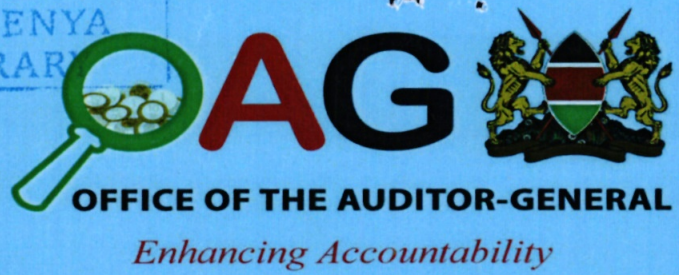


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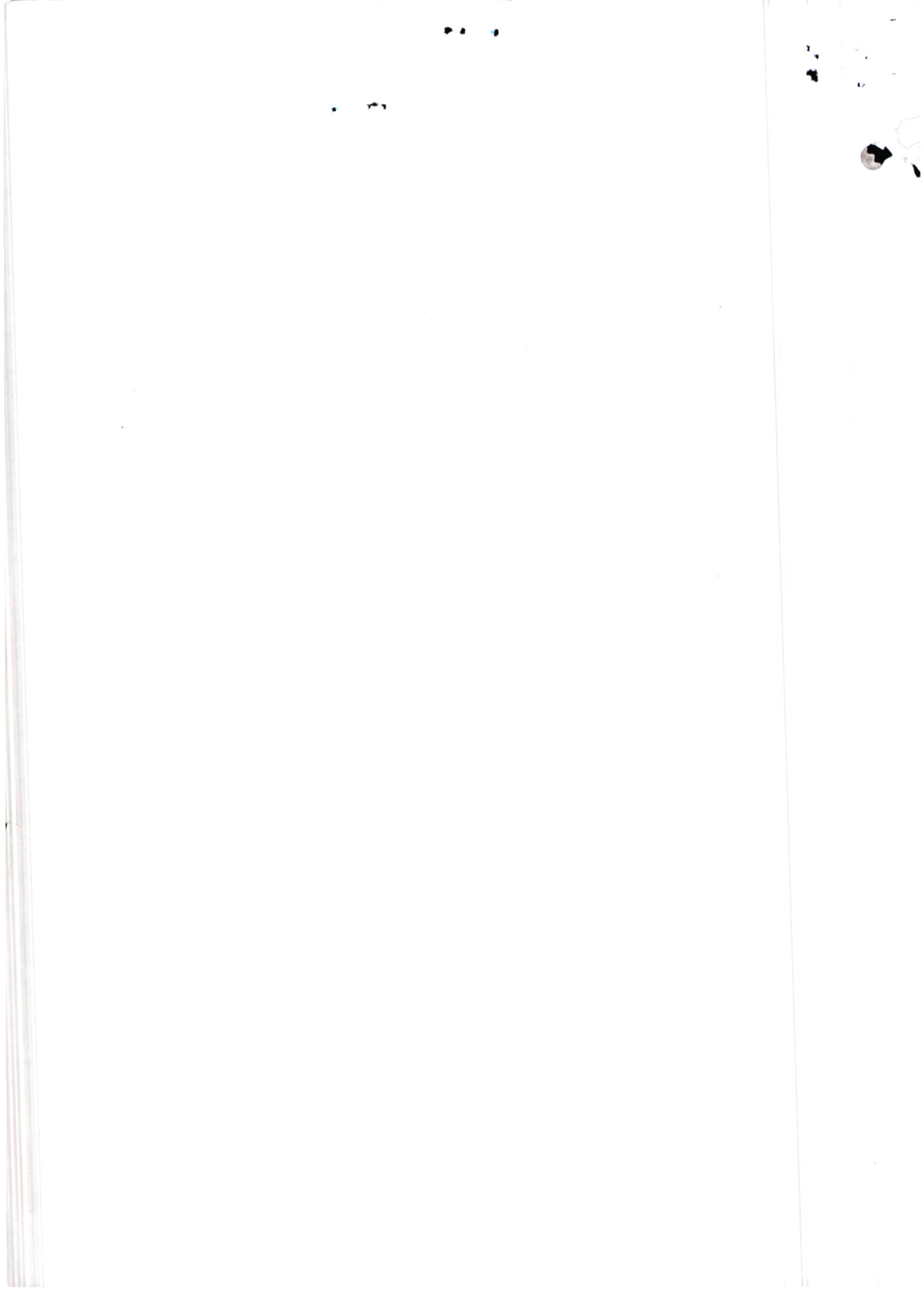
OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF VIHIGA

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



COUNTY GOVERNMENT OF VIHIGA



COUNTY EXECUTIVE

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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



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LIST OF ABBREVIATIONS AND ACCRONYMS

ALV	African Leafy Vegetables
ASDSP	Agriculture Sector Development Support Programme
CADP	County Annual Development Plan
CAIP	County Aids Implementation Plan
CARA	County Revenue Allocation Act
CEC	County Executive Committee
CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
CO	Chief Officer
CPA	Certified Public Accountant
CRF	County Revenue Fund
ECDE	Early Childhood Development Education
FY	Financial Year
ICU	Intensive Care Unit
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
KUSP	Kenya Urban Support Programme
MOH	Ministry of Health
NARIGP	National Agriculture Rural Inclusive Growth project
PC	Performance Contract
PFM	Public Finance Management
SDU	Service Delivery Unit
TVET	Technical Vocational Education Training
UDG	Urban Development Grant
UHC	Universal Health Care
UIG	Urban Institutional Grant
VTC	Vocational Training Center





1.0 KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

This is the Eighth Annual Report and Financial Statement to be prepared by the county government since 2013 when the implementation of devolved form of government came to place and the Third during the implementation of the 2018-2022 CIDP. The overall goal of the report is to evaluate the extent to which the goals of the public expenditure management contained in the ADP 2020/21 were realized against the budget.

The preparation of the report generally involves the review and analysis of county departments' expenditure performance against priorities and also provides background on Statements of Receipts and Payments, Statements of Assets and Liabilities, Statements of Cash flows, Statement of County own generated Revenue and Statement of Appropriations Recurrent and Development combined.

b) Key Management

The Management of County Government of Vihiga is under the following key offices as per the Constitution of Kenya, 2010:

1. Office of the Governor
2. Office of the Deputy Governor
3. Office of the County Secretary and Head of Public Service
4. The County Executive Committee Members
5. The County Chief Officers




Key Management of County Government of Vihiga

The daily management of the County Government of Vihiga is in the hands of the Governor, the Deputy Governor and the County Executive Committee Members. The Governor is charged with the overall leadership and strategic direction of the County Government. In discharging his duties, he is assisted by the Deputy Governor and the County Executive Committee Members. Highlighted below are the profiles of Key management.












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1		<p><u>H.E. Dr. Wilbur K. Ottichilo - Governor</u></p> <p>H.E Dr. Wilbur K. Ottichillo was elected into office as the second Governor of Vihiga County. Having served as the Member of Parliament for Emuhaya Constituency and worked as the Director General of Regional Centre for Mapping of Resources for Development (RCMRD), an agency of United Nations Economic Commission for Africa (UNECA). Dr. Ottichilo has a vast experience in Public Service and Administration.</p> <p>He Holds a Doctorate in Natural Resource Management and Space Science from the University of Wageningen and the International institute of Earth Observations.</p>
2	<p><u>H.E. Dr. Patrick L. Saisi – Deputy Governor</u></p> <p>Hon. Dr. Saisi is the second Deputy Governor of Vihiga County. He is an economist from Oklahoma State University. He has had an impressive career in public service as a transformative leader for high profile government and Non-governmental institutions spanning over 30 years. He has been a dedicated public servant and in providing leadership especially in the Education sector.</p>	
3		<p><u>Hon, CPA. Alfred Indech - CECM, Finance and Economic Planning</u></p> <p>Hon. Indech holds an MBA (Finance) from Jomo Kenyatta University of Agriculture and Technology and a BBA (Accounting) from the same university. He holds membership to the Institute of Certified Public Accountants of Kenya (ICPAK) and Information Systems Audit and Control Association. Before his appointment, he served as the Finance Officer at Technical University of Mombasa.</p>




4	<p><u>Hon. Dr. Amos Kutwa- CECM Health Services</u> Hon, Dr. Amos Kutwa has had a long career in the Health Sector. He has a master’s degree in Public Health. Prior to his appointment he served as a technical advisor in Liberia</p>	
5		<p><u>Hon. Prof. Justus Mwanje Inonda- CECM Transport & Infrastructure & Ag. CECM-Water, Environment and Natural Resources</u> A Holder of PhD in Geography, Epidemics Modelling from university of Nairobi, Prof Mwanje has a vast experience in the Public service. He has lectured in various universities in Kenya. He has written various research papers and brings on board a wider range of knowledge and expertise. Prior to his appointment as CECM Transport and Infrastructure, he served in the department of Environment, Water and Natural Resources.</p>
6	<p><u>Hon. Geoffrey Vukaya – CECM Agriculture, Livestock, Fisheries & Co-operatives</u> A holder of a Bachelor’s degree in Mathematics and Economics, Hon Vukaya worked with the National Chamber of Commerce and Industry prior to his appointment. He also served as a CECM Trade, Tourism and Industry.</p>	
7		<p><u>Hon. Henry Lumbasio- CECM, Education & Vocational Training</u> A master’s degree holder in urban development planning from the University of London, Hon Lumbasio has a long working career in the civil Service and Parastatals in Kenya. He has also worked as an expatriate with the Government of Botswana and lectured Real estate in the University of Botswana. He brings to the county a wealth</p>



		of Knowledge in management and planning
8	<p><u>Hon. Pamela Kimwele- CECM</u> <u>Adminstration & Co-ordination of County Affairs</u></p> <p>Hon. Pamela has vast experience in public sector Management. She practiced as a consultant in social impact evaluation over a long period of time before being appointed as a CECM in Vihiga County executive. Hon. Kimwele Holds a Bsc degree in Agriculture and a Master of arts degree in Project planning and Management</p>	
9		<p><u>Hon. Eng. Kenneth Elavuna Keseko- CECM for Trade, Tourism and Industry</u></p> <p>Hon Kenneth Keseko is a holder of a Bsc. Degree in Civil Engineering from University of Nairobi, Hon, Eng. Keseko has a lot of experience in the Public Service. Prior to his appointment, he served as a Quality Assurance Manager Kenya Rural Roads Authority (KERRA) in Lamu.</p>
10	<p><u>HON. Paul Mbuni – CECM for Lands & Physical Planning</u></p> <p>Hon. Paul Mbuni is a career civil servant who has worked in the public sector for quite a long time. He brings on board a vast experience in public Sector Management</p>	



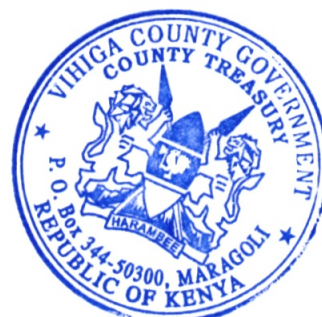


11		<p><u>Hon. Felistas Barasa – CECM for Gender, Culture, Youth and Sports</u></p> <p>Hon. Barasa, is a seasoned educationist having taught in various secondary schools across the country. Prior to her appointment, she worked as a principal, Tabani secondary School, Bungoma.</p>
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c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM- Finance & Economic Planning	Hon. CPA. Alfred Indeche
2.	Chief Officer Finance & Economic Planning	CPA. Livingstone Luvatse Imbayi
3	Chief Officer Public Service and Administration	Mr. Dominic Luvavo
4	Chief Officer Transport and Infrastructure	Eng. Christopher Rogders Etale Tunya
5	Chief Officer, Early Childhood Development	Dr. Mary Susan Anyianda (Ag.)
6	Chief Officer, Technical and Vocational Training	Mr. Abisai Amatalo
7	Chief Officer, Lands Housing and Urban Development	Mrs. Lucy Ijai
8	Chief Officer, Trade, Tourism and Industry	Mr. Gilbert Vidija
9	Chief Officer, Environment	Dr. Richard Boiyo
10	Chief Officer, Water and Sanitation	Mr. Clement Manyulu
11	Chief Officer, Public Health	Dr. Mary Susan Anyianda
12	Chief Officer, Medical Services	Dr. Arnold Mamadi
13	Chief Officer- Agriculture, Livestock and Fisheries	Mrs. Pamela Mahila Busungu
14	Chief Officer- Co-operatives	Mr. Chrisostom Makhumbiri Agava
15	Chief Officer – Gender, Culture, Youth and Sports	Mr. Philip Gavuna
16	Chief Executive Officer- County Public Service Board	Mr. Noahbruce Alpha Khamisi (Ag.)
17	Director- Accounting Services	CPA. Benjamin Otwoko
18.	Director- Budget and Policy	Mr. George Wambua
19	Director Internal Audit Services	CPA. Geoffrey Ayiecho (Ag.)
20	Director Economic Planning & Monitoring and Evaluation	Mr. George Ouma Sigutta
21	Receiver of Revenue	Mr. James Atemba
22	Director Supply Chain Management	Mr. Godfrey Oyaro



d) Fiduciary Oversight Arrangements

The County Executive has the following institutions in place to enhance Transparency, Accountability and Governance;

1. The County Assembly – The main role of the County Assembly is legislation and oversight to the County Executive
2. County Audit Committee- Provides oversight on financial operations of the County Executive and as well evaluates the effectiveness of existing internal controls.
3. County Budget and Economic Forum- Oversees the implementation of the budget

The following institutions at National level also provide oversight arrangements for County Governments

1. The Senate – The main role of the Senate is legislation and oversight of County Governments
2. The Office of the Auditor General- Audits County Governments and County Government Entities.
3. Office of the Controller of Budget – Monitors budget execution by County Governments

e) County Government of Vihiga Headquarters

P.O. Box 344 - 50300
Vihiga County Headquarters – Mbale
Mbale – Kegoye Road,
Off Kisumu - Kakamega Road
Maragoli, Kenya

f) Entity Contacts

E-mail: treasury@vihiga.go.ke
Website: www.vihiga.go.ke

g) Entity Bankers

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



2. Kenya Commercial Bank
Mbale – Branch
P.o Box 1123- 50300
Maragoli - Kenya
3. Co-operative Bank of Kenya
Mbale Branch
P.o. Box 816-50300
Maragoli- Kenya
4. Equity Bank of Kenya
Mbale Branch
P.o Box , 545 -50300
Maragoli- Kenya

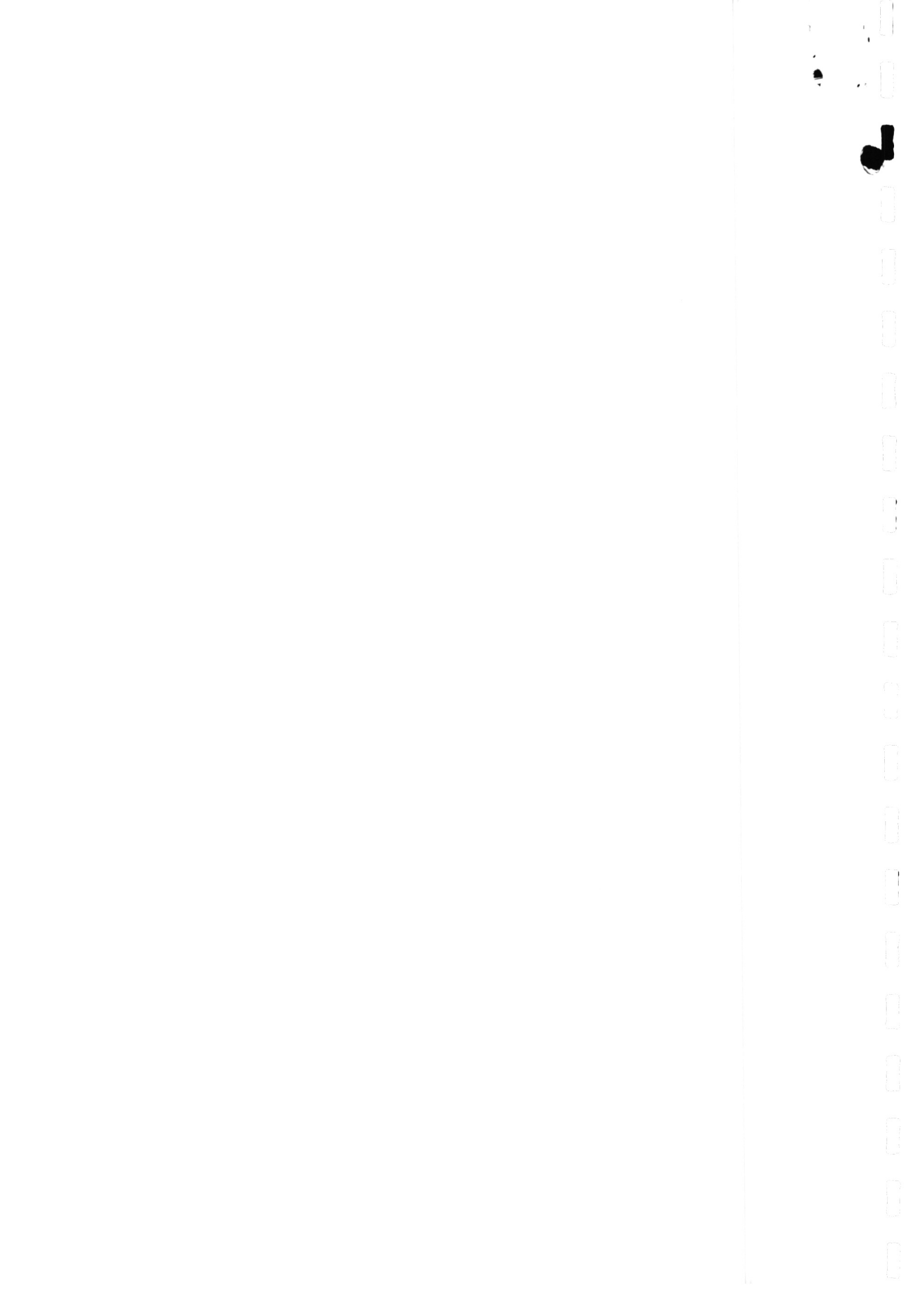
h) Independent Auditors

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

i) Principal Legal Advisor

The County Attorney
Vihiga County Headquarters
P.O. Box 344- 50300
Maragoli Kenya,





2.0 FOREWORD

This is the Annual Report and Financial Statement for the year ending 30th June 2021. During the financial year 2020/2021 the County Government departments and agencies implemented the CADP 2019/20. The report gives a synopsis of progress made towards the objectives set in the CADP 2020/21. It also provides analyses of budget implementation. It further analyses the projected revenues and expenditures against actual revenues and expenditures, statements of cash flows and statements of assets and liabilities.

A performance review of the previous financial year shows remarkable progress across all the sectors. Notably, the education sector recorded marked improvements in access and enrolments in Early Childhood Development and Technical and Vocational training. Similarly, improvements were noted in the health care delivery in terms of healthcare staffing, commodities supply and infrastructure development. Other achievements were; improved infrastructure development that included expansion and rehabilitation of road networks, improved access to clean and safe water supply, markets infrastructure development, flood mast and streetlighting in selected market centres. Moreover, the agriculture sector recorded improved achievements in extension services, strengthening veterinary services and revamped cooperative movement.

I have no doubt the report will be useful in gauging the performance in budget implementation of the County Government entities and improvement of efficiency and effectiveness in public financial management.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation 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 Vihiga County included business permits, land rates, business plan approval, advertising fees, cesses, parking fees 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 intends to take towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently using POS system in the department of Health. The construction of an ultra- modern data centre will pave way for automation of all revenue streams. Automation of revenue will reduce revenue leakages.

