-	10,000,000	6,263,018	3,736,982	63
Transfers to other government units	238,000,000	-	238,000,000	230,000,000	8,000,000	97
Other grants and transfers	648,636,591	-	648,636,591	589,372,404	59,264,187	91
Acquisition of assets	1,592,459,209	-	1,592,459,209	1,410,392,950	182,066,259	89
Total	7,783,488,405	-	7,783,488,405	7,268,804,093	514,684,312	93
Surplus/(Deficit)	0	-	0	216,785,559		

The County Executive's financial statements were approved on 8th Nov 2023 and signed by:

COUNTY EXECUTIVE OF NANDI:

Reports and Financial Statements

For the year ended June 30, 2023


.....

Name: Prisca Jepchirchir
Chief Officer Finance
ICPAK Member Number:11930


.....

Name: Hellen Kemboi
Head of Accounting Services
ICPAK Member Number:11936

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

10A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	5,642,233,424	-	5,642,233,424	5,395,222,115	247,011,309	96
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts e.g. DANIDA	52,421,587	-	52,421,587	30,855,693	21,565,894	59
Total	5,694,655,011	-	5,694,655,011	5,426,077,808	268,577,203	95
Payments						
Compensation of employees	3,755,359,007	-	3,755,359,007	3,514,768,261	240,590,746	93.59
Use of goods and services	1,539,033,598	-	1,539,033,598	1,518,007,460	21,026,138	98.63
Transfers to other government units	238,000,000	-	238,000,000	230,000,000	8,000,000	96.64
Other grants and transfers	162,262,406	-	162,262,406	134,639,682	27,622,724	82.98
Total	5,694,655,011	-	5,694,655,011	5,397,415,403	297,239,607	94.78
Surplus/(deficit)	0	-	0	28,662,405	-28,662,405	-

The County Executive's financial statements were approved on 8th Nov 2023 and signed by



Name: Prisca Jepchirchir
 Chief Officer Finance
 ICPAK Member Number: 11930



Name: Hellen Kemboi
 Head of Accounting Services
 ICPAK Member Number: 11936

COUNTY EXECUTIVE OF NANDI:

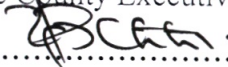
Reports and Financial Statements

For the year ended June 30, 2023

10B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	1,888,460,060	-	1,888,460,060	1,884,038,386	4,421,674	100
Other receipts	-	-	-	-	-	0
Opening balance for Non-refundable bank balances in special purpose deposits accounts e.g. DANIDA	200,373,334	-	200,373,334	175,473,458	24,899,876	88
Total	2,088,833,394	-	2,088,833,394	2,059,511,844	29,321,550	99
Payments						
Subsidies	10,000,000	-	10,000,000	6,263,018	3,736,982	63
Other grants and transfers	486,374,185	-	486,374,185	454,732,722	31,641,463	93
Acquisition of assets	1,592,459,209	-	1,592,459,209	1,410,392,950	182,066,259	89
Totals	2,088,833,394	-	2,088,833,394	1,871,388,690	217,444,704	90
Surplus/(deficit)	0	-	0	188,123,154	-188,123,154	

The County Executive's financial statements were approved on _____ 2023 and signed by:



Name: Prisca Jepchirchir

Chief Officer Finance

ICPAK Member Number:11930



Name: Hellen Kemboi

Head of Accounting Services

ICPAK Member Number: 11936

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2022

13. Budget Execution by Programmes and Sub-Programmes for the year ended 30th June 2023

Head	Program	Description	Approved Budget	Actual Payments	Variance
0		Default Value (Non- Departmental)	0	0	0
	4410	Default - Non Programmatic	0	0	0
	701004410	General Administration and Support Services	0	0	0
4411000100		Office of Governor	622,963,676.00	628,102,831.30	-5,139,155.30
	101004410	Administration and general support services	0	14,047,978.00	-14,047,978.00
	708004410	Disaster Risk Reduction and Emergency	0	0	0
	707004410	Physical Infrastructure	41,300,000.00	19,162,400.00	22,137,600.00
	404004410	Health care Infrastructure	0	0	0
	704004410	Public Sector Advisory	0	0	0
	702004410	County Executive Committee Services	0	0	0
	709004410	County Bursary Scheme	0	0	0
	705004410	Facilitation of Public Participation Forums	0	0	0
	501004410	General administration & support services	0	0	0
	706004410	Enforcement of Domesticated or Enacted Laws and Regulations	0	0	0
	701004410	General Administration and Support Services	581,663,676.00	594,892,453.30	-13,228,777.30
	703004410	Coordination of County Functions	0	0	0
4411000200		Office of the Deputy Governor	0	0	0
	704004410	Public Sector Advisory	0	0	0
4411000300		County Administration and Public Service	0	0	0
	701004410	General Administration and Support Services	0	0	0
	707004410	Physical Infrastructure	0	0	0
	705004410	Facilitation of Public Participation Forums	0	0	0
	703004410	Coordination of County Functions	0	0	0
	706004410	Enforcement of Domesticated or Enacted Laws and Regulations	0	0	0

