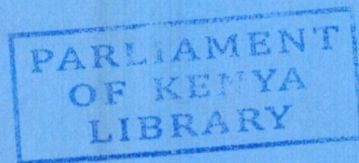


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**COUNTY REVENUE FUND - COUNTY
GOVERNMENT OF WEST POKOT**

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

| PAPERS LAID | |
|--------------------|-------------------|
| DATE | 21/3/23 |
| TABLED BY | Dep. h.g Majority |
| COMMITTEE | |
| CLERK AT THE TABLE | M. Adjuwodou |



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





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

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1. Key Entity Information and Management

a) Background information

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

b) Key Management

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

- CECM Finance and Economic planning
- C.O 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 | Hon. Paul Woyakapel |
| 2. | Accounting Officer in charge of Finance | Priscillah Chebet Mungo |
| 3. | Director Accounting Services/Finance | CPA Haron Muruny |

d) Fiduciary Oversight Arrangements

The following are fiduciary oversight arrangements applicable to the County government.

i. West Pokot County Assembly

Article 185(3) provides that a county assembly, while respecting the principle of the separation of powers, may exercise oversight over the County executive committee and any other County executive organs. The oversight role of the County assembly is exercised directly by all members of the County assembly and through County assembly committees. The following are the committees responsible for oversight in the County Assembly:

- Public Accounts and Investment Committee
- Sectorial Committees
- Finance and Planning Committee

- Implementation Committee

ii. **Controller of Budget**

Article 228(4) of the Constitution of Kenya provides that the Controller of Budget shall oversee the implementation of the budgets of the national and County governments by authorizing withdrawal from public funds. The Controller of Budget is also mandated to inquire into any matter which may be brought to his/her attention or which he/she considers necessary in the process of budget implementation.

iii. **The Senate**

The Senate by virtue of its constitutional mandate has secondary oversight responsibility over County governments. The County Public Accounts and Investment Committee of the Senate has been directly involved in oversight over County governments.

iv. **National Government agencies - Conditional Allocations**

The national government allocates conditional funds to the County and with it an oversight role on the utilization of the funds. The following are some of the conditional allocations that are audited by external parties;

- Road Maintenance Fuel Levy Fund (KRB)
- DANIDA Support for Universal Healthcare (audited by Ernst & Young)
- Swedish Government Grant to Support Agriculture Sector (ASDSP)
- Kenya Urban Support Program (KUSP – UDG&UIG)
- Kenya Smart Agriculture Program (KSMART)
- World Bank grant for Transforming Healthcare Systems for Universal Healthcare (THS/UCP)
- EU grant for Instruments for Devolution Advice and Support (EUIDEAS)

v. **Audit Committee**

The West Pokot County Audit Committee was constituted and inducted on 1st July 2018 as per the provisions of the Public Finance and Management Act, 2012. It is mandated to review audit reports and advise the County government on institutional risk management.

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

The audit committee members are;

| S/No | Name | Designation |
|------|----------------------------------|-------------|
| 1 | Mr. Paul Loitangiro Rikilem, CPA | Chairperson |
| 2 | Thomas Lotiaka, CPA | Secretary |
| 3 | Mr. Kizito Musakala Makhumi | Member |
| 4 | Mr. Jonathan Plimo Ngoriarita | Member |
| 5 | Ms. Irene Chebet Lorot | Member |
| 6 | Mr. Fred Pkemoi Lourien | Member |

e) County Headquarters

The County's headquarters in Kapenguria has the following address:

P.O Box 222 - 30600

Office of the Governor

Off Kapenguria County Hospital Road

Kapenguria, Kenya

f) County Contacts

Telephone: (254) 0532014000

E-mail: info@westpokot.go.ke

Website: www.westpokot.go.ke

g) County Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Kenya Commercial Bank Limited