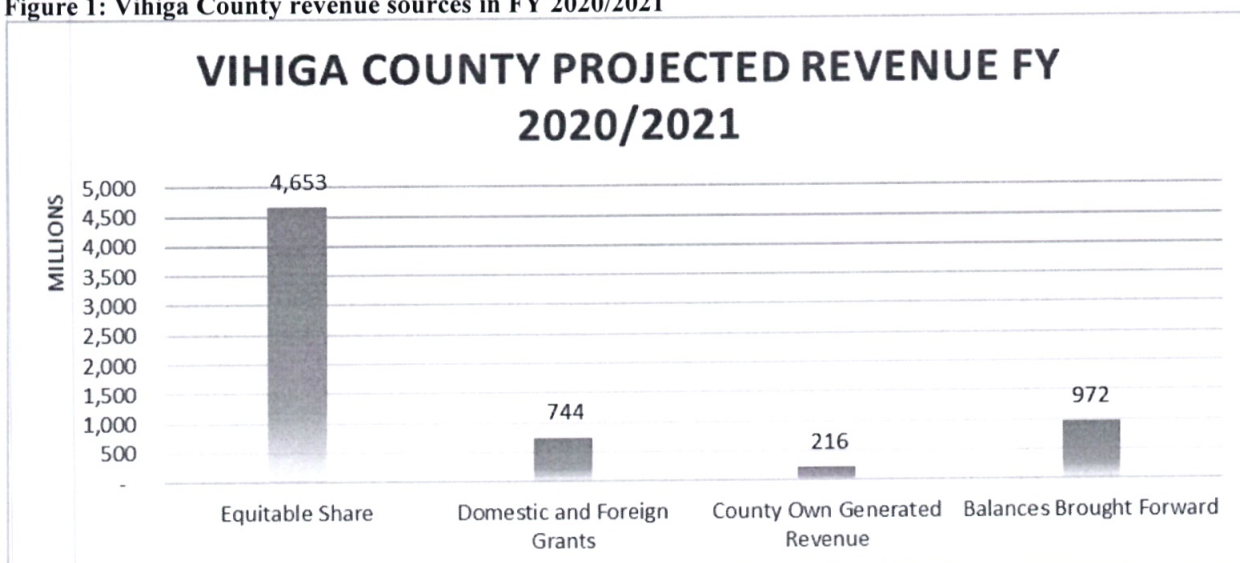


- 2) Review of the finance Act 2020 and Trade licensing Act 2017. This will align revenue rates with those charged by other counties in the region.
- 3) Introduction and innovation of new revenue streams
- 4) Employment of County revenue clerks and enforcement officers to enhance capacity of revenue section
- 5) Allocation of vehicles to the revenue section to enhance service delivery

a) Revenue

In the year ended 30th June 2021, the County had projected revenues of Kshs 6,584,548,248 consisting of Kshs. 216,096,587 from own sources, Kshs 4,652,550,000 from Equitable Share, Kshs 743,806,755 from domestic and foreign grants while Kshs 972,094,806 as balance brought forward from previous financial year 2019/2020.

Figure 1: Vihiga County revenue sources in FY 2020/2021



Equitable Share revenue formed the largest part of our revenue budget, contributing 71%. County own generated revenue and Domestic and Foreign grants formed 3% and 11% respectively of our budget in the financial Year 2020/2021. Balances brought forward from previous financial year formed 8.7% of our budget.

Out of the projected revenue, the County was able to realize Kshs 6,422,755,965 in actual revenues, representing 98% performance. Out of this amount Kshs 571,975,506 was from balances brought forward. The County did not meet its projected local revenue targets as it only collected Kshs 165,894,340 out of the projected 216,096,587. This translates to 77% realization. The under collection of revenue was due slow recovery of the economy due to the effects of

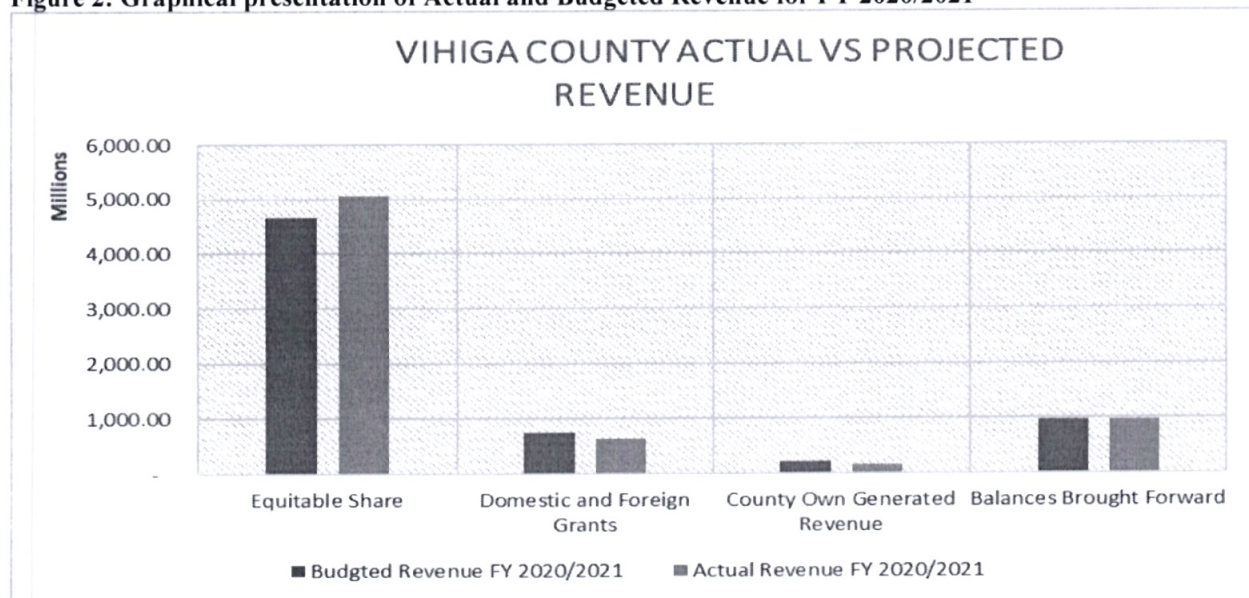


Covid 19 pandemic. The County Executive received the equitable share balance of FY 2019/2020 of Kshs 400,119,300 in the current year thus 109% realisation

Table 1: Revenue performance in FY 2020/2021

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Equitable Share	4,652,550,000	5,052,669,300	109%
Domestic and Foreign Grants	743,806,855	632,216,819	85%
Own generated revenues	216,096,587	165,894,340	77%
Balance brought forward	972,094,806	571,975,506	59%
Total	6,584,548,248	6,422,755,965	98%

Figure 2: Graphical presentation of Actual and Budgeted Revenue for FY 2020/2021



b) Expenditure

During the Financial year 2020/2021, the County total expenditure amounted to Kshs 5,948,156,095. This represents an absorption rate of 90.27% of our budget. Kshs. 1,511,074,087 was spent on development expenditure while Kshs 4,357,082,008 was spent on recurrent expenditure representing a ratio of 27:73 respectively.

c) Cash flows

In the FY 2020/2021, the county experienced cash flow problems as the funds were not disbursed on time from the National Treasury. Much of the County's allocation did not come in time to allow expenditure. However, the Management tried its level best to ensure the people of Vihiga County get value for their money despite the challenges in funds disbursement.



The cash and cash equivalents decreased from Kshs 675,875,158 as at 30th June 2020 to Kshs. 626,379,941 as at 30th June 2021. This was as a result of the management effort to ensure that there is maximum absorption of funds despite the fact that most funds were released late.

d) Accounts receivable

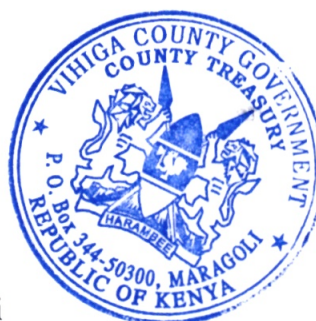
Accounts receivables decreased from Kshs 43,478,318 to Kshs 30,910,617. This is as a result of management policy of minimizing transfers to departments which led to overall decrease in Accounts receivables. Strong measures and controls will continue to be put in place to ensure that there are minimal staff advances. Staffs are encouraged to surrender imprests on time and ensure that the PFMA, 2012 provisions relating to management of imprests are adhered to at all times.

e) Pending bills

Pending bills continue to pose a challenge to operations and service delivery to citizens of Vihiga. However, management is committed to ensure that all pending bills are cleared. The County Treasury has prepared an elaborate payment plan for pending bills which has been shared with the National Treasury and the Office of the Controller of Budget. Due to late disbursement of funds by the National Treasury, the County Government is unable to pay suppliers and contractors in time. The County Executive pending bills as 30th June 2021 were Kshs 690,579,941 as tabulated below. Detailed schedules for all pending bills have been annexed to this report.

Table 2: Summary analysis of Vihiga County Pending Bills as at 30th June 2021

FINANCIAL YEAR	RECURRENT	DEVELOPMENT	TOTAL
HISTORICAL - ELIGIBLE 2013-2018	-	218,091,732	218,091,732
HISTORICAL - RESOLUTION COMMITTEE - ELIGIBLE 2013-2018	-	26,118,400	26,118,400
HISTORICAL RETENTIONS	-	64,537,419	64,537,419
2018-2019	9,649,160	55,958,119	65,607,279
2019-2020	34,159,855	154,006,234	188,166,089
2020-2021	61,813,882	66,245,140	128,059,022
TOTAL	105,622,897	584,957,044	690,579,941



f) Fixed assets

Vihiga County has made significant investments in fixed assets since 2013. Additionally, we inherited some assets from the defunct municipal council and county councils. However, there is a challenge in recognizing assets inherited from defunct local authorities as they have never been handed over to the County Government.

The County has invested in Asset management software that currently is being used in recording and management of fixed assets. This will go a long way in ensuring that county assets are accurately recorded.

g) Risk Management Strategies

The County government like any other organisations is exposed to risks that may affect achievement of its goals and objectives. Such risks may fall under financial risks, operational/process risks and legal risks. The county government has put in place various measures to manage such risks. These measures include;

i. Enhanced independence of internal Audit directorate

The County Executive has internal audit directorate headed by Director internal audit. The county has strengthened it by deploying competent and qualified staff to the directorate. The director internal audit reports to the Audit committee which subsequently reports to the Governor to enhance independence

ii. Strengthening Examination Unit

The County Executive has a fully staffed examination section under the County Treasury. This section is mandated with responsibility of ensuring that all payments are in compliance with relevant laws and regulations before they are processed in IFMIS

iii. Establishment of project implementation Committee

The county executive has established the project implementation committee whose role is monitoring and evaluation of County projects and determination of value for money before initiating payment process.

iv. Establishment of Service Delivery Unit (SDU)

The Service Delivery Unit is established under the office of the Governor with its main mandate being to ensure all budgeted projects are fully initiated and implemented.

Conclusion

FY 2020/21 was fairly good though it had its own share of challenges. Covid 19 continues to remain a major challenge to operations and service delivery. The pandemic has caused cash flow problems in various sectors and Vihiga County has not been excluded. In addition, National Government directives regarding payment of pending bills by County Governments negatively affected budget performance in the fiscal year 2020/21. However, we look forward to a brighter future with the hope that things we return to normalcy so that we continue delivering services to the people of Vihiga County.



I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Vihiga County achieves its mission.

I thank all staff in the entire County for their continued commitment and dedication in working tirelessly to deliver services to the people of Vihiga County. Last and more importantly, I want to thank the people of Vihiga for giving us the opportunity to serve them and having confidence in our leadership.



HON. CPA. ALFRED INDECHE
CECM – FINANCE AND ECONOMIC PLANNING
COUNTY GOVERNMENT OF VIHIGA



3.0 STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

This report is premised on Section 164 (2) (f) of the Public Finance Management Act, 2012 that requires that the end of each financial year, the accounting officer prepare financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

Strategic Objectives

An in-depth analysis of performance of the previous year ADP has been done vis-à-vis the local, national and global challenges in the dynamic environment matters of economic development. The CADP 2020/21 is premised on the second generation CIDP with the following key priority objectives;

- i) Good Governance
- ii) Developing an educated, skilled and knowledgeable society
- iii) Promotion of primary health delivery systems with focus on improved health infrastructure, management of communicable and non-communicable diseases, and enhanced maternal and child healthcare
- iv) Reliable and sustainable infrastructure development including access to clean and safe water and sanitation and improved road systems
- v) Food and nutrition security
- vi) Enhanced collaborations with stakeholders, development partners and other actors.
- vii) Environmental conservation and climate change adaptation

The plan also projects the resource requirements and resource mobilization framework the County Government will undertake to finance it. Finally, an elaborate Monitoring and Evaluation and Reporting has been proposed with specific targets and key indicator

Overview of Key Achievements on the Strategic Objectives

The broad performance of key sectors was a mix of improvement and underperformance against set targets as outlined below;

Good Governance and Accountability

Good governance which is critical for sustainable development is hinged on effective accountability systems coupled with meaningful public engagement. During the period under review the County Government undertook several measures to strengthen public sector management. This included; streamlining of performance management processes, enhanced public participation and monitoring and revaluation, and reporting.

Infrastructure and productive sector

Infrastructure development is key catalyst to attaining the desired economic development and prosperity in the County. To this end the County Government endeavoured to undertake infrastructure development especially in expansion of roads network. In addition, water and sanitation infrastructure were expanded that include; the Belgium funded water projects in Lunyerere, Kaimosi and Maseno water projects. However, solid and liquid waste management in Mbale, Jeptulu, Majengo, Luanda, Chavakali, Kaimosi Complex and other up-coming urban areas remains a challenge.



Education Sector

The Kenya Vision 2030 recognizes education as a critical enabler for attainment of socio-economic development. To this end the County Government has continued to ensure provision of quality and equitable early childhood development & education, and acquisition of skills and knowledge through technical and vocational training.

Gender, Sports and Culture

Gender equity and fairness in distribution of available resources opportunities is vital improved livelihoods for prosperity for all. The county government has continued to implement pro-poor programmes targeting marginalized communities and vulnerable groups that include; Bursaries and scholarships programmes, promotion of universal health insurance, promotion of sporting activities and mainstreaming of gender and youth issues in the government programmes.

Health Services

The county government has continued to provide quality and affordable health care services notwithstanding the challenges posed with the emergence of COVID-19 which has necessitated diversion of resources to mitigate and manage the pandemic in the county. Notable achievements realized the previous year include; improvement of health infrastructure that included establishment of an ICU and enhanced commodity supplies and disease surveillance.

Agriculture

Agriculture remains the mainstay of the county and a source of income, employment, food and nutrition security. Improving the performance of this sector is critical in the reduction of inequalities and a source of livelihood. The County Government has continued to implement various programs that include promotion of crop and livestock production and productivity, and promotion of aquaculture.

Environment

Clean, secure and stable environment is significant for sustainable development. Towards this end the county government has endeavoured to implement programmes on environmental conservation and climate change and adaptation.

Trade, Industry and Tourism

Trade and Investment play an important role in economic development. The performance of the sub-sector and its contribution to the local economy has largely remained static with most businesses operating below capacity. The wholesale and retail trade sector in the county has experienced a mixed patterns especially with the onset of COVID-19 pandemic.

Tourism sector has potential for growth and creation of employment opportunities in the county. However, the performance of the sector remains erratic and highly untapped. The main challenge facing the tourism sector revolves around inadequate marketing, underdevelopment of tourism sites and limited tourism bed capacity. To achieve the anticipated growth in the sector, more budget allocation and capacity development is required.





Table 3: Key Performance Indicators by Sectors

Department	Objective	Outcome	Indicator	Performance
Education, Science, Vocational and Technical Training	To enhance access to quality ECDE and technical and vocational training	Increased access to ECDE	No of ECDE classrooms constructed Gross Enrolments in ECDE	In FY 2020/21 the Department constructed 30 ECDE classrooms There was an increase in gross enrolment in ECDE from 41,278 in 2019 to 44638 in 2020
		Improved access to TVET	No of new VTCs constructed Gross Enrolment in TVET	Improved TVET infrastructure in 4 VTCs Gross enrolment in VTCs improved from 4208 in 2020 to 5224 in 2021
		Improved education support programme	No of beneficiary students	In FY 2020/21 the number of beneficiaries for Bursary was 27,192
Gender, Youth, Sports, Culture and Social Services	To promote cultural heritage and sporting activities	Improved sporting activities	No of Sports Grounds rehabilitated	In FY 2020/21 4 sports grounds were rehabilitated by levelling, planting grass and fixing goal posts
			No of sporting activities promoted	During the same period 3 county teams were supported to compete in national leagues
			Sports fund established	In FY 2020/2021 Vihiga sports fund worth Kshs.30M was operationalized
		Improved youth talent	No of youth extravaganza promoted	During the period under review 5 sub county and county extravaganza was held
Health Services	To reduce disease incidences for a healthy society	Improved access to quality healthcare service	No of health facilities renovated/improved	In FY 2020/2021 8 health facility infrastructure was improved by fencing 3 facilities, renovation of 2 facilities, completion of infrastructure in 9 facilities and started construction of 2 facilities which are at different stages.
			No of operational ICUs	In FY 2020/2021 A 5 bed ICU unit was established at VCRH
			No of oxygen plant established	During the period under review one oxygen plant was installed and commissioned
			No of functional health facilities	In FY 2020/2021 the number of fully functional health facilities stood at 72 with the opening of additional 4 Facilities across the county.
			Doctor: population Nurse: population	Doctor population ratio during the period under review stood at 1:20689 while nurse



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Department	Objective	Outcome	Indicator	Performance
				population ratio was 1:1,500 due to recruitment of UHC staff
			Rate of improvement of malaria testing	In FY 2020/2021 malaria testing rate improved from 40.5 to 97.9 percent
			% of skilled delivery	Skilled deliveries improved from 56.6 to 69.1 percent
			Immunization coverage	Immunization coverage improved from 66 per cent in FY2019/2020 to 72.3 per cent in FY 2020/2021
			Order refill rate	Order fill rate improved from 60% to 78% in the period under review
		Improved legal and institutional framework	No of policies/laws developed	In FY 2020/2021 1 strategy, plan (CAIP) county community health bill was developed
	To improve health status of the individual, household and the community at the County	Increased access to specialised curative diagnostic interventions	No of facilities offering 24hrs services	In 2020/2021 financial year the number of facilities offering 24-hour services improved to 27 with commissioning of an ICU and oxygen plant at the County referral hospital
Environment, Water and natural Resources	To Improve access to clean and safe water	Increased access to safe water	No of water schemes rehabilitated	4 water supply schemes were rehabilitated in FY 2020/2021
			No of water storage facilities established	In FY 2020/2021 4 water storage facilities established
			No of water springs protected	23 water springs were protected in the period under review.
			No of Community water schemes reticulated	4 community water schemes were reticulated
			No of boreholes drilled and capped	1 borehole was drilled and capped in FY 2020/2021
			Distance of water distribution network established	In FY 2020/21 22KM of pipeline distribution network under Vihiga cluster water project was established
	To improve waste management	Improved solid waste management	No of dumpsites established	1 no dumpsite was established at Ebuyangu
			No of skip loaders procured	6 skip loaders were acquired
	Improved environmental conservation	Improved forest cover	No of tree seedlings procured and planted	In FY 2020/2021 100,000 tree seedlings were procured and planted to increase forest cover in the County.
			No of community forest fenced	2 community forests were fenced and 25 acres of



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Department	Objective	Outcome	Indicator	Performance
				Maragoli forest fenced including establishment of forest station
		Increased Carbon sinks	No of climate change governance structures established	In FY 2020/2021 6 Climate change steering committees were established
Agriculture, Livestock, Fisheries and Cooperatives	To improve food and nutritional security	African Indigenous Vegetables production increased	No of farmers supported	3,300 farmers were supported under the ALV project
		Improved livestock, Production and productivity	No of chicks distributed	During the period under review 5,300 chicks were distributed to poultry farmers
			No of incubators distributed	6 egg incubators were distributed t farmers groups
			No. of dairy cows distributed	In FY 2020/2021 47 dairy cows were distributed to farmers in various wards
			No of farmer groups benefited from pasture and fodder bulking project	In FY 2020/2021 350 farmer group benefited from pasture and fodder bulking project
			No. slaughter house renovated/completed	Serem slaughter house was completed and Lunyerere Slaughterhouse renovated
		Improved crop production and productivity	No of banana aggregation centres established	In FY 2020/2021 5 Banana aggregation centres were established
			No of cottage industries established	In FY 2020/21 6 cottage industries were established under ASDSP
			No of community based micro projects funded	Under NARIGP project 540 micro projects were funded
		Improved fish production	Tonnage of fish produced	In FY 2020/2021 50MT of fish was produced compared to 35MT produced over a similar period
Transport and infrastructure	To improve infrastructure supervision and Development	Improved road network	KMs of road rehabilitated/maintained	In FY 2020/2021, 228.6 km of roads were rehabilitate/maintained under ward-based program while 486km of roads were maintained under KRB program
			No of box culverts/bridges constructed	10 box culvert/bridges were initiated across the county
			No of river crossing constructed	4 river crossings were constructed
	To develop and maintain	Increased public safety	No. of Street lights installed	20 high mast security light were installed and



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Department	Objective	Outcome	Indicator	Performance
	street and security lighting infrastructure	and security		commissioned in FY 2020/2021



4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

4.1 Corporate Social Responsibility

The county government has continued to enhance partnerships and collaborations with the private sector and corporate organizations in the provision of services. Examples include; Equity Bank, Cooperative Bank, KCB Bank and Safaricom in provision of scholarships to bright and needy student.