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

4411000400		HRM	0	0	0
	709004410	County Bursary Scheme	0	0	0
4412000100		ICT	0	0	0
	710004410	Public Finance & Accounts	0	0	0
	718004410	ICT Infrastructure	0	0	0
	707004410	Physical Infrastructure	0	0	0
	716004410	Economic development coordination and monitoring & evaluation	0	0	0
	721004410	Administration & Support of Human Resources	0	0	0
	717004410	Revenue Enhancement and Infrastructure	0	0	0
4412000200		Economic Planning	0	0	0
	716004410	Economic development coordination and monitoring & evaluation	0	0	0
	712004410	Fiscal planning	0	0	0
	701004410	General Administration and Support Services	0	0	0
4412000300		Audit	0	0	0
	714004410	Audit Services	0	0	0
4412000400		Revenue	11,000,000.00	8,000,000.00	3,000,000.00
	701004410	General Administration and Support Services	11,000,000.00	8,000,000.00	3,000,000.00
	717004410	Revenue Enhancement and Infrastructure	0	0	0
4412000500		Procurement	0	0	0
	711004410	Public Procurement	0	0	0
4412000600		Budgeting	0	0	0
	713004410	Budget formulation and management	0	0	0
4412000700		Finance and Accounting	716,156,138.00	688,697,722.35	27,458,415.65
	701004410	General Administration and Support Services	716,156,138.00	698,306,005.88	17,850,132.12
	711004410	Public Procurement	0	0	0
	716004410	Economic development coordination and monitoring & evaluation	0	0	0

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	718004410	ICT Infrastructure	0	0	0
	401004410	Health Service Delivery Administration Services	0	0	0
	714004410	Audit Services	0	0	0
	713004410	Budget formulation and management	0	0	0
	721004410	Administration & Support of Human Resources	0	0	0
	710004410	Public Finance & Accounts	0	0	0
	712004410	Fiscal planning	0	0	0
	715004410	Debt management	0	0	0
	717004410	Revenue Enhancement and Infrastructure	0	0	0
4413000100		Sub-County Administration	78,750,840.00	74,604,457.85	4,146,382.15
	405004410	Health Sector Programme Support (DANIDA FUNDS)	0	0	0
	719004410	County Administrative Services	0	0	0
	701004410	General Administration and Support Services	0	0	0
	721004410	Administration & Support of Human Resources	78,750,840.00	74,604,457.85	4,146,382.15
	720004410	Special Programmes	0	0	0
4413000200		Town Administration Section	138,666,217.00	96,722,232.00	41,943,985.00
	721004410	Administration & Support of Human Resources	138,666,217.00	96,243,000.00	42,423,217.00
	720004410	Special Programmes	0	0	0
	701004410	General Administration and Support Services	0	479,232.00	-479,232.00
	719004410	County Administrative Services	0	0	0
4413000300		Ward Administration	0	0	0
	720004410	Special Programmes	0	0	0
4414000100		Public Health and Sanitation	2,809,297,535.00	2,809,297,535.00	0.00
	405004410	Health Sector Programme Support (DANIDA FUNDS)	0	0	0
	404004410	Health care Infrastructure	0	0	0

COUNTY EXECUTIVE OF NANDI:
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	403004410	Curative Health Services	0	0	0
	402004410	Preventive & Promotive Health Services	0	0	0
	401004410	Health Service Delivery Administration Services	2,809,297,535.00	2,809,297,535.00	0.00
	101004410	Administration and general support services	0	0	0
	107004410	Physical Planning	0	0	0
4414000200		Preventive Health Services	0	0	0
	402004410	Preventive & Promotive Health Services	0	0	0
	404004410	Health care Infrastructure	0	0	0
	401004410	Health Service Delivery Administration Services	0	0	0
	403004410	Curative Health Services	0	0	0
	405004410	Health Sector Programme Support (DANIDA FUNDS)	0	0	0
4414000300		Curative Health Services	429,711,061.00	429,711,061.00	0.00
	201004410	General Administration and Support Services	0	0	0
	404004410	Health care Infrastructure	0	0	0
	401004410	Health Service Delivery Administration Services	0	0	0
	107004410	Physical Planning	429,711,061.00	429,711,061.00	0.00
	402004410	Preventive & Promotive Health Services	0	0	0
	403004410	Curative Health Services	0	0	0
4415000100		Agriculture and Crop Production	275,877,543.00	273,687,587.60	2,189,955.40
	104004410	Fisheries Development and Management	0	0	0
	101004410	Administration and general support services	275,877,543.00	273,687,587.60	2,189,955.40
	102004410	Crop Development and Management	0	0	0
4415000200		Livestock and Veterinary	573,479,420.00	569,439,518.50	4,039,901.50
	104004410	Fisheries Development and Management	0	0	0
	103004410	Livestock Resources Management and Development	573,479,420.00	569,439,518.50	4,039,901.50
	102004410	Crop Development and Management	0	0	0

COUNTY EXECUTIVE OF NANDI:
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4415000300		Fisheries	0	0	0
	102004410	Crop Development and Management	0	0	0
	104004410	Fisheries Development and Management	0	0	0
4416000100		Tourism	66,038,653.00	61,973,499.55	4,065,153.45
	307004410	Cooperative Development and Management	0	0	0
	306004410	Culture	9,272,000.00	9,582,000.00	-310,000.00
	301004410	General Administration and Support Services	56,766,653.00	52,391,499.55	4,375,153.45
	305004410	Tourism Development and Promotion	0	0	0
4416000200		Culture	0	0	0
	306004410	Culture	0	0	0
4416000300		Co-operatives	0	0	0
	307004410	Cooperative Development and Management	0	0	0
	904004410	Gender	0	0	0
	305004410	Tourism Development and Promotion	0	0	0
4417000100		Youth Affairs	120,583,794.00	98,884,215.29	21,699,578.71
	901004410	General Administration and Support Services	0	0	0
	902004410	Sports Development	0	0	0
	904004410	Gender	0	0	0
	903004410	Youth affairs	0	0	0
	301004410	General Administration and Support Services	120,583,794.00	98,884,215.29	21,699,578.71
	905004410	Social Services	0	0	0
4417000200		Gender and Social Services	0	0	0
	904004410	Gender	0	0	0
	905004410	Social Services	0	0	0
4417000300		Sports	62,702,385.00	70,358,149.00	-7,655,764.00
	902004410	Sports Development	62,702,385.00	70,358,149.00	-7,655,764.00
4418000100		Pre-education and care services	661,566,618.00	661,566,618.00	0.00
	503004410	Youth Training and Development	0	0	0

