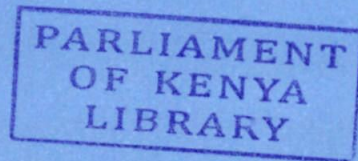


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

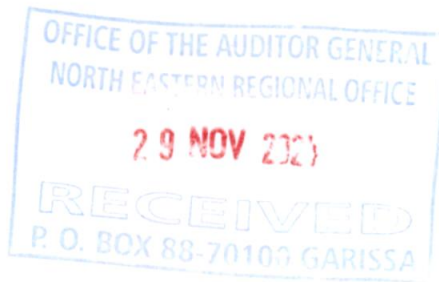
COUNTY REVENUE FUND

FOR THE YEAR ENDED

30 JUNE, 2024

**COUNTY GOVERNMENT OF
GARISSA**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Maji Whot.
COMMITTEE	-
CLERK AT THE TABLE	Mgqim.



COUNTY REVENUE FUND

County Government of Garissa

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

County Government of Garissa
County Revenue Fund
For the financial year ended 30th June 2024

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1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings

b) glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	Abass Ismail Khaar
2.	C.O Finance	Adan Harun Abdi
3.	Director Accounting Services/Finance	CPA Abdi Ali Nuriye

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Abass Ismail Khaar
2.	Accounting Officer in charge of Finance	Adan Harun Abdi
3.	Director Accounting Services/Finance	CPA Abdi Ali Nuriye

d) Fiduciary Oversight Arrangements

The County Assembly Accounts and Investment Committee has the responsibility of examining the County Government accounts particularly those reporting on appropriation granted by the County Assembly to meet public expenditure. The Committee also follows up on the audit report from the Office of The Auditor General.

The County has Audit Committees and Head of Internal Audit who reports on:

1. Adequacy and effectiveness of CGE's internal control system
2. Adequacy and effectiveness of the entity's risk management
3. Likely causes of any weaknesses observed, implications and agreed remedies

The Controller of Budget also monitors and controls on the budget limits.

e) County Headquarters

Office of the Governor- Lamu Road Opposite Young MuslimAcademy
Telephone: (254) 0462102604
P.O Box 563-70100
E-mail: garissacounty@gmail.com
Website: www.garissa.go.ke

f) County Contacts

Telephone: (254) 0462102604
E-mail: garissacounty@gmail.com
Website: www.garissa.go.ke

g) County Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

h) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney
Office of the Governor
P.O. Box 563-70100
GARISSA, KENYA

j) County Attorney

Office of the Governor
County Headquarters- Lamu Road Opposite Young MuslimAcademy
Telephone: (254) 0462102604
P.O Box 563-70100
E-mail: garissacounty@gmail.com
Website: www.garissa.go.ke

3. Statement by the CECM Finance

In our pursuit to improve on transparency and accountability in Public Financial Management, I present the financial statements for the financial year 2023/2024 of the County Executive of Garissa. The County Executive of Garissa has and will continue to manage its finances in accordance with the principles of fiscal responsibilities as spelt out in the Public Finance Management Act, 2012.

The report compares actual performance against budgeted revenues and expenditure and also provides the recommendation to the County Executive for improvement of budget execution. The County Executive of Garissa has developed strategic partnership with the public by involving them in development of the County Integrated Development Plan (CIDP) which highlights the programmes and projects to be implemented in successive county budgets. In this regard the County Executive of Garissa has been able and continues to put more emphasis into development activities which are responsive to the citizens' needs.

FINANCING OF THE COUNTY GOVERNMENTS

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation (CRA) and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for County Government of Garissa included business permits, land rates, advertising fees, livestock cesses and various other administrative charges.

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

Automation of revenue collection system at Garissa County Referral Hospital. The County has also procured a land management system which will boost collection of land and buildings related taxes.



..... (Sign)

CECM Finance and Economic Planning

County Government of Garissa

FINANCIAL PERFORMANCE

Revenue

In FY 2023/2024 the County approved supplementary budget amounted to **Kshs 10,700,421,124** Comprising of **Kshs 6,389,147,479** and **Kshs. 4,311,273,645** for Recurrent and Development expenditure respectively.

To Finance the budget, the county expected to receive **Kshs 8,248,748,101** as equitable share of revenue raised nationally including Balance of June Allocation for FY 22-23, **Kshs 1,587,496,043** as Conditional Grants from National Government Revenue And Donors, **Kshs 230,000,000** as Own Source Revenue and **Kshs 634,176,980** being balances from previous FY (2022/23).


