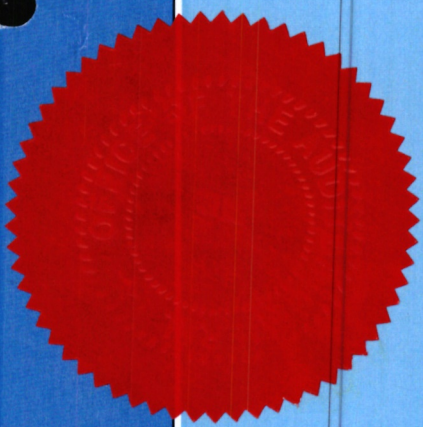
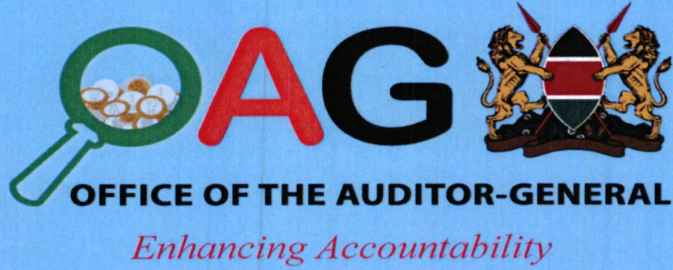


REPUBLIC OF KENYA

SCANNED



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COMMITTEE	_____
CLERK AT THE TABLE	MR. INNOCENT MUSAHA

REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

**COUNTY EXECUTIVE OF
TANA RIVER**

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



21 FEB 2023



COUNTY GOVERNMENT OF TANA RIVER

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

1. Key Entity Information And Management

a) Background information

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

Tana River County is located in the coastal region of Kenya. The county borders Kitui County to the West, Garissa County to the North East, Isiolo County to the North, Lamu County to the South East and Kilifi County and Indian Ocean to the South. The county straddles between latitudes 00 0'53'' and 20 0'41'' South and longitudes 380 30' and 400 15' East and has a total area of 38,862.20 Km². The county has a coastal strip of 76 Km.

Tana River County comprises of three constituencies namely; Galole, Bura and Garsen with 15 county electoral wards. Each constituency corresponds to a sub-county. The county is divided into 15 wards, 54 locations, and one hundred nine (109) sub-Locations. The county headquarters is Hola town.

The County is largely rural in settlement and a member of the Jumuiya ya Kaunti za Pwani (JKP) and the Frontier Counties Development Council (FCDC).

The population of Tana River County in 2019 was 315,943 according to the KNBS census with 158,508 being male and 157,340 females. This is expected to increase to 326,577 in 2020 and to 349,333 by 2022, reflecting about 17.7 per cent increase.

Vision

A Peaceful, Cohesive and Prosperous County offering high quality of life to its residents.

Mission

To ensure effective and accountable leadership, promote a just, democratic and secure environment and establish strong governance institutions to empower citizens, for the achievement of socio-economic and political development.

Core Values

- Honesty and Integrity
- People-centeredness
- Efficiency and Effectiveness in Service delivery
- Accounting and Transparency
- Professionalism
- Innovation and Result Based Development

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

b) Key Management

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

- Office of the Governor
- Finance and Economic Planning
- Public Service Management, Administration & ICT
- Education, Vocational Training and Sports, Culture, Social Service and Gender
- Health, Sanitation and Medical Services
- Agriculture, Lands Livestock, Veterinary and Fisheries
- Roads, Transport, Public Works and Urbanisation
- Trade, Industrialisation & Tourism; and
- Water, Irrigation, Environment and Natural resources.

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Mr. Mathew Babwoya Buya
2.	Accounting Officer in Charge of Finance	CPA. Hero Said Bwanamaka
3.	Director Accounting Services/Finance	CPA. Mariam Abdalla Bunu
4.	County Chief Officer Culture and Sports	Mr. Ahmed Maalim Barako
5.	County Chief Officer Agriculture	Mr. Buya Phares
6.	County Chief Officer Public Works, Housing and Urbanization	Eng. Jeremiah Hiribae Gijo
7.	County Chief Officer Roads and Transport	Eng. Jeremiah Hiribae Gijo
8.	County Chief Officer Trade and Tourism	Mr. Buya Phares
9.	County Chief Officer Education and Voc. Training	Ms. Fatuma Bona
10.	County Chief Officer Livestock, Fisheries and Veterinary	Mr. Kanchoru Golo
11.	County Chief Officer Cohesion & Special Prog.	Ms. Salima Makuru
12.	Ag. County Chief Officer Public Service and Admin.	CPA. Hero Said Bwanamaka
13.	Ag. County Chief Officer Water and Energy	Ms. Salima Makuru
14.	County Chief Officer Health and Sanitation	Mr. Erick Wasonga
15.	County Chief Officer Lands and Physical Planning	Mr. Francis Malibe
16.	County Chief Officer Environment & Nat. Resources	Mr. George Kase
17.	County Chief Officer Office of the Governor	Ms. Salima Makuru

d) Fiduciary Oversight Arrangements

County Assembly of Tana River
County Executive Committee
Tana River County Executive Audit Committee
Senate Public Accounts Committee
Office of The Controller of Budget
Office of the Auditor General
Development Partners Oversight

e) County Executive Headquarters

P.O. Box 29 -70101
Trade House
Council Road
Hola, Kenya.

f) County Executive Contacts

Telephone: (254) 73062600
E-mail: info@tanariver.go.ke
Website: www.tanariver.go.ke

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Hola Branch
P. O. Box 100 - 70101
Hola, Kenya
3. Equity Bank

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Hola Branch
P.O. Box 182-70101
Hola, Kenya.

h) Independent Auditors

Auditor-General
Office of The Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

2. Foreword by the CECM Finance and Economic Planning

It is my pleasure to present the Tana River County government financial statements for the year ended 30th June 2022, which are in line with the Public Finance Management (PFM) Act, 2012 and the IPSAS cash basis of accounting. The Act requires final accounts to be prepared, published, publicized and submitted to the County Assembly, Office of the Auditor General, the National Treasury, the Controller of Budget and Commission for Revenue Allocation within a period of three months after the end of each Financial Year. The financial statements present the financial performance of the County Government over the past year.

Attached are the Financial Statements that have been prepared in line with the requirements of the PFM Act 2012, which present a true and fair view of state of affairs of the County Government of Tana River for the year, ended June 30th, 2022.

Financing of the County Governments

In accordance with Article 202 of the Constitution of Kenya, the revenue raised nationally shall be shared equitably among the National Government and the County Governments. The County Governments 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 of Kenya, 2010.

The County also finances its operations through own source generated revenues (OSR) and has endeavoured to enhance the existing revenue sources as well as exploring new revenue sources. The county is keen on improving its revenue collection through enhanced enforcement, strict supervision and revenue automation. The key local revenue sources for Tana River County included business permits, land rates, natural resources exploitation, livestock cesses and various other administrative charges.

A. Financial Performance

The County Government of Tana River had projected revenues of Ksh 8,117,948,522 comprising of: Ksh 79,860,000 from Own Source revenue; Ksh 6,528,408,765 from Exchequer releases; Ksh 966,116,250 being Returned CRF issues and Ksh 543,563,507 Transfers from other Government Agencies

Below is an illustration on a pie chart of the projected revenue for the County Government of Tana River for the period ended 30th June, 2021.

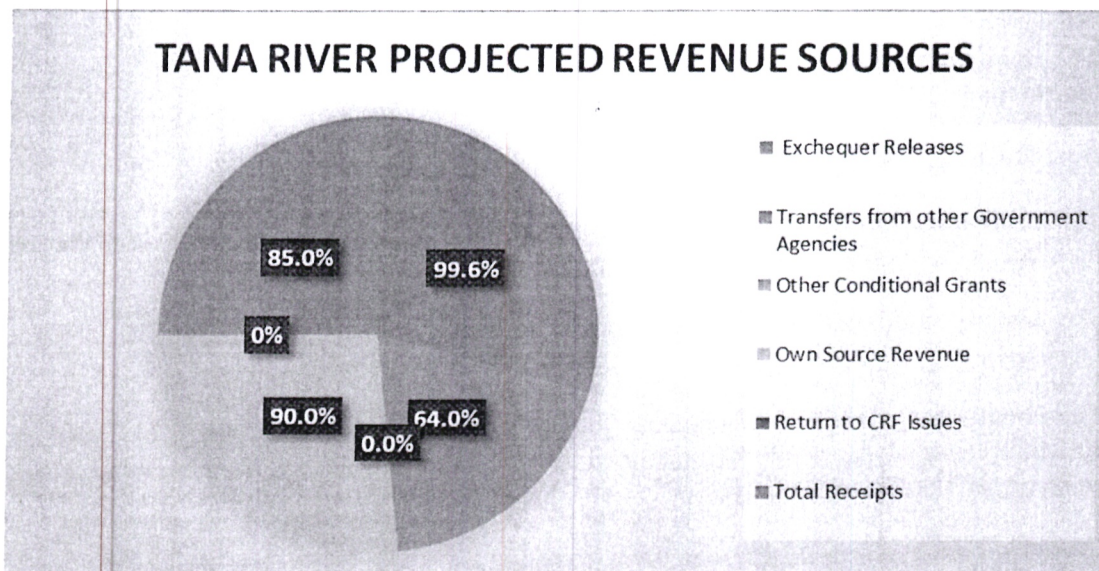


Figure 1: County Government of Tana River projected revenue sources Financial Year 2021/2022

Budgeted Revenue Vis a Vis Actual

The County managed to realize Ksh. 6,921,696,278 in revenues representing 85 % performance. The variance in the budget was as a result of under collection of Proceeds from Domestic and Foreign Grants and Own Source Revenue as tabulated below:

ii. Payments

The county actual expenditure for the financial year ended 30th June 2021 amounted to Ksh 6,316,378,185. Actual acquisition of assets expenditure for the period amounted to Ksh. 1,637,544,388, compensation of employees was Ksh 1,729,102,042 use of goods and services was Ksh 1,696,030,405, social security benefits were Ksh 34,794,365 and Ksh 796,721,549 spent on transfer to other Government units and other grants.

iii. Accounts receivables

The County Government of Tana River has put in place proper imprest management system, which ensures that imprests are properly recorded and examined for compliance and accuracy as well as timely surrender and accounted for in the right manner.

iv. Pending bills

The total pending bills as at the period ended on 30th June,2022 was Kshs _____. Our focus as a county is to settle the bills as soon as possible. In every budget cycle, we ensure that parts of the allocations are towards settlement of the old outstanding pending bills.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

v. Fixed Assets

The county Government of Tana River has made significant investments in fixed assets since its inception in 2013. This is in addition to what we inherited from the Defunct Local Authority.

B. Operational Performance

The County's operations are structured in terms of sectors and departments, which are headed by the County Executive Committee Members.

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

The county has witnessed tremendous growth in the sectors like health, water, infrastructure, agriculture and energy during the financial year under review, which has transformed the lives of residents of Tana River County.

Despite notable achievements, we have experienced some challenges during the year. These include:

- a. IFMIS downtimes delaying payments.
- b. Delays in Exchequer disbursements leading to delays in projects implementation and payments.
- c. General climate change leading to prolonged drought periods, erratic rainfall and increase in temperatures.
- d. Others include high rates of inflation, which have greatly influenced the ever-rising cost of living. This has led to increased cost of programmes/projects against the planned cost hence causing delay in implementation.

Conclusion

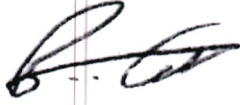
The performance in Financial year 2021/2022 was good where great progress was made and momentum has been created to enable the County Government continue on a trajectory into prosperity.

I take this opportunity to appreciate H.E the Governor for his support. I also thank the County executive committee member, The County Chief officers and the staff in the entire county for their continued commitment in delivering services to the people of Tana River County.

