

REPORT

PAPERS LAID	
DATE	18/11/2021
TABLED BY	Sen. Gideon M.
COMMITTEE	
CLERK AT THE TABLE	Ms. Kavata

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ON

COUNTY EXECUTIVE OF KILIFI

**FOR THE YEAR ENDED
30 JUNE, 2020**





COUNTY GOVERNMENT OF KILIFI

COUNTY EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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



THE COUNTY EXECUTIVE OF KILIFI
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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is established by the Constitution of Kenya, 2010 and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

Vision

To be a leading, vibrant, highly productive, secure and prosperous county providing high quality life for all its inhabitants

Mision

To provide an enabling environment for efficient utilization of resources, industrial growth and effective provision of essential services for improved quality of life for all.

Core Values

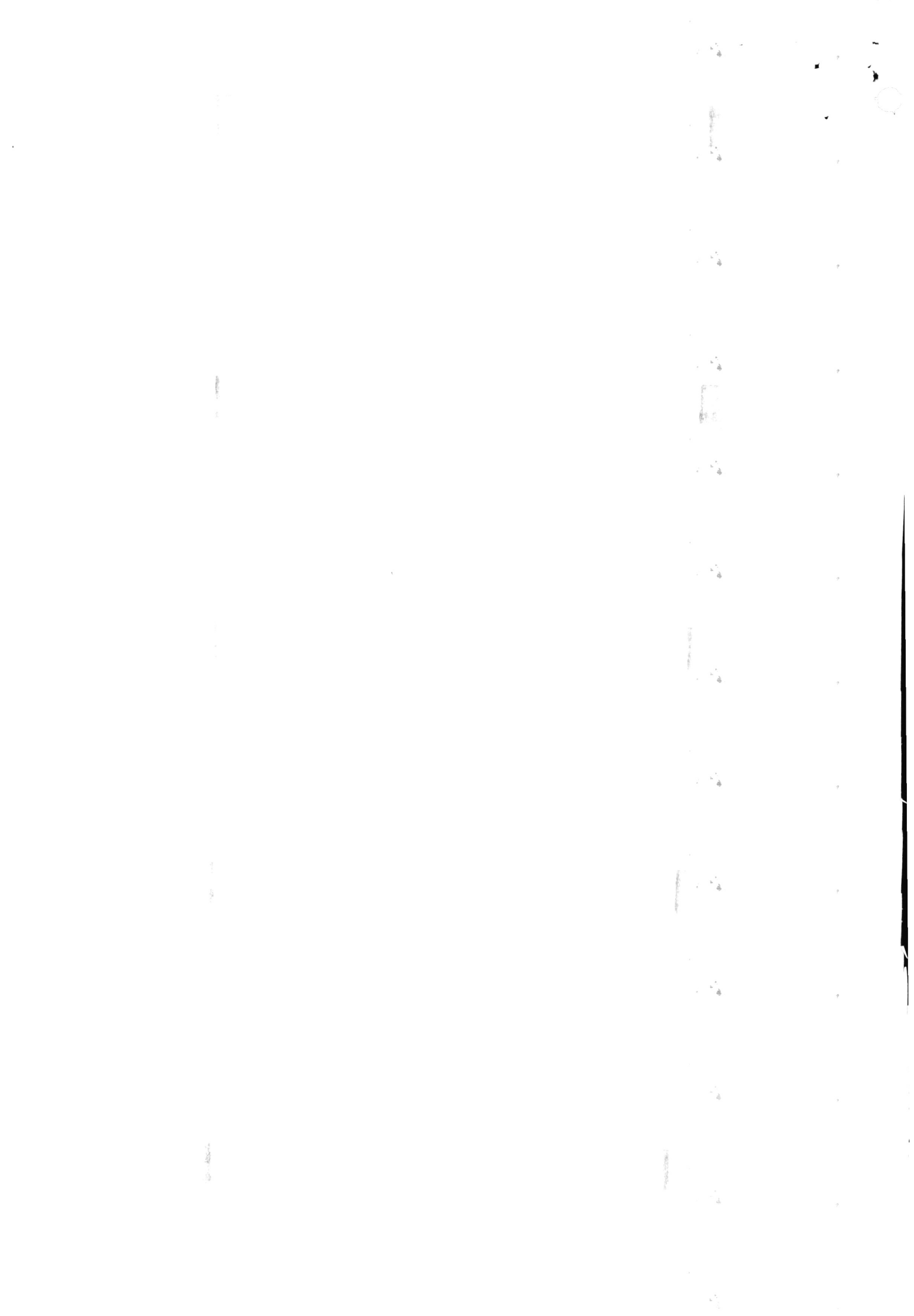
- Integrity
- Prudent use of public resources
- Appreciation for diversity
- Environmental sustainability
- Transparency and accountability
- Honesty;
- Use of ICT and Innovation
- Team Work and Appreciation of Diversity
- Good Governance;
- Equity, Inclusive-People-driven leadership
- Hardworking; and

Harmonization and Peaceful Co-existence

b) Key Management

The day-to-day management of the Kilifi County Executive is under the following officers:

No.	Name	Designation	Date of Holding Office
1.	H. E. Amason J. Kingi	The Governor	21/08/2017
2.	H.E. Gideon E. Saburi	The Deputy Governor	21/08/2017
3.	Mr. Arnold Jefwa Mkarere	County Secretary	01/03/2018



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No.	Name	Designation	Date of Holding Office
4.	Hon. Samuel Kombe Nzai	CEC Member for Finance and Economic Planning	04/01/2018
5.	Hon. Liciana Jumwa Sanzua	CEC Member for Agriculture, Fisheries and Livestock Development	04/01/2018
6.	Hon. Kiringi Karisa Mwachitu	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	04/01/2018
7.	Hon. Rachel Musyoki	CEC Member for Education and ICT	04/01/2018
8.	Hon. Charles Dadu Karisa	CEC Member for Health Services	June 2020
9.	Hon. Professor Josphat Kazungu Mwatela	CEC Member for Roads, Transport and Public Works	04/01/2018
10.	Hon. Maureen Mnyazi Mwangovya	CEC Member for Lands, Energy, Housing, Physical and Urban Development	June 2020
11.	Hon. Dr. Anisa Ahmed Omar	CEC Member for Gender, Culture, Social Services and Sports	June 2020
12.	Hon. Nahida Mohamed Athman	CEC Member for Trade , Tourism and Cooperative Development	04/01/2018
13.	Hon. Professor Gabriel Gona Katana	CEC Member for Devolution, Public Service and Disaster Management	June 2020

1.1 Profiles of Members of the County Executive Committee



**H.E Hon. Amason Jeffah Kingi,
EGH The Governor**

H.E Hon. Kingi was sworn in as the first governor of Kilifi County on March 2013. Prior to his election as a governor, he was the Minister for Fisheries Development between 2010 to March 2013. He has also served as the Minister for East African community between 2008 and 2010. He has served as the Member of Parliament for Magarini from 2003-2013. H.E Kingi holds a degree in Law (LLB) from the University of Nairobi.



H.E Gideon Edmund Saburi

The Deputy Governor

H.E Saburi was elected as Deputy Governor for Kilifi County in August 2017. Between 2013 and 2017, he served as the CEC Member for Roads, Transport and Public works and later as CEC Member for Trade, Tourism, and Industrialisation. Previously, H.E Saburi worked as a lecturer and Chairman of the Civil Engineering Department at the Technical University of Mombasa. He holds a Master of Science (M.Sc) Engineering (Construction Management) degree from the Birmingham UK and a Bachelor of Science (B.Sc) in Civil Engineering degree from JKUAT). He is a civil engineer by profession.



Mr. Arnold Jefwa Mkare

County Secretary

Mr. Mkare was appointed the County Secretary in March 2018. Prior to this appointment, he served as the Clerk of Assembly in the County Assembly of Kilifi between 2013 and March 2018. Previously, he worked as a Town Clerk in Kilifi and Kwale town councils at different periods. Mr. Mkare is a holder of a Masters degree in Development, Administration and Management from Kampala International University and a Bachelor of Business Administration (BBA) degree in Corporate Leadership and Governance from the University of Costa Rica.



Hon. CPA Samuel Kombe Nzai

CEC Member for Finance and Economic Planning

Hon. CPA Samuel Kombe Nzai was appointed as the CEC Member for Finance & Economic Planning on 4th January, 2018. Since his appointment he has played a key role in advising both the County Executive and County Assembly on financial matters. Prior to this appointment, Hon. Nzai served as a General Manager, Internal Audit & Compliance at Mombasa Water & Sanitation Company. He has also served as the Systems Audit Manager at the Agriculture and Food Authority. Hon. Nzai holds a Master of Business Administration (Finance Option) degree from the University of Nairobi and a Bachelor of Education (Maths and Economics) degree from Egerton University. He is a member of the Institute of Certified Public Accountants of Kenya.



Hon. Luciana Jumwa Sanzua

CEC Member for Agriculture, Livestock and Fisheries Development

Hon. Luciana Jumwa Sanzua was appointed as CEC Member for Agriculture, Livestock and Fisheries Development on 4th January 2018. Prior to her appointment, Hon. Sanzua worked with the Independent Electoral and Boundaries Commission as a Constituency Elections Coordinator. She also served as Principal Agricultural Officer and chief advisor to the Permanent Secretary in the Ministry of Regional Development Authorities. Previously, she served as Head of Agriculture at the Coast Development Authority. She holds a Bachelor of Science (B.Sc) degree in Horticulture from Egerton University, Master of Science (M.Sc) degree from Jomo Kenyatta University of Agriculture and Technology and currently due to graduate with PhD. Horticulture from Pwani University.



Hon. Mwachitu Karisa Kiringi

CEC Member for Water, Environment, Forestry, Natural Resources and Solid waste management

Hon. Mwachitu Kiringi was appointed as the CEC Member for Water, Environment, Forestry, Natural resources and Solid waste management in 2013. He has since been in the same role in managing and coordinating functions of the county department. Before his appointment Hon. Mwachitu was a conservation education officer at the wildlife club of Kenya in charge of rift valley region (Lake Nakuru environmental education centre). He holds a Bachelor Degree in Environmental Studies and Community Development from Kenyatta University.



Hon. Racheal Mbula Musyoki

CEC Member for Education and Information Communication and Technology

Hon. Musyoki was first appointed as the County Executive Committee Member for Devolution, PSM and Disaster Management in 2013. She was later in 2015 deployed to the

Department of Health Services until December 2017. Her second appointment in the County Government was in January 2018 as the CEC Member for Devolution, PSM and Disaster Management where she served until June 2020. She is currently serving as the CEC Member for Education & information Communication & Technology. Prior to the above appointments, she served in different roles at the Kenya Ports Authority. Hon. Racheal holds a Bachelor Degree in Business Administration (Human Resource option) from Kenya Methodist University. She also holds a Masters Degree in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology. Hon. Musyoki is a member of the Kenya Institute of Management.

Hon. Charles Dadu Karisa

CEC Member for Medical Services

Hon. Charles Dadu was appointed as the CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development in 4th January, 2018. In June 2020 he was appointed as CEC Member for Medical Services. Before his appointment as a CEC Member, Hon. Dadu worked with the University of Nairobi as a lecturer. He holds a Master of Arts in Urban and Regional Planning and a Bachelor of Architecture degree from the University of Nairobi.



Hon. Professor Josphat Kazungu Ziro Mwatela

CEC Member for Roads, Transport and Public Works

Hon. Prof. Mwatela was appointed as the CEC Member for Roads, Transport and Public Works on 4th January 2018. Prior to this appointment, Prof. Mwatela served as the first Vice Chancellor of the Technical University of Mombasa. He also served as the first Principal of the former Mombasa University Technical College. He is a holder of a Bachelor degree (B.Sc) in Engineering, Survey and Photogrammetry from the University of Nairobi, a Masters degree (M.Sc) in Civil Engineering from Tottori University in Japan. He is a Professor of Geomatics Engineering.





Hon. Maureen Mwangovya

CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development

Hon. Mwangovya was appointed CEC Member for Gender, Social Services, Culture, Youth and Sports on 4th January 2018. Later in 2020 she was appointed as CEC Member for Lands, Energy, Housing, Planning & Urban Development. She is a programmes specialist with over 15 years professional experience in programmes management and implementation, policy advocacy, partnership and networking in programmes that focus on health, Education, water & sanitation, livelihood, gender & child rights and capacity building of communities aimed at achieving sustainable development. Prior to her appointment, Hon. Mwangovya worked with International and National Non- Governmental Organization especially in the Coast Region. She holds a Bachelors of Arts Degree in Economics/Government and a Masters Degree in Project Planning and Management and is currently admitted for a Doctorate degree in Gender.



Hon. Dr. Anisa Ahmed Omar

CEC Member for Gender, Social Services, Culture, Youth & Sports

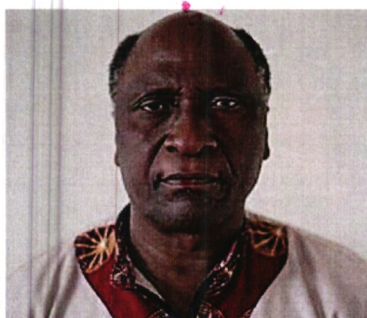
Dr. Anisa Ahmed Omar was appointed as the CEC Member for Medical Services on 4th January 2018. Later in 2020 she was appointed as CEC Member for Gender, Social Services, Culture, Youth & Sports. Prior to her appointment, Dr. Anisa worked with Pathfinder International as the Deputy Chief of Party for the Afya Pwani Project and Technical Advisor to Service Delivery. She also served as Program Manager for Adolescent Health at the Ministry of Health Headquarters. She holds a Masters degree in medicine (M. Med in Paediatrics) and a Bachelors degree in medicine (MB.Ch.B) both from the University of Nairobi.



Hon. Nahida Mohamed Athman

CEC Member for Trade, Tourism and Cooperative Development

Hon. Nahida was appointed CEC Member for Trade, Tourism and Cooperative Development on 4th January 2018. Prior to this appointment, Hon. Nahida worked as a lecturer at the Technical University of Mombasa and later as Economic Advisor in the Office of the Governor in the County Government of Kilifi. She holds a Bachelors degree in Hotel and Hospitality Management from Moi University and a Masters degree in Business Administration (Strategic Management) from the University of Nairobi. She is currently undertaking PhD in Economics from Moi University.



Hon. Professor Gabriel Katana Gona

CEC Member for Devolution, PSM and Disaster Management

Hon. Prof. Gabriel Katana Gona was appointed as the CEC Member for Education and Information Communication and Technology on 4th January, 2018. Later in 2020 he was appointed as CEC Member for Devolution, PSM and Disaster Management. Prior to joining the County Government of Kilifi, Prof Katana served as a Registrar and Deputy Principal in charge of academic affairs at Pwani University. He also served as the Chair of the Kilifi County Education Board and president of the Eastern African DIES-network in higher Education. He is a holder of a Doctorate Degree in Physics from the University of Mainz-Germany. Prof. Katana is the current chair of the County Executive Committee members Education Caucus of the Council of Governors.

c) Fiduciary Management

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

No.	Designation	Name	ICPAK Reg. No.
1.	CEC Member Finance & Economic Planning	Samuel Kombe Nzai	12429

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No.	Designation	Name	ICPAK Reg. No.
2.	Chief Officer Finance	Benjamin Kai Chilumo	4342
3.	Chief Officer Office of the Governor	Amina Nassor	
4	Chief Officer Agriculture & Livestock	Fredrick Baraka Kaingu	
5	Chief Officer Water Environment, Forestry, Natural Resources and Solid Waste Management	Kenneth Kazungu	
6	Chief Officer Education, information, Communication & Technology	Everlyne Mwenda Karisa	
7	Chief Officer Health Services	Ibrahim Alio Adan	
8	Chief Office Roads & Public Works	Kenneth Kazungu	
9	Chief Officer Lands, Energy, Housing, Physical & Urban Development	Moses Gunda	
10	Chief Officer Gender, Culture and Social Services	Vincent Mwalimu Lugwe	
11	Chief Officer Trade and Cooperative Development	Mary Mukare	
11	Chief Executive Officer County Public Service Board	JOHNSON H RANDU	
13	Chief Officer Devolution, Disaster & Public Service Management	Adan Mohamed	
14	Director Accounting Services	Bonaventure F.M. Mwakio	3346

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies for the County for the year ended 30th June 2020 were:

- County Assembly of Kilifi
- Controller of Budget
- Kilifi County Audit Committee
- The County Assembly of Kilifi Public Accounts Committee
- The County Assembly of Kilifi Budget and Appropriation Committee
- The County Assembly of Kilifi Economic planning and Trade Committee

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e) Entity Headquarters

County Government of Kilifi
Governor's office Building
Bofa Road
Kilifi, KENYA

f) Entity Contacts

P.O. Box 519-80108, Kilifi
Telephone: (254)
E-mail: info@kilifi.go.ke
Website: www.kilifi.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
Kilifi Branch
- 3) Equity Bank
Kilifi Branch
- 4) National Bank
Malindi Branch
- 5) Cooperative Bank
Kilifi Branch
- 6) Diamond Trust Bank
Kilifi Branch
- 7) NIC Bank
Kilifi Branch
- 8) Absa Bank
Kilifi Branch
- 9) SBM Bank
Malindi Branch

h) Independent Auditors

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

i) Principal Legal Adviser

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

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2. FORWARD BY THE CEC

2.1 Preamble

It is with great pleasure that I present the County EXECUTIVE of Kilifi financial statements for the year ended 30th June 2020. The financial statements present the County's financial performance for the period of twelve months.

The financial statements have been prepared in accordance to section 164 of the Public Finance Management Act, 2012 which requires the accounting officer of a county government entity to prepare financial statements in respect of the entity in the formats to be prescribed by the Accounting Standards Board. These financial statements present a true and fair view of the state of affairs of the County Government of Kilifi operations for the year ended 30th June 2020.

2.2 County Government's financing

Article 202 of the Constitution of Kenya, 2010 provides that revenue raised nationally shall be shared equitably among the national and county governments. The division of revenue between the national and county governments is done through the Division of Revenue Act (DoRA) while the division of the county allocation between county governments is done through the County Allocation of Revenue Act (CARA).

In addition to the national share, Article 209 (3) of the Constitution of Kenya, 2010 gives powers to county governments to impose property rates, entertainment taxes and any other tax that it is authorised to impose by Act of Parliament. This revenue forms the county's own generated revenues.

The CARA allocation and the county government's own generated revenues are consolidated to form the county revenue annual budget which finances the annual expenditure.