Vihiga County Executive has been sponsoring teams as a contribution to the Corporate Social Responsibility engagement in the County. To that effect, it has established a Vihiga County Sports Fund with the mandate of enhancing sports talent in the County. In the Financial year 2020/2021, the fund was allocated kshs 30,000,000 for its activities. The sporting activities nurture talent among the youths and curtail them from engaging in anti-social activities like crime and drug abuse. Vihiga United football club plays in the Kenya premier league while Vihiga Queens Football Club (VQFC) has become a power house in Women Football in the East and Central Africa. Currently Vihiga queens are the CECAFA women football champions.



Vihiga Queens players celebrate with CECAFA trophy after beating Commercial Bank of Ethiopia in regional CECAFA tournament. The team is sponsored by County Government of Vihiga





A Vihiga Queens player in action against Simba Queens of Tanzania.

4.2 Sustainability strategy and profile

Macro-economic stability is one of foundations upon which the CIDP is anchored. Key initiatives pursued to achieve the desired macroeconomic stability included; Infrastructure development, Good governance and accountability, Enhanced access to quality education and skills training, Revamp the agricultural initiatives towards food security, Delivery of safe and clean water and environmental conservation and provision of quality and affordable healthcare by developing functional and sustainable health infrastructure.

4.2.1 Environmental Performance

Clean, secure environment is a critical enabler for sustainable development. Policy measures undertaken towards environmental protection and conservation include; Afforestation and re-afforestation, protection of wetlands, improved waste management and establishment and strengthening of the County Climate Change Governance structures and linkages across all level.



4.2.2 Public Sector Reforms

The county government aims to build a public service that is citizen focused, and results oriented. The government will continue to intensify efforts to bring about attitude change in public service that values transparency and accountability to the citizens. Plans are underway to develop a Human Resource Information Management System (HRIMS) which will make it easy for access to human resource information and decisions on planning and management. Other reforms include; continuous implementation of Performance contracting (PCs), strengthening of result-based M&E and establishment of a Service Delivery Unit (SDU).

4.2.3 Community Participation

Civic Education and Public Participation is critical in Public Sector management. Towards this end, the County has already established the institutional and legal framework to guide civic education and public participation activities in the County. The Constitution of Kenya, PFM Act 2012 gives credence on effective involvement of the public in decision making especially in planning, budgeting and implementation of programmes.



5.0 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 the 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 **11th February, 2022**



County Executive Committee Member – Finance and Economic planning



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF VIHIGA FOR THE YEAR ENDED 30 JUNE, 2021

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, gazetted 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

Adverse Opinion

I have audited the accompanying financial statements of County Executive of Vihiga set out on pages 28 to 65, which comprise of the statement of financial assets and liabilities as at 30 June, 2021, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Executive of Vihiga 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 do not comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Compensation of Employees

1.1 Unsupported Payment to Kenya Revenue Authority

The statement of receipts and payments reflects compensation of employees amount of Kshs.2,194,589,162 which includes KRA PAYE arrears paid of Kshs.150,000,000 as disclosed in Note 11 to the financial statements. However, the audited financial statements for the financial year 2019/2020 reflected pending staff payables of Kshs.76,573,342 in respect of payroll deductions that had not been paid resulting to an unreconciled variance of Kshs.73,426,658.

1.2 Variance Between IPPD, Manual and Financial Statements

The statement of receipts and payments reflects compensation of employee amount of Kshs.2,194,589,162 while the gross pay for both IPPD and manual payroll in addition to the payment of PAYE arrears to KRA totals Kshs.2,067,291,714 resulting to a variance of Kshs.127,297,448. Although the Management explained the variance to be in respect of other payments which are not paid through the payroll but relate to compensation of employees, no supporting documentation was provided for audit review in support of payments totalling to Kshs.127,297,449.

Consequently, the accuracy of the compensation of employees amount of Kshs.2,194,589,162 for the year ended 30 June, 2021 could not be confirmed.

2. Unsupported Expenditure under Use of Goods and Services

Note 12 to the financial statements reflects use of goods and services amount of Kshs.907,925,950 which includes foreign travel and subsistence amount of Kshs.40,968,780. Examination of the foreign travel expenditure general ledger revealed an adjustment of Kshs.1,450,000 that was not supported or explained. Further, the foreign travel ledger included daily allowances paid to staff amounting to Kshs.15,875,580 which was not supported with documentation detailing the purpose of the foreign travel and boarding passes as evidence that the officers actually travelled.

Further, the use of goods and services expenditure includes hospitality, supplies and services amount of Kshs.105,539,045 as disclosed in Note 12 to the financial statements. The amount of Kshs.105,539,045 includes payments totalling Kshs.2,780,300 that were not supported as detailed in the analysis below:

Date	PV Number	Amount (Kshs.)	Missing Documents
8 January, 2021	424	999,600	-Approved workplan and budget before commencement of the activity and output report supporting activity.
3 May, 2021	126	687,700	-Requisition memo for the workshop plus approved budget. -Timetable/approved work plan to justify the six day. -Attendance Registers.
25 May, 2021	493	343,000	-Some officers did not attend to the meeting as observed from the payment schedule, leading to an unaccounted amount of Kshs.233,100.
18 September, 2020	80	750,000	-Approved work plan with the details on the officers to be involved plus the budget for the exercise (Human resource verification).

In addition, the rentals of produced assets expenditure of Kshs.7,192,958 includes payments totalling Kshs.3,200,000 in respect of Mbale Office which relate to the financial years 2018/2019 and 2019/2020. However, the payment was not supported with a duly executed lease agreement and well documented procurement process that was followed. The amount of Kshs.3,200,000 was also not included in the pending bills reported as at 30 June, 2020 hence not an authorised charge to the budget for the financial year under review. Further, the training expenses amount of Kshs.11,772,240 includes payments of daily subsistence allowance totalling to Kshs.3,109,600 and unsupported payments of Kshs.920,000.

Under the circumstances, the accuracy and validity of the use of goods and services, amounts of Kshs.907,925,950, reflected in the statement of receipts and payments for the year ended 30 June, 2021 could not be confirmed.

3. Transfers to Other Government Units

As disclosed in Note 14 to the financial statements, the statement of receipts and payments reflects transfers to other Government units amount of Kshs.779,803,821 which includes transfers to the County Assembly totalling to Kshs.649,778,651. However, the financial statements for the County Assembly of Vihiga reflects transfers from the County Treasury/Exchequer Releases totalling to Kshs.623,812,571 resulting to an unreconciled variance of Kshs.25,966,080.

In the circumstances, the accuracy of the transfers to other Government units totalling to Kshs.779,803,821 could not be confirmed.

4. Other Grants and Payments

The statement of receipts and payments and Note 15 of the financial statements reflects other grants and payments amounting to Kshs.873,980,562. However, the amount differs with the general ledger amount of Kshs.887,043,464 resulting to an unexplained and unreconciled variance of Kshs.13,062,902. Further, the amount includes, payments totalling to Kshs.139,693,766 transferred to health facilities whose bank accounts had not been accounted for in the financial statements.

In addition, the other grants and payments amount of Kshs.873,980,562 includes an amount of Kshs.566,000 paid towards ward sports facilitation. However, sports activities in the County are supposed to be funded through the Vihiga County Sports Fund which was funded to the tune of Kshs.30,000,000 during the year under review and no reason was provided for funding of the sports activities outside the Fund. Consequently, the propriety of the expenditure of Kshs.566,000 incurred to facilitate the Ward sports could not be confirmed.

Under the circumstances, the accuracy and validity of other grants and payments totalling to Kshs.873,980,562 for the year ended 30 June, 2021 could not be confirmed.

5. Unsupported Rehabilitation and Renovation of Plant, Machinery and Equipment

The acquisition of assets amount of Kshs.1,133,205,535 includes rehabilitation and renovation of plant, machinery and equipment amount of Kshs.139,518,535 as disclosed in Note 17 to the financial statements, which includes disbursements to Vocational Training Colleges of Kshs.65,535,500. However, the expenditure of Kshs.65,535,500 was only supported with the payment vouchers transferring the monies to the Vocational Training Colleges and there were no audited accountability statements from the Colleges provide for audit verification.

Further, the bank reconciliation statement for the Youth Polytechnic Fund includes unpresented cheques to Polytechnics amounting to Kshs.73,170,522. The amount was yet to be spent by the respective Institutions by 30 June, 2021 but the same was not included under the receivables. In addition, the funds deposited and paid out of the Polytechnic Fund account were not reconciled to the opening balance, receipts during the year and the closing balance.

Under the circumstances, the accuracy and validity of the rehabilitation and renovation of plant machinery and equipment expenditure of Kshs.139,518,535 for the year ended 30 June, 2021 could not be confirmed.

6. Failure to Prepare Facility Improvement Fund Financial Statements

The statement of receipts and payments reflects other payments amount of Kshs.22,175,728 towards the Facility Improvement Fund and as disclosed in Note 20 to

the financial statements. However, the Management did not prepare and submit financial statements for the financial year 2020/2021 to account for the funds transferred amounting to Kshs.22,175,728 for audit review contrary to Section 30(1) of the Vihiga County Facilities Improvement Fund Act, 2019 which states that (1) the Chief Officer shall cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities under this Act (2) and within a period of three months after the end of each financial year the Chief Officer shall submit to the Auditor-General the books of accounts in respect of that year together with a - (a) statement of the income and expenditure during that year, and (b) statement of the assets and liabilities on the last day of that financial year.

Consequently, the Management breached the law and the propriety of the expenditure of Kshs.22,175,728 for the year ended 30 June, 2021 could be confirmed.

7. Cash and Cash Equivalents

As disclosed in Note 21A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.626,379,941. However, audit of the bank reconciliation statements for the month of June, 2021 revealed the following unsatisfactory issues:

7.1 Vihiga County Nutrition International Account

The financial statements reflect a cash balance of Kshs.11,108,795 as at 30 June, 2021 and as per the bank reconciliation statement for the month of June, 2021. However, the reconciliation statement reflects receipts in cash book not in bank amounting to Kshs.9,500,000 whose details were not provided for audit review.

7.2 Vihiga County CRF Account

The Vihiga County Revenue account reflects a cash book balance of Kshs.133,476,284 as at 30 June, 2021. However, audit procedures performed on the bank statement for the month of June, 2021 revealed payments in cash book not in bank statement totalling to Kshs.1,323,766,090 whose details including payee and the payment date were not provided. The statement further reflects receipts in the cash book not in the bank statement totalling to Kshs.606,445,845 which were similarly not supported with any schedule indicating what they relate to and the period in which they belong.

7.3 Vihiga County Recurrent Account

The account reflects a cash book balance of Kshs.2,159,625 as at 30 June, 2021. Audit review of the bank reconciliation statement for the month of June, 2021 reflected payments in cash book not in the bank totalling to Kshs.398,821,376 which includes Kshs.2,500,000 paid to the County Public Service Board on 30 June, 2021 but was not reflected as a receipt in the Board's bank account. Further, receipts in cash book not in bank totalling to Kshs.393,961,420 includes exchequer receipts of Kshs.149,459,429 which were not included in the CRF bank account reconciliation as payments in the cash book not in bank statement. In addition, the unrepresented cheques of Kshs.398,821,376 included amounts totalling Kshs.79,228,672 that were either referred to as transfer or RTGS without any further details. The reconciliation also reflects payments in cash book not in the bank

statement amounting to Kshs.1,999,915 indicated as paid to revenue collection account but no further details were provided and it was not explained what the transfer related to.

7.4 Vihiga County Deposit Account

The account reflects a balance of Kshs.67,073,447 as at 30 June, 2021. The bank reconciliation statement for the month of June, 2021 reflected payments in cash book not in bank amounting to Kshs.56,034,406 which included a payment of Kshs.50,000,000 that was alleged to have been paid to Kenya Revenue Authority. However, the amount was not part of monies received into the account previously.

7.5 Vihiga County Road Maintenance Levy Fund

The account had a balance of Kshs.69,480,557 as at 30 June, 2021 out of which Kshs.67,447,849 was received during the year under review. No reason was however provided for non-utilization of the funds that were meant to improve the roads. In addition, the Management did not provide an approved annual work plan for road improvements to facilitate utilization of the funds.

7.6 Climate Change Bank Account

The climate change bank account reflected a balance of Kshs.7,000,000 as at 30 June, 2021. It was established that the account was opened during the year under review and the Management indicated that the balance constitutes of receipts under Note 3 to financial statements in respect of ASDSP II of Kshs.2,000,000 and Nutrition International of Kshs.5,000,000. No explanation was provided for depositing the amounts in the account considering that each of the two projects had its own bank account and in addition one of the project account's had an outstanding balance as at the end of the year.

Consequently, the accuracy, validity and existence of the cash and cash equivalents balance of Kshs.626,379,941 as at 30 June, 2021 could not be confirmed.

8. Deposits and Retentions

As disclosed in Note 23 to the financial statements, the statement of assets and liabilities reflects accounts payable balance of Kshs.226,569,839 as at 30 June, 2021 comprising of retention monies of Kshs.145,073,447 and statutory deductions of Kshs.81,496,392. However, the deposit bank account which holds retention monies reflected a balance of Kshs.67,073,447 as at 30 June, 2021 resulting to a variance of Kshs.78,000,000. Although the Management indicated that the variance was as a result of interaccount borrowing of Kshs.50,000,000 to the recurrent account and Kshs.28,000,000 to the County Assembly, the amounts were not reflected in the County Assembly's financial statements or supported by a recording of the borrowing in the recurrent account.

Under the circumstances, the amount of Kshs.28,000,000 is accounted for as both a trade receivable and trade payable and the accuracy and validity of the accounts payable balance of Kshs.226,569,839 reflected in the statement of assets and liabilities as at 30 June, 2021 could not be confirmed.

9. Summary of Fixed Assets Register

The summary of fixed asset register at Annex 6 to the financial statements reflects assets balance of Kshs.1,107,772,989 and which includes additions during the year totalling to Kshs.408,840,888. However, the statement of receipts and payments reflects acquisition of assets amount of Kshs.1,133,205,535 (2019/2020 Kshs.1,219,698,299) and as disclosed in Note 17 to the financial statements resulting to a variance of Kshs.724,364,647. Although the Management explained that the variance of Kshs.724,364,647 is in respect of assets such as purchase of certified seeds, research studies, construction of roads which are not considered as fixed assets, no reconciliation or details were provided in support of the additions amount of Kshs.408,840,888.

Further, as reported previously, the assets register held by the County Government does not include the assets taken over from the defunct Local Authorities and therefore the completeness of the assets register as well as the security of the assets owned by the County cannot be guaranteed.

Under the circumstances, the accuracy and existence of the fixed assets balance of Kshs.1,107,772,989 as at 30 June, 2021 could not be confirmed.

10. Returned County Revenue Fund (CRF) Issues

The statement of assets and liabilities reflects a comparative cash and cash equivalents balance of Kshs.675,875,158 which includes an amount of Kshs.2,236,068 in respect of the development account and Kshs.64,857 in respect to the recurrent account that should have been surrendered to CRF account as at the year end. Further, the Vihiga County Assembly had a total of Kshs.249,664 in the recurrent account which should have been transferred to CRF account in line with Section 136(2) of the Public Financial Management Act, 2012 which states that if, at the end of a financial year, a County Government entity is holding appropriated money that was withdrawn from the County Exchequer Account but has not been spent, it shall repay the unspent money to the County Exchequer Account and prepare a refund statement which shall be forwarded to the Controller of Budget. However, the financial statements submitted for audit did not disclose any amount in respect of recurrent CRF issues paid into the County Revenue Fund account.

Consequently, the accuracy and completeness of the Returned CRF Issues of nil amount for the year ended 30 June, 2021 could not be confirmed.

11. Outstanding Salary Advances

The statement of assets and liabilities and as disclosed in Note 22 to the financial statement reflects accounts receivables-outstanding imprest balance of Kshs.30,910,617 as at 30 June, 2021, which includes salary advances of Kshs.2,070,617. The amount was issued to twelve staff members; eight were issued in the year 2015 and four in the year 2020. Further, seven of the employees with advances totalling Kshs.1,235,438 are no longer in service at the County Executive and no efforts had been made to recover the money from affected officers.

Consequently, the recoverability of the salary advances amount of Kshs.2,070,617 is in doubt.

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

Key Audit Matters

Key audit matters are those matters that, in our 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. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final revenue budget and actual on comparable basis of Kshs.6,584,548,249 and Kshs.6,422,755,965 respectively resulting to under-funding of Kshs.161,792,284 or 2% of the budget. Similarly, the County Executive expended Kshs.5,948,156,095 against an approved budget of Kshs.6,584,548,250 resulting to under-expenditure of Kshs.636,392,155 or 10% of the budget. However, no reasons were provided for the 10% under expenditure or over expenditure as required by the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

Further, the statement reflects compensation of employees, use of goods and services, transfers to other Government units and social security benefits expenditure which exceeded the final budget amounts by a total of Kshs.300,309,233. The approval for the expenditure beyond the budgeted amount was not provided for audit review. The Management ought to relook at the budget preparation process with a view to making it as effective and realistic as possible in order to benefit the residents of Vihiga County.

2. Late Exchequer Releases

The statement of receipts and payments reflects Exchequer Releases amount of Kshs.5,052,669,300 for the year ended 30 June, 2021 out of which Kshs.2,349,537,750 or approximately 47% of the total receipts was received in the last quarter of the financial year with Kshs.1,186,400,250 having been incurred in June, 2021 as analysed below:

Receipt Date	Receipt Number	Amount (Kshs.)
16 April, 2021	FT21106TZFXF	395,466,750
27 April, 2021	FT21117V5LH0	395,466,750

Receipt Date	Receipt Number	Amount (Kshs.)
26 May, 2021	FT211465N6BG	372,204,000
23 June, 2021	FT211747NYNW	418,729,500
30 June, 2021	FT21181D7RWP	372,204,000
30 June, 2021	FT21183CYXZF	395,466,750
	Total	2,349,537,750

This is contrary to Section 14 of the Second Schedule of the Public Finance Management Act, 2012 which provides that cash disbursements to the County Governments shall be on quarterly basis and in accordance with the transfer of functions to County Governments. This had an effect of inability by the County Government to meet her financial obligations in rendering the services to the residents of Vihiga County in the year under review.

3. Pending Bills

Note 1 of other disclosures reflect pending bills totalling to Kshs.690,579,941 which is a reduction of Kshs.514,229,222 as compared to Kshs.1,204,809,163 as at 30 June, 2020. However, the supporting Annexure 1 to the financial statements was not presented in the format prescribed by the Public Sector Accounting Standards Board (PSASB) to include date contracted, original amount, balance at the beginning of the year, additions during the year, amount paid during the year, outstanding balance and any comments. Further, the Management did not explain why the bills were not settled during the year they occurred and the County Executive risks incurring additional losses in form of interest and penalties arising from continued delay in the settlement of the bills.

In addition, failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Construction of Governor's and Deputy Governor's Residences

The acquisition of assets amount of Kshs.1,133,205,535 includes construction of buildings amount of Kshs.126,087,887 as disclosed in Note 17 to the financial statements,

which further includes an amount of Kshs.20,996,811 incurred in the construction of the Governor's and Deputy Governor's houses. The contract for the construction was signed on 20 February, 2019 between the County Government of Vihiga and a building contractor for two houses at a contract sum of Kshs.148,526,625. The construction commenced on 28 March, 2019 and was expected to run for 78 weeks with an expected completion date of 28 September, 2020. On 25 May, 2019 which was two months into the project, the Salaries and Remuneration Commission (SRC) issued a circular setting cost limits for the construction of the houses for Governors, Deputy Governors and Speakers of County Assemblies. The ceiling for the Governor's house was set at Kshs.45,000,000 and the Deputy Governor's at Kshs.35,000,000 resulting to a total of Kshs.80,000,000 for the two residences. The contract entered into, therefore, exceeded the set limit of Kshs.80,000,000 by an amount of Kshs.68,526,625 or approximately 86% of the approved ceiling.