In view of the above, it is my pleasure to forward the Tana River County Government's financial statements for the year ending 30th June 2022. The statements are prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

The statements presented include: A statement of Receipts and Payments, a statement of Assets and Liabilities, Cash flow Statement, a statement of Comparative budget and actual amounts, a statement of Pending bills, a summary of significant accounting policies, a statement of outstanding imprest and Notes to the Financial Statements.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

A handwritten signature in black ink, appearing to be 'B. G.', is positioned above the title.

CECM Finance and Economic Planning
County Government of Tana River

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Department	Objective	Outcome	Indicator	Performance
	county road infrastructure	economic development	for increased accessibility	
			Kilometres of existing roads that have been rehabilitated	
	To design, develop, maintain and rehabilitate safe and cost effective public buildings and other works	Improved standard and quality of building infrastructure in the County	Construction of the County Headquarters	In FY 21/22 the county headquarter was at % status of construction completed
	To provide adequate and affordable low cost housing units.	Orderly, coordinated, efficient and environmentally sound development in both urban and rural areas.	No. of fire stations constructed	In FY 21/22 we continued with the construction of the county headquarters to % of completion
Water	To provide effective management of water services that is efficient, affordable, reliable and sustainable	improved access to Safe and clean water	Number of boreholes drilled and equipped	In the FY 21/22 we drilled and equipped __ boreholes at
Environment and natural resources	To sustainably manage and conserve environment and natural resources.	Properly collected and disposed solid waste	Tones of solid waste collected and safely disposed	
Lands and Physical planning	To ensure efficient and effective administration of land resources	Improved land management for sustainable development	Number of plots Geo-referenced on the National Map	
		Improved land management for sustainable development	Number of allotment letters issued	
Hola Municipality	To promote and	Developed infrastructure and plans	No. of Km	

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Department	Objective	Outcome	Indicator	Performance
	undertake infrastructural development and enforcement of plans within the Municipality	within the municipality	covered with the storm water drainage	
		Improved public transport environment in Hola municipality	No. of Bus Station constructed	
		Increased public health safety in Hola Municipality	No. of slaughter house constructed	
		Increased public health safety in Hola Municipality	No. of Modern Toilets constructed	
	To develop and maintain street and security lighting infrastructure in the municipality	Increased public safety and security	% Reduction of crime	In FY 21/22 Street lighting was undertaken in Hola municipality and there has been xx% reduction in crime

N/B: Data and information provided here should be verifiable against the ADP.

4. Environmental and Sustainability Reporting

Tana River County Government exists to transform lives for Tana river residents. This is our main purpose; the driving force behind everything we do. Our vision is to be a peaceful, cohesive and prosperous county offering high quality of life to its residents. It is what guides us to deliver our strategy as highlighted below:

1. Sustainability strategy and profile

Tana River County Government through its mission statement aims to ensure effective and accountable leadership, promote just, democratic and secure environment and establish strong governance institutions to empower citizens, for the achievement of socio-economic development. It aims to realise a democratic political system founded on issue based politics, respect to the rule of law and protection of the rights and freedoms of every individual espousing principles of good governance by advocating for integrity, transparency, accountability, devolution of power and sustainability in implementation of all development programmes and projects.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

The purpose of the Tana River County Climate Change Act is meant to address the growing environmental and mitigation of climate change. This will protect the environment for the current and future generations and progressively strive to meet the realization of the right to healthy and clean environment.

The key interventions the county will focus on are:

- Increasing forest cover
- Control of air, land and water pollution.
- Management and conservation of environment and natural resources
- Law enforcement on climate change mitigations
- Control of noise pollution
- Control and management of sand harvesting

The overriding policy goal is to entrench the rights to clean and healthy environment, which is sustainable and renewable. The policy goal is to enhance climate resilience through development, management, implementation, regulation and monitoring of adaptation and mitigation measures and actions.

3. Employee welfare

The County Government of Tana River always puts into consideration all the relevant laws, policies and guidelines during its recruitment process. These include; the constitution of Kenya (2010), the Employment Act (2007), County government Act (2012) and the County Public Service Human Resource Manual (2016). The constitution of Kenya (2010), Article 27(8) provides that affirmative action should be factored where the state is required to take legislative and other measures to ensure that no more than two-thirds of the members of elective or appointive bodies are of the same gender. This has been cascaded to the County Government recruitment processes. The County Government Act 2012 also envisages the principle of gender equality in County Government hiring process whereby we are happy to report that Tana River County has complied by having a ratio of 60% men and 40 % women in the public service.

To manage employee's skills and management career development, the County Government of Tana River has employed several strategies, which range from training, promotions, and performance management. The County Government of Tana River has put in place measures that foster employee's skills through local and international training opportunities based on the training needs/gaps in various departments. It has also utilized Kenya School of Government to train its employees various courses in management of public service. The County government of Tana River has rolled out a structured performance management process where the employees are required to sign performance contracts and appraisals in order to ensure that they are aware of their department's goals, objectives and evaluations done as stipulated in the draft performance management policy. Promotions are done regularly to motivate and help the employees in their career advancement. The County government of Tana River has adhered to the guidelines in the Occupational Safety and health Act (2007) (OSHA).

4. Market place practices-

The county Government of Tana River has operationalized e-procurement through Integrated Financial Management Information System(IFMIS) to enhance transparency and accountability in procurement process from procurement planning, requisition, sourcing and payment, e-transparency, competitively and in a cost effective manner. IFMIS e-procurement module is linked to a n item master which has indicative prices for all commonly used items to ensure that there are no price inflations by procuring entities thus enhancing value for money.

Further e-procurement has inbuilt approvals at all levels of the procurement process to enhance checks, controls and accountability.

Apart from increasing efficiency in service delivery due to competition, transparency and lower transaction costs-procurement system is designed to enable the government increase and monitor government procurement opportunities to the preference groups, including women, youth and differently abled persons.

5. Community Engagements

The county government of Tana River conducted citizen engagement through table banking programme. Other forms of citizen engagement through table banking programme. Other forms of citizen engagement included public participation in Annual Development Plan (ADP) Finance Bill, County Budget Review Outlook Paper (CBROP) and County fiscal Strategy Paper (CFSP). With the advent of covid-19 pandemic, the Directorate of Public Participation with relevant departments held weekly digital civic education forums across the county.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

5. Statement of Management Responsibilities

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 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, 2022, and of its financial position as at that date.

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

The 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.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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 30th Sep 2022.



County Executive Committee Member –
Finance and Economic Planning

REPUBLIC OF KENYA



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF TANA RIVER FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Executive of Tana River set out on pages 1 to 39, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows

and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Executive of Tana River as at 30 June, 2022 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Adverse Opinion

1.0 Presentation, Accuracy and Disclosure of the Financial Statements

The financial statements under other important disclosures, Annex 2, Annex 3, Annex 4, Annex 6, Annex 8, Annex 9 and Annex 10 contain blank tables.

Also, Section 2 A of the financial statement under financial performance discloses budgeted revenue of Kshs.8,117,948,522 which was not based on the final budget of Kshs.8,484,714,371 shown in supplementary (revised) budget document, but on the original budget.

Further, the statement of comparison of budget and actual amounts reflects final receipts budget amount of Kshs.7,209,551,770 which differs with the Kshs.8,484,714,371, resulting in an unreconciled variance of Kshs.1,275,162,601.

In addition, the financial statements do not include budget execution by programs and sub-programs and summary of prior year's audit issues are not included in progress on follow up on prior year auditor's recommendations.

Similarly, Section 2 A of the financial statement under financial performance disclosed 30 June, 2021 as the reporting financial year instead of 30 June, 2022. In addition, the signature for the Finance Director was different in the original financial statements and the amended version of the financial statement. Also, under the fiduciary Management, it was noted that some chief officers had responsibilities as accounting officers for more than two departments.

In the circumstances, the financial statements were not prepared in compliance with the Annual Financial Reporting Template (Revised June, 2022) issued by the Public Sector Accounting Standards Board. Further, the accuracy of the reported receipts budget of Kshs.7,209,551,770 could not be confirmed.

2.0 Misclassification of Other Receipts

The statement of receipts and payments reflects Exchequer releases (transfers from the CRF) amount of Kshs.7,007,153,505 which, according the supporting schedules provided for audit, includes receipts which did not come from Exchequer issues received into the

County Revenue Fund (CRF) amounting to Kshs.938,097,567, comprising special purpose funds and County funds of Kshs.493,493,621 and Kshs.444,603,946 respectively. The receipts of Kshs.938,097,567 therefore relates to other receipts item.

Further, the statement of receipts and payments reflects Exchequer releases (transfers from the CRF) comparative amount of Kshs.6,666,257,774 which, according to the supporting Note 1 to the financial statements, was released in Quarter 4 of the previous financial year. However, the audited financial statements for the year ended 30 June, 2021, reflected Exchequer releases of Kshs.5,861,105,250 which were spread across the four (4) quarters of that year.

In the circumstances, the accuracy of the reported Exchequer releases (transfers from the CRF) and other receipts amounts of Kshs.7,007,153,505 and Nil respectively, and comparative amount in Note 1 could not be confirmed.

3.0 Variance in Personal Allowances Paid as Part of Salary

The statement of receipts and payments reflects compensation of employees expenditure of Kshs.1,683,780,354 which, as disclosed in Note 4 to the financial statements, includes personal allowances paid as part of the salary amount of Kshs.842,945,404. However, the latter amount differs with a corresponding amount of Kshs.782,725,906 recorded in the Integrated Personnel and Payroll Data (IPPD) system, resulting in an unreconciled variance of Kshs.60,219,498.

In the circumstances, the accuracy of personal allowances paid as part of salary amount of Kshs.842,945,404 could not be confirmed.

4.0 Use of Goods and Service

The statement of receipts and payments, and as disclosed in Note 5 to the financial statements, reflects use of goods and services balance of Kshs.1,710,208,039. However, the following anomalies were noted:

4.1 Misclassification of Expenditure

The use of goods and services balance of Kshs.1,710,208,039 includes payments totalling to Kshs.332,019,932 which do not relate to the respective sub-components under which they were classified. The misclassification arose because expenditure items were charged to incorrect budget items. This was contrary to Section 40(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires budget estimates to be prepared, accounted for and reported in accordance with the Government of Kenya budget classification and standard chart of accounts issued by the National Treasury.

In the circumstances, the accuracy of sub-component amounts under use of goods and services and the validity of expenditure of Kshs.332,019,932 could not be confirmed.

4.2 Unsupported Expenditure on Hire of Helicopters

The use of goods and services balance of Kshs.1,710,208,039 includes domestic travel and subsistence amount of Kshs.273,787,227 which further includes expenditure of Kshs.34,886,099 incurred on hire of helicopters. However, Management did not provide justification for use of helicopters as a means of travel at the expense of service delivery. Further, details of the assignments carried out and their relevance to the County, and procurement documents were not provided for audit.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.34,886,099 could not be confirmed.

4.3 Unsupported Expenditure

The use of goods and services balance of Kshs.1,710,208,039 includes amounts totalling to Kshs.397,337,481, summarized below, whose payment records and related supporting documents were not provided for audit:

No.	Details	Amount (Kshs.)
1.	Other Operating Expenses	96,056,523
2.	Domestic Travel	54,682,247
3.	Foreign Travel	21,902,992
4.	Motor Vehicle Repairs	42,756,484
5.	Routine Maintenance - Other Assets	15,340,670
6.	Rentals of Produced Assets	27,206,491
7.	Office and General Supplies	29,335,850
8.	Specialized Materials	13,915,870
9.	Hospitality	54,537,370
10.	Training Expenses	5,089,396
11.	Printing	11,742,892
12.	Fuel	24,770,696
Total		397,337,481

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.397,337 could not be confirmed.