2.3 Financial Performance

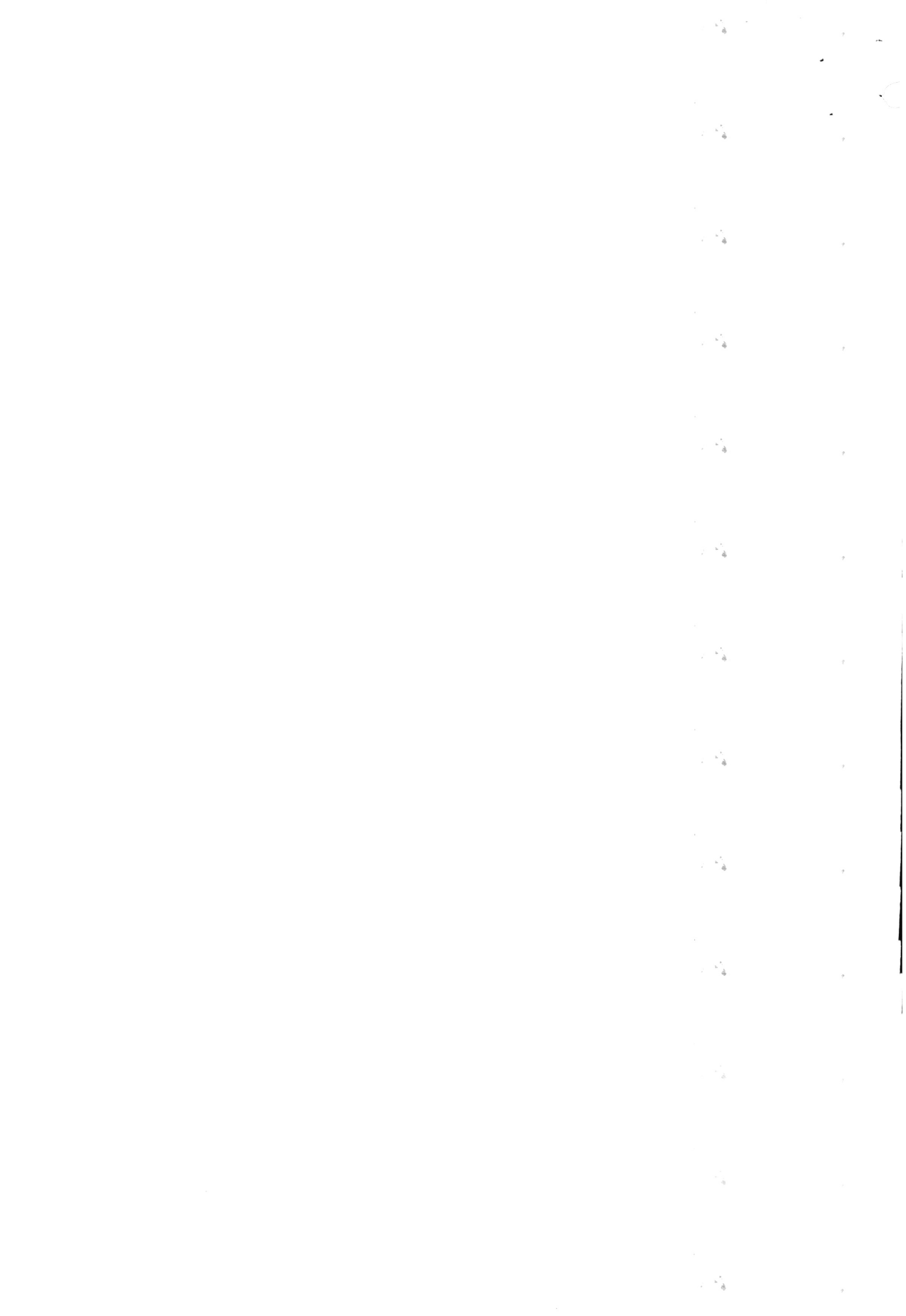
(i) Receipts

In the financial year ended 30th June 2020 the County Government had an approved budget of Kshs. 15,034,621,946.

The County Government received 91% of its equitable share allocation of Kshs 9,546,273,000 as per the County Allocation of Revenue Act, 2019. This was as a result of non-disbursement of June 2020 equitable share allocation of Kshs 898,227,000 by the National Treasury in the financial year ended 30th June 2020. The total collection of own source revenue for FY 2019/2020 was Kshs 793,713,056 which was 72% of the year's target of Kshs 1,100,000,000. However the collection was low as compared to Kshs 864,317,126 collected in FY 2018/2019. This was largely attributed to the global Covid-19 pandemic, which paralyzed all sectors of the economy in the county and country at large.

(ii) Payments

The County's actual expenditure for the FY 2019/2020 was Kshs **12,411,808,175** representing 83% of the approved budget for the year.
Kshs 3,943,716,879



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was utilized on compensation to employees. This represents 32% of the total expenditure which is in adherence to the fiscal responsibility principle that salaries and wages should not exceed 35% of the total budget. Development expenditure was Kshs 3,793,769,346 which is 31% of the total actual expenditure for the year and in line with the provisions of the PFM Act, 2012 on development expenditure.

A total of Kshs 999,517,108 was transferred to the County Assembly of Kilifi as a transfer to other government entities as provided for in the budget ceilings set by the Commission on Revenue Allocation.

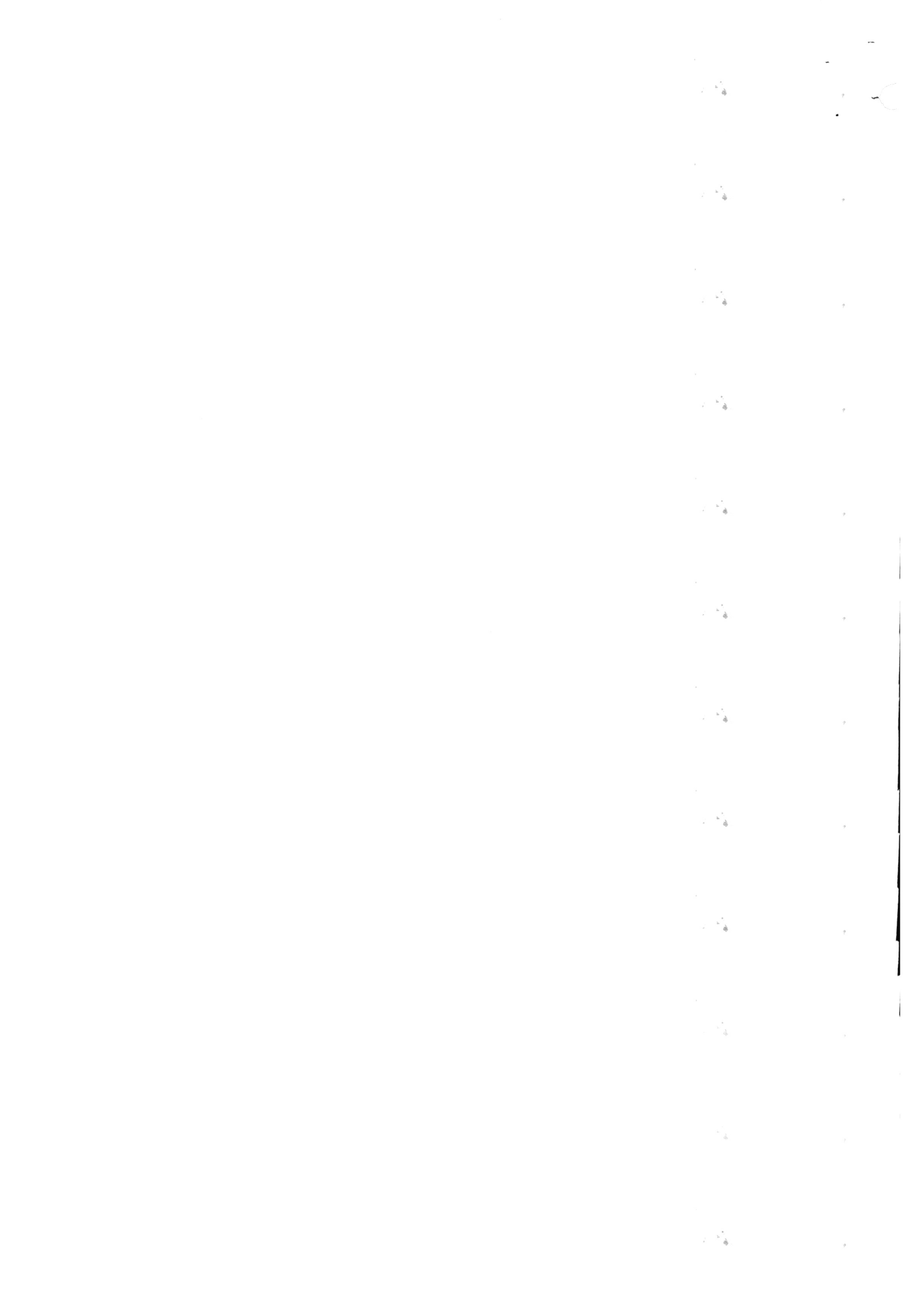
(iii) Departmental Performance

The County Executive of Kilifi has 14 entities namely;

- The Executive
- Finance & Economic Planning
- Agriculture Fisheries & Livestock Development
- Water Environment, Forestry, Natural Resources and Solid Waste Management
- Education and ICT
- Health Services
- Roads and Public Works
- Lands, Energy, Housing, Physical & Urban Development
- Gender, Culture And Social Services
- Trade and Cooperative Development
- Devolution, Public Service and Disaster Management
- Malindi Municipality
- Kilifi Municipality
- County Public Service Board

Each entity works independently in providing essential services to citizens. The performance of the County Executive entities during the financial 2019/2020 is highlighted below:

Department/entity	Original Budget (Kshs)	Approved Budget (Kshs)	Actual (Kshs)	Absorption Rate (%)
The Executive	371,513,877	476,424,649	433,326,557	91%
Finance & Economic Planning	2,028,401,967	941,950,832	680,828,586	72%
Agriculture Fisheries & Livestock Development	640,648,541	1,099,815,491	905,904,719	82%
Water Environment, Forestry, Natural Resources and Solid Waste Management	630,996,062	1,406,369,505	879,025,526	63%
Education and ICT	1,167,878,938	1,519,035,256	1,221,614,879	80%
Health Services	3,447,218,646	4,269,979,373	3,688,796,709	86%
Roads and Public Works	1,374,192,637	1,683,065,704	1,637,712,097	97%



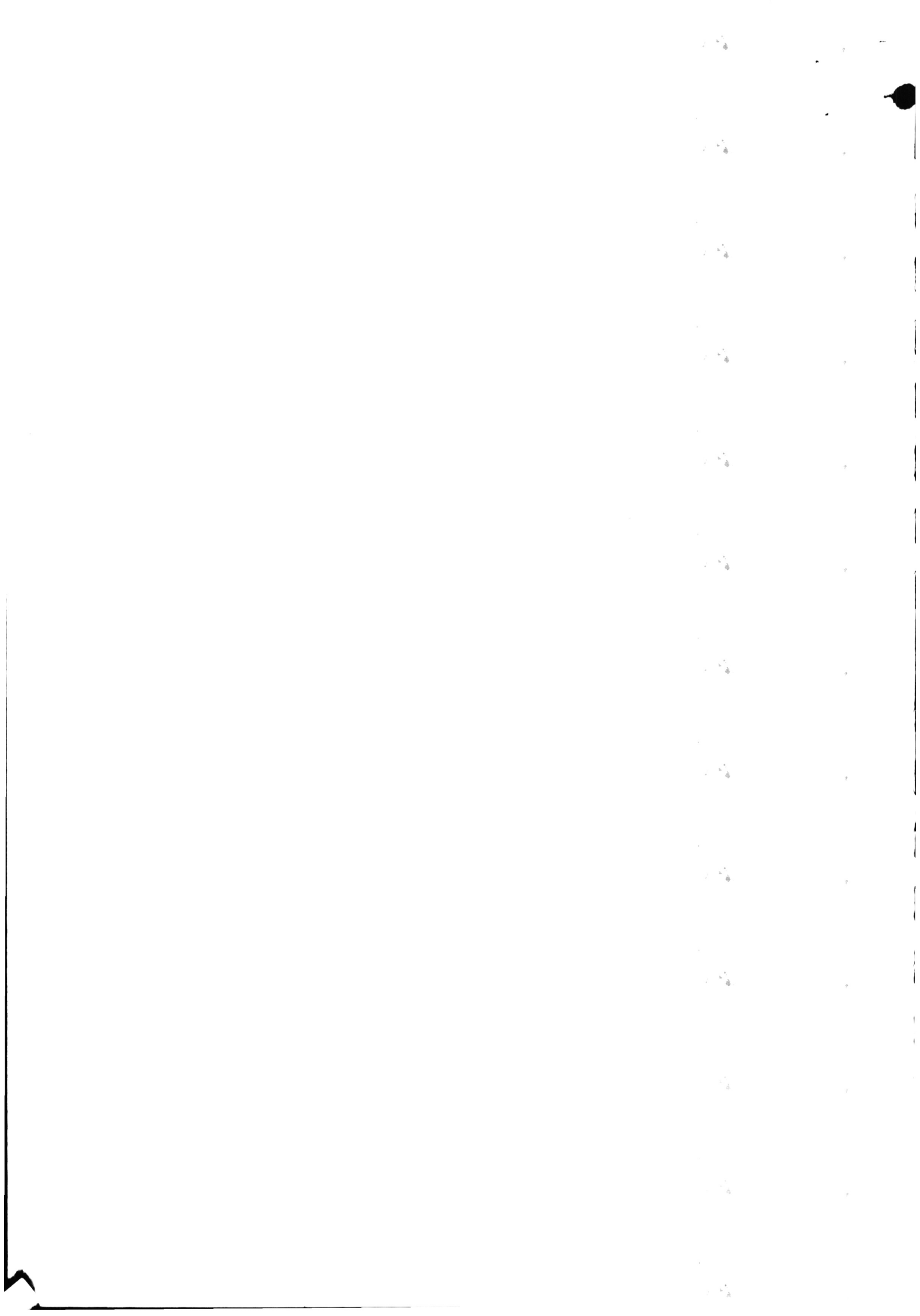
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Department/entity	Original Budget (Kshs)	Approved Budget (Kshs)	Actual (Kshs)	Absorption Rate (%)
Lands, Energy, Housing, Physical & Urban Development	385,551,842	501,929,998	333,564,774	66%
Gender, Culture And Social Services	347,169,099	378,207,033	313,247,397	83%
Trade and Cooperative Development	357,595,674	413,691,980	396,076,803	96%
County Public Service Board	55,920,071	80,545,935	65,021,003	81%
Devolution, Public Service and Disaster Management	556,195,791	891,461,836	838,041,332	94%
Kilifi Municipality	0	116,193,668	11,650,006	10%
Malindi Municipality	0	252,745,048	7,480,678	3%
Total	11,363,533,145	14,031,416,308	11,412,291,067	81%

2.4 Major projects

(i) Water Infrastructure- Mbaoni -Masheheni- Mwangatini project

The County spent Kshs.12 million for the project. The project is composed of a 6 kilometer pipeline stretch from the mbaoni village of the magari sub county rising upto the Mwangatini and masheheni hills. It has a total of 3 no. Community water points, a yard tap with a 5000 litres water tank, 2 no. Standard water kiosks with an overhead tank of 5000 litres capacity and a 50cm³ of a masonry storage tank at the masheheni pry school. The project is expected to serve a population of about 4000 people and 1000 heads of cattle. The Mwangatini and masheheni villagers have suffered for a long time in accessing fresh water for their domestic usage. The community is now relieved the stress of tracking a long distance in search of fresh water.



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Figure 1: Mbaoni-Masheheni-Mwangatini project

(ii) Construction of 45 Bed Maternity & Twin Operating Theatre at Rabai and Mariakani

The project consists of the Maternity and theatre services. This ensures citizens can access maternal services timely and pocket friendly. It is in line with agenda four, universal Health care. It is expected to bring about maternal specialized health care and also reduce congestion in the main hospitals i.e. Kilifi, Malindi and Mariakani. Hence, reduces waiting time for the services.

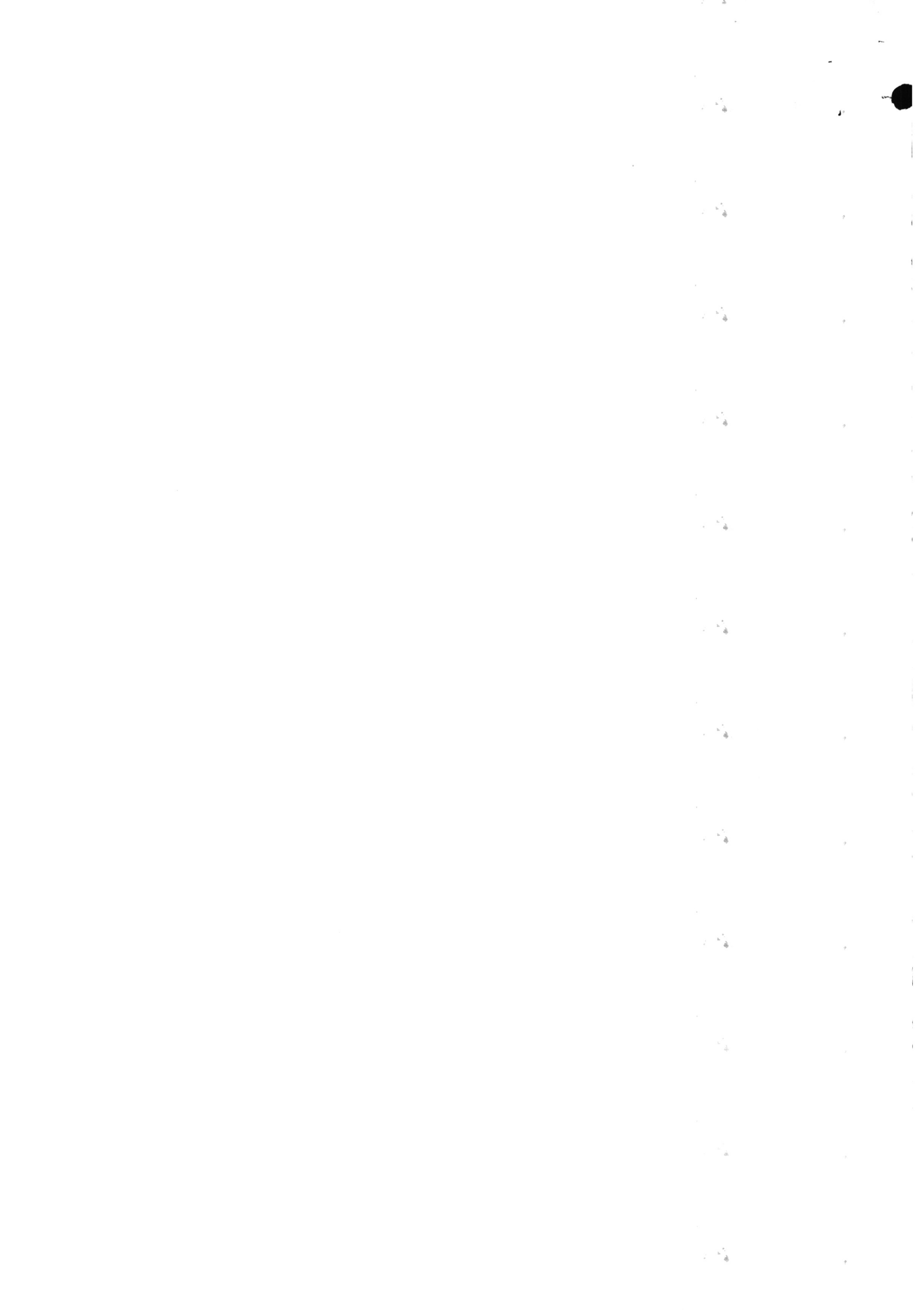
The projects are 90% complete. The contract costs of the project is Kshs 63,528,515 and Kshs 63,528,730 for Rabai and Mariakani respectively.