Further, it was Noted that ten months after the SRC circular was issued, through a letter dated 29 April, 2020 to SRC, the County Government of Vihiga requested for an exemption from scaling down the cost of the two houses since the contract had already been signed and the construction commenced as at the time the circular was issued. However, as at the time of audit in March, 2022, there was no evidence that response had been received from the SRC in regard to the exemption from the ceilings set by the circular.

In addition, information available indicates that through a letter dated 20 August, 2020 to the Chief Officer, Department of Physical Planning and Housing, the contractor requested for an extension of the contract period by 32 weeks due to delayed payments and the effect of Covid-19 pandemic which slowed down work which was granted through a letter dated 24 March, 2021. The contract extension granted was for a period of one year from 26 February, 2021 to 26 February, 2022 (fifty-two weeks) which was twenty weeks above the duration requested by the contractor. No explanation was provided for the extended extension. It is evident there was no effective contract in place from 28 September, 2020 to 26 February, 2021 although the Management made payments amounting to Kshs.20,996,811.

An additional request was also made vide a letter dated 12 January, 2022 for extension of the same contract by a further 32 weeks citing same reasons for the delay and the Management indicated that the Governor's house was at 57% and Deputy Governor's at 56% completion. Although the contractor provided performance bond extension to 23 April, 2022 from a local bank, there is no evidence that the request for a further contract extension was granted.

Further, the Management did not provided any explanation or documentary evidence on how the expenditure of Kshs.68,526,625 or approximately 86% above the SRC ceiling of Kshs.80,000,000 for both houses would be regularised. As of the time of audit in March, 2022, the contract had lapsed but the two houses were yet to be completed.

In the circumstances, the Management is in breach of the law and there is risk of loss of public funds through cost escalation and penalties due to delays.

2. Construction of Six Storey 160 Bed Capacity Plaza at the County Referral Hospital

The acquisition of assets amount of Kshs.1,133,205,535 includes rehabilitation and renovation of plant, machinery, and equipment amount of Kshs.139,518,535 as disclosed in Note 17 to the financial statements. The expenditure of Kshs.139,518,535 further includes an amount Kshs.70,000,000 paid to a building contractor towards the construction of a six storey 160 bed capacity plaza at the Vihiga County Referral Hospital in a contract signed on 14 October, 2015 for a contract sum of Kshs.250,000,000. The contract period was 24 months and was expected to be completed by 18 October, 2017 which was later extended for 12 months to 16 October, 2018 on request by the contractor.

Examination of records provided revealed that, through a letter dated 11 June, 2020, the County Government advised the contractor that due to continuous delay, lack of additional extension of the contract, and failure to adhere to the provisions of the contract, the contract was no longer valid and was to prepare a hand over report within fourteen days of the letter. On 8 April, 2020, the Ag. Director of Medical Services requested the Chief Officer to terminate the contract as the contract period had lapsed. However, there is no evidence that the Management complied with the law in terminating the contract and no details of the termination of the contract were provided for audit review.

As at the time of the audit in March, 2022 the contractor had been paid a total of Kshs.187,287,023 while the project was approximately 78% complete and the building had stalled.

Information available indicate that the County Government invited a tender for the completion of the hospital through an advertisement on the Government website on 18 January, 2021 and the bids were to be received by 26 January, 2021 at 11.00 am. However, the Bill of Quantities, list of the bids received, minutes of the tender opening, tender evaluation and award were not provided for audit review. It is therefore not possible to establish the terms of the new contract, when the project would be completed and at what cost.

In the circumstances, the propriety and value for money for the amount of Kshs.187,287,023 already incurred on the project could not be ascertained.

3. Ethnic Staff Composition

The analysis of the payroll (IPPD) for the year under review revealed that the County Executive had a total of 1,762 permanent employees out of whom 1,608 or approximately 91% were from the dominant ethnic group in the County. This is contrary to Section 7 of the National Cohesion and Integration Act, No. 12 of 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

Further, there was no evidence that the Management has taken any action to correct the position as required by Section 65(1)(e) of the County Government Act, 2012 which states

that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County. In addition, the County Executive had no staff establishment in place and recruitment of staff in different positions was not informed or based on any standard document.

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

4. Irregular Funding of Members of County Assembly

The use of goods and services amount of Kshs.907,925,950 includes hospitality, supplies, and services expenditure of Kshs.105,539,045 as disclosed in Note 12 to the financial statements. Included in the hospitality, supplies and services expenses is an amount of Kshs.4,903,900 that was spent on per diem for the Members of County Assembly (MCAs) on various occasions to perform various duties including interrogation of the County budget. Although the Management explained that the expenditure was budgeted for by the County Executive for the purpose for which it was paid, the activities carried out fall under the County Assembly. Therefore, it was not clear why the MCAs were facilitated by the County Executive to perform their duties and yet the expenditure is budgeted for by the County Assembly.

The expenditure was therefore irregular, and Management was in breach of the law.

5. Construction of Oxygen Plant Building

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,133,205,535 which includes other infrastructure and civil works expenditure of Kshs.748,901,275 as disclosed in Note 17 to the financial statements. This amount in turn includes Kshs.3,780,440 paid to a Construction Company in respect of construction of a building to house an oxygen plant. The contract was for a sum of Kshs.3,930,010. Examination of records provided revealed that the evaluation of the contract was carried out on 16 February, 2021. The notification of award was made on 17 February, 2021 and the contract signed on 18 February, 2021 without waiting for the mandatory 14 days period.

Further, it was Noted that the contract acceptance letter was undated and received on 18 February, 2021. The contract commencement letter was dated 18 February, 2021 and the contract period was for a duration of eight weeks but was carried out in three weeks and no completion and hand over certificate was provided for audit review.

In addition, it was established that the tender evaluation team of three members had two of them part of the three officers in the acceptance and inspection Committee and the request for payment by the chief officer was made on 12 March, 2021 and did not have a fee Note or invoice from the contractor.

In the circumstances, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Failure to Automate Revenue Collection

During the year under review, it was Noted that the County Executive had not automated all its revenue collection sources of internally generated revenue and continued to rely on manual method which is prone to abuse and may have contributed to the shortfall in revenue collection.

Consequently, detecting revenue collection frauds and achieving real-time payments and reporting within the County Government may not have been realized.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain 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 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 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 Kakamega County Executive'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 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 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 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

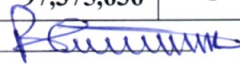
23 June, 2022

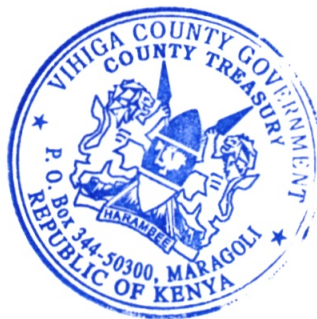
7.0 FINANCIAL STATEMENTS

7.1 STATEMENT OF RECEIPTS AND PAYMENTS

		2020/2021	2019/2020
	Note	Kshs	Kshs
RECEIPTS			
Exchequer Releases	1	5,052,669,300	4,849,345,410
Proceeds from Domestic and Foreign Grants	2	557,768,970	89,409,000
Transfers from Other Government Entities	3	74,447,849	132,065,719
County Own Generated Receipts	9	165,894,340	148,199,136
Returned CRF Issues	10	-	28,916,334
TOTAL RECEIPTS		5,850,780,459	5,247,935,599
PAYMENTS			
Compensation of Employees	11	2,194,589,162	2,064,161,611
Use of Goods and Services	12	907,925,950	820,054,976
Transfers to Other Government Units	14	779,803,821	764,184,826
Other Grants and Payments	15	873,980,562	414,189,696
Social Security Benefits	16	36,458,335	104,658,051
Acquisition of Assets	17	1,133,205,535	1,219,698,299
Finance Costs, including Loan Interest	18	17,001	-
Other Payments	20	22,175,728	-
TOTAL PAYMENTS		5,948,156,095	5,386,947,459
DEFICIT/SURPLUS		- 97,375,636	- 139,011,860



 Chief Officer - Finance and Economic Planning
 Name: CPA. Livingstone Imbayi
 ICPAK M/NO:9270



 Director- Accounting Services
 Name: CPA. Benjamin Otwoko
 ICPAK M/NO: 5177

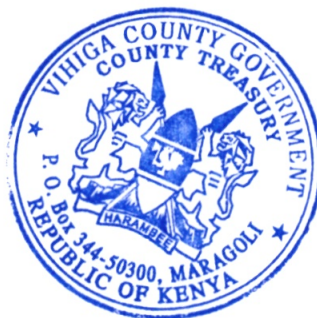


7.2 STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

		2020/2021	2019/2020
	Note	Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	626,379,941	675,875,158
Cash Balances	21B	-	-
Total Cash and cash equivalents		626,379,941	675,875,158
Accounts receivables – Outstanding Imprests	22	30,910,617	43,478,318
TOTAL FINANCIAL ASSETS		657,290,558	719,353,476
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	226,569,839	191,257,121
NET FINANCIAL ASSETS		430,720,719	528,096,355
REPRESENTED BY			
Fund Balance b/fwd	24	528,096,355	696,024,549
Prior year Adjustments	25	0	28,916,334
Surplus/Deficit for the year	-	97,375,636	139,011,860
NET FINANCIAL POSITION		430,720,719	528,096,355

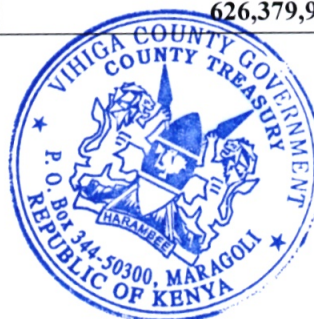

 Chief Officer - Finance and Economic Planning
 Name: CPA. Livingstone Imbayi
 ICPAK M/NO:9270


 Director- Accounting Services
 Name: CPA. Benjamin Otwoko
 ICPAK M/NO: 5177



7.3 STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020/2021	2019/2020
	Note	Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Operating Income			
Exchequer Releases	1	5,052,669,300	4,849,345,410
Proceeds from Domestic and Foreign Grants	2	557,768,970	89,409,000
Transfers from Other Government Entities	3	74,447,849	132,065,719
County Own Generated Receipts	9	165,894,340	148,199,136
		5,850,780,459	5,219,019,265
Payments for operating expenses			
Compensation of Employees	11	2,194,589,162	2,064,161,611
Use of Goods and Services	12	907,925,950	820,054,976
Transfers to Other Government Units	14	779,803,821	764,184,826
Other Grants and Transfers	15	873,980,562	414,189,696
Social Security Benefits	16	36,458,335	104,658,051
Other Payments	20	22,175,728	-
		4,814,933,558	4,167,249,160
Adjusted for:			
Changes in Receivables	26	12,567,701	4,380,400
Changes in Payables	27	35,312,718	- 27,007,879
Prior Year Adjustments	25	-	-
Total Adjustments		47,880,419	- 22,627,479
Net Cash flows from Operating Activities		1,083,727,320	1,029,142,626
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	17	- 1,133,205,535	- 1,219,698,299
Net Cash flows from Investing Activities		- 1,133,205,535	- 1,219,698,299
CASHFLOW FROM FINANCING ACTIVITIES			
Bank Charges	18	- 17,001	-
Net Cash flow from Financing Activities		- 17,001	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		- 49,495,217	- 190,555,673
Cash and Cash Equivalent at Beginning of the year		675,875,158	866,430,831
Cash and Cash Equivalent at End of the year		626,379,941	675,875,158
As per Statement of Assets		626,379,941	675,875,158

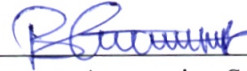


**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th February 2022 and signed by:



Chief Officer - Finance and Economic Planning
Name: CPA. Livingstone Imbayi
ICPAK M/NO: **9270**



Director- Accounting Services
Name: CPA. Benjamin Otwoko
ICPAK M/NO: **5177**




7.4 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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
RECEIPTS						
Equitable Share	4,652,550,000	-	4,652,550,000	5,052,669,300	- 400,119,300	109%
Proceeds from Domestic and Foreign Grants	1,085,381,571	31,717,430	1,117,099,001	557,768,970	559,330,031	50%
Transfers from Other Government Entities	38,603,656	-	38,603,656	74,447,849	- 35,844,193	193%
Leasing of Medical Equipment	132,021,277	-	132,021,277	-	132,021,277	0%
County Own Generated Receipts	216,096,587	-	216,096,587	165,894,430	50,202,157	77%
Unspent Funds B/f	428,177,728	-	428,177,728	571,975,506	- 143,797,778	134%
TOTAL	6,552,830,819	31,717,430	6,584,548,249	6,422,755,965	- 161,792,284	98%
PAYMENTS						
Compensation of Employees	1,923,382,109	101,700,000	2,025,082,109	2,194,589,162	- 169,507,053	108%
Use of Goods and Services	763,612,570	36,704,726	800,317,296	907,925,951	- 107,608,655	113%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	756,955,168	650,000	757,605,168	779,803,821	- 22,198,653	103%
Other Grants and Transfers	1,154,863,548	86,645,519	1,241,509,067	873,980,562	367,528,505	70%
Social Security Benefits	30,263,463	- 800,000	29,463,463	36,458,335	- 6,994,872	124%
Acquisition of Assets	1,883,913,759	- 192,532,815	1,691,380,944	1,133,205,535	558,175,409	67%
Finance Costs, including Loan Interest	970,000	- 650,000	320,000	17,001	302,999	5%
Other Payments	38,870,203	-	38,870,203	22,175,728	16,694,474	57%
TOTAL	6,552,830,820	31,717,430	6,584,548,250	5,948,156,095	636,392,155	90%






The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **11 February, 2022** and signed by:



Chief Officer - Finance and
Economic Planning
Name: CPA. Livingstone Imbayi
ICPAK M/NO: 9270

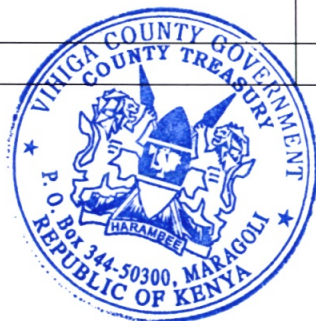


Director- Accounting Services
Name: CPA. Benjamin Otwoko
ICPAK M/NO: 5177



7.5 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c
RECEIPTS						
Equitable Share	3,158,381,366	-	3,158,381,366	3,536,868,510	- 378,487,144	112%
Proceeds from Domestic and Foreign Grants	293,596,901	142,628,123	436,225,024	229,165,110	207,059,914	53%
Transfers from Other Government Entities	5,000,000	-	5,000,000	5,000,000	-	100%
Leasing of Medical Equipment	-	-	-	-	-	0%
County Own Generated Receipts	216,096,587	-	216,096,587	165,894,430	50,202,157	77%
Unspent Funds B/f	256,906,637	-	256,906,637	195,840,312	61,066,325	76%
TOTAL	3,929,981,491	142,628,123	4,072,609,614	4,132,768,272	- 60,158,658	101%
PAYMENTS						
Compensation of Employees	1,923,382,109	101,700,000	2,025,082,109	2,194,589,162	- 169,507,053	108%
Use of Goods and Services	757,612,570	41,404,726	799,017,296	906,226,605	- 107,209,309	113%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	723,351,511	650,000	724,001,511	748,160,703	- 24,159,192	103%
Other Grants and Transfers	334,706,924	10,638,671	345,345,595	293,264,280	52,081,315	85%
Social Security Benefits	30,263,463	- 800,000	29,463,463	36,458,335	- 6,994,872	124%
Acquisition of Assets	120,824,711	- 10,315,274	110,509,437	156,190,194	- 45,680,757	141%
Finance Costs, including Loan Interest	970,000	- 650,000	320,000	17,001	302,999	5%
Other Payments	38,870,203	-	38,870,203	22,175,728	16,694,474	57%
TOTAL	3,929,981,491	142,628,123	4,072,609,614	4,357,082,008	- 284,472,395	107%





The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th February, 2022 and signed by:

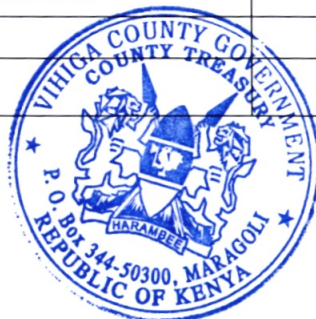
Chief Officer - Finance and Economic
Planning
Name: CPA. Livingstone Imbayi
ICPAK M/NO: 9270

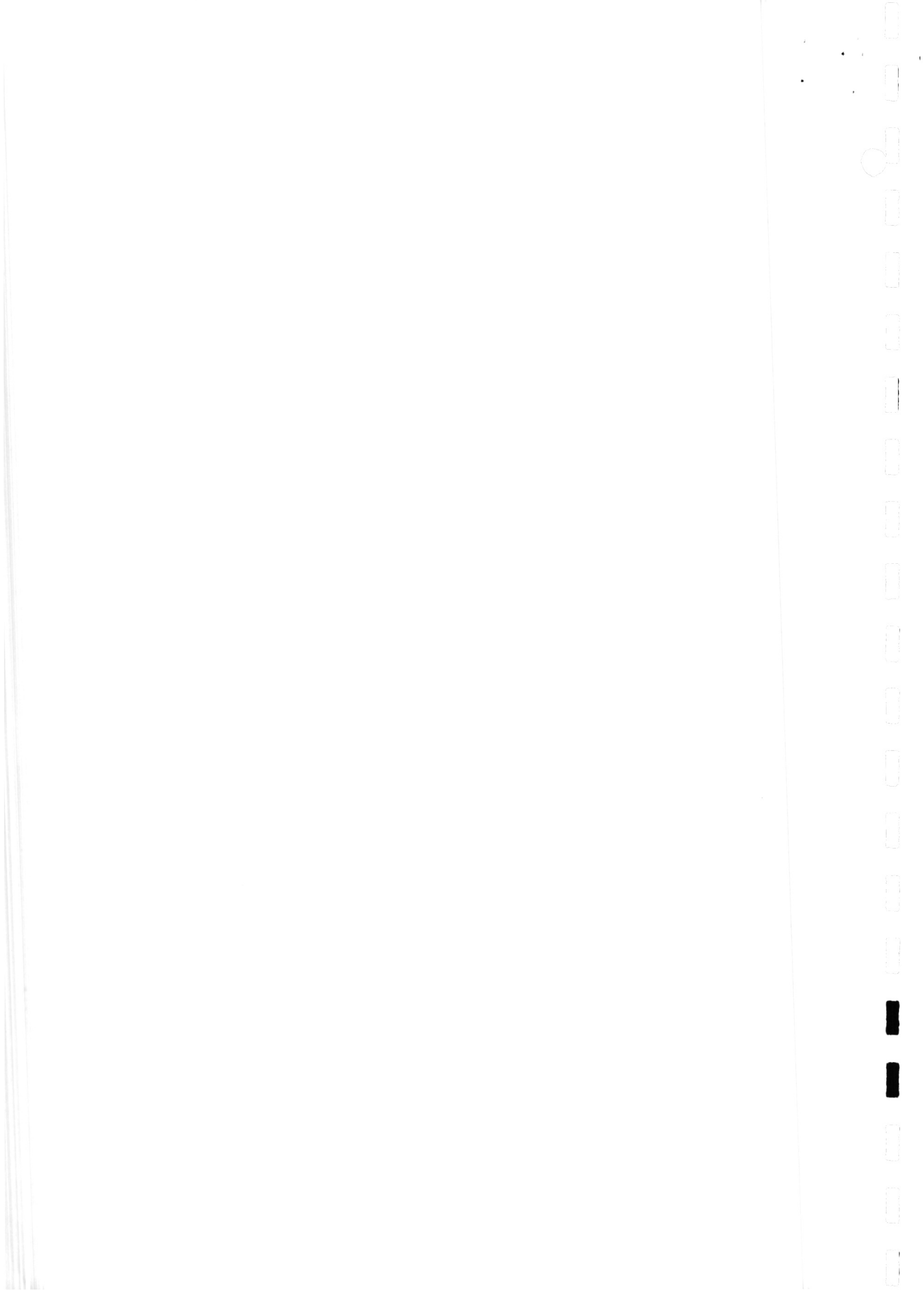
Director- Accounting Services
Name: CPA. Benjamin Otwoko
ICPAK M/NO: 5177