4.4 Unsupported Legal Fees

The use of goods and services balance of Kshs.1,710,208,039 includes other operating expenses amount of Kshs.426,374,607 out of which, Kshs.110,782,070 was in respect of legal fees. However, procurement documents confirming that the legal services worth the latter amount were competitively sourced, fee notes, details of cases handled and the status of those cases, amounts paid to date, outstanding balances (if any per case), evidence of court attendance, rate as per advocate remuneration roll and case files showing the value of each case were all not provided for audit. Further, the expenditure of Kshs.110,782,070 includes an amount of Kshs.35,591,400 paid to two firms that were not prequalified for the services.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.110,782,079 could not be confirmed.

4.5 Unsupported Domestic Travel and Subsistence Allowance

The use of goods and services balance of Kshs.1,710,208,039 includes domestic travel and subsistence amount of Kshs.273,787,227 out of which, Kshs.13,652,700 was paid to Tana River County Government Salary Account and Kshs.63,890,829 to Tana River County Government standing imprest account. However, details of the officers who travelled, dates and reasons for travel in support of the latter two amounts were not provided for audit. In addition, the expenditure of Kshs.273,787,227 includes payments amounting to Kshs.8,130,200 whose supporting documents, including signed schedules, work tickets, bus tickets, attendance registers and invitation letters for the meetings and trainings attended were not provided for audit.

In the circumstances, the accuracy, completeness and validity of expenditure amounting to Kshs.85,673,729 in respect of domestic travel and subsistence allowances could not be confirmed.

4.6 Unsupported Foreign Travel and Subsistence

The use of goods and services balance of Kshs.1,710,208,039 includes foreign travel and subsistence amount of Kshs.34,999,174 which further includes payments made to two air ticketing companies amounting to Kshs.16,286,250 whose supporting procurement documents, details of travel, date of travel and reason for travel were not provided for audit. In addition, an amount of Kshs.8,452,735 was transferred to Tana River County Government imprest account and expensed upon transfer with no accountability from the receiving officer.

In the circumstances, the accuracy, completeness and validity of foreign travel and subsistence allowances of Kshs.24,738,985 could not be confirmed.

4.7 Unsupported Office and General Supplies and Services

The use of goods and services balance of Kshs.1,710,208,039 includes office and general supplies and services amount of Kshs.193,476,932 out of which, Kshs.23,319,156 relates to goods and services that were not taken on charge vide counter receipt voucher (S13) and received and issued out vide counter issue Note (S11). In addition, documents relating to vital procurement processes such as appointment of inspection and acceptance committee, signing of professional opinion, approved user requisition and evidence of receipt were not provided to support the supply and rendering of services. Further, quotations for goods worth Kshs.1,800,000 in respect of supply of stationeries were blank.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.23,319,156 could not be confirmed.

4.8 Unsupported Expenditure on Garbage Collection and Fumigation Services

The use of goods and services balance of Kshs.1,710,208,039 includes other operating expenses amount of Kshs.426,374,607 out of which, Kshs.60,097,396 and Kshs.44,407,952 were spent on garbage collection and fumigation services respectively. However, documentation in support of the procurement of garbage collection and fumigation services were not provided for audit.

In the circumstances, the accuracy, completeness and validity of expenditure on garbage collection and fumigation totalling to Kshs.104,505,348 could not be confirmed.

5.0 Transfer to Other Government Entities

The statement of receipts and payments, and as disclosed in Note 7 to the financial statements, reflects transfers to other Government entities expenditure of Kshs.796,721,549. However, the following unsatisfactory matters were noted:

5.1 Variances in Transfers to Other Government Entities

The transfers to other Government entities expenditure of Kshs.796,721,549 differs with a corresponding expenditure of Kshs.1,817,364,965 reflected in Annex 7 to the financial statements, resulting in an unreconciled variance of Kshs.1,021,643,416 as analyzed below:

Entity	Amount as Per Note 7 Kshs.	Amount as Per Annex 7 Kshs.	Variance Kshs.
Tana River County Assembly	-	884,949,935	(884,949,935)
Health Facilities	94,798,031	-	94,798,031
User Fees Foregone	5,682,537	-	5,682,537
DANIDA	3,618,955	3,647,914	(28,959)
THUSCP	-	113,034,987	(113,034,987)
Youth Polytechnics	-	37,012,341	(37,012,341)
IDEA LED Project	10,000,000	16,000,000	(6,000,000)
KCSAP	248,384,432	240,884,432	7,500,000
KUSP	62,422,362	36,491,510	25,930,852
WSDP	-	20,000,000	(20,000,000)
Inuka Fund	-	25,773,196	(25,773,196)
VTC	51,779,188	-	51,779,188
ASDSP II	35,705,294	20,739,900	14,965,394
County Covid-19 Fund	132,165,375	132,165,375	-
Bursary Fund	-	154,500,000	(154,500,000)
County DRM Fund	132,165,375	132,165,375	-
TAWASCO	20,000,000	-	20,000,000
Total	796,721,549	1,817,364,965	(1,020,643,416)

Further, Note 7 to the financial statements reflects nil transfers to Tana River County Assembly, while the financial statements of the Tana River County Assembly show that the Assembly received Exchequer releases of Kshs.884,949,935 from the County Treasury, resulting in an unexplained variance of Kshs.884,949,935.

In the circumstances, the accuracy and completeness of transfer to other Government entities amount of Kshs.796,721,549 could not be confirmed.

5.2 Unsupported and Irregular Transfer to Vocational Training Centres

The transfers to other Government entities expenditure of Kshs.796,721,549 includes an amount of Kshs.51,799,189 transferred to vocational training centres. Out of this amount, Kshs.9,052,295 was paid directly to various suppliers instead of transferring the funds to the training centres, and expenditure records and documents supporting the latter amount were not provided for audit.

Further, included in the Kshs.51,799,189 are payments totalling to Kshs.42,746,894 in respect of which, accountability statements from the receiving institutions as evidence of receipt of the funds were not provided for audit. In addition, the latter amount includes payments amounting to Kshs.13,207,447 in respect of which, details of beneficiary training centres were also not provided for audit.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.51,799,189 could not be confirmed.

5.3 Unaccounted for Transfers to Health Facilities

The transfers to other Government entities expenditure of Kshs.796,721,549 includes transfers to health facilities amount of Kshs.94,798,031 out of which, Kshs.58,110,724 was transferred to Transforming Health Systems (THS) project account. However, schedule, payment vouchers, cash book, bank statements and bank reconciliation statements in support of the latter amount were not provided for audit. Further, the transfers of Kshs.58,110,724 also includes Kshs.35,875,807 paid directly to suppliers and individuals, instead of being transferred to the project account and the same was not accounted for.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.94,798,031 could not be confirmed.

5.4 Irregular Transfer of Funds to Tana River County Government Standing Imprest Account

The transfers to other Government entities expenditure of Kshs.796,721,549 includes an amount of Kshs.62,699,000 transferred from the Central Bank of Kenya recurrent account to Tana River County Government standing imprest account (KBC Imprest Account) which, as disclosed in Note 14A to the financial statements, had a nil balance as at 30 June, 2022. However, the County Executive made payments from the account in respect of normal operations including domestic travel and subsistence allowances, hospitality supplies and services and other expenses, instead of operating the account for petty cash transactions only. This was contrary to Regulation 82(1)(a) of the Public Finance Management (County Governments) Regulations, 2015, which provides that for avoidance of doubt, all County Government bank accounts shall be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash. Further, payments from the account were not processed through IFMIS as required. In addition, the bank

statements and the cash book for the standing imprest account were not provided for audit.

In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.62,699,000 could not be confirmed.

6.0 Acquisition of Assets

The statement of receipts and payments, and as disclosed in Note 10 to the financial statements, reflects acquisition of assets balance of Kshs.1,637,544,388. However, the following unsatisfactory matters were noted:

6.1 Misclassification of Expenditure

The acquisition of assets balance of Kshs.1,637,544,388 includes amounts totalling to Kshs.404,982,755 which do not relate to the respective sub-components under which they are classified. The misclassification arose because payments were charged to incorrect budgetary items. This was contrary to Section 40(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires budget estimates to be prepared, accounted for and reported on against budget classifications and the standard chart of accounts.

In the circumstances, the accuracy and completeness of the sub-component amounts under acquisition of assets could not be confirmed.

Also, Management was in breach of the law.

6.2 Unsupported Expenditure

The acquisition of assets balance of Kshs.1,637,544,388 includes an amount Kshs.225,478,229 (summarized below) whose payment records and supporting documents were not provided for audit.

No.	Details	Amount (Kshs.)
1	Construction of Buildings	45,237,340
2	Refurbishment of Buildings	36,798,363
3	Construction of Roads	29,129,860
4	Purchase of Furniture	9,267,914
5	Construction and Civil Works	105,044,752
Total		225,478,229

In the circumstances, the accuracy, completeness and validity of the expenditure amounting to Kshs.225,478,229 could not be confirmed.

6.3 Unsupported Expenditure on Refurbishment of Buildings

Included in the acquisition of assets balance of Kshs.1,637,544,388 is refurbishment of buildings expenditure of Kshs.147,742,915 which further includes Kshs.16,032,628 whose supporting documents, including invoices, Local Service Orders, acceptance

letters from the winning bidders, departmental purchase requisition order, duly signed contract agreements, certificate of incorporation, business permits and professional opinion were not provided for audit. In some instances, tender opening minutes and quotations were signed by only two members, contrary to the required minimum of three members.

In the circumstances, the accuracy, completeness, value for money and validity of the expenditure of Kshs.16,032,628 could not be confirmed.

6.4 Purchase of Ambulances

The acquisition of assets balance of Kshs.1,637,544,388 includes purchase of vehicles and other transport equipment amount of Kshs.53,976,028 out of which Kshs.52,450,000 was utilized to acquire five (5) Toyota 4x4 land cruiser ambulances. However, it was established that one ambulance had not been delivered as at the time of the audit while another ambulance was not branded. In addition, the vehicles were not inspected upon delivery. Further, value added tax amounting to Kshs.2,712,931 was not deducted and remitted to Kenya Revenue Authority.

In the circumstances, the existence of one motor vehicle procured at an estimated cost of Kshs.8,741,667 and value for money of the expenditure of Kshs.52,450,000 could not be confirmed.

7.0 Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.26,237,720. However, the following audit issues were noted:

7.1 Unsupported Cash and Bank Balances

The balance of Kshs.26,237,720 comprises bank and cash balances of Kshs.25,073,410 and Kshs.1,164,310 respectively, whose supporting cash books, certificates of bank balances, bank reconciliation statements and board of survey cash count certificates in were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.26,237,720 could not be confirmed.

7.2 Non-disclosure of Bank Accounts

Bank balances for the following bank accounts operated by the County Executive in various commercial banks were not disclosed in the financial statements: Tana River Health Conditional Grant account held with Equity Bank, Tana River County ASDSPII account held with Kenya Commercial Bank, Hola Municipality account held with Kenya Commercial Bank, EU IDEAS LED milk and fish projects accounts held with Kenya Commercial Bank, Tana River Health Care Support, Tana River Livestock Support, Tana River Deposit Account and Tana River County Salary Account.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.26,237,720 could not be confirmed.

8.0 Statement of Cash Flows

The statement of cash flows reflects prior year adjustments amount of Kshs.1,751,240,617. However, no explanation or explanatory note was given to explain these prior adjustments. In addition, Note 18 indicated in the statement as relating to prior year adjustments was not included in the notes to the financial statements section.

In the circumstances, the accuracy, completeness and nature of the prior year adjustments amount of Kshs.1,751,240,617 could not be confirmed.

9.0 Unsupported Outstanding Imprests and Non-Compliance with Regulations on Management of Temporary Imprest

The statement of assets and liabilities reflects outstanding imprest balance of Kshs.36,785,842 whose supporting imprest warrants and imprest registers were not provided for audit.