Figure 2: Rabai Maternity & Operating Theatre



Figure 3: Mariakani Maternity & Operating Theatre



(iii) Beach Front Road-Malindi

Malindi Town has been known as a Tourist Resort place for time memorial. This is due to the existence of many historic sites in the mainland and along its beach

The Beach Front Road was chosen by the Kilifi County Executive as a flagship project for rehabilitation since it was in a deplorable condition in spite of being a popular touristic road. The length of this road is 5.4 kilometres, rehabilitated at a cost of Kshs. 127,972,068.

Most tourists who use this road have an opportunity to view the sea front as they take their meals and drinks in restaurants along this road. They also use this road to visit the Vasco – da – Gama Pillar, the Italian Museum among other sites, as they purchase souvenirs from the beach road side shops.

The overall effects of improving this road, is to revive the tourism industry and hence stimulate the socio-economic aspect of Malindi in attracting both local and foreign tourists in Malindi town and in Kilifi County as a whole.



Figure 4: Beach Front Road-Malindi

(iv) Gongoni Market

Gongoni market which is located in Magarini Sub- County, Gongoni ward, was constructed and officially launched in July, 2020. The market can hold a capacity of 146 traders and will serve the population of Gongoni town as well as those living within its environs. The market has: 114 Grocery stalls, 16 Fresh fish spaces, 9 enclosed shops and 8 hotel spaces. The project cost Kshs. 32,872,503.

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Figure 5: Gongoni Market

(v) Ganze Milk Cooling scheme

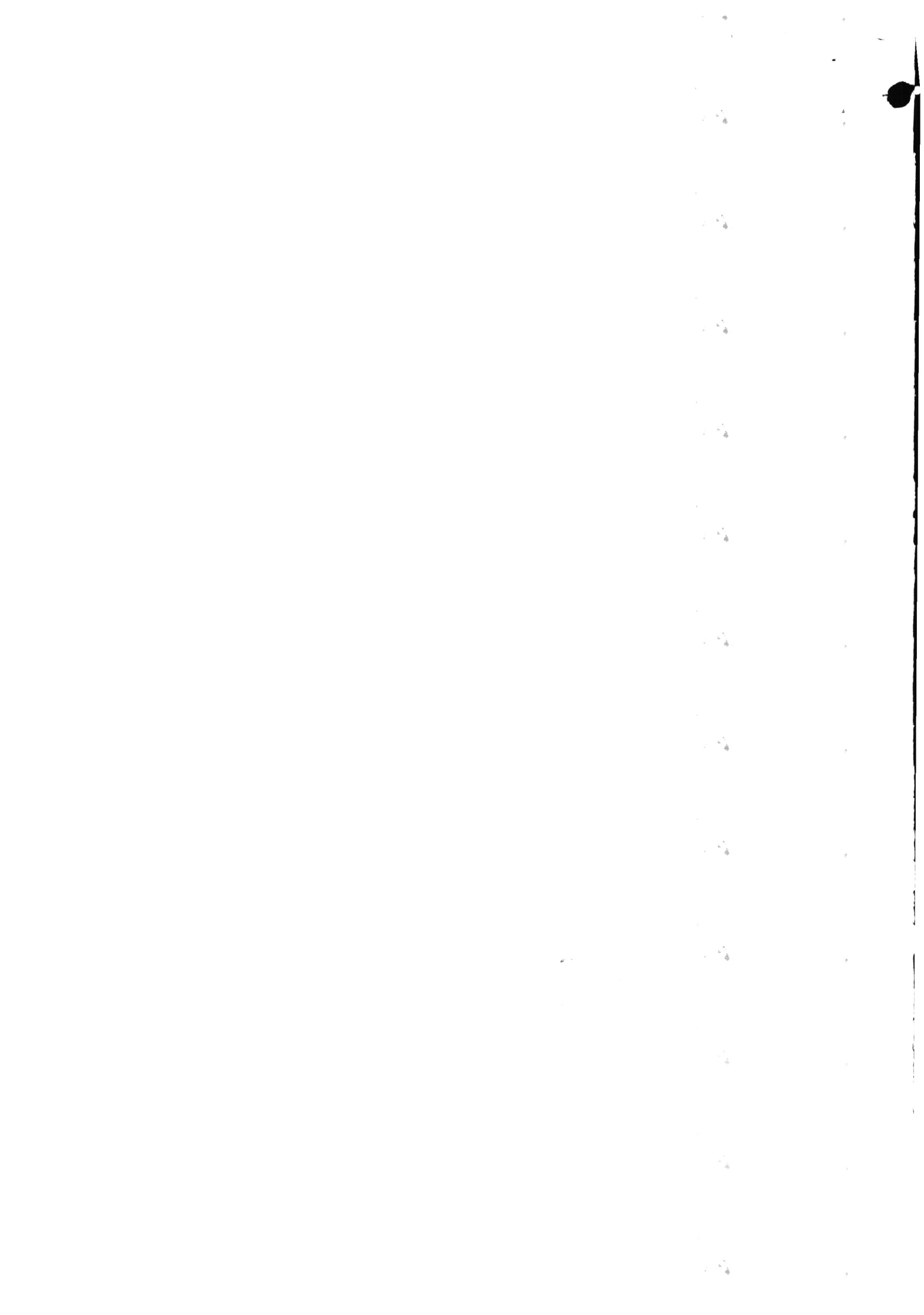
The purpose for the project is to receive milk from farmers, buying it and marketing the milk to retailers and wholesalers. The project is located at Ganze sub-county. The contract sum of the project is 14,682,955.20 of which the County has spent Kshs. 13,095,099.60 to date. The project is expected to be completed in the FY 2020-2021.



Figure 6: Ganze Milk cooling scheme

2.5 Implementation challenges of strategic objectives and County's future outlook

i. Implementation Challenges



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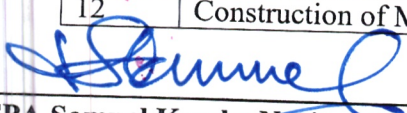
The County encountered the following challenges during the financial year 2019/2020 on implementation of its strategic objectives:

- Covid-19 pandemic
- inadequate extension staff and facilitation of extension service providers
- inadequate transport facilities
- Poor flow of funds for operations from National treasury
- Weak Research -extension linkages.
- High poverty levels
- Inadequate budgetary allocation
- Low adoption of new technologies among the farming and fishing communities.
- Unpredictable and unreliable weather pattern.
- Poor savings culture and investment initiatives among the community
- Weak Climate changes mitigation measures (floods and droughts).
- Land ownership disputes where projects needed to be established

ii. County's future outlook

In the coming financial year 2020/2021 the County has budgeted to spend Kshs. 14,677,777,384. This amount comprises of Kshs. 8,435,037,503 for Recurrent and Kshs. 6,242,739,881 for development expenditures. Among the projects which have been earmarked from the County's strategic plan include the following:

No.	Project	Amount (Kshs.)
1	Provision of certified seeds (maize and greengrams)	20,000,000
2	Construction of Agribusiness Development Centre (Cassava Processing plant)	15,000,000
3	Procurement of 1400 galla goats	19,000,000
4	Construction of Sea Wall -Ngomeni fisheries landing site	25,000,000
5	Completion of tsunguni kolongoni pipeline	40,000,000
6	Rehabilitation of Village Polytechnic	79,999,894
7	Upgrading of Adu health facility	50,000,000
8	Construction of 2 No. wards at Marafa health center	30,000,000
9	Construction of cabro from kaloleni stage mariakani to mariakani secondary school road	67,348,863
10	Upgrading to Bitument of Karibuni Villas-Golden Beach Hotel(1km)	50,000,000
11	Construction of GIS Laboratory and offices	20,000,000
12	Construction of Mtwapa Market Loading Bay	40,000,000


CPA Samuel Kombe Nzai
County Executive Committee Member
For Finance and Economic Planning
ICPAK MEMBER NO.12429

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

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

Strategic development objectives

The County's 2018-2022 CIDP has identified 12 key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

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

The key development objectives of the Kilifi County's 2018-2022 CIDP are to:

- (i) To increase crop productivity, value addition and marketing for sustained income and livelihoods
- (ii) To improve livestock production for wellbeing and wealth creation
- (iii) To improve sustainable fisheries development and management for socio-economic development
- (iv) To increase the proportion of people with equitable access to decent and affordable housing
- (v) To manage the development and growth of urban areas through integrated planning
- (vi) To facilitate land survey for secure land tenure
- (vii) To develop and manage an effective, efficient and secure road transport system
- (viii) To enhance connectivity and mobility for socio-economic development
- (ix) To sustainable manage and conserve water resources
- (x) To increase availability of safe and adequate water for human consumption
- (xi) To enhance equitable access to quality Early Childhood Development Education (ECDE) to nurture wholesome development of all children.
- (xii) Provide access to quality skills training through VTC services

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and

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time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Department	Objective	Outcome	Indicator	Performance
Agriculture, Livestock Development and Fisheries	Crop Production and Management To increase crop productivity, value addition, marketing for sustained income and livelihoods	Increased food sufficiency and income	% of HH holds that are food secure; % change in crop production disaggregated by type; % budgetary allocation on agricultural input subsidies; Proportion of farmers adopting mechanization; Proportion of farmers adopting innovative agribusiness approaches; % of farmers adopting value addition technologies; Acreage of land put under irrigation; % of farmers using soil and water conservation technologies	The department distributed the following: - 2,400 hybrid coconut; 20,000 Cashew nuts seedlings; 52.57 tons, Maize 5 tons' Green grams
Livestock Resource Development and Management	To improve livestock production for wellbeing and wealth creation	Improved wellbeing and livelihoods for livestock farmers	% increase in yield per livestock unit disaggregated by type; Number of farmers trained; Beef cattle dairy cattle, - Dairy Crosses Indigenous Poultry- - Emerging livestock; % change in yields resulting from improved animal breeds	14,000 farmer trained which led to improved knowledge on farming
Fisheries Development and Management	To improve sustainable fisheries development and management for Socio-economic	Outcome: Sustainable Fisheries Development and Improved livelihoods of fisherfolk	% of fish farmers acquiring fishing gears; % of fish farmers acquiring fishing gears; Number of fish feed mill established; % increase of the areas under aquaculture; % increase of the areas under, Mari-culture;	100 fishermen trained; 6 fishing boats purchased

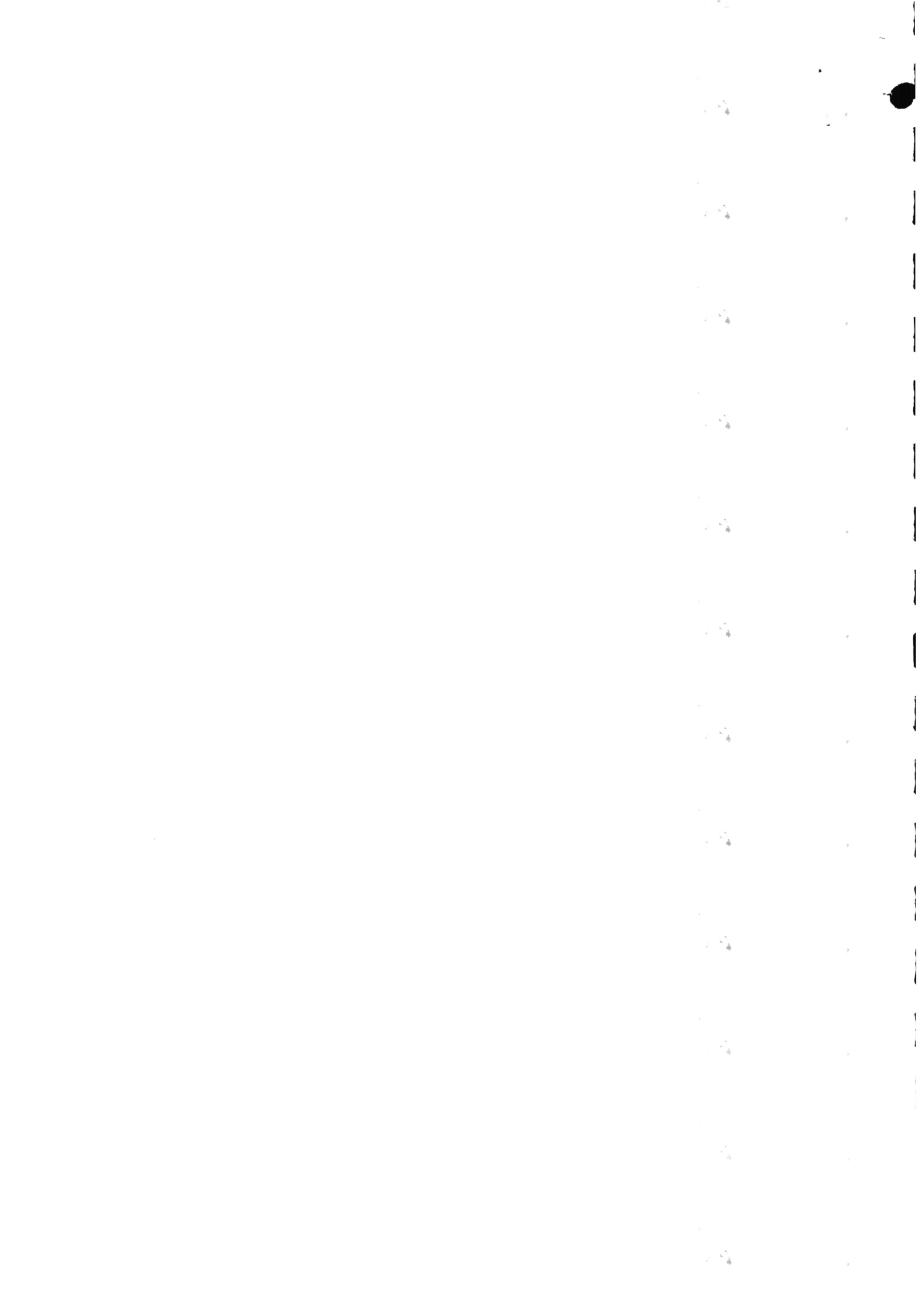


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		development		% of fish farmers adopting commercial aquaculture practices; # of fish traders/BMUs trained on fish handling, quality and safety issues	
Lands, Energy, Physical Planning, Housing and Urban Development	Housing Development	To improve the proportion of people with equitable access to decent and affordable housing	Increased access to clean adequate, affordable and decent housings	No. of housing development plans approved; No of kilometres of access roads opened and upgraded in settlement schemes; No. of housing units constructed	Housing estates master plan for the 8 existing county estates; 22 housing units renovated in Kilifi and Malindi estates
	Land Survey, Mapping and Valuation	To facilitate land survey for securing land tenure	Improved access to security of land tenure	Total acreage of land surveyed and valued; No. of settlements schemes and adjudication sections surveyed and completed	400 plots surveyed; 4 shopping centres surveyed and allocated
Roads, Transport and Public Works	Road Transport	To develop and manage an effective, efficient and secure road network	An efficient and Secure road network	Km of roads rehabilitated and maintained to motorable status; Number of bridges maintained/Rehabilitated; Pedestrian walks constructed/Rehabilitated; Km of storm water drainages developed/rehabilitated/maintained	-10 Km. Of road paved; -2 of box culverts constructed; foot bridges constructed
	Transport Services	To enhance connectivity and mobility for socio-economic development	An efficient and sustainable road ,bridge and storm water drainage network	Km of the roads upgraded or built to gravel; No. of bus parks rehabilitated and functional;	175km of road gravelled

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Health Services	Preventive and Promotive health services	To offer preventive and Promotive services for improved health in the county	A community with reduced preventable diseases	% HIV + pregnant mothers receiving preventive ARV's Cumulative no. of Community Health Units established;	1247 (88%) pregnant mothers receiving preventive ARV's 233 (78%) CHU established from initial 78
	Curative, Rehabilitative and Referral Health services	To offer quality curative, rehabilitative health care services which are accessible by all	Reduced Morbidity and Mortality	No. of simple and special X-Rays done	62947 and 2401 simple and special X-rays done as a result of improved access to X ray services
	Reproductive, Maternal, Neonatal, Child and Adolescent Health	To Improve maternal child and adolescent health	Reproductive Maternal, Neonatal, Child and Adolescent Health	% of Women of Reproductive Age receiving family planning Percentage of pregnant women attending at least 4 ANC visits; Proportion of births attended by skilled health personnel;	199014 (56%) receiving FP services (6% increase) 30351 (51%) attending 4 ANCs; 42006 (71%) attended by skilled personnel a 15% increase
Education and ICT	Early Childhood Development and Education	To enhance access, equity and quality of Early Childhood	Improved access, equity and quality of Early Childhood Development	Teacher pupil ratio # of ECD centres with functional management	1:60 Teacher pupil ratio has increased as a result of increased recruitment All ECD centres