Table 1 Summary of County Fiscal Performance

REVENUE CLASSIFICATION	REVENUE BUDGET	ACTUAL	REALISATION %
EQUITABLE SHARE	8,248,748,101	7,588,848,254	92%
PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS	1,587,496,043	752,102,844	47%
OWN SOURCE REVENUE	230,000,000	89,631,256	39%
BALANCE BROUGHT FORWARD	634,176,980	634,176,980	100%
TOTAL	10,700,421,124	9,064,759,334	85%

Source: Garissa County Treasury

Budget Performance

The total expenditure for the year amounted to **Kshs 9,011,367,347** against the budget of **Kshs 10,700,421,124** translating to utilisation level of **84%**. **Kshs 6,025,141,450** was spent on recurrent expenditure against the budget of **Kshs 6,389,147,479** translating to utilisation level of **94%** while **Kshs 2,896,755,405** was spent on development expenditure against the budget of **Kshs 4,311,273,645** translating to utilisation level of **67%**.


Abass Ismail Khaar

CECM Finance and Economic Planning

County Government of Garissa

4. Management Discussion and Analysis

The County Government of Garissa received all equitable share of revenue amounting to Kshs 7,588,848,254 including balance of June, 2023 which was carried forward to the successive year. However, the National Treasury should ensure that funds are released on time to ensure prompt and timely service delivery.

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2024.



CEC Member – Finance and Economic Planning
County Government of Garissa

6. Statement of Management Responsibility

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

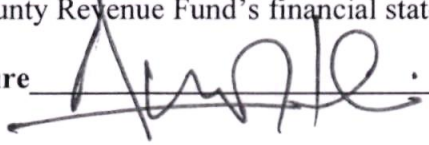
The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2024*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2024*, and of its financial position as at that date.

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30/9/2024.

Signature 

County Government of Garissa
County Revenue Fund
For the financial year ended 30th June 2024

Name
Chief Officer Finance /Accounting Officer
County Government of Garissa

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF GARISSA

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Garissa set out on pages 1 to 11, which comprise of the statement of receipts and payments and statement of comparison of budget and actual amounts for the year then ended 30 June, 2024 and a summary of significant accounting policies and

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2024 - County Government of Garissa

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial performance of County Revenue Fund - County Government of Garissa and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total revenue budget and actual on comparable basis of Kshs.10,609,421,124 and Kshs.8,430,582,354 respectively, resulting in an underfunding of Kshs.2,178,838,770 or 21% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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. Late Exchequer Releases

The statement of receipts and payments reflects total exchequer receipts of Kshs.7,588,848,254. However, the County Revenue Fund (CRF) records indicate that Exchequer receipts amounting to Kshs.2,103,430,766 or 28% was received in June and July, 2024. Late Exchequer releases affect timely implementation of planned activities and projects thereby impacting negatively on service delivery to the public.

2. Unresolved Prior Year Matte

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements. However, Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

Other Information

The Management is responsible for the Other Information set out on page iii to x which comprises of the Key Entity Information and Management, Statement by the County Executive Committee Member for Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Garissa County Revenue Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Adherence to Fiscal Responsibility Principle on Transfers to the County Assembly

The statement of receipts and payments reflects transfers to County Assembly of Kshs.986,521,283 as disclosed in Note 9 to the financial statements. However, the amount represents 12% of the total revenue of Kshs.8,431,746,502 realised by the County Government. This was contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the approved expenditure of the County Assembly shall not exceed seven percent (7%) of the total revenues of the County Government or twice the personnel costs, whichever is lower.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Government ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

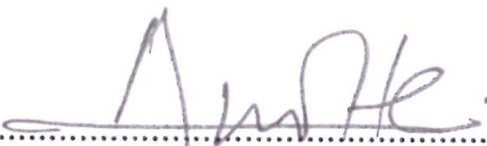

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

16 December, 2024

8. Statement of Receipts and Payments for the Year Ended 30th June 2024.

		2023/24	2022/23
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	7,588,848,254	8,561,389,232
Transfers from other government agencies	2	752,102,844	603,842,587
Other grants	3		
Proceeds from Domestic Borrowing	4		
Proceeds from Foreign Borrowing	5		
Own Source Revenue	6	89,631,256	81,999,052
Return to CRF issues	7	1,164,148	19,823,551
Total Receipts		8,431,746,502	9,267,054,422
Payments			
Transfers to County Executive	8	7,935,375,572	7,279,605,452
Transfers to County Assembly	9	986,521,283	903,302,421
Other Transfers	10		
Total Payments		8,921,896,855	8,182,907,873
Net increase (decrease) in cash for the year		(490,150,353)	1,084,146,549
Add Opening fund balance b/f	11	1,091,985,636	7,839,087.30
Closing Fund balance for the period	11	601,835,283	1,091,985,636