Further, it was noted that some officers were issued with multiple imprests before accounting for or surrendering the previous imprests held by them, contrary to Section 93(8) of the Public Finance Management (County Governments) Regulations, 2015. Further, the imprests had been outstanding for more than a year as per Annex 5 to the financial statement contrary to Section 93(5) of the Public Finance Management (County Governments) Regulation, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within seven (7) working days after returning to duty station.

In the circumstances, the accuracy and completeness of the outstanding imprests balance of Kshs.36,785,842 could not be confirmed. In addition, Management was in breach of the law.

10.0 Unsupported Deposits and Retention Balance

The statement of assets and liabilities reflects deposits and retentions balance of Kshs.9,167,568. However, Management did not disclose in Note 16 to the financial statements the amount of retention money paid to contractors during the year and net changes in accounts payables. Further, records provided for audit indicated that during the year under review, a total of Kshs.67,721,320 was paid to various contractors as retentions for contracts completed in previous financial years. However, this amount exceeds the opening balance of Kshs.13,655,628 disclosed in the statement of assets and liabilities. In addition, Management did not provide creditors' ledgers and bank statements for the retention account.

In the circumstances, the accuracy, completeness and existence of the retention balance of Kshs.9,167,568 could not be confirmed.

11.0 Doubtful Non-disclosure of Pending Bills

Notes 1 and 3 to the financial statement, under other important disclosures, on pending accounts payable and other pending payables, together with the supporting Annexes 2

and 4 respectively, reflect nil balances. Similarly, Part 2 iv of the financial statements reflects a nil balance of pending bills for the financial year ended 30 June, 2022. According to the previous year's audited financial statements, the County Executive had pending accounts payable and other pending payables amounting to Kshs.1,021,035,901 and Kshs.316,947,057 as at 30 June, 2022 respectively. However, evidence of settlement of these prior year's pending bills was not provided for audit.

In the circumstances, the accuracy, completeness and existence of the pending bills as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Tana River in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

1.1 Underfunding and Under-Absorption of the Budget

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.7,209,551,770 and Kshs.7,007,153,505 respectively, resulting to underfunding of Kshs.202,398,266 (or 3% of the approved budget). Similarly, the County Executive had actual expenditure of Kshs.6,295,874,045 against approved expenditure budget of Kshs.7,209,551,770, resulting to under expenditure of Kshs.1,280,309,574 (or 17 % of the budget).

The underfunding and under-expenditure adversely affected implementation of planned programmes and delivery of services to the residents of Tana River County.

1.2 Unauthorized Over Expenditure

The statement of comparison of budget and actual amounts shows that the County Executive overspent in five (5) components as analysed below:

Component	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Over Expenditure (Kshs.)
Use of Goods and Services	1,705,419,140	1,710,208,039	4,788,899

Component	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Over Expenditure (Kshs.)
Other Grants and Transfers	0	154,500,000	154,500,000
Social Security Benefits	38,829,452	45,434,278	6,604,826
Acquisition of Assets	1,125,202,817	1,637,544,388	512,341,571
Other Payments	132,165,375	267,685,435	135,520,060
Total	3,001,616,784	3,815,372,140	813,755,356

However, approval of the over expenditures amounting to Kshs.813,755,356 was not provided for audit.

In the circumstances, the regularity of the expenditure of Kshs.813,755,356 could not be confirmed.

1.3 Late Exchequer Releases

The statement of receipts and payments reflects Exchequer releases totalling to Kshs.7,007,153,505 which includes an amount of Kshs.315,403,013 received by the County Government from the National Treasury towards the end of the month of June, 2022 as detailed below:

Date	Transaction Details	Amount (Kshs.)
29 June, 2022	FT22180C7M6N	6,486,563
29 June, 2022	FT22180CW5FK	25,000,000
29 June, 2022	FT22180PY0N4	57,137,900
30 June, 2022	FT221816LY2X	10,038,874
30 June, 2022	FT2218175KGH	15,568,211
30 June, 2022	FT22181GNFX0	50,471,412
30 June, 2022	FT22181ZSPR8	150,700,053
Total		315,403,013

In addition, other Exchequer releases amounting to Kshs.886,870,925 were disbursed by The National Treasury after the closure of the year under review (as detailed below) from the budgeted funds for 2021/2022 financial year:

Date	Transaction Details	Amount (Kshs.)
05 July, 2022	FT22186MDJ8C	63,528,175
05 July, 2022	FT22186GY37R	139,518,780
05 July, 2022	FT2218623FCT	305,180,593
15 July, 2022	FT22196N8HJ8	20,000,000
15 July, 2022	FT22196NWX8R	20,739,900
15 July, 2022	FT22196Q1CYG	337,903,477
Total		886,870,925

The late Exchequer releases could have had adverse effect on the implementation of the planned activities and projects by the County Executive of Tana River for the year ended 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Compliance with Budget Procedures

Audit review of the budget process of the Executive revealed that Management did not prepare County Budget Review and Outlook Paper for the 2021/2022 financial year within the statutory timeline of 30 September, 2021 as required by Section 118 of Public Finance Management Act, 2012. Instead, it was finalized and submitted to the County Assembly on 10 November, 2021. In addition, there was no evidence that the document was deliberated on and approved by County Assembly. Further, it was observed that the County Executive did not publish the County Fiscal Strategy Paper, the County Budget Review and Outlook Paper and the County Annual Development Plan as required by Sections 117(8), 118(4)(b) and 126(4) of the Public Finance Management Act, 2012. Management did not provide satisfactory explanation for the failure to comply with the provisions of the law on budget process.

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

2.0 Non-Submission of Receiver of Revenue Statements, Level 2 to Level 4 Hospitals and Hola Municipality Financial Statements

The Management did not prepare and submit for audit the revenue statements for the County Government Receiver of Revenue and Financial Statements for Level 2 to 4 Hospitals and Hola Municipality. This was in contravention of Sections 165(1) and 164(4)(a) of the Public Finance Management Act, 2012. Sections 165(1) of the Act requires that at the end of each financial year, a Receiver of Revenue for a County Government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during the financial year. Section 164(4)(a) provides that within three (3) months after the end of each financial year, the Accounting Officer for an entity shall submit the entity's financial statements to the Auditor-General.

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

3.0 Non-Remittance of NSSF Statutory Deductions

According to the June, 2022 payroll data, the County Executive had a total of two thousand and forty-one (2,041) employees. However, summaries of the Integrated Payroll and Personnel Database (IPPD) for the year under review revealed that the County Executive deducted compulsory National Social Security Fund (NSSF) statutory dues from only eighty-two (82) employees. No satisfactory explanation was provided for the failure to deduct and remit the statutory dues from all the staff as required by Section 21, Sub-Sections (1) and (3) of the National Social Security Fund Act, 2013.

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

4.0 Use of Goods and Services

The statement of receipts and payments, and as disclosed in Note 5 to the financial statements, reflects use of goods and services balance of Kshs.1,710,208,039. However, the following anomalies were noted:

4.1 Irregular Procurement of Hospitality Supplies and Services

The use of goods and services balance of Kshs.1,710,208,039 includes hospitality supplies and services amount of Kshs.203,248,705. However, it was noted that quotation opening minutes and quotation evaluation reports were not signed by the Evaluation and Opening Committees members respectively. In addition, request for quotations were used for catering services with amounts exceeding the threshold for request for quotations.

In the circumstances, value for money of the expenditure of Kshs.203,248,705 could not be confirmed.

4.2 Irregular Expenditure on Fuel, Oil and Lubricants

The use of goods and services balance of Kshs.1,710,208,039 includes fuel, oil and lubricants amount of Kshs.54,926,472 which further includes payments totalling to Kshs.5,299,045 made to a Construction Company for supply of fuel through framework agreement. The Company was however not in the list of pre-qualified suppliers of fuel. In addition, valid license for retail of petroleum products from Energy and Petroleum Regulatory Authority confirming whether the Company had the necessary approval to store and retail fuel products was not provided for audit. Further, environmental impact assessment license from National Environment Management Authority (NEMA) for the business was also not provided for audit.

The Company was also awarded other contracts for construction and civil works during the year under review. It was therefore not clear how the Company was dealing with both construction business and supply of fuel products under the same name.

In the circumstances, value for money of the expenditure of Kshs.5,299,045 could not be confirmed. Also, Management was in breach of the law.

4.3 Irregular Extension of Contract for Repair and Maintenance of Vehicles

The use of goods and services balance of Kshs.1,710,208,039 includes routine maintenance - vehicles and other transport equipment amount of Kshs.65,107,652 out of which, Kshs.55,883,2412 was paid to a local garage for repair and maintenance of the County Executive's vehicles. However, review of the expenditure records revealed that the contract for routine maintenance of the vehicles was previously awarded to the Garage through framework contracting. The contract was renewed in August, 2021 for a period of three years without subjecting the extension to the procurement process in line with Section 139(2) a of Public Procurement and Asset Disposal Act, 2015, which requires the Accounting Officer to approve changes to contract upon recommendation by the Evaluation Committee. Further, the letter of extension and minutes of Evaluation Committee were not provided for audit.

The contract extension was also contrary to Section 91(5) of the Public Procurement and Asset Disposal Regulations, 2020, which requires entities to ensure a fair and equal rotation amongst the persons on the prequalified list.

In the circumstances, the regularity and value for money of the expenditure of Kshs.55,883,241 could not be confirmed. Also, Management was in breach of the law.

4.4 Irregular Procurements - Routine Maintenance of Other Assets

The use of goods and services balance of Kshs.1,710,208,039 includes routine maintenance - other assets amount of Kshs.89,211,165. However, procurement files for bids totalling to Kshs.19,312,500 lacked vital procurement records including user requisitions, letters of notification and acceptance of tender awards, invoices, and inspection and acceptance reports, signed professional opinion from the head of procurement function. In addition, quotations were not signed by the Opening Committee while evaluation minutes were not signed by the Committee Members.

Similarly, a contract worth Kshs.1,945,555 was awarded to a firm that was not pre-qualified in the respective category of maintenance. In addition, amounts in the quotations submitted by the three (3) bidders were altered and not counter signed. The bidder who was awarded the contract had quoted Kshs.2,234,590 but the quotation was altered to Kshs.1,945,555 hence the contract was irregularly awarded.

Further, contract files worth Kshs.5,102,573 lacked key mandatory requirements such as Valid Tax Compliance certificate and properly filled and signed business questionnaire as set out in the evaluation criteria.

In the circumstances, the regularity and value for money of the expenditure of Kshs.89,211,165 could not be confirmed. Also, Management was in breach of the law.

4.5 Irregular Payments to the Council of Governors

The use of goods and services balance of Kshs.1,710,208,039 includes an amount of Kshs.4,000,000 paid to the Council of Governors as membership fees. The amount comprises Kshs.2,000,000 subscription and Kshs.2,000,000 devolution conference

contribution. However, Management did not provide justification for the payments since the Council has its own budget as provided by Section 37 of the Inter-Governmental Relations Act, 2012.

In the circumstances, the validity and value for money of the expenditure of Kshs.4,000,000 could not be confirmed.

5.0 Failure to Deduct Value Added Tax

Examination of payment vouchers revealed that the Executive did not deduct and remit value added taxes amounting to Kshs.11,123,383 in respect of works undertaken and goods supplied by various contractors. This was contrary to Section 5(1)(a) and (4) of the Value Added Tax Act, 2013, which requires that value added tax shall be charged on taxable supply made by a registered person in Kenya and that the amount of tax payable on a taxable supply, if any, shall be recoverable by the registered person from the receiver of the supply in addition to the consideration.

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

6.0 Transfers to Other Government Entities

The statement of receipts and payments, and as disclosed in Note 7 to the financial statements, reflects transfers to other Government entities balance of Kshs.796,721,549. However, the following unsatisfactory matters were noted:

6.1 Non-Preparation of Financial Statements by Recipients of Transfers

The transfers to other Government entities balance of Kshs.796,721,549 includes an amount of Kshs.356,512,088 transferred to entities that did not prepare and submit financial statements for audit, despite them maintaining or keeping separate books of accounts. Therefore, the transfers were unaccounted for.

