

REPUBLIC OF KENYA



REPORT

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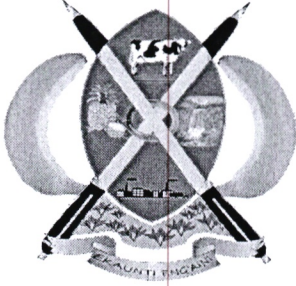
OF

THE AUDITOR-GENERAL

ON

**COUNTY REVENUE FUND -
COUNTY GOVERNMENT OF NYAMIRA**

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



COUNTY REVENUE FUND
COUNTY GOVERNMENT OF NYAMIRA

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022.

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

County Revenue Fund
County Government of Nyamira
Annual Report and Financial Statements for the Financial Year ended 30th June,2022.

**County Revenue Fund
County Government of Nyamira
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1. KEY COUNTY REVENUE FUND 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 of Nyamira.

b) Key Management

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

- County Executive Committee Member - Finance and Economic planning
- Chief Officer - Finance
- Director Accounting Services/Finance

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	CPA Emilly Ongaga
2.	Accounting Officer in charge of Finance	CPA Dominic Barare
3.	Director Accounting Services/Finance	CPA Lawrence Nyangau

d) Fiduciary Oversight Arrangements

Public Accounts Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

This Committee was formed under Standing Order 186 of the County Assembly of Nyamira Standing Orders. The following five members were appointed to serve in this committee:

Member	Designation
Hon. Thaddeus Nyabaro	Chairperson
Hon. Monica Mwamba	Vice chairperson
Hon. Charles Keganda	Member
Hon. Robison Mocheche	Member
Hon. Irene Sese	Member

Budget and Appropriations Committee

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The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation
Hon. George Nyachae	Chairperson
Hon. Carolyn Mogere	Vice Chairperson
Hon. Duke Masira	Member
Hon. Alfayo Ngeresa	Member
Hon. Innocent Mose	Member
Hon. Lilian Nyamweya	Member
Hon. Joseph Nyarang'o	Member
Hon. Gilbert Nchore	Member
Hon. Benson Sironga	Member
Hon. Jane Mokaya	Member
Hon. Dennis Kebaso	Member

In addition to the above two committees of the County Assembly, the County Government had an independent Audit Committee which was constituted in 2016 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Audit Committee

The audit committee was constituted in 2020. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held 1 meeting in FY 2021/2022

The committee members during FY 2021/2022 were:

Member	Designation
CPA Evans Maeba	Chairman
CPA Ann Nyanchama	Secretary
CPA Jones Masimba	Member
CPA Geoffrey Michira	Member
CPA Geoffrey Monari	Member
Miss Venny Kemunto	Member (Representing youth)

e) County Headquarters

Nyamira County Building,
P.O. Box 434-40500
Nyamira, Kenya

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f) Fund's Contacts

Telephone: (254) -0738727272,0735232323

E-mail: info@nyamira.go.ke.

Webs : www.nyamira.go.ke

g) Independent Auditors

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P. O. Box 30084

GPO 00100

Nairobi, Kenya

h) Principal Legal Adviser

The County Attorney

Evans E.M.Orina

P.O. Box 434-40500

Nyamira, Kenya

i) Bankers (County Executive Bankers)

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Kenya Commercial Bank

Nyamira branch

Po Box 403-40500

Nyamira, Kenya

3. Co-operative bank of Kenya

P.O. 48231- 0100

Nairobi, Kenya

4. Equity bank of Kenya

Nyamira Branch

P.O. 650- 40500

Nairobi, Kenya

**County Revenue Fund
County Government of Nyamira
Annual Report and Financial Statements for the Financial Year ended 30th June,2022.**

**2. STATEMENT BY THE COUNTY EXECUTIVE COMMITTEE MEMBER FOR
FINANCE AND ECONOMIC PLANNING**

It is my pleasure to present the annual Report on the County Revenue Fund Statements of the County Government of Nyamira for the year ended 30th June, 2022.