7.6 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c
RECEIPTS						
Equitable Share	1,494,168,634	-	1,494,168,634	1,515,800,790	- 21,632,156	101%
Proceeds from Domestic and Foreign Grants	791,784,670	- 110,910,693	680,873,977	328,603,860	352,270,117	48%
Transfers from Other Government Entities	33,603,656	-	33,603,656	69,447,849	- 35,844,193	207%
Leasing of Medical Equipment	132,021,277	-	132,021,277	-	132,021,277	0%
County Own Generated Receipts	-	-	-	-	-	0%
Unspent Funds B/f	171,271,091	-	171,271,091	376,135,194	- 204,864,103	220%
TOTAL	2,622,849,328	- 110,910,693	2,511,938,635	2,289,987,693	221,950,942	91%
PAYMENTS						
Compensation of Employees	-	-	-	-	-	0%
Use of Goods and Services	6,000,000	- 4,700,000	1,300,000	1,699,346	- 399,346	131%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	33,603,656	-	33,603,656	31,643,118	1,960,538	94%
Other Grants and Transfers	820,156,624	76,006,848	896,163,472	580,716,282	315,447,190	65%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	1,763,089,048	- 182,217,541	1,580,871,507	977,015,341	603,856,166	62%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	0%
TOTAL	2,622,849,328	- 110,910,693	2,511,938,635	1,591,074,087	920,864,548	63%






The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **11th February, 2022** and signed by:



Chief Officer - Finance and Economic
Planning
Name: CPA. Livingstone Imbayi
ICPAK M/NO: **9270**





Director- Accounting Services
Name: CPA. Benjamin Otwoko
ICPAK M/NO: **5177**



7.7 STATEMENT OF BUDGET EXECUTION BY PROGRAMMES AND SUB PROGRAMMES

Program	Sub Program	Original Budget	Adjustments	Final Budget	Actual	Variance
		KShs	KShs	KShs	KShs	KShs
Administration, Planning and Support Service		508,182,969	-3,413,373	504,769,596	329,049,390	179,505,325
Administrative Service		508,182,969	-3,413,373	504,769,596	329,399,390	179,155,325
Financial Services		0	0	0	-350,000	350,000
Rural Planning and Community Development		3,400,000	0	3,400,000	2,249,500	1,150,500
Ward Development Projects		3,400,000	0	3,400,000	2,249,500	1,150,500
Livestock Development and Management		18,720,357	1,094,601	19,814,958	17,835,368	1,979,590
	105014860	14,520,357	1,094,601	15,614,958	13,753,870	1,861,088
	105024860	4,200,000	0	4,200,000	4,081,498	118,502
Fisheries Development and Management		9,450,000	-500,000	8,950,000	7,395,961	1,554,039
	106014860	9,450,000	-500,000	8,950,000	7,395,961	1,554,039
Crop Development and Management		14,261,329	-781,228	13,480,101	12,342,180	1,137,921
Crop Extension	107014860	3,461,329	-1,281,229	2,180,100	1,806,302	373,798
Farm Input Subsidy	107024860	8,000,000	500,001	8,500,001	8,043,878	456,123
Cash Crop Production and Development	107034860	2,800,000	0	2,800,000	2,492,000	308,000
Cooperatives Development		3,750,000	-400,000	3,350,000	2,730,605	619,395
Cooperative Development Services	108014860	3,750,000	-400,000	3,350,000	2,730,605	619,395
Urban and Physical Planning and Housing Services		334,513,111	0	334,513,111	309,374,001	25,139,110
Urban and Physical Planning	111014860	122,893,846	0	122,893,846	122,893,846	0
Housing Development	111024860	20,000,000	0	20,000,000	19,999,994	6
Vihiga Municipality {KUSP}	111034860	191,619,265	0	191,619,265	166,480,162	25,139,103
Administration, Planning and Support Service		489,045,326	2,800,000	491,845,326	344,095,342	148,296,784





Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021

Program	Sub Program	Original Budget	Adjustments	Final Budget	Actual	Variance
Administrative Service	201024860	489,045,326	2,800,000	491,845,326	344,095,342	148,296,784
Public Finance Management		3,000,000	-1,500,000	1,500,000	996,817	503,183
Purchase of a trailer	202014860	3,000,000	-1,500,000	1,500,000	996,817	503,183
Transport Management		21,302,400	-2,800,000	18,502,400	12,955,718	5,546,682
Transport System Management	204014860	8,900,000	-3,500,000	5,400,000	4,914,082	485,918
Mechanical Services	204024860	12,402,400	700,000	13,102,400	8,041,636	5,060,764
Infrastructure Development		800,000	0	800,000	0	800,000
Roads Maintenance	205034860	800,000	0	800,000	0	800,000
Administration, Planning and Support Service		105,369,819	1,977,264	107,347,083	96,617,214	10,729,869
Administrative Service	301024860	105,369,819	1,977,264	107,347,083	96,617,214	10,729,869
Tourism Development		1,977,264	-1,977,264	0	0	0
Tourism Promotion and Branding	305014860	1,977,264	-1,977,264	0	0	0
Administration, Planning and Support Service		1,412,944,128	52,220,998	1,465,165,126	1,365,586,280	99,578,847
Administrative Service	401024860	262,836,294	44,556,278	307,392,572	294,844,980	12,547,592
Human Resource Management and Development	401044860	1,001,479,356	7,764,720	1,009,244,076	1,013,931,008	-4,686,932
Healthcare Financing	401054860	148,628,478	-100,000	148,528,478	56,810,292	91,718,186
Promotive and Preventive Healthcare Services		15,705,284	-6,300,000	9,405,284	823,200	8,582,084
Public Health Services	405014860	6,320,000	-3,300,000	3,020,000	350,000	2,670,000
Community Health Strategy	405024860	6,320,000	-3,000,000	3,320,000	100,000	3,220,000
Health Promotion	405034860	2,175,284	0	2,175,284	100,000	2,075,284
Reproductive Healthcare	405044860	320,000	0	320,000	93,400	226,600
Disease Surveillance and Emergency	405054860	570,000	0	570,000	179,800	390,200



Program	Sub Program	Original Budget	Adjustments	Final Budget	Actual	Variance
Curative And Rehabilitative Health Services		344,789,449	-13,300,000	331,489,449	285,213,680	46,275,769
Medical services	406014860	341,609,449	-13,300,000	328,309,449	283,931,220	44,378,229
County referral services	406024860	140,000	0	140,000	82,460	57,540
Drugs and Other Medical Supplies	406034860	3,040,000	0	3,040,000	1,200,000	1,840,000
Child and Maternal Health Care		64,445,596	-3,403,568	61,042,028	31,914,346	29,127,682
Antenatal and Post Natal healthcare	407014860	1,600,000	0	1,600,000	0	1,600,000
Antenatal and Post Natal Healthcare	407024860	26,285,047	-11,090,000	15,195,047	12,053,992	3,141,055
Maternity Services	407034860	23,709,396	-600,000	23,109,396	8,813,103	14,296,293
Newborn, Child and Adolescent Health	407044860	40,000	0	40,000	0	40,000
Nutrition Services	407054860	12,811,153	8,286,432	21,097,585	11,047,251	10,050,334
Administration, Planning and Support Service		391,908,139	-73,215,138	318,693,001	306,063,772	12,629,229
Administrative Service	501024860	391,908,139	-73,215,138	318,693,001	306,063,772	12,629,229
Vocational Education and Training		53,046,000	74,266,919	127,312,919	112,884,242	14,428,677
Youth Polytechnic Development	504014860	53,046,000	74,266,919	127,312,919	112,884,242	14,428,677
Early Childhood Development		153,566,806	-1,051,781	152,515,025	191,677,690	-39,162,665
ECD Development	505014860	153,566,806	-1,051,781	152,515,025	191,677,690	-39,162,665
Administration, Planning and Support Service		1,988,275,201	35,523,129	2,023,798,330	2,031,498,370	-7,700,040
Administrative Service	701024860	1,951,235,201	36,436,088	1,987,671,289	1,998,043,810	-10,372,521
County Administration	701044860	13,190,000	387,441	13,577,441	9,763,814	3,813,627
County Radio Information Services	701054860	23,850,000	-1,300,400	22,549,600	23,690,746	-1,141,146
Public Finance Management		66,120,000	-21,030,979	45,089,021	44,159,421	929,600
Public Finance Management	703014860	12,200,000	-5,370,000	6,830,000	6,800,650	29,350
Accounting Services	703024860	7,200,000	-3,052,279	4,147,721	3,659,280	488,441




Program	Sub Program	Original Budget	Adjustments	Final Budget	Actual	Variance
Audit Services	703034860	11,750,000	-4,129,300	7,620,700	7,181,750	438,950
Budget Formulation Coordination	703044860	13,000,000	-3,175,400	9,824,600	9,730,100	94,500
Resource Mobilization	703054860	10,760,000	-654,000	10,106,000	10,261,021	-155,021
Budget Expenditure Management	703064860	11,210,000	-4,650,000	6,560,000	6,526,620	33,380
County Planning Services		87,850,000	-2,331,000	85,519,000	81,397,367	4,121,633
Monitoring and Evaluation	706014860	81,150,000	-1,446,000	79,704,000	75,363,017	4,340,983
Coordination of Policy Formulation and Plans	706024860	6,700,000	-885,000	5,815,000	6,034,350	-219,350
Management and Administration of County Services		35,010,000	-4,161,150	30,848,850	23,502,069	7,346,781
County Secretary	708024860	20,710,000	-1,661,150	19,048,850	15,811,219	3,237,631
Legal Services	708034860	14,300,000	-2,500,000	11,800,000	7,690,850	4,109,150
Administration, Planning and Support Service		85,863,704	2,513,500	88,377,204	75,849,225	12,527,979
Administrative Service	901024860	85,413,704	-1,482,680	83,931,024	71,637,425	12,293,599
Technical Conferences	901054860	250,000	0	250,000	249,000	1,000
Elderly Fund	901064860	200,000	3,996,180	4,196,180	3,962,800	233,380
Sports Management		52,400,000	-1,013,500	51,386,500	17,548,400	33,838,100
Promotion of Sports	903014860	47,550,000	-2,000,000	45,550,000	15,866,800	29,683,200
Promotion of Culture and Heritage	903024860	4,850,000	986,500	5,836,500	1,681,600	4,154,900
Social Services		10,250,000	-1,500,000	8,750,000	6,988,270	1,761,730
Social Protection	904014860	150,000	0	150,000	0	150,000
Gender, Children, Youth and People with Disability	904024860	10,100,000	-1,500,000	8,600,000	6,988,270	1,611,730
Administration, Planning and Support Service		217,483,898	0	217,483,898	186,121,867	31,362,031
Administrative Service	1001024860	217,483,898	0	217,483,898	186,121,867	31,362,031
Water Resource Management		33,200,000	0	33,200,000	36,982,743	-3,782,743






Program	Sub Program	Original Budget	Adjustments	Final Budget	Actual	Variance
Water Supply Management	1003014860	33,200,000	0	33,200,000	37,529,542	-3,782,743
Environment Management		19,200,039	0	19,200,039	11,654,762	7,545,277
Environmental Protection and Conservation	1004014860	19,200,039	0	19,200,039	11,654,762	7,545,277
Aforestation and Reafforestation Services		7,000,000	0	7,000,000	2,648,294	4,351,706
Farm Forest Management	1005014860	7,000,000	0	7,000,000	2,648,294	4,351,706
		6,552,830,819	31,717,430	6,584,548,249	5,948,156,095	640,724,074


 Chief Officer - Finance and Economic Planning
 Name: CPA. Livingstone Imbayi
 ICPAK M/NO: 9270




 Director- Accounting Services
 Name: CPA. Benjamin Otwoko
 ICPAK M/NO: 5177

8.0 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 entity 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 Vihiga 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

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 Government.

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.

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 entity.





SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 recipient entity 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 entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

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

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.

Returns to CRF Issues

These relate to unspent balances in the other County Entity 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 spend funds. These funds are recognised once appropriated through a supplementary budget process.





SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Payments

The entity recognises all expenses when they occur and the related cash has actually been paid out by the entity.

Compensation of employees

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

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 when goods/services are consumed shall be disclosed as pending bills.

Interest on Borrowing

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

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.

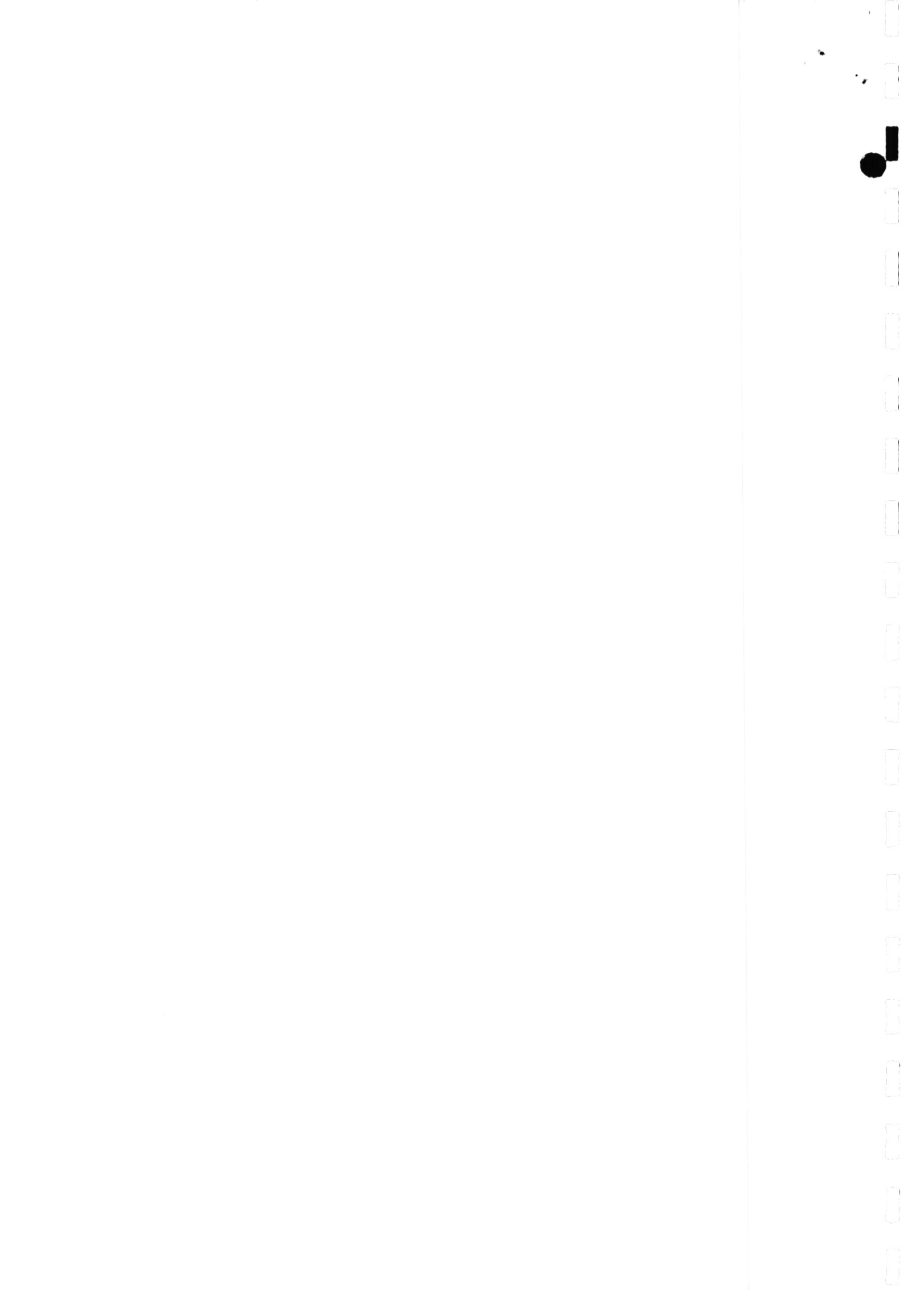
Acquisition of Fixed Assets

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 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.

The management does not recognise renovations and improvements to existing assets as a new asset and therefore expenditure on such is not included in fixed Asset register. Expenditure on





pending bills relating to Fixed Assets acquired in prior periods is not included the fixed Asset register as a new Acquisition

In-kind contributions

In-kind contributions are donations that are made to the County Government of Vihiga 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 Government of Vihiga 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.

Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments 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 government is detailed in the notes to this financial statement.

Cash and Cash equivalents

Cash and cash equivalents comprise of 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.

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 145, 073,447.00 compared to KShs 114, 683,779.36 in prior period.

There were no other restrictions on cash during the year

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.

Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payable. 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.

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 entity fixed asset register a summary of which is provided as an appendix to these financial statements.

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 sheet' items to provide a sense of the overall net cash position of the County Government of Vihiga at the end of the year. Pending bill 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.

Contingent Liabilities

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, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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.

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

Contingent Assets

The Entity 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 Entity 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.

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 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 by 30th June 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There were three supplementary budgets passed in the year under review. A high-level assessment of the County Government of Vihiga's actual performance against the comparable budget for the financial year under review has been included as part of financial statements.

Comparative figures

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

Subsequent events

Events subsequent to submission of end year 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.



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.

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.