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	502004410	Education	202,693,002.00	202,693,002.00	0.00
	501004410	General administration & support services	458,873,616.00	458,873,616.00	458,873,616.00
4418000200		Quality assurance, evaluation and research	0	0	0
	502004410	Education	0	0	0
4418000300		Vocational training	0	0	0
	503004410	Youth Training and Development	0	0	0
	502004410	Education	0	0	0
4419000100		Environmental Protection	0	0	0
	201004410	General Administration and Support Services	0	0	0
	110004410	Water Supply	0	0	0
	109004410	Environmental Conservation & Protection	0	0	0
	306004410	Culture	0	0	0
4419000200		Lands	0	0	0
	105004410	Housing	0	0	0
	109004410	Environmental Conservation & Protection	0	0	0
	108004410	Land adjudication	0	0	0
	101004410	Administration and general support services	0	0	0
	107004410	Physical Planning	0	0	0
4419000300		Natural resources and mining	106,116,300.00	99,411,441.10	6,704,858.90
	109004410	Environmental Conservation & Protection	0	0	0
	201004410	General Administration and Support Services	106,116,300.00	99,411,441.10	6,704,858.90
	106004410	Land survey	0	0	0
	901004410	General Administration and Support Services	0	0	0
	105004410	Housing	0	0	0
	110004410	Water Supply	0	0	0
	107004410	Physical Planning	0	0	0
	108004410	Land adjudication	0	0	0
4419000400		Water	319,478,930.00	319,478,930.00	0.00
	110004410	Water Supply	319,478,930.00	319,478,930.00	0.00
4419000500		Survey	0	0	0
	109004410	Environmental Conservation & Protection	0	0	0
	107004410	Physical Planning	0	0	0
	106004410	Land survey	0	0	0

COUNTY EXECUTIVE OF NANDI:
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	108004410	Land adjudication	0	0	0
4420000100		Physical and structural planning	0	0	0
	301004410	General Administration and Support Services	0	0	0
	202004410	Road Transport	0	0	0
	502004410	Education	0	0	0
4420000200		Roads and infrastructure	347,509,059.00	391,207,662.75	-43,698,603.75
	201004410	General Administration and Support Services	0	0	0
	202004410	Road Transport	347,509,059.00	391,207,662.75	-43,698,603.75
4420000300		Public works	102,394,538.00	113,785,442.50	12,932,775.50
	203004410	Government Buildings	0	0	0
	201004410	General Administration and Support Services	114,556,378.00	113,785,442.50	12,932,775.50
	202004410	Road Transport	0	0	0
4420000400		Transport	0	0	0
	201004410	General Administration and Support Services	0	0	0
	202004410	Road Transport	0	0	0
4421000100		Weights and measures	0	0	0
	303004410	Weights and Measures	0	0	0
4421000200		Trade shows and exhibitions	0	0	0
	302004410	Trade development	0	0	0
	304004410	Industry Development	0	0	0
4421000300		Industrial,SME development	185,470,383.00	40,709,660.75	144,760,722.25
	304004410	Industry Development	0	0	0
	302004410	Trade development	185,470,383.00	40,709,660.75	144,760,722.25
4421000400		Markets	60,501,346.00	51,259,587.65	9,241,758.35
	302004410	Trade development	2,000,000.00	0	2,000,000.00
	304004410	Industry Development	0	0	0
	301004410	General Administration and Support Services	58,501,346.00	51,259,587.65	7,241,758.35

COUNTY EXECUTIVE OF NANDI:
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4422000100		Headquarters	55,702,654.00	42,386,181.00	13,316,473.00
	721004410	Administration & Support of Human Resources	55,702,654.00	42,386,181.00	13,316,473.00
	722004410	Human Resource Management	0	0	0
4423000100		County assembly service board	669,452,973.00	661,490,254.30	7,962,718.70
	724004410	County Assembly Clerk services	0	0	0
	725004410	County Assembly Service Board	669,452,973.00	661,490,254.30	7,962,718.70
4423000200		Finance and Accounts	0	0	0
	723004410	Physical Infrastructure and Equipment	0	0	0
4423000400		Administration Section	75,000,000.00	22,522,197.95	52,477,802.05
	721004410	Administration & Support of Human Resources	0	0	0
	701004410	General Administration and Support Services	0	0	0
	724004410	County Assembly Clerk services	0	0	0
	901004410	General Administration and Support Services	75,000,000.00	22,522,197.95	52,477,802.05
	725004410	County Assembly Service Board	0	0	0
	723004410	Physical Infrastructure and Equipment	0	0	0
		Grand Total	8,500,581,903.00	8,222,905,068.97	277,676,834.03

14. Significant Accounting Policies

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

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 set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

b) Reporting entity

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

c) Recognition of receipts and payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

Transfer from CRF 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 a notification received by the entity.

iii) Proceeds from sale of assets

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the entity.

Significant Accounting Policies (Continued)

d) Recognition of payments

The County Executive recognises all expenses when the event occurs, and the related cash has been paid out.