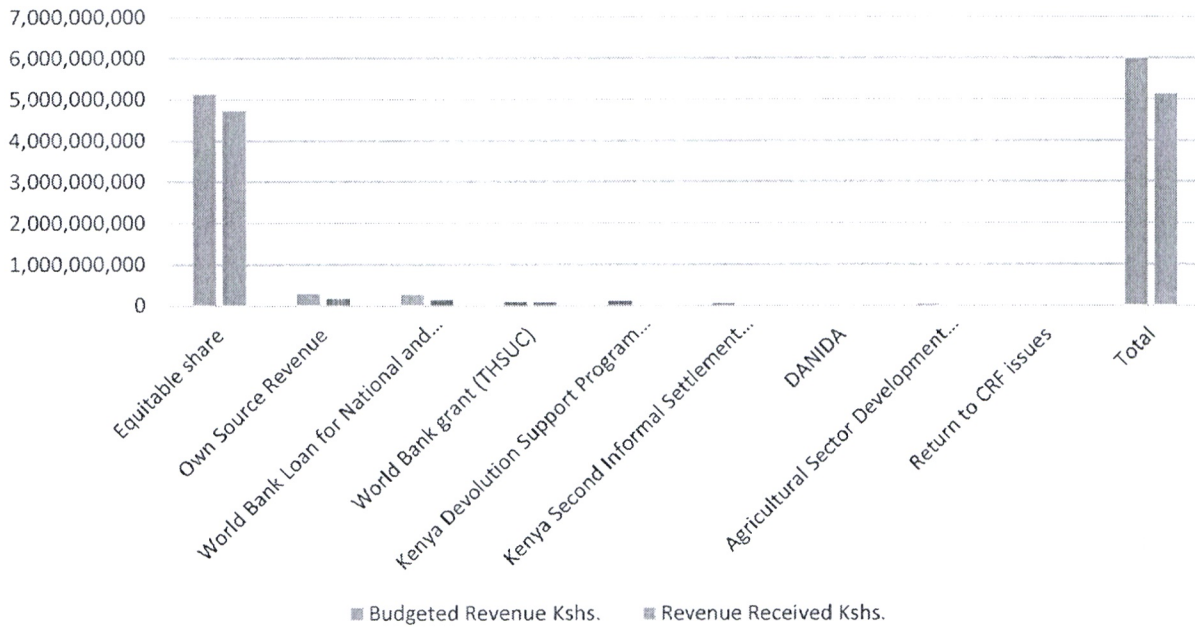
The County Government of Nyamira was able to realize Kshs.5,134,141,271 in actual revenues against a projection of Kshs.6,832,617,659 for the year under review. This being a 75% performance as presented in the table below:

Revenue Sources	Budgeted Revenue	Revenue Received	Unrealized Revenue
	Kshs.	Kshs.	Kshs.
Equitable share	5,135,340,036	4,724,512,833	410,827,203
Own Source Revenue	295,000,000	169,976,000	125,024,000
World Bank Loan for National and Rural inclusive growth project	275,417,324	140,544,721	134,872,603
World Bank grant (THSUC)	90,226,074	76,304,392	13,921,682
Kenya Devolution Support Program Level II	112,815,048	0	112,815,048
Kenya Second Informal Settlement Improvement (KISIP 2)	50,000,000	0	50,000,000
DANIDA	10,659,000	5,329,500	5,329,500
Agricultural Sector Development Support Programme II	24,250,072	17,436,316	6,813,756
Return to CRF issues	37,509	37,509	0
Total	5,993,707,554	5,134,141,271	859,603,792

The budgeted and actual revenues are presented in the following bar chart:

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BUDGETD VS ACTUAL REVENUE



Further, during the year under review, disbursements totalling to Kshs.5,613,622,859 were made from the County Revenue Fund, which comprised Kshs.4,557,372,931, Kshs.701,140,292 and Kshs.355,109,636 disbursed to the County Executive, County Assembly and other entities respectively.

Finally, I wish to thank the Governor, the Speaker, Members of County Assembly, Executive Committee members and the chief officers for their continued support and leadership in driving the County Government of Nyamira’s development agenda. I also thank the entire County Government of Nyamira’s staff members and stakeholders who worked tirelessly towards achieving the set and desired targets. My gratitude also goes to the County Assembly members for their guidance through the current in year under review. On behalf of the County Executive Committee members, I wish to thank the National Government of Kenya for the continued support to Nyamira County Government during the year in under review and we look forward to enjoying more support.