In the circumstances, value for money of the transfers of Kshs.356,512,088 could not be confirmed.

6.2 Agricultural Sector Development Support Programme (ASDSP)

The transfers to other Government entities balance of Kshs.796,721,549 includes Kshs.35,705,294 transferred to the Agricultural Sector Development Support Programme II (ASDSP II). The Programme account had unutilized funds amounting to Kshs.39,027,711 as at the beginning of the financial year, hence total funds available for use during the year under review was Kshs.74,733,005. At the close of the financial year, the Programme account had unutilized funds totalling to Kshs.65,946,266. Management did not provide satisfactory explanation for the failure to utilize the substantial amount of the funds for the intended purpose. Further, Management of the project spent Kshs.7,425,795 on domestic travel and subsistence through imprests. However, imprests amounting to Kshs.2,060,000 was not surrendered or accounted for and therefore remained outstanding as at the time of the audit.

In the circumstances, it was not possible to confirm whether the Programme was achieving its objective of supporting agricultural development. In addition, the recoverability of the outstanding imprests of Kshs.2,060,000 could not be confirmed.

7.0 Acquisition of Assets

The statement of receipts and payments, and as disclosed in Note 10 to the financial statements, reflects acquisition of assets balance of Kshs.1,637,544,388. However, the following unsatisfactory matters were noted:

7.1 Construction and Civil Works

7.1.1 Irregular Procurement of Construction and Civil Works

The acquisition of assets balance of Kshs.1,637,544,388 includes construction and civil work amount of Kshs.388,465,295. However, review of the project files and other accompanying tender documents revealed that project files for contracts worth Kshs.56,355,330 did not contain procurement documents such as tender advertisements, tender opening minutes, letter of appointment of the tender opening committee, appointment letter for tender evaluation committee, minutes of the evaluation committee, notification letter of tender award to the successful bidder and unsuccessful bidders, professional opinion, contract agreement, inspection and acceptance committee report/minute, Bills of Quantities and Company profiles of the winning and losing bidders.

Similarly, contracts worth Kshs.43,282,297 were irregularly awarded to suppliers who did not satisfy the mandatory requirements as indicated in the evaluation reports. The winning bidders did not provide valid business licenses, tax compliance certificates, certificates of incorporation, National Construction Authority (NCA) and bid bond as required by the evaluation criteria.

Further, the tender evaluation documents and minutes did not have engineer's estimates and there were no costed Bills of Quantities. It was, therefore, not possible to confirm the reasonableness of the prices quoted.

In the circumstance, it was not possible to confirm whether contracts for projects worth Kshs.99,637,627 were awarded competitively and the County Executive may not have received value for money spent on these projects.

7.1.2 Drilling and Equipping of 2 No. Handampya Bore Hole in Mikinduni Ward

The construction and civil works amount of Kshs.388,465,295 includes amount of Kshs.31,044,893 paid in respect of a contract for drilling and equipping of two (2) boreholes at a contract sum of Kshs.31,044,893. However, audit inspection of the project carried out on 22 July, 2022 revealed that works worth Kshs.22,720,515 included in the Bills of Quantities were not executed. These included equipping of 2 boreholes worth Kshs.6,113,415, construction of control room/attendant house worth Kshs.4,729,000 and installation of galvanized tank worth Kshs.11,878,100. This was in contravention of Section 146 of the Public Procurement and Asset Disposal Act, 2015, which provides that no works, goods or services contract shall be paid for before they are executed or

delivered and accepted by the Accounting Officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement.

Further, the total contract sum of Kshs.31,044,893 was paid without deducting 10% retention of Kshs.3,104,489, 6% value added tax of Kshs.1,443,331 and 3% withholding tax of Kshs.721,665, all totalling to Kshs.5,269,485.

In the circumstances, value for money of the expenditure of Kshs.31,044,893 could not be confirmed. Also, Management was in breach of the law. In addition, Kenya Revenue Authority may have lost Kshs.2,164,996.

7.1.3 Construction of Hola Stadium Masonry Perimeter Wall

The construction and civil works amount of Kshs.388,465,295 includes Kshs.23,500,000 (85% of the contract sum) paid in respect of a contract for construction of masonry perimeter wall at Hola Stadium at a contract sum of Kshs.27,505,282. However, audit inspection revealed that basketball court worth Kshs.1,250,000 that was included in the bill of quantities had not been executed, yet the engineer's certificate indicated that the project was 100% complete. Further, the County Executive did not deduct 10% retention, 6% Value Added Tax (VAT) of Kshs.1,070,000 and 3% withholding tax amounting to Kshs.507,654 all totalling to Kshs.3,877,654 from the amount of Kshs.23,500,000 paid to the contractor. In addition, according to the requisition, the estimated cost of the project was Kshs.23,500,000. However, Management did not provide engineer's estimates, hence it was not possible to confirm the reasonableness of the contract sum of Kshs.27,505,282 quoted. Also, Bills of Quantities and companies' profiles of the losing bidders were not provided for audit.

In the circumstances, value for money of the expenditure of Kshs.23,500,000 could not be confirmed. Also, Management was in breach of the law. In addition, Kenya Revenue Authority may have lost Kshs.1,577,654.

7.1.4 Construction of 250cm Galvanized Elevated Pressed Steel Panel Water Tank in Chewani Ward

The construction and civil works amount of Kshs.388,465,295 includes expenditure of Kshs.10,084,572 incurred in respect of a contract for construction of 250cm galvanized elevated pressed steel panel tank in Hola-Chewani Ward at a contract sum of Kshs.12,877,500. Further, the contractor was paid Kshs.5,325,750 during the previous financial years all totalling to Kshs.15,410,322. Therefore, the contractor was paid Kshs.2,532,822 in excess of the contact sum. The Management did not provide an explanation for the excess payment and how it was funded.

Further, audit inspection carried out on 22 July, 2022 revealed that the project was not in use since inception as piping system for water was not done. It was not clear why the tank was constructed without a provision to cater for piping of water.

In the circumstances, value for money of the expenditure of Kshs.15,410,322 on the project could not be confirmed.

7.1.5 Irregular Procurement of Mortuary Equipment

The construction and civil works expenditure of Kshs.388,465,295 includes an amount of Kshs.19,478,800 utilized for purchase and installation of mortuary refrigeration equipment at Hola Sub-County hospital. However, review of the project files and other accompanying tender documents revealed that the tender was not advertised as required by Section 96(2) of the Public Procurement and Asset Disposal Act, 2015.

Further, the equipment was instead procured using request for quotations contrary to the first Schedule of Threshold Matrix of the Public Procurement and Asset Disposal Regulations, 2020, which caps the use of quotations at Kshs.3,000,000 for goods. The equipment was also not included in the annual procurement plan and was not taken on charge after delivery.

In addition, the winning bidder which, was incorporated on 27 August, 2021, was in existence for only three (3) months when it was awarded the tender on 09 December, 2021. Therefore, it was not clear how the supplier was deemed to have the necessary qualification and experience to supply and install mortuary items by the evaluation committees.

Also, full payment of Kshs.19,478,800 was made to the contractor inclusive of the value added tax at the rate of 6%, resulting to a loss of approximately Kshs.1,007,524.

In the circumstances, Management was in breach of the law. Also, value for money of the expenditure of Kshs.19,478,800 could not be confirmed. In addition, Kenya Revenue Authority may have lost Kshs.1,007,524.

7.1.6 Construction Works for Storm Water Drainage Phase III

The construction and civil works expenditure of Kshs.388,465,295 includes an amount of Kshs.40,351,872 relating to a contract for the construction of storm water drainage phase III at a contract sum of Kshs.48,268,760. However, according to preliminary evaluation, all the bidders passed the preliminary evaluation stage and were subjected to technical evaluation. However, the IFMIS generated technical evaluation score sheet was blank and at the financial evaluation level, all bidders were given zero scores. However, the evaluation committee recommended the third highest bidder who quoted Kshs.48,268,760 against lowest bidder who quoted Kshs.44,127,560.

In addition, appointment letters of the evaluation committee, Bills of Quantities and company profile of the losing bidders were not provided for audit. Similarly, contract agreement was signed without professional opinion issued by the head of procurement function, contrary to the requirement of Section 84 of the Public Procurement and Asset Disposal Act, 2015, which provides that the head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the Accounting Officer on the procurement or asset disposal proceedings.

Further, practical completion certificate and Inspection and Acceptance Committee report supporting the payment of Kshs.40,351,872 were not provided for audit. Also, audit inspection of the project carried out on 22 July, 2022 revealed that though the contractor was paid Kshs.40,351,872 which was equivalent to 83% of the contract sum, the work done on the ground was not commensurate to the amount paid. In addition, major items in the bills of quantities including culvert and drainage work worth Kshs.32,081,000, being 80%, were not done.

In the circumstances, value for money of the expenditure of Kshs.40,351,872 could not be confirmed. Further, Management was in breach of the law.

7.1.7 Procurement of Solar Irrigation Project at Shirikisho and Golbanti

The construction and civil works expenditure of Kshs.388,465,295 includes an expenditure of Kshs.21,624,000 which comprises Kshs.10,885,000 relating to a contract for the construction of solar irrigation project at Shirikisho at a contract sum of Kshs.19,667,010 and Kshs.10,739,000 in respect of a similar project at Golbanti at a contract sum of Kshs.19,717,010. The total of the contract sums was Kshs.39,384,020.

The project was advertised in the Daily Nation on 12 January, 2022 and had the closing date indicated as 18 January, 2022. However, review of project files and other documents revealed that the tender opening committee members were not appointed in writing by the Accounting Officer as required by Section 46(3) of the Public Procurement and Asset Disposal Act, 2015.

Further, the winning bidder did not attach valid power of attorney on its Company profile though it was mandatory requirement but instead attached power of attorney addressed to Kenya Port Authority. In addition, the business permit attached had expired on 31 December, 2021 before the project was advertised. Copies of the statutory documents such as tax compliance and certificate of incorporation of the winning bidder were not certified as required by the evaluation criteria. Despite the anomalies, the tenderer was found responsive by the evaluation committee, contrary to Section 79(1) of the Public Procurement and Asset Disposal Act, 2015.

In addition, duly filled form of tender, 2% bid security, litigation history and national construction authority (NCA) certificate of the winning bidder were not provided for audit, though they were part of the mandatory documents required for evaluation of tender. Also, original Bills of Quantities for both the winning and losing bidders were not provided for audit. The letter of notification was issued on 03 February, 2022 while contract agreement was signed between the Accounting Officer and the contractor on 11 February, 2022, before lapse of the mandatory fourteen (14) days after the notification of award as required by Section 135(3) of the Public Procurement and Asset Disposal Act, 2015. The contract document did not have a performance security clause contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 and best practice which require inclusion of performance security in the contract document to mitigate against the risk of failure of executing obligations of the contract by either party. There was no Ad Hoc Inspection Committee appointed by the Accounting Officer to inspect the projects before payments were made.

In the circumstances, value for money of the expenditure of Kshs.21,624,000 could not be confirmed. Further, Management was in breach of the law.

7.2 Construction of Buildings

7.2.1 Irregular Procurements of Construction of Buildings Projects

The acquisition of assets balance of Kshs.1,637,544,388 includes expenditure of Kshs.199,833,901 in respect of construction of building. However, review of the project files and other tender documents revealed that project files for contracts worth Kshs.102,854,931 did not contain procurement documents such as tender advertisements, tender opening minutes, letters of appointment of the tender opening committee, appointment letters for tender evaluation committee, minutes of the evaluation committee, notification letter of tender award to the successful bidder and regrets to unsuccessful bidders, professional opinion recommending the approval, contract agreement, Inspection and Acceptance Committee report/minute, Bills of Quantities and company profiles of the winning and losing bidders.