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

e) In-kind contributions

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

f) Third Party Payments

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2023, this amounted to KShs. 58,463,499 compared to KShs.7,829,372.90 .

Significant Accounting Policies (Continued)

h) 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.

i) 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.

j) Non-current assets

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

k) Pending bills

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

Significant Accounting Policies (Continued)

l) Contingent Liabilities

A contingent liability is:

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

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

The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note xx and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

m) Contingent Assets

The County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
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Significant Accounting Policies (Continued)

n) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on xxx for the period 1st July 20xx to 30 June 20xx as required by law. There was xxx number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

o) Comparative figures

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

p) Subsequent events

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

q) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

r) 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.

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

15. Notes to the Financial Statements

1. Transfer from the CRF

	2022-2023	2021-2022
Description	Kshs	Kshs
Total exchequer releases for quarter 1	1,096,225,087.00	1212950770
Total exchequer releases for quarter 2	1,601,534,540.00	1787040791
Total exchequer releases for quarter 3	1,242,147,341.00	1834171651
Total exchequer releases for quarter 4	3,339,353,533.00	2689238335
Total	7,279,260,501.00	7,523,401,546.70

Transfer to county Assembly not included in the Receipts

2. Miscellaneous Receipts

	2022-2023	2021-2022
Description	Kshs	Kshs
returned CRF issue	-	11,401,302
Borrowing from Other Domestic Financial Institutions	-	-
Total	-	11,401,302

Return CRF figures are included in the CRF statement

3. Compensation of Employees

	2022-2023	2021-2022
Description	Kshs	Kshs
Basic salaries of permanent employees	3,153,179,184	3,364,535,517
Basic wages of temporary employees	92,832,535	24,161,000
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	8,209,690	4,266,625
Employer contribution to compulsory national health insurance schemes	41,975,750	61,570,650
Pension and other social security contributions	188,860,532	194,883,957
Social benefit schemes outside government	-	-
Other personnel payments	29,710,570	-
Total	3,514,768,261	3,649,417,748

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

	2022-2023	2021-2022
Description	Kshs	Kshs
Utilities, supplies and services	50,438,826	57,796,024
Communication, supplies and services	4,027,291	4,689,385
Domestic travel and subsistence	190,450,876	140,270,871
Foreign travel and subsistence	11,516,300	9,561,501
Printing, advertising and information supplies & services	4,607,387	6,145,618
Rentals of produced assets	4,401,746	2,676,233
Training expenses	11,891,864	11,050,384
Hospitality supplies and services	239,230,356	147,464,882
Insurance costs	159,987,464	229,913,793
Specialised materials and services	592,882,149	552,143,884
Office and general supplies and services	112,872,207	93,175,529
Other operating expenses	47,746,866	38,002,007
Routine maintenance – vehicles and other transport equipment	20,598,471	31,536,480
Fuel Oil and Lubricants	55,075,195	42,765,874
Routine maintenance – other assets	12,280,462	13,286,603
Total	1,518,007,460	1,380,479,065

5. Subsidies

	2022-2023	2021-2022
Description	Kshs	Kshs
Subsidies to Public Corporations		
KANAWASCO	6,263,018	9,500,000
(Insert Name)	-	-
Subsidies to Private Enterprises	-	-
See List Attached	-	-
(Insert Name)	-	-
Total	6,263,018	9,500,000

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

Notes to the Financial Statements (Continued)

6. Transfer to other Government entities

	2022-2023	2021-2022
Description	Kshs	Kshs
Transfers to county government entities		
Transfers to other counties		
Nandi County Assembly	-	696,003,318
Nandi County Education Fund	90,000,000	107,000,000
Nandi County Executive Car & Mortgage Fund	50,000,000	-
Nandi County Assembly Car & Mortgage Fund	90,000,000	-
Transfers to national government entities		
Transfer to the council of governors	-	-
Total	230,000,000	803,003,318

7. Other Grants and Transfers

	2022-2023	2021-2022
Description	Kshs	Kshs
LOCALLY LED CLIMATE PROGRAMM (FFLOCA) CCRI GRANT	13,051,753	
Scholarships and other educational benefits	-	13,959,947
KDSP	41,901,280	58,640,175
K.U.S.P-UDG	104,111,265	107,356,976
K.U.S.P-UIG	-	4,065,500
NARIGP	312,693,387	112,751,684
THUSCP/THS	57,255,348	49,804,355
ASDSP	24,876,317	27,627,419
DANIDA & FIF Disbursement	-	-
PRIMARY HEALTH CARE	18,048,378	-
N.I SPA	7,130,307	
N.I OPERATION	5,597,332	18,474,659
Industrial Park	-	
Value Chain	-	
Health operation	4,707,037	
Total	589,372,404	392,680,715

COUNTY EXECUTIVE OF NANDI:
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8. Social Security Benefits

	2022-2023	2021-2022
Description	Kshs	Kshs
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

Non- financial assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	
Construction of Buildings	508,285,194	292,163,104
Refurbishment of Buildings	54,166,401	54,850,086
Construction of Roads	390,639,500	406,490,463
Construction and Civil Works	304,977,739	172,676,204
Overhaul and Refurbishment of Construction and Civil Works	-	8,430,267
Purchase of Vehicles and Other Transport Equipment	38,934,838	
Overhaul of Vehicles and Other Transport Equipment	-	
Purchase of Household Furniture and Institutional Equipment	4,194,414	22,753,911
Purchase of Office Furniture and General Equipment	30,779,711	4,472,719
Purchase of ICT Equipment	1,043,101	
Purchase of Specialised Plant, Equipment and Machinery	33,647,739	29,423,798
Rehabilitation and Renovation of Plant, Machinery and Equip.	828,050	
Purchase of Certified Seeds, Breeding Stock and Live Animals	20,401,172	29,979,303
Research, Studies, Project Preparation, Design & Supervision	-	5,240,172
Rehabilitation of Civil Works	1,191,074	
Acquisition of Strategic Stocks and commodities	21,304,016	54,007,589
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets	1,410,392,950	1,080,487,617
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	1,410,392,950	1,080,487,617