Emilly Moraa Ongaga

**CPA Emilly Moraa Ongaga
ICPK Number 10900
CECM Finance , ICT and Economic Planning
Nyamira County Government**

County Revenue Fund
County Government of Nyamira
Annual Report and Financial Statements for the financial year ended 30th June 2022

3. MANAGEMENT DISCUSSION AND ANALYSIS

The County Government of Nyamira had budgeted revenue for the last three years as below:

	REVENUE SOURCES	BUDGET ESTIMATE				
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs
9910201	Unspent Balances	834,304,744	1,314,910,281	1,154,682,640	855,779,664	838,910,105
9910201	Equitable share	4,620,600,000	4,772,800,000	4,810,800,000	4,810,800,000	5,135,340,036
Various	Own Source Revenue	258,592,832	255,566,158	250,000,000	250,000,000	295,000,000
	Totals	5,713,497,576	6,343,276,439	6,215,482,640	5,916,579,664	6,269,250,141
ADDITIONAL TRANSFERS FROM NATIONAL GOVERNMENT						
1330301	Development of youth polytechnics Grant	83,704,140	52,915,000	67,068,298	60,409,894	0
1330404	Compensation user fee forgone	13,175,221	13,175,221	13,175,221	13,175,221	0
3111504	Roads maintenance levy fund	177,012,086	125,663,667	136,557,750	146,215,617	0
	TOTAL	273,891,447	6,279,464,169	216,801,269	6,136,380,396	6,269,250,141
CAPITAL GRANTS FROM DEVELOPMENT PARTNERS						
1320101	World Bank Loan for National and Rural inclusive growth project	50,000,000	140,435,163	350,000,000	198,509,110	275,417,324
1320101	Kenya Urban Support Programme (KUSP UDG)	0	114,705,300	114,705,300	114,705,300	0
1320101	Kenya Urban Support Programme (KUSP UIG)	0	41,200,000	8,800,000	0	0
1320101	World Bank grant (THSUC)	28,452,981	50,000,000	35,000,000	278,847,760	90,226,074

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	REVENUE SOURCES	BUDGET ESTIMATE				
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs
1540701	Kenya Devolution Support Program Level II	0	0	0	0	112,815,048
1540701	Kenya Second Informal Settlement Improvement (KISIP 2)	0	0	0	0	50,000,000
1320101	World Bank grant (KDSP)	39,582,751	42,383,765	30,000,000	45,000,000	0
1540701	DANIDA	11,995,032	15,491,250	14,250,000	13,680,000	10,659,000
1320101	Agricultural Sector Development Support Programme II	0		16,937,554	13,125,036	24,250,072
	TOTAL		404,215,478	569,692,854	663,867,206	563,367,518
TOTAL	GRAND TOTAL		6,683,679,647	7,001,976,763	6,800,247,602	6,832,617,659

The county also manage to receive as lower

REVENUE SOURCES AND ACTUAL RECEIPTS						
		Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs
9910201	Unspent Balances	834,304,744	1,314,910,281	1,154,682,640	855,779,664	37,509
9910201	Equitable share	4,620,600,000	4,772,800,000	4,397,071,200	4,810,800,000	4,724,512,833
Various	Own Source Revenue	97,881,577	165,447,568	187,324,098	168,276,586	169,976,000

**County Revenue Fund
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REVENUE SOURCES AND ACTUAL RECEIPTS							
		Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	
		Kshs	Kshs	Kshs	Kshs	Kshs	
1330301	Development of youth polytechnics Grant	83,704,140	39,950,825	67,068,298	60,409,894		0
1330404	Compensation user fee forgone	11,578,459	13,175,221	13,175,221	13,175,221		0
3111504	Roads maintenance levy fund	117,012,086	125,663,668	136,557,732	146,215,617		0
	TOTAL	5,765,081,006	6,431,947,563	5,955,879,189	6,054,656,982	4,894,526,342	
1320101	World Bank Loan for National and Rural inclusive growth project		50,078,476	161,791,811	175,682,713		140,544,721
1320101	Kenya Urban Support Programme (KUSP UDG)	0	114,705,300	82,041,681	30,479,584		0
1320101	Kenya Urban Support Programme (KUSP UIG)	0	41,200,000	8,800,000	0		0
1320101	World Bank grant (THSUC)	12,933,173	23,985,548	14,054,627	278,585,188		76,304,392
1540701	Kenya Devolution Support Program	0	0	0	0		0

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REVENUE SOURCES AND ACTUAL RECEIPTS						
		Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs
	Level II					
1540701	Kenya Second Informal Settlement Improvement (KISIP 2)	0	0	0	0	0
1320101	World Bank grant (KDSP)	39,582,751	0	30,000,000	45,000,000	0
1540701	DANIDA	18,592,300	15,491,250	19,570,000	13,680,000	5,329,500
1320101	Agricultural Sector Development Support Programme II(ASDP)	0	7,218,777	16,463,524	12,625,861	17,436,316
	TOTAL	71,108,224	252,679,351	332,721,643	556,053,346	239,614,929
TOTAL	GRAND TOTAL	5,738,307,653	6,519,179,346	6,288,600,832	6,610,710,328	5,134,141,271

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4. STATEMENT OF MANAGEMENT RESPONSIBILITY

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

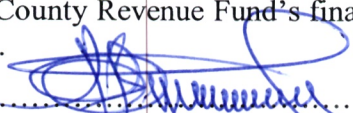
The Accounting Officer of the County Government is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2022. This responsibility includes: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

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

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30th September, 2022.