Similarly, contracts worth Kshs.81,442,605 were irregularly awarded to suppliers who did not satisfy the mandatory requirements as indicated in the evaluation reports. The winning bidders did not provide valid business licenses, tax compliance certificates, certificates of incorporation, national construction authority certificates and bid bond as required by the evaluation criteria.

Further, the tender evaluation documents and minutes did not have engineer's estimate and there were no costed Bills of Quantities. It was therefore, not possible to confirm the reasonableness of the prices quoted.

In the circumstances, it was not possible to confirm whether the contracts were competitively awarded and that the County Executive got value for money spent on the projects.

7.2.2 Variations of Contract for Construction of Kipini Administration Office

The construction of buildings amount of Kshs.199,833,901 includes Kshs.4,903,074 relating to a contract for the construction of Kipini Administration office at a contract sum of Kshs.9,119,873. The total payment on the contract as at 30 June, 2022 amounted to Kshs.12,119,873. However, it was noted that the contract price was varied by Kshs.3,000,000 without approval by the Accounting Officer and the evaluation committee contrary to the requirement of Section 139(1)(a) of the Public Procurement and Asset Disposal Act, 2015, which provides that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity.

Further, completion certificate and Inspection and Acceptance Committee report supporting the payment of Kshs.4,903,074 were not provided for audit. In addition, the contract document provided for audit did not have a performance security clause contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 and best

practice which requires inclusion of performance security in the contract document to mitigate against the risk of failure of executing obligations of the contract by either party.

In the circumstances, value for money of the expenditure of Kshs.12,119,873 on the project could not be confirmed. In addition, Management was in breach of the law.

7.2.3 Construction of Hola Fire Station

The construction of buildings amount of Kshs.199,833,901 includes a payment of Kshs.7,862,069 made in respect of a contract for the construction of Hola fire station at a contract sum of Kshs.39,924,780. However, according to the tender opening register and tender opening minutes, the winning bidder, despite not attaching the mandatory 2% bid bond as at the time of the opening of the tender, was evaluated and awarded the tender.

Further the contract document did not include performance security clause contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015, which requires inclusion of performance security in the contract document to mitigate against the risk of failure of executing obligations of the contract by either party.

In the circumstances, value for money of the expenditure of Kshs.7,862,069 could not be confirmed. Also, Management was in breach of the law.

7.3 Construction of Roads

The acquisition of assets balance of Kshs.1,637,544,388 includes an expenditure of Kshs.684,242,619 in respect of construction of roads. However, review of project files and other documents revealed that payment amounting to Kshs.76,650,661 lacked vital procurement documents including certificates of practical completion, tax compliance certificates, business permits and inspection and acceptance reports. Further, the companies that were awarded the contracts were not prequalified under the category construction of roads works, bridges and foot bridges.

In the circumstance, it was not possible to confirm whether the contracts were competitively awarded and that the County Executive got value for money spent on the projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on

Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

1.0 Internal Control Weaknesses Over Human Resource Management

Review of the internal controls in the management of human resource revealed the following weaknesses:

1.1 Lack of Employees Appraisal System

During the year under audit, there was no operational staff appraisal system in the County Executive. Management did not set periodic targets as basis for evaluation at the end of every year and the applicable measures to be taken for under-performance. Therefore, the Management lacked the criteria to monitor performance and appropriately reward the staff.

In the circumstances, the existence of a strong and effective internal controls system in the management of the County Executive's human resource could not be confirmed.

1.2 Non-Functional Audit Committee

The County Executive established an audit committee whose members were gazetted on 03 July, 2020. However, it was noted that four (4) out of the six (6) members of the Committee, including the Chairman, resigned rendering the Committee non-functional.

In the circumstances, the effectiveness of the County Executive's risk management and governance structures could not be confirmed.

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 continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 noncompliance. 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 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 Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

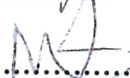
05 April, 2023

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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


		2021-2022	2020-2021
	Notes	Kshs	Kshs
Receipts			
Exchequer Releases (Transfers from the CRF)	1	7,007,153,505	6,666,257,774
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
Total receipts		7,007,153,505	6,666,257,774
Payments			
Compensation of Employees	4	1,683,780,354	1,610,491,834
Use of Goods and Services	5	1,710,208,039	1,530,831,615
Subsidies	6	-	25,773,196
Transfers to other Government Entities	7	796,721,549	1,241,058,100
Other Grants and Transfers	8	154,500,000	199,505,000
Social Security Benefits	9	45,434,279	28,536,301
Acquisition of Assets	10	1,637,544,388	1,365,448,080
Finance costs, including Loan Interest	11	-	-
Repayment of Principal on Domestic & Foreign Borrowing	12	-	-
Other Payments	13	267,685,435	241,664,565
Total Payments		6,295,874,045	6,243,308,690
Surplus/Deficit		711,279,460	422,949,083

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 30th Sep 2022 and signed by:

.....


Name: Mariam A. Bunu
Chief Officer – Finance

ICPAK M/No.20519

.....


Name: Cornelius Wamukoya
Principal Accountant

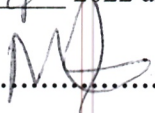
ICPAK M/No.28087

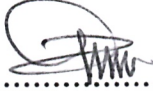
TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	14A	25,073,410	1,087,459,040
Cash Balances	14B	1,164,310	702,040
Total Cash and Cash Equivalent		<u>26,237,720</u>	<u>1,088,161,080</u>
Outstanding Imprests and Advances	15	36,785,842	19,311,700
Total Financial Assets		63,023,562	1,107,472,780
Financial Liabilities			
Deposits and retentions	16	9,167,568	13,655,628
Net Financial Assets		53,855,994	1,093,817,152
Represented By:			
Fund Balance b/fwd.	17	1,093,817,152	670,868,068
Prior Year Adjustments	18	(1,751,240,617)	-
Surplus/Deficit for the Year		711,279,460	422,949,083
Net financial position		53,855,994	1,093,817,152

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 30th Sep 2022 and signed by:

.....

Name: Mariam A. Bunu
Chief Officer – Finance
ICPAK M/No.20519

.....

Name: Cornelius O. Wamukoya
Principal Accountant
ICPAK M/No.28087

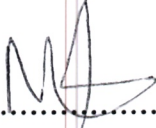
TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

9. Statement of Cash Flows for the Period Ended 30th June 2022

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Receipts from Operating Income			
Exchequer Releases (Transfers from the CRF)	1	7,007,153,505	6,666,257,774
Other Receipts	3	-	-
Payments for Operating Expenses			
Compensation of Employees	4	1,683,780,354	1,610,491,834
Use of Goods and Services	5	1,710,208,039	1,530,831,615
Subsidies	6	-	25,773,196
Transfers to other Government Units	7	796,721,549	1,241,058,100
Other Grants and Transfers	8	154,500,000	199,505,000
Social Security Benefits	9	45,434,279	28,536,301
Finance Costs, including Loan Interest	11	-	-
Other Payments	13	267,685,435	241,664,565
Adjusted for:			
Other Adjustments Prior Year Adjustments	18	(1,751,240,617)	-
Decrease/(Increase) in Outstanding Imprests & Advances	19	(17,474,142)	(14,454,500)
Increase/(Decrease) in Deposits and Retentions	20	(4,488,060)	(22,557,842)
Net Cash flow from Operating Activities			
		575,621,029	1,751,384,821
Cash flow from Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(1,637,544,388)	(1,365,448,080)
Net Cash flows from Investing Activities			
		(1,637,544,388)	(1,365,448,080)
Cash flow from Borrowing Activities			
Repayment of Principal on Domestic and Foreign Borrowing	12	-	-
Net Cash flow from Financing Activities			
		-	-
Net Increase in Cash and Cash Equivalents			
		(1,061,923,359)	385,936,742
Cash and Cash Equivalents at Beginning of the Year			
		1,088,161,080	702,224,338
Cash and Cash Equivalents at End of the Year			
		26,237,720	1,088,161,080

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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 30th Sep 2022 and signed by:



.....
Name: Mariam .Bunu
Chief Officer Finance
ICPAK M/No.20519



.....
Name: Cornelius O.Wamukoya
Principal Accountant
ICPAK Member Number: 28087

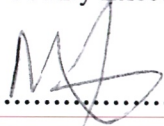
TANA RIVER COUNT EXECUTIVE
Consolidated Reports and Financial Statements
For the Year Ended June 30, 2022

10. Statement of Comparison of Budget & Actual Amounts

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 %
Receipts						
Exchequer releases (Transfers from the CRF)	7,209,551,770	-	7,209,551,770	7,007,153,505	202,398,266	97%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	7,209,551,770	-	7,209,551,770	7,007,153,505	202,398,266	97%
Payments						
Compensation of employees	1,916,393,424	-	1,916,393,424	1,683,780,354	232,613,070	88%
Use of goods and services	1,753,919,140	(48,500,000)	1,705,419,140	1,710,208,039	(4,788,899)	100%
Subsidies	-	-	-	-	-	-
Transfers to other government units	1,278,211,006	241,619,539	1,519,830,545	796,721,549	723,108,996	52%
Other grants and transfers	-	-	-	154,500,000	(154,500,000)	-
Social security benefits	38,829,452	-	38,829,452	45,434,279	(6,604,827)	117%
Acquisition of assets	1,390,216,817	(265,014,000)	1,125,202,817	1,637,544,388	(512,341,571)	146%
Finance costs, including loan interest	943,523,311	194,819,555	1,138,342,866	-	1,138,342,866	0%
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	132,165,375	-	132,165,375	267,685,435	(135,520,060)	203%
Total	7,453,258,525	122,925,094	7,576,183,619	6,295,874,045	1,280,309,574	83%
Surplus/(Deficit)	(243,706,755)	(122,925,094)	(366,631,849)	711,279,460	(1,077,911,309)	0%

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

The County Executive's financial statements were approved on 30th Sep 2022 and signed by:


.....

Name: Mariam A. Bunu

Chief Officer Finance

ICPAK M/No.20519


.....

Name: Cornelius O. Wamukoya

Principal Accountant

ICPAK Member Number: 28087

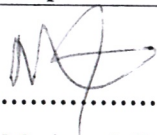
TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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

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 %
Receipts						
Exchequer releases (Transfers from the CRF)	4,678,660,945	-	4,678,660,945	4,975,866,481	(297,205,535)	106%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	4,678,660,945	-	4,678,660,945	4,975,866,481	(297,205,535)	106%
Payments						
Compensation of employees	1,916,393,424	-	1,916,393,424	1,683,780,354	232,613,070	88%
Use of goods and services	1,536,919,140	-	1,536,919,140	1,640,011,770	(103,092,630)	107%
Subsidies	-	-	-	-	-	-
Transfers to other government units	608,502,600	-	608,502,600	368,430,273	240,072,327	61%
Other grants and transfers	-	-	-	154,500,000	(154,500,000)	-
Social security benefits	38,829,452	-	38,829,452	45,434,279	(6,604,827)	117%
Acquisition of assets	195,485,571	-	195,485,571	184,486,268	10,999,303	94%
Finance costs, including loan interest	494,072,138	-	494,072,138	-	494,072,138	0%
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	132,165,375	-	132,165,375	160,356,311	(28,190,936)	121%
Total	4,922,367,700	-	4,922,367,700	4,236,999,255	685,368,445	86%
Surplus/(deficit)	(243,706,755)	-	(243,706,755)	738,867,226	(982,573,980)	0%

The County Executive's financial statements were approved on 30th Sep 2022 and signed by:

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.