COUNTY EXECUTIVE OF NANDI:
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For the year ended June 30, 2023

Notes to the Financial Statements (Continued)

10. Finance Costs, including Loan Interest

	2022-2023	2021-2022
Description	Kshs	Kshs
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	-	-

(Explain significant change from prior period)

11. Repayment of Principal on Domestic Lending and On-Lending

	2022-2023	2021-2022
Description	Kshs	Kshs
Repayments on borrowings from domestic	-	-
Principal repayments on guaranteed debt taken over by government	-	-
Repayments on borrowings from other domestic creditors	-	-
Repayment of principal from foreign lending & on – lending	-	-
Total	-	-

(Explain significant change from prior period)

12. Other Payments

	2022-2023	2021-2022
Description	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments (<i>specify/breakdown</i>)	-	-
Total	-	-

COUNTY EXECUTIVE OF NANDI:**Reports and Financial Statements****For the year ended June 30, 2023****Notes to the Financial Statements (Continued)****13. Cash and Bank Balances****13A. Bank Balances**

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2022-2023	2021-2022
			Kshs	Kshs
NANDI COUNTY RECURRENT.	1000170719	RECURRENT	7,627	-
NANDI COUNTY DEVELOPMENT	1000170678	DEVELOPMENT	70,372	-
NANDI COUNTY REVENUE FUND	1000171278	CBK	-	583,043,013
NANDI COUNTY REVENUE FUND-EQUITY	490260871255	LOCAL COLLECTION	-	329,735
NANDI COUNTY NHIF NANDI HILLS COUNTY HOSPITAL	01141594316300	LOCAL COLLECTION	-	1,067,180
NANDICOUNTY METEITEI SUB COUNTY HOSPITAL	01141594316300	LOCAL COLLECTION	-	121,460
NANDI COUNTY NHIF KAPTUMO SUB DISTRICT HOSPITAL	01141594316400	LOCAL COLLECTION	-	545,201
KAPSABET DISTRICT HOSPITAL ACCOUNT	01141329212200	LOCAL COLLECTION	-	-
CHEPTERWAI SUB-DISTRICT ACCOUNT	01141329282900	LOCAL COLLECTION	-	60,720
ALDAI SUB COUNTY PUBLIC HEALTH	01071255214500	LOCAL COLLECTION	-	
CHESUMEI SUB COUNTY PUBLIC HEALTH	01071255253800	LOCAL COLLECTION	-	
MOSOP SUB COUNTY PUBLIC HEALTH	01071255272700	LOCAL COLLECTION	-	
NANDI HILLS SUB COUNTY PUBLIC HEALTH	01071255234100	LOCAL COLLECTION	-	
TINDIRET SUB COUNTY PUBLIC HEALTH	01071255257000	LOCAL COLLECTION	-	
EMGWEN SUB COUNTY PUBLIC HEALTH	01071255269900	LOCAL COLLECTION	-	

COUNTY EXECUTIVE OF NANDI:
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CHEPTERWAI SUB COUNTY HOSPITAL	01071255269400	LOCAL COLLECTION	-	
LABIYET SUB COUNTY HOSPITAL	01071255232000	LOCAL COLLECTION	-	
KAPTUMO SUB COUNTY HOSPITAL	01071255212300	LOCAL COLLECTION	-	
METEITEI SUB COUNTY HOSPITAL	01071255230200	LOCAL COLLECTION	-	
MOSORIOT SUB COUNTY HOSPITAL	01071255221700	LOCAL COLLECTION	-	
NANDI HILLS SUB COUNTY HOSPITAL	01071255255700	LOCAL COLLECTION	-	
KAPSABET COUNTY REFFERAL HOSPITAL	01071255254900	LOCAL COLLECTION	-	
KAIMOSI ATC REVENUE ACCOUNT -EQUITY	0490280776278	LOCAL COLLECTION	-	4,148,677
NANDI COUNTY IMPREST - KCB	1238877419	OPERATION	-	-
NANDI COUNTY GS A/C		OPERATION	-	-
NANDI COUNTY R.M.L.	1000250828	SPA	426,523	426,523
MPESA	299299	LOCAL COLLECTION	-	80,091
MPESA	4094029	LOCAL COLLECTION	-	
NANDI COUNTY A.S.D.S.P SPA	1000369159	SPA	1,769,820	1,365,387
NANDI COUNTY A.S.D.S.P OPERATION	1226115853	OPERATION	1,984,582	18,478,202
NAGRIP AIC SPA -CBK	1000369167	SPA	-	30,955,430
NARIGP A/C NO-KCB	1226530680		13,201,809	2,000
NANDI COUNTY VILLAGE POLYTECHNIC PROJECT	1000369183	SPA	126,649	126,649
NANDI COUNTY SPA CBK (WORLD BANK)	1000546457	SPA	12,615,328	8,001,785
NANDI COUNTY SPA CBK (WORLD BANK)	1000336471	SPA	-	-
NANDI COUNTY KDSP - COOP	01141328220500	OPERATION	7,343,724	49,245,004
NANDI COUNTY KDSP -CBK	1000441388	SPA	-	0