9.0 NOTES TO THE FINANCIAL STATEMENTS

1. Exchequer Releases

	2020/2021	2019/2020
	KShs	KShs
Total Exchequer Releases for Quarter 1	400,119,300	809,543,700
Total Exchequer Releases for Quarter 2	1,163,137,500	837,459,000
Total Exchequer Releases for Quarter 3	1,139,874,750	907,247,250
Total Exchequer Releases for Quarter 4	2,349,537,750	1,698,180,750
Donor funds released as per CARA	-	596,914,710
Total	5,052,669,300	4,849,345,410

1A. Equitable Share

Description	2020/2021	2019/2020
	KShs	KShs
Total Equitable Share for Quarter 1	400,119,300	809,543,700
Total Equitable Share for Quarter 2	1,163,137,500	837,459,000
Total Equitable Share for Quarter 3	1,139,874,750	907,247,250
Total Equitable Share for Quarter 4	2,349,537,750	1,698,180,750
Total	5,052,669,300	4,252,430,700

1B. Level 5 Hospitals Allocation

Description	2020/2021	2019/2020
	KShs	KShs
Transfers for level 5 hospitals	-	-
	-	-
Total	-	-

2. Proceeds from Domestic and Foreign Grants

Description	2020/2021	2019/2020
	KShs	KShs
Proceeds from Domestic and Foreign Grants received through exchequer		
DANIDA - Universal Healthcare in Devolved Units Programme	13,230,000	-
World Bank – THUSCP	93,268,899	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	177,346,005	-
Kenya Devolution Support Programme	45,000,000	-
Youth Polytechnic support grant	69,979,894	-
Abolishment of user fees in health centres and dispensaries	12,657,201	-
Kenya Urban Support Programme (KUSP)-UDG	136,470,034	-
Kenya Urban Support Programme (KUSP)-UIG	-	-
Agriculture Sector Development Support Project	9,816,937	-



Description	2020/2021	2019/2020
	KShs	KShs
(ASDSP)		
Subtotal	557,768,970	-
Proceeds from Domestic and Foreign Grants received Directly by the County		
Covid 19 Support Grant- MOH	-	89,409,000
Others	-	-
Subtotal	-	89,409,000
Grand Total	557,768,970	89,409,000

3. Transfer from other Government Entities

	2020/2021	2019/2020
	Kshs	Kshs
Transfers from Central government entities		
Roads Maintenance levy fund	67,447,849	132,065,719
ASDSP II - MOALF Co- funding	2,000,000	-
Nutrition International- MoH - Co-funding	5,000,000	-
Covid 19 Support Grant- MOH	-	-
Total	74,447,849	132,065,719

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2020/2021	2019/2020
	Kshs	Kshs
Borrowing within General Government	-	-
TOTAL	-	-

5. PROCEEDS FROM FOREIGN BORROWINGS

	2020/2021	2019/2020
	Kshs	Kshs
Foreign Borrowings - Drawdowns Through Exchequer	-	-
TOTAL	-	-

6. PROCEEDS FROM SALE OS ASSETS

	2020/2021	2019/2020
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
TOTAL	-	-



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7. REIMBURSEMENT AND RETURNS

	2020/2021	2019/2020
	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement from Local Government Authorities	-	-
TOTAL	-	-

8. RETURNS OF EQUITY HOLDINGS

	2020/2021	2019/2020
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
TOTAL	-	-

9. County own Generated Receipts

	2020/2021	2019/2020
	Kshs	Kshs
RECEIPTS		
Parking Fees	33,745,080	31,021,400
Land Rates	1,085,373	817,100
Plot, Stall, Site Rent	8,621,624	6,341,388
Single Business Permits	48,464,700	26,298,008
Plans Inspection/Approval	4,597,390	3,510,810
Advertising (Billboards)	10,503,180	3,881,900
Hire of Machines (Lease and rental of Machines)	1,983,745	1,895,814
Fertilizer	-	16,800
Market and Trade Fees	14,562,280	14,016,045
Inspection and Impound Fees	1,694,795	634,430
Livestock Cess	2,788,580	1,449,940
Miscellaneous Income	1,170,652	3,930,930
Public Health Service	1,613,357	2,253,070
Weights and Measures	409,650	115,950
Hire of Hall	3,000	-
Facility Improvement Fund	25,820,533	40,287,694
Group registration	5,000	93,900
Sand And Murram	42,050	154,410
Land Boundary Disputes	493,000	319,480
Noise Emission	13,300	-
Veterinary Services	2,531,050	2,646,030
Water supply administration Fees	2,057,680	935,230



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	2020/2021	2019/2020
	Kshs	Kshs
Liquor license	1,435,000	5,022,775
Vihiga FM Receipts	2,253,321	2,556,032
TOTAL	165,894,340	148,199,136

10. Returned CRF Issues

	2020/2021	2019/2020
	Kshs	Kshs
Recurrent account	-	27,021,899
Development account	-	623,932
County Assembly - Recurrent account	-	30,450
County Assembly - Development account	-	-
Vihiga County Assembly - Imprest Account	-	52,568
Commercial Accounts	-	1,187,485
Total	-	28,916,334

11. Compensation of Employees

	2020/2021	2019/2020
	Kshs	Kshs
Basic salaries of permanent employees	891,269,038	883,312,404
Basic wages of temporary employees	312,173,921	322,920,095
Personal allowances paid as part of salary	747,123,272	857,929,112
Employer Contribution to NSSF	4,459,600	-
Employer Contribution to Pension Schemes	89,563,331	-
KRA PAYE Arrears paid -Agency Notices	150,000,000	-
Total	2,194,589,162	2,064,161,611

12. Use of Goods and Services

	2020/2021	2019/2020
	Kshs	Kshs
Utility Supplies and Services	44,464,261	58,828,319
Communication Supplies and Services	9,282,724	14,123,326
Domestic Travel and Subsistence	198,735,216	206,011,051
Foreign travel & subsistence	40,968,780	26,428,393
Printing Advertising and Information Supplies Services	29,377,466	29,698,804
Rentals of Produced Assets	7,192,958	5,074,031
Training Expenses	11,772,240	27,466,988
Hospitality Supplies and Services	105,539,045	118,178,191
Insurance expenses	43,833,961	16,935,476
Specialized Material supplies	214,541,445	128,439,226



**Vihiga County Executive
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	2020/2021	2019/2020
	Kshs	Kshs
Office and General Expenses	27,503,634	18,879,433
Other Operating Expenses	106,517,516	116,416,448
Routine Maintenance of Motor Vehicles	22,145,685	8,366,507
Refined Fuels, Lubricants and Other Fuels	35,846,700	36,225,034
Routine maintenance - Other Assets	10,204,319	8,983,749
Total	907,925,950	820,054,976

13. SUBSIDIES

Description	2020/2021	2019/2020
	Kshs	Kshs
Subsidies to Public Corporations	-	-
Subsidies to Private Enterprises	-	-
TOTAL	-	-

14. Transfer to other Government Units

Description	2020/2021	2019/2020
	Kshs	Kshs
Transfers to County government entities		
Transfers to County Assembly	649,778,651	615,507,826
Vihiga County Sports Fund	30,000,000	-
Trade and Enterprise Fund	-	26,977,000
Community Empowerment Fund	-	1,700,000
Transfer to Vihiga County Education Fund	98,025,170	120,000,000
Transfer to Vihiga County Waste Management	2,000,000	-
TOTAL	779,803,821	764,184,826

15. Other Grants and Payments

Description	2020/2021	2019/2020
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Other Capital Grants and transfers	873,980,562	414,189,696
TOTAL	873,980,562	414,189,696

The county Executive transferred Kshs 98,025,170 to Vihiga County Education fund under the scholarship programme. This has been adequately reported under transfers to other County Entities



16. Social Security Benefits

	2020/2021	2019/2020
	Kshs	Kshs
Government pension and retirement benefits	36,458,335	104,658,051
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
	-	-
Total	36,458,335	104,658,051

17. Acquisition of Assets

	2020/2021	2019/2020
	Kshs	Kshs
Non-Financial Assets		
Purchase of Buildings	-	-
Construction of Buildings	126,087,887	17,226,202
Refurbishment of Buildings	-	-
Construction of Roads	43,366,696	-
other Infrastructure and Civil Works	748,901,275	174,381,355
Overhaul and Refurbishment of Construction and Civil Works	-	150,293,906
Purchase of Vehicles and Other Transport Equipment	-	9,449,000
Purchase of Household Furniture and Institutional Equipment	399,999	2,499,697
Purchase of Office Furniture and General Equipment	19,426,124	8,880,609
Rehabilitation and Renovation of Plant, Machinery and Equipment	139,518,535	76,092,834
Purchase of Computers, software and ICT Equipment	6,402,603	-
Purchase of Specialized Plant, Equipment and Machinery	28,005,168	12,860,937
Purchase of Certified Seeds, Breeding Stock and Live Animals	5,949,278	2,611,900
Research, Studies, Project Preparation, Design & Supervision	2,490,000	3,998,225
Renovation and Rehabilitation of Civil Works	2,242,350	7,107,604
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	10,415,622	9,168,720
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets		
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Payables From previous Financial Years	-	745,127,311
Total acquisition of financial assets	-	-
Total acquisition of assets	1,133,205,535	1,219,698,299



18. Finance Costs, including Loan Interest

	2020/2021	2019/2020
	Kshs	Kshs
Bank Charges	17,001	-
Interest Payments on Foreign Borrowings	-	-
Interest on Borrowings from Other Government Units	-	-
Total	17,001	-

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2020/2021	2019/2020
	Kshs	Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
TOTAL	-	-

20. Other Payments

	2020/2021	2019/2020
	Kshs	Kshs
Facility Improvement Fund Expenditure	22,175,728	-
Total	22,175,728	-

21A. Bank Accounts

	Nature/ Purpose of Account	2020/2021	2019/2020
Name of Bank, Account No. & Currency		Kshs	Kshs
Vihiga County CRF ACCOUNT-CBK – 1000171456	Receipts	133,476,284	59,979,886
Vigiga County Dev Account-CBK – 1000170794	Development	45,179,186	2,236,068
Vihiga County Rec Account-CBK – 1000170859	Recurrent	2,159,625	64,857
Vihiga County Deposit ACCOUNT-CBK – 1000283645	Deposits	67,073,447	114,683,779
Vihiga County Fuel Levy Fund-CBK – 1000283653	Development	69,480,557	3,820,795
Vihiga County Univ Health -CBK- 1000345187	Recurrent	41,588,011	96,966,532
Vihiga County NARIGP Account-CBK- 1000364351	Development	-	195,369
Vihiga County Youth POLY Fund-CBK- 1000367032	Development	2,683,734	21,234



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	Nature/ Purpose of Account	2020/2021	2019/2020
Vihiga Couty ASDP ACCOUNT- CBK-1000367024	Development	-	-
Vihiga Coutny KUSP (UDG) ACCOUNT-1000388037	Development	65,009,010	179,489,676
Vihiga Coutny KUSP (UIG) ACCOUNT-1000379917	Development	-	8,800,000
Vihiga County Climate Change Account-1000486848	Development	7,000,000	-
Vihiga County Devolution Supp Account-1000440511	Recurrent	35,266,598	30,000,000
Vihiga County Nutrition International -1000443618	Recurrent	11,108,795	2,241,200
Vihiga County Covid SPA Account -CBK-1000468866	Recurrent	-	-
Treasury Standing Imprest Account-KCB - 1141334763	Imprest	4,122	1,967
Revenue Collection Account-KCB - 1140749552	Receipts	1,368,505	942,287
Vihiga County FIF Account- Coop-01141471202700	Receipts	5,258,162	
Vihiga County Covid SPA Account -Coop-01141471040000	Operations	8,397	
Dev Imprest Account-CO-OP - 01141471295000	Imprest	440,068	707,164
Dept of Water Operations-KCB - 12411033550	Imprest	1,111	642
Dept of Educ account-KCB - 1170665020	Imprest	2,096	2,000
Dept of Trade-KCB - 1172899320	Imprest	-	-
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Dept of Lands-KCB - 1170671136	Imprest	7,198	1,113
Dept of Transport-KCB - 1240928483	Imprest	418	596
Public Service Board-KCB - 1170670687	Imprest	193	1,636
Dept of Health-KCB - 1170665209	Imprest	9,966	4,755
Dept of Gender-KCB - 1240920083	Imprest	488	5,434
Dept of Agric-KCB - 1241214611	Imprest	2,663	-
Public Service and Admin-KCB - 1240128495	Imprest	88	38,739
Public Service and Admin-CO-OP - 01141472496800	Imprest	-	160,218
NARIGP Operation account - KCB-12395000580	Operations	114,598,409	44,720,351
ASDP II Operation a/c - KCB-1235794350	Operations	16,949,888	23,112,993



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	Nature/ Purpose of Account	2020/2021	2019/2020
Vihiga Municipality UIG - EQUITY- 0960278950377	Operations	26,144	1,190,391
Vihiga Municipality UDG - EQUITY- 0960278950397	Operations	7,676,780	106,485,485
Total		626,379,941	675,875,158

21B. Cash at Hand

	2020/2021	2019/2020
	Kshs	Kshs
Cash in Hand – Held in Domestic Currency	-	-
Cash in Hand – Held in Foreign Currency	-	-
Total	-	-

22. Accounts Receivable

	2020/2021	2019/2020
	Kshs	Kshs
Government Imprests	840,000	15,046,780
Salary Advances	2,070,617	2,070,617
Transfer due from County Assembly	28,000,000	26,360,921
Total	30,910,617	43,478,318

Breakdown of Imprest per Department	2020/2021	2019/2020
	Kshs	Kshs
Department Of Agriculture, Livestock and Fisheries	-	8,573,700
Department of Lands and Physical Planning	-	1,007,300
Department of Transport and Infrastructure	-	-
Department of Trade and Industry	-	-
Department of Health Services	-	966,500
Department of Education, Vocational Training	-	168,000
Department of County Executive	350,000	-
Department of Finance and Economic Planning	-	463,600
County Public Service Board	-	1,880,680
Department of Public Service and Administration	-	1,987,000
Department of Gender, Culture Youth and Sports	490,000	-
Department of Water and Environment	-	-
Subtotal	840,000	15,046,780
Breakdown of Salary Advance per Department		
Department of Transport and Infrastructure	195,175	195,175
County Assembly	1,775,438	1,775,438



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Department of Public Service and Administration	100,004	100,004
Subtotal	2,070,617	2,070,617
Grand Total	2,910,617	17,117,397

23. Accounts Payable

	2020/2021	2019/2020
	Kshs	Kshs
Retention	145,073,447	114,683,779
Deposits	81,496,392	76,573,342
Total	226,569,839	191,257,121

24. Fund Balance Brought Forward

	2020/2021	2019/2020
	Kshs	Kshs
Bank accounts	675,875,158	866,430,834
Cash in hand	-	-
Accounts Receivables	43,478,318	47,858,715
Accounts Payables	-	218,265,000
Total	528,096,355	696,024,549

25. Prior Year Adjustments

	Balance b/f FY 2019/2020 as per Audited Financial Statements	Adjustments During the Year relating to prior Year Periods	Adjusted Balance b/f FY 2019/2020
Description	Kshs	Kshs	Kshs
Bank account Balances	675,875,158	0	675,875,158
Cash in hand	-	-	-
Receivables	43,478,318	-	43,478,318
Accounts Payables	191,257,121	-	191,257,121
Total	910,610,597	0	910,610,597

26. Changes in Receivables

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance as at 1st July 2020 (A)	43,478,318	47,858,718
Closing Balance as at 30th June 2021(B)	30,910,617	43,478,318
Net changes in Account receivables (Increase) Decrease C=A-B	12,567,701	4,380,400



27. Changes in Payables

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance as at 1st July 2020 (A)	191,257,121	218,265,000
Closing Balance as at 30th June 2021 (B)	226,569,839	191,257,121
Net changes in Account Payables Increase (Decrease) C=A-B	35,312,718	- 27,007,879



10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020/2021	2019/2020
	KShs	KShs
Construction of Buildings	148,508,887	172,171,432
Construction of Civil Works	314,447,426	474,123,481
Supply of Goods	164,596,795	296,715,666
Supply of Services	59,019,656	261,798,583
Acquisition of Land	4,007,177	-
	690,579,941	1,204,809,163

2. PENDING STAFF PAYABLES (See Annex 2)

	2020/2021	2019/2020
	KShs	KShs
Senior Management	14,951,537	8,475,850
Middle Management	29,813,992	22,948,950
Unionisable Employees	36,730,863	44,755,848
Others	-	392,694
	81,496,392	76,573,342

3. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS

Name of Bank, Account No. & currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2020/2021	2019/2020
			KShs	KShs
Vihiga County Revenue Fund-CBK-1000171456	Kes	n/a	133,476,284	59,979,886
Vihiga County Revenue Collection Account- KCB-1140749552	Kes	n/a	1,368,505	942,287
Vihiga County FIF Account-Coop- 01141471202700	Kes	n/a	5,258,162	-
Total			140,102,951	60,922,173



4. DISCLOSURE OF RELATED PARTY TRANSACTIONS

	2020/2021	2019/2020
	KShs	KShs
Transfers to County Assembly	649,778,651	615,507,826
Transfer to Vihiga County Education Fund	98,025,170	120,000,000
Transfer to Vihiga County Trade and Enterprise Fund	-	26,977,000
Transfer to Empowerment Fund	-	1,700,000
Transfer to Vihiga County Sports Fund	30,000,000	
Transfer to Vihiga County Waste Management	2,000,000	
Bills Paid for Amatsi Water Company	20,282,000	31,677,451
Transfer to Car-loan and Mortgage Fund	-	-
TOTAL	800,085,821	795,862,277
TRANSFERS FROM RELATED PARTIES		
Transfers from Exchequer	5,610,438,270	4,938,754,410
Transfers from MDA'S	74,447,849	132,065,719
Transfer from Trade and Empowerment Fund	-	-
TOTAL	5,684,886,119	5,071,953,775

Transfers of Kshs 20,282,000 to Amatsi Water and Sanitation Company Were Not Monetary but they were in Kind. The Department of water Paid Electricity Bills

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

ENTITY	Date Established	Location	Accounting Officer
Amatsi Water and Sanitation Company	2014	Lunyerere Water Offices - Mbale	Mr. Collins Amuhaya
Vihiga County Education fund	2015	Mbale - Vihiga County Headquarters	Mr. Felix Mugalitsi
Vihiga County Car loan and Mortgage Fund	2019	Mbale - Vihiga County Headquarters	Mr. Livingstone Imbayi
Vihiga County Trade and Enterprise Fund	2019	Mbale - Vihiga County Headquarters	Mrs Beatrice Allosah
Vihiga County Sports Fund	2020	Mbale - Vihiga County Headquarters	Mrs Beatrice Makungu
Vihiga County Assembly	2013	vihiga County Assembly Offices	Mr. Ambaka Kilinga
Vihiga Municipal Board	2019	Mbale - Vihiga County Headquarters	Mrs. Lucy Ijai



6. DISCLOSURE OF CUMULATIVE SUMMARY OF FIXED ASSETS

Asset Class	Historical Cost b/f (KShs) 2019/2020	Additions During the Year (KShs)	Disposals During the Year (KShs)	Historical Cost C/F (KShs) 2020/2021
Land	54,328,720	8,965,622	-	63,294,342
Buildings and structures	314,416,105	20,996,811	-	335,412,916
Transport equipment	95,431,240	-	-	95,431,240
Office equipment, furniture and fittings	18,954,879	8,012,870	-	26,967,749
ICT Equipment, Software and Other ICT Assets	25,885,823	14,552,368	-	40,438,191
Other Infrastructure and Civil Works	192,865,332	353,363,219	-	546,228,551
Biological Assets	-	2,949,998	-	2,949,998
Total	701,882,099	408,840,888	-	1,107,772,989

NOTE: Included in the Acquisition of Assets are payables from previous years of Kshs. 580,113,763 and amount spent on renovation and improvement of Plant, Machinery and Equipment (PME) and civil works which could not be classified as assets acquired during the year.

SUMMARY	Kshs.
Acquisition of Assets	1,133,205,535
Less: Payables from previous year	580,113,763
Rehabilitation and Renovation of PME	139,518,535
Rehabilitation and Renovation of Civil works	2,242,350
Research, studies, project preparation design and supervision	2,490,000
Addition During the Year.	408,840,887



11.0 PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external Auditor on the Annual Report and Financial Statements of Vihiga County Executive for the FY 2019/2020. Most of the issues raised in the report were resolved except the ones listed below. We have nominated focal persons to handle the unresolved issues with the office of the Auditor General.

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)
1.	Cash and cash Equivalent	The amounts involved were cash in transit from the National Treasury for the Financial Year. The amounts were treated as per National Treasury guidelines on Late release of county Allocations	<ul style="list-style-type: none"> • CPA. Imbayi-COF • CPA. Otwoko-Dir. Accounts 	unresolved	10.05.2022
2.	Unsupported Expenditure	The case files are available for review	Mr. Aggrey Musiega – County Attorney	Unresolved	10.04.2022
3.	Unsupported Community Empowerment Fund	The Community Empowerment Fund is an autonomous Entity that prepares its financial Statements and is Audited separately. The fund documents are available for review	Beatrice Allosah.- Empowerment Fund Admin	Unresolved	15.04.2022
4.	Unreconciled Balances	The variances relate to expenditure by County assembly as per their IFMIS Ledger. This Has to be netted of the	CPA. Otwoko-Director - Accounts		10.05.2022



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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)
		ledger balances to ascertain correct expenditure by County Executive			
5.	Unsupported Expenditure – Acquisition of Assets	The procurement Documents are available for your Review	<ul style="list-style-type: none"> Mr. Godfery Oyaro- Director Supply Chain Dr. Mary Anyienda - Chief Officer – Health Services 	Unresolved	10.04.2022
6.	Unauthorised Expenditure	The Management has advised the chief officers to budget adequately for all components of personnel emoluments	COF & Dir. Accounts	Unresolved	10.05.2022

Sign.....