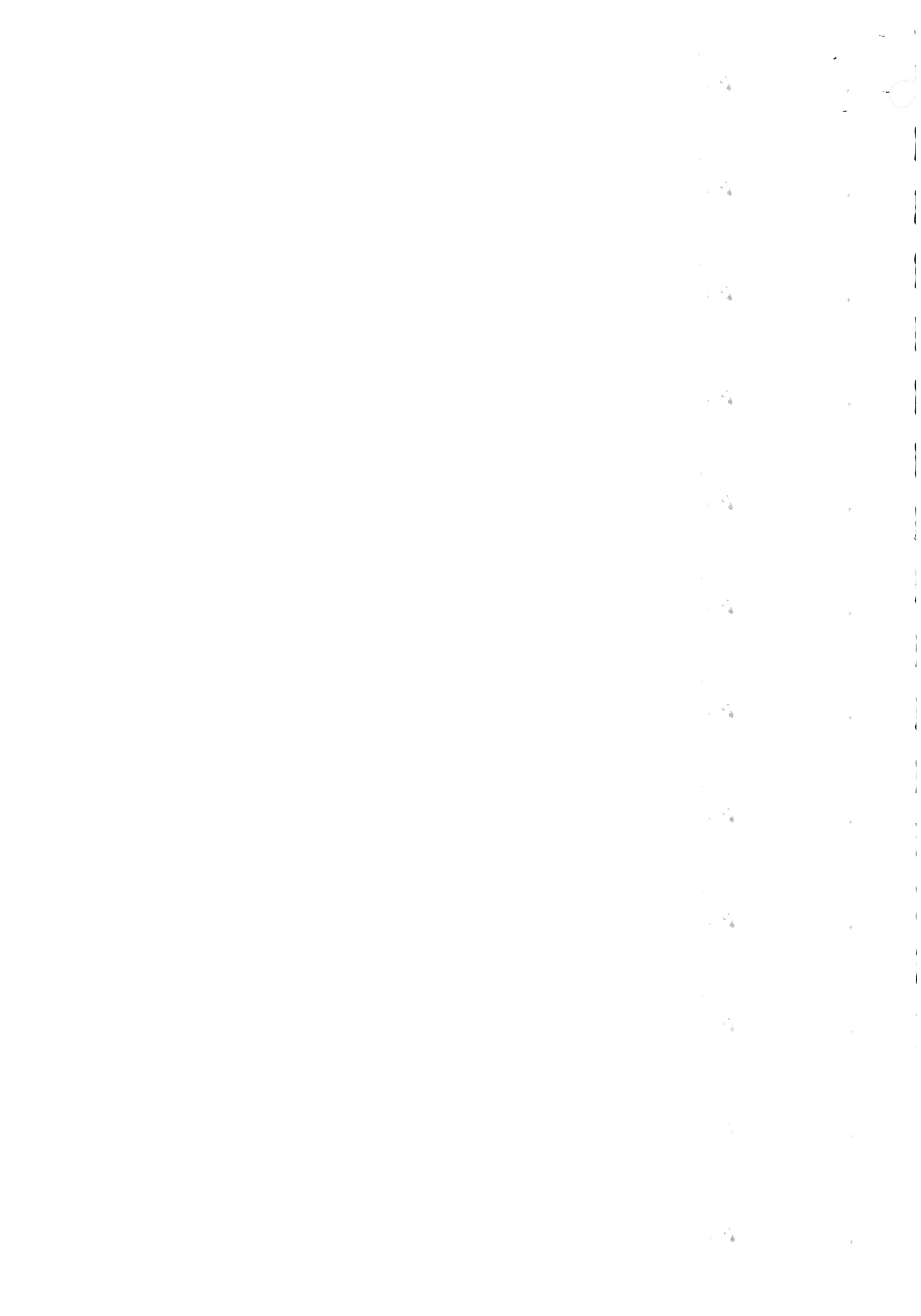
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		Development and Education (ECDE) so as to nurture every learner's potential.	Health and Education	committees; # of classrooms constructed and Number of classrooms constructed and equipped;	with functional management committees; Construction of 140 classrooms is ongoing and they are at different levels of construction
	Vocational Education and Training	Provide Quality skilled training and increased access to VTC services	Employable skills	No of workshop constructed and operationalized; No of classrooms constructed; No of ICT labs constructed and operationalized; No of dormitories constructed; No of functional incubation centres constructed and equipped; No.of. inspectional visits made; No of staff trained on quality assurance.;; No of employed instructors.	Eight vocational training centres equipped; 8 vocational training centres provided with training material
Environment, Water and natural resources	Water Resources and Sanitation Management	To increase availability of safe and adequate water resources	Increased access to safe and adequate water for human consumption	% increase in pipeline infrastructure; Proportion of the population with access to safe water	90 km of water pipeline constructed which led to proportion of people having access to clean water has been increased to 45% from 40 %
Trade, Tourism and cooperatives development	Trade development and Investment Promotion	To promote and develop trade and investment for income and wealth creation	Improved wellbeing and livelihoods of citizens	No. of new markets (market spaces) developed; No. of market facilities renovated; No. of markets fenced; Proportion of MSEs with access to financial support; No. of entrepreneurs trained; No of Traders equipment's verified;	465 new market spaces created; 3 markets refurbished; 622 Training of MSMEs carried out; 1221 equipment verified



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	Tourism development and promotion	To promote tourism development for income and wealth creation	Promote and develop a vibrant cooperative sector for socio-economic wellbeing	No and type of tourism marketing materials developed and distributed; No of Beach Clean-up Campaigns;	3 cultural, one sports and one festival (Kilifi New year); Beach clean ups done in Malindi, Watamu and Kilifi
	Co-operative Development and Management	Promote and develop a vibrant cooperative sector for socio-economic wellbeing	Improved Welfare and Economic Status of Citizens	No. cooperative societies Committees, trained; No of Co-operative awareness and publicity events held; No. of Co-operatives accessing loans from the County Micro Finance Fund (Mbega Fund)	6 societies Sensitized under NARIG Project



4. CORPORATE SOCIAL RESPONSIBILITY(CSR) STATEMENT/SUSTAINABILITY REPORTING

The County Government of exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on our vision and mission statement. which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each

1. Sustainability strategy and profile

The County Government operations are guided by the CIDP which is the mandate given by its citizens. To achieve this the during the ended financial year the County prepared and implemented various plans which included Annual Development Plans, County Budget Review and Outlook Paper, County Fiscal Strategy Paper, Annual budget estimates, Procurement Plans, Appropriation Act and the Finance Bill. Apart from the internal plans the operations are guided by legal frameworks such as the Constitution, County Government Act, Public Finance Management Act and other international best practices such as International Public Sector Accounting Standards.

To fund the operations the County received funds from the National Government, Donor Grants and collected its own revenues. Though there were political and macroeconomics challenges the County managed to achieve 84% of its budget implementation.

2. Environmental performance

The department is in the process of developing environment policy for the County. However, the Kilifi County Environment and Coordination Act 2016 was developed to ensure compliance with environmental conservation in the County.

Successes on biodiversity conservation

1. Increased forest cover by 3.4% of the total land in the County since devolution.
2. Planting of 20 hectors of Mangrove under mangrove restoration programme
3. Enactment of County Environment legislation;
 - a. Kilifi County Environment coordination and control Act 2016
 - b. Kilifi County Forest Policy 2016
 - c. Kilifi County Forest Conservation and Management Act 2019
 - d. Kilifi County Solid waste management Act 2019
 - e. Kilifi County Climate Change Bill 2019
4. Empowerment of 13 CBO to undertake sustainable natural resource conservation.

Shortcomings

1. Low budgetary allocation for environment programmes
2. Inadequate clean energy mechanisms in the County
3. High Poverty levels which leads to biodiversity degradation
4. Lack of political goodwill in environmental conservation.

Waste management

The department has no policy on waste management but there is The Kilifi County waste management Act 2019. The Act aims at sustainable waste management through waste segregation and recycling.

Efforts to reduce environmental impacts

The Department has an Environmental Impact Assessment Unit which undertakes Environmental Impact Assessment and Environmental Audits for County Projects to minimize the environmental impacts in the County.

3. Employee welfare

The County Public Service Board recruits on behalf of the executive arm of the County Government. In the hiring process, the overall guiding principles are as outlined by the Constitution of Kenya, 2010 and the County Governments Act, 2012. The guiding principles in the hiring process are as per section 65 of the County Governments Acts, 2012.

In 2016, the County Public Service Board developed Recruitment and Selection Policy, 2016 which was forwarded to the County Assembly for approval. The policy is currently under review after four years of implementation. Under the current policy, gender mainstreaming, considerations on minority communities, marginalized communities, people living with disabilities, the youth etc are deliberately catered for. The policy went through stakeholder engagement. In every financial year, the Board sensitizes the public on its roles and specifically engages them on issues of hiring since this the most visible function of the Board in the public eye. The CPSB also submits annual reports to the County Assembly, the reports segregates the recruitments data as per the requirements of the constitution.

In 2016, the CPSB developed the Training and Development Policy which guides how skills in the County Public Service are improved. The CPSB has delegated the Training and Development function to the respective departments through the County Directorate of Human Resource but retains the overall policy formulation and supervision role through its Human Resource Management and Development committee. However, The CPSB still retains the approval role for long term and oversea trainings.

The Board, through its Performance Management committee implements career management mechanisms including appraisals and reward systems as outlined in the Performance Management tools which it developed in consultation with stake holders. The implementation of the Occupational Health and Safety Act has been delegated to the Directorate of Human Resource but ultimately the Board remains responsible for its implementation.

4. Market place practices-

The County operates under a legal framework such as the Public Finance Management Act, 2012 and the Public Procurement and Disposal Act, 2015. This ensures that all County transactions are above board.

The County has endeavoured to ensure that all revenue is collected using cashless system to avoid leakages. On the other hand the County adheres to the procurement law where goods and services are procured competitively. Payments are also done using Integrated

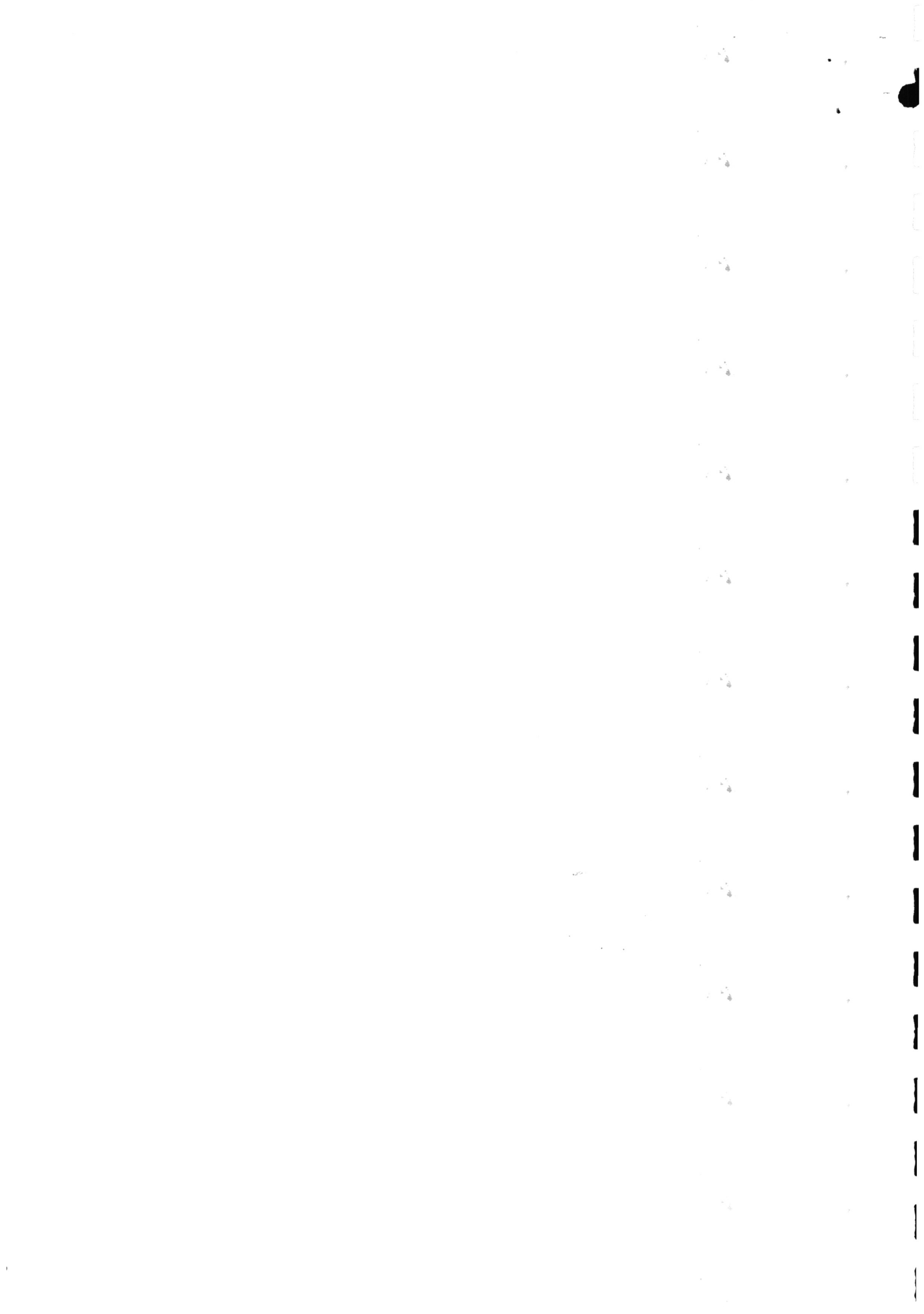
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Financial Management Information System (IFMIS) which ensures both accuracy and financial controls.

5. Community Engagements-

During the year the County Government engaged in the following activities as part of CSR:

- Transferred Kshs. 350,000,000 Kilifi County scholarship fund to assist the bright poor students in their education.
- Transferred Kshs. 27,485,400.00 under the County Donation Kitty to assist the citizen on various requests such as medical; promotion of youth, women and religious activities and needy students who were not able to benefit from scholarship fund.
- Spent Kshs. 43,413,292.50 on staff training and development.
- To promote issues on Water Environment, Forestry, Natural Resources and Solid Waste Management the County spent Kshs. 879,025,526.



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5. 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.

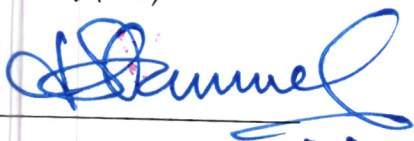
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2020. 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, 2020, 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.

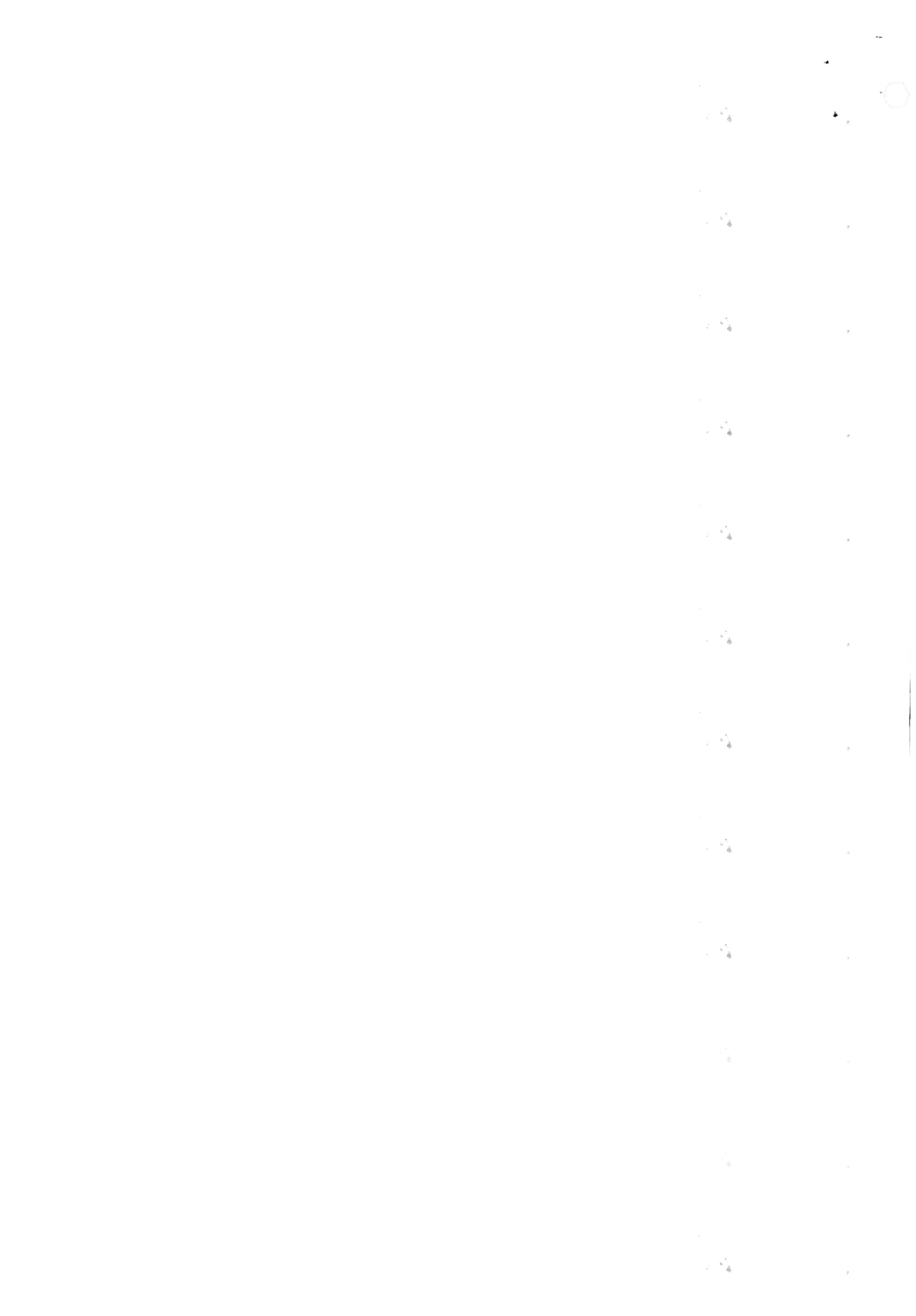
The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for 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 Ke

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 29/09/2020.

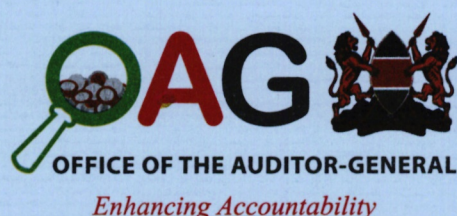


CPA Samuel Kombe Nzai
County Executive Committee Member
For Finance and Economic Planning
ICPAK MEMBER NO.12429



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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kilifi set out on pages 1 to 55, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation – recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kilifi as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1.0 County Own Generated Revenue

1.1 Revenue in Escrow Account

The statement of receipts and payments reflects county own generated receipts of Kshs.793,713,056 for the year ended 30 June, 2020. However, as disclosed in Note 7.9(6) on other important disclosures to the financial statements, the receipts excludes revenue amounting to Kshs.497,604,299, which had not been refunded to the County Revenue Fund (CRF) as at 30 June, 2020.

Further, the un-refunded revenue of Kshs.497,604,299 includes an amount of Kshs.445,467,561 held in two escrow bank accounts namely; County Government of Kilifi Cess Revenue Account - Kshs.350,396,502 and County Government of Kilifi Parking Fee Revenue Account - Kshs.95,071,059, which could not be refunded to the County

Revenue Fund (CRF) due to a court order issued on 21 July, 2015. The case is still ongoing.

As disclosed in Note 7.9(6) to the financial statements, County Government own source revenue is recognized in the financial statements when it has been swiped to County Revenue Fund. Although the Management indicated that the funds held in the respective bank accounts, other than the escrow bank, were subsequently transferred to the County Revenue Fund (CRF), an amount of Kshs.7,045,033 held in four (4) bank accounts had not yet been transferred as at 23 February, 2021.

Under the circumstances, Management was in breach of the Law and the accuracy and completeness of County own generated receipts of Kshs.793,713,056 reflected in the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Loss of Cash

The statement of assets and liabilities reflects an accounts receivables balance of Kshs.46,744,100 which, as disclosed in Note 13 to the financial statements, includes an amount of Kshs.43,240,740 described as loss of cash. The cash was lost through online transfer from the recurrent bank account to fictitious individuals or firms under unclear circumstances as they had not been contracted by the County. As previously reported, Management has indicated that the matter was reported to the relevant Government Agencies and is under investigation. Although recoverability of the amount of Kshs.43,240,740 lost is doubtful, Management has continued to reflect it in the financial statements as part of accounts receivables.