COUNTY EXECUTIVE OF NANDI:
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NANDI COUNTY KENYA URBAN INSTITUTIONAL GRANTS - CBK	1000397101	SPA	1,194,559	-
KAPSABET MUNICIPALITY URBAN DEVELOPMENT GRANTS CBK	1000397117	SPA	13,983,959	40,000,000
KAPSABET MUNICIPALITY-- KCB	1260069508	OPERATION	34,970,079	54,774,129
NANDI COUNTY UIG -KCB	1260069338	OPERATION	56,771	56,771
NANDI COUNTY NUTRITION INTERNATIONAL - CBK	10004445138	SPA	12,318,659	870,166
NANDI COUNTY YOUTH SERVICE - EQUITY	0490280129064	OPERATION	17,207	5,342
NANDI COUNTY IMPREST - EQUITY	0490280577012	OPERATION	-	148
NANDI COUNTY HEALTH OPERATIONS - EQUITY	0490280544576	OPERATION	2,002,263	900
NANDI COUNTY CIMATE CHANGE FUND	1000541504	SPA	9,800,000	-
NANDI COUNTY CIMATE CHANGE FUND	1000467298	SPA	-	-
NANDI COUNTY DEPOSIT AND RETENTION KCB	1257518267	OPERATION	-	7,829,373
NANDI COUNTY SALARY ACCOUNT	0490280097202	OPERATION	-	(219,779,009)
NANDI COUNTY DEPOSIT AND RETENTION A/C NO. KCB	1257518267	OPERATION	-	(7,829,373)
NANDI COUNTY VALUE CHAIN DEVELOPMENT PROJECT	1000720085	SPA	67,192,729	
NANDI COUNTY AGGREG & INDUSTR PARK	1000722908	SPA	30,000,000	
NANDI COUNTY PRIMARY HEALTH CARE-	1000575287	SPA	4,037,810	
NANDI COUNTY NUTRITION INTERNATIONAL SUPPORT ACCOUNT	01141329975900	OPERATION	690,874	

COUNTY EXECUTIVE OF NANDI:

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LOCALY LED CLIMATE PROGRAMM (FFLOCA) CCRI RANT-	0970035297		2,948,247	
TOTAL			216,759,589	573,925,503

13 B Cash in Hand

	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in Domestic Currency	25,970	20,372
Cash in hand – Held in Foreign Currency	-	-
Total	25,970	20,372

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Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

	2022-2023	2021-2022
	Kshs	Kshs
Revenue section	25,970	19,940
Imprest account	-	432
Location 3	-	-
Total	25,970	20,372

14. Outstanding imprests and advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
Total	-	-

<i>Breakdown of Imprest and Salary Advance per Department</i>	2022-2023	2021-2022
<i>Imprest</i>	Kshs	Kshs
Department Xx	-	-
Department Xx	-	-
Department Xx	-	-
Sub-Total	-	-
Salary Advance		
Department Xx	-	-
Department Xx	-	-
Sub-Total	-	-
Grand Total	-	-

COUNTY EXECUTIVE OF NANDI:
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Notes to the Financial Statements (Continued)

15. Deposits and Retention

	2022-2023		2021-2022	
	Kshs		Kshs	
Deposits	-	-	-	-
Retention Monies	-	-	-	-
Total	-	-	-	-
Ageing analysis for	-	-	-	-
			Comparativ	% of the
Ageing analysis: (deposits and retentions)	Current FY	% of the Total	e FY	Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

16. Fund Balance Brought Forward

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	573,945,875	801533885
Cash in hand	-	20372
Accounts Receivables	-	-
Accounts Payables	-	-227608381.9
Total	573,945,875	573,945,875

COUNTY EXECUTIVE OF NANDI:
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17. Prior Year Adjustments

A prior period adjustment really applies to the correction of an error in the financial statements of a prior period.

	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous FY
Description Of the Error	Kshs	Kshs	Kshs
Bank Account Balances	573,925,503.06	-367,616,724.00	206,308,779.06
Cash in Hand	20,372.00	-	20,372.00
Outstanding Imprests and Advances	-	-	-
Third party deposits and Retention	-	-	-
Others (Specify)	-	-	-
Total	573,945,875.06	-367,616,724.00	206,329,151.06

The prior year adjustments is as a result of separate preparation of the county revenue fund report and the receiver of the revenue reports hence closing balances were shifted

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

Notes to the Financial Statements (Continued)

18. Increase/ (Decrease) in Outstanding Imprests and Advances

	2022-2023	2021-2022
Description	Kshs	Kshs
Imprest and Advances as at 1 st July (A)	-	750,000
Imprest and Advances as at 30 th June (B)	-	-
Increase)/ Decrease in Imprest and Advances (C=(B-A))	-	750,000

19. Increase/ (Decrease) in Deposits and Retention

	2022-2023	2021-2022
Description	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	-	11,327,974
Deposits and Retention as at 30 th June (B)	-	7,829,373
Increase/ (Decrease) in Deposits and Retentions C= B-A	-	-3,498,601

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2023

20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	27,759,680.4	-	(26,390,789)	1,368,892
Construction of Civil Works	14,235,888	-	(14,214,389)	21,499
Supply of Goods	11,139,161	-	(10,564,672)	574,489
Supply of Services	30,214,064.59	-	(19,210,952)	11,003,113
Total	83,348,794	-	(70,380,802)	12,967,992

2. Pending Staff Payables (See Annex 3)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	253,632,405	-	253,632,405
Total	-	253,632,405	-	253,632,405