Kapenguria Branch,

P.O. Box 66 - 30600

Kapenguria, Kenya

3. Equity Bank Limited

Kapenguria Branch

P.O. Box 75104

Kapenguria, Kenya

4. Cooperative Bank of Kenya Limited

Kitale Branch

P.O. Box 1058- 0200

Kitale, 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 County Attorney

P.O Box 222 – 30600

Off Kapenguria County Hospital Road

Kapenguria, Kenya

2. Statement by the CECM Finance

It gives me pleasure to present the County revenue financial statements for the County Government of West Pokot for the period ended 30 June 2022. The financial statements have been prepared in accordance with Sections 109 and 167 of the Public Finance Management Act, 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. Below include the table showing the total receipts received for the financial period

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. Total receipts for the period under review was Ksh 6,775,464,936. This comprises of Exchequer releases, own source revenue, return CRF grants from development partners and proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account. Exchequer releases remains our major source of revenue. The county invested on raft measures on increasing own source revenue, despite success the county had some challenges which are being resolved by the department

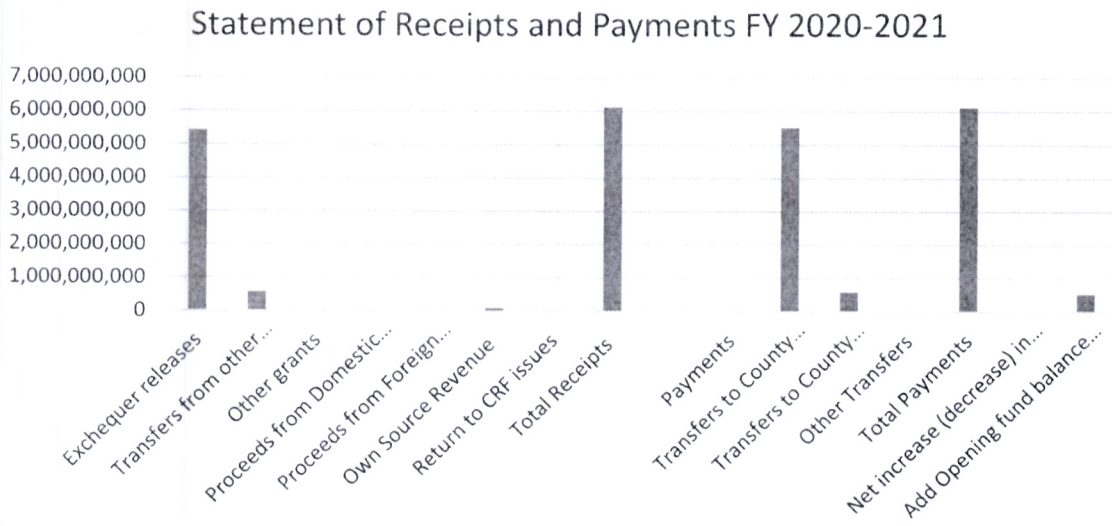
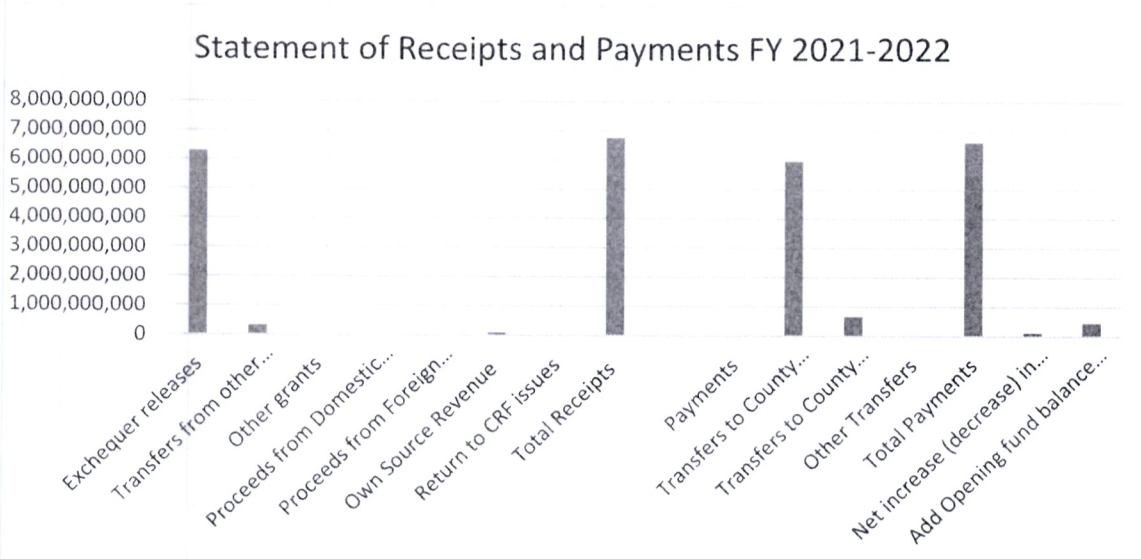


Hon. Paul Woyakapel
CECM Finance and Economic Planning
County Government of West Pokot

3. Management Discussion and Analysis

| | | 2021/22 | 2020/21 |
|--|-----------|----------------------|----------------------|
| | Notes | Kshs. | Kshs. |
| Receipts | | | |
| Exchequer releases | 1 | 6,297,284,329 | 5,430,760,200 |
| Transfers from other government agencies | 2 | 331,994,202 | 581,187,110 |
| Other grants | 3 | | |
| Proceeds from Domestic Borrowing | 4 | | |
| Proceeds from Foreign Borrowing | 5 | | |
| Own Source Revenue | 6 | 113,705,713 | 110,441,691 |
| Return to CRF issues | 7 | 32,480,692 | 3,449,090 |
| Total Receipts | | 6,775,464,936 | 6,125,838,091 |
| Payments | | | |
| Transfers to County Executive | 8 | 5,972,813,490 | 5,519,789,929.00 |
| Transfers to County Assembly | 9 | 670,548,179 | 602,946,573 |
| Other Transfers | 10 | | |
| Total Payments | | 6,643,361,669 | 6,122,736,502 |
| Net increase (decrease) in cash for the year | | 132,103,267 | 3,101,589 |
| Add Opening fund balance b/f | | 469,710,235 | 545,393,646 |
| Closing Fund balance for the period | 11 | 603,490,886 | 469,710,235 |

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



Note: The Exchequer releases remains our major source of revenue

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 (*where applicable*). 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 03/072023.



Name: Priscillah Chebet Mungo
Chief Officer – Finance and Economic Planning
County Government of West Pokot

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.

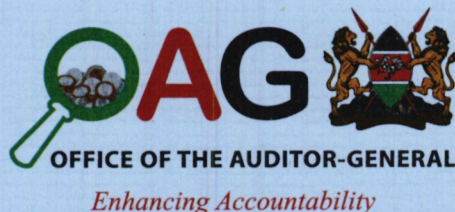
This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2022.



.....
Name: Priscillah Chebet Mungo
Chief Officer – Finance and Economic Planning

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND - COUNTY GOVERNMENT OF WEST POKOT 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 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 West Pokot set out on pages 1 to 12, which comprise the statement of receipts and payments and statement of comparison of budget and actual

Report of the Auditor-General on County Revenue Fund - County Government of West Pokot for the year ended 30 June, 2022

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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial performance of County Revenue Fund - County Government of West Pokot for the year ended 30 June, 2022, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and County Governments Act, 2012.

Basis for Qualified Opinion

Inaccuracy in the Financial Statements

The statement of receipts and payments reflects total payments amount of Kshs.6,643,361,669 whereas the statement of comparison of budget and actual reflects actual payments of Kshs.6,644,740,888 resulting to unreconciled variance of Kshs.1,379,219.

Consequently, the accuracy and completeness of total payments of Kshs.6,643,361,669 for the year ended 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 Revenue Fund - County Government of West Pokot 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

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.7,671,679,349 and Kshs.6,775,464,936 respectively resulting to an under-funding of Kshs.896,214,413 or 12% of the budget. Similarly, the Fund disbursed Kshs.6,644,740,888 against an approved budget of Kshs.7,671,679,349 resulting to an under-disbursement of Kshs.1,026,938,461 or 13% of the budget.

The under-funding/under-collection of receipts and subsequent under-disbursement is an indication that the planned programs and activities were not implemented, and the citizens of West Pokot County may not have received the envisaged services.

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 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-remittance of all Revenues Collected to the CRF Account

An analysis of the collections and transfers for the year ended 2022 into the County Revenue Fund revealed that Kshs.66,797,749 was not remitted to the account as detailed below contrary to Public Finance Management (County Governments) Regulations, 2015, Regulation 81 (2) which states that the Receivers of Revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof. Further, no mapping of revenue streams had been done making it difficult to ascertain the probable amount the County expected to collect from the own source revenue as per the provisions of West Pokot County Finance Act, 2021.

| Month | Bal b/d (Kshs) | Collections (Kshs) | Total (Kshs) | Payments to CRF (Kshs) | Unremitted (Kshs) |
|--------------|-------------------|--------------------|--------------------|------------------------|-------------------|
| Jul | 393,220 | 6,409,768 | 6,802,988 | 3,732,810 | 3,070,178 |
| Aug | 3,061,758 | 2,596,250 | 5,658,008 | 5,243,548 | 414,460 |
| Sep | 407,800 | 31,456,762 | 31,864,563 | 2,804,391 | 29,060,172 |
| Oct | 29,057,772 | 3,350,670 | 32,408,442 | 31,771,100 | 637,342 |
| Nov | 632,602 | 5,705,641 | 6,338,243 | 5,990,078 | 348,165 |
| Dec | 342,265 | 8,972,474 | 9,314,739 | 2,559,248 | 6,755,491 |
| Jan | 6,750,745 | 14,356,078 | 21,106,823 | 7,329,400 | 13,777,423 |
| Feb | 13,774,683 | 9,173,245 | 22,947,928 | 22,305,338 | 642,590 |
| Mar | 626,570 | 14,341,677 | 14,968,247 | 4,886,263 | 10,081,984 |
| April | 10,079,224 | 2,403,149 | 12,482,373 | 11,315,179 | 1,167,194 |
| May | 1,162,794 | 2,307,723 | 3,470,517 | 2,699,287 | 771,230 |
| June | 770,830 | 12,371,761 | 13,142,591 | 13,071,071 | 71,520 |
| Total | 67,060,263 | 113,445,198 | 180,505,462 | 113,707,713 | 66,797,749 |

In the circumstances, Management was in breach the law.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Executive is aware of the resolve to dissolve 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 t 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 control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control 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 County Executive 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

02 March, 2023

Report of the Auditor-General on County Revenue Fund - County Government of West Pokot for the year ended 30 June, 2022

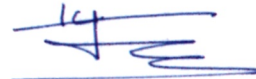
County Government of West Pokot
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

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

| | | 2021/22 | 2020/21 |
|--|-----------|----------------------|----------------------|
| | Notes | Kshs. | Kshs. |
| Receipts | | | |
| Exchequer releases | 1 | 6,297,284,329 | 5,430,760,200 |
| Transfers from other government agencies | 2 | 331,994,202 | 581,187,110 |
| Other grants | 3 | | |
| Proceeds from Domestic Borrowing | 4 | | |
| Proceeds from Foreign Borrowing | 5 | | |
| Own Source Revenue | 6 | 113,705,713 | 110,441,691 |
| Return to CRF issues | 7 | 32,480,692 | 3,449,090 |
| Total Receipts | | 6,775,464,936 | 6,125,838,091 |
| Payments | | | |
| Transfers to County Executive | 8 | 5,972,813,490 | 5,519,789,929.00 |
| Transfers to County Assembly | 9 | 670,548,179 | 602,946,573 |
| Other Transfers | 10 | | |
| Total Payments | | 6,643,361,669 | 6,122,736,502 |
| Net increase (decrease) in cash for the year | | 132,103,267 | 3,101,589 |
| Add Opening fund balance b/f | 11 | 469,710,235 | 545,393,646 |
| Closing Fund balance for the period | 11 | 603,490,886 | 469,710,235 |



Name: Priscillah Chebet Mungo
 Chief Officer – Finance and Economic Planning
 Date: 07/02/2023



Name: Haron Muruny
 Director Accounting Services
 ICPAK Member No: 26158
 Date: 03/04/2023

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

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 % |
| Receipts | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | |
| Exchequer releases | 6,726,548,746 | 71,631,955 | 6,798,180,701 | 6,297,284,329 | 500,896,372 | 92.63% |
| Transfers from other government agencies | 716,399,900 | (13,901,252) | 703,498,648 | 331,994,202 | 371,504,446 | 47.19% |
| Other conditional grants | | | | | | |
| Proceeds from Domestic Borrowing | | | | | | |
| Proceeds from Foreign Borrowing | | | | | | |
| Own Source Revenue | 170,000,000 | | 170,000,000 | 113,705,713 | 56,294,287 | 66.89% |
| Return to CRF issues | | | | 32,480,692 | | |
| Total Receipts | 7,612,948,646 | 57,730,703 | 7,671,679,349 | 6,775,464,936 | 896,214,413 | 88.32% |
| | | | | | | |
| Payments | | | | | | |
| Transfers to County Executive | 6,834,841,105 | 150,730,703 | 6,987,571,808 | 5,974,192,709 | 1,012,379,099 | 85.51% |
| Transfers to County Assembly | 778,107,541 | (93,000,000) | 685,107,541 | 670,548,179 | 14,559,362 | 97.87% |
| Others | | | | | | |
| Total Payments | 7,612,948,646 | 57,730,703 | 7,671,679,349 | 6,644,740,888 | 1,026,938,461 | 86.61% |
| Balance | | | | 130,724,048 | (130,724,048) | |

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.

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

10. Notes to the Financial Statements

1. Exchequer releases

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

| | 2021/22 | 2020/21 |
|-------------------------------|----------------------|----------------------|
| | Kshs. | Kshs. |
| Equitable Share (a) | 6,297,284,329 | 5,430,760,200 |
| Level 5 hospitals (b) | - | - |
| Others (<i>Specify</i>) (c) | - | - |
| Total (d=a+b+c) | 6,297,284,329 | 5,430,760,200 |

2. Transfers from other government agencies**

| | 2021/22 | 2020/21 |
|--|--------------------|--------------------|
| | Kshs. | Kshs. |
| Road Maintenance Levy | - | 149,045,596 |
| Covid-19 | - | - |
| Development of Youth Polytechnics-State Department of TVETS | - | 17,749,894 |
| User Fees Foregone -Ministry of Health | - | 12,128,484 |
| World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health | 43,146,498 | 30,789,614 |
| World Bank-NARIGP-State Department of Crop Development | - | - |
| World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development | 197,626,077 | 262,703,565 |
| DANIDA Grant -Primary Health care in devolved context - Ministry of Health | 5,539,875 | 14,220,000 |
| IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation | - | - |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development | 6,000,000 | 11,725,115 |
| World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development | 12,292,914 | - |
| Kenya Urban Support Programme | - | 37,824,842 |
| EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution | 1,120,781 | - |
| Kenya Devolution Support Programme (KDSP) | 66,268,057 | 45,000,000 |
| TOTAL | 331,994,202 | 581,187,110 |

3. Other grants

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

4. Proceeds from Domestic borrowing

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

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

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

6. Own Source Revenue

| Description | FY 2021/2022 | FY 2020/2021 |
|--|---------------------|---------------------|
| Market Kiosk Rent | 1,473,604 | 1,187,758 |
| Business Permit | 6,468,670 | 13,693,857 |
| Market Shelter fees | 1,284,187 | 1,519,294 |
| Building Plan Approval fee | 417,579 | 2,925,228 |
| Ballast/Sand cesses | 20,146,053 | 24,193,656 |
| Livestock Cess | 3,275,699 | 3,188,458 |
| Rent of Government Building & housing | 1,440,263 | 2,562,711 |
| Advertising fee | 1,157,292 | 3,280,030 |
| Street Parking fee | 505,481 | 773,160 |
| Other Vehicles Enclosed Park Fee | 2,814,697 | 4,948,383 |
| Applications/Renewal | 1,115,320 | 1,120,635 |
| Licensing fee | 208,410 | 102,912 |
| Other Miscellaneous fee | 1,940,244 | 2,562,563 |
| Receipt From admin. fees and charges (Trade) | 1,207,309 | 71,095 |
| Facility improvement fund (A.I.A) | 64,020,327 | 37,748,629 |
| lands (Plot/Land Rates) | 5,630,937 | 8,603,529 |
| Other Revenues (Livestock movement) | 362,694 | 256,264 |
| Poultry Cess | 236,947 | 1,703,529 |
| TOTAL | 113,705,713 | 110,441,691 |

7. Return to CRF Issues

| | 2021/22 | 2020/21 |
|---|-------------------|------------------|
| | Kshs. | Kshs. |
| Recurrent Account (<i>County Executive</i>) | 31,045,711 | 41,778 |
| Development Account (<i>County Executive</i>) | 140,427 | 455,465 |
| Recurrent Account (<i>County Assembly</i>) | 1,007,937 | 2,454,534 |
| Development Account (<i>County Assembly</i>) | 286,617 | 497,313 |
| Others (<i>Specify</i>) | | |
| Total | 32,480,692 | 3,449,090 |

8. Transfers to County Executive

| | 2021/22 | 2020/21 |
|---------------------------|----------------------|----------------------|
| | Kshs. | Kshs. |
| Recurrent Account | 4,287,989,545 | 3,611,854,282 |
| Development Account | 1,352,829,743 | 1,326,748,537 |
| Special purpose Accounts | 331,994,202 | 581,187,110 |
| Others (<i>Specify</i>) | | |
| Total | 5,972,813,490 | 5,519,789,929 |

9. Transfers to County Assembly

| | 2021/22 | 2020/21 |
|---------------------------|--------------------|--------------------|
| | Kshs. | Kshs. |
| Recurrent Account | 648,197,503 | 593,392,675 |
| Development Account | 22,350,676 | 9,553,898 |
| Special purpose accounts | | |
| Others (<i>Specify</i>) | | |
| Total | 670,548,179 | 602,946,573 |

10. Other Transfers

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

11. Fund balance

| | 2021/22 | 2020/21 |
|---|----------------|-------------|
| | Kshs. | Kshs. |
| County Exchequer Account - (<i>CBK Account number 1000171577</i>) | 603,490,886.20 | 469,710,235 |
| Total | 603,490,886.20 | 469,710,235 |

11. Annexes

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

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

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



.....
Name: Priscillah Chebet Mungo
Chief Officer Finance and Economic Planning
Date: 3 / 02 / 2023

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

| Period (2021/22) | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Equitable Share | 1,039,051,914 | 1,039,051,914 | 1,039,051,914 | 3,180,128,587 | 6,297,284,329 |
| DANIDA - Universal Healthcare in Devolved Units Programme | | | | 5,539,875 | 5,539,875 |
| World Bank – THUSCP | | | | 43,146,498 | 43,146,498 |
| World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development | | | | 12,292,914 | 12,292,914 |
| Kenya Devolution Support Programme | 66,268,057 | | | | 66,268,057 |
| Agriculture Sector Development Support Project (ASDSP) | | | 2,500,000 | 3,500,000 | 6,000,000 |
| Kenya Climate Smart Agriculture Project (KCSAP) | | | | 197,626,077 | 197,626,077 |
| EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution | | | 1,120,781 | | 1,120,781 |
| Total | 1,105,319,971 | 1,039,051,914 | 1,042,672,695 | 3,442,233,951 | 6,629,278,531 |

Annex 3: Analysis of Transfers from the County Revenue Fund

| Period (2021/22) | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| County Executive -Rec | 822,985,788 | 1,170,503,793 | 824,047,178 | 1,470,542,786 | 4,287,989,545 |
| County Executive -Dev | | 126,155,259 | 161,891,438 | 1,064,783,046 | 1,352,829,743 |
| County Assembly -Rec | 128,972,922 | 186,313,641 | 180,522,575 | 152,388,365 | 648,197,503 |
| County Assembly -Dev | | 22,350,676 | | | 22,350,676 |
| Special Purpose A/c (Specify) | 66,268,057 | | 3,620,781 | 262,105,364 | 331,994,202 |
| Total | 1,018,226,767 | 1,505,323,369 | 1,170,081,972 | 2,949,819,561 | 6,643,361,669 |

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