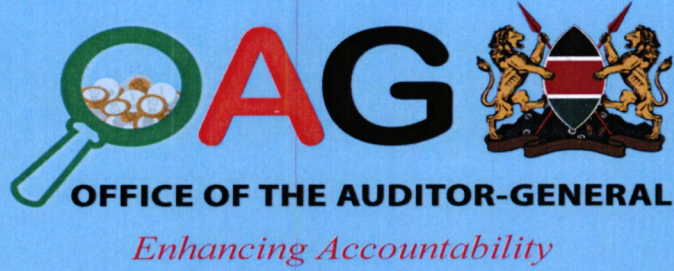


REPUBLIC OF KENYA



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**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

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

**COUNTY GOVERNMENT OF  
WAJIR**



10/10/10

OFFICE OF THE AUDITOR GENERAL  
NORTH EASTERN REGIONAL OFFICE

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**REPUBLIC OF KENYA**



**WAJIR COUNTY GOVERNMENT**



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**WAJIR COUNTY GOVERNMENT**

**COUNTY REVENUE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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**Wajir County Government**  
**County Revenue Fund**  
**Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June,2022.**

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## **1. Key Entity Information and Management**

### **a) Background information**

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

### **b) Key Management**

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

<b>No.</b>	<b>Name</b>	<b>Designation</b>
1.	Abdihakim Billow Noor	CECM, Finance and Economic Planning
3.	Mohamud Sokor	Chief Finance Officer
4.	Adan Kalmoy khalif	Head of Treasury

### **c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	CECM Finance and Economic Planning	Abdihakim Billow Noor
3.	Chief Finance Officer	Mohamud Sokor
4.	Head of Treasury/Director Accounting Services	Adan Kalmoy khalif

### **d) Fiduciary Oversight Arrangements**

The key fiduciary oversight of Wajir County Government was under the following organs;

- Wajir County Assembly
- Controller of Budget
- Public Accounts Committee
- Budget and Appropriations Committee
- Finance Committee
- Audit Committee

**Wajir County Government**  
**County Revenue Fund**  
**Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022**

---

**e) County Headquarters**

P.O. Box 13-70300  
County Headquarters Building  
Wajir Road  
Wajir, KENYA

**f) County Contacts**

Telephone: (+254) 722466499  
E-mail: [info@wajir.go.ke](mailto:info@wajir.go.ke)  
Website: [www.wajir.go.ke](http://www.wajir.go.ke)

**g) County Bankers**

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

**h) Independent Auditors**

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

**i) Principal Legal Adviser**

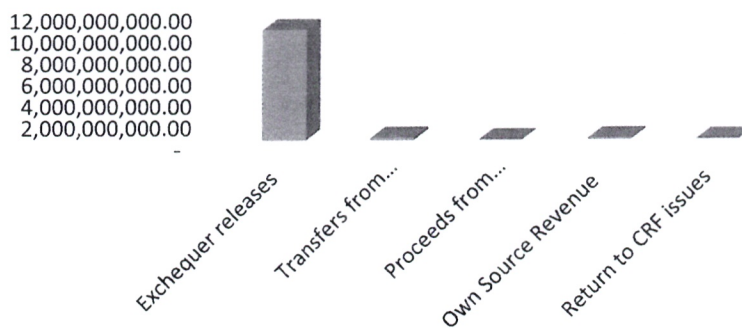
The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
NAIROBI, KENYA

**2. Statement by the CECM Finance**

It's my pleasure to present Wajir County Revenue Fund's financial statements and reports for the 2021/2022 financial period ending 30th June, 2022. The report highlights the performance of the County Revenue Fund for the year under review and indicates the revenue collected, the sources of revenue and the disbursements made from the CRF.