.....
Name: Mariam A. Bunu

Chief Officer Finance

ICPAK M/No.20519



.....
Name: Cornelius O. Wamukoya

Principal Accountant

ICPAK Member Number: 28087

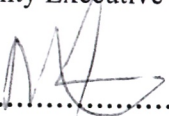
TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

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

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 %
Receipts						
Exchequer releases (Transfers from the CRF)	2,530,890,825	-	2,530,890,825	2,031,287,024	499,603,801	80%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	2,530,890,825	-	2,530,890,825	2,031,287,024	499,603,801	80%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	217,000,000	(48,500,000)	168,500,000	70,196,269	98,303,731	42%
Subsidies	-	-	-	-	-	-
Transfers to other government units	669,708,406	241,619,539	911,327,945	428,291,277	483,036,669	47%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	1,194,731,246	(265,014,000)	929,717,246	1,453,058,120	(523,340,874)	156%
Finance costs, including loan interest	449,451,173	194,819,555	644,270,728	-	644,270,728	0%
Repayment of principal on borrowings	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
Totals	2,530,890,825	122,925,094	2,653,815,919	107,329,124	(107,329,124)	-
Surplus/(deficit)	(0)	(122,925,094)	(122,925,094)	(27,587,766)	(95,337,329)	0%

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.


The County Executive's financial statements were approved on 30th Sep 2022 and signed by:


.....

Name: Mariam A. Bunu

Chief Officer Finance

ICPAK M/No.20519


.....

Name: Cornelius O. Wamukoya

Principal Accountant

ICPAK Member Number: 28087

TANA RIVER COUNT EXECUTIVE
Consolidated Reports and Financial Statements
For the Year Ended June 30, 2022

13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcome	Actual on comparable basis	Budget utilization difference
	20xx		20xx	20xx	
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1					
Sub-Programme 1					
Sub-Programme 2					
Sub-Programme 3					
Sub-Total					
Programme 2					
Sub-Programme 1					
Sub-Programme 2					
Sub-Programme 3					
Sub-Total					
Grand Total					

TANA RIVER COUNT EXECUTIVE
Consolidated Reports and Financial Statements
For the Year Ended June 30, 2022

14. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Significant Accounting Policies (Continued)

i) 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.

ii) 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.

b) 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, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

v) Acquisition of fixed assets

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

Significant Accounting Policies (Continued)

a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. 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.

5. Third Party Payments

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

6. Cash and cash equivalents

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

a) Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. During the year under review there were no restrictions on cash.

Significant Accounting Policies (Continued)

7. 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.

8. 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.

9. 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.

10. 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)

11. Contingent Liabilities

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

A contingent liability is:

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

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 10 and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

12. 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.

Significant Accounting Policies (Continued)

13. 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 2nd July, 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was only one supplementary budget 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.

14. Comparative figures

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

15. 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.

16. Prior Period Adjustment

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

17. 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.

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

15. Notes to the Financial Statements

1. Exchequer Releases (Transfer from the CRF)

	2021-2022	2020-2021
	Kshs	Kshs
Total exchequer releases for quarter 1	1,703,080,292	-
Total exchequer releases for quarter 2	1,094,319,872	-
Total exchequer releases for quarter 3	1,773,027,917	-
Total exchequer releases for quarter 4	2,436,725,424	6,666,257,774
Total	7,007,153,505	6,666,257,774

2. Proceeds from Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Tender Fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

10. Acquisition of Assets

Non- financial assets	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	199,833,901	317,957,347
Refurbishment of Buildings	147,742,915	89,567,151
Construction of Roads	684,242,619	555,296,465
Construction and Civil Works	388,465,295	186,757,536
Overhaul and Refurbishment of Construction & Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	53,976,028	47,650,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	22,733,024	33,698,246
Purchase of Specialized Plant, Equipment and Machinery	32,022,703	37,126,831
Rehabilitation and Renovation of Plant, Machinery and equip.	-	-
Purchase of Certified seeds, Breeding stock and Live Animals	65,961,385	50,457,198
Research, Studies, Project Preparation, Design & Supervision	42,566,518	34,021,027
Rehabilitation of Civil Works	-	12,916,281
Acquisition of Strategic Stocks and Commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets	1,637,544,388	1,365,448,080
Financial assets		
Domestic Public non-financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total Acquisition of Financial Assets	-	-
Total Acquisition of Assets	1,637,544,388	1,365,448,080

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

11. Finance Costs, including Loan Interest

	2021-2022	2020-2021
	Kshs	Kshs
Bank Charges	-	-
Interest Payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by Gov't	-	-
Interest on Domestic borrowings (non-Gov't)	-	-
Interest on Borrowings from other Government units	-	-
Total	-	-

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

	2021-2022	2020-2021
	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	-	-

13. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	267,685,435	241,664,565
Total	267,685,435	241,664,565

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

14. Cash and Bank Balances

14A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc.	2021-2022	2020-2021
			Kshs	Kshs
Central Bank of Kenya				
<i>Tana River County Revenue Fund</i>	1000171332	CRF	-	729,268,933
<i>Tana River County Development</i>	1000170708	Development	703,161	231,389
<i>Tana River County Recurrent</i>	1000172735	Recurrent	142,167	48,450
<i>Tana River Road Maintenance Levy Fund</i>	1000297751	Development	1,296,663	229,127,688
<i>Tana River Health Conditional Grant</i>	1000268298	SPA	18,706,509	469,553
<i>Tana River Primary Health Care Support</i>	1000564539	SPA	28,959	-
<i>Tana River County Deposit</i>	1000267496	Deposit	556,409	1,590,896
<i>Tana River County KCSAP</i>	1000365862	SPA	-	68,327,909
<i>Tana River County Agr. Se Dev. Support Prog. II</i>	1000365862	SPA	-	14,965,394
<i>Tana River County Village Polytechnic PR</i>	1000368958	SPA	2,535,447	8,250,000
<i>Tana River County Livestock Support</i>	1000386118	SPA	1,104,095	1,104,095
<i>Hola Municipality Development Grant</i>	1000424982	SPA	-	25,930,852
<i>Hola Municipality Institutional Grant</i>	1000424834	SPA	-	-
Kenya Commercial Bank				
<i>KCB - Tana River County KCSAP</i>	1232731609	Commercial	-	8,143,880
<i>KCB CHMT</i>		Commercial	-	-
<i>KCB Imprest account</i>		Commercial	-	-
Total			25,073,410	1,087,459,040

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

14 B Cash in Hand

	2021-2022	2020-2021
	Kshs	Kshs
Cash in hand – Held in Domestic Currency	1,164,310	702,040
Cash in hand – Held in Foreign Currency	-	-
Total	1,164,310	702,040

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

	2021-2022	2020-2021
	Kshs	Kshs
Tana North Sub-County Revenue Office	771,970	423,260
Tana River Sub-County Revenue Office	300,870	251,880
Tana Delta Sub-County Revenue Office	91,470	26,900
Total	1,164,310	702,040

15. Outstanding imprests and advances

<i>Description</i>	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	36,785,842	19,311,700
Salary Advance	-	-
Clearance accounts	-	-
Total	36,785,842	19,311,700

<i>Breakdown of Imprest and Salary Advance per Department</i>	2021-2022	2020-2021
<i>Imprest</i>	Kshs	Kshs
Office of the Governor	20,387,853	8,140,000
Gender, Culture & Social Services	773,669	2,420,520
Water, Environment & Natural Resources	142,400	533,100
Public Service Administration, Citizen Participation & ICT	160,000	380,000
Agriculture, Livestock, Fisheries & Veterinary	1,874,500	1,859,780
Trade & Tourism Development	3,503,900	2,332,200
County Public Service Board	39,600	204,200
Finance & Economic Planning	2,754,520	2,494,700
Education and Vocational Training	1,661,000	947,200
Roads & Public Works	1,569,500	-
Health and Sanitation	1,334,400	-
Cohesion & Special Programme	1,584,500	-
Land & Physical Planning	-	-
Hola Municipality	1,000,000	-
Sub-Total	36,785,842	19,311,700
Grand Total	36,785,842	19,311,700

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

16. Deposits and Retention

	2021-2022	2020-2021
	Kshs	Kshs
Deposits	-	-
Retention Monies	9,167,568	13,655,628
Total	9,167,568	13,655,628

17. Fund Balance Brought Forward

	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	1,087,459,040	701,512,398
Cash in Hand	702,040	711,940
Accounts Receivables	19,311,700	4,857,200
Accounts Payables	(13,655,628)	(36,213,470)
Total	1,093,817,152	670,868,068

18. 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 FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	-	(729,268,933)	-
Cash in Hand	-	-	-
Accounts Payables	-	(407,421,901)	-
Receivables	-	-	-
Others (<i>Specify</i>)	-	(614,549,783)	-
Total	-	(1,751,240,617)	-

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Notes to the Financial Statements (Continued)

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Imprest and Advances As At 1 st July (A)	19,311,700	4,857,200
Imprest and Advances As At 30 th June (B)	36,785,842	19,311,700
Increase)/ Decrease In Imprest and Advances (C=(B-A))	(17,474,142)	(14,454,500)

20. Increase/ (Decrease) in Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	13,655,628	36,213,470
Deposits and Retention as at 30 th June (B)	9,167,568	13,655,628
Increase/ (Decrease) in Deposits and Retentions C= B-A	(4,488,060)	(22,557,842)

TANA RIVER COUNTY EXECUTIVE
Annual Report and Financial Statements for the Year Ended June 30, 2022.

Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	-	(-)	-
Construction of Civil Works	-	-	(-)	-
Supply of Goods	-	-	(-)	-
Supply of Services	-	-	(-)	-
Total	-	-	(-)	-

2. Pending Staff Payables (See Annex 3)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	(-)	-
Middle management	-	-	(-)	-
Unionisable employees	-	-	(-)	-
Others	-	-	(-)	-
Total	-	-	(-)	-

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Other Important Disclosures (Continued)

3. Other Pending Payables (See Annex 4)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	-	-	(-)	-
Amounts due to County Government Entities	-	-	(-)	-
Amounts due to Third Parties	-	-	(-)	-
Total	-	-	(-)	-

4. External Assistance

	FY 2021-2022	FY 2020-2021
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	-	-

**TANA RIVER COUNTY EXECUTIVE
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Other Important Disclosures (Continued)

a) External assistance relating to loans and grants

	FY 2021-2022	FY 2020-2021
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	FY 2021-2022	FY 2020-2021
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

c). Classes of providers of external assistance

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Other Important Disclosures (Continued)

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

Payments Made by Third Parties	FY 2021-2022	FY 2020-2021
	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	-	-

N/B The above sub classification will be adopted based on the appropriate county's operations

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

**TANA RIVER COUNTY EXECUTIVE
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Other Important Disclosures (Continued)

Related party transactions

	2021- 2022	2020- 2021
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And COs)	-	-
<u>Transfers To Related Parties</u>		
Transfer to the County Assembly	-	-
Transfers to Other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on Behalf Of County Water Service Providers	-	-
Total Transfers To Related Parties	-	-
<u>Transfers From Related Parties</u>		
Transfers From The Exchequer	-	-
Transfers From MDAs	-	-
Transfers From SCs And SAGAs - National Government	-	-
(Insert Any Other Transfers Received)	-	-
Total Transfers From Related Parties	-	-

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.

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Other Important Disclosures (Continued)

Entity	Date Established/ Date taken over	Location	Accounting Officer responsible
Tana Water & Sewerage Company	21 st October, 2016	Hola	William Jillo
Kenya Climate Smart Agr. Project	1 st July, 2017	Hola	Peter K. Munyoki
Tana River IDEAS LED Project	1 st July, 2018	Hola	Yaqub Gudo
Tana River County Bursary Board	18 th July, 2018	Hola	Zena H. Mahanga
Hola Municipality	1 st July, 2019	Hola	Jacob Jarha
Tana River County Gov't Staff Car Loan & Mortgage	12th September, 2019	Hola	Galgalo J. Jillo
Tana River County INUKA Fund	21 st February, 2020	Hola	Awadh B. Shehe
Tana River County Emergency Fund	5th June, 2020	Hola	Mathew Babwoya
Tana River County DRM Fund		Hola	Salma Makuru

8. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2021-2022	2020-2021
			Kshs	Kshs
<i>KCB - Tana River County Gov't Revenue Collection - 1140754033</i>	290	1	290	1,428,190
Total			290	1,428,190

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Other Important Disclosures (Continued)

9. 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.