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CPA Dominic Barare Oyugi
ICPAK Number 15694
Chief Officer,

Finance, ICT and Economic Planning

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. Other receipt includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

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



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CPA Dominic Barare Oyugi
ICPAK Number 15694
Chief Officer,
Finance, ICT and Economic Planning

REPUBLIC OF KENYA



Enhancing Accountability

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

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

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 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 the County Revenue Fund - County Government of Nyamira set out on pages 1 to 8, which comprise of the statement

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the County Revenue Fund - County Government of Nyamira as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.6,832,617,659 and Kshs.5,134,141,271 respectively resulting to an under-receipt of revenue of Kshs.1,698,476,388 or 25% of the budget. Similarly, the statement reflects final budgeted payments and actual on comparable basis amounts of Kshs.6,832,617,659 and Kshs.5,613,622,859 respectively, resulting to an underpayment of Kshs.1,218,994,800 or 18% of the budget.

The under-receipts and under payments adversely affected the planned activities of Nyamira County Government and delivery of services to the residents of the County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources, 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

Collection of Revenue without an Approved Finance Act

The statement of receipts and payments reflects own source revenue amounting to Kshs.169,976,000 and as disclosed in Note 3 to the financial statements. However, information provided indicated that the County Government did not enact a Finance Act for the year 2021/2022, casting doubt on the basis used to collect the revenue. This was contrary to Section 133 of the Public Finance Management Act, 2012, which provides that not later than ninety days after passing the Appropriation Bill, the County Assembly shall consider and approve the Finance Bill with or without amendments.

In the circumstances, the legality of own source revenue of Kshs.169,976,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of 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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

The 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 the 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

25 April, 2023

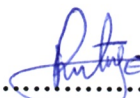
**County Revenue Fund
County Government of Nyamira
Annual Report and Financial Statements for the financial year ended 30th June 2022**

7. STATEMENT OF RECEIPTS AND PAYMENTS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2022.

	Notes	2021/2022
		Kshs.
Receipts		
Exchequer releases	1	4,724,512,833
Transfers from other government agencies	2	239,614,929
Own source revenue	3	169,976,000
Return to CRF issues	4	37,509
Total Receipts		5,134,141,271
Payments		
Transfers to County Executive	5	4,557,372,931
Transfers to County Assembly	6	701,140,292
Other Transfers	7	355,109,636
Total Payments		(5,613,622,859)
Net increase (decrease) in cash for the year		(479,481,588)
Add Opening fund balance b/f	8	479,516,431
Closing Fund balance for the period	8	34,843



.....
Name CPA Oyugi Barare Dominic
Chief Officer - Finance
ICPAK Member No. 15694
Date: 30 September, 2022



.....
Name : CPA Purity Moraa Nyamboga
Director Accounting Services
ICPAK Member No. 20795
Date: 30th September, 2022

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8. STATEMENT OF COMPARISON OF BUDGET ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2022.

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	5,330,861,419	(105,000,000)	5,225,861,419	4,724,512,833	501,348,586	90
Transfers from other government agencies	1,311,718,731	-	1,311,718,731	239,614,929	1,072,103,802	18
Own Source Revenue	295,000,000	-	295,000,000	169,976,000	125,024,000	58
Return to CRF issues	37,509	-	37,509	37,509	-	100
Total Receipts	6,937,617,659	(105,000,000)	6,832,617,659	5,134,141,271	1,698,476,388	75
Payments						
Transfers to County Executive	4,819,776,289	(66,321,794)	4,753,454,495	4,557,372,931	196,081,564	96
Transfers to County Assembly	806,122,639	(38,678,206)	767,444,433	701,140,292	66,304,141	91
Others	1,311,718,731	-	1,311,718,731	355,109,636	956,609,095	27
Total Payments	6,937,617,659	(105,000,000)	6,832,617,659	5,613,622,859	1,218,994,800	82
Balance				(479,481,588)	479,481,588	

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Notes:

- (a) The under realization of transfers from other Government agencies by 82% was due to non or under receipt of grants like National and Rural Inclusive Growth Project (NRIGP), THSUC, KDSP II, DANIDA, ASDSP II and Kenya Informal Settlement Improvement II.
- (b) The under realization of own source revenue by 42% was due to Covid 19 and Unfavourable climate conditions
- (c) The under payment transfer to specials purpose accounts by 73% against others was due to non-receipt of grants.
- (d) The changes between the original and final budget are as a result of reallocations and 1st and 2nd supplementary within the budget as per IPSAS 1.9.23.

9. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

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

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Significant Accounting Policies (Continued)

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

e) Fund Balances

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

f) Restriction on Cash

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

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10. NOTES TO THE FINANCIAL STATEMENTS

1. Exchequer Releases

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

Description	2021/2022
	Kshs.
Equitable Share (a)	4,724,512,833
Level 5 hospitals (b)	0
Total (d=a+b+c)	4,724,512,833

2. Transfers from Other Government Agencies

Description	2021/2022
	Kshs.
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	76,304,392
Word Bank-NARIGP-State Department of Crop Development	140,544,721
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	5,329,500
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	17,436,316
Total	239,614,929

These include other government grants that do pass through the Exchequer.

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Notes to the Financial Statements (Continued)

3. Own Source Revenue

Revenue Source	2021/2022
	Kshs.
Cess	4,302,380
Land/Poll Rate	2,570,634
Single/Business Permits	21,035,979
Property Rent	12,321,770
Parking Fees	14,542,331
Market Fees	8,212,047
Advertising	10,258,810
Hospital Fees	79,189,658
Public Health Service Fees	2,090,830
Physical Planning and Development	5,458,488
Hire Of County Assets	255,500
Administration Control Fees and Charges	9,435,260
Other Fines, Penalties, And Forfeiture Fees	87,815
Miscellaneous receipts	214,498
Total County Own Source Revenue	169,976,000

4. Return to CRF Issues

Description	2021/2022
	Kshs.
Recurrent Account (<i>County Executive</i>)	1
Development Account (<i>County Executive</i>)	856
Recurrent Account (<i>County Assembly</i>)	133
Development Account (<i>County Assembly</i>)	36,519
Total	37,509

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Notes to the Financial Statements (Continued)

5. Transfers to County Executive

	2021/2022
	Kshs.
Recurrent Account	3,896,482,170
Development Account	660,890,761
Total	4,557,372,931

6. Transfers to County Assembly

Description	2021/2022
	Kshs.
Recurrent Account	612,444,432
Development Account	88,695,860
Total	701,140,292

7. Other Transfers

Special Purpose Account	2021/22
	Kshs.
NAGIRP	140,544,722
ASDSP	20,115,973
THUSCP	76,304,393
DANIDA	5,329,500
KDSP	112,815,048
Total	355,109,636

8. Fund balance

Description	2021/2022
	Kshs.
County Exchequer Account - (CBK Account number 1000170891)	34,843
Total	34,843

County Revenue Fund
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ANNEX 1 . ANALYSIS OF RECEIPTS FROM THE NATIONAL TREASURY EXCHEQUER RELEASES

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	847,331,106	1,283,835,009	847,331,106	1,746,015,612	4,724,512,833
DANIDA - Universal Healthcare in Devolved Units Programme				5,329,500	5,329,500
World Bank – THUSCP				76,304,392	76,304,392
National Agricultural & Rural Inclusive Growth Project (NARIGP)				140,544,721	140,544,721
Agriculture Sector Development Support Project (ASDSP)				17,436,316	17,436,316
Total	847,331,106	1,283,835,009	847,331,106	1,985,630,541	4,964,127,762

County Revenue Fund
 County Government of Nyamira
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Annex 2: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	571,985,246	1,211,755,861	670,770,581	1,441,970,481	3,896,482,170
County Executive -Dev	-	338,424,420	68,745,117	253,721,224	660,890,761
County Assembly -Rec	102,073,656	184,059,260	131,613,973	194,697,543	612,444,432
County Assembly -Dev	-	57,272,723	4,668,999	26,754,138	88,695,860
Special Purpose A/c KDSP)	112,815,048	-	-	-	112,815,048
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	5,329,500	5,329,500
World Bank – THUSCP	-	-	-	76,304,392	76,304,392
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	140,544,722	140,544,722
Agriculture Sector Development Support Project (ASDSP)	-	-	2,679,657	17,436,316	20,115,973
Total	786,873,950	1,791,512,264	878,478,327	2,156,758,317	5,613,622,859