 Name: ADEN HARON
 Chief Officer - Finance
 Date: 30/9/2024


 Name: ABDI ALI NURIFE
 Director Accounting Services
 ICPAK Member No. 29047
 Date: 30/9/2024

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2024.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer releases	8,248,748,101	-	8,248,748,101	7,588,848,254	659,899,847	92%
Proceeds from Domestic and Foreign Grants	1,587,496,043	-	1,587,496,043	752,102,844	835,393,199	47%
Own Source Revenue	139,000,000	-	139,000,000	89,631,256	49,368,744	64%
Balance brought Forward	634,176,980		634,176,980		634,176,980	
Total Receipts	10,609,421,124	-	10,609,421,124	8,430,582,354	1,544,661,790	79%
Payments						
Transfers to County Executive	7,935,375,572	-	7,935,375,572	7,935,375,572	0	100%
Transfers to County Assembly	986,521,283	-	986,521,283	986,521,283	0	100%
Total Payments	8,921,896,855	-	8,921,896,855	8,921,896,855	0	100%
Balance	1,687,524,269		1,687,524,269	-491,314,501	1,544,661,790	100%

(a) County Own Source Revenue was at 64% due to under collections.

(b) Proceeds from Domestic and Foreign Grants was at 47% due to non-receipt of funds.

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

11. Notes to the Financial Statements

1. Exchequer releases

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

	2023/24	2022/23
	Kshs.	Kshs.
Equitable Share (a)	7,588,848,254	8,561,389,232
Level 5 hospitals (b)	-	-
Total (d=a+b+c)	7,588,848,254	8,561,389,232

2. Transfers from other government agencies**

Description	2023/24	2022/23
	Kshs.	Kshs.
Road Maintenance Levy		
Covid-19		
Development of Youth Polytechnics-State Department of TVETS		
User Fees Foregone -Ministry of Health		
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health		2,339,915
World Bank-NARIGP-State Department of Crop Development		
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development		75,269,050
DANIDA Grant -Primary Health care in devolved context - Ministry of Health		19,786,000
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	335,341,870	396,669,191
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development		
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	168,180,619	78,953,520
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development		
UNFPA-9th County Programme Implementation -Ministry of Health		8,824,500
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	1,500,000	
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation		

County Government of Garissa
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Description	2023/24	2022/23
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development		
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of ..	184,580,354	22,000,000
County Aggregated and Industrial Park Support CAIP	62,500,000	
Total	752,102,844	603,842,587

** These include other government grants released through other government entities such as the National Government MDAs.

3. Other grants**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Donor 1		
Donor 2		
Donor 3		
Others		

** These are funds received from development partners directly to the CRF.

4. Proceeds from Domestic borrowing.

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Borrowing within General Government		
Borrowing from Monetary Authorities (Central Bank)		
Other Domestic Depository Corporations (Commercial Banks)		
Borrowing from Other Domestic Financial Institutions		
Borrowing from Other Domestic Creditors		
Domestic Currency and Domestic Deposits		
Others		
Total		

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer		
Foreign Borrowing - Direct Payments		
Foreign Currency and Foreign Deposits		
Others		
Total		

6. Own Source Revenue

Description	2023-2024	2022-2023
	Kshs	Kshs
RECEIPTS		
Rents	16,089,929	16,690,472
Sales of Market Establishments	1,029,648	1,029,648
Receipts from Administrative Fees and Charges	6,231,514	6,231,514
Receipts from Administrative Fees and Charges - Collected as AIA	1,254,909	4,248,058
Fines, Penalties and Forfeitures	13,434,955	12,434,955
Other Receipts Not Classified Elsewhere	8,305,882	9,772,879
Business Permits	14,400,250	9,645,851
Cess	13,764,207	8,764,484
Administrative Services Fees	143,210	3,522,383
Market/Trade Centre Fee	3,159,088	2,504,982
Public Health Facilities Operations	404,564	2,075,664
Environment & Conservancy Administration	3,637,617	1,216,968
Slaughter Houses Administration	2,488,334	2,339,831
Technical Services Fees	5,287,149	1,521,363
TOTAL	89,631,256	81,999,052