10. Contingent Liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case Xxx Against The Entity	-	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising From PPPs	-	-
Total	-	-

11. COVID - 19 Funds

COVID -19 Funds	2021-2022	2020-2021
	Kshs	Kshs
Receipts		
Receipts From The National Government (Note 3)	-	-
Other Donations For Covid-19 Received Directly (Note 2)	-	-
Others (Specify)	-	-
Total Receipts	-	-
Payments		
Purchase Of COVID 19 Materials - Masks, Sanitizers Etc.	-	-
Purchase Of Beds And ICU Units	-	-
Subsidies To The Community	-	-
Payment Of Hospital Bills	-	-
Donations To Schools And Other Institutions	-	-
Other Expenses (Specify)	-	-
Total Payments	(-)	(-)
Balance In The COVID 19 Fund	-	-

TANA RIVER COUNTY EXECUTIVE
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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)

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.



CEC, County Treasury

Date

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17. Annexes

Annex 1 – Analysis of Transfers from the CRF

Period (2021-2022)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	1,371,891,795	987,394,978	1,553,612,542	2,156,156,623	6,069,055,938
Tana River County Inuka Fund	25,773,196	-	-	-	25,773,196
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	3,647,914	3,647,914
World Bank – THUSCP	49,410,523	-	-	63,624,464	113,034,987
IDEAS-Milk Project	6,000,000	-	10,000,000	-	16,000,000
Youth Polytechnic Support grant	7,337,447	-	29,674,894	-	37,012,341
Abolishment of User Fees in health centres and dispensaries	5,682,537	-	-	-	5,682,537
Kenya Urban Support Programme (KUSP)	36,491,510	-	-	-	36,491,510
Agriculture Sector Development Support Project (ASDSP II)	-	-	-	20,739,900	20,739,900
Kenya Climate Smart Agriculture Project (KCSAP)	68,327,909	-	-	172,556,523	240,884,432
Water and Sanitation Development Project	-	-	-	20,000,000	20,000,000
Tana River Emergency Fund	132,165,375	-	-	-	132,165,375
Tana River Bursary Fund	-	77,250,000	77,250,000	-	154,500,000
Tana River County DRM Fund	-	-	132,165,375	-	132,165,375
Total	1,703,080,292	1,064,644,978	1,802,702,811	2,436,725,424	7,007,153,505

TANA RIVER COUNTY EXECUTIVE
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Note: The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer.

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Annex 2 – Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction Of Buildings							
1.							
2.							
Sub-Total							
Construction Of Civil Works							
3.							
4.							
Sub-Total							
Supply Of Goods							
5.							
6.							
Sub-Total							
Supply Of Services							
7.							
Sub-Total							
Grand Total							
<i>Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments</i>							

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Annex 3 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Senior Management							
1.							
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	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Amounts Due To National Gov't Entities							
1.							
2.							
Sub-Total							
Amounts Due To County Gov't Entities							
3.							
4.							
Sub-Total							
Amounts Due To Third Parties							
5.							
Sub-Total							
Others (Specify)							
6.							
Sub-Total							
Grand Total							

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Annex 5 –Analysis of imprests and Advances
(a)Government Imprest

<i>Name Of Officer Or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount</i>		<i>Balance</i>
		<i>Amount Taken</i>	<i>Surrendered</i>	
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
SOMOE MKYAHOLA BAJILA	07/09/21	800,000	-	800,000
JEREMIAH KIDOWE KOKANI	09/09/21	200,000	-	200,000
OMAR MGHANA HIRIBAE	30/09/21	300,000	-	300,000
KASE FRANKJOY DDAIDDO	30/09/21	454,320	-	454,320
ELISHA BAHOLA BUYA	04/10/21	126,000	-	126,000
ANDERSON KENGA MWENI	04/10/21	173,200	-	173,200
ULETA ATHMAN OMAR	04/10/21	507,500	-	507,500
MOHAMMED ALI MWATUNZA	06/10/21	191,500	-	191,500
EASTHER KOMORA TIMNA	06/10/21	193,200	-	193,200
LILIAN HALWONI SHARI	06/10/21	195,000	-	195,000
IBRAHIM HUSSEIN BAGAJA	06/10/21	196,000	-	196,000
AISHA HADIA MARO	06/10/21	196,000	-	196,000
ABDULLA HANTI KANCHORA	06/10/21	409,500	-	409,500
HARISON MABONYE	12/10/21	80,000	-	80,000
SULEIMAN HIRIBAE RASHID	25/10/21	414,480	-	414,480
ABDIKADIR ABDI LUGUMBA	25/10/21	468,600	-	468,600
MOSES NANDALWE WANJALA	25/10/21	468,600	-	468,600
JOSHUA KOFA JARA	25/10/21	1,185,080	-	1,185,080
LISANI SALIM BAKARI	03/11/21	575,868	-	575,868
DHADHO GODHANA GADDAE	03/11/21	1,488,444	-	1,488,444
MAUREEN KADZO NYUNDO	05/11/21	602,286	-	602,286

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MELITAH GUYATO GODHANA	05/11/21	229,900	-	229,900
MOSES NANDALWE WANJALA	19/11/21	253,000	-	253,000
HERO BWANA SAID	19/11/21	914,100	-	914,100
DHADHO GODHANA GADDAE	19/11/21	1,461,650	-	1,461,650
IBRAHIM ALI MADEI	22/11/21	39,600	-	39,600
JUMA STEPHEN OMONDI	22/11/21	100,000	-	100,000
JASHON OTIENO ONDONG	24/11/21	734,500	-	734,500
ERICK ARUA WASONGA	05/01/22	103,000	-	103,000
JAVAN DDADDAH BONAY	05/01/22	103,000	-	103,000
ISSACK HAJIR ABDI	05/01/22	429,669	-	429,669
AMANDA HABUYA KORASU	07/01/22	100,000	-	100,000
ABUBAKAR OMAR GUYO	07/01/22	137,800	-	137,800
OSMAN GUYO HASSAN	07/01/22	142,400	-	142,400
ANGELINA NAEMI WAMA	07/01/22	244,000	-	244,000
ZAINAB NAIMA HASSAN	07/01/22	292,000	-	292,000
ELISHA BAHOLA BUYA	07/01/22	403,500	-	403,500
BONAYA AMOS ISAYA	07/01/22	448,000	-	448,000
REHEMA OSMAN KORE	14/01/22	100,000	-	100,000
CHRISTIAN BUYA WARIO	11/02/22	24,500	-	24,500
HASSAN OMAR ALI	11/02/22	24,500	-	24,500
MILICENT AKINYI ONDIEK	11/02/22	100,000	-	100,000
CHRISTIAN BUYA WARIO	15/02/22	29,400	-	29,400
GLADYS JILLO HABWOYA	15/02/22	30,000	-	30,000
ALEX BAHOLA ODHA	15/02/22	333,011	-	333,011
HABIBA GUYATO RAMADHAN	15/02/22	437,423	-	437,423

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CAROLINE MANENO KODE	15/02/22	437,423	-	437,423
JOHN ANO MANASE	15/02/22	437,423	-	437,423
HERO BWANA SAID	15/02/22	518,896	-	518,896
DENNIS MICHEAL DHADHO	15/02/22	832,923	-	832,923
YAHYA ALI BORROW	15/02/22	1,158,896	-	1,158,896
SUZAN HABUYA MALIO	16/02/22	50,000	-	50,000
BEATRICE HIDAVU	16/02/22	200,000	-	200,000
SISO JOB ISRAEL	16/02/22	562,000	-	562,000
LULUTYA MAVUWE SOKOROTE	16/02/22	566,000	-	566,000
FAITH HADIYA BUYA	25/02/22	378,000	-	378,000
JARA OMAR MARO	17/03/22	1,562,400	-	1,562,400
IDRIS MAHAT ALI	21/03/22	238,500	-	238,500
MILICENT AKINYI ONDIEK	22/03/22	562,000	-	562,000
ADHAN BIYOLE DUBE	23/03/22	1,099,000	-	1,099,000
STEPHEN WACHIRA KARIUKI	28/03/22	394,000	-	394,000
HARON GEGO KOMORA	28/03/22	800,000	-	800,000
JACOB BARISA JARHA	28/03/22	1,000,000	-	1,000,000
ESHA KHALAKO ABDALLAH	30/03/22	50,000	-	50,000
JACOB BARISA JARHA	31/03/22	713,482	-	713,482
STEPHEN WACHIRA KARIUKI	31/03/22	866,371	-	866,371
HERO BWANA SAID	31/03/22	866,371	-	866,371
EDNA HADARA	31/03/22	910,313	-	910,313
MAUREEN KADZO NYUNDO	31/03/22	1,060,313	-	1,060,313
ABDULHAKIM WARE SHEHE	31/03/22	1,243,000	-	1,243,000
ABBAS GOBU GODANA	03/06/22	100,000	-	100,000

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OMINDE JUVENILE ADONIJA	03/06/22	100,000	-	100,000
MARGARET WAKIO OMARA	03/06/22	364,000	-	364,000
MUSTAFA JUGE DAUD	08/06/22	784,000	-	784,000
LULUTYA MAVUWE SOKOROTE	09/06/22	780,000	-	780,000
HALUBVA ANNAH GWIYO	01/07/22	1,710,000	-	1,710,000
Total		36,785,842	-	36,785,842

(b) Salary Advance

<i>Name Of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name Of Officer</i>	dd/mm/yy	-	-	-
<i>Name Of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

Annex 6 – Summary of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2020-2021
Land					
Buildings And Structures					

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Asset Class	Historical Cost b/f (Kshs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2020-2021
Transport Equipment					
Office Equipment, Furniture And Fittings					
ICT Equipment					
Machinery And Equipment					
Heritage And Cultural Assets					
Biological Assets					
Intangible Assets					
Infrastructure Assets- Roads, Rails					
Work In Progress					
Total					

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 17 on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

TANA RIVER COUNTY EXECUTIVE
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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	County Assembly	139,845,447	327,683,592	217,300,000	200,120,896	884,949,935	884,949,935	-	
2	DANIDA	-	-	-	3,647,914	3,647,914	3,647,914	-	
3	THUSCP	49,410,523	-	-	63,624,464	113,034,987	113,034,987	-	
4	Youth Polytech.	7,337,447	-	29,674,894	-	37,012,341	37,012,341	-	
5	KUSP	36,491,510	-	-	-	36,491,510	36,491,510	-	
6	ASDSP II	-	-	-	20,739,900	20,739,900	20,739,900	-	
7	KCSAP	68,327,909	-	-	172,556,523	240,884,432	240,884,432	-	
8	WSDP	-	-	-	20,000,000	20,000,000	20,000,000	-	
9	Inuka Fund	25,773,196	-	-	-	25,773,196	25,773,196	-	
10	IDEAS Project	6,000,000	-	10,000,000	-	16,000,000	16,000,000	-	
11	Emerg. Fund	132,165,375	-	-	-	132,165,375	132,165,375	-	
12	Bursary Fund	-	77,250,000	77,250,000	-	154,500,000	154,500,000	-	
13	DRM Fund	-	-	132,165,375	-	132,165,375	132,165,375	-	
	Total	465,351,407	404,933,592	466,390,269	480,689,697	1,817,364,965	1,817,364,965	-	

.....
Director of Finance

County Executive

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

.....
Director of Finance

County Assembly/fund/project

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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

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

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Annex 10 Disaster Expenditure Reporting Template

Date:						
Entity						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
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

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Annex 11: – Bank Reconciliation/FO 30 Reports

(Attach FO 30 Reports from IFMIS for all CBK Accounts)