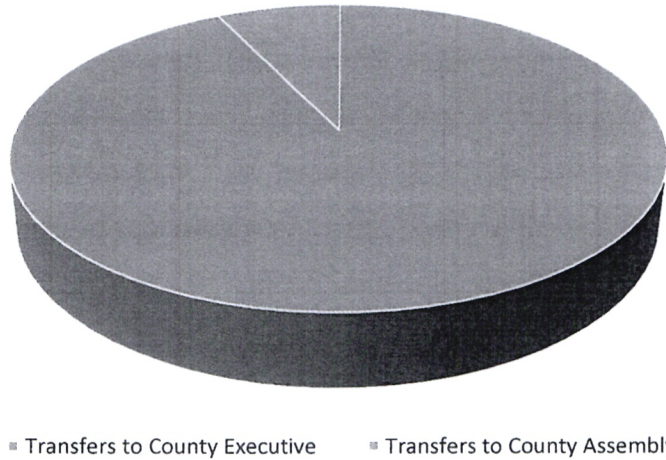
County Governments have multiple sources of revenues including equitable share from the Commission for Revenue Allocation (CARA), Grants from Development Partners and Own Source Revenue (OSR). During the 2021/2022 financial year, the total revenue realized amounted to Kshs. 10,690,244,514.45. The main revenue sources encompassed exchequer releases, Transfers from other government agencies, Proceeds from Foreign Borrowing, and the County's Own Source Revenue.

**Fig.1 Total receipts**



The County had an opening balance of Kshs. 750,244,495 from the FY 2020/2021. Together with the revenue raised during the reporting period, the total funds available for disbursement from the CRF account was Kshs. 10,690,244,514 which was expended as highlighted in the figure below

**Fig.2 Total Disbursements**



The largest chunk of revenue from the CRF is disbursed to Wajir County executive to support the implementation of the County’s budgeted plans, projects, programmes (both recurrent and development activities) and facilitate effective and efficient service delivery. The rest of the disbursement was made to the Wajir County Assembly.

A few challenges were encountered during the period. This ranged from delay in approval of fund requests, late disbursements of the exchequer by the National Treasury and IFMIS connectivity related hitches that slowed implementation of activities at the County level.

Overall, the revenue performance was satisfactory during the 2021/2022 financial year and we envisage an enhanced performance in the forthcoming financial period.

Sign.....

**CECM Finance and Economic Planning**

**Wajir County Government**

### **3. Management Discussion and Analysis**

#### **Introduction**

This Management's Discussion and Analysis discusses the Wajir County Revenue Fund's financial and operating performance, risks facing the fund's performance and outlook from management's viewpoint.

#### **Overview**

The Wajir County Revenue Fund is established in compliance with the requirement of Article 207 of the Kenyan Constitution. The Fund exists to receive all money raised or received on behalf of the County Government of Wajir. However, this excludes any money that an Act of Parliament may exclude from being paid reasonably to the Fund.

The Wajir County Treasury is in charge of the Fund and ensures that all money raised or received by or on behalf of the county government of Wajir is paid into the Fund, except money that—

- is excluded front payment into that Fund because of a provision of the Public Finance Management Act or another Act of Parliament, and is payable into another county public fund established for a specific purpose;
- may, according to other legislation, the PFM Act or County legislation, be retained by the county government entity which received it for the purposes of defraying its expenses; or
- is reasonably excluded by an Act of Parliament as provided in Article 207 of the Constitution.

All the sources of county government revenue in Kenya should be deposited in the County Revenue Fund. Funds excluded from the Fund include the appropriation in aid (AIA). AIA is received by county departments when they offer services and they can retain that money to cover their expenses.

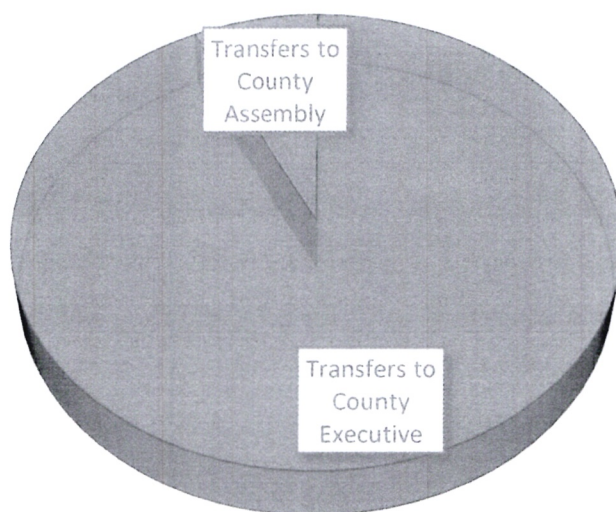
The CEC in charge of Finance in the County has to report to the Commission on Revenue Allocation and the Controller of Budget on the performance of the County Revenue Fund which is kept in the County Exchequer Account. Any withdrawal from the revenue fund has to be approved by the Controller of Budget. The controller of Budget checks whether the money requested is for a project contained in the work plans prepared by sectors every month. The project has to be contained in the budget.