Under the circumstances, the accuracy of account receivables balance of Kshs.46,744,100 as at 30 June, 2020 which is reflected in the financial statements could not be ascertained.

3. Unsupported Adjustments/Re-Statements

The comparative balances for various account items in the financial statements were re-stated as summarized below:

No.	Component	Re-stated/Adjusted Balances for 2018/2019 as per Financial Statements for Year 2019/2020 (Kshs.)	Audited Balances as Per Financial Statements Year 2018/2019 (Kshs.)	Unsupported Adjustment (Kshs.)
1	Compensation of Employees	3,796,135,337	3,796,124,183	11,154
2	Use of Goods and Services	2,466,604,997	2,466,324,997	280,000
3	Bank Balances	1,764,528,531	1,742,179,579	22,348,952
4	Accounts Receivables- Unsurrendered Imprests	47,978,775	50,260,932	2,282,157
5	Fund Balances B/fwd	615,188,409	617,179,413	1,991,004)

However, reasons for the re-statements have not been provided under Note 16 on prior year adjustments. The supporting journal entries have also not been provided for audit review.

Under the circumstances, the accuracy and completeness of the re-stated balances in the financial statements for the year ended 30 June, 2020 could not be confirmed.

4. Differences Between Financial Statements and Integrated Financial Management Information System (IFMIS) Reports

The following balances reflected in the financial statements for the year ended 30 June, 2020 were at variance with Integrated Financial Management Information System (IFMIS) Report as summarized below:

Item	Financial Statements Balances (Kshs.)	IFMIS Report Balances (Kshs.)	Variance (Kshs.)
Receipts			
Proceeds from Domestic and Foreign Grants	503,487,122	759,245,602	(255,758,480)
Exchequer Releases	10,340,229,699	10,437,159,608	(96,929,909)
Transfer from other Government Entities	0	468,495,927	(468,495,927)
Other Receipts	793,713,056	581,077,249	212,635,807
Returned CRF Issues	128,653	123,653	5,000
Payments			
Compensation of Employees	3,943,716,879	3,781,497,748	162,219,131
Use of Goods and Services	2,326,975,119	1,771,272,187	555,702,932
Other Grants and Transfers	1,602,315,867	799,619,443	802,696,424
Acquisition of Assets	3,293,191,265	1,724,632,591	1,568,558,674

In the circumstances, the accuracy, validity and completeness of the balances as reflected in the financial statements could not be confirmed.

5. Variances Between Financial Statements and Supporting Schedules Balances

The following balances reflected in the financial statements were at variance with the balances reflected in the supporting schedules as summarized below:

No.	Item	Note	Financial Statements Balances (Kshs.)	Supporting Schedules Balances (Kshs.)	Variance (Kshs.)
Assets					
	KCG - Main Revenue Account	12A	1,537,396	1,612,321	(74,925)
Pending Accounts Payables					
1	Construction of Buildings		292,484,919	256,117,131	36,367,788
2	Construction of Civil Works		159,720,548	147,571,981	12,148,567

No.	Item	Note	Financial Statements Balances (Kshs.)	Supporting Schedules Balances (Kshs.)	Variance (Kshs.)
3	Supply of Goods		349,231,767	423,939,284	(74,707,517)
4	Supply of Services		372,026,670	336,748,571	35,278,099
Pending Staff Payables					
1	Senior Management		2,032,863.00	933,450.00	1,099,413
2	Middle Management		19,408,452.00	24,118,266.00	(4,709,814)
3	Others		6,719,200.00	340,500.00	6,378,700

In the circumstances, the accuracy and completeness of the of the balances for above account items as reflected in the financial statements could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects an approved revenue budget of Kshs.15,034,621,948 against actual receipts of Kshs.12,702,833,741, resulting in an overall net under collection of Kshs.2,331,788,207 or 16%. Similarly, the statement reflects an approved expenditure budget of Kshs.15,034,621,948 against actual expenditure of Kshs.12,411,808,175, resulting to an overall under expenditure of Kshs.2,622,813,773 or 17%. The underfunding and underperformance constrained execution of planned activities and delivery of services to the residents of Kilifi County.

2. Late Exchequer Releases

During the year under review, the County Executive of Kilifi had budgeted for Exchequer releases of Kshs.10,444,500,000 but received a total of Kshs.9,546,273,000, out of which Exchequers releases totalling Kshs.1,315,036,361 were released in the month of June, 2020 as shown below:

Date Funds received in the Bank Account	Amount Received (Kshs.)
24 June, 2020	940,005,000
15 June, 2020	32,343,750
30 June, 2020	12,075,000
30 June, 2020	30,000,000
4 June, 2020	29,431,649
4 June, 2020	25,969,864
30 June, 2020	236,411,098
30 June, 2020	8,800,000
Total	1,315,036,361

The late Exchequer releases of Kshs.1,315,036,361 may have contributed to the under absorption of budget by Kshs.2,622,813,773.

3.0 Pending Bills

As disclosed in Note 7.9.(1) on other important disclosures to the financial statements, the County Executive of Kilifi had pending bills amounting to Kshs.1,202,637,677 as at 30 June, 2020. However, audit carried out for the year under review revealed the following anomalies:

3.1 Un-Budgeted Pending Bills

Pending bills amounting to Kshs.133,572,547 were incurred on a vote whose budget had been exhausted and therefore the commitment of funds was done above the approved budget. This was done contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015, which states that an Accounting Officer should not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.

3.2 Long Outstanding Pending Bills

The pending bills includes an amount of Kshs.487,760,842 incurred on goods, services, civil works and buildings which had been outstanding for more than one year as summarized below:

No.	Item	Amount (Kshs.)
1	Construction of Buildings	104,681,636
2	Construction of Civil Works	9,815,846
3	Supply of Goods	231,689,848
4	Supply of Services	141,573,513
	Total	487,760,842

3.3 Ministry of Health Long Outstanding County Debts

Records from the Ministry of Health indicate that County Government of Kilifi has unpaid debts owed to the Ministry totalling Kshs.157,834,205 which have been outstanding since 2014. However, the Management has not explained the reasons for failure to settle these long outstanding debts.

Payment of pending bills forms a first charge of the budget as required by The National Treasury circulars and Section 74(4) of the Public Finance Management Act, 2012 which states that an Accounting Officer engages in improper conduct in relation to a national government entity if the officer fails, without reasonable excuse, to pay eligible and approved bills promptly in circumstances where funds are provided for in the budget. Management had, therefore, not prioritized the settlement of the long outstanding pending bills as required.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis of Conclusion

1. Non-Remittance of Payroll Deductions

During the year under review, Management made deductions from the payroll amounting to Kshs.27,061,998. However, no explanation has been provided on why the amounts remained un-remitted to the relevant authorities against the requirements of Section 19(4) of the Employment Act, 2007.

The Management was in breach of the law, to this extent.

2. Irregular Payroll Deductions

Examination of the payroll for the year under review revealed that net pay for twenty-three (23) employees totalling to Kshs.2,561,123 was less than a third of their corresponding basic pay of Kshs.10,659,414. This was contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of deduction of the wages of an employee should not exceed two thirds of such wages.

3. Lack of Training Needs Assessment Report and Plan

The statement of receipts and payments reflects an expenditure of Kshs.2,326,975,119 under use of goods and services which, as disclosed in Note 6 to the financial statements,

includes an amount of Kshs.43,512,093 relating to training expenses. However, a training needs assessment to identify skills gap, basis for identification and selection of officers trained and the annual training plan was not provided for audit review.

4. Lack of Performance Security Bonds

During the year under review, the Management engaged various contractors to implement some projects and paid a total of Kshs.12,514,104 as summarized below:

Date	Payment Voucher Number	Description	Department	Amount (Kshs.)
30/06/2020	94379	Maintenance of Buildings and Stations- Non -Residential	County Attorney	5,960,783
27/01/2020	88250	Maintenance of Civil Works	Roads	3,395,093
31/01/2020	89017	Maintenance of Buildings and Stations -- Non-Residential	County attorney	3,158,228.
Total				12,514,104

However, the performance security bonds for these projects were not provided for audit review. Consequently, it was not possible to confirm whether the implementation of these projects was guaranteed in accordance with the law.

5. Outstanding Imprests

The statement of assets and liabilities reflects an accounts receivables balance of Kshs.46,744,100 which, as disclosed in Note 13 to the financial statements, includes an amount of Kshs.3,503,360 relating to outstanding imprests. The outstanding imprests includes an amount of Kshs.750,391 which has been outstanding for more than two (2) years. This is contrary to Regulation 93(5) of the Public Finance Management (County Government) Regulations, 2015 which requires imprests to be surrendered within 7 working days after the holder returns to duty station.

Management explained that the amount relates to imprests held by officers who had transferred services without full clearance from the County and that the new employers have been requested in writing to initiate the process of recovery. However, there is no evidence that the requests have been acted on.

6. Irregular Transfer of Facility Improvement Fund Revenue to County Revenue Fund

During the year under review, Kilifi County Government collected hospital fees and other charges amounting to Kshs.179,400,631. However, this amount was transferred to the County Revenue Fund, contrary to Section 3(2) of Kilifi County Health Services Improvement Fund, 2016 which states that there shall be paid into the Health Services

Improvement Fund monies as appropriated by the County Treasury; grants or donations; monies received as user charges; and income generated from the proceeds of the services.' No explanation was provided transferring the amount to the County Revenue Fund.

7.0 Other Grants and Payments

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.1,602,315,867 under other grants and payments. However, the following irregularities were noted:

7.1 Cash for the Elderly

During the year under review, Management transferred a total of Kshs.29,000,000 to a commercial bank account used to disburse funds to the elderly. However, as at the time of audit in November, 2020 the amount had not been spent or paid back to the County Revenue Fund. This is contrary to Public Finance Management Act, 2012, Section 136(2) 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.'

7.2 Donations for School Fees

Included under other grants and payments are other current transfers, grants and subsidies of Kshs.483,984,425, out of which Kshs.1,458,500 is in respect of donations for school fees. However, the County Government had earlier established Kilifi County Ward Scholarship Fund which is allocated Kshs.350 million every year for school fees. Management has not provided explanations on why the school fees donations were not credited to the bank account of the Fund.

8. Expenditure not Authorized by the Controller of Budget

Analysis of County Divisions expenditure revealed that some County Divisions exceeded the budgets approved by the Controller of Budget as summarized below:

- i. Twelve (12) out of twenty-four (24) divisions over spent on recurrent expenditure above Controller of Budget approval by Kshs.251.6 million.
- ii. Three (3) out of twenty-four (24) divisions spent above the Controller of Budget approval by Kshs.200 million on development expenditure.
- iii. Nine (9) out of twenty-four (24) divisions exceeded the budget ceilings set by the Controller of Budget by Kshs.389.4 million.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 of Kilifi financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation

to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective manner, 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Executive of Kilifi'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 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 County Executive of Kilifi to cease to continue sustaining 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 of Kilifi 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 September, 2021

THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

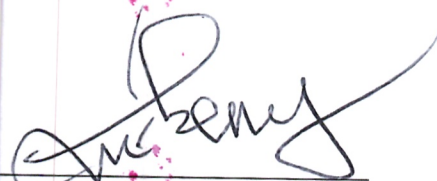
7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

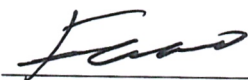
STATEMENT OF RECEIPTS AND
PAYMENTS FOR THE YEAR ENDED JUNE
30, 2020

DESCRIPTION		2019/2020	2018/2019 Restated
	Note	KShs	KShs
RECEIPTS			
Exchequer releases	1	10,340,229,699	11,616,361,508
Proceeds from Domestic and Foreign Grants	2	503,487,122	285,223,456
County Own Generated Receipts	3	793,713,056	864,317,126
Returned CRF issues (County Assembly)	4	128,653	1,274
TOTAL RECEIPTS		11,637,558,530	12,765,903,364
PAYMENTS			
Compensation of Employees	5	3,943,716,879	3,796,135,337
Use of goods and services	6	2,326,975,119	2,466,604,997
Transfers to Other Government Units	7	999,517,108	1,031,413,979
Other grants and transfers	8	1,602,315,867	1,739,246,725
Social Security Benefits	9	26,091,937	34,502,849
Budget Contingency Reserve (Emergency Fund)	10	220,000,000	
Acquisition of Assets	11	3,293,191,265	2,829,276,111
TOTAL PAYMENTS		12,411,808,175	11,897,179,998
SURPLUS/(DEFICIT)		(774,249,645)	868,723,367

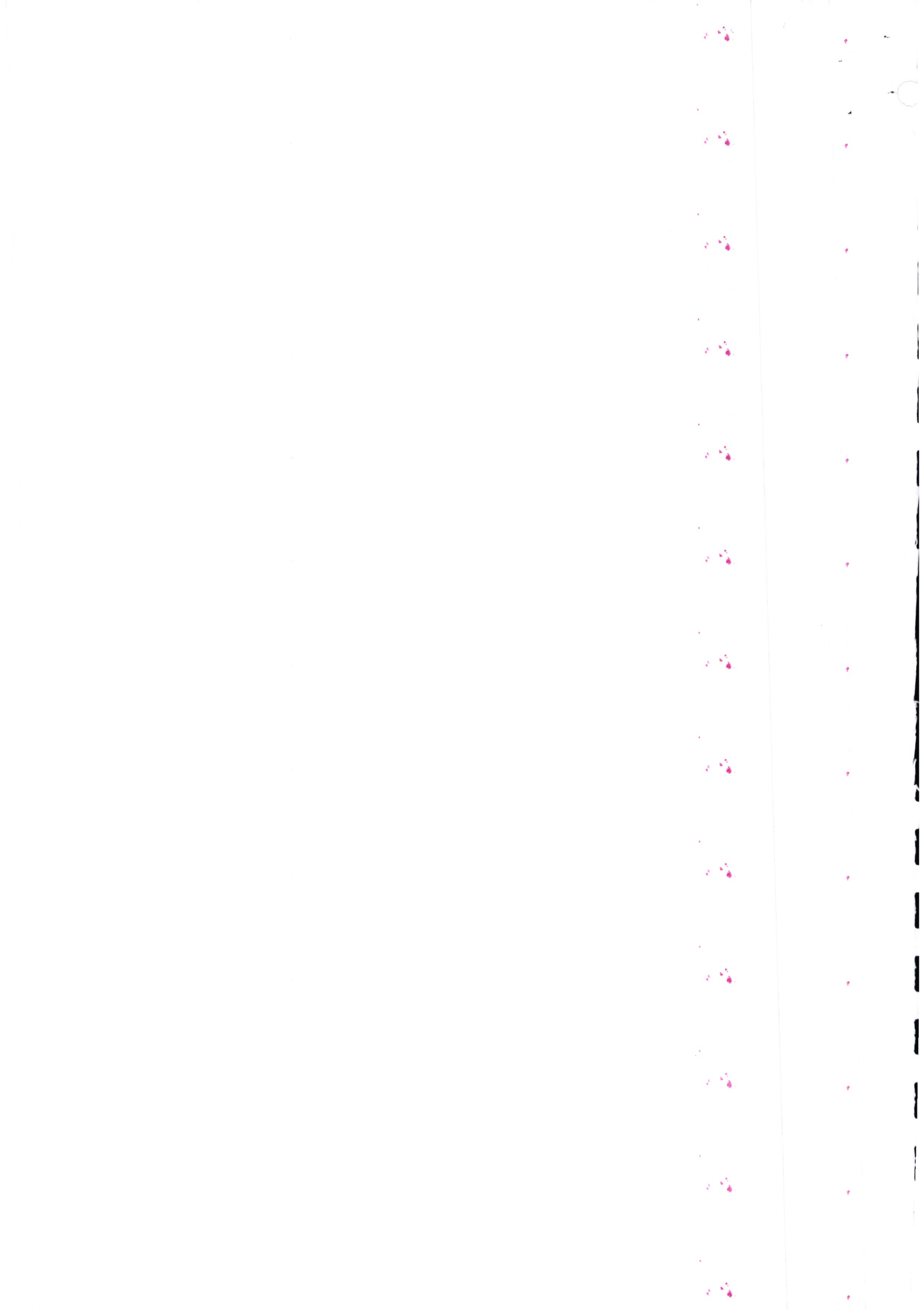
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2020 and signed by:



Benjamin Kai Chilumo
 Chief Officer Finance
 ICPAK Member No: 4342



Bonaventure F. M. Mwakio
 Director Accounting Services
 ICPAK Member No: 3346



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

7.2. STATEMENT OF ASSETS AND LIABILITIES

STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

DESCRIPTION	Note	2019/2020	2018/2019
		KShs	Restated KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	1,127,469,668	1,764,528,531
Cash Balances	12B	225,113	3,953,682
Total Cash and cash equivalents		1,127,694,781	1,768,482,213
Accounts receivables	13	46,744,100	47,978,775
TOTAL FINANCIAL ASSETS		1,174,438,881	1,816,460,988
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	14	442,427,799	310,200,262
NET FINANCIAL ASSETS		732,011,082	1,506,260,727
REPRESENTED BY			
Fund balance b/fwd	15	1,506,260,727	615,188,409
Prior year adjustments	16	0	22,348,951
Surplus/(Deficit) for the year		(774,249,645)	868,723,367
NET FINANCIAL POSITION		732,011,082	1,506,260,727