3. Other Pending Payables (See Annex 4)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	-	-	-	-
Amounts due to County Government Entities	-	-	-	-
Amounts due to Third Parties	-	58,463,499	-	58,463,499
Total	-	58,463,499	-	58,463,499

Other Important Disclosures

4. External Assistance

COUNTY EXECUTIVE OF NANDI:
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	2022-2023	2021-2022
Description	Kshs	Kshs
External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	-	-
External Assistance received In Kind- as Payment by Third Parties	-	-
Total	-	-

a) External assistance relating to loans and grants

	2022-2023	2021-2022
Description	Kshs	Kshs
External Assistance received as Loans	-	-
External Assistance received as Grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

COUNTY EXECUTIVE OF NANDI:
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Other Important Disclosures

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d) Non-monetary external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

COUNTY EXECUTIVE OF NANDI:
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Other Important Disclosures

e) Purpose and use of external assistance.

	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation of Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to Other Government Entities	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

f) External Assistance paid by Third Parties on behalf of the County Executive by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Other Important Disclosures

5. Payments by Third Party on Behalf of the County Executive

This relates to payments made directly to supplier on behalf of the county Executive. For example, the national government may fund the operations of health or education program, a donor may pay directly for construction of a given market etc.

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5.1 Classification by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Other County Entities	-	-
Others	-	-
Total	-	-

5.2 Classification of payments made by Third Parties by Nature of expenses.

	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Repayment of principal on domestic & foreign borrowing	-	-
Other payments	-	-
Total	-	-

Other Important Disclosures

6. Related Party Disclosures

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

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.

COUNTY EXECUTIVE OF NANDI:
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- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	2022-2023	2021-2022
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	94,380,180	94,380,180
Transfers to related parties		
Nandi County Assembly	-	696,003,318
Nandi County Education Fund	88,000,000	107,000,000
Nandi executive car & mortgage loan	50,000,000	-
county emergency	-	-
Nandi County Assembly Car & Mortgage Fund	90,000,000	
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	228,000,000	803,003,318
Transfers from related parties		
Transfers from the Exchequer	6,685,869,358	6,990,869,041
Road Maintenance Fuel Levy	-	-
Youth Polytechnic support grant	-	-
Total Transfers from related parties	6,685,869,358	6,990,869,041

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
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Other Important Disclosures

7. Establishment of other County Government Entities

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

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Nandi County Education Fund	18 th June 2016	Education, Research and Vocational Training	Joseph Kipchumba
Nandi County Emergency Fund	31 st March 2020	Health and Sanitation	Fredrick Kiptum
Nandi County Executive Car loan and Mortgage Scheme Fund	20 th September 2017	Finance and Economic Planning	Prisca Jepchirchir
Nandi County Facilities Improvement Fund	1 st November 2022	Health and sanitation	Fredrick Kiptum
Alcoholic and Drinks Control Fund	3 rd November 2014	Trade, Tourism and industrialization	Benjamin Kiprotich
Kapsabet Nandi Water and Sanitation Company	15 th June 2006	Water and Natural	Jonah Biwott

8. Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments in the current financial year, amounts relating to leased medical equipment was Kshs xxx and Kshs xxx for the previous Financial year.

9. Contingent Liabilities

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Xxx Against the Entity	-	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising from PPPs	-	-
Total	-	-

COUNTY EXECUTIVE OF NANDI:
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16. Progress on Follow Up on Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Difference Between Financial Statements and Integrated Financial Management	we recommend that these rights be granted to Counties to enable continuous voiding on need basis. Meanwhile, a system clean up exercise has been initiated and is ongoing.	ongoing	ongoing
1.2.	Variance between the Summary Statement of Appropriation - Recurrent and Development	An amount of Kshs.646,420,129 disclosed under receipts and payments were Donor Funds released through Exchequer Releases as per CARA and formed part of Exchequer releases which was reported as a whole sum as per the template	Resolved	24 th March 2023
1.3.	Variations in Transfers to Other Government Agencies	An amount of Kshs. 666,356,121 was transferred to the Nandi county Assembly, but since the whole amount was not fully utilized an actual expenditure of Kshs. 662,476,444 was disclosed in the financial statement leaving the variance of Kshs. 4,108,477 as part of the closing balance in the Nandi County Revenue Fund Account as here in annexed,	Resolved	24th March 2023
1.4.	Cash and Cash Equivalents: Variance	The cash and cash equivalents balance of Kshs. 668,818,690	Resolved	24th March 2023

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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)
	between the Statement of Cash Flows and IFMIS Generated Bank	as at 30 June, 2021 disclosed understatement of assets and liabilities were the gross cash and cash equivalents before netting off the liability of Kshs.299,957,297 in relation to Accounts Payables – Deposits and retentions and Accounts receivables – Outstanding Imprests.		
2.	Summary of Fixed Assets Register	available at the County Headquarters for your review	Resolved	24th March 2023

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your County Executive responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



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County Executive Committee Member – Finance and Economic Planning

Date

COUNTY EXECUTIVE OF NANDI:
Reports and Financial Statements
For the year ended June 30, 2022

17. Annexes

Annex 1 – Analysis of Transfers From the CRF

Period 20xx	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	981,897,223	1,543,844,513	1,060,853,697	3,099,273,925	6,685,869,358
Nutrition international	5,000,000	5,500,000	12,500,000	5,000,000	28,000,000
Primary healthcare	5,925,563		6,084,000	6,717,750	18,727,313
World Bank – THUSCP	59,095,086				59,095,086
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	46,690,027	154,826,948	93,420,791	294,937,766
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	44,307,215	-	-	15,178,518	59,485,733
Agriculture Sector Development Support Project (ASDSP)	-	5,500,000	2,882,696	1,769,820	10,152,516
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	5,000,000	20,800,000	25,800,000
Value Chain	-	-	-	67,192,729	67,192,729
Industrial park	-	-	-	30,000,000	30,000,000
Total	1,096,225,087	1,601,534,540	1,242,147,341	3,339,353,533	7,279,260,501