### **Financial and Operational Performance Analysis**

The CRF's financial performance for the year 2021/2022 remained strong despite amid a few hindrances such as delay in disbursement of the equitable share by the National Treasury and related challenges that threatened to obstruct the Fund's performance.

During the 2021/2022 financial year, the main revenue sources encompassed exchequer releases, Transfers from other government agencies, Proceeds from Foreign Borrowing, and the County's Own Source Revenue. The total revenue received in the CRF was Kshs. 10,690,244,514.45.

The County Revenue Fund had an opening balance of Kshs750,244,495 from the FY 2020/2021. Together with the revenue raised during the reporting period, the total funds available for disbursement from the CRF was Kshs. 10,690,244,514.45. The funds were expended as highlighted in the figure below:



As indicated by the above diagram, the biggest portion of revenue from the CRF was disbursed to Wajir County executive to support the implementation of the County's budgeted programmes (both recurrent and development activities) and facilitate effective and efficient service delivery while the rest of the transfer was made to fund Wajir County Assembly's operational undertakings. During the financial year, the Fund satisfactorily met all its statutory requirements.

**Risks**

The major risks facing the Fund include the following:

*Technology risks:* Emerging possible risk of cyber-attacks and Slow connectivity to core IT system.

*Reputational risks:* Delayed disbursement of funds.

*Operational risks:* Highlighted internal audit/regulatory issues.

*Compliance risks:* Litigation by stakeholders.

*Financial risks:* Delay in funding

**Outlook**

Despite excellent performance in 2021/2022, the performance of the County Revenue Fund could be negatively affected by many factors in the forthcoming financial period. These includes changes in the allocation of revenue to counties, the country's economic conditions, availability of funds and adherence to disbursement timelines by the National Treasury, political related challenges amongst other issues. It's envisioned, however, that cordial relations and collaboration with the National Treasury and other stakeholders will keep boosting performance. Further, the Fund will continue complying with the existing legal frameworks in place as required by law.

**Wajir County Government  
County Revenue Fund**

**Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022**

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**4. Statement of Management Responsibility**

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

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

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

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

**Approval of the Financial Statements**

The Wajir County Revenue Fund's financial statements were approved and signed on 28<sup>th</sup> September 2022.

  
\_\_\_\_\_  
Farah Ahmed Osman

**Chief Officer – Accounting and Financial Services – Wajir County Government**

## **5. Overview of the County Revenue Fund Operations**

### **Background**

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

### **Receipts into the County Revenue Fund**

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

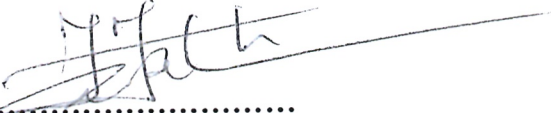
### **Transfers from the County Revenue Fund**

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

### **Financial Reporting requirements**

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

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

  
.....  
Farah Ahmed Osman  
**Chief Officer – Accounting and Financial Services**

# REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

Telephone: +254-(20) 3214000  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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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 County Revenue Fund set out on pages 1 to 8, which comprise the statement of receipts and payments and statement

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

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

## **Basis for Qualified Opinion**

### **Inaccuracy of Financial Statements**

The statement of receipts and payments reflects own source revenue amount of Kshs.53,000,000. However, Note 4 to the financial statements discloses an amount of Kshs.52,000,000. No reconciliation has been provided for the resultant difference of Kshs.1,000,000. Further, the financial statements for Receiver of Revenue reflects own source revenue amount of Kshs.52,415,652 which differs with the amount of Kshs.53,000,000. Management did not provide explanation or reconciliation for the difference of Kshs.584,438.

In addition, the financial statements for receiver of revenue reflects Nil transfers of own source revenue to County Revenue Fund resulting in a variance of Kshs.53,000,000.

In the circumstances, the accuracy and completeness of own source revenue amount of Kshs.53,000,000 could not be confirmed.