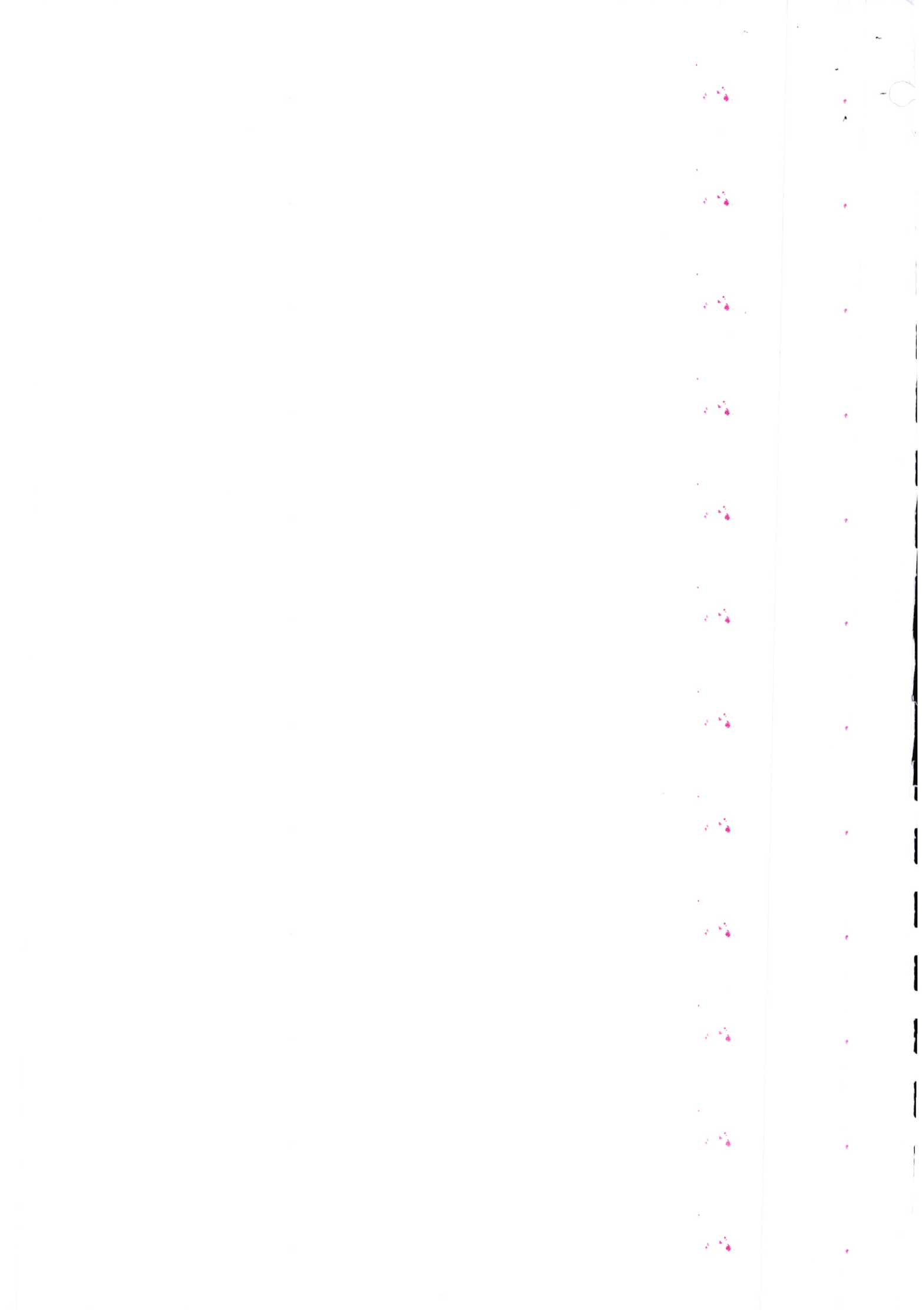
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2020 and signed by:



Benjamin Kai-Chilumo
 Chief Officer Finance
 ICPAK Member No: 4342



Bonaventure F. M. Mwakio
 Director Accounting Services
 ICPAK Member No: 3346



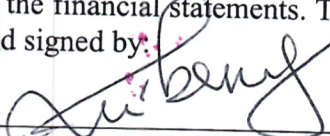
THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

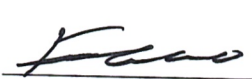
7.3. STATEMENT OF CASH FLOWS

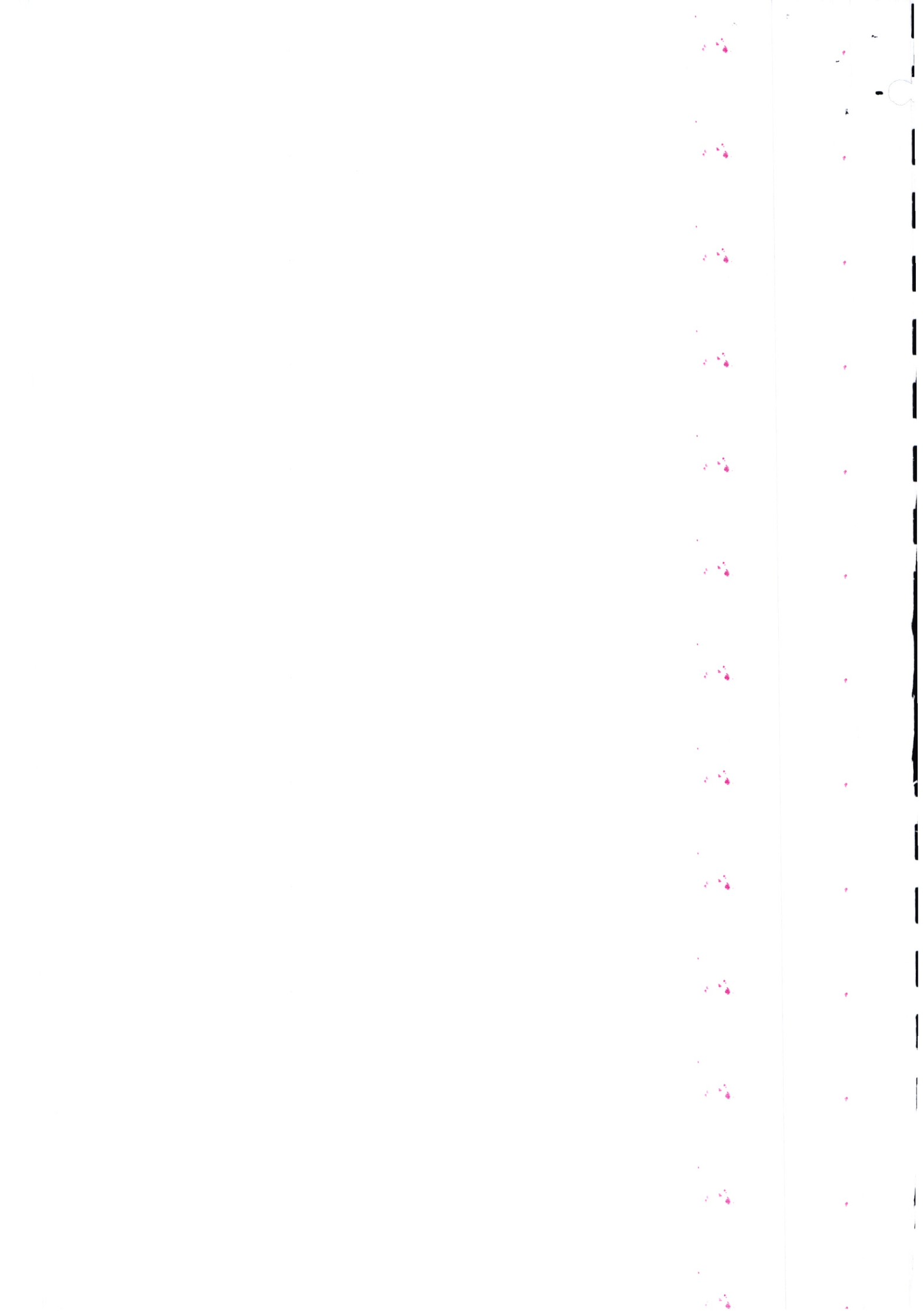
**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED JUNE 30, 2020**

DESCRIPTION	Note	2019/2020	2018/2019
		KShs	Restated KShs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	10,340,229,699	11,616,361,508
Proceeds from Domestic and Foreign Grants	2	503,487,122	285,223,456
County Own Generated Receipts	3	793,713,056	864,317,126
Returned CRF issues	4	128,653	1,274
Payments for operating expenses			
Compensation of Employees	5	3,943,716,879	3,796,135,337
Use of goods and services	6	2,326,975,119	2,466,604,997
Transfers to Other Government Units	7	999,517,108	1,031,413,979
Other grants and transfers	8	1,602,315,867	1,739,246,725
Social Security Benefits	9	26,091,937	34,502,849
Budget Contingency Reserve (Emergency Fund)	10	220,000,000	0
Adjusted for:			
Changes in receivables	17	1,234,675	1,343,086
Changes in payables	18	132,227,537	(4,845,683)
Total Adjustments		133,462,212	(3,502,597)
Net cash flows from operating activities		2,652,403,832	3,694,496,881
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	3,293,191,265	2,829,276,111
Net cash flows from investing activities		3,293,191,265	2,829,276,111
NET INCREASE/(DECREASE IN CASH AND CASH EQUIVALENT		(640,787,433)	865,220,770
BEGINNING of the year Cash and cash equivalent	15	1,768,482,214	880,912,493
Prior year adjustments	16	0	22,348,951
END of the year Cash and cash equivalent	12	1,127,694,781	1,768,482,214
As per statement of assets		1,127,694,781	1,768,482,213

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 29/09/2020 and signed by:


Benjamin Kai Chilumo
Chief Officer Finance
ICPAK Member No: 4342


Bonaventure F. M. Mwakio
Director Accounting Services
ICPAK Member No: 334



THE COUNTY GOVERNMENT OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED JUNE 30, 2020

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						
Exchequer releases	10,848,516,666	-404,016,666	10,444,500,000	9,546,273,000	898,227,000	91%
Proceeds from Domestic and Foreign Grants	513,222,119	2,040,378,765	2,553,600,884	1,297,443,821	1,256,157,063	51%
County Own Generated Receipts	1,000,000,000	100,000,000	1,100,000,000	793,713,056	306,286,944	72%
Revoted revenue		936,521,064	936,521,064	1,065,275,211	(128,754,146)	114%
Returned CRF issues	0	0	0	128,653	(128,653)	
TOTAL	12,361,038,785	2,673,583,163	15,034,621,948	12,702,833,741	2,331,788,207	84%
PAYMENTS						
Compensation of Employees	3,656,163,582	293,194,289	3,949,357,871	3,943,716,879	5,640,993	100%
Use of goods and services	1,799,906,887	948,250,951	2,748,157,838	2,326,975,119	421,182,719	85%
Other Creditors	0	16,945,098	16,945,098	0	16,945,098	0%
Transfers to Other Government Units	998,455,640	5,000,000	1,003,455,640	999,517,108	3,938,532	100%
Other grants and transfers	2,458,964,722	-431,331,256	2,027,633,466	1,602,315,867	425,317,599	79%
Social Security Benefits	10,000,000	16,091,937	26,091,937	26,091,937	0	100%
Budget Contingency Reserve (Emergency Fund)	0	220,000,000	220,000,000	220,000,000	0	100%
Acquisition of Assets	3,368,247,954	1,674,732,144	5,042,980,098	3,293,191,265	1,749,788,833	65%
Acquisition Of Financial Assets	70,000,000	-70,000,000	0	0	0	0%
TOTAL	12,361,738,785	2,672,883,163	15,034,621,948	12,411,808,175	2,622,813,773	83%



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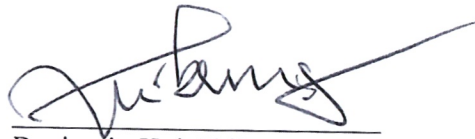


THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

The following were major causes of the budget utilization differences:-

- Proceeds from Domestic and Foreign Grants: Non -remittances of the following grants:-
- Leasing of Medical Equipment 131,914,894
- National Agricultural and Rural Inclusive Growth Project (NARIGP) 145,440,117
- Water & Sanitation Development Programme (WSDP) 554,984,560
- Kenya Devolution Support Programme (KDSP) Level II Grant 153,800,563

The entity financial statements were approved on 29/09/2020 and signed by:



Benjamin Kai Chilumo
Chief Officer Finance
ICPAK Member No: 4342



Bonaventure F. M. Mwakio
Director Accounting Services
ICPAK Member No: 3346

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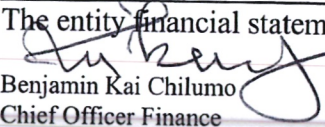



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED JUNE 30, 2020

| 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 | | | | | | |
| Exchequer releases | 6,068,866,775 | 1,416,134,325 | 7,485,001,100 | 6,586,774,100 | 898,227,000 | 88% |
| Proceeds from Domestic and Foreign Grants | 25,969,864 | 512,482,487 | 538,452,351 | 429,966,961 | 108,485,391 | 80% |
| County Own Generated Receipts | 1,000,000,000 | 100,000,000 | 1,100,000,000 | 793,713,056 | 306,286,944 | 72% |
| revoted revenue | | 130,668,327 | 130,668,327 | 259,422,473 | - 128,754,147 | 199% |
| Returned CRF issues | | | | 128,653 | - 128,653 | |
| TOTAL | 7,094,836,639 | 2,159,285,138 | 9,254,121,777 | 8,070,005,243 | 1,184,116,534 | 87% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 3,656,163,582 | 293,194,289 | 3,949,357,871 | 3,943,716,879 | 5,640,993 | 100% |
| Use of goods and services | 1,783,706,887 | 854,890,322 | 2,638,597,209 | 2,267,057,342 | 371,539,867 | 86% |
| Other Creditors | 0 | 6,789,596 | 6,789,596 | 0 | 6,789,596 | 0% |
| Transfers to Other Government Units | 798,455,640 | 5,000,000 | 803,455,640 | 803,305,180 | 150,460 | 100% |
| Other grants and transfers | 636,700,000 | 715,791,579 | 1,352,491,579 | 1,194,460,856 | 158,030,723 | 88% |
| Social Security Benefits | 10,000,000 | 16,091,937 | 26,091,937 | 26,091,937 | 0 | 100% |
| Budget Contingency Reserve (Emergency Fund) | 0 | 220,000,000 | 220,000,000 | 220,000,000 | 0 | 100% |
| Acquisition of Assets | 139,810,530 | 117,527,415 | 257,337,945 | 163,406,635 | 93,931,310 | 63% |
| Acquisition Of Financial Assets | 70,000,000 | -70,000,000 | 0 | 0 | 0 | 0% |
| TOTAL | 7,094,836,639 | 2,159,285,138 | 9,254,121,777 | 8,618,038,829 | 636,082,948 | 93% |

The entity financial statements were approved on 29/09/2020 and signed by


 Benjamin Kai Chilumo
 Chief Officer Finance
 ICPAK Member No: 4342


 Bonaventure F. M. Mwakio
 Director Accounting Services
 ICPAK Member No: 3346

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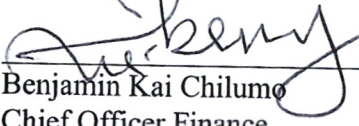


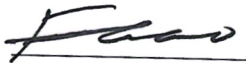
THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

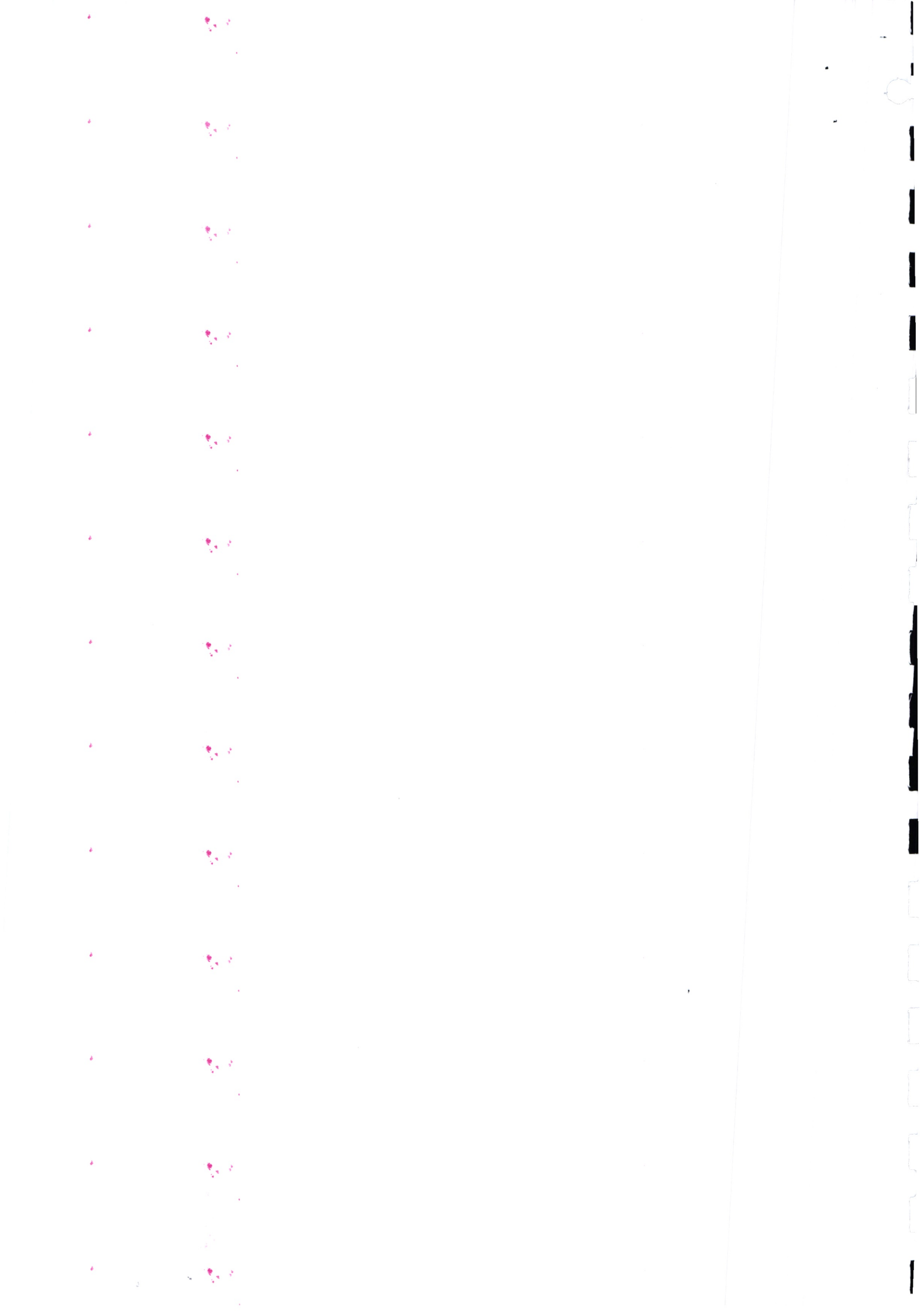
7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED JUNE 30, 2020

| 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 | | | | | | |
| Exchequer releases | 4,779,649,891 | -1,820,150,991 | 2,959,498,901 | 2,959,498,900 | 1 | 100% |
| Proceeds from Domestic and Foreign Grants | 487,252,255 | 1,527,896,278 | 2,015,148,533 | 867,476,860 | 1,147,671,673 | 43% |
| County Own Generated Receipts | 0 | 0 | 0 | 0 | 0 | 0% |
| Returned CRF issues | 0 | 805,852,738 | 805,852,738 | 805,852,737 | 1 | 100% |
| TOTAL | 5,266,902,146 | 513,598,025 | 5,780,500,171 | 4,632,828,498 | 1,147,671,673 | 80% |
| PAYMENTS | | | | | | |
| Use of goods and services | 16,200,000 | 93,360,629 | 109,560,629 | 59,917,777 | 49,642,852 | 55% |
| Other Creditors | 0 | 10,155,502 | 10,155,502 | 0 | 10,155,502 | 0% |
| Transfers to Other Government Units | 200,000,000 | 0 | 200,000,000 | 196,211,928 | 3,788,072 | 98% |
| Other grants and transfers | 1,822,264,722 | -1,147,122,835 | 675,141,887 | 407,855,011 | 267,286,876 | 60% |
| Acquisition of Assets | 3,228,437,424 | 1,557,204,729 | 4,785,642,153 | 3,129,784,630 | 1,655,857,523 | 65% |
| TOTAL | 5,266,902,146 | 513,598,025 | 5,780,500,171 | 3,793,769,346 | 1,986,730,825 | 66% |

The entity financial statements were approved on 29/09/2020 and signed by:


 Benjamin Kai Chilumo
 Chief Officer Finance
 ICPAK Member No: 4342


 Bonaventure F. M. Mwakio
 Director Accounting Services
 ICPAK Member No: 3346



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For the year ended June 30, 2020

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED JUNE 30, 2020

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Office of the Governor and Deputy Governor | | | | | |
| S.P 1.1: General Administration Planning and Support Services | 21,000,000 | 1,420,000 | 22,420,000 | 21,428,718 | (991,282) |
| S.P 1.4: Administration, Planning and Support Services | 257,938,877 | 93,490,772 | 351,429,649 | 326,934,167 | (24,495,482) |
| Total Office of the Governor and Deputy Governor | 278,938,877 | 94,910,772 | 373,849,649 | 348,362,885 | (25,486,764) |
| County Attorney | | | | | |
| S.P 2.1: Administration, Planning and Support Services | 92,575,000 | 10,000,000 | 102,575,000 | 84,963,672 | (17,611,328) |
| Total County Attorney | 92,575,000 | 10,000,000 | 102,575,000 | 84,963,672 | (17,611,328) |
| Finance | | | | | |
| Administration, Planning and Support Services | 1,835,207,738 | (1,312,460,736) | 522,747,002 | 513,106,350 | (9,640,652) |
| Kenya Devolution Support Programme | 0 | 186,287,853 | 186,287,853 | 3,184,445 | (183,103,408) |
| Budget Formulation, Cordination and Management | 39,047,000 | 3,567,288 | 42,614,288 | 35,159,950 | (7,454,339) |
| Audit Services | 16,480,000 | (4,219,000) | 12,261,000 | 3,635,463 | (8,625,537) |
| Accounting Services | 30,510,700 | (15,350,000) | 15,160,700 | 11,562,256 | (3,598,444) |

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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|------------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Supply Chain Management Services | 8,550,000 | 885,000 | 9,435,000 | 2,588,813 | (6,846,187) |
| Resource Mobilization/Debt Management | 45,149,997 | 19,838,460 | 64,988,457 | 85,651,908 | 20,663,451 |
| Total Finance Headquarters | 1,974,945,435 | (1,121,451,135) | 853,494,300 | 654,889,185 | (198,605,115) |
| Economic Planning Headquarters | | | | | |
| Administration, Planning and Support Services | 29,047,000 | 2,082,905 | 31,129,905 | 9,038,654 | (22,091,251) |
| County Fiscal Planning | 7,063,000 | 28,640,250 | 35,703,250 | 3,217,101 | (32,486,149) |
| Statistical Information Services/Monitoring | 17,346,532 | 4,276,845 | 21,623,377 | 13,683,647 | (7,939,730) |
| Total Economic Planning Headquarters | 53,456,532 | 35,000,000 | 88,456,532 | 25,939,401 | (62,517,131) |
| Agriculture | | | | | |
| Development Planning and Land Reforms | 251,490,562 | 378,288,821 | 629,779,383 | 495,085,764 | (134,693,619) |
| Food security initiatives | 48,747,191 | 3,657,983 | 52,405,174 | 48,948,670 | (3,456,504) |
| Agribusiness and information management | 46,207,962 | (15,889,295) | 30,318,667 | 24,302,270 | (6,016,397) |
| Promotion of Irrigation and Drainage Development and Management | 63,877,882 | 50,831,722 | 114,709,604 | 111,482,019 | (3,227,585) |
| Total Agriculture | 410,323,597 | 416,889,231 | 827,212,828 | 679,818,723 | (147,394,105) |
| Livestock | | | | | |



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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|--------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Development Planning and Land Reforms | 9,100,764 | (300,000) | 8,800,764 | 7,680,849 | (1,119,915) |
| Livestock Policy Development and capacity building Programme | 0 | 145,000 | 145,000 | 0 | (145,000) |
| Livestock Production and Management | 79,180,000 | 33,014,947 | 112,194,947 | 106,664,602 | (5,530,345) |
| Livestock Products Value Addition and Marketing | 8,800,000 | 490,241 | 9,290,241 | 6,814,760 | (2,475,481) |
| Food Safety and Animal Products Development | 3,705,000 | 895,000 | 4,600,000 | 2,936,550 | (1,663,450) |
| Livestock Diseases Management and Control | 20,030,000 | 9,101,501 | 29,131,501 | 22,041,250 | (7,090,251) |
| Total Livestock | 120,815,764 | 43,346,689 | 164,162,453 | 146,138,011 | (18,024,442) |
| P 3: Fisheries | | | | | |
| SP3.1: Development Planning and Land Reforms | 0 | 0 | 0 | 0 | 0 |
| SP3.2: Livestock Policy Development and capacity building Programme | 19,692,960 | 72,000 | 19,764,960 | 14,538,719 | (5,226,241) |
| SP3.3: Livestock Production and Management | 40,816,220 | 2,359,030 | 43,175,250 | 32,135,941 | (11,039,309) |
| Marine and Fisheries Research | 49,000,000 | (3,500,000) | 45,500,000 | 33,273,324 | (12,226,676) |
| Total Fisheries | 109,509,180 | (1,068,970) | 108,440,210 | 79,947,985 | (28,492,225) |

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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|----------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Water | | | | | |
| Administration, Planning and Support Services | 166,905,360 | 86,523,855 | 253,429,215 | 251,968,238 | (1,460,977) |
| Water Supply Infrastructure | 423,300,000 | 667,299,588 | 1,090,599,588 | 568,714,033 | (521,885,555) |
| Total Water | 590,205,360 | 753,823,443 | 1,344,028,803 | 820,682,271 | (523,346,532) |
| Environmental | | | | | |
| Environmental Policy Management | 0 | 0 | 0 | 0 | 0 |
| Catchment Rehabilitation and Conservation | 36,790,702 | 20,000,000 | 56,790,702 | 54,543,035 | (2,247,667) |
| Forests Conservation and Management | 4,000,000 | 1,300,000 | 5,300,000 | 3,800,220 | (1,499,780) |
| Total Environmental | 40,790,702 | 21,300,000 | 62,090,702 | 58,343,255 | (3,747,447) |
| Education | | | | | |
| General Administration, Planning and Support Services | 0 | 0 | 0 | 0 | 0 |
| Administration, Planning and Support Services | 475,242,071 | 94,477,576 | 569,719,647 | 527,484,098 | (42,235,549) |
| School Health, Nutrition and Meals | 0 | 0 | 0 | 0 | 0 |
| Free Pre-Primary Education | 224,304,463 | 146,744,108 | 371,048,571 | 214,140,008 | (156,908,563) |
| Scholarship, Bursary and Loan | 354,560,000 | 0 | 354,560,000 | 354,479,600 | (80,400) |
| Revitalization of Youth Polytechnics | 102,546,265 | 51,334,634 | 153,880,899 | 106,898,521 | (46,982,378) |
| Total Education | 1,156,652,799 | 292,556,318 | 1,449,209,117 | 1,203,002,227 | (246,206,890) |

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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Information, Communication and Technology | | | | | |
| E-Government Services-Information, Communication and Technology | 11,226,139 | 58,600,000 | 69,826,139 | 18,612,652 | (51,213,487) |
| Total Information, Communication and Technology | 11,226,139 | 58,600,000 | 69,826,139 | 18,612,652 | (51,213,487) |
| Medical Services | | | | | |
| Development Planning and Land Reforms | 0 | 30,000,000 | 30,000,000 | 29,322,783 | (677,217) |
| County Health Care Services | 5,947,617 | 19,459,286 | 25,406,903 | 27,119,926 | 1,713,023 |
| County Referral Services | 1,216,318 | 0 | 1,216,318 | 877,219 | (339,099) |
| Specialized services (Spinal Injury) | 78,895,669 | 39,577,077 | 118,472,746 | 105,671,759 | (12,800,987) |
| Forensic and Diagnostics | 22,209,809 | 27,400,000 | 49,609,809 | 41,762,268 | (7,847,542) |
| Administration, Planning and Support Services | 2,796,155,013 | 77,711,226 | 2,873,866,239 | 2,591,140,491 | (282,725,748) |
| Capacity Building & Training | 586,155 | 1,553,748 | 2,139,903 | 1,800,100 | (339,803) |
| Health Policy, Planning & Financing | 101,888,379 | 254,052,000 | 355,940,379 | 207,476,575 | (148,463,804) |
| Health Standards, Quality Assurance & Standards | 0 | 0 | 0 | 0 | 0 |
| Human Resource Management | 0 | 0 | 0 | 0 | 0 |
| Family planning services | 26,201,888 | 133,356,249 | 159,558,137 | 127,298,182 | (32,259,955) |
| Maternity | 0 | 0 | 0 | 0 | 0 |

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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|----------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Immunization | 9,119,343 | 5,983,000 | 15,102,343 | 11,585,046 | (3,517,297) |
| Total Medical Services | 3,042,220,191 | 589,092,586 | 3,631,312,777 | 3,144,054,348 | (487,258,429) |
| Public Health | | | | | |
| Non-communicable Disease Prevention & Control | 251,696,968 | 280,563,209 | 532,260,177 | 483,175,035 | (49,085,142) |
| Communicable Disease Control | 103,601,487 | (22,695,068) | 80,906,419 | 46,698,969 | (34,207,450) |
| School Health, Nutrition and Meals | 49,700,000 | (24,200,000) | 25,500,000 | 14,868,357 | (10,631,643) |
| Total Public Health | 404,998,455 | 233,668,141 | 638,666,596 | 544,742,361 | (93,924,235) |
| Roads | | | | | |
| Maintenance of Roads | 1,069,024,063 | 275,453,319 | 1,344,477,382 | 1,301,684,426 | (42,792,956) |
| General Administration, Planning And Support Services | 294,172,073 | 36,419,748 | 330,591,821 | 327,222,667 | (3,369,154) |
| Management Consultancy Services | 10,996,501 | (3,000,000) | 7,996,501 | 8,805,005 | 808,504 |
| Total Roads | 1,374,192,637 | 308,873,067 | 1,683,065,704 | 1,637,712,097 | (45,353,607) |
| Lands | | | | | |
| Land Survey | 118,000,000 | (18,075,717) | 99,924,283 | 63,124,018 | (36,800,265) |
| Administration, Planning & Support Services | 95,891,349 | 11,888,578 | 107,779,927 | 95,833,308 | (11,946,619) |
| Agricultural Policy, Legal and Regulatory Frameworks | 78,500,000 | 38,780,252 | 117,280,252 | 65,387,391 | (51,892,861) |
| Total Lands | 292,391,349 | 32,593,113 | 324,984,462 | 224,344,717 | (100,639,745) |
| Physical Planning | | | | | |

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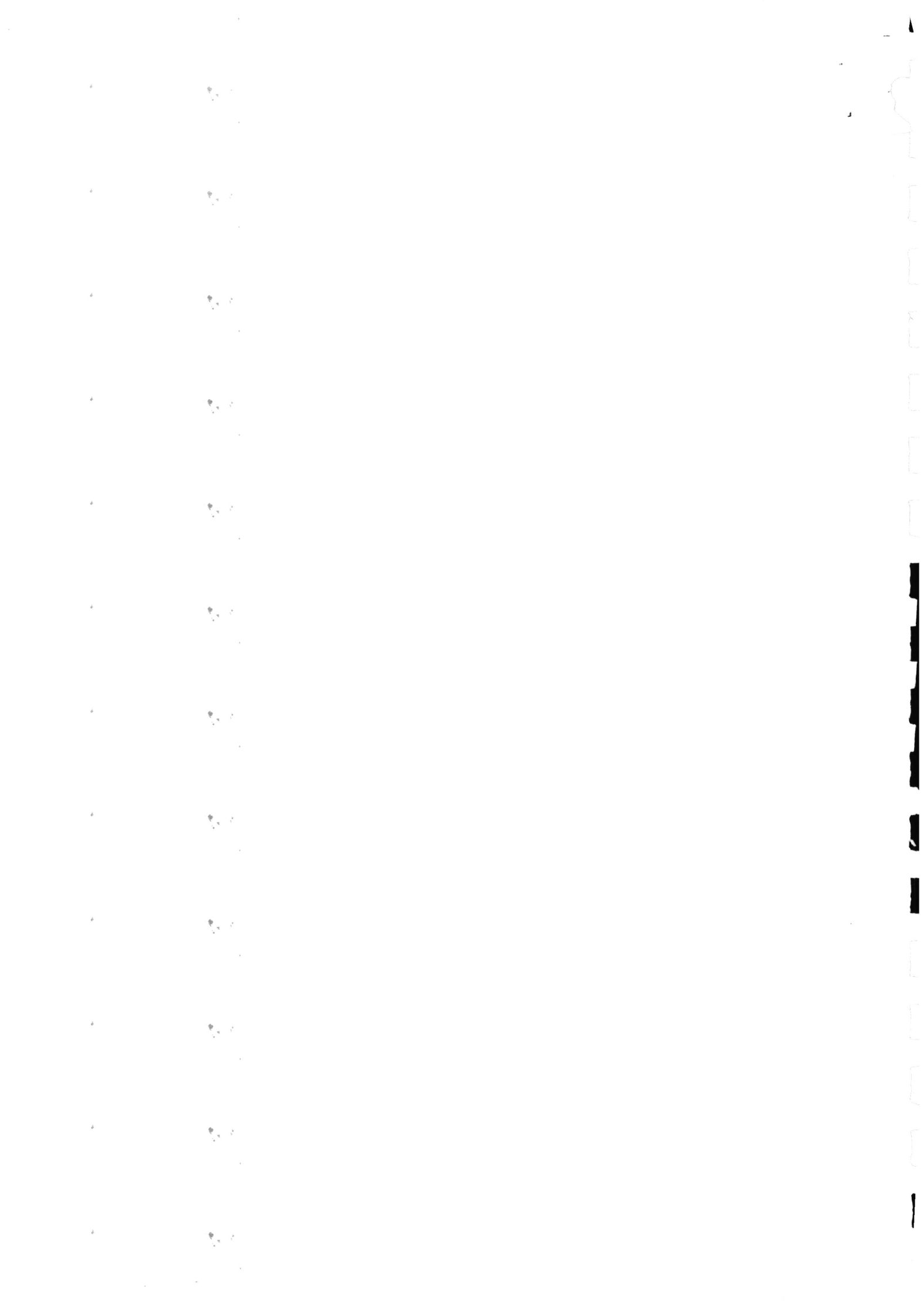
| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Land Use | 25,000,000 | (8,601,000) | 16,399,000 | 4,197,621 | (12,201,379) |
| Housing Development | 55,000,000 | 43,069,941 | 98,069,941 | 51,065,533 | (47,004,408) |
| Stalled and new Government buildings | 5,160,493 | (683,898) | 4,476,595 | 2,607,903 | (1,868,692) |
| Town administration services | 8,000,000 | 50,000,000 | 58,000,000 | 51,349,000 | (6,651,000) |
| Total Physical Planning | 93,160,493 | 83,785,043 | 176,945,536 | 109,220,057 | (67,725,479) |
| Gender | | | | | |
| Development and Management of Sports Facilities | 1,420,000 | (1,420,000) | 0 | 1,420,000 | 1,420,000 |
| Betting Control and lottery Policy services | 2,000,000 | 8,020,000 | 10,020,000 | 7,559,492 | (2,460,508) |
| Gender Mainstreaming | 4,399,500 | 0 | 4,399,500 | 3,321,799 | (1,077,701) |
| Youth Development Services | 7,000,000 | 26,821,301 | 33,821,301 | 27,684,801 | (6,136,500) |
| Development and Management of Sports Facilities | 154,880,000 | (82,296,560) | 72,583,440 | 76,677,791 | 4,094,351 |
| Conservation of Heritage | 16,540,000 | 6,500,000 | 23,040,000 | 18,034,724 | (5,005,276) |
| General Administration, Planning and Support Services | 59,278,599 | 21,965,948 | 81,244,547 | 90,508,344 | 9,263,797 |
| Social Welfare and vocational rehabilitation | 101,651,000 | 51,447,245 | 153,098,245 | 88,040,445 | (65,057,800) |
| Total Gender | 347,169,099 | 31,037,934 | 378,207,033 | 313,247,397 | (64,959,636) |
| Trade | | | | | |

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| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| General Administration Planning and Support Services | 74,884,285 | 32,874,702 | 107,758,987 | 105,129,246 | (2,629,741) |
| Market Development | 117,063,361 | (23,095,298) | 93,968,063 | 92,546,808 | (1,421,255) |
| Fair Trade and Consumer Protection | 3,350,000 | (2,564,550) | 785,450 | 981,350 | 195,900 |
| Trade Development | 127,850,000 | 31,420,747 | 159,270,747 | 154,602,070 | (4,668,677) |
| Niche tourism products development and diversification | 2,300,000 | 2,103,212 | 4,403,212 | 2,526,181 | (1,877,031) |
| Tourism promotion and marketing | 14,750,000 | 200,570 | 14,950,570 | 10,852,314 | (4,098,256) |
| Tourism Infrastructure and Devt | 6,000,000 | (2,770,790) | 3,229,210 | 2,087,249 | (1,141,961) |
| Tourism training and capacity building | 1,219,178 | 627,713 | 1,846,891 | 2,047,404 | 200,513 |
| Total Trade | 347,416,824 | 38,796,306 | 386,213,130 | 370,772,622 | (15,440,508) |
| Cooperative Development | | | | | |
| Market Development | 6,200,000 | 17,240,760 | 23,440,760 | 23,284,626 | (156,134) |
| Market Development | 2,000,000 | 202,150 | 2,202,150 | 1,289,500 | (912,650) |
| Market Development | 1,978,850 | (142,910) | 1,835,940 | 730,056 | (1,105,884) |
| Total Cooperative Development | 10,178,850 | 17,300,000 | 27,478,850 | 25,304,181 | (2,174,669) |
| County Public Service Board | | | | | |
| General Administration Planning and Support Services | 45,892,701 | 13,710,381 | 59,603,082 | 51,025,640 | (8,577,442) |
| Coordination and Supervision | 1,342,000 | 323,440 | 1,665,440 | 976,190 | (689,250) |
| Human Resource Development | 2,300,000 | 4,700,188 | 7,000,188 | 6,727,577 | (272,612) |



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Performance Management | 6,385,370 | 5,891,855 | 12,277,225 | 6,291,597 | (5,985,628) |
| Total County Public Service Board | 55,920,071 | 24,625,864 | 80,545,935 | 65,021,003 | (15,524,932) |
| Public Service Management | | | | | |
| Human Resource Development | 2,668,000 | (492,500) | 2,175,500 | 1,885,520 | (289,980) |
| Human Resouce Management | 8,580,000 | (6,560,000) | 2,020,000 | 1,711,156 | (308,844) |
| General Administration, Planning and support services | 300,097,866 | 284,474,194 | 584,572,060 | 572,383,296 | (12,188,764) |
| Public Service Management | 311,345,866 | 277,421,694 | 588,767,560 | 575,979,972 | (12,787,588) |
| Devolution | | | | | |
| Disaster Risk Reduction | 150,205,500 | 56,350,000 | 206,555,500 | 201,211,758 | (5,343,742) |
| Public Education, Advocacy, And Research | 8,316,700 | 0 | 8,316,700 | 5,186,673 | (3,130,027) |
| Sub county and ward administration services | 17,020,025 | (5,000,000) | 12,020,025 | 8,956,703 | (3,063,322) |
| Relief and Rehabilitation | 12,000,000 | (5,000,000) | 7,000,000 | 4,856,914 | (2,143,086) |
| Management of devolution affairs | 22,800,000 | 3,444,351 | 26,244,351 | 14,706,114 | (11,538,238) |
| General Administration, Planning and support services | 34,507,700 | 8,050,000 | 42,557,700 | 27,143,198 | (15,414,502) |
| Devolution & Disaster Management | 244,849,925 | 57,844,351 | 302,694,276 | 262,061,360 | (40,632,916) |
| County Municipalities | | | | | |
| Kilifi Municipality | 0 | 116,193,668 | 116,193,668 | 11,650,006 | (104,543,662) |

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THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|------------------------|----------------------|-----------------------|-----------------------------------|--------------------------------------|
| | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 | 2019/2020 |
| | KShs | KShs | KShs | KShs | KShs |
| Malindi Municipality | 0 | 252,745,048 | 252,745,048 | 7,480,678 | (245,264,370) |
| County Municipalities | 0 | 368,938,716 | 368,938,716 | 19,130,684 | (349,808,032) |
| County Executive Total | 11,363,283,145 | 2,667,883,163 | 14,031,166,308 | 11,412,216,142 | (2,618,950,166) |
| Transfers to County Assembly | | | | | |
| Transfers to County Assembly Recurrent Account | 798,455,640 | 5,000,000 | 803,455,640 | 926,077,108 | 122,621,468 |
| Transfers County Assembly Development Account | 200,000,000 | 0 | 200,000,000 | 73,440,000 | (126,560,000) |
| County Assembly | 998,455,640 | 5,000,000 | 1,003,455,640 | 999,517,108 | (3,938,532) |
| County Total | 12,361,738,785 | 2,672,883,163 | 15,034,621,948 | 12,411,808,175 | (2,622,813,773) |

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the County budgets which are programmatic)

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THE COUNTY GOVERNMENT OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the 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 County Executive of Kilifi. The financial statements encompass the reporting entity as specified under the Public Finance Management Act, 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Government 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.



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

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 2020, 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

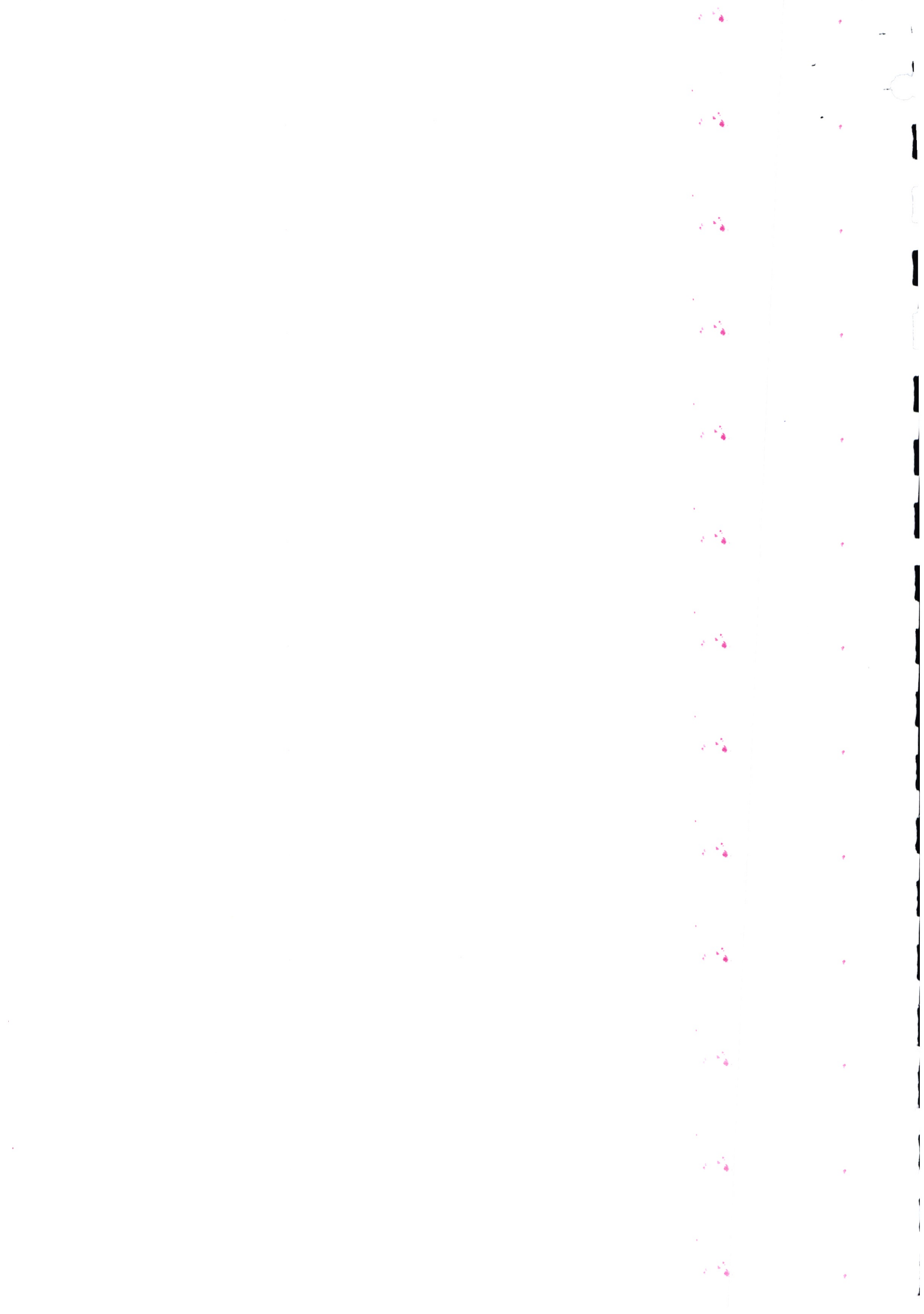
These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

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

b) Recognition of payments

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



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 where 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.

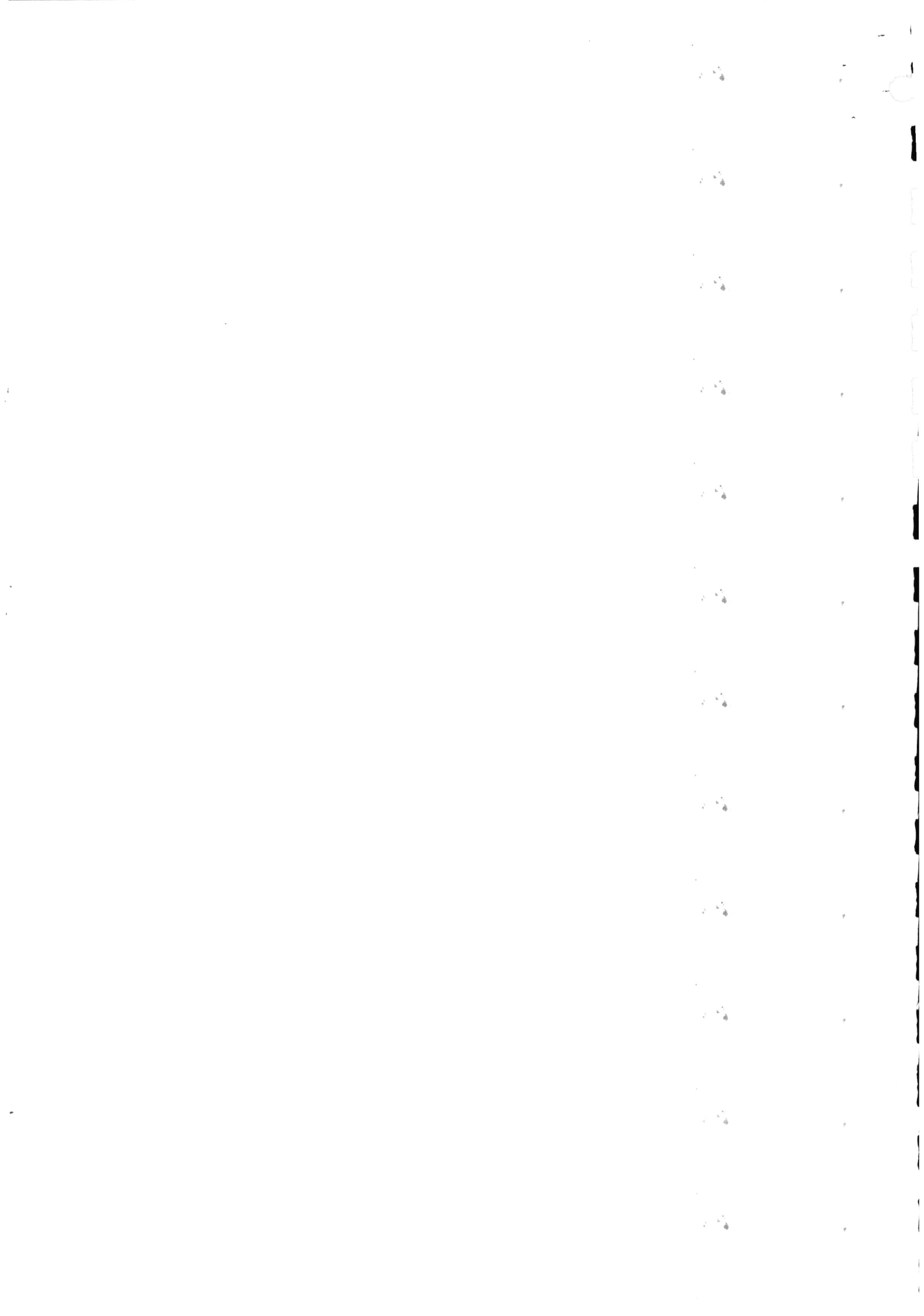
Acquisition of fixed assets

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 items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided. This summary is disclosed as an annexure to the financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the County Government of Kilifi 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 Kilifi includes such value in the statement of receipts and payments both as receipts and as expense in equal and opposite amounts; otherwise, the contribution is not recorded.



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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.

6. Cash and cash equivalents

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

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 2020, this amounted to KShs 380,953,390 compared to KShs 302,440,775 in prior period as indicated on note 14.

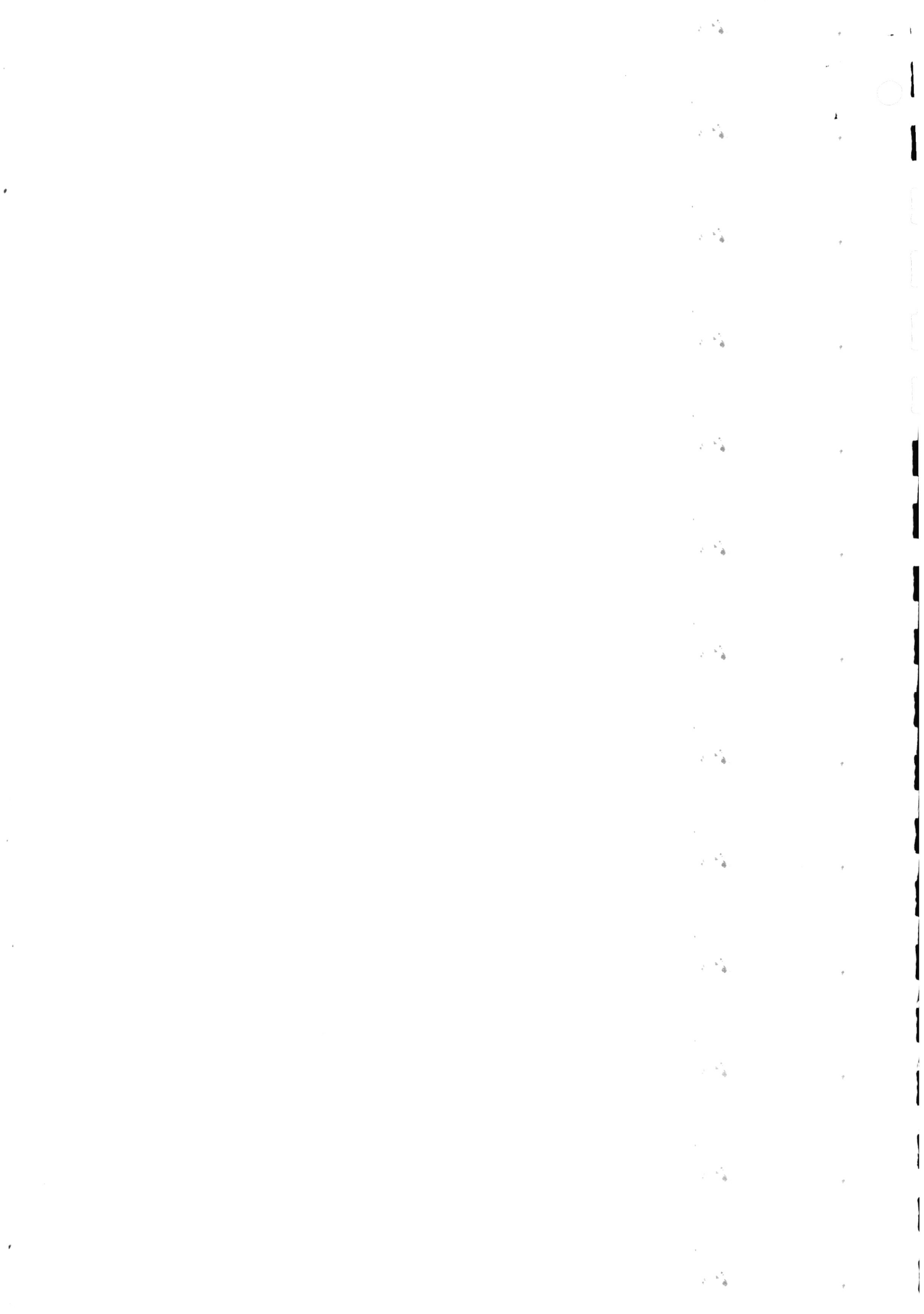
There were no other restrictions on cash during the year

7. 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.

8. Accounts Payable

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



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. 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 annexure to these financial statements.

10. Pending bills

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

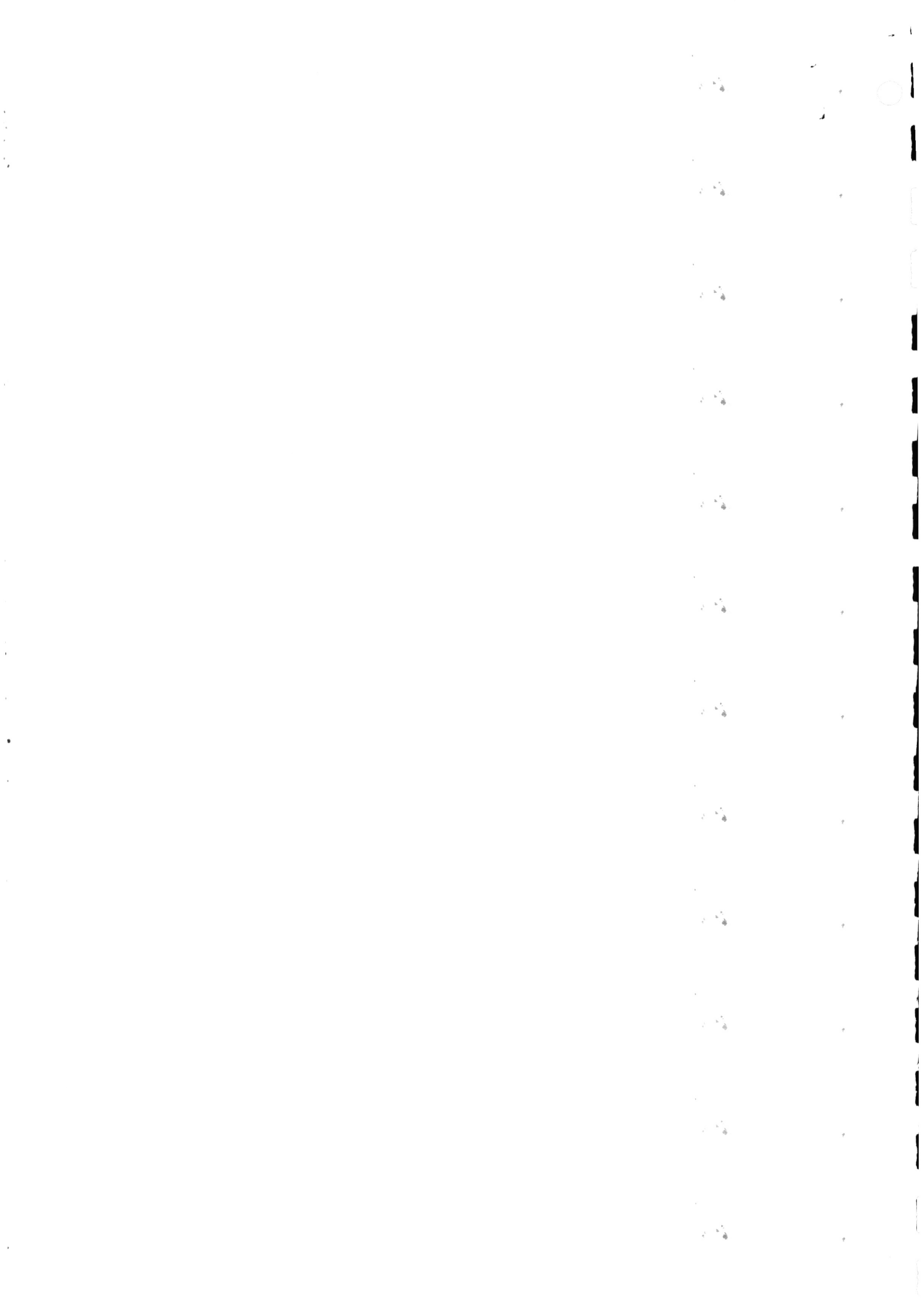
11. Contingent Liabilities

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 County Government of Kilifi 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



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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.

13. 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 Government of Kilifi budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 28th June, 2020 for the period 1st July 2019 to 30 June 2020 as required by law. There was 3 (Three) number of supplementary budgets passed in the year. The third supplementary was approved by the County Assembly on 24th June, 2020. A high-level assessment of the County Government of Kilifi actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

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

15. Subsequent events

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