County Government of Garissa
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 For the financial year ended 30th June 2024

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2023/24	2022/23
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	18,738.50	19,787,241.65
Development Account (<i>County Executive</i>)	731,339.80	3,769.05
Recurrent Account (<i>County Assembly</i>)	400	29,399.35
Development Account (<i>County Assembly</i>)	157	3,141.30
Special Accounts	413,513	-
Total	1,164,148.30	19,823,551.35

8. Transfers to County Executive

	2023/24	2022/23
	Kshs.	Kshs.
Recurrent Account	5,107,822,797	5,557,326,780
Development Account	1,856,046,230	1,296,881,906
Special purpose Accounts	971,506,545	425,396,766
Total	7,935,375,572	7,279,605,452

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2023/24	2022/23
	Kshs.	Kshs.
Recurrent Account	917,318,653	863,302,421
Development Account	69,202,630	40,000,000
Special purpose accounts	-	-
Total	986,521,283	903,302,421

10. Other Transfers

Description	2023/24	2022/23
	Kshs.	Kshs.
Agency Notices		
Others		
Total		

11. Fund balance

	2023/24	2022/23
	Kshs.	Kshs.
County Exchequer Account - 1000171499 CBK	601,835,283	1,071,985,636.90
Total	601,835,283	1,071,985,636.90

Notes to the Financial Statements (Continued)

12. 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 are disclosed as at the end of the reporting period as below.


Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2023-2024	2022-2023
			Kshs	Kshs
<i>Kenya Commercial Bank, Account No: 1140761625, Ksh.</i>	Kenya Shilling		534	575,659.81
Total				

12. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Closing Fund Balance	The closing fund balance for 2021/2022 resulted in unexplained variance	The variance were rectified	Resolved	August 2023
Budgetary Control and Performance	Underfunding and under absorption affected and May have impacted Service Delivery	These were due to late Exchequer Release	Resolved	August 2023
Late Exchequer Release	Under performance Affected Planned Activities	The maater is beyond the management Control	Unresolved	August 2023


 Name
 Chief Officer Finance
 Date..... 30/9/2024

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

Period (2023/24)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	1,361,043,437	1,361,043,437	2,062,187,026	2,804,574,355	7,588,848,255
DANIDA - Universal Healthcare in Devolved Units Programme	0				0
World Bank – UDG	0				0
Garissa County Climate Change Fund (FLLoCA)	184,580,354				184,580,354
Abolishment of user fees in health centres and dispensaries					
Kenya Urban Support Programme (KUSP)	1,500,000				1,500,000
Garissa County Aggregate and industrial Park	62,500,000				62,500,000
Kenya Climate Smart Agriculture Project (KCSAP)	0				0
Water and Sanitation Development Project (WSDP)	335,341,870				352,692,711
Emergency Locust Response Project (ELRP)	168,180,619				168,180,619
TOTAL	2,113,146,281				8,358,301,939

(Amend appropriately as per the current year CARA)

Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

Period 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess					
Land rate					
Single/Business permits					
Property rent					
Parking fees					
Market fees					
Advertising					
Hospital fees					
Public health service fees					
Physical planning and development					
Hire of County Assets					
Conservancy administration					
Administration control fees and charges					
Park fees					
Proceeds from sale of assets					
Other fines, penalties, and forfeiture fees					
Miscellaneous					
Others (<i>Specify</i>)					
Total					

County Government of Garissa
 County Revenue Fund
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Annex 4: Analysis of Transfers from the County Revenue Fund

Period (2023/24)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	1,005,251,873	1,350,836,328	1,072,432,578	1,679,302,018	5,107,822,797
County Executive -Dev	369,800,000	277,424,385	307,207,369	901,614,476	1,856,046,230
County Assembly -Rec	227,993,696	199,636,304	239,996,295	249,692,258	917,318,553
County Assembly -Dev	10,000,000	-	29,000,630	30,202,000	69,202,630
Special Purpose A/c (All donor funded accounts)	160,022,276	33,125,915	47,839,016	730,519,338	971,506,545
Total	1,773,067,845	1,861,022,932	1,696,475,888	3,591,330,090	8,921,896,755