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

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Late Submission of Financial Statements**

The County Revenue Fund financial statements for the financial year ended 30 June, 2022 were submitted to the Auditor-General on 23 November, 2022 which was about five (5) months after the close of the financial year. This was contrary to 116(7) of the Public Finance Management Act, 2012 which requires financial statements to be submitted to the Auditor-General within three months after the end of each financial year.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Revenue Fund's 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue 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 Revenue Fund 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

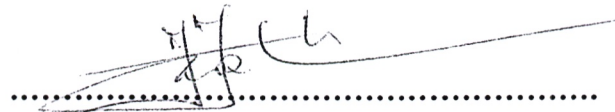
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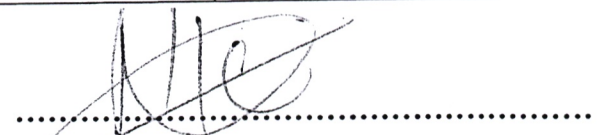
05 April, 2023

**Wajir County Government**  
**County Revenue Fund**  
**Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022**

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

		2021/2022
	Notes	Kshs.
<b>Receipts</b>		
Exchequer releases	1	9,474,726,156
Transfers from other government agencies	2	19,908,166
Proceed from Domestic & Foreign grants	3	392,950,072
Own Source Revenue	4	53,000,000
Return to CRF issues	5	605,799
<b>Total Receipts</b>		<b>9,941,190,193</b>
<b>Payments</b>		
Transfers to County Executive	6	9,056,500,335
Transfers to County Assembly	7	843,071,694
<b>Total Payments</b>		<b>9,899,572,029</b>
Net increase (decrease) in cash for the year		<b>41,618,164</b>
Add Opening fund balance b/f		721,971,473
<b>Closing Fund balance for the period</b>	<b>8</b>	<b>763,589,637.45</b>

  
.....  
**Farah Ahmed Osman**  
**Chief officer – Accounting and Financial Services**

  
.....  
**ADAN KALMOY**  
**Director Accounting services**

Date: 28<sup>th</sup> sept 2022  
.....

ICPAK Member No:20036  
Date: 28<sup>th</sup> sept 2022  
.....

Wajir County Government  
 County Revenue Fund  
 Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022

8. Statement of Comparison of Budget Actual Amounts for the year ended 30<sup>th</sup> June, 2022.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	a	B	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	
Exchequer releases	9,474,726,156	-	9,474,726,156	9,474,726,156	-	100%
Other conditional grants	1,288,252,357	-	1,288,252,357	412,858,238	875,394,119	32%
Own Source Revenue	100,000,000	-	100,000,000	53,000,000	47,000,000	53%
Return to CRF issues	722,577,272	-	722,577,272	722,577,272	-	100%
<b>Total Receipts</b>	<b>11,585,555,785</b>	<b>-</b>	<b>11,585,555,785</b>	<b>10,663,161,666</b>	<b>822,825,547</b>	<b>92%</b>
		-				
<b>Payments</b>						
Transfers to County Executive	10,732,214,192	-	10,732,214,192	9,056,500,335	1,675,713,857	84 %
Transfers to County Assembly	853,341,593	-	853,341,593	843,061,942	10,279,651	99%
<b>Total Payments</b>	<b>11,585,555,785</b>	<b>-</b>	<b>11,585,555,785</b>	<b>9,899,572,029</b>	<b>1,685,993,508</b>	<b>85%</b>
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>763,589,637</b>		

The local revenue collection underperformed during the 2021/2022 financial period due to the following reasons:

- (a) prolonged drought throughout the financial year that reduced livestock sales
- (b) insecurity problem such as the threats from Al-shabaab
- (c) Adverse impacts of coronavirus and locust invasion in the previous financial period

Adequate measures will be put in place to improve the own source revenue collection efforts and ultimately achieve the annual revenue targets.