COUNTY EXECUTIVE OF NANDI:
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Annex 2 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2020/2021	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. 2022-2023	27,759,680		26,390,789	1,368,892	1,368,892	
1. 2022-2023						
Sub-Total	27,759,680	-	26,390,789	1,368,892	1,368,892	
Construction of civil works						
4. 2019-2020	14,235,888		14,214,389	21,499	21,499	
5. 2020-2021						
Sub-Total	14,235,888	-	14,214,389	21,499	21,499	
Supply of goods						
1. 2022-2023	11,139,161		10,564,672	574,489	574,489	
1. 2022-2023						
Sub-Total	11,139,161	-	10,564,672	574,489	574,489	
Supply of services						
1. 2022-2023	30,214,065		19,210,952	11,003,113	11,003,113	
1. 2022-2023						
Sub-Total	30,214,065	-	19,210,952	11,003,113	11,003,113	
Grand Total	83,348,794	-	70,380,802	12,967,992	12,967,992	

COUNTY EXECUTIVE OF NANDI:
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For the year ended June 30, 2022

Annex 3 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
3.							
4.							
Sub-Total							
Unionisable Employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

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Annex 4 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Comments
		a	b	c	d=a-c	
Amounts due to National Govt Entities						
1.	-	-	-	-	-	
2.	-	-	-	-	-	
3.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Amounts due to County Govt Entities						
4.	-	-	-	-	-	
5.	-	-	-	-	-	
6.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Amounts due to Third Parties						
DIDO AND SONS LTD	retentions for construction of MCH	409,813,441			40,981,344	
MILIKI DEVELOPMENT COMPANY LIMITED	retentions for onstruction of Chepterwai hospital	49,503,490			4,950,349	
BOWEN BUILDING CONTRACTORS (K) LTD	retentions for completion works governors office	45,847,895.00			4,584,789.50	
Interbuild company	retentions for Construction Of Avocado Aggregation Centre	36,230,690			3,623,069	
Sudelene Investment Company	retentions for Renovation of milk coolers Centres Chepterit	5,590,862.00			559,086.20	
Honor Logistics	retentions for retentions for construction of kobujoi health centre	29,580,940	-	-	2,958,094	

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	retentions for construction of Nandi textile at mosoriot	29,111,050	-	-	806,767
	-	-	-	-	-
Sub-Total	-	605,678,368	-	-	58,463,499
Grand Total	-	605,678,368	-	-	58,463,499

Annex 5 – Analysis Of imprests and Advances

(a) Government Imprest

<i>Name Of Officer Or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i> Kshs	<i>Amount Surrendered</i> Kshs	<i>Balance as at (insert current FY)</i> Kshs
<i>Name Of Officer Or Institution</i>	-	-	-	-
<i>Name Of Officer Or Institution</i>	-	-	-	-
<i>Name Of Officer Or Institution</i>	-	-	-	-
<i>Name Of Officer Or Institution</i>	-	-	-	-
Total		-	-	-

(b) Salary Advance

<i>Name Of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i> Kshs	<i>Amount Recovered</i> Kshs	<i>Balance as at (insert current FY)</i> Kshs

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<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
Total		-	-	-

Annex 6 – Summary of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 20xx
Land	541,127,600	-	-	-	541,127,600
Buildings and structures	4,517,070,168	867,429,334	-	-	5,384,499,502
Transport equipment	484,560,997	43,129,252	-	-	527,690,249
Office equipment, furniture and fittings	149,147,448	30,779,711	-	-	179,927,159
ICT Equipment, Software and Other ICT Assets	92,551,553	1,043,101	-	-	93,594,654
Other Machinery and Equipment	468,089,888	34,475,790	-	-	502,565,678
Heritage and cultural assets	1,391,940,937	20,401,172	-	-	1,412,342,110
biological assets		21,304,016			
Intangible assets	94,441,388	-	-	-	94,441,388
Infrastructure Assets- Roads, Rails	390,639,500	391,830,574	-	-	782,470,074
wip	1,150,716,858		-	-	1,150,716,858

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Asset Class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost e/f (Kshs) 20xx
Total	9,280,286,337	1,410,392,950	-	-	10,669,375,271

*NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Executive. Additions during the year should tie to **note 9** 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 7 – Inter-Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred. KShs	Amount Confirmed as received. KShs	difference	explanation
1.	Nandi County Assembly	113,499,285	151,798,146	129,862,317	293,912,438	689,072,186	689,072,186		
2.	Nandi County Education Fund	6,000,000	9,000,000	63,000,000	12,000,000	90,000,000	90,000,000		
3.	Nandi executive car & mortgage loan	-	-	25,000,000	25,000,000	50,000,000	50,000,000		
4.	Nandi Assembly car & mortgage loan	-	-	25,000,000	65,000,000	90,000,000	90,000,000		
5.	Total	119,499,285	160,798,146	242,862,317	395,912,438	919,072,186	919,072,186		



Chief officer Finance
 County Executive



Clerk
 Nandi County Assembly



Chief officer Education and vocational training
 Nandi County Education Fund

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Annex 8 – Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

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Annex: 9 Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Annex 10 Reporting on Disaster Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments