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**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF HOMA BAY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



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**COUNTY EXECUTIVE OF HOMABAY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2021**

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

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**TABLE OF CONTENTS**

TABLE OF CONTENTS .....	i
1. ENTITY INFORMATION AND MANAGEMENT .....	iii
2. KEY MANAGEMENT .....	v
3. FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING .....	x
4. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES .....	xvii
5. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY .....	xxv
REPORTING.....	xxv
6. REPORT OF THE INDEPENDENT AUDITOR ON COUNTY EXECUTIVE OF HOMABAY.....	xxvii
7. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	xxviii
8. FINANCIAL STATEMENTS .....	1
<b>8.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021.</b>	<b>1</b>
<b>8.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021</b> .....	<b>2</b>
<b>8.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021</b> .....	<b>3</b>
<b>8.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2021</b> .....	<b>4</b>
<b>8.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2021</b> .....	<b>5</b>
<b>8.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2021</b> .....	<b>6</b>
<b>8.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2021</b> .....	<b>7</b>
<b>8.8. SIGNIFICANT ACCOUNTING POLICIES</b> .....	<b>13</b>
<b>8.9. NOTES TO THE FINANCIAL STATEMENTS</b> .....	<b>22</b>
<b>8.10. OTHER IMPORTANT DISCLOSURES</b> .....	<b>40</b>
1. PENDING ACCOUNTS PAYABLE - PENDING BILLS (See Annex 5) .....	40
<b>8.11. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS</b> .....	<b>42</b>
8.12. ANNEXES.....	46
<b>ANNEX 1 – ANALYSIS OF EXCHEQUER RECEIVED FOR FINANCIAL YEAR 2020-2021</b>	<b>46</b>

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

<b>ANNEX 2 – ANALYSIS OF CONDITIONAL GRANTS RECEIVED FOR FINANCIAL YEAR 2020-2021 .....</b>	<b>47</b>
<b>ANNEX 3– SUMMARY OF TRANSFERS TO COUNTY ASSEMBLY FOR THE YEAR ENDED 30 JUNE 2021 .....</b>	<b>48</b>
<b>ANNEX 4 - ANALYSIS OF TRANSFERS FROM THE EXCHEQUER FOR THE YEAR ENDED 30 JUNE, 2021 .....</b>	<b>50</b>
<b>ANNEX 5– ANALYSIS OF PENDING ACCOUNTS PAYABLE FOR THE YEAR ENDED 30 JUNE, 2021 .....</b>	<b>51</b>
<b>ANNEX 6 – SUMMARY OF NON-CURRENT ASSET REGISTER FOR THE YEAR ENDED 30 JUNE, 2021 .....</b>	<b>52</b>
<b>ANNEX 7 – INTER-ENTITY TRANSFERS FOR THE YEAR ENDED 30 JUNE, 2021 .....</b>	<b>53</b>

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

**1. ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

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

**b) Key Management**

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

- H.E CYPRIAN OTIENO AWITI - GOVERNOR;
- H.E HAMILTON ORATA - DEPUTY GOVERNOR;
- HON. ISAAH OGWE - COUNTY SECRETARY

**c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	- <b>Hon. Nicholas Koriko</b>
2.	Chief Officer – Finance	- <b>Mr. Noah Otieno</b>
3.	Head of Accounts	- <b>Mr. Daniel Owuor</b>
4.	Deputy Head of Accounts	- <b>Mr. Samuel Mainda</b>

**d) Fiduciary Oversight Arrangements**

- **Audit and finance committee activities**
  - Strengthening systems and Internal Controls
- **County Assembly Committee Activities**
  - Approval of Budgets
  - Oversight of Development projects
  - Other checks and Balances

**e) Entity Headquarters**

P.O. Box 469-40300  
Homa Bay, KENYA

**f) Entity Contacts**

Telephone: (254) 2038617565/55  
E-mail: [governorsofficeHoma Baycounty.go.ke](mailto:governorsofficeHoma Baycounty.go.ke)  
Website: [www.Homa Bay.go.ke](http://www.Homa Bay.go.ke)

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

**g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Co-operative Bank  
Co-operative House  
Moi Avenue,  
P.O Box 30084-00100  
Nairobi, Kenya
3. Equity Bank Kenya Ltd  
P.O Box 75104-00200,  
Equity Centre,  
Nairobi Kenya
4. Kenya Commercial Bank Ltd  
Kencom House,  
Moi Avenue,  
P.O Box 48400-00100  
Nairobi, Kenya.

**h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**i) Principal Legal Adviser**

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

## **2. KEY MANAGEMENT**

The County Executive team during the financial year consisted of:



### **H.E. CYPRIAN ARCHELAUS AWITI-Governor**

Cyprian Awiti was born on 14th December 1952 in Rachuonyo Sub County, Homa Bay County, in the western part of Kenya. He is a Kenyan politician and currently the Governor for **Homabay county**. He is a member of Orange Democratic Movement and a coalition member of Coalition for Reforms and Democracy.

1984- 1987: Graduate student at Manchester University, Master of Education in Management Administration.

Undergraduate student at Mombasa Technical Training Institute, Electrical Engineering. Secondary school student at Mawego Technical Institute Primary school student at Mawego Primary School in Rachuonyo.

#### **Professional career**

He was once a Country Director at Marie Stopes Kenya (he spearheaded development and Implementation of various health policies).

Between 1988 and 1994, he was the Principal at Railway Training School. Earlier between 1983- 1988, he was a Senior Education Officer, in the Ministry of Education. He was also a factory and Marketing Manager of Siemens Kenya, Senior lecturer at Mombasa Polytechnic and also a Government Electrical Inspector, Kenya's Ministry of Public Works.

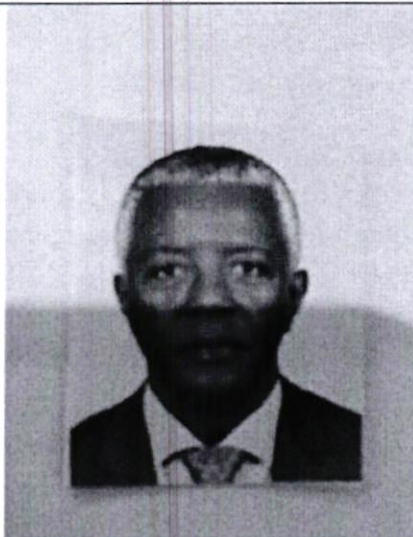
#### **Political career**

Currently, as from April 2013, Mr. Awiti is serving as the 1<sup>st</sup> Governor of Homa Bay County Government. He was elected on an ODM ticket.

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**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---



**H.E Hamilton O. Orata'**

**PROFILE - Deputy Governor, Homa Bay County**

Mr Orata, born in 1953, comes from Kanyidoto in Ndhiwa Constituency, Homa Bay County and is a married man with children. He graduated in 1976 from The University of Nairobi with a Bachelor of Commerce in Accounting. He received sponsorship from Canadian International Development Agency where he successfully completed a course in Mutual Funds and Investment Companies in Toronto. Prior to that he undertook International Executive Management Program offered by Canadian Petroleum Institute in Alberta Canada among other professional courses.

**WORK EXPERIENCE**

Mr Orata has immersed rich experience in management from both the private and public sector that will be an asset in steering Homa Bay County's development initiative; After graduating from UON, he joined Barclays Bank of Kenya between 1976 and 1982 as a Management Trainee to senior Management. He left BBK in 1983 for Kenya Finance Bank Group as a Branch Manager where he successfully spearheaded computerization project. He then joined Merchant Card Ltd in 1994 where he served as the General Manager before joining Trust Bank as a Branch Manager in 1987 where he was later promoted to Senior Credit Manager in 1998. In his quest for career advancement, Mr Orata left Trust Bank in 1999 for Kenya Anti-Corruption Authority where he served diligently as Chief Officer-Finance and Administration for three years before he was promoted to the position of Assistant Director – Finance & Operations. Later in 2003, Mr.Orata joined Kenya Pipeline Company as the Finance Manager before he left for private practice. In his most recent engagement, he has been a Consultant in Accounting, Auditing and Financial Management from which he has served various companies and organizations.

**MR ORATA'S MAJOR ACHIEVEMENTS**

While at Kenya Anti-Corruption Authority, he was part of the Task Force that prepared Public Service Integrity Programme that is currently being used by Kenyan Government in training officers in the Public Service on integrity and Corruption Prevention. He spearheaded Computerization Project while at Kenya Finance Group during the bank's upgrade/restructuring initiative between 1983 and 1984



**CPA ISAIAH OGWE**

**Portfolio: County Secretary**

CPA Isaiiah Ogwe joined the County Government of Homabay as County Secretary in 2013 at the inception of the County.

CPA Isaiiah is distinguished professional in the field of finance, audit, and accounting having worked diligently under the Public Service Commission for over 20 years as both deputy district accountant and District Accountant.

He has also worked in various other positions within the National Government setup including director of internal audit in Rift Valley right before he was appointed as the Homabay County Secretary.

CPA Isaiiah Ogwe holds a Master's degree in Business Administration (Finance). Also, he is a Certified Public Accountant (CPAK). Further, he also has numerous qualifications such as in senior management courses, strategic leadership development programme, as well as Financial Openness and risk control from the University of Pretoria and Public Financial Management for Developing Countries from Shanghai, China.



**MR. NICHOLAS OBUYA KORIKO**

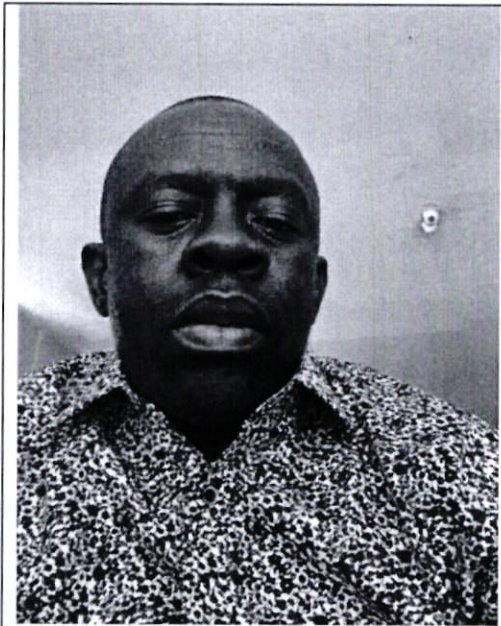
**Portfolio: CEC-M Finance and Economic Planning**

He was initially appointed in May 2013, as the county Executive Committee Member in charge of Finance Economic Planning department until May 2016 and reappointed in 2017.

Hon. Koriko is a renowned banker who has worked with several banking institutions in senior management positions. His last employer before joining County Government was Eco bank Kenya Limited which is an international institution.

He holds a Master's Degree in Business Administration from Maseno University. He is currently pursuing PhD in Business Management – Fund Management from Moi University.

He has demonstrated acumen in fund management, financial solutions, technical design and development, and quality assurances.



**CPA NOAH OTIENO**

**Portfolio: Chief Officer- Finance, Economic Planning and Service Delivery**

He was appointed on 20 November, 2019 as the Chief Officer Finance, Economic Planning and Service Delivery.

CPA Noah has amassed indispensable experience in accounting, finance and management having worked in various departments of the National Government for over 20 years

He holds a master’s degree in Business Administration (MBA, Finance Option). Also, he is a holder of Bachelor of Business Management and A Certified Public Accountant (CPAK).

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**3. FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING**

It is my pleasure to present the County Executive of Homa Bay financial statements for the year ended 30<sup>th</sup> June 2021. The financial statements present the financial performance of the county Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

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

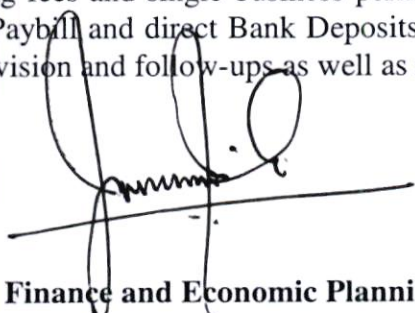
The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Homa Bay County included business permits, land rates, business plan approval, advertising fees, cesses, and various other administrative charges.

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:

1) REVENUE COLLECTION

The County has embarked on a paperless Revenue Service Delivery through the automation of its Revenue and Management Systems. Unstructured revenue which includes parking, market fees and cattle auction is now fully automated with 298 Point of Service (POS) machines distributed in all the eight sub-counties. Single Business Permit (SBP) is also fully automated and currently forms 60% of the structured revenue in the County. Moreover, the County has also gone cashless in various revenue streams such as parking fees and single business permit. All payments in these streams are done via M-Pesa Paybill and direct Bank Deposits. As a result, there has been an increase in prompt Supervision and follow-ups as well as reduced pilferages.

Sign



**CECM Finance and Economic Planning**  
**County Government of Homa Bay**

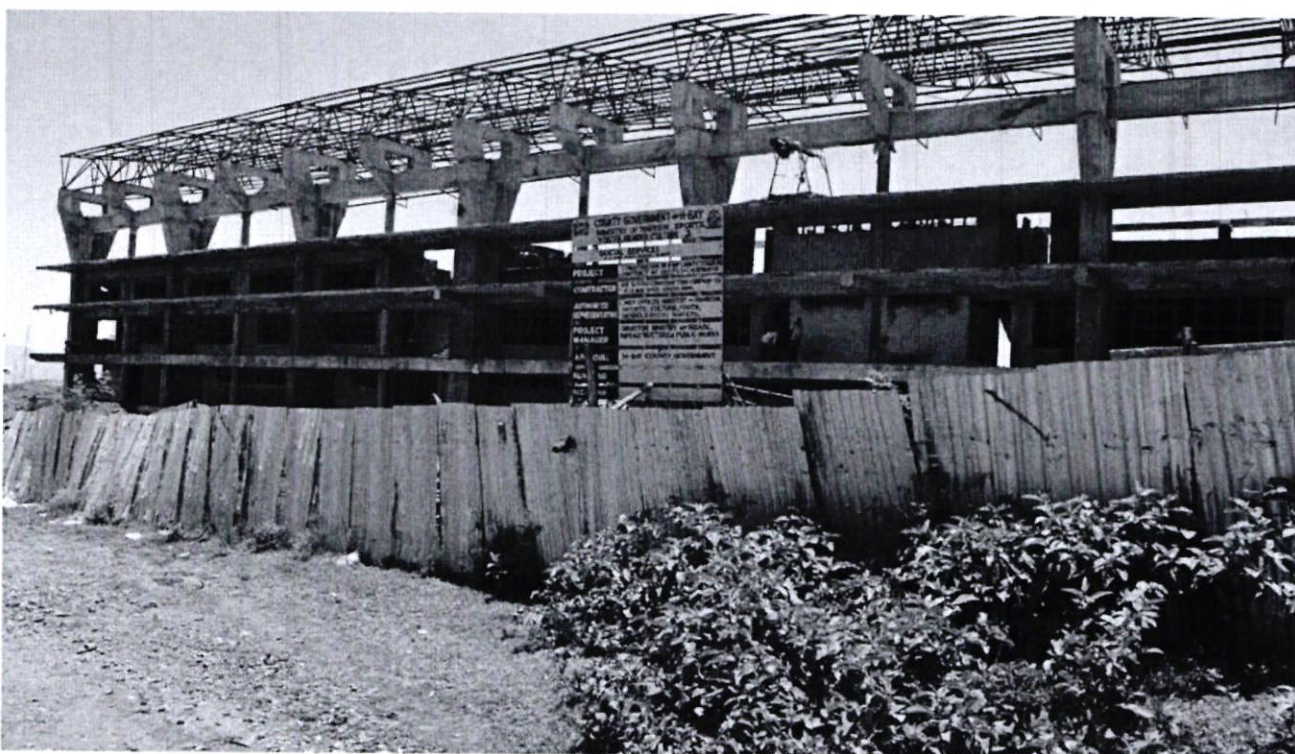
**4. KEY ONGOING PROJECTS IMPLEMENTED BY THE COUNTY EXECUTIVE OF HOMABAY**

**ONGOING KEY PROJECTS**

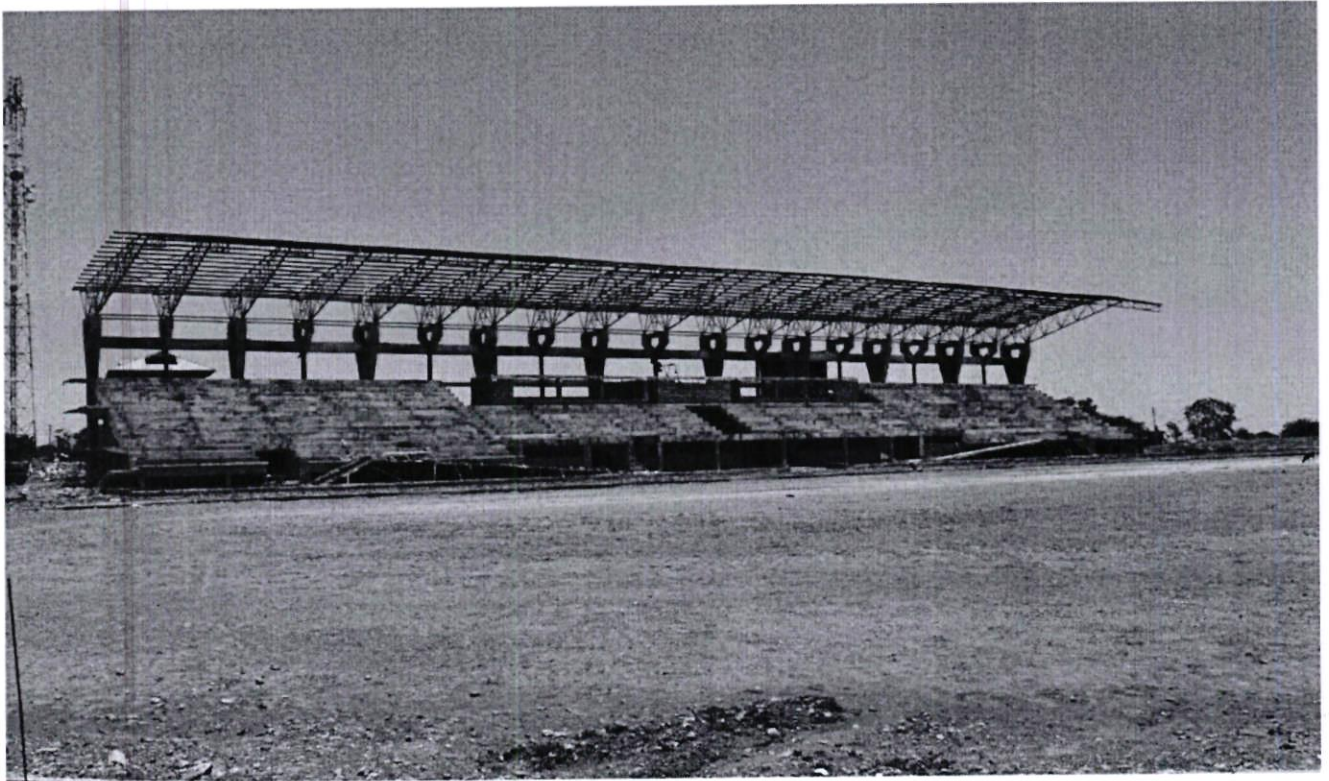
**i) Construction of Homabay County Modern Stadium**

Homabay being a county within a region that has produced many prominent sports icons before and after independence, the County Government decided to put up a modern sports facility to promote the realization of sports talent within and beyond its borders. As such, even though sports facilities have been upgraded in all sub-counties, the construction of Homabay County Modern Stadium is also ongoing. Upon completion, the stadium will accommodate football and athletics among other sporting activities. When completed, the modern stadium will accommodate up to 30,000 persons.

The stadium is at 75% completion and will be completed and commissioned soon for use by sportsmen and sportswomen of Homabay County.



*Image 1: Construction works On the Pavilion of Homabay County Modern Stadium*



*Image 2: Front View of the Pavilion and Pitch under construction at Homabay County Modern Stadium*

**ii) Construction of Homabay Municipal Modern Market**

Another key ongoing project being implemented by the County Government of Homabay is the Homabay Municipal Modern Market at the heart of the vibrant Homabay town. Unlike many towns around, Homabay town is a town strategically located for small and medium-sized enterprises (SMEs) being that it is located along the busy Homabay-Kisumu highway as well as on the shores of Lake Victoria. Coupled with the need to provide traders with an improved facility with better security for their commodities, drainage for hygienic sanitation, better shades from scorching sun, and a safe place for business, these factors prompted the need to construct the Homabay Municipal Modern Market which is a project funded by the County Government of Homabay and the World Bank. Upon completion, the market will help small and medium traders earn better incomes and the County Government will be able to raise higher revenues as well.

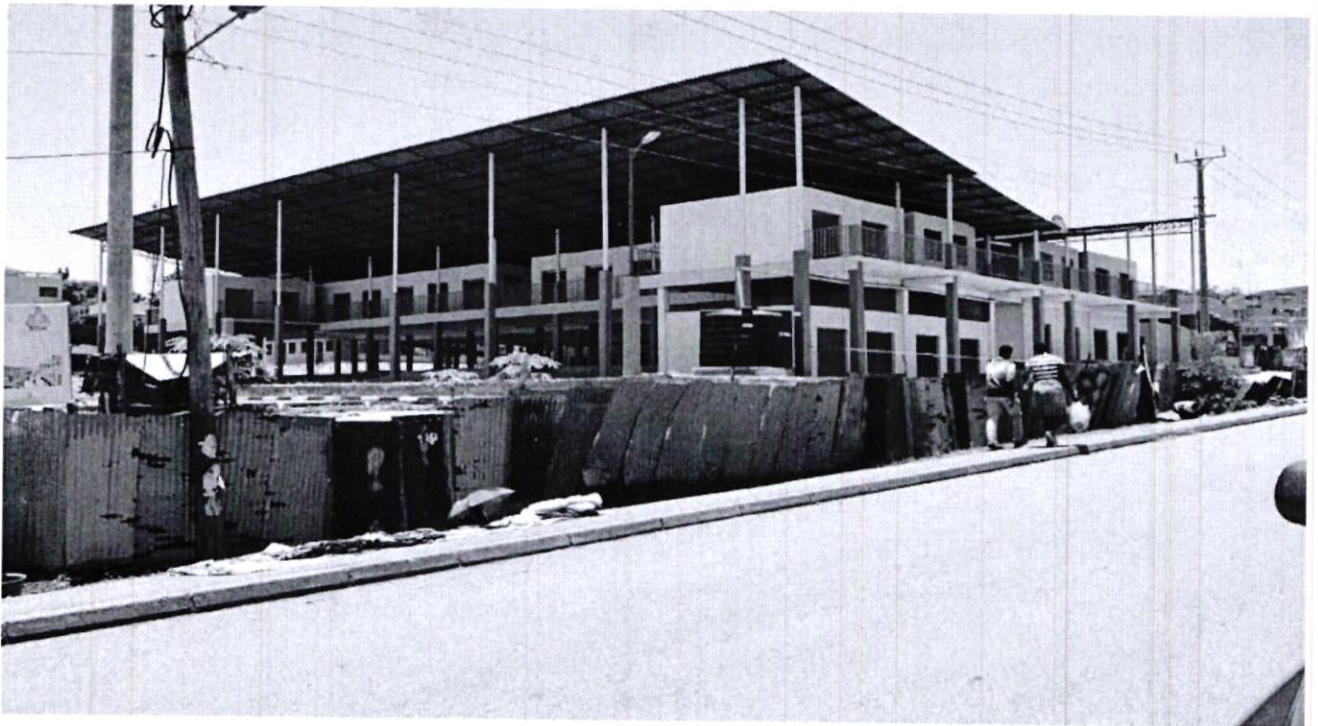
The market is at 95% completion and will be completed and commissioned soon for use by traders and *wananchi* of Homabay County.

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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*Image 3: Ongoing Construction of Homabay Municipal Modern Market*

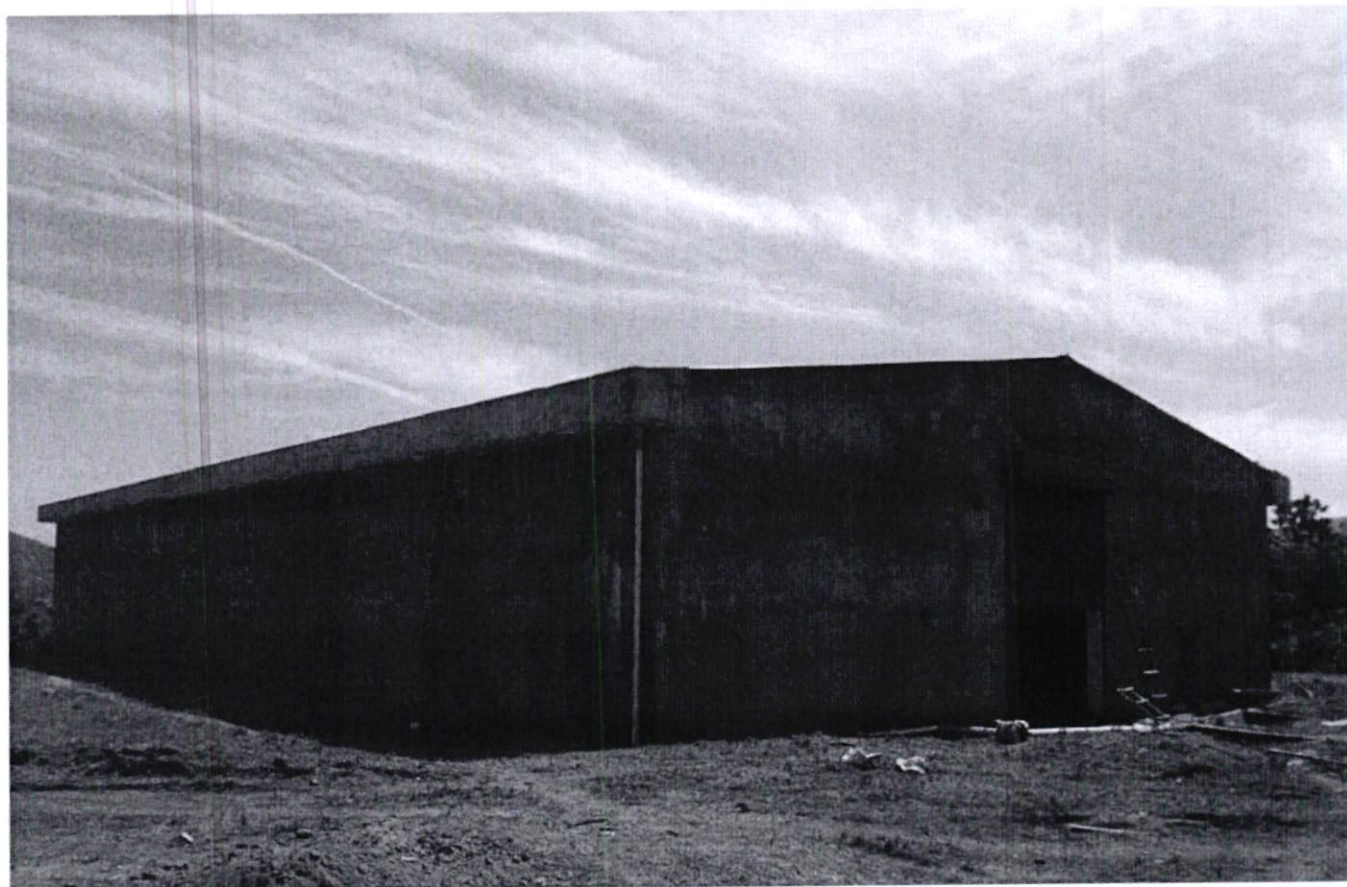


*Image 4: Ongoing Construction of Homabay Municipal Modern Market*

**iii) Kigoto Grain Handling Store**

Kigoto Grain Handling Store is one of the ongoing key projects by Homabay County Government located in Kigoto in Suba North Sub-County. The project was initiated by the need to safeguard large scale maize farmers from exploitation by middlemen.

The project is at 95% completion and is intended to be completed and commissioned soon for use by farmers.

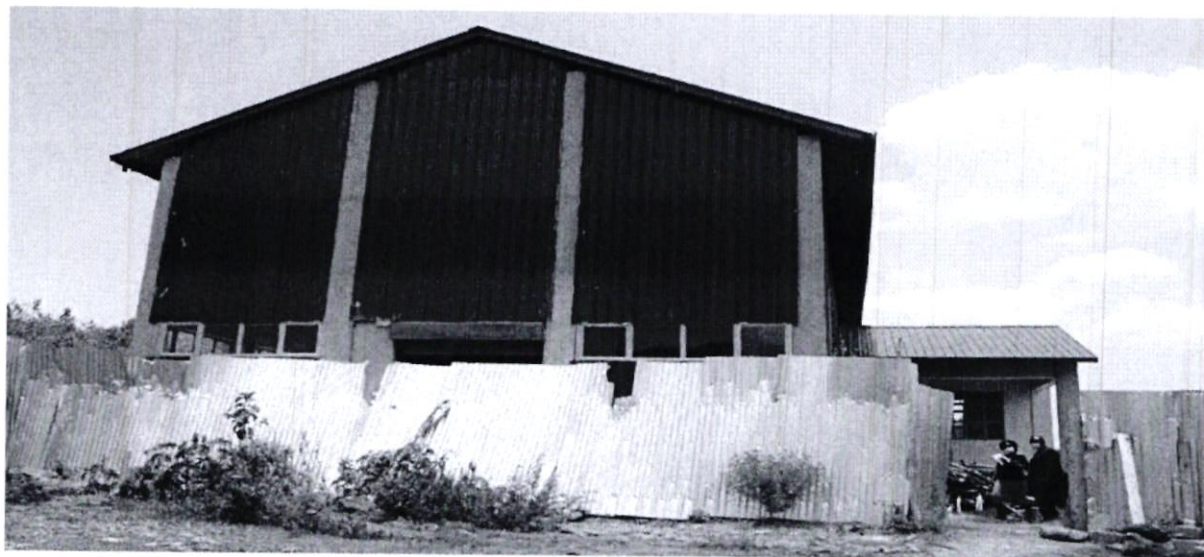


*Image 5: Ongoing construction of Kigoto Grain Handling Store*

**(iv) Kigoto Maize Milling Plant**

Kigoto Maize Milling Plant is one of the ongoing key projects by Homabay County Government located in Kigoto in Suba North Sub-County. The project was initiated by the need to create value addition of maize produced in large scale in Kigoto area and greater Suba North. This project is done concurrently with the Kigoto Maize Handling Store. Once completed, the maize mill will get maize supply from the Kigoto Grain Handling Store for value addition.

The project is at 93% completion and is intended to be completed and commissioned soon for use by farmers.



*Image 6: Ongoing construction of Kigoto Maize Milling Plant*

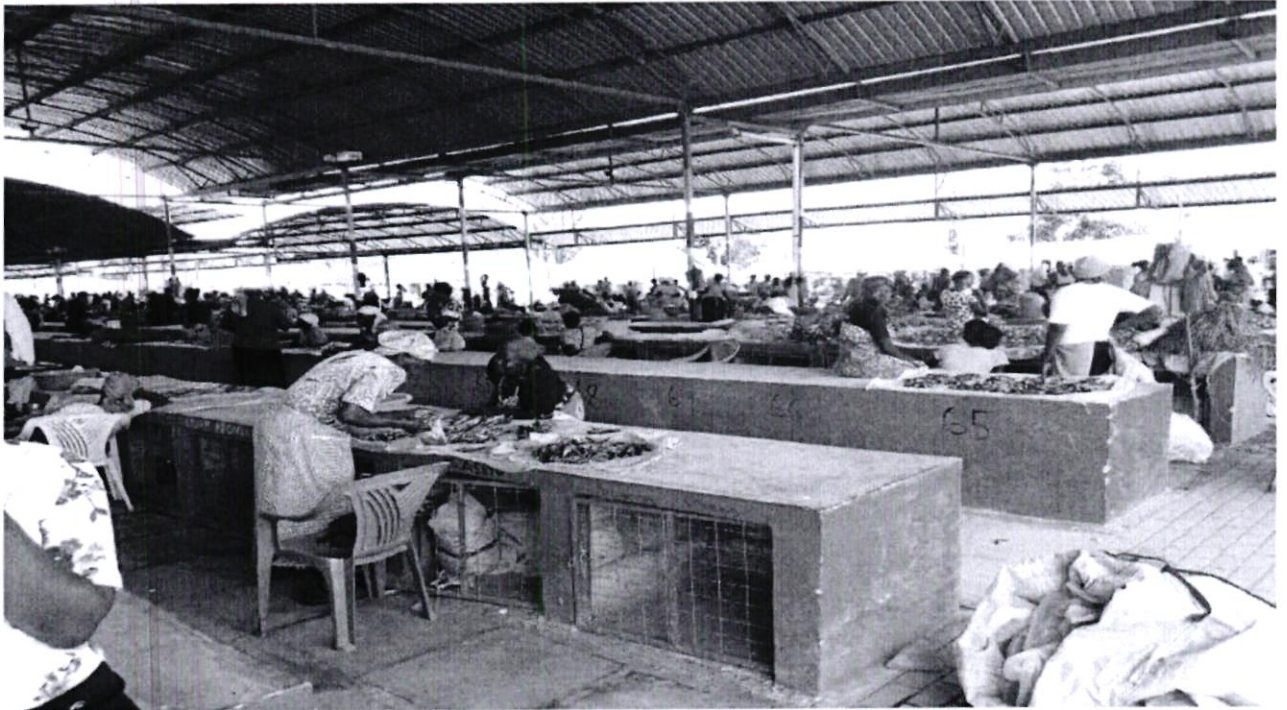
#### **COMPLETED KEY PROJECTS**

##### **i) Construction of Nyakwere Modern Market**

One of the key completed and commissioned projects in Financial Year 2020-2021 by the County Government of Homabay is the Nyakwere Modern Open Air Market in Wang'chieng ward. The market was strategically constructed for small and medium-sized enterprises (SMEs) along the busy Homabay-Kisumu highway as well as on the shores of Lake Victoria. The objective behind the open air market was to provide traders with a conducive and hygienic environment with ample selling space, and shade especially for perishable goods such as fish, and vegetables grown around the shores of Lake Victoria. The market is completed and operational with a capacity of over 1000 traders and serving traders from both Homabay and Kisumu counties while generating revenue for Homabay County hence boosting the County's GDP.

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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*Image 7: Traders using Fish section of the completed Nyakwere Modern Open Air Market*



*Image 8: Traders using the Tomatoes and Vegetable Section of Modern Nyakwere Open Air Market*

**5. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES**

The County Objectives as outlined in the second CIDP include;

- i. To enhance food security for sustained growth and employment
- ii. To implement reforms that will facilitate business and employment growth;
- iii. To enhance food security for sustained growth and employment;
- iv. To support value addition for employment creation;
- v. To empower the youth and women for employment creation;
- vi. To develop youth sports, culture, heritage and talents;
- vii. To modernize transport and logistics;
- viii. To improve access to adequate, affordable and reliable energy supply;
- ix. To expand road networks to facilitate agricultural transformation;
- x. To make water accessible to households and farmers;
- xi. To build a healthier county, provide quality and relevant education for all citizens;
- xii. To scale up social protection and further entrench devolution for better service delivery at all levels of the county government.

**Introduction**

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

**Strategic development objectives (Adopted from Homa Bay County CIDP 2018-2022)**

The County's 2018-2022 CIDP has identified eleven key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

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

The key development objectives of the 2<sup>nd</sup> County's 2018-2022 CIDP are to:

1. Expand investments in physical infrastructure to improve access to public transport, energy, water, sanitation and housing;
2. Fast-Track investment in manufacturing and value addition sector

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

3. Improve provision of health care with emphasis on universal healthcare coverage, reduction of mortality rates, broadening prevention, treatment and combating HIV/AIDS, malaria, tuberculosis and other communicable and non-communicable diseases.
4. Enhance agricultural production and productivity, food security and value addition;
5. Enhance early childhood and vocational skills development and access to quality education and training in the county;
6. Promote the development of sports, tourism and the blue economy within the County
7. Invest in science, innovation and technology particularly in areas of data generation and management; clean energy, nutrition and dietetics, artificial intelligence, computerized medicine, on-line education and virtual and augmented reality;
8. Improve climate change preparedness, adaptation and resilience;
9. Strengthen public finance management systems and implement procedures for enhanced access, efficiency and stability in the finance sector;
10. Support good governance and establish structures that enhance transparency, accountability and other national values and principles as outlined in the constitution; and
11. Undertake all the necessary additional measures to improve the entrepreneurial culture of local populations as well as growth and competitiveness of local businesses.

**Progress on attainment of Strategic development objectives (*Adopted from Homa Bay County CIDP 2018-2022*)**

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

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Public Works, Roads &amp; Transport</b>	To develop and maintain safe roads and public transport across the entire county	Increased efficient transportation of people, goods and services	% of motorable and passable roads within the city	In FY 2020/21, the department of Public Works, Roads and Transport was able to maintain 724Kms of County roads, rehabilitated 500Kms of roads, constructed 7 bridges across the County, constructed 3 footbridges, maintained 5 machinery and 3 lorries in serviceable conditions and opened and gravelled 250Kms of new roads within the County.
<b>Energy and Mining</b>	To enhance access to affordable and reliable energy supply	Increased access to stable and reliable power supply	Number of markets and public institutions connected to power	During the financial year 2020/21, the department of Energy and Mining was able to supply, install and commission 140 solar market lights, develop the renewable energy policy document, prepare the engineering and architectural designs for the energy information centre, supply and deliver furniture for the energy centre.
	To explore and exploit existing mineral resources in the County	Improved exploration and exploitation of mineral resources in the county	Number mineral resource policy documents formulated	
<b>Education and ICT</b>	To provide quality EYE education to every child and enhance access to polytechnic/vocational education/training	Increase access, quality of Early Years Education and improved access to vocational training	Number of EYE and VTC centres constructed across the entire county	The department achieved the following during the 2020/21 financial year; Disbursement of bursary worth 100M to 22,110 orphans and vulnerable students Construction to completion of 13 ECDE classrooms, 22 classrooms are ongoing Completion of 1 VTC workshop at Ojijo Teko; Construction of 4-door latrines at Sero and St Paul Mboya VTCs; Equipping 10 VTCs with tools and learning equipment; Renovation of 6 VTCs at a
	To improve internet connectivity and integrate ICT into operations of all county sectors and learning institutions	Improved internet and intra-net connectivity and integration of ICT into operations of all county sectors and	% of uptime on all county sectors and learning institutions	

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

		learning institutions		cost of 1.5M for each Collaboration with partners for capacity building, WASH programs for learning institutions and to acquire learning materials and equipment
<b>Lands, Housing, Urban Development and Physical Planning</b>	To provide a spatial framework that would guide, develop, administer and manage land and its activities within the County	Improved spatial planning within the county towns and urban centres	% completion of the spatial planning framework	The department was able to notify the public on the preparation of the County Spatial Plan (CSP), established 1 GIS lab, procured 8 number of satellite imageries (base maps), survey and demarcation of 12 markets within the County
	To improve suitable, conducive and affordable housing conditions in the County	Improved provision of affordable housing to all county residents	Number of households benefiting from the affordable housing scheme	80% works completed on the ABTC centre in Ndhiwa with only the ablution block, gate house and block shade remaining, 5 urban boundaries delineated awaiting approval, 13 slums areas documented for consideration under KISIP II programme.
<b>Homa Bay Municipal Board</b>	To promote effective development, management and maintenance of all municipal facilities	Improved provision of service delivery to all county residents	% of planned works completed	The department was able to achieve the following during the 2020/21 financial year; Construction works at the Homa Bay Municipal market completed up to 98%  8 roads within the municipality have been maintained/improved.

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

<p><b>Health Services</b></p>	<p>To provide essential medical services at sub-county hospitals and county referral facility</p>	<p>Increased access to essential medical services cost-effectively within health facilities</p>	<p>% increase of access to specialised diagnostic services</p>	<p>In the financial year 2020/21, the department of health managed to complete the construction of 6 modern maternity wards at Miniembo, Koliech, Nyaoga, Ringa, Nyandiwa and Nyadenda; renovation of 9 wards facilities at Ndiru, Nyambare, Nyarut, Nyangajo, Adiedo, Kadienge, Kosele, Sino and Omiro, construction of 10 new facilities at Ngolo, Oyombe, Adita, Abundu, Dudu, Got Agulu, Nyadiwa, Osiepe, Mbita Kalango and Goyo, acquisition of 2 fully-equipped ambulances at County referral and Oyugis sub county hospital, construction of 7 staff houses at Mkende, Ojunge, Randung, Nyawawa, Kichawa, Oriwo and Wiga health facilities, renovation of 2 staff houses at Nyamasi and Nyambare health facilities), completion of 9 health facilities at Miriu level 4, Imbo, Ngeta, Osure, Nduru, Wandiji, Kuge, Koduogo and Msare and construction of health administration block and drug store at 75 % in Homa Bay.</p>
<p><b>Agriculture, Livestock, Fisheries and Food Security</b></p>	<p>To increase agricultural productivity and output</p> <p>To maximize contribution of fisheries to poverty reduction, food security and creation of wealth</p>	<p>Enhanced food and security and improved livelihoods for county residents</p>	<p>Number of farmers supplied with farm inputs</p> <p>Number of farmers onboarded under capture fisheries farming</p>	<p>The sector was able to achieve the following in the FY 2020/21; A total of 78.5 acres of farm were ploughed using county tractors and Kshs.128, 875 revenue was collected, 7 Plant clinics were established and launched through joint support from Self Help Africa and the department in Mbita,</p>

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

	To ensure food security in the county		% completion of works on post harvesting facility	Sindo, Rodi Kopany, Nyangweso, Ndhiwa, Oyugis and Kendu Bay,
	To increase livestock productivity and output		Number of dairy farmers receiving extension services	<p>Conducted training to groups and individual farmers in chicken husbandry.</p> <p>The training was conducted for 4 groups per sub county hence 32 groups, 40 animal health assistants and farmers were trained on poultry disease control especially vaccination,</p> <p>Vaccination of goats and sheep against PPR disease was conducted in Suba North, Suba South and Ndhiwa sub-counties covering about 7000 of these animals. The activity targeted the areas around Ruma National Park as a focal point of the disease,</p> <p>In the third quarter 534 heads of cattle were sprayed with insecticides to control tsetse fly and subsequently trypanosomiasis,</p> <p>Developed a bill of quantities for the construction of Oyugis slaughter house,</p> <p>Procurement and distribution of 8000 fingerlings to eight (8) farmers across the eight sub counties,</p> <p>Procurement and distribution of 229 bags of fish feeds to fish farmers across the eight sub counties,</p> <p>40 fish farmers supplied with pond liners provided by the ABDP,</p> <p>BMU elections was conducted and training on responsible fisheries and</p>

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

				governance skills done to them, Conducted 100 lake patrols in conjunction with the BMUs, Construction of produce post-harvest handling facility in Kigoto, Suba South which is currently at about 90% complete (warehouse has been plastered awaiting flooring, fixing of doors and painting)
<b>Trade, Industrialization, Co-operatives and Enterprise Development Services</b>	To improve the business environment, promote growth of entrepreneurs and improvement in governance, marketing and investment within the Co-operative	Improved trading and market access in the County	Number of markets improved and new Co-operatives registered or strengthened	The department was able to construct 25 toilets in various markets within the County (63%).
	To stimulate industrial development through value addition, industrial research, technology and innovation and create enabling environment for investment	Improved County economy and wealth creation	% of works completed in select value addition plants	In the FY 2020/21, the department managed to achieve 70% of works both on the ongoing maize processing plant as well as the livestock feeds factory in Arujo.
<b>Tourism, Gender, Sports, Youth, and Cultural Services</b>	To map, preserve, develop, brand and promote niche products in tourism and local heritage, arts and cultural assets	Improved influx of both local and international tourists and developed tourism and cultural product for enhanced revenue earnings and economic empowerment of local community	% increase in number of tourist, both local and international visiting tourist attraction sites within the county	In the FY 2020/21, the department successfully managed to hold the Miss Tourism County festival. The department also managed to develop a Youth policy document, The department has also developed and presented to the County Executive Committee the Gender Based Violence (GBV) Policy.

**COUNTY EXECUTIVE OF HOMA BAY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

		stakeholders		
	To identify, nurture and promote sports talents for prospective earnings from sports	Identified, nurtured and promoted sports talents for prospective earnings from sports	% works completed on sports facilities across the county	75% completion of the ongoing works on the Homa Bay County Stadium.
<b>Water, Environment and Natural Resources</b>	To promote, conserve and protect the environment in a sustainable manner	Natural resources and the environment are sustainably managed for improved quality of life	% improvement in environmental safety and health of the citizens	The department achieved the following during the FY 2020/21; cleaned 6 market centres, purchased 1 waste truck, established 1 out of 120 tree nurseries planned within Homa-Bay Sub County and distributed seedlings to a total of 15 schools.
	To increase access to safe and sustainable water from 40% to 60% of the people of Homa Bay County by 2024	Sufficient water and sanitation for improved health and safety of the county population	Number of households accessing safe and clean water and sanitation services	Rehabilitated 12 urban water supply systems; drilled and equipped 43 boreholes across the entire County; 6 number of springs protected; 10 roof catchment tanks installed and 1 water pan desilted.

**6. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The County Government of Homa Bay exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on eight (8) pillars: Trans-formative Governance, Food Security, Affordable and Quality Healthcare, Industrialization and Employment Creation, Provision of Clean Portable Water, Infrastructural Growth and Development, Exploitation of our Natural Resource and growth of the Tourism Potential, Provision of Quality Early Childhood Education, Technical and Vocational Training.

**1. Transformative Governance**

The County Government of Homa Bay through its leadership team led by H.E. Cyprian Awiti, continues to pursue transformative leadership and governance that is accountable to the people and results oriented. This mantra is cascaded even to the lower cadres of employment and instilled at all levels

**2. Food Security**

Food security is a critical strategic objective of the County through the Agricultural sector and a lot of effort has been put in place to achieve this, even though the set targets have not been met yet. Provision of inputs to farmers and the establishment of post-harvest facilities are among some of the key initiatives aimed at achieving this objective.

**3. Affordable and Quality Healthcare**

Affordable quality healthcare is a strategic objective in line with the Universal Health coverage agenda of His Excellency the President. The County government and embarked on a mission of increasing physical access to health facilities by constructing more facilities across all wards as well as ensuring all health facilities are equipped with medical supplies and healthcare workers.

**4. Industrialization and Employment Creation**

Through its manufacturing agenda, the County government continues to allocate more resources towards value addition. Currently, the County government is on track to completing the Kigoto Maize Handling plant, the Animal Feeds Plant and the Cassava Processing Plant all with the aim of adding value to farm produces and creating jobs in the process. Additionally, the County Government rolled out the Ajira Program (Trade Fund) through the department of Trade and Investments, which is aimed at enhancing the entrepreneurial capacity of citizens.

**5. Provision of Clean Portable Water**

The County Government through the department of Water, Environment and Natural resources continues to ensure both rural and urban supply of clean and safe water and sanitation services to all residents. This is targeting increasing the capacity of urban water suppliers such as HOMAWASCO to meet the growing demand for urban water usage to both residential, commercial and learning institutions within the County. Similarly, rehabilitation of water pans, sinking of boreholes and preservation of natural springs are also the other strategies put on place to achieve this pillar.

**6. Infrastructural Growth and Development**

The County Government of Homa Bay recognizes the need to enhance accessibility for ease of movement of goods and services, and in doing this has continued to allocate more resources towards infrastructure development including opening up of new roads, grading and gravelling of existing roads within the Wards and bituminization of select County roads. Additional resources have been set aside for development of roads with the Wards and this is expected to expand the road network in the medium term.

**7. Exploitation of our Natural Resource and growth of the Tourism Potential**

Natural resource endowments offer substantial local revenue to the overall resource envelop for the County. The County Government has therefore earmarked such natural resources and tourist attraction sites and positioned them for sustainable exploitation and use. Tourist attraction sites such as the Tom Mboya Mausoleum and Lake Simbi Nyaima have been branded and fenced to attract both local and international tourists.

**8. Provision of Quality Early Childhood Education, Technical and Vocational Training**

Early Years Education as well as Technical and Vocational training continues to be a key pillar of development for the County. The County has allocated resources towards construction of EYE classrooms and centres in all wards, recruitment of more EYE teachers to meet the approved teacher-learner ratio and capacity building of teachers. Similarly, more resources through the support of the National Government has been channelled towards development of Vocational Training Centres across the County especially for infrastructure improvement and provision of learning materials and equipment

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**8. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government’s financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2021. 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 Government; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government’s financial statements give a true and fair view of the state of the County Government’s transactions during the financial year ended June 30, 2021, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government’s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government’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 Government’s financial statements were approved and signed by the CEC Member for Finance on \_\_\_\_\_ 2021.

\_\_\_\_\_  
**County Executive Committee Member – Finance, Economic Planning and Service Delivery**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF HOMA BAY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **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, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the County Executive of Homa Bay set out on pages 1 to 45, which comprise the statement of assets and liabilities as at

30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Homa Bay as at 30 June, 2021, 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 Qualified Opinion**

#### **1. County Own Generated Receipts**

##### **1.1 Long Outstanding Housing Fees Arrears**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects County own generated receipts totalling Kshs.233,869,476 which include housing fees of Kshs.19,200 paid by the tenants occupying houses owned by the County Government. However, the Management had budgeted the year's housing fees receipts at Kshs.2,124,000 based on the inventory of the County owned houses. The resulting difference of Kshs.2,104,800 between the projected and actual amount collected was not explained.

In addition, available rental income records revealed that arrears owed by employees of the County Executive as at 30 June, 2021 amounted to Kshs.4,305,800 with some of the debts having arisen in the 2013/2014 financial year. However, the arrears have not been disclosed in the financial statements and no plausible explanation was provided for failure to recover the debts from the employees' monthly salaries.

In the circumstances, the accuracy of the financial statements and the recoverability of the long outstanding housing fees arrears amounting to Kshs.4,305,800, could not be confirmed.

##### **1.2 Liquor Fees - Non-Preparation and Non-Submission of the Financial Statements of the Alcoholic Drinks Control Fund**

Available revenue records revealed a nil collection on liquor licensing fees against an amount of Kshs.2,845,035 budgeted for the year under review. Further, Management did not prepare and submit for audit the financial statements of the Alcoholic Drinks Control Fund. In addition, other important records including bank statements, lists of liquor outlets and licenses issued, were not provided for audit review.

As a result, the accuracy, completeness and validity of the nil liquor licensing fees reported in the year under review could not be confirmed.

## **2. Compensation of Employees**

### **2.1 Staff Salary Payments made Outside the Integrated Payroll and Personnel Database (IPPD)**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.3,046,590,411 in respect to compensation of employees. The expenditure further includes an amount of Kshs.2,882,972,003 in respect to basic salaries out of which Kshs.238,500,097 or 8.3% was processed manually outside the IPPD system. The manual system requires manual calculation of deductions and net pay by the human resource officers and regular monthly and/or annual updates which are prone to human error. No satisfactory reason was provided as to why Management did not pay all its employees using the IPPD system.

In the circumstances, the accuracy, validity and completeness of the expenditure of Kshs.238,500,097 in respect of compensation of employees processed manually in the year under review could not be confirmed.

## **3. Use of Goods and Services - Unsupported Expenditure on Survey of Mineral Sites Services**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an expenditure on use of goods and services of Kshs.723,640,750 which includes an amount of Kshs.48,588,801 for contracted professional services. The latter amount further includes an expenditure of Kshs.3,049,500 incurred on survey of mineral sites services. The scope of works involved survey of mining zones to establish the extent of minerals in eight (8) sub-counties; produce and retrieve mineral quantities in data base; and submit a final report. However, review of available records revealed that the consultant had been paid fully whereas a final report indicating the mineral quantities in the data base had not yet been submitted to the County Executive.

In the circumstances, the validity and propriety of the expenditure of Kshs.3,049,500 could not be confirmed.

## **4. Acquisition of Assets - Unsupported Expenditure on Construction of Roads**

As disclosed in Note 11 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.1,539,640,946 on acquisition of assets. Included in the expenditure is an amount of Kshs.505,041,092 relating to construction of major roads, access roads and bridges which further includes payments of Kshs.81,642,198 for thirteen (13) projects implemented during the year. However, the tender documents supporting the expenditure including the tender evaluation reports and certificates of professional opinions were not provided for audit review.

Consequently, the validity, completeness and accuracy of the expenditure of Kshs.81,642,198 could not be confirmed.

## 5. Payments made Outside the Integrated Financial Management Information System (IFMIS)

A review of the bank statements for development and recurrent accounts maintained at the Central Bank of Kenya revealed transfer of cash to departmental operations accounts amounting to Kshs.63,149,509 for the year ended 30 June, 2021. The funds were used to pay both recurrent and development expenditure at the various departmental levels. However, the transactions were made outside the Integrated Financial Management Information System (IFMIS). It was noted that the respective payment vouchers were however used to support these payments as they were not captured in the IFMIS general ledger. This means that the County Executive's expenditure as per the ledger was understated by the amount of Kshs.63,149,509.

Consequently, the validity, accuracy and completeness of the payments made outside IFMIS totalling Kshs.63,149,509 in the year under review could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Homa Bay 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 qualified opinion.

### Key Audit Matters

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

### Other Matter

#### 1. County Own Generated Receipts - Nil Revenue Collection

Examination of revenue records revealed that six (6) recognized revenue streams of the County Executive of Homa Bay with a projected total revenue of Kshs.7,504,085 in the year under review recorded a nil collection as detailed below:

Revenue Stream	Budgeted Amount (Kshs)
Liquor Licensing	2,845,035
Tractor Hire Services	3,845,210
Conservancy Fees/ Wildlife Grants	400,000
Water Charges	42,530
Survey/Sub-Division Fees	54,620
Weights and Measures Fee	316,690
<b>Total</b>	<b>7,504,085</b>

In the circumstances, it is apparent that the County Government of Homa Bay does not have an effective revenue collection system. Further, failure to collect revenue from the approved streams is an indication that the County Government is totally dependent on the exchequer releases from the National Treasury.

## 2. Budgetary Control and Performance

The County Executive's total approved expenditure budget was Kshs.8,984,932,611 for the financial year 2020/2021 while a total of Kshs.6,781,765,725 was actually spent, resulting in a net under expenditure of Kshs.2,203,166,886 or 25%.

The under-utilization of funds may have impacted negatively on the delivery of goods and services to the residents of Homa Bay County.

## 3. Pending Bills

Annex 5 to the financial statements reflects pending account payables amounting to Kshs.536,519,863 which were not settled during the year under review but were carried forward to the 2021/2022 financial year. This is despite the fact that the County Executive reported a surplus of Kshs.1,459,455,441 in the statement of receipts and payments.

Further, examination of the supporting schedules provided shows that the pending bills balance excludes bills totalling Kshs.24,245,882 owed to Kenya Power & Lighting Company (KPLC) and relating to projects/services as communicated by the National Treasury through Circular No.16/2021, dated 22 December, 2021 as detailed below:

Sector	Amount (Kshs)
County Government Facilities and Street Lighting	7,385,257
Public Health Facilities	16,336,145
Devolved Services	524,480
<b>Total</b>	<b>24,245,882</b>

In the circumstances, the reported pending accounts payable balance of Kshs.536,519,863 as at 30 June, 2021 is under-stated. Further, the failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

## 4. Late Exchequer Releases

Note 1 to the financial statements reflects exchequer releases of Kshs.7,321,214,700 for the year ended 30 June, 2021 out of which the following late disbursements were noted:

Date	Reference No.	Details	Amount (Kshs)
15 June, 2021	FT2116657TZK	Exchequer issue	539,316,000
23 June, 2021	FT21174VSBDW	Exchequer issue	606,730,500
30 June, 2021	FT21181NH52T	Exchequer issue	539,316,000
<b>Total</b>			<b>1,685,362,500</b>

In addition, an amount of Kshs.573,023,250 was released on 02 July, 2021 by The National Treasury on the budgeted revenue for the financial year 2020/2021.

The late release of the exchequer amounts may have had adverse effects on the implementation of the planned activities and projects by the County Executive of Homa Bay for the year ended 30 June, 2021.

## **5. Progress on Follow-Up of Previous Auditor-General's Recommendations**

The Public Sector Accounting Standard Board (PSASB) financial reporting template issued in June, 2021 stipulates that the Management should reflect a progress on follow-up on auditor's recommendations indicating issues raised by the Auditor, status and time-frame when the issues are expected to be resolved. However, the progress on follow up attached to the financial statements shows six (6) issues only while indeed the Auditor-General had raised thirty-six (36) issues in the report for 2019/2020.

No reason was provided for the omission.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Accounts Receivables-Outstanding Imprests**

As disclosed in Note 15 to the financial statements, the statement of assets and liabilities reflects accounts receivables - outstanding imprests of Kshs.14,000,000 which were not surrendered within seven (7) days after the imprest holders had returned to their duty station. This is contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to the duty station.

Consequently, the Management is in breach of the law.

#### **2. Compensation of Employees**

##### **2.1 Compensation of Employees above the Recommended Wage Bill Level**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.3,046,590,411 in respect of compensation of employees which translates to 37% of the total County Executive's receipts of Kshs.8,241,221,166

in the year under review. This is contrary to Regulations 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which states that the County Government expenditure on wages and benefits for public officers should not exceed 35% of the County Government total revenue.

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

## **2.2 Irregular Personal Allowances Paid as Part of Salaries**

The expenditure of Kshs.3,046,590,411 in respect of compensation of employees includes an amount of Kshs.157,118,409 relating to personal allowances paid as part of salaries. Review of manual payrolls for the year under review revealed that allowances amounting to Kshs.1,644,000 which comprised of non-practicing allowance - Kshs.864,000, extraneous allowance - Kshs.420,000, and emergency call allowance - Kshs.360,000 were paid to a member of the County Executive Committee (CEC) in the year under review. Management did not provide any approval for the payment of the allowances from the Salaries and Remuneration Commission.

The payments were made contrary to the Kenya Gazette No.6518 of Vol. CXIX, Notice No.89 dated 07 July, 2017 on remuneration and benefits for state officers in the County Government which requires members of the County Executive Committee (CEC) to be paid a gross wage remunerative package of Kshs.259,875 per month. Further the gazette notice states that any benefits and allowances not specified in the gazette notice are not payable unless otherwise set by the Salaries and Remuneration Commission (SRC).

Consequently, Management was in breach of the law.

## **2.3 Non-Remittance and Late Remittance of Statutory Deductions and Retirement Contributions**

### **2.3.1 Pay As You Earn (PAYE)**

Review of the IPPD system and Manual Payroll records indicates that the County Executive made deductions in respect of pay as you earn (PAYE) totalling to Kshs.528,142,572 during the year under review. However, review of the bank account funds transfers records and Kenya Revenue Authority (KRA) payment slips revealed that only an amount of Kshs.223,460,774 was remitted, leaving a balance of Kshs.304,681,798 or 58% unsurrendered. This is contrary to Rule 10 of the Income Tax (P.A.Y.E) Rules, under the Income Tax Act, Cap 470 of the Laws of Kenya, which sets the due date for paying PAYE deductions by an employer at "before the tenth day following the end of every month or before any other day which may be notified to him by the Commissioner.

Consequently, the County Executive risks incurring avoidable costs in form of penalties and interest thereon in line with section 37(2) of the Income Tax Act which allows the Commissioner to impose a penalty of 25% of the amount of tax involved if an employer paying emoluments to an employee fails to deduct tax or account for tax deducted.

### **2.3.2 National Hospital Insurance Fund (NHIF)**

Review of the IPPD system and Manual Payroll records indicates that the County Executive made deductions in respect of National Hospital Insurance Fund (NHIF) totalling Kshs.63,437,950 during the year under review. However, review of available records revealed that only an amount of Kshs.10,800,250 was remitted, leaving a balance of Kshs.52,637,700 or 83% unsurrendered. This is contrary to Section 15 of the National Hospital Insurance Fund Act,1998 and Regulation 5 of the National Hospital Insurance Fund (Standard and Special Contributions) Regulations that set the due date for paying in of NHIF deductions at the first day of the month following the one deduction is made.

Consequently, the County Executive risks incurring avoidable costs in form of penalties and interest thereon in line with Section 18(1)(b) of the National Hospital Insurance Fund Act, 1998 which sets the penalty for late payment at two times the amount of the contribution during each month during which the contribution remains unpaid.

### **2.3.3 National Social Security Fund (NSSF)**

Further, review of the IPPD system and Manual Payroll records indicates that the County Executive made deductions in respect of National Social Security Fund (NSSF) totalling Kshs.9,824,657 during the year under review. However, review of available records revealed that only an amount of Kshs.2,506,400 was remitted, leaving a balance of Kshs.7,318,257 or 74% unsurrendered. This is contrary to Section 27(1) of the National Social Security Fund Act, 2013 which prescribes that deductions are to be paid in within one month after the end of the month in which the last day of the contribution period fell.

Consequently, the County Executive risks incurring avoidable costs in form of penalties and interest thereon in line with Section 27(1) of the National Social Security Fund Act, 2013 which specifies a penalty of five percent of the amount of the contribution.

### **2.3.4 Retirement Benefits Contributions**

In addition, Review of IPPD system and Manual Payroll records indicates that the County Executive made pensions deductions totalling Kshs.166,512,645, comprising Local Authority Pension Fund (LAPF) of Kshs.124,480,651 and Local Authority Trust Fund (LAPTRUST) of Kshs.42,031,993 during the year under review.

However, review of records revealed that only an amount of Kshs.27,108,954 was remitted, leaving a balance of Kshs.139,403,691 or 84% unsurrendered comprising LAPF - Kshs.104,123,962 and LAPTRUST- Kshs.35,279,729.

Consequently, the County Executive risks incurring avoidable costs in form of penalties and interest thereon in line with Section 53A(1) of the Retirement Benefits Act which provides that, where an employer fails to remit deductions from an employee's emoluments to a retirement benefits scheme within 15 days of the deduction, the scheme may institute proceedings for recovery of the deduction after giving the employer at least seven days' notice. Under Section 53A(3), any amount that is subject to summary recovery proceedings attracts compound interest at the rate of 3% per month.

## **2.4 Staff Ethnic Composition**

Review of the personnel records revealed that the County Executive of Homa Bay had a staff composition of 4,590 members as at 30 June, 2021 out of which 4,302 or 94% comprised members of the ethnic community dominant in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

In the circumstances, the County Executive of Homa Bay is in breach of the law.

## **2.5 Officers on Acting and Delegation of Duty**

Review of employee records revealed that thirteen (13) employees were acting or had delegated functions without the requisite appointment letters. Further, the acting/delegation period was not determined and it was not possible to confirm whether they had been acting within the time limit as prescribed by law.

Consequently, the Management is in breach of Section 34(3) of the Public Service Commission Act 2017, which states that, "an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months."

## **3. Acquisition of Assets**

As disclosed in Note 11 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2021 reflects an expenditure of Kshs.1,539,640,946 on acquisition of assets. The following observations were made:

### **3.1 Construction of Buildings - Rehabilitation of Existing Water Supply System at Tom Mboya Level 4 Hospital in Rusinga**

The expenditure of Kshs.1,539,640,946 on acquisition of assets includes an amount of Kshs.280,858,964 relating to construction of buildings. The latter amount further includes an amount of Kshs.2,916,289 paid to a contractor as part payment for rehabilitation of the existing water supply system at Tom Mboya Hospital Level 4 in Rusinga at a contract sum of Kshs.5,005,975. The scope of works involved construction of pump house, pump set and associated accessories, storage tank, and water treatment plant and pipe work. The works were completed and handed over on 08 March, 2021.

However, physical verification of the Project carried out on 17 November, 2021 revealed that although the purchase and installation of the ultra-filtration unit was complete, the unit was not operational. Further, although item No.3.1 in the Bill of Quantities required the contractor to provide cost free warranty period of at least 12 months up to January, 2022, the Management did not explain why the situation had not been rectified.

Consequently, the value for money of the expenditure of Kshs.2,916,289 for the year ended 30 June, 2021 could not be ascertained.

## **3.2 Other Infrastructure and Civil Works**

### **3.2.1 Construction of Water Pan at Obanda**

The expenditure of Kshs.1,539,640,946 on acquisition of assets includes an amount of Kshs.586,587,756 for infrastructure and civil works. The latter amount further includes an amount of Kshs.3,764,952 paid to a contractor in respect of construction of Obanda Water Pan which had been awarded at a contract sum of Kshs.4,578,568. A physical verification carried out on 21 October, 2021 revealed that works were incomplete and the contractor was not on site.

Consequently, the regularity and value for money of the amount of Kshs.3,764,952 spent during the year ended 30 June, 2021 could not be confirmed.

### **3.2.2 Extension of Kanyach Kachar Community Water Project**

Further, the expenditure on other infrastructure and civil works of Kshs.586,587,756 includes an amount of Kshs.2,458,190 paid to a contractor in respect of the extension of Kanyach Kachar Community water project which had been awarded at a contract sum of Kshs.7,014,604. A physical verification carried out on 21 October, 2021 revealed that major works including intake works (panel works) and pumping set were incomplete.

Consequently, the validity and value for money the amount of Kshs.2,458,190 spent during the year ended 30 June, 2021 could not be confirmed.

### **3.2.3 Construction of Post-Harvest Grain Handling Facility at Kigoto**

In addition, the expenditure on other infrastructure and civil works of Kshs.586,587,756 includes an amount of Kshs.5,700,000 paid in respect of construction of a Post-Harvest Grain Handling Facility-Suba North Sub County. The contract was awarded in the financial year 2015/2016 at a contract sum of Kshs.23,139,180 and was to be carried out in forty-two (42) weeks with a commencement date of 08 June, 2016. Variations on Bill of Quantities were done to the tune of Kshs.5,705,265 on 02 October, 2020 and there was a request for extension of contract by a period of seven (7) weeks by the contractor on 03 March, 2021.

Review of available records and a physical verification carried out on 17 November, 2021 indicated that payments totaling Kshs.20,450,395 had been paid to the contractor to date. However, the project was yet to be completed and handed over to the County Executive of Homa Bay more than five (5) years after the commence of the contract in June, 2016.

Consequently, the regularity and value for money for the expenditure of Kshs.20,450,395 incurred so far on the Project could not be confirmed.

### **3.2.4 Construction of Homa Bay Stadium**

The expenditure on other infrastructure and civil works of Kshs.586,587,756 also includes an amount of Kshs.46,199,668 paid to a contractor for Construction of Homa Bay County Stadium (Main works) VIP Pavilion/ Western wing, after having been awarded the

contract vide tender No. HB/CTY/TS&C/01/2018-2019 at a contract sum of Kshs.369,781,250. The contract agreement was signed on 20 June, 2019 and the commencement date was 17 November, 2019 and for a contract period of 18 months with the completion date set on 01 January, 2021.

Review of the records revealed the following anomalies:

- i. The main Contractor had cumulatively been paid Kshs.159,190,955 up to the fourth certificate.
- ii. Sites instructions, approvals for variations and correspondences had not been submitted by the Project Manager.
- iii. According to the Bill of Quantities there was a provision for Kshs.30,000,000 for internal plumbing, drainage, water storage tank, water reticulation and fire protection which had not been done.
- iv. The provision in the Bill of Quantities for VIP Pavilion was Kshs.125,199,950 and the site meeting minutes of July, 2021 indicated that overall work progress was at 80% and for the VIP Pavilion at 70%.
- v. Two site meetings' minutes provided revealed that the deliberations were only about approval for the Contractor to be paid without confirmation that works were commensurate with the payments.

A physical verification carried out in October, 2021, revealed that construction works were incomplete and apparently behind schedule. This is despite the fact that the contract completion date had already been surpassed by ten (10) months.

Consequently, the regularity and value for money of the expenditure Kshs.159,190,955 incurred to date on the Project could not be confirmed.

### **3.2.5 Completion of Early Year Education (EYE) Classrooms**

The expenditure of Kshs.586,587,756 on other infrastructure and civil works also includes payments of Kshs.10,030,917 out of the executed contract sums of Kshs.15,897,885 paid to various local contractors in respect of completion of Early Year Education (EYE) Classrooms within the County.

A physical verification exercise carried out on 10 November, 2021, revealed instances of poor workmanship, delays in completion and abandonment of project site by contractors as detailed in **Appendix 1**.

In the circumstances, it was not possible to ascertain if value for money had been achieved on the eleven (11) projects undertaken by the County Executive.

### **3.2.6 Construction of Market Kiosks at Magunga Market**

The expenditure of Kshs.586,587,756 in respect to other infrastructure and civil works also includes payments totalling Kshs.20,977,077 for construction, upgrading, murramming, gravelling and construction of standard markets at Magunga Market. The contract was to be carried out in sixteen (16) weeks commencing 17 November, 2020 with the expected completion date of 17 February, 2021. The scope of works included FOSA offices, installation of gates, construction of standard kiosk, gravelling, levelling and murramming, culverts installation at access ring road.

Physical verification conducted in November, 2021 revealed instances of poor workmanship and delays in completion as in **Appendix 2**.

Stalled and delayed projects are an indication of wastage of public resources which will definitely have adverse effects on delivery of goods and services to the residents of the County of Homa Bay.

Consequently, the value for money for the expenditure of Kshs.20,977,097 incurred by the County Executive could not be ascertained.

### **3.3 Construction of Major Roads, Access Roads and Bridges**

The expenditure on acquisition of assets of Kshs.1,539,640,946 further includes an amount of Kshs.505,041,092 incurred on the construction of major roads, access roads and bridges. The latter includes payments totalling Kshs.21,407,985 for four (4) projects implemented during the year. However, the following unsatisfactory observations were noted regarding the four (4) projects:

#### **3.3.1 Rabuor-Masawa- Sofia-Sango Road**

The project's contract was awarded at a cost of Kshs.3,434,911. Physical verification revealed that the road had already been cut off by running water as the drainage system was not done properly. It was also narrow due to encroachment by residents of Sofia Estate.

In addition, no documentary evidence was provided by the Management to confirm that there was additional budgetary allocation for maintenance and drainage works for this road.

#### **3.3.2 Kawere-Wachara Road**

The Project's was contracted at a cost of Kshs.4,244,562. A physical verification revealed that the required culverts were not installed on the road as provided for in the Bill of Quantities. In addition, out of the 5.7 km distance of the road, only 2.5 km was murrumed. Although Management explained that this unsatisfactory situation was caused by budget constraints, the remaining works were not budgeted for in the subsequent year (2021/2022) rendering the road partially usable by residents.

### **3.3.3 Guogi-Komolo junction - Kotieno road**

The contract for the road was awarded at a cost of Kshs.5,808,681. A physical verification revealed that no culverts were installed as provided for in the Bill of Quantities and sections of the road had been cut-off by running water. In addition, no documentary evidence was provided by the Management to confirm that there was additional budgetary allocation for maintenance works for this road.

### **3.3.4 Waregi-Kamgere-Access to Safaricom Booster Road**

The contract for the road was awarded at a cost of Kshs.7,919,831. A physical verification revealed that although construction of the road was complete, and it was open to the public for use, a section near a Safaricom booster was fenced off by a resident who was claiming ownership of land parcel through which the road was lying, effectively blocking access and full use of the road.

Consequently, the regularity and value for money of the expenditure of Kshs.21,407,985 spent on the four (4) road projects for the year ended 30 June, 2021 could not be ascertained.

## **4. Construction of Kenya Medical Training College at Sindo**

As previously reported, the Management in the year 2015/2016 awarded a contract for construction of classrooms, an office and an ablution block at Kenya Medical Training College at Sindo in Suba North Sub-County at a contract sum of Kshs.18,650,109. The project was to be executed in eight (8) weeks starting from 18 October to 05 December, 2016. Documents provided for audit revealed that Management paid the contractor an amount of Kshs.9,646,565 in the 2017/2018 financial year.

However, a review of available records and physical verification of the project site carried out in November, 2021, revealed that the works were abandoned at 45% level of completion.

In addition to denying potential learners and residents the required services and other benefits, the stalled project may result in wastage of public funds.

## **5. Undelivered Animal-Feeds Milling Equipment**

As previously reported, the Department of Trade and Industrialization had in June, 2014 contracted a firm to supply and install a nine (9) ton-per-hour animal feed processing mill for the Homa Bay Feeds Industries Limited at a cost of Kshs.42, 245,280.

However, a physical verification exercise carried out in November, 2021 revealed that the equipment had not been installed whereas payments totalling Kshs.16,000,000 had been made to the contractor in the previous financial year.

As a result, the validity and value for money of the expenditure on the project could not be confirmed and the residents of Homa Bay County may not enjoy the benefits of the equipment as expected.

## 6. Unsatisfactory Implementation of Projects

### 6.1 Failure to Implement Budgeted Projects

Review of the Projects' implementation status report as at 30 June, 2021 provided for audit revealed that projects budgeted at Kshs.2,311,837,168 were to be implemented. Further, the County Executive actually implemented projects amounting to Kshs.1,539,640,946 during the year therefore leading to an under-absorption of Kshs.772,196,222 or 33% as summarised below:

Department	Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)
Agriculture, Livestock and Fisheries	245,636,591	93,423,451	152,213,140
Tourism, Culture and Sports	126,243,381	41,784,154	84,459,227
Transport and Infrastructure	796,633,343	713,959,398	82,673,946
Energy and Mining	30,283,326	-	30,283,326
Education and ICT	81,374,554	81,367,042	7,512
Health Services	404,446,529	245,559,503	158,887,026
Trade and Industrialization	73,095,374	26,230,988	46,864,386
Lands and Housing	38,270,852	7,490,109	30,780,743
Water and Environment	320,309,867	305,789,601	14,520,266
Finance and Economic Planning	67,000,000	24,036,700	42,963,300
Executive Services	8,871,852	-	8,871,852
Municipal Board Service	119,361,500	-	119,361,500
Public Service Board	310,000	-	310,000
<b>Total</b>	<b>2,311,837,168</b>	<b>1,539,640,946</b>	<b>772,196,222</b>

As a result, the residents of Homa Bay County did not obtain the full benefits they had expected from the projects that were to be implemented by the County Executive.

### 6.2 Incomplete Key Ongoing Projects

Review of the projects' implementation status report as at 30 June, 2021 revealed that thirteen (13) projects with a total budget of Kshs.223,432,153 and actual expenditure of Kshs.124,879,863 had not been completed and were on-going as at 30 June, 2021 as detailed in **Appendix 3**.

The Projects were expected to be completed by 30 June, 2021 but it was however noted that as of November, 2021, the projects had not been completed.

The slow pace of the projects' implementation may negatively affect service delivery to the residents of Homa Bay County and the intended purpose of the projects may not be actualized.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Lack of an Approved Staff Establishment

As previously reported, audit review of human resource records revealed that the County Executive has been operating without an approved staff establishment to ensure that appropriate systems, procedures, structures, skilled and competent staff are in place at the optimal level to deliver its mandate to the residents of Homa Bay County.

Consequently, it was not possible to ascertain whether the total number of staff in the employment of the County Executive of Homa Bay is at the optimal operating level.

#### 2. Lack of an Approved Information, Communication and Technology (ICT) Policy and Disaster Recovery Plan

As previously reported, review of the County Executive's ICT Environment revealed that there was no formal approved ICT Policy. The Management has not assessed the impact of an outage or disruption to the ICT systems and did not develop business continuity or Information Technology disaster recovery plan. In case of a disaster significant delays or disruptions of activities may occur. In addition, the County Executive may not recover or restore Critical Infrastructure Services and Systems affecting all operations that rely on the Information Communication and Technology.

In the circumstances, the integrity, security and reliability of the County Executive's financial data including its Management Information System (s) could not be ascertained as at 30 June, 2021.

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 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 Management is aware of the intention to dissolve the County Executive or to cease operations.

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

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

Those charged with governance are responsible for overseeing the County Executive's financial reporting process, reviewing the effectiveness of how the entity 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 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

09 May, 2022

## Appendix 1

### Unsatisfactory Matters on the Completion of Early Year Education (EYE) Classrooms

Project Title	Amount Paid (Kshs)	Remarks
Classroom at Lieta, Kabunde	982,053	<ul style="list-style-type: none"> <li>• Complete up to roofing, no works for internal walling, no windows and door.</li> <li>• Contractor on site but with little works.</li> <li>• Payment made to contractor included Retention, VAT and Withholding Tax amounting to Kshs.136,970.</li> </ul>
Classroom at Osika Eye Centre	1,187,682	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• Already in use.</li> <li>• No contract agreement to show date of completion.</li> </ul>
Classroom at Sero Eye Centre	534,960	<ul style="list-style-type: none"> <li>• Complete up to lintel, no works for internal walling, no windows and doors.</li> <li>• Contractor not on site, no signs of recent works.</li> <li>• No contract document showing the contract period.</li> </ul>
Classroom at Odino Eye Center	661,055	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• The building locked by the contractor, handing over yet to be done.</li> </ul>
Classroom at Obuya EYE Centre	1,281,382	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• The building locked by the contractor despite being paid the whole amount.</li> </ul>
Classroom at Ndwarra EYE Centre	1,140,170	<ul style="list-style-type: none"> <li>• Complete up to roofing, no windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• The Project looks abandoned, no contractor on site.</li> <li>• No contract agreement to show date of completion.</li> </ul>
Classroom at Kado EYE Center	1,007,412	<ul style="list-style-type: none"> <li>• The building is complete up to roofing, with windows and doors.</li> <li>• Poor workmanship in the floor.</li> <li>• The pit Latrine already in use with no doors.</li> <li>• No contract agreement to show date of completion</li> </ul>

<b>Project Title</b>	<b>Amount Paid (Kshs)</b>	<b>Remarks</b>
Classroom at Atemo EYE Centre	500,000	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• Already in use.</li> <li>• No contract agreement to show date of completion.</li> </ul>
Classroom at Bondo in Rangwe	775,800	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• The Project looks abandoned, no contractor on site.</li> <li>• The pit latrine complete up to roof but no doors.</li> <li>• No contract agreement to show date of completion.</li> </ul>
Classroom at Wikoteng	475,800	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• No works on internal wall and floor.</li> <li>• The Project looks abandoned, no contractor on site.</li> <li>• No contract agreement to show date of completion.</li> </ul>
Classroom at Agoro Sare EYE Center	1,484,603	<ul style="list-style-type: none"> <li>• Complete up to roofing, with windows and doors.</li> <li>• Poor workmanship on the floor.</li> <li>• Already in use.</li> <li>• No contract agreement to show date of completion.</li> </ul>
	<b>10,030,917</b>	

## Appendix 2

### Unsatisfactory Matters on the Construction of Market Kiosks at Magunga Market

Project Area Details	Amount Paid (Kshs.)	Remarks
Installation of 5 gates at Magunga Market	1,080,366	<ul style="list-style-type: none"> <li>• Gate No.2 found only half piece lying in the market compound.</li> <li>• Gate No.3 not found on site and space found open without a gate.</li> <li>• Gates Nos.4 and 5 not found on site.</li> </ul>
Construction of one unit standard market kiosk at Magunga Market	729,500	<ul style="list-style-type: none"> <li>• Incomplete at lintel level</li> </ul>
Construction of 4 kiosks at Magunga	2,900,000	<ul style="list-style-type: none"> <li>• Incomplete at lintel level</li> </ul>
Construction of 2 kiosks in Magunga Market	1,500,000	<ul style="list-style-type: none"> <li>• Incomplete at lintel level</li> </ul>
Construction of FOSA Office at Magunga	5,140,571	<ul style="list-style-type: none"> <li>• Incomplete at lintel level</li> </ul>
Construction of 2 No. Kiosks at Magunga Market	1,407,640	<ul style="list-style-type: none"> <li>• Incomplete at lintel level</li> </ul>
5 Gates Installation at Magunga	2,209,500	<ul style="list-style-type: none"> <li>• Gate No.2 found only half piece lying in the market compound.</li> <li>• Gate No.3 not found on site and space found open without a gate.</li> <li>• Gates Nos.4 and 5 not found on site.</li> </ul>
5 Gates Installation at Magunga Market	2,209,500	<ul style="list-style-type: none"> <li>• Gate No.2 found only half piece lying in the market compound.</li> <li>• Gate No.3 not found on site and space found open without a gate.</li> <li>• Gates Nos.4 and 5 not found on site.</li> </ul>
Construction 2 No. Kiosks at Magunga Market	1,400,000	<ul style="list-style-type: none"> <li>• in-complete at lintell level</li> </ul>
Gravelling and Rolling of Magunga Market	2,400,000	<ul style="list-style-type: none"> <li>• Market area is degraded.</li> </ul>
<b>Total</b>	<b>20,977,077</b>	

### Appendix 3

#### Incomplete Key Ongoing Projects

<b>Project Details</b>	<b>Budgeted Amount (Kshs)</b>	<b>Payments During the Year (Kshs)</b>	<b>Completion Status (%)</b>
Construction of Homa Bay County Stadium	126,243,381	91,784,154	70
Nyaruenya Dispensary	4,328,366	1,646,050	38
Amoyo Dispensary	4,289,645	500,000	25
Nyamasi Dispensary	1,828,682	1,562,978	90
Oriwo H/C	2,567,492	2,567,492	65
Imbo Health Centre	2,477,950	1,306,201	90
Construction of Phase 2 of Maize Processing Plant	18,809,660	5,075,334	85
Revenue Automation Machines	22,000,000	3,800,000	68
Extension of Rota Community Water Project in Kanyamwa Kologi Ward	7,819,645	6,819,645	30
Ngulu - Amoso Road 4.4KM	3,396,480	2,327,900	90
County Spatial Plan	14,881,138	6,046,416	82
Delineation and Establishment of Urban Institutions	5,000,000	1,000,000	80
Symbiocity Change Project - Undertaking of demolition and down taking at Akuba Market in Mbita	9,789,714	443,693	50
<b>Totals</b>	<b>223,432,153</b>	<b>124,879,863</b>	

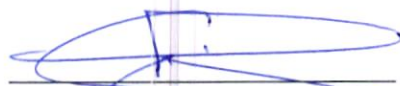
**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**9. FINANCIAL STATEMENTS**

**9.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021.**

DESCRIPTION		2020-2021	2019-2020
	Notes	KShs	KShs
<b>RECEIPTS</b>			
Exchequer releases	1	7,321,214,700	7,231,797,300
Proceeds from Domestic and Foreign Grants	2	324,593,472	266,461,728
Transfers from Other Government Entities	3	294,613,518	440,919,900
Conditional Grants from National Government- COVID 19	4	66,930,000	-
County Own Generated Receipts	5	233,869,476	274,595,613
<b>TOTAL RECEIPTS</b>		<b>8,241,221,166</b>	<b>8,213,774,541</b>
<b>PAYMENTS</b>			
Compensation of Employees	6	3,046,590,411	3,145,409,833
Use of goods and services	7	723,640,750	1,103,968,018
Transfers to Other Government Units (County Assembly)	8	946,678,121	861,000,000
Transfer to Homa Bay County Bursary Fund	9	103,000,000	-
Social Security Benefits	10	29,889,226	21,075,282
Acquisition of Assets	11	1,539,640,946	2,769,144,159
Capital Grants and Transfers	12	139,306,894	120,535,273
Other Grants and Transfers	13	253,019,377	257,605,986
<b>TOTAL PAYMENTS</b>		<b>6,781,765,725</b>	<b>8,278,738,551</b>
<b>SURPLUS/DEFICIT</b>		<b>1,459,455,441</b>	<b>(64,964,010)</b>

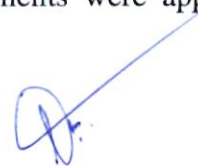
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on \_\_\_\_\_ 2021 and signed by:



Chief Officer

Name: Mr. Noah Otieno

ICPAK Member Number: 16596



Head of Treasury Accounts

Name: Mr. Daniel Owuor



**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

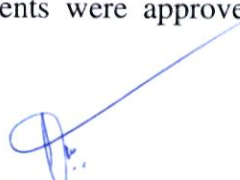
**9.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021**

DESCRIPTION		2020-2021	2019-2020
	Notes	KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	14	2,352,125,342	886,748,289
<b>Total Cash and cash equivalent</b>		<b>2,352,125,342</b>	<b>886,748,289</b>
Accounts Receivables- Outstanding Imprests	15	14,000,000	16,537,980
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,366,125,342</b>	<b>903,286,269</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables- Deposits and Retentions	16	20,093,951	16,710,320
<b>NET FINANCIAL ASSETS</b>		<b>2,346,031,390</b>	<b>886,575,949</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	17	886,575,949	951,539,959
Prior year adjustments		-	-
Surplus/Deficit for the year		1,459,455,441	(64,964,010)
<b>NET FINANCIAL POSITION</b>		<b>2,346,031,390</b>	<b>886,575,949</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

\_\_\_\_\_  
 Chief Officer Finance  
 Name: Mr. Noah Otieno  
 ICPAK Member Number: 16596



  
 \_\_\_\_\_  
 Head of Treasury Accounts  
 Name: Mr. Daniel Owuor

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**9.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021.**

DESCRIPTION		2020-2021	2019-2020
	Notes	KShs	KShs
<b>Receipts from operating income</b>			
Exchequer releases	1	7,321,214,700	7,231,797,300
Proceeds from Domestic and Foreign Grants	2	324,593,472	266,461,728
Transfers from Other Government Entities	3	294,613,518	440,919,900
Conditional Grants from National Government- COVID 19	4	66,930,000	
County Own Generated Receipts	5	233,869,476	274,595,613
		<b>8,241,221,166</b>	<b>8,213,774,541</b>
<b>Payments For Operating Expenses</b>			
Compensation of Employees	6	3,046,590,411	3,145,409,833
Use of goods and services	7	723,640,750	1,103,968,018
Transfers to Other Government Units (County Assembly)	8	946,678,121	861,000,000
Other grants and transfers	9	103,000,000	-
Social Security Benefits	10	29,889,226	21,075,282
Capital Grants and Transfers	12	139,306,894	120,535,273
Other Grants and Transfers	13	253,019,377	257,605,986
<b>Total Payments</b>		<b>5,242,124,779</b>	<b>5,509,594,392</b>
<b>Adjusted For:</b>			
Changes in Receivables	15	2,537,980	5,420,080
Changes in Payables	16	3,383,631	(11,292,558)
<b>Total Adjustments</b>		<b>5,921,611</b>	<b>(5,872,478)</b>
<b>Net cash flows from operating activities</b>		<b>3,005,017,998</b>	<b>2,698,307,671</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	
Acquisition of Assets	11	1,539,640,946	2,769,144,159
<b>Net cash flows from Investing Activities</b>		<b>1,539,640,946</b>	<b>2,769,144,159</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,465,377,052</b>	<b>(70,836,488)</b>
<b>Cash and cash equivalents at BEGINNING of the year</b>	17	<b>886,748,289</b>	<b>945,839,821</b>
<b>Cash and cash equivalents at END of the year</b>		<b>2,352,125,342</b>	<b>886,748,289</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on \_\_\_\_\_ 2021


and signed by:

  
 Chief Officer Finance

Name: Mr. Noah Otieno

ICPAK Member Number: 16596



  
 Head of Treasury Accounts

Name: Mr. Daniel Owuor

**COUNT EXECUTIVE OF HOMABAY**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2021**

**9.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR**  
**ENDED 30 JUNE 2021**

10. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	kshs	
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer Releases	6,741,450,000	-	6,741,450,000	7,321,214,700	(579,764,700)	109%
Conditional Grants from National Government	409,273,744	(115,291,305)	293,982,439	324,593,472	(30,611,033)	110%
Loans and Grants from Development Partners	295,677,950	126,806,500	422,484,450	294,613,518	127,870,933	70%
County Own Generated Receipts	385,511,169	(135,181,231)	250,329,938	233,869,476	16,460,462	93%
Other Receipts including Balances from previous year	30,676,139	1,246,009,645	1,276,685,784	953,678,289	323,007,495	75%
<b>TOTAL</b>	<b>7,862,589,002</b>	<b>1,122,343,609</b>	<b>8,984,932,611</b>	<b>9,127,969,455</b>	<b>(143,036,844)</b>	
<b>PAYMENTS</b>						
Compensation of Employees	3,360,558,798	219,301,509	3,579,860,307	3,046,590,411	533,269,896	85%
Use of goods and services	752,443,776	10,812,751	763,256,527	723,640,750	39,615,777	95%
Transfers to County Assembly of HomaBay	1,054,516,376	18,000,000	1,072,516,376	946,678,121	125,838,255	88%
Transfer to Homabay County Bursary Fund	109,000,000	-	109,000,000	103,000,000	6,000,000	94%
Capital Grants and Transfers	204,982,195	-	204,982,195	139,306,894	65,675,301	68%
Other Grants and Transfers	259,610,468	-	259,610,468	253,019,377	6,591,091	97%
Acquisition of Assets	2,091,588,163	874,229,349	2,965,817,512	1,539,640,946	1,426,176,566	52%
Social Security Benefits	29,889,226	-	29,889,226	29,889,226	-	100%
<b>TOTAL</b>	<b>7,862,589,002</b>	<b>1,122,343,609</b>	<b>8,984,932,611</b>	<b>6,781,765,725</b>	<b>2,203,166,886</b>	

The County Executive's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Chief Officer Finance

Name: Mr. Noah Otieno

ICPAK Member Number: 16596



Head of Treasury Accounts

Name: Mr. Daniel Owuor

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2021**

6. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	4,722,746,768	-	4,222,746,768	4,802,511,468	(579,764,7000)	114%
Conditional Grants from National Government	409,273,744	(115,291,305)	293,982,439	324,593,472	(30,611,033)	110%
Loans and Grants from Development Partners	135,916,556	126,806,500	262,723,056	134,852,124	127,870,933	51%
County Own Generated Receipts	385,511,169	(135,181,231)	250,329,938	233,869,476	16,460,462	93%
Other Receipts including balances from previous Year	30,676,139	371,780,296	402,456,435	79,448,940	323,007,495	20%
<b>TOTAL</b>	<b>5,184,124,376</b>	<b>248,114,260</b>	<b>5,432,238,636</b>	<b>5,575,275,480</b>	<b>(143,036,844)</b>	
<b>PAYMENTS</b>						
Compensation of Employees	3,360,558,798	219,301,509	3,579,860,307	3,046,590,411	533,269,896	85%
Use of goods and services	752,443,776	10,812,751	763,256,527	723,640,750	39,615,777	95%
Transfers to Other Government Units-County Assembly	932,232,576	18,000,000	950,232,576	878,900,000	71,332,576	92%
Transfer to Homabay County Bursary Fund	109,000,000	-	109,000,000	103,000,000	6,000,000	94%
Social Security Benefits	29,889,226	-	29,889,226	29,889,226	-	100%
<b>TOTAL</b>	<b>5,184,124,376</b>	<b>248,114,260</b>	<b>5,432,238,636</b>	<b>4,782,020,387</b>	<b>650,218,249</b>	

The County Executive's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Chief Officer Finance

Name: Mr. Noah Otieno

ICPAK Member Number: 16596



Head of Treasury Accounts

Name: Mr. Daniel Owuor

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2021**

6. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Exchequer Releases	2,518,703,232	-	2,518,708,232	2,518,708,232	-	100%
Loans and Grants from Development Partners	159,761,394	-	159,761,394	159,761,394	-	100%
Other Receipts including balances from previous Year	-	874,229,349	874,229,349	874,229,349	-	100%
<b>TOTAL</b>	<b>2,678,464,626</b>	<b>874,229,349</b>	<b>3,552,693,975</b>	<b>3,552,693,975</b>	<b>-</b>	
<b>PAYMENTS</b>						
Transfers to County Assembly of Homa Bay	122,283,800	-	122,283,800	67,778,121	54,505,679	55%
Capital Grants and Transfers	204,982,195	-	204,982,195	139,306,894	65,675,301	68%
Other Grants and Transfers	259,610,468	-	259,610,468	253,019,377	6,591,091	97%
Acquisition of Assets	2,091,588,163	874,229,349	2,965,817,512	1,539,640,946	1,426,176,566	52%
<b>TOTAL</b>	<b>2,678,464,626</b>	<b>874,229,349</b>	<b>3,552,693,975</b>	<b>1,999,745,338</b>	<b>1,552,948,638</b>	

The County Executive's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Chief Officer Finance

Name: Mr. Noah Otieno

ICPAK Member Number: 16596



Head of Treasury Accounts

Name: Mr. Daniel Owuor

**8.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2021**

<b>Programme/Sub-programme</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>2020/2021</b>	<b>2020/2021</b>	<b>2020/2021</b>	<b>2020/2021</b>	
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>DEP OF AGRICULTURE,LIVESTOCK AND FISGERIES</b>					
Policy , Planning, General Administration and Support services	178,973,123	(40,442,552)	138,530,571	135,700,000	2,830,571
Crop, Land and Agri Business and Development Services	260,280,469	(31,574,606)	228,705,863	217,917,968	10,787,895
Food Security enhancement services	35,420,950	(35,395,555)	25,395	-	25,395
Fisheries , resources development Services	28,715,200	(28,715,200)	-		-
Livestock Development Programme	35,000,000	(35,000,000)	-		-
<b>SUB-TOTAL</b>	<b>538,389,742</b>	<b>(171,127,313)</b>	<b>367,262,429</b>	<b>353,617,968</b>	<b>13,644,461</b>
<b>DEP OF TOURISM SPORT GENDER, CULTURE AND SOCIAL SERVICES</b>					
Policy , Planning General Administration and Support services	37,864,246	4,099,666	41,963,912	41,095,671	868,241
Tourism and Culture development and promotion services	13,500,000	(13,500,000)	-		-

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Social Development and Empowerment services	7,017,423	(7,017,423)	-	-	-
Management and Development of Sports and Sports Facilities	105,200,000	1,235,913	106,435,913	91,784,154	14,651,759
<b>SUB-TOTAL</b>	<b>163,581,669</b>	<b>(15,181,844)</b>	<b>148,399,825</b>	<b>132,879,825</b>	<b>15,520,000</b>
<b>DEP OF TRANSPORT AND INFRASTRUCTURE</b>					
General Administration, Planning and Support Services	64,117,050	(23,492,126)	40,624,924	41,028,836	(403,912)
Public Works and Maintenance Services	9,801,750	(8,293,398)	1,508,352	-	1,508,352
Roads Development and Maintenance Services	781,589,735	799,075,126	1,580,664,861	1,365,954,934	214,709,927
Transport Services	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>855,508,535</b>	<b>767,289,602</b>	<b>1,622,798,137</b>	<b>1,406,983,770</b>	<b>215,814,367</b>
<b>DEPARTMENT OF ENERGY AND MINING</b>					
Energy Services	64,000,000	(1,084,219)	62,915,781	5,125,600	57,790,181
Mineral Resource Development and Marketing Services	4,000,000	-	4,000,000	-	4,000,000
General Administration, Planning and Support Services	35,782,555	(22,194,664)	13,587,891	12,455,340	1,132,551
<b>SUB-TOTAL</b>	<b>103,782,555</b>	<b>(23,278,883)</b>	<b>80,503,672</b>	<b>17,580,940</b>	<b>62,922,732</b>
<b>DEPARTMENT OF EDUCATION AND ICT</b>					
General Administration and	-	-	-	373,958,815	147,487,668

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

quality Assurance Services	513,929,608	7,516,875	521,446,483		
ECDE and Vocational Training Services	131,270,000	(34,988,795)	96,281,205	94,576,635	1,704,570
ICT Services	9,030,700	(9,030,700)	-	-	-
<b>SUB-TOTAL</b>	<b>654,230,308</b>	<b>(36,502,620)</b>	<b>617,727,688</b>	<b>468,535,450</b>	<b>149,192,238</b>
<b>DEPARTMENT OF HEALTH SERVICES</b>					
Policy , Planning, General Administration and Support services	1,804,853,454	492,925,489	2,297,778,943	1,676,681,219	621,097,724
Preventive and promotive health services	224,400,000	155,503,611	379,903,611	277,868,336	102,035,275
Curative and Rehabilitative Health Services	393,683,521	(42,088,296)	351,595,225	230,130,811	121,464,414
Research and Development Services	5,000,000	(5,000,000)	-		-
<b>SUB-TOTAL</b>	<b>2,427,936,975</b>	<b>601,340,804</b>	<b>3,029,277,779</b>	<b>2,184,680,366</b>	<b>844,597,413</b>
<b>DEP OF LANDS,HOUSING, URBAN DEVELOPMENT AND PHYSICAL PLANNING</b>					
Lands and Physical Planning	35,416,600	(8,475,913)	26,940,687	10,084,789	16,855,898
Housing and Urban Development	37,285,630	(5,335,458)	31,950,172	-	31,950,172
General Administrative Services	51,163,399	(14,354,741)	36,808,658	35,994,060	814,598

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

<b>SUB-TOTAL</b>	<b>123,865,629</b>	<b>(28,166,112)</b>	<b>95,699,517</b>	<b>46,078,849</b>	<b>49,620,668</b>
<b>DEP. OF TRADE , INDUTSRIALIZATION, COOPERATIVES AND ENTERPRISE DEVELOPMENT</b>					
Trade,Co-Operatives and Entrepreneurship Development Services	70,000,000	(18,847,206)	51,152,794	39,000,000	12,152,794
Industrial Development and Investments Services	30,935,404	14,874,256	45,809,660	20,809,000	25,000,660
Planning and Administrative Services	192,949,199	(63,243,385)	129,705,814	58,684,262	71,021,552
<b>SUB-TOTAL</b>	<b>293,884,603</b>	<b>(67,216,335)</b>	<b>226,668,268</b>	<b>118,493,262</b>	<b>108,175,006</b>
<b>DEP OF WATER AND ENVIRONMENT</b>					
Water supply and Management services	230,000,000	90,609,248	320,609,248	212,406,068	108,203,180
Environmental protection and Management services	50,000,000	(33,500,000)	16,500,000	-	16,500,000
General Administrative Services	119,348,095	(25,768,213)	93,579,882	83,161,005	10,418,877
<b>SUB-TOTAL</b>	<b>399,348,096</b>	<b>31,341,034</b>	<b>430,689,130</b>	<b>295,567,073</b>	<b>135,122,057</b>
<b>DEP OF FINANCE AND ECONOMIC PLANNING</b>					
Planning , Budgeting and Development Coordination Services	30,876,074	(10,000,000)	20,876,074	19,105,740	1,770,334

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Strategy and Service Delivery Improvement Services	17,073,193	114,007	17,187,200	7,187,200	10,000,000
Resource Mobilization Services	22,155,528	(3,000,000)	19,155,528	5,721,280	13,434,248
Financial Management Services	135,511,527	(21,292,514)	114,219,013	93,257,708	20,961,305
General Administration and Devolution Support Services	159,085,069	194,661,017	353,746,086	236,079,186	117,666,900
<b>SUB-TOTAL</b>	<b>364,701,391</b>	<b>160,482,510</b>	<b>525,183,901</b>	<b>361,351,114</b>	<b>163,832,787</b>
<b>EXECUTIVE SERVICES</b>					
Governance and coordination Services	207,834,410	(103,783,424)	104,050,986	67,728,126	36,322,860
Strategy and Service Delivery Improvement Services	115,462,720	(72,000,000)	43,462,720	39,102,175	4,360,545
Public Service administration support Services	323,001,288	133,840,500	456,841,788	242,918,350	213,923,438
<b>SUB-TOTAL</b>	<b>646,298,418</b>	<b>(41,942,924)</b>	<b>604,355,494</b>	<b>349,748,651</b>	<b>254,606,843</b>
<b>COUNTY PUBLIC SERVICE BOARD</b>					
Policy , Planning General Administration and Support services	55,569,205	(30,584,015)	24,985,190	23,809,425	1,175,765
Personnel Sourcing and Management Services	23,342,500	(17,074,411)	6,268,089	862,731	5,405,358
Performance Management Services	783,000	(183,388)	599,612	-	599,612
<b>SUB-TOTAL</b>	<b>79,694,705</b>	<b>(47,841,814)</b>	<b>31,852,891</b>	<b>24,672,156</b>	<b>7,180,735</b>
<b>COUNTY ASSEMBLY SERVICE BOARD</b>					

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Legislative Services	371,336,422	61,077,381	432,413,803	382,413,803	50,000,000
Oversight and Control Services	15,333,554	45,249,246	60,582,800	60,404,679	178,121
Ward Representation Services	137,168,048	(61,828,512)	75,339,536	69,252,496	6,087,040
Policy , Planning General Administration and Support services	530,928,352	(26,748,115)	504,180,237	434,607,143	69,573,094
<b>SUB-TOTAL</b>	<b>1,054,766,376</b>	<b>17,750,000</b>	<b>1,072,516,376</b>	<b>946,678,121</b>	<b>125,838,255</b>
<b>COUNTY MUNICIPAL BOARD</b>					
Policy, Planning, General Administration and Support services	26,600,000	(13,963,996)	12,636,004	7,001,000	5,635,004
Urban Development Services	130,000,000	(10,638,500)	119,361,500	67,897,180	51,464,320
Other Infrastructure and civil works	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>156,600,000</b>	<b>(24,602,496)</b>	<b>131,997,504</b>	<b>74,898,180</b>	<b>57,099,324</b>
<b>GRAND TOTAL</b>	<b>7,862,589,002</b>	<b>1,122,343,609</b>	<b>8,984,932,611</b>	<b>6,781,765,725</b>	<b>2,203,166,886</b>

## **8.8. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

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

### **2. Reporting entity**

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

### **3. Recognition of receipts and payments**

#### **a) Recognition of receipts**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Tax receipts**

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

**ii) Transfers from the Exchequer**

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Executive

**iii) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

**Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the Executive or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

**Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the County Executive or any other debt the County Executive may take on will be treated on cash basis and recognized as receipts during the year of receipt.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes to the financial statements.

**iv) County Own Generated Receipts**

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

**v) Returns to CRF Issues**

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

**b) Recognition of payments**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

**v) Acquisition of fixed assets**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. In-kind contributions**

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

**a) Third Party Payments**

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

**5. Cash and cash equivalents**

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

**a) Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to KShs 20,093,951, compared to KShs 16,710,319.55 in prior period as indicated on note 15.

There were no other restrictions on cash during the year

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**7. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

**8. Non-current assets**

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

**9. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Executive at the end of the year.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**10. Contingent Liabilities**

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

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. Contingent Assets**

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

**12. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on xxx for the period 1<sup>st</sup> July 2020 to 30 June 2021 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**13. Comparative figures**

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

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**14. Subsequent events**

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

**15. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**16. Related party transactions**

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.9. NOTES TO THE FINANCIAL STATEMENTS**

**1. EXCHQUER RELEASES**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	579,764,700	2,243,124,300
Total Exchequer Releases for quarter 2	2,224,678,500	1,213,461,000
Total Exchequer Releases for quarter 3	1,112,339,250	2,460,629,250
Total Exchequer Releases for quarter 4	3,404,432,250	1,314,582,750
<b>Total</b>	<b>7,321,214,700</b>	<b>7,231,797,300</b>

**2. DONOR FUNDS RELEASED THROUGH EXCHEQUER RELEASES AS PER CARA**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>Kshs.</b>	<b>Kshs</b>
Rehabilitation of Village Polytechnics	40,399,894	35,163,298
Compensation for User fee forgone	22,185,346	22,185,346
KRB- Road Maintenance Levy Fund	248,768,691	201,434,082
Agriculture Sector Development Support Project (ASDSPII)	13,239,541	7,679,002
<b>Total</b>	<b>324,593,472</b>	<b>266,461,728</b>

**3. LOANS AND GRANTS FROM DEVELOPMENT PARTNERS**

<b>Description</b>	<b>2020 – 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>		
DANIDA - Universal Healthcare in Devolved Units Programme	26,615,000	19,968,750
Transforming Health Systems for UNIVERSAL CARE PROJECT – (THS-UCP)	30,318,050	47,973,188
National Agricultural & Rural Inclusive Growth Project (NARIGP)	192,680,468	248,805,986
Kenya Devolution Support Programme (KDSP)	45,000,000	30,000,000
Kenya Urban Support Project (KUSP-UDG)	-	85,371,975
Kenya Urban Support Project- (KUSP-UIG)	-	8,800,000
<b>Total</b>	<b>294,613,518</b>	<b>440,919,900</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**4. CONDITIONAL GRANTS FROM NATIONAL GOVERNMENT**

<b>Description</b>	<b>2020- 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
COVID 19 Pandemic Frontline Health Workers Allowances Grant	66,930,000	-
<b>Total</b>	<b>66,930,000</b>	<b>-</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**5. OTHER REVENUES (LOCALLY GENERATED)**

<b>Description</b>	<b>2020 – 2021</b>	<b>2019 – 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Land rates	1,876,293	1,942,706
Land transfers/sales/change of use	55,020	45,000
Lease Charges (Consent/transfers)	10,600	-
Stalls/plot/ground rents	2,959,808	1,164,942
Single Business Permits	34,581,350	28,282,265
Market/Trade centre fees	23,445,200	27,094,832
Approval of plans/transfers/certificates	1,551,090	1,527,620
Housing fees	19,200	23,000
Fish Cess	5,187,524	5,356,153
Other Cess Incomes	4,538,445	5,784,913
Motorbike fees	2,119,870	2,193,596
Site Value Rates	43,000	45,000
Kiosk Rent	3,671,508	3,541,510
Slaughter House fees	1,309,990	975,122
Stock Auction Fees (Cattle/ goats/sheep)	3,278,990	3,718,296
Stock Movement Fees	660,560	249,330
Veterinary Charges	167,940	201,500
Advertising/bill boards	1,723,350	44,000
Landing fees (boats, planes, etc)	30,700	24,000
Bus park fees/ parking fees	23,798,447	24,893,094
Administration fees (Search/Beaconing)	15,530	25,100
Sanitation fees	-	8,390
Noise Pollution permit fees	26,500	144,947
Fire Inspection fees	91,000	-
Hire of Machinery and Equipment	870,000	1,006,000
Water Charges (Application/survey)	-	2,345
Fines and penalties	893,828	969,697
Weights and measures fees	-	287,900
Bricks/sand/murram/stones	6,954,159	7,686,692
Miscellaneous incomes	1,737,032	1,265,797
Health Sector Charges (A-I-A)	112,252,542	156,091,866
<b>Total</b>	<b>233,869,476</b>	<b>274,595,613</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**6.COMPENSATION TO EMPLOYEES**

<b>Description</b>	<b>2020- 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	2,882,972,003	1,366,869,635
Basic Wages of temporary employees	6,500,000	1,483,963,718
Personal allowances paid as part of salary	157,118,409	221,101,966
Compulsory national social security schemes	-	9,476,400
Compulsory national health insurance schemes	-	63,998,114
<b>Total</b>	<b>3,046,590,411</b>	<b>3,145,409,833</b>

**7.USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2020 – 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	31,424,301	34,772,825
Communication, supplies and services	11,433,715	13,714,375
Domestic travel and subsistence	105,963,480	117,602,815
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	39,944,900	41,397,190
Rents and rates-non-residential	8,715,911	12,633,415
Training expenses	34,895,407	48,682,655
Hospitality supplies and services	22,122,762	27,866,210
Insurance costs	15,300,000	20,992,952
Specialized materials and services	167,563,144	324,647,785
Office and general supplies and services	48,703,785	56,689,188
Other grants and transfers	150,546,212	266,227,213
Contracted Professional services	48,588,801	69,577,599
Routine maintenance of motor vehicles	8,653,981	24,800,550
Refined Fuel, oil and lubricants	25,554,351	37,570,377
Routine maintenance – other assets	4,230,000	6,792,869
<b>Total</b>	<b>723,640,750</b>	<b>1,103,968,018</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.TRANSFER TO OTHER GOVERNMENT UNITS**

Description	2020 - 2021	2019- 2020
	Kshs	Kshs
Transfers to County Assembly of Homa Bay	946,678,121	861,000,000
<b>TOTAL</b>	<b>946,678,121</b>	<b>861,000,000</b>

**9.TRANSFER TO HOMA BAY COUNTY BURSARY FUND**

Description	2020- 2021	2019 - 2020
	Kshs	Kshs
Scholarships and other educational benefits-Bursary	103,000,000	-
<b>TOTAL</b>	<b>103,000,000</b>	<b>-</b>

**10.SOCIAL SECURITY BENEFITS**

Description	2020 – 2021	2019 - 2020
	Kshs	Kshs
National social security fund (Employer’s contribution)	4,912,329	1,421,460
Government Pension and Retirement Benefits/Lap Trust	6,304,799	4,557,236
Government Pension and Retirement Benefits/Lap Fund	18,672,098	15,096,586
<b>TOTAL</b>	<b>29,889,226</b>	<b>21,075,282</b>

**11.ACQUISITION OF ASSETS**

<b>Non- Financial Assets</b>	2020 – 2021	2019 - 2020
	Kshs	Kshs
Construction of Buildings-Non Residential	280,858,965	331,720,285
Refurbishment of Buildings- Non Residential	30,499,900	47,332,506
Construction of major Roads, access roads and bridges	505,041,092	704,869,209
Other Infrastructure and civil works	586,587,756	1,543,228,854
Purchase of Office Furniture and General Equipment	13,846,340	11,164,763
Purchase of motor vehicles	6,400,000	14,500,000
Purchase of Specialized Plant, Equipment and Machinery	107,227,354	116,328,542
Purchase of Certified Seeds, Breeding Stock and Live Animals	9,179,539	-
<b>Total</b>	<b>1,539,640,946</b>	<b>2,769,144,159</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**12. CAPITAL GRANTS AND TRANSFERS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs.</b>	<b>Kshs</b>
Village Youth Polytechnic	40,399,894	35,163,298
Homa Bay Municipal Board (KUSP-UDG)	-	85,371,975
Covid-19 Infrastructural Development Grant	98,907,000	-
<b>Total</b>	<b>139,306,894</b>	<b>120,535,273</b>

**13. OTHER GRANTS AND TRANSFERS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Other Grants and Transfers (NARIGP)	192,680,468	248,805,986
Kenya Urban Support Programme-UIG	-	8,800,000
Kenya Devolution Support Programme- KDSP	60,338,909	-
<b>Total</b>	<b>253,019,377</b>	<b>257,605,986</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**14.CASH AND BANK BALANCES**

**BANK BALANCES**

<b>Name of Bank, Account No. &amp; Currency</b>	<b>2020-2021</b>	<b>2019/2020</b>
	<b>Kshs</b>	<b>KShs</b>
Homa Bay County CBK-CRF A/C No.1000171065	1,252,343,532	360,692,673
Homa Bay County CBK-Development A/C NO.1000170611	256,499,450	73,150,218
Homa Bay County CBK-Recurrent A/C NO.1000170627	382,852,652	6,804,980
Homa Bay County CBK-NARIG A/C NO.10000369148	99,434,565	87,359,105
Homa Bay County kcb-NARIG A/C NO.1236900391	20,201,596	25,364,672
Homa Bay County Government CBK Deposit A/C No.1000260343	20,093,951	16,710,320
Homa Bay County KCB-Revenue A/c NO.1140763555	9,752,178	1,440,044
Homa Bay County CBK-ASDSP A/C NO1000389699	13,049,509	2
HOMABAY COUNTY ASDSP KCB A/C 1233914715	195,825	-
Homa Bay County CBK-UNIVERSAL Health Care Project A/C NO 1000347031	75,635,625	49,838,258
Homa Bay County salary and Operation A/C Coop Bank A/C 01141590600100	92,310	4,036,439
Homa Bay County CBK-Road Mantainance Levy Fund A/C NO.1000260351	121,646,157	204,206,516
Homa Bay County Kcb-Kenya Urban Support Programme KCB A/C NO.1259560562-uig	5,320,379	17,722,285
Homa Bay County Kcb-Kenya Urban Support Programme KCB A/C NO.1247953181-UDG	40,446,487	-
Homa Bay County Kenya Devolution Support Programme KCB A/c 1281011991	2,852,830	-
Department of Finanace and Economic Planning –Equity Bank A/C No. 0980262854542	269,727	2,120,743
Department of Education and ICT -Equity Bank A/C No.9802086811721	109,047	11,993
Department of Transport And Infrastructure- Equity Bank A/C No.980263681703	55,323	972,763
Department of Transport And Infrastructure- Equity Bank A/C No.0980263681783	55,323	59,550
Department of Trade, Indutrialization and Cooperatives- Equity Bank A/C No.980263681985	1,070	254,466

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Department of Lands and Physical Planning - Equity Bank A/C No.980263681992	27,009	677,945
Department of Energy and Natural Resources - Equity Bank A/C No.980263681592	1,542	86,142
Department of Agriculture Livestock and Fisheries - Equity Bank A/C No.980263682688	5,143	74,980
County Public Service Board - KCB Bank A/C No.1273813057	45	-
Homa Bay County Salaries Account –Equity Bank A/C No.09802680283004	-38,297,146	-
County Public Service Board - Equity Bank A/C No.98026718929	-	3,390
Department of Health Services - Equity Bank A/C No.0980263681654	5,434	2,119,617
Department of Tourism Sports and Culture - Equity Bank A/C No.980263681677	100	1,463
Department of Water Services and Environment - Equity Bank A/C No. 980263681691	28,359	1,817,105
Department of Executive Services - Equity Bank A/C No. 980268738509	2,179	18,326
Homa Bay County Salaries Account –KCB A/C No.1140805649	39,297,346	-
Department of Executive Administration - Equity Bank A/C No. 0980279373519	1,358,515	-
Department of Agriculture Livestock and Fisheries - ASDSP KCB Bank A/C No.1233914715	195,825	9,112,394
Homa Bay County Village Polytec CBK A/C No.1000369857	20,199,947	-
Homa Bay County Village Polytec KCBA/C No.1233231693	6,032,862	
<b>SUB COUNTY HOSPITALS</b>		
Homa Bay County Referral Hospital -Coop Bank A/C No.01141589382900	762,662	4,672,564
Homa Bay County Referral Hospital -KCB Bank Collection A/C No.1252185146	264,583	1,000,184
Homa Bay County Referral Hospital -Equity Bank Collection A/C No.0980279740164	2,165,340	-
Ogongo Subcounty Hospital -Coop Bank A/C No.1141331281300	50,563	220
Rangwe Subcounty Hospital -Coop Bank A/C	6,805	

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

No.11415893800		342,9
Kuge Health Centre-COOP Bank A/C No.01141331765800	102,685	-
Kendu Bay Subcounty Hospital -Coop Bank A/C No.1141589338400	335,694	323,195
Rachuonyo District Hospital -Coop Bank A/C No.01141455362600	21,512	213,146
Kisegi Level 4 Hospital -KCB Bank A/C No.1164813048	-	323,888
Kiembe Health Centre -COOP Bank A/C No. 01100047275100	123,343	2,608
Mbita District Hospital-COOP Bank A/C No.	-	53,693
Mbita Sub-District Hospital- KCB Bank A/C No.1163186821	702,962	249,252
Kabondo Sub County Hospital-COOP Bank A/C No1141455391900	26,737	473,952
Ndhiwa Sub District Hospital-COOP Bank A/C No.01141636116300	531	2,495,221
Kandiege 4 Hospital -KCB Bank A/C No.1164813048	168,048	919,057
Oridi Community Health Centre-COOP Bank A/C No.1109076500500	152,002	2,089
Got Oyaro Health Centre-KCB Bank A/C No.11422554171	155,511	219,777
Otaro Health Centre-COOp Bank A/C No.01141590794600	123,575	106,878
Harambee Health Centre -KCB Bank A/C1211078973	23,518	505
Kadhola Community Health Centre-COOP Bank A/C No.11000047804900	3,900	1,626
Nyatoto Health Centre-COOP Bank A/C No.1141330077300	116,837	
Magina Health Centre – KCB .Bank A/C No.1121842089	165,320	68,261
Seka Health Centre-COOP Bank A/C No.11410763372500	109,719	
Odino Health Centre – KCB Bank A/C No. 1216915385	96,039	-

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

God Bura Health Centre-COOP Bank A/C No.01141076437300	124,746	-
Magunga Health Centre-COOP Bank A/C No.1141076455000	629	- 33,380
Ndiru Health Centre-COOP Bank A/C No.1141076464600	5,611	1,144,590
Usao Health Centre-COOP Bank A/C No.1141330271000	168,873	
Sena Health Centre-COOP Bank A/C No.1141076847900	359,593	1,043,016
Got Kojowi Health Centre-COOP Bank A/C No.1141047961001	121,452	28,962
KogwenoOriang Health Centre-KCB Bank A/C No.1135720134	115,120	-
Oriang SDA Dispensary-KCB Bank A/C No 1252829663	181,231	346,050
Kitare Health Centre-COOP Bank A/C No.1141293509000	179,899	481,607
Rachar Health Centre- COOP Bank A/ C No.01141590854200	101,203	114,365
Tom Mboya Health Centre-KCB Bank A/C No.1164404172	14,119	63,317
Othoro Health Centre-KCB Bank A/C No.1117926311	19,572	-
Kokwanyo Health Centre-KCB Bank A/C No.1135297665	-	394,638
Ringa Health Centre- KCB Bank A/C No.1216487863	132,717	36,695
Marindi Health Centre-COOP Bank A/C No.1141076050000	389	
Makongeni Health Centre-COOP Bank A/C No.1141456943000	90,926	1,256
God Ber Health Centre-KCB Bank A/C No.1125322063	117,062	4,387
Pala Masogo Health Centre-COOP Bank A/C No.1141456915700	114,407	-
Obanga Health Centre-COOP Bank A/C No.1141076442400	59,893	
Pala Health Centre – KCB Bank A/C No. 1121528406	1,105	889,887

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Nyabola Health Self Helth Centre-KCB Bank A/C 1142303187	141,957	56,087
Nyangiela Health Centre-COOP Bank A/C No.01141796275500	50,425	10,925
Nyangiela Health Centre-KCB Bank A/C 1135164363	1,365	-
Suba District Hospital-KCB Bank A/C No.1163886289	306,558	463,508
LwandaGwasi Community Health Centre-COOP Bank A/C No.1141292209600	106,723	81,983
Nyarut Health Centre-COOP Bank A/C No.1141456958100	51,449	86,271
Kauma Ramba Health Centre-KCB Bank A/C No.1118240472	120,840	130,963
Kokech Mirondo Health Centre-COOP Bank A/C No.1141455701300	119,896	
Oredho Health Centre – COOP Bank A/C No.01141796099900	149,548	
Mukuyu Health Centre - COOP Bank A/C No.01141636799600	92,889	840
Nyaoga Community Dispensary-COOP Bank A/C No.01141590482000	94,619	-
Oriwo Health Centre -KCB Bank A/C No.1178082385	107,000	-
Amoyo Health Centre – COOP Bank A/C No. 01100076486000	106,300	1,083
Orego Health Centre-COOP Bank A/C No.1141589806500	119,203	
Wikomino Health Centre-COOP Bank A/C No.01141292909100	112,166	
St. Elizabeth Ndisi Health Centre – COOP Bank A/C No.01141636726300	53,705	2,142
Awach Health Centre – KCB Bank A/C No. 1184125694	96,148	506
Tonga Mission Health Centre-Co-OP Bank A/C No.01100048331600	152,619	129,348
Ugina Health Centre-COOP Bank A/C No. 01141076649300	136,200	-
Miriu Health Centre-KCB Bank A/C No.1109937040	203,534	
Ober Health Centre-K CB Bank A/C No.1105527441	1,428	

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

		570,006
<b>DISPENSARIES</b>		
Ngeta Dispensary -Coop Bank A/C No.1141455147800	117,229	60,528
Oyuma Dispensary -KCb Bank A/C No.1135663493	21,956	9,115
Ober Kabuoch Dispensary- Co-Op Bank A/C No.01141047517500	104,015	1,130
Mukende Dispensary Coop Bank A/c No 01141293534300	101,752	-
Kasewe Dispensary -KCb Bank A/C No.1150482435	113,844	25,236
Atela Dispensary – KCB Bank A/C No. 1137863021	20,878	111,772
Kiasa Dispensary -COOP Bank A/C No.1141047305400	112,768	74,366
Wikoteng Dispensary -C OOPv Bank A/C No.1141456962100	107,408	-
Ongako Dispensary-COOP Bank A/C No.01141636450700	103,826	51,382
Rayudhi Community Dispensary-COOP-Bank A/C 01141047116000	99,003	53,821
Langi Kadero Health Centre-COOP Bank A/C No.01141981625500	1,569	77
Andiwo Health Centre -COOP Bank A/C No.01141636205400	142,599	49,213
Kawanga Dispensary-COOP Account No.01141637284900	106,401	257,712
Pala Dispensary KCB -Bank A/C No.1210289091	107,261	7,318
Kosele Dispensary -KCB Bank A/C No.1149786728	107,657	3,629
Lela Dispensary -KCB Bank A/C No.1138855383	113,128	-
Olando Dispensary -KCB Bank A/C No.1141944987	939	20,601
Kisaku Dispensary -COOP Bank A/C No.1141330081700	104,340	-
Okok Dispensary -COOP Bank A/C No.1141047986500	4,185	1,293
Ombo Kach Eng' Dispensary – COOP Bank A/C No. 01100047460000	112,767	3,968

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Omboga Dispensary -COOP Bank A/C No.1141017265700	128,211	
Kwamo Community Dispensary -COOP Bank A/C No.1141076487800	2,741	13,154
Kijebi Dispensary- KCB Bank A/C No.1197703829	103,968	107,196
Nguku Dispensary -COOP Bank A/C No.1141047412700	115,576	2,092
Kobodo Dispensary -COOP Bank A/C No.1141434893500	107,275	116,153
Kome Dispensary -COOP Bank A/C No.1100047430100	110,110	56,031
Ndere Dispensary -KCB Bank A/C No.1176945742	100,940	646
Adiedo Dispensary -KCB Bank A/C No.11355740984	129,491	-
Unga Dispensary -KCB Bank A/C No.1101511818	118,103	1,136
Ndhuru Dispensary -COOP Bank A/C No.1141047938100	108,121	
Nyamadede- Community Dispensary -Equity Bank A/C 0760193623504	99,675	49,486
Alum Beach Dispensary -KCB Bank A/C No.1135908486	123,817	-
Chuoye Dispensary -KCB Bank A/C No.1113917709	104,308	15,589
ChuthBer Dispensary -COOP Bank A/C No.1141456703000	127,164	-
Maram Dispensary -COOP Bank A/C No.1141292824200	115,728	88,420
Lwanda Awiti Dispensary -COOP Bank A/C No.1141433196200	108,978	
Kodulla Community Dispensary -KCB Bank A/C No.1177332183	133,611	86,147
Nyalgosi Dispensary -KCB Bank A/C No.1119816920	116,891	
Koduogo Dispensary COOP Bank A/C No.01141456911400	8,751	108,164
Ponge Community Dispensary -National Bank A/C No.1248046522200	114,034	141,027

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Wikondiek Dispensary -COOP Bank A/C No.1141454777900	113,482	76,644
Kachuth Dispensary -COOP Bank A/C No.1141434476800	107,981	2,342
Otange Dispensary -COOP Bank A/C No.1141433929000	124,816	9,116
Randhore Dispensary -COOP Bank A/C 01109433994900	99,159	-
Nyawango Dispensary -COOP Bank A/C No.1141454182600	109,135	-
Randung Dispensary -COOP Bank A/C No.1141047451300	132,136	43,537
Kimonge Dispensary -KCB Bank A/C No.1119674980	-	67,387
Masogo Dispensary -KCB Bank A/C No.1119612144	165,961	92,224
Kangire Community Dispensary -COOP Bank A/C No.1141589149300	177,343	-
Malela Dispensary -KCB Bank A/C No.1143762061	1,164	-
Obuya Dispensary-COOP Bank A/C No.01141456894200	141,487	-
Kobuya Community -KCB Bank A/C No.1119685103	118,018	5,894
Roo Dispensary-COOP Bank A/C No.01141331157400	103,840	-
Lambwe Dispensary -COOP Bank A/C No.1141076920800	127,115	-
Nyamrisra Dispensary -Equity Bank A/C No.076029545280	106,290	-
Rariw Dispensary -COOP Bank A/C No.1141047963500	13,772	146,450
Agawo Dispensary – KCB Bank A/C No.1135766940	2,350	-
OpemleCommunity Dispensary-KCB Bankk A/C No.1133706088	139,632	2,858
Kigwa Dispensary -COOP Bank A/C No.1141047336800	147,550	85,829
Nyawita Dispensary-COOP Bank A/C No.01141456905300	125,642	-
Ongamo Dispensary – KCB Bank A/C No.1136686991	123,453	-

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Got Kamondi Dispensary -KCB Bank A/C No.114268509	145,969	45,677
Angiya Dispensary -COOP Bank A/C No.1141330090300	112,303	32,084
Waware Dispensary -COOP Bank A/C No.1141076827400	110,879	-
Ngodhe Dispensary -COOP Bank A/C No.1141076982600	119,187	-
Yokiya Self Help Dispensary -Equity Bank A/C No.760193043171	111,071	-
Obalwanda Dispensary -Equity Bank A/C No.760293733003	106,683	-
Lwanda Kobitta Dispensary -CO-OP BankA/C No.01100047432600	260,450	71,472
Nduga Dispensary -COOP Bank A/C No.1141456912500	114,109	-
Ragwe Dispensary -KCB Bank A/C No.1134787510	121,154	82,180
Ringiti Dispensary –COOP Bank A/C No 01141331762900	97,523	-
Miniambo Community -COOP Bank A/C No.114292373900	172,662	-
Kijawa Dispensary -COOP Bank A/C No.1141076526800	278,397	283,585
Nyalkinyi Dispensary -COOP Bank A/C No.1141293642900	20,142	152,094
Ojwando Dispensary -KCB Bank A/C No.1149802065	146,248	70,135
Nyamasi Dispensary -COOP Bank A/C No.1141047485101	104,846	83,608
Wiga Dispensary -COOP Bank A/C No.11411048182000	21,589	-
GK Prison Dispensary -COOP Bank A/C No.1141293996600	90,467	44,618
Omiro Dispensary -KCB Bank A/C No.1118846257	127,078	-
Lambwe Forest Dispensary -COOP Bank A/C No.1141292949900	2,261	1,336
Tala Dispensary -KCB Bank A/C No.1136084053	-	102,675

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Gongo Dispensary -COOP Bank A/C No.1141047541500	12,682	-
Ombek Dispensary -KCB Bank A/C No.1136985387	1,980	-
Malongo Community Dispensary -COOP Bank A/C No.1141293502200	95,946	-
NYS Lambwe Dispensary Project -COOP Bank A/C No.1100048228500	-	62,608
Kiwa Island Dispensary -KCB Bank A/C No.1113031379	174,755	58,440
Ngegu Dispensary -COOP Bank A/C No.1141848163300	1,803	-
Nyadenda Dispensary -Equity Bank A/C No.760295131198	107,887	-
Obunga Dispensary -COOP Bank A/C No.11000472212200	164,166	-
Sino Dispensary -KCB Bank A/C No.1119724015	781	75,429
Oeno Dispensary -COOP Bank A/C No.1141456109600	119,181	-
Nyandiwa Dispensary-COOP Bank A/C No.01141330322600	1,983	3,543
Randung Dispensary -COOP Bank A/C No.1100047451300	95,484	-
Remba Dispensary -COOP Bank A/C No.1141331134300	101,283	-
Nyangajo Dispensary -KCB Bank A/C No.2345261161	187,259	44,285
Kajiei Dispensary -KCB Bank A/C No.11388330453	275,369	229,251
Nyakweri Dispensary -COOP Bank A/C No.1141330561600	109,302	-
Wakula Dispensary – COOP Bank A/c No 01141076826000	114,036	-
Soklo Dispensary –Coop Bank A/c No 01141330126900	113,643	-
Takawiri Dispensary- Coop Bank A/C No 01141047027200	97,226	47,634
SimbiKogembo Dispensary -KCB Bank A/C No.1137002360	134,973	71,093

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Koywech Dispensary -KCB Bank A/C No.1135095639	2,224	43,590
Rakwaro Dispensary -KCB Bank A/C No.1225537657	112,825	58,633
Agao Dispensary -KCB Bank A/C No.1135766940	-	-
Aimo Dispensary – COOP Bank No.01141796064100	104,953	-
Nyambare Dispensary -COOP Bank A/C No.1141456964600	161,740	859,380
Obwanda Dispensary – COOP Bank A/C No 01141076503900	2,648	1,771
Nyalkembo Health CentreA/C 01141293519500	170,655	-
Ngeri Community Health Centre Project A/C 0760199725773	114,697	-
Gingo Community Dispensary A/C-0760278756231	93,582	-
Mwiregwa Dispensary Project A/C 0760193717689	112,556	-
Msare Health Centre CO-OP BANK A/C 01141076462200	115,244	-
Magawo Dispensary KCB A/C 1179973852	109,276	-
Ngolo Dispensary KCB A/C 1224958985	119,949	-
Alaro Dispensary KCB A/C 1255376104	236,947	-
Agera Community Dispensary KCB A/C 1255430788	96,684	-
Kilusi Health Centre KCB A/C 1216487464	95,633	-
Miorre Dispensary Coop Bank A/C 01141331298200	88,955	-
Litare Dispensary KCB Bank A/C 1269891367	89,426	-
Kipasi Community Health Centre	102,920	-
Ogando Dispensary KCB A/C 1183734816	188,321	-
Nyamanga Dispensary Coop Bank A/C 01141637025400	99,129	-
Kabongo Dispensary KCB A/C 1255130679	95,521	-
Abuoro Dispensary Coop Bank A/C 01141637889000	1,675	-
<b>GRAND TOTAL</b>	<b>2,352,125,342</b>	<b>886,748,289</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**15.ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>KShs</b>	<b>KShs</b>
Debtors and staff imprest	14,000,000	16,537,980
<b>Total</b>	<b>14,000,000</b>	<b>16,537,980</b>

**16.ACCOUNTS PAYABLE**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>KShs</b>	<b>KShs</b>
Deposits and Retention	20,093,951	16,710,320
<b>Total</b>	<b>20,093,951</b>	<b>16,710,320</b>

**17.FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	886,748,289	951,539,959
<b>Total</b>	<b>886,748,289</b>	<b>951,539,959</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.10. OTHER IMPORTANT DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE - PENDING BILLS (See Annex 5)**

	<b>Balance b/f FY 2019/2020</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2020/2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	166,546,335	-	166,546,335
Construction of civil works	420,746,737	-	66,579,420	354,166,995
Supply of goods	197,471,116	-	188,302,971	9,168,145
Supply of services	28,419,638	-	21,781,251	6,638,387
<b>Total</b>	<b>646,637,491</b>	<b>166,546,335</b>	<b>276,663,964</b>	<b>536,519,863</b>

**2. RENT RECEIVABLE ARREARS**

<b>Description</b>	<b>2020-2021</b>	<b>2019 - 2020</b>
	<b>KShs</b>	<b>KShs</b>
Rent Receivable	-	2,201,000
<b>Total</b>	<b>-</b>	<b>2,201,000</b>

**3. COVID-19 FUNDS**

<b>Covid -19 Funds</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Receipts</b>		
Receipts from the National Government to fight Covid-19	165,837,000	-
Other donations for Covid-19 received directly (DANIDA)	7,455,000	-
Others- Contribution by County Government	47,802,057	-
<b>Total Receipts</b>	<b>221,094,057</b>	<b>-</b>
<b>Payments</b>		
Purchase of Covid 19 materials- masks, sanitizers etc	32,952,700	-
Purchase of beds and ICU units	109,283,357	-
Other expenses- Salary and Allowances for Health Workers under COVID 19 Unit	74,838,000	-
Other Expenses- Fuel, Printing, Publications, Hotels	4,020,000	-
<b>Total payments</b>	<b>221,094,057</b>	<b>-</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**OTHER IMPORTANT DISCLOSURES (Continued)**

**1. Related Party Disclosures**

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

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

**2. Related party transactions**

	<b>2020-2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Key Management Compensation (Governors, CEC Members and COs)		
<b><u>Transfers to related parties</u></b>		
Transfer to the County Assembly	946,678,121	861,000,000
<b>Total Transfers to related parties</b>	<b>946,678,121</b>	<b>861,000,000</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	7,321,214,700	7,231,797,300
Transfers from MDAs	463,805,472	258,782,726
Transfers from SCs and SAGAs- National Government	307,952,427	448,598,903
<b>Total Transfers from related parties</b>	<b>8,094,972,599</b>	<b>7,939,178,929</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**8.11. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.1 Receipts	Revenue records indicated that the County Executive realized receipts totalling kshs. 9,170,732,260 in the year under review, against kshs. 8,969,578,696 budgeted for resulting to a surplus of kshs. 201,153,564	The management stated that the difference between the budgeted figure for revenue and that actual receipts was as a result of inclusion of equitable share of kshs. 490,347,300 meant for fy 2018-2019 but was actually received in the year under review. In addition, the county Government exceeded the local revenue budgeted figure of kshs. 177,591,524 by kshs. 97,004,089 resulting into a variance of kshs. 201,153,564. Further, the Conditional Grants figure of kshs. 980,425,172 were not fully received by close of the financial year.	Chief Officer Finance	Resolved	
1.2 Expenditure	The budgeted expenditure totalled kshs. 8,969,578,696 and actual expenditure kshs. 8,278,738,551 resulting to net under-expenditure of	The Management stated that the under-expenditure was a result of late	Chief Officer Finance	Resolved	

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	kshs. 690,840,145 or 8% of the budget	disbursement of funds from the National Treasury amounting to kshs. 579,764,700. Further, Conditional grants totalling to kshs. 273,043,544 were not received.			
1.3 County-own generated receipts	County-owned generated revenues totalling kshs. 177,591,524 were budgeted for but actual collections were kshs. 274,595,613 resulting to a surplus of kshs. 97,004,089	The management concurred with the auditor's observation that actual revenue collections were high than the budget by kshs. 97,004,089. This over-collection was as a result of underestimation of Appropriation in Aid (Health Sector Charges) in the budget which was only kshs. 60,256,872 while the actual collection was kshs. 156,091,866. The succeeding budgets were not underestimated in respect of revenue streams.	Director Revenue and Director Budget	Resolved	
3.0 high wage bill	The county government spent kshs. 3,145,409,833 on compensation of employees in the year under review. The spending was equivalent to 38% of the County Revenue for the year totalling kshs. 8,213,774,541 and was therefore above the threshold of	The management concurred with the auditor's observation on over-expenditure on compensation of employees. This	Human Resource Director and Payroll Manager	Resolved	

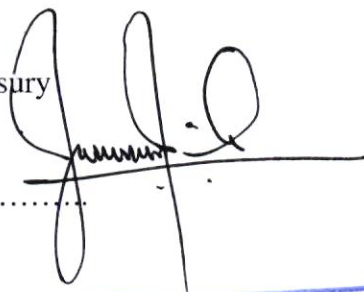
**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	35% prescribed for the item in regulation 25 (1) (b) of the PFM Regulations, 2015.	was as a result of employment of extra Health Care workers as directed by the Ministry of Health to curb the spread of Covid-19.			
2.6.2 Undelivered Animal-feeds Milling Equipment	<p>The statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs. 2,769,144,159 as disclosed on Note 10 on acquisition of assets. Included in this amount is purchase of specialized plant, equipment and machinery amounting to Kshs.116,328,542 includes Kshs.16,000,000 in respect payment to the contractor for importation of the machine and equipment from a manufacturer in India. And as reported in the prior year audit report, the Department of Trade and Industrialization entered into contract agreement with supplier for supply, installation and commissioning of a nine (9) ton per hour animal feed processing equipment for the Homa Bay Feeds Industries Limited at a cost of Kshs.42,245,280 on 12 June, 2014.</p> <p>Physical verification in the month of October, 2020 established that the equipment is yet to be supplied despite the payments of Kshs.16,000,000</p> <p>Consequently, the accountability and value for money of Kshs.16,000,000 for the year ended 30 June, 2020 could not be confirmed.</p>	The management states that the animal feeds equipment has so far been delivered and awaiting installation.	Chief Officer, Trade	Resolved	
4.0 Improper use of	Records on domestic travel and subsistence indicated that payments	The management stated that the	Chief Officer,	Resolved	

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
project funds	totalling to kshs. 3,392,000 were made to Members of County Assembly who attended a workshop organized by the NARIGP in Kisumu County for two days. In the circumstance, the use of the project's funds in a workshop for the MCAs held outside the County did not appear to support the objective of the fund. As a result, it was not possible to confirm whether value for money was obtained on the expenditure totalling kshs. 3,393,000 incurred on the workshop	referred activity was part of the activities planned and approved in the annual work plan and budget 2017/2018. The National Agricultural and Rural Inclusive Growth Project (NARIGP) considers the Members of County Assembly in whose wards the project is being implemented and those in the Agriculture and Budget Committees as stakeholders in the project implementation. It was therefore necessary to sensitize and appraise the referred group of MCAs on the NARIGP project as planned.	Agriculture and Co-ordinator NARIGP		

CEC, County Treasury



Sign.....

Date.....

**CHIEF OFFICER**  
**FINANCE AND ECONOMIC PLANNING**  
 ★ 30 SEP 2021 ★  
**HOMA-BAY COUNTY GOVERNMENT**  
 P.O. Box 469 - 40300, HOMA-BAY

**COUNT EXECUTIVE OF HOMABAY**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**8.12. ANNEXES**

**ANNEX 1 – ANALYSIS OF EXCHEQUER RECEIVED FOR FINANCIAL YEAR 2020-2021**

<b>DATE</b>	<b>EXCHEQUER RECEIVED</b>	<b>KSHS</b>
02.08.2020	EXCHEQUER RECEIVED(JUNE 2020)	579,764,700
	<b>TOTAL EXCHEQUER FOR Q1</b>	<b>579,764,700</b>
13.10.2020	EXCHEQUER RECEIVED(JULY & AUGUST)2020)	1,112,339,250
12.11.2020	EXCHEQUER RECEIVED(SEPTEMBER,2020)	573,023,250
24.12.2020	EXCHEQUER RECEIVED (OCTOBER,2020)	539,316,000
	<b>TOTAL EXCHEQUER FOR Q2</b>	<b>2,224,678,500</b>
19.01.2021	EXCHEQUER RECEIVED (NOV,2020)	573,023,250
10.02.2021	EXCHEQUER RECEIVED (DEC 2020)	539,316,000
	<b>TOTAL EXCHEQUER FOR Q3</b>	<b>1,112,339,250</b>
13.04.2021	EXCHEQUER RECEIVED (JAN2021)	573,023,250
13.05.2021	EXCHEQUER RECEIVED (FEB2021)	573,023,250
15.06.2021	EXCHEQUER RECEIVED(MARCH2021)	539,316,000
23.06.2021	EXCHEQUER RECEIVED(APRIL 2021)	606,730,500
30.03.2021	EXCHEQUER RECEIVED(MAY 2021)	539,316,000
30.03.2021	EXCHEQUER RECEIVED(JUNE 2021)	573,023,250
	<b>TOTAL EXCHEQUER FOR Q4</b>	<b>3,404,432,250</b>
	<b>GRAND TOTAL</b>	<b>7,321,214,700</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**ANNEX 2 – ANALYSIS OF CONDITIONAL GRANTS RECEIVED FOR FINANCIAL  
YEAR 2020-2021**

<b>CONDITIONAL GRANTS FROM NATIONAL GOVT</b>	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>AMOUNT RECEIVED</b>	<b>BALANCE</b>
YOUTH POYTECHNIC	40,399,894	40,399,894	40,399,894	-
USER FEES FORGONE	22,185,346	22,185,346	22,185,346	-
LEASING OF MEDICAL EQUIPMENTS	132,021,277	-	-	-
KENYA ROAD BOARD (RMLF)	200,928,558	248,768,691	248,768,691	-
AGRICULTURAL SECTOR DEV SUPPORT PROGRAMME(ASDSPII)	13,738,669	30,468,641	13,239,541	17,229,100
<b>TOTAL</b>	<b>409,273,744</b>	<b>341,822,572</b>	<b>324,593,472</b>	<b>17,229,100</b>
<b>LOANS AND GRANTS FROM DEV.PARTNEERS</b>				
DANIDA	19,170,000	26,615,000	26,615,000	-
TRANSFORMING HEALTH CARE PROJECT (THUSCP)	33,040,000	33,040,000	30,318,050	2,721,950
NARIGP	198,467,950	198,467,950	192,680,468	5,787,482
KENYA DEVOLUTION SUPPORT PROGRAMME(KSDP)	45,000,000	45,000,000	45,000,000	-
KENYA URBAN SUPPORT PROJECT(KUSP-UDG)	-	119,361,500	-	119,361,500
KENYA URBAN SUPPORT PROJECT(KUSP-UIG)	-	-	-	-
<b>TOTAL</b>	<b>295,677,950</b>	<b>422,484,450</b>	<b>294,613,518</b>	<b>127,870,932</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**ANNEX 3– SUMMARY OF TRANSFERS TO COUNTY ASSEMBLY FOR THE YEAR ENDED 30 JUNE 2021**

	<b>DETAILS OF TRANSFER</b>	<b>RECURRENT</b>	<b>DEVELOPMENT</b>
<b>DATE</b>	<b>TRANSFERS</b>	<b>KSHS</b>	<b>KSHS</b>
08.09.2020	TRANSFER TO COUNTY ASSEMBLY	36,000,000	-
08.09.2020	TRANSFER TO COUNTY ASSEMBLY	64,000,000	-
22.10.2020	TRANSFER TO COUNTY ASSEMBLY	72,500,000	-
26.11.2020	TRANSFER TO COUNTY ASSEMBLY	37,000,000	-
26.11.2020	TRANSFER TO COUNTY ASSEMBLY	43,000,000	-
31.12.2020	TRANSFER TO COUNTY ASSEMBLY	39,451,096	-
31.12.2020	TRANSFERTO COUNTY ASSEMBLY	40,548,904	-
28.01.2021	TRANSFERTO COUNTY ASSEMBLY	87,500,000	-
01.02.2021	TRANSFERTO COUNTY ASSEMBLY	38,529,494	-
01.02.2021	TRANSFERTO COUNTY ASSEMBLY	41,470,506	-
25.02.2021	TRANSFERTO COUNTY ASSEMBLY	20,000,000	-
25.02.2021	TRANSFERTO COUNTY ASSEMBLY	31,687,236	-
25.02.2021	TRANSFERTO COUNTY ASSEMBLY	40,312,764	-
16.04.2021	TRANSFERTO COUNTY ASSEMBLY	37,395,534	-
16.04.2021	TRANSFERTO COUNTY ASSEMBLY	42,604,466	-
20.04.2021	TRANSFERTO COUNTY ASSEMBLY	20,000,000	-
19.05.2021	TRANSFERTO COUNTY ASSEMBLY	41,198,528	-
20.05.2021	TRANSFERTO COUNTY ASSEMBLY	38,801,472	-
22.06.2021	TRANSFERTO COUNTY ASSEMBLY	80,000,000	-

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

30.06.2021	TRANSFERTO COUNTY ASSEMBLY	4,000,000	-
12.01.2021	TRANSFERTO COUNTY ASSEMBLY	7,400,000	-
30.06.2021	TRANSFERTO COUNTY ASSEMBLY	-	67,778,121
30.06.2021	TRANSFERTO COUNTY ASSEMBLY	2,500,000	-
30.06.2021	TRANSFERTO COUNTY ASSEMBLY	1,000,000	-
30.06.2021	TRANSFERTO COUNTY ASSEMBLY	1,000,000	-
30.06.2021	TRANSFERTO COUNTY ASSEMBLY	1,000,000	-
	<b>TOTAL</b>	<b>878,900,000</b>	<b>67,778,121</b>
	<b>GRAND TOTAL</b>		<b>946,678,121</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**ANNEX 4 - ANALYSIS OF TRANSFERS FROM THE EXCHEQUER FOR THE YEAR ENDED 30 JUNE, 2021**

<b>Period</b>	<b>Equitable Share</b>	<b>DANIDA</b>	<b>Level 5 hospitals allocation</b>	<b>Other transfers- Donor funds transferred through exchequer</b>	<b>Total Transfers from the National Treasury/ Exchequer</b>
Exchequer Releases for quarter 1	579,764,700	7,625,000	-	141,202,001	728,591,701
Exchequer Releases for quarter 2	2,224,678,500	-	-	191,318,194	2,415,996,694
Exchequer Releases for quarter 3	1,112,339,250	7,000,000	-	141,771,904	1,261,111,154
Exchequer Releases for quarter 4	3,404,432,250	12,000,000	-	185,219,891	3,601,652,149
<b>Total</b>	<b>7,321,214,700</b>	<b>26,625,000</b>	<b>-</b>	<b>659,511,990</b>	<b>8,007,351,699</b>

**COUNT EXECUTIVE OF HOMABAY**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2021**

**ANNEX 5– ANALYSIS OF PENDING ACCOUNTS PAYABLE FOR THE YEAR ENDED 30 JUNE, 2021**

Supplier of Goods or Services	Outstanding Balance 2019/2020	Additions for the Year 2020/2021	Amount Paid To-Date	Outstanding Balance 2020/2021	Comments
	A	B	c	d=a+b-c	
	Kshs.	Kshs.	Kshs.	Kshs.	
<b>Construction of buildings</b>					
1. Construction of buildings	-	166,546,335	-	166,546,335	
<b>Sub-Total</b>	<b>-</b>	<b>166,546,335</b>	<b>-</b>	<b>166,546,335</b>	
<b>Construction of civil works</b>					
2. Construction of civil works	420,746,737	-	66,579,420	354,166,995	
<b>Sub-Total</b>	<b>420,746,737</b>	<b>-</b>	<b>66,579,420</b>	<b>354,166,995</b>	
<b>Supply of goods</b>					
3. Supply of Goods	197,471,116	-	188,302,971	9,168,145	
<b>Sub-Total</b>	<b>197,471,116</b>	<b>-</b>	<b>188,302,971</b>	<b>9,168,145</b>	
<b>Supply of services</b>					
4. Supply of services	28,419,638	-	21,781,251	6,638,387	
<b>Sub-Total</b>	<b>28,419,638</b>	<b>-</b>	<b>21,781,251</b>	<b>6,638,387</b>	
<b>Grand Total</b>	<b>646,637,491</b>	<b>166,546,335</b>	<b>276,663,964</b>	<b>536,519,863</b>	

**COUNT EXECUTIVE OF HOMABAY**  
**Consolidated Reports and Financial Statements**  
**For the year ended June 30, 2021**

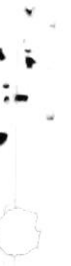
**ANNEX 6 – SUMMARY OF NON-CURRENT ASSET REGISTER FOR THE YEAR ENDED 30 JUNE, 2021**

<b>Asset class</b>	<b>Historical Cost b/f (KShs) 2019/2020</b>	<b>Additions during the year (KShs )</b>	<b>Disposals during the year (KShs )</b>	<b>Transfers in/(out) during the year (KShs)</b>	<b>Historical Cost c/f (KShs ) 2020/2021</b>
Office equipment, furniture and fittings	-	13,846,440	-	-	<b>13,846,440</b>
Specialised Plant, Equipment and Machinery	-	159,611,029	-	-	<b>159,611,029</b>
<b>Other Assets in form of Services</b>					
Construction of Roads	531,869,209	525,253,510	-	-	<b>1,057,122,719</b>
Other Infrastructure and civil works	939,393,881	629,581,203	-	-	<b>1,568,975,084</b>
Refurbishment of Buildings- Non-Residential	47,332,506	30,499,900	-	-	<b>77,832,406</b>
Construction of Buildings- Non-Residential	250,720,285	180,848,864	-	-	<b>431,569,149</b>
<b>Total</b>	<b>1,769,315,881</b>	<b>1,539,640,946</b>	-	-	<b>3,308,956,827</b>

**COUNTY EXECUTIVE OF HOMABAY**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

**ANNEX 7 – INTER-ENTITY TRANSFERS FOR THE YEAR ENDED 30 JUNE, 2021**

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred Kshs	Amount Confirmed as received Kshs
1	County Assembly	100,000,000	232,500,000	243,387,040	375,234,839	<b>946,678,121</b>	<b>946,678,121</b>
2	Bursary fund		-	53,000,000	50,000,000	<b>103,000,000</b>	<b>103,000,000</b>
3	NARIGP	-	87,500,000	85,994,548	19,185,920.00	<b>192,680,468</b>	<b>192,680,468</b>
4	Village Youth Polytechnic	-	-	20,199,947	20,199,947	<b>40,399,894</b>	<b>40,399,894</b>
5	ASDP	-	-	13,239,541	-	<b>13,239,541</b>	<b>13,239,541</b>
6	Road Levy Fund	48,068,000	50,400,091	50,300,000	100,000,600	<b>248,768,691</b>	<b>248,768,691</b>
7	USER FEES	-	-	11,185,000	11,000,346	<b>22,185,346</b>	<b>22,185,346</b>
8	DANIDA	7,615,000	-	7,000,000	12,000,000	<b>26,615,000</b>	<b>26,615,000</b>
	<b>Total</b>	<b>155,683,000</b>	<b>370,400,091</b>	<b>491,230,614</b>	<b>587,621,652</b>	<b>1,598,010,819</b>	<b>1,598,010,819</b>



2