Date: 11th February, 2022

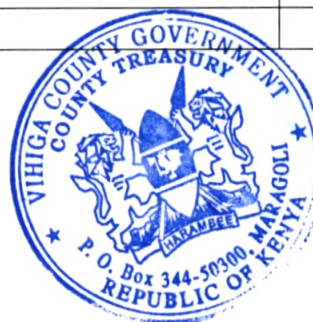
**Hon, CPA. Alfred Indeché
CECM- Finance and Economic Planning**



ANNEXURES

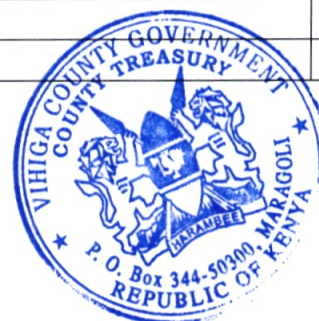
ANNEX 1: Pending Accounts Payable

Supplier of Goods or Services	Outstanding Balance
I. Construction of buildings	Kshs.
DEVELOPMENT PENDING BILLS FOR FY 2020/2021	
Simplex Investment Ltd	852,806
KMK Law LLP(Galexon Co. Ltd)	14,496,897
Broadcore Construction	999,873
Malee Geneal Supplies	1,490,764
Tencons Builders Ltd	1,490,978
Dicam Investment	1,490,207
Dermick Co. Ltd	1,497,091
Dermick Co. Ltd	1,142,420
Aggostem Development Ltd	1,487,764
Naidi Ventures Ltd	1,594,057
Lizday Co. Ltd	1,497,091
Balynn Company Ltd	1,407,101
Sub Total	29,447,049
PENDING BILLS FOR FY 2018-2019-DEVELOPMENT	
Bwak Enterprises	1,653,008
Galim Investment Limited	632,557
Samfra General Contractors Ltd	2,728,489
Ferrod Construction Ltd	59,341
Tencons Builders Limited	209,914
Tencons Builders Limited	59,341
Bripal Enterprises	871,440
Joy Rowl	578,400
Woods Dorm Enterprises Limited	125,567
Nakhulo Bidii Co. Limited	29,000
Dirass Construction Ltd	1,083
Lunar Emporium Ltd	26,800
Samarium Investment Co. Ltd	31,680
Periken Auto Agencies Limited	287,687
Femveja Company Ltd	870,000
Mutasudi Holding ltd	571,027
Jonama Enterprises	592,567
Odambo International Enterprises Limited	134,025
Alfalink Enterprises Limited	604,525
Alugrepa Construction Limited	254,340
Relinx Enterprises Limited	800,000



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Supplier of Goods or Services	Outstanding Balance
Prodema Company Limited	248,600
Bace Enterprise	1,550,000
Hopestar Fabricators Limited	690,255
Samfra General Contractors Ltd	636,976
Dicam Investment Limited	143,929
Evernex Enterprise Limited	1,221,022
Graliva Sovereign Limited	175,714
Mian Contractors Ltd	1,415,619
Vycans Digital Opportunities Trust Ltd	117,161
Manvuh Ltd	4,316,486
Limpid Ventures	691,390
Sanbanny Consultants	446,176
Milken Enterprise ltd	4,755,000
Ambodan CO. LTD	287,124
Vomes Constrction ltd	825,755
Milken Enterprise ltd	589,106
Scada Investment ltd	415,604
One care Co. ltd	750,000
Limpid Ventures	834,230
Manvuh Limited	142,681
Manvuh Limited	3,100,000
Nuru Women Holdings	469,220
Relinx Enterprises Limited	441,710
Yeda and Sons Enterprises Limited	812,001
Limpid Ventures	429,189
Lasuez Construction Limited	2,559,618
Broadcore Construction Ltd	1,504,032
Sub Total	40,689,390
PENDING BILLS FOR FY 2019 - 2020-DEVELOPMENT	
Akase Limited	1,156,328
Akase Limited	1,452,294
Papaton Security Services	1,504,501
Ms Omutelema	331,316
Relinx	678,152
Jaza Enterprise	1,936,891
GANGO ENTERPRISES CO. LTD	1,432,245
Lucamo Enterprises Ltd	1,198,961
KINGFIELD TELEDATA ENTERPRISES LTD	287,120
Lucamo Consstruction Ltd	1,278,892
Malee General Supplies	359,100



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Qimlink Investment Ltd	1,427,475
MUTASUDI HOLDINGS LTD	3,022,193
BASE ENTERPRISES	1,523,646
CANELAND SECURITY GUARDS LTD	252,387
Tencons Builders Ltd	9,558
Papaton Security Services Ltd	2,729,787
SAVA CONSTRUCTION LTD	2,632,418
PETRIAM CONSTRUCTION LTD	175,240
Bobran Enterprises	738,481
EDIETRIUM CONSULTANCY SERVICES LTD	1,567,728
EDIETRIUM CONSULTANCY SERVICES LTD	783,864
FRIDOCA SOLUTIONS LTD	1,209,959
JAZA ENTERPRISES BUILDING CONTRACTORS LTD	1,086,297
Jucolis International Ltd	2,457,327
Limpid Ventures Ltd	1,295,188
Malee General Supplies	382,761
SHARO ENTERPRISES LTD	718,428
SHARO ENTERPRISES LTD	718,428
Limpid Ventures Ltd	1,317,911
Tough Valley Enterprises Limited	428,986
VOMES Construction	825755.28
Samfra General Contractors	2728489
SUB Total	39,648,107
<u>Historical pending bills - Committee Resolution</u>	<u>16,047,657</u>
<u>Historical pending bills - Retention</u>	<u>22,676,684</u>
TOTAL	148,508,887
2. Construction of civil works	-
DEVELOPMENT PENDING BILLS FOR FY 2020/2021	
DERMIK COMPANY LTD	997,600
GLADYTRON COMPUTER SERVICES LIMITED	2,900,000
INTELLBIZ AFRICA LIMITED	1,986,384
RETRO-TECH AGENCIES	5,226,300
RETRO-TECH AGENCIES	5,764,620
NJIRINYA CONSTRUCTION LIMITED	698,779
SALKE COMPANY LIMITED	899,970
SCHEME CONSTRUCTION AND TECHNOLOGY DESIGNERS LTD	985,270
Sub Total	19,458,923
PENDING BILLS FOR FY 2019 - 2020-DEVELOPMENT	-
BLUE ZEBRA TRADERS LTD	972,993
Alugrepa	889,999



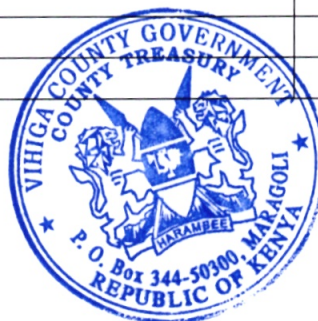
**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Fridoca Solution and Construction	1,472,595
Labrynth Limited	990,000
Blue Zebra Traders Limited	990,000
BB & T INVESTMENTGROUP LTD	1,459,500
Berobran Investment Ltd	2,900,667
Brelam Auto Limited	2,315,200
Broadcore Construction	995,313
Bulnek Limited	4,517,996
Carcinoma Constructions Ltd	2,370,576
Caezerentric Limited	4,362,760
Ductive Investments Limited	737,114
Edietrium Consultancy Services Ltd	2,135,560
Embogo Contractors Ltd	3,099,926
Galin Investments Limited	3,870,688
Gosech Limited	2,001,696
JULKA MOVERS	997,136
Linchtop Holdings Limited	877,438
Maginot projects Limited	1,242,643
Maginot Projects Limited	5,439,146
Maginot projects Limited	4,924,441
Maginot Projects Limited	2,553,040
Meldanglava Investments Limited	3,872,875
Parkhill Enterprises Limited	3,947,712
SHARO ENTERPRISES LTD	996,817
SHARO ENTREPRISES LTD	718,428
VENCH VENTURE LIMITED	4,922,924
Widescope Construction Ltd	6,088,144
Caezerentric limited	595,500
SHARO ENTERPRISES LTD	599,332
EMM CONSULT LTD	583,440
Brelam Ltd	103,673
Dermik Company Ltd	1,441,875
Galin Investments Limited	1,995,000
Goetham Limited	4,433,652
Njirinya Enterprises Ltd	2,659,017
Haka Int. Ltd	6,950,314
Jucolis Internation Ltd	5,232,876
Maginot projects Limited	1,457,204
Maginot projects Limited	2,961,526



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Sub Total	101,676,738
PENDING BILLS FOR FY 2018-2019-DEVELOPMENT	
Jaynse Enterprises Ltd	132,000
Skyline Enterprises Limited	1,641,110
Clockwise International Limited	3,991,328
Bami Investment Limited	2,990,040
Haka International Ltd	2,691,960
Complete Construction Company	1,700,641
Sub Total	13,147,079
Historical pending bills - Eligible	138,303,951
historical pending bills - Retention	41,860,735
TOTAL	314,447,426
3.Acquisition of Land	
DOUGLAS FLEXX JUMBA	750,000
EVERLINE MUNAGI TSIMBAGI	10,400
LAWRENCE ODENDO LIHASI	146,777
Aggrey Mosera Embuki	3,100,000
Sub Total	4,007,177
TOTAL	4,007,177
4. Supply of goods	
Recurrent Pending Bills For Fy 2020/2021	
Albert K Lumire	13,350
Mak Performance Systems Ltd	475,000
Travia Technical Services	499,999
Grageo Company Ltd	972,000
Nito Printers & General Suppliers	999,851
Hass Petroleum	1,159,650
Rabellin Enterprise	1,799,000
Bobran Enterprises Ltd	1,495,750
Von Tugft Ltd	447,692
East Park General Suppliers	575,000
Trison Engineering	598,560
Geiweiss Limited	150,000
The Bam Creative	97,000
Farwest Ltd	350,000
Travia Technical Support Services	387,700
Mamotek Enterprise	457,448
Sipho Solutions	807,000
Yeda & Sons Enterprises Ltd	995,670



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
WESTRIFT ENTERPRISES	992,000
ROYALCARE LTD	1,000,000
COLORTWIST MEDIA	1,111,425
CAMELIZ COMPANY LTD	1,734,000
MAGALS TRADERS AND CONT. LTD	1,893,584
FRALAMSE WOMEN COMPANY LTD	2,312,000
LIMPID VENTURES LTD	2,463,950
MUTASUDI HOLDINGS LTD	2,489,550
WYCELLCON LTD	2,601,000
PEACE ALIVE COMPANY	2,638,582
NAOTRAC ENTERPRISES	2,925,000
ALBERT K LUMIRE	11,450
YASUKE GROUP LTD	673,343
THE BAM CREATIVE	589,000
RADEY COMPANY LTD	2,200,124
TERINOS CO. LTD	1,198,336
ABHA CONSTRUCTION LTD	1,687,259
LEBRIM LIMITED	970,000
VIIMCOM WORLDWIDE LIMITED	456,800
Sub Totals	42,228,074
PENDING BILLS FOR FY 2019-2020-RECURRENT	
LIANFAM AFRICA LTD	398,500
Wavemart Enterprises	1,696,135
BOBRAN	900,000
Lorodo Traders	2,250,000
Bobran Enterprises	5,400,000
Geihweiss Ltd	775,000
Geihweiss Ltd	602,000
Roddy's Eco Cover	78,000
Joyrowl Ltd	540,000
Westrift Enterprises Ltd	6,070,000
Liasure Agencies	762,000
Colive Enterprises	299,990
Vision Hope Agencies	230,203
Cedow Company Investments	30,000
Kingsway Tyres Limited	336,294
Kingsway Tyres Ltd	353,500
Bacom Investment	220,000
Akase Limited	1,893,250
Jopham Solutions Company Ltd	993,930



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Clockwise Int. Ltd	3,991,328
Bami Investment Ltd	2,990,000
SUB TOTALS	30,810,130
PENDING BILLS FOR FY 2018-2019-DEVELOPMENT	
Rabboni Project Builders Limited	121,991
Kenya Literature Bureau	1,999,659
RABONNY POJECTS BUILDDES LTD	1,781,122
AKASE LTD	1,893,200
kulin ltd	2,981,300
Oasis Press Supplies ltd	2,993,538
Sub Total	11,770,810
historical Pending bills - Eligible	79,787,781
TOTAL	164,596,795
5. Supply of services	
RECURRENT PENDING BILLS FOR FY 2020/2021	
Amatsi Water Services	66,021
Wigot Gardens	150,000
Pinecone Hotel Ltd	455,000
Bacom Investments	702,400
Masila & Co. Advocates	1,531,200
Roddys Eco Cover	131,300
Roddys Eco Cover	149,997
Makumi Agencies Ltd	239,500
Sosa Cottages Ltd	271,400
Panarola Events Mbale	520,000
Nation Media Group	180,120
Nation Media Group	180,120
Nation Media Group	183,280
Beevesta Ventures	299,650
Dorodo Traders	149,600
Roddys Ecocover	575,000
Roddys Ecocover	700,000
Roddys Ecocover	270,000
Roddys Ecocover	52,500
Roddys Ecocover	967,500
Roddys Ecocover	330,000
Roddys Ecocover	350,000
Lorodo Traders	76,600
Ogada Shade Auto	113,400



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Roddys Eco- Cover	71,500
Roddys Eco- Cover	50,000
Roddys Eco- Cover	75,000
Roddys Eco- Cover	65,000
Roddys Eco- Cover	37,500
Roddys Eco- Cover	82,500
Roddys Eco- Cover	24,000
Roddys Eco- Cover	40,000
Roddys Eco- Cover	35,000
Roddys Eco- Cover	75,000
Roddys Eco- Cover	112,500
Roddys Eco Cover	180,000
Madison General Insurance Kenya Ltd	1,186,606
Mortech Automotive Ltd	99,225
Roddys Eco Cover	175,000
Devart Limited	2,100,000
Pewin Motors Limited	213,109
Roddys Eco Cover	325,000
Roddys Eco Cover	787,500
Energy Contractors	3,069,800
Bonoti Auto Electricals And Spares	3,078,422
Roodys Eco Cover	90,000
Roddys Eco Cover	100,000
Hillside Villa	152,500
Roddys Eco Cover	696,960
Roodys Eco Cover	600,000
Mortech Automotive Ltd	164,140
Rodricks Oware Ambuka	700,000
Kra/Deposit Retention	867,354
Plane, Geodetic And Space Systems Ltd	1,400,000
Kra/Deposit Retention	10,719,597
Sub Totals	36,017,801
PENDING BILLS FOR FY 2019-2020-RECURRENT	
Makumi Agencies Ltd	239,500
Angatia Motor Works	190,000
Philmafaith	43,277
Kajuwala Motors	400,000
Hillside	138,083
Devert Ltd	2,757,316
Namo Italiano Ltd	147,300





**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

Supplier of Goods or Services	Outstanding Balance
Roddys Eco Cover	560,000
Broadpark Hotels	30,000
Roddy's Eco Cover	36,000
Roddy's Eco Cover	48,000
Roddy's Eco Cover	42,000
Roddy's Eco Cover	720,000
Roddy's Eco Cover	120,000
Asaala & Kinyanjui And Company Advocates	1,223,657
Pan African Equipment Ltd	405,470
Frader Consultancy Services	5,522,321
Namo Italiano (K) Ltd	308,189
Sub Totals	12,931,112
historical Pending bills - Committee Resolution	10,070,743
TOTAL	59,019,656
GRANDTOTAL	690,579,940
SUMMARY OF PENDING BILLS MOVEMENTS	KSHS
OPENING BALANCE AS AT 1ST JULY, 2020	1,204,809,163
ADDITIONS	431,700,865
PAYMENT DURING THE YEAR	945,930,088
CLOSING BALANCE AS AT 30TH JUNE 2021	690,579,940

PREPARED BY: *Luka Agai*
SIGN: *[Signature]*

APPROVED BY: *Benjamin E. Otwoko*
SIGN: *[Signature]*



Vihiga County Executive
 Reports and Financial Statements
 For the year ended June 30, 2021

ANNEX 2: Pending Staff Payables

	IPPD DEDUCTIONS						
	SUMMARY						
	FY 2020/2021						
SRN	DETAILS	BAL. B/F	G.AMOUNT PAYABLE	COMMISSION	NET PAYABLES	AMOUNT PAID	BAL. C/D
1	SACCOs	13,046,038	117,889,412	426,900	130,508,550	117,751,538	12,757,011
2	INSURANCE	1,763,1868	20,849,779	625,519	21,987,446	20,221,721	1,765,725
3	COMMERCIAL LOANS	32,298,6238	450,063,951	2,350,314	480,012,261	449,678,757	30,333,503
4	GRATUITY	-	37,003,310	-	37,003,310	34,408,075	2,595,235
5	WELFARE	5,106,921	9,305,132	542,040	13,870,013	8,245,096	5,624,917
6	NSSF	20,593	10,228,400	-	10,248,993	9,900,000	348,993
7	NHIF	4,700,102	30,089,450	-	34,789,552	32,196,550	2,593,002
8	HELB	237,937	3,131,702	-	3,369,639	2,791,695	577,945
9	LAPFUND	5,238,820	104,013,516	-	109,252,336	103,906,997	5,345,338
10	LAPTRUST	3,880,512	36,822,819	-	40,703,331	36,090,872	4,612,459
11	PAYE	10,280,609	302,199,500	-	312,480,110	297,537,847	14,942,263
	TOTAL	76,573,342	1,121,596,971	3,944,773	1,194,225,540	1,112,729,148	81,496,392

PREPARED BY:

John Otwoko

SIGNATURE:



APPROVED BY:

Benjamin E. Otwoko

SIGNATURE:

Benjamin E. Otwoko

ANNEX 3 Transfers to Other County Entities/Inter Entity Transfers
1. TRANSFERS TO COUNTY ASSEMBLY FINANCIAL YEAR 2020-2021

DATE	DETAILS	AMOUNT
14.08.2020	County Assembly Requisition- Personnel Emoluments	26,625,720
27.08.2020	County Assembly Requisition- Operations and Maintenance	19,774,280
03.09.2020	County Assembly Requisition- Personnel Emoluments	25,157,530
19.10.2020	County Assembly Requisition- Personnel Emoluments	26,006,806
27.10.2020	County Assembly Requisition- Operations and Maintenance	34,944,053
04.11.2020	County Assembly Requisition- Personnel Emoluments	26,437,412
06.11.2020	County Assembly Requisition- Operations and Maintenance	21,697,942
02.12.2020	County Assembly Requisition- Personnel Emoluments	25,455,164
14.12.2020	County Assembly Requisition- Operations and Maintenance	23,213,595
24.12.2020	County Assembly Requisition- Operations and Maintenance	22,826,527
24.12.2020	County Assembly Requisition- Personnel Emoluments	27,045,274
27.01.2021	County Assembly Requisition- Development	3,073,048
04.02.2021	County Assembly Requisition- Personnel Emoluments	24,551,902
10.02.2021	County Assembly Requisition- Operations and Maintenance	56,145,043
11.03.2021	County Assembly Requisition- Personnel Emoluments	26,360,609
17.03.2021	County Assembly Requisition- Operations and Maintenance	28,650,392
01.04.2021	County Assembly Requisition- Personnel Emoluments	26,306,183
09.04.2021	County Assembly Requisition- Operations and Maintenance	27,366,954
26.04.2021	County Assembly Requisition- Development	12,703,168
04.05.2021	County Assembly Requisition- Personnel Emoluments	27,145,741
10.05.2021	County Assembly Requisition- Operations and Maintenance	25,624,435
07.06.2021	County Assembly Requisition- Personnel Emoluments	28,032,441
09.06.2021	County Assembly Requisition- Development	15,866,902
15.06.2021	County Assembly Requisition- Operations and Maintenance	23,980,483
07.07.2021	County Assembly Requisition- Operations and Maintenance	16,894,613
09.07.2021	County Assembly Requisition- Personnel Emoluments	27,892,434
TOTALS		649,778,651



**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

TRANSFERS TO VIHIGA SPORTS FUND

DATE	DETAILS	AMOUNT
30.12.2020	Vihiga County Sports Fund	30,000,000
TOTALS		30,000,000

3. TRANSFERS TO VIHIGA COUNTY EDUCATION FUND

DATE	DETAILS	AMOUNT
30.06.2021	Vihiga County Education Fund	90,000,000
24.04.2021	Vihiga County Education Fund	8,025,170
TOTALS		98,025,170

4. TRANSFERS TO VIHIGA COUNTY WASTE MANAGEMENT

DATE	DETAILS	AMOUNT
30.12.2020	Vihiga County Waste Management	2,000,000
TOTALS		2,000,000



ANNEX 3(a): Outstanding Imprests

LIST OF OUTSTANDING IMPRESTS AS AT 30-JUN-2021			
	Name	Department	Amount
1	Renson Teka Oluchiri	Executive	350,000
2	Abubakar Wandala	Gender	490,000
	TOTAL		840,000

ANNEX3 (b): SALARY ADVANCES

Outstanding Salary Advances as at 30th June 2021

	NAMES	TOTALS BALANCE
1	Sande Mukuna	407,603
2	Newton Okwiya	21,333
3	Tom Atingo	380,000
4	Glyde Kweya	58,000
5	Zakayo Manyasa	100,000
6	Wilberforce Kitiezo	250,000
7	Pauline Amwata	192,502
8	Vincent Atsiaya	60,000
9	Florence Khaguli	250,000
10	Jackson Mugasyia	56,000
11	Rodger Christopher Tunya	195,175
12	Keneth Ngunga Mamboleo	100,004
	TOTAL	2,070,617



ANNEX 4: Notes to the Accounts on the Performance of Own Generated Revenues.

1. Bus Park and Parking Fees.

The huge variance in collection of Bus Park and Parking fees was largely due to disruptions witnessed in the transport sector due to the effects of covid-19 pandemic.

2. Land rates.

The huge variance in the land rates was caused by lack of enabling legislation to enforce collection of the same. The County is undertaking the process of preparation of the valuation roll to facilitate efficient collection of revenue from the land rates revenue stream.

3. Plot, Stall, Site and House Rent.

The huge variance in plot, stall, site and house rent was brought by effective enforcement of collections from the respective revenue streams.

4. Advertising and Branding.

The huge variance in Advertising and branding was due to increased advertisement activities undertaken in the county by various clients and effective enforcement for compliance in the revenue stream during the financial year.

5. Fertilizer.

Non collection in the Fertilizer revenue stream was caused by failure to sale fertilizer during the financial year.

6. Market and Trade Fees.

The huge variance in Market and Trade fee collection was caused by the effects of Covid-19 pandemic that disrupted the normal operations of markets.

7. Inspection and Impound Fees.

The huge variance in Inspection and Impound fees was due to effective enforcement undertaken with respect to revenue streams and also unrealistic budget allocation to the revenue stream where there was underbudgeting.

8. Public Health.

Public health collections were largely affected by the effects of covid-19 pandemic. Most premises where fees and charges with respect to public health had their operations affected to a large extend.

9. Group Registration.

The huge variance in group registration fees was due to few groups registered during the financial year.



10. Sand and Murram.

The huge variance in sand and Murram fees was due to reduced activities in harvesting of sand and murram during the financial year.

11. Weights and Measures.

The huge variance in weights and measures was brought by effective enforcement of collections from the respective revenue streams.

12. Hire of Hall

The huge variance in collection from hire of hall was caused by the current poor state of the county hall. The county needs to undertake refurbishment and renovation of the hall at Sabatia Subcounty to attract potential clients.

13. Facility Improvement Fund.

The huge variance in Facilities Improvement fund revenue stream was due to the constant disruptions due to frequent strikes witnessed in the hospitals during the financial year.

14. Liquor License fees.

The huge variance in Liquor license fees was caused by disruptions in the liquor industry due to the outbreak of covid-19 pandemic that disrupted operations in the liquor industry.

15. Vihiga FM Receipts.

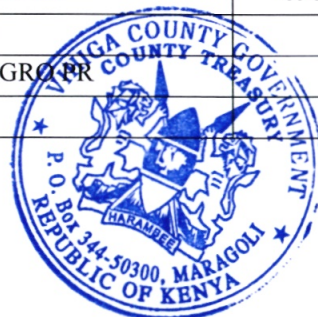
The huge variance in Vihiga FM was due to the stream not having been allocated a budget as it is a newly introduced revenue stream. The stream will be allocated a budget going forward.



Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 5: Register of Vihiga County Bank Accounts

REGISTER OF VIHIGA COUNTY BANK ACCOUNTS						
S/n	ACCOUNT NAME	ACCOUNT NO.	Date opened	BANK	BRANCH	Purpose
1	Vihiga County Treasury	1141334763	6/22/2016	KCB	MBALE	County Treasury Imprest Account
2	Vihiga Revenue Account	1140749552	6/22/2016	KCB	MBALE	Local Revenue Collection Account
3	Vihiga County Agriculture	1241214611	11/15/2018	KCB	MBALE	Dept. of Agriculture Imprest Account
4	Vihiga County Trade	1177899320	11/15/2018	KCB	MBALE	Dept. of Trade Imprest Account
5	Co-Oop Salary Account	0114147129500	8/8/2014	CO-OP	MBALE	Unpaid salary suspense Account
6	Vihiga County Education	1170665020	11/15/2018	KCB	MBALE	Dept. of Education Imprest Account
7	Vihiga County Lands	1170665020	6/22/2016	KCB	MBALE	Dept. of Lands Imprest Account
8	Vihiga County PSB	1170670689	6/22/2016	KCB	MBALE	Public Service board Imprest Account
9	Vihiga County Transport	1240928483	11/7/2018	KCB	MBALE	Dept. of Transport Imprest Account
10	Health Department Operation Account	1170665209	8/8/2015	KCB	MBALE	Department of Health Operation Account
11	Vihiga County PSA	1240128495	10/9/2018	KCB	MBALE	Public Service and Admin imprest Account
12	Vihiga County Gender	1240920083	11/1/2018	KCB	MBALE	Dept of gENDERImprest Account
13	Vihiga County Environment	1241110355	10/9/2018	KCB	MBALE	Dept of Water and Env. Imprest Account
14	Narigp Operation Account	1239500580	1/21/2019	KCB	MBALE	Project Operations Account
15	Vihiga County Car-loan And Mortgage	01120278817955	4/25/2019	EQUITY	LUANDA	Car Loan and Mortgage Main Fund Account
16	Vihiga County Kusp UDG Account	0960278950347	6/13/2019	EQUITY	MBALE	Project Operations Account
17	Vihiga County Kusp UIG Account	0960278950377	6/13/2019	EQUITY	MBALE	Project Operations Account
18	Asdsp li Operation Account	1235794350	7/13/2018	KCB	MBALE	Project Operations Account
19	NATIONAL AGR RU INC GROUP	1000364351	2/5/2018	CENTRAL BANK	NAIROBI	Project Special Purpose Account
20	AGRIC.SEC DEV SUPP	1000367024	2/19/2018	CENTRAL BANK	NAIROBI	Project Special Purpose Account



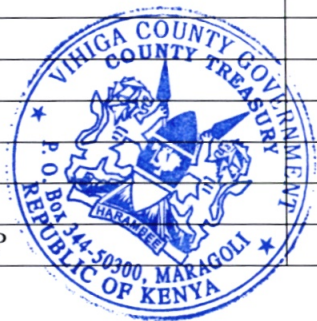
**Vihiga County Executive
Reports and Financial Statements
For the year ended June 30, 2021**

REGISTER OF VIHIGA COUNTY BANK ACCOUNTS						
S/n	ACCOUNT NAME	ACCOUNT NO.	Date opened	BANK	BRANCH	Purpose
21	Village Poly Project	1000367032	2/19/2018	CENTRAL BANK	NAIROBI	Project Special Purpose Account
22	Urban Sup Prog (U.I.G)	1000379917	8/15/2018	CENTRAL BANK	NAIROBI	Project Special Purpose Account
23	Urban Sup Prog (U.D.G)	1000388037	8/15/2018	CENTRAL BANK	NAIROBI	Project Special Purpose Account
24	Vihiga County Development	1000170794	7/18/2013	CENTRAL BANK	NAIROBI	County Development Account
25	Vihiga County Recurrent	1000170859	7/19/2013	CENTRAL BANK	NAIROBI	County Recurrent Account
26	Vihiga County Revenue Funds	1001711456	7/20/2013	CENTRAL BANK	NAIROBI	Main Revenue Fund
27	Vihiga County Deposit Account	1000283645	11/10/2016	CENTRAL BANK	NAIROBI	Retention Holding Account
28	Vihiga County Road Maint. Levy Fund	1000283653	11/10/2016	CENTRAL BANK	NAIROBI	Special Purpose Account- RMLF
29	Vihiga County Univer. Health Care PJC	1000345187	7/13/2017	CENTRAL BANK	NAIROBI	Special Purpose Account- THUSP
30	Vihiga County Education Fund Acc	1000361506	1/12/2018	CENTRAL BANK	NAIROBI	Main County Bursary Fund Account
31	Vihiga County Devol Supp Prog	1000440511	2/21/2020	CENTRAL BANK	NAIROBI	Special Purpose Account-KDSP
32	Vihiga County Nutrition International	1000443618	3/17/2020	CENTRAL BANK	NAIROBI	Special Purpose Account
33	Vihiga Municipality UIG	960278950377		EQUITY	MBALE	Operations
34	Vihiga Municipality UDG	960278950397		EQUITY	MBALE	Operations
35	Vihiga Climate Change Account	1000486848		CENTRAL BANK	NAIROBI	Development
36	Vihiga County Covid Spa	1000468866		CENTRAL BANK	NAIROBI	Reccurent
37	Vihiga County FIF	1141471202700		COOP	MBALE	Receipts
HEALTH FACILITIES -VIHIGA COUNTY						
38	MBALE RURAL PHTC	1141472974100	5/6/2014	CO-OP	MBALE	Health Facility Operations Account
39	ENZARO HC	1141472974300	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
40	VIHIGA HC	1141472973200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
41	LYANAGINGA HC	1141472974200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
42	BUGINA HC	1141472974600	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
43	KEGONDI HC	1141472972900	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
44	GIVUDIMBULI HC	1141472974500	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
45	SEREM HC	1141472975400	10/25/2014	CO-OP	MBALE	Health Facility Operations Account



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REGISTER OF VIHIGA COUNTY BANK ACCOUNTS						
S/n	ACCOUNT NAME	ACCOUNT NO.	Date opened	BANK	BRANCH	Purpose
46	BANJA HC	1141472975300	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
47	TIGOI HC	1141472975200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
48	SHIRU HC	1141472975500	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
49	LIKINDU HC	1141472975600	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
50	EBUSIRATSHI HC	1141472974700	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
51	EMUSIRE HC	1141472975000	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
52	EKWANDA HC	1141472974900	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
53	ESIARAMBATSI HC	1141472974800	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
54	IPALI HC	1141472975100	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
55	MULELE DISP	1141472972800	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
56	IDUKU DISP	1141472980200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
57	BUGAMANGI HC	1141472975800	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
58	INYALI DISP	1141472976700	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
59	MUNOYWA DISP	1141472973000	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
60	NADANYA DISP	1141472977400	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
61	KAPCHEMWANI DISP	1141472976400	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
62	JEPKOYAI DISP	1141472976600	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
63	KAPTECH DISP	1141472976500	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
64	KAPTIS DISP	1141472977000	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
65	GIVOLE DISP	1141472976900	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
66	KIMOGOI DISP	1141472976800	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
67	EBUSYUBI DISP	1141472975900	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
68	EMATSULI DISP	1141472976200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
69	EMUSENJELI DISP	1141472976100	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
70	ESITSABA DISP	1141472976000	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
71	MUSITINYI DISP	1141472976300	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
72	LUANDA TOWNSHIP	1141472977100	10/25/2014	CO-OP	MBALE	Health Facility Operations Account



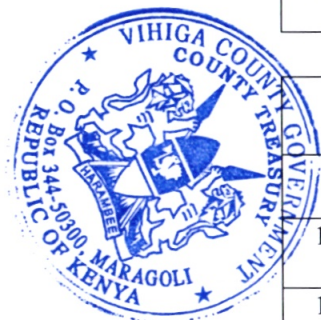
Vihiga County Executive
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REGISTER OF VIHIGA COUNTY BANK ACCOUNTS						
S/n	ACCOUNT NAME	ACCOUNT NO.	Date opened	BANK	BRANCH	Purpose
73	EKAMANJI DISP	1141472977300	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
74	EGAGO DISP	1141472456300	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
75	KISASI DISP	1141472463400	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
76	EBUKANGA DISP	1141472977200	10/25/2014	CO-OP	MBALE	Health Facility Operations Account
VIHIGA EDUCATION FUND ACCOUNTS						
77	Vihiga County Education Fund	1173663711	7/1/2014	KCB	MBALE	Ward Bursary Account
78	Shiru Ward Bursary Account	1224264355	7/25/2014	KCB	MBALE	Ward Bursary Account
79	Banja Ward Bursary Account	1252503423	7/25/2014	KCB	MBALE	Ward Bursary Account
80	Gisambai Ward Bursary Account	1141472688700	7/25/2014	CO-OP	MBLE	Ward Bursary Account
81	Jepkoyai Ward Bursary Account	1252267924	1/31/2019	KCB	MBALE	Ward Bursary Account
82	Muhudu Ward Bursary Account	1224264193	7/25/2014	KCB	SEREM	Ward Bursary Account
83	Shamakhokho Ward Bursary Account	1224264290	7/25/2014	KCB	MBALE	Ward Bursary Account
84	Tambua Ward Bursary Account	1141472692800	7/25/2014	CO-OP	MBALE	Ward Bursary Account
85	Busali Ward Bursary Account	1141472685000	7/25/2014	CO-OP	MBALE	Ward Bursary Account
86	Chakali Ward Bursary Account	1141472685900	7/25/2014	CO-OP	MBALE	Ward Bursary Account
87	Lyadyuwa Ward Bursary Account	1141472688900	7/25/2014	CO-OP	MBALE	Ward Bursary Account
88	North Maragoli Ward Bursary Account	1141472688800	7/25/2014	CO-OP	MBALE	Ward Bursary Account
89	West Sabatia Ward Bursary Account	1252333196	7/25/2014	CO-OP	MBALE	Ward Bursary Account
90	Wodanga Ward Bursary Account	1141472693400	7/25/2014	CO-OP	MBALE	Ward Bursary Account
91	Central Bunyore Ward Bursary Account	1141472686100	7/25/2014	CO-OP	MBALE	Ward Bursary Account
92	N. E Bunyore Ward Bursary Account	1141472692300	7/25/2014	CO-OP	MBALE	Ward Bursary Account
93	West Bunyore Ward Bursary Account	1141472685600	7/25/2014	CO-OP	YALA	Ward Bursary Account
94	Emabungo Ward Bursary Account	1224273699	7/25/2014	KCB	LUANDA	Ward Bursary Account
95	Luanda South Ward Bursary Account	1141472694000	7/25/2014	CO-OP	MBALE	Ward Bursary Account
96	Wemilabi Ward Bursary Account	1252338465	1/31/2019	CO-OP	LUANDA	Ward Bursary Account
97	Luanda Township Ward Bursary Account	1224273664	7/25/2014	KCB	LUANDA	Ward Bursary Account
98	Mwibona Ward Bursary Account	1252315945	1/31/2019	KCB	LUANDA	Ward Bursary Account



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REGISTER OF VIHIGA COUNTY BANK ACCOUNTS						
S/n	ACCOUNT NAME	ACCOUNT NO.	Date opened	BANK	BRANCH	Purpose
99	Central Maragoli Ward Bursary Account	1141472686000	7/25/2014	CO-OP	MBALE	Ward Bursary Account
100	Mungoma Ward Bursary Account	1141472684800	7/25/2014	CO-OP	MBALE	Ward Bursary Account
101	South Maragoli Ward Bursary Account	1141472505200	7/25/2014	CO-OP	MBALE	Ward Bursary Account
102	Wamuluma Ward Bursary Account	1141472685400	7/25/2014	CO-OP	MBALE	Ward Bursary Account
EMPOWERMENT FUND ACCOUNTS						
		ACCOUNT NO.		BANK	BRANCH	
103	Trade and Enterprise Fund main account	0960278742925	4/1/2019	EQUITY	MBALE	Receipts and Disbursement Account
104	Trade and Enterprise Fund recoveries account	0960278742949	4/1/2019	EQUITY	MBALE	Loans Recovery Account
105	Community Empowerment Fund main Account	1166809986	6/26/2015	KCB	MBALE	Receipts and Disbursement Account
106	Community empowerment fund recoveries account	1166810348	6/26/2015	KCB	MBALE	Loans Recovery Account



VOCATIONAL TRAINING CENTERS ACCOUNTS							
	SUB-COUNTY	INSTITUTION		ACCOUNT NO.	BANK	BRANCH	PURPOSE
107	EMUHAYA/ LUANDA	MASENO	7/15/2013	1229932011	KCB	LUANDA	Vocational Training Centers Operation Accountts
108		NZALWA	7/15/2013	1230622853	KCB	LUANDA	Vocational Training Centers Operation Accountts
109		MWAMBEBE	7/15/2013	1229914560	KCB	LUANDA	Vocational Training Centers Operation Accountts
110		EMATETE	7/15/2013	1229920730	KCB	LUANDA	Vocational Training Centers Operation Accountts
111		EBUSIRALO	7/15/2013	1229922229	KCB	LUANDA	Vocational Training Centers Operation Accountts
112		EMMUKUNZI	7/15/2013	1229937560	KCB	LUANDA	Vocational Training Centers Operation Accountts
113	VIHIGA	KEVEYE	7/15/2013	1228476098	KCB	MBALE	Vocational Training Centers Operation Accountts
114		SOUTH MARAGOLI	7/15/2013	1229104658	KCB	MBALE	Vocational Training Centers Operation Accountts
115		HAMBALE	7/15/2013	1229052356	KCB	MBALE	Vocational Training Centers Operation Accountts

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VOCATIONAL TRAINING CENTERS ACCOUNTS							
	SUB-COUNTY	INSTITUTION		ACCOUNT NO.	BANK	BRANCH	PURPOSE
116		CHANZEYWE	7/15/2013	1229019480	KCB	MBALE	Vocational Training Centers Operation Accountts
117		VIGESTE	7/15/2013	1229075569	KCB	MBALE	Vocational Training Centers Operation Accountts
118		KITULU	7/15/2013	1229079971	KCB	MBALE	Vocational Training Centers Operation Accountts
119		BUSAINA	7/17/2013	1228462666	KCB	MBALE	Vocational Training Centers Operation Accountts
120	HAMISI	KAIMOSI	7/17/2013	1227186665	KCB	MBALE	Vocational Training Centers Operation Accountts
121		BOYANI	7/17/2013	1229490426	KCB	MBALE	Vocational Training Centers Operation Accountts
122		GIMOMOI	7/17/2013	1229540288	KCB	MBALE	Vocational Training Centers Operation Accountts
123		GIVIGOI	7/17/2013	1229958754	KCB	MBALE	Vocational Training Centers Operation Accountts
124		MUHUDU	7/17/2013	1229942920	KCB	SEREM	Vocational Training Centers Operation Accountts
125		KARANDINI	7/17/2013	1229041567	KCB	MBALE	Vocational Training Centers Operation Accountts
126		JEPKOSE	7/17/2013	1228465614	KCB	MBALE	Vocational Training Centers Operation Accountts
127		GAMANDE	7/17/2013	1229914765	KCB	MBALE	Vocational Training Centers Operation Accountts
128		SHIRU	7/17/2013	1227380860	KCB	SEREM	Vocational Training Centers Operation Accountts
129	SABATIA	LOTEGO	7/17/2013	1230078479	KCB	MBALE	Vocational Training Centers Operation Accountts
130		SOLONGO	7/17/2013	1230617337	KCB	MBALE	Vocational Training Centers Operation Accountts
131		NORTH MARAGOLI	7/17/2013	1229491945	KCB	MBALE	Vocational Training Centers Operation Accountts
132		MUNUGI	7/17/2013	1229969071	KCB	MBALE	Vocational Training Centers Operation Accountts
133		MUDETE	7/17/2013	1229100962	KCB	MBALE	Vocational Training Centers Operation Accountts
134		GAVUDIA	7/17/2013	1230948945	KCB	MBALE	Vocational Training Centers Operation Accountts



ANNEX 6. SUMMARY OF COUNTY FIXED ASSETS REGISTER

Asset Class	Historical Cost b/f (KShs)	Additions During the Year (KShs)	Disposals During the Year (KShs)	Historical Cost C/F (KShs)
	2019/2020			2020/2021
Land	54,328,720	8,965,622	-	63,294,342
Buildings and structures	314,416,105	20,996,811	-	335,412,916
Transport equipment	95,431,240	-	-	95,431,240
Office equipment, furniture and fittings	18,954,879	8,012,870	-	26,967,749
ICT Equipment, Software and Other ICT Assets	25,885,823	14,552,368	-	40,438,191
Other Infrastructure and Civil Works	192,865,332	353,363,219	-	546,228,551
Biological Assets	-	2,949,998	-	2,949,998
Total	701,882,099	408,840,888	-	1,107,772,989