**9. Significant Accounting Policies**

**a) Statement of compliance and basis of preparation**

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

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

**b) Reporting entity**

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

**c) Receipts**

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

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

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

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

**d) Payments**

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

**Wajir County Government  
County Revenue Fund**

**Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022**

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**e) Fund Balances**

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

**f) Restriction on Cash**

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

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**10. Notes to the Financial Statements**

**1. Exchequer releases**

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

Description	2021/2022
	Kshs.
Equitable Share (a)	9,474,726,156
Level 5 hospitals (b)	-
<b>Total (d=a+b+c)</b>	<b>9,474,726,156</b>

**2. Transfers from other government Entities**

Description	2021/2022
	Kshs.
Instruments for Devolution advice and Support	19,908,166
<b>Total (d=a+b+c)</b>	<b>19,908,166</b>

**3. Transfers from other government agencies**

Description	2021/22
	Kshs.
Locust	18,730,781
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	33,465,212
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	157,520,261
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	7,893,875
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	172,839,943
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	<b>2,500,000</b>
<b>Total</b>	<b>392,950,072</b>

These include other government grants that do not pass through the Exchequer.

**Wajir County Government**  
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**Notes to the Financial Statements (Cont)**

**4. Own Source Revenue**

<b>Description</b>	<b>2021/22</b>
	<b>Kshs.</b>
Transfers for KCB account	52,000,000
<b>Total</b>	<b>52,000,000</b>

**5. Return to CRF Issues**

<b>Description</b>	<b>2021/22</b>
	<b>Kshs.</b>
Recurrent account- County Assembly	32,400
Kenya Commercial Bank -County Assembly	94,615
Development Account	465,572
Recurrent Account	13,212
<b>Total</b>	<b>605,799</b>

**6. Transfers to County Executive**

<b>Description</b>	<b>2021/22</b>
	<b>Kshs.</b>
Recurrent Account	6,036,352,645
Development Account	2,331,238,669
SPECIAL PURPOSE A/C	688,909,021
<b>Total</b>	<b>9,056,500,335</b>

**Notes to the Financial Statements (Cont)**

**7. Transfers to County Assembly**

<b>Description</b>	<b>2021/22</b>
	<b>Kshs.</b>
Recurrent Account	843,071,694
Development Account	-
<b>Total</b>	<b>843,071,694</b>

**8. Fund balance**

<b>Description</b>	<b>2021/22</b>
	<b>Kshs.</b>
County Exchequer Account - 1000171448	763,589,637
<b>Total</b>	<b>763,589,637</b>

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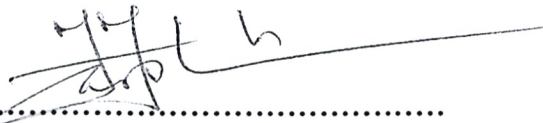
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**11. Annexes**

**Annex 1: Progress on follow up of Auditor’s Recommendations**

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

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



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**Farah Ahmed Osman**  
**Chief Officer Accounting and Financial Services**  
**ICPAK Member No:**  
**Date: 28/09/2022**

**Wajir County Government**  
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**Annex 2. Analysis of Receipts from the National Treasury Exchequer Releases**

<b>Period (2021/22)</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
Equitable Share	1,563,329,815	2,368,681,543	1,563,329,815	3,979,384,983	<b>9,474,726,156.00</b>
Level 5 Hospitals					
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	7,893,875	<b>7,893,875.00</b>
World Bank – THUSCP	-	-	-	33,465,212	<b>33,465,212.00</b>
LOCUST	-	-	-	18,730,781	<b>18,730,781.00</b>
Transfer-revenue account				53000000	<b>53,000,000.00</b>
Instruments For Devolution Advice And Support (Ideas)				19,908,166	<b>19,908,166.00</b>
Swipe back of unspent balance				32,401.00	<b>32,401.00</b>
Agriculture Sector Development Support Project (ASDSP)	-	-	-	2,500,000	<b>2,500,000.00</b>
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	157,520,261	<b>157,520,261.00</b>
Water and Sanitation Development Project	-	-	-	172,839,943	<b>172,839,943.00</b>
<b>Total</b>	<b>1,563,329,815.00</b>	<b>2,368,681,543.00</b>	<b>1,563,329,815.00</b>	<b>4,445,275,622.00</b>	<b>9,940,616,795.00</b>

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Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	(Kshs.)	Total (Kshs.)
County Executive -Rec				6,036,352,644.60	6,036,352,644.60
County Executive -Dev				2,331,238,668.70	2,331,238,668.70
County Assembly -Rec				854,585,807.00	854,585,807.00
Wajir County Special Purpose Accounty				604,504,604.00	604,504,604.00
<b>Total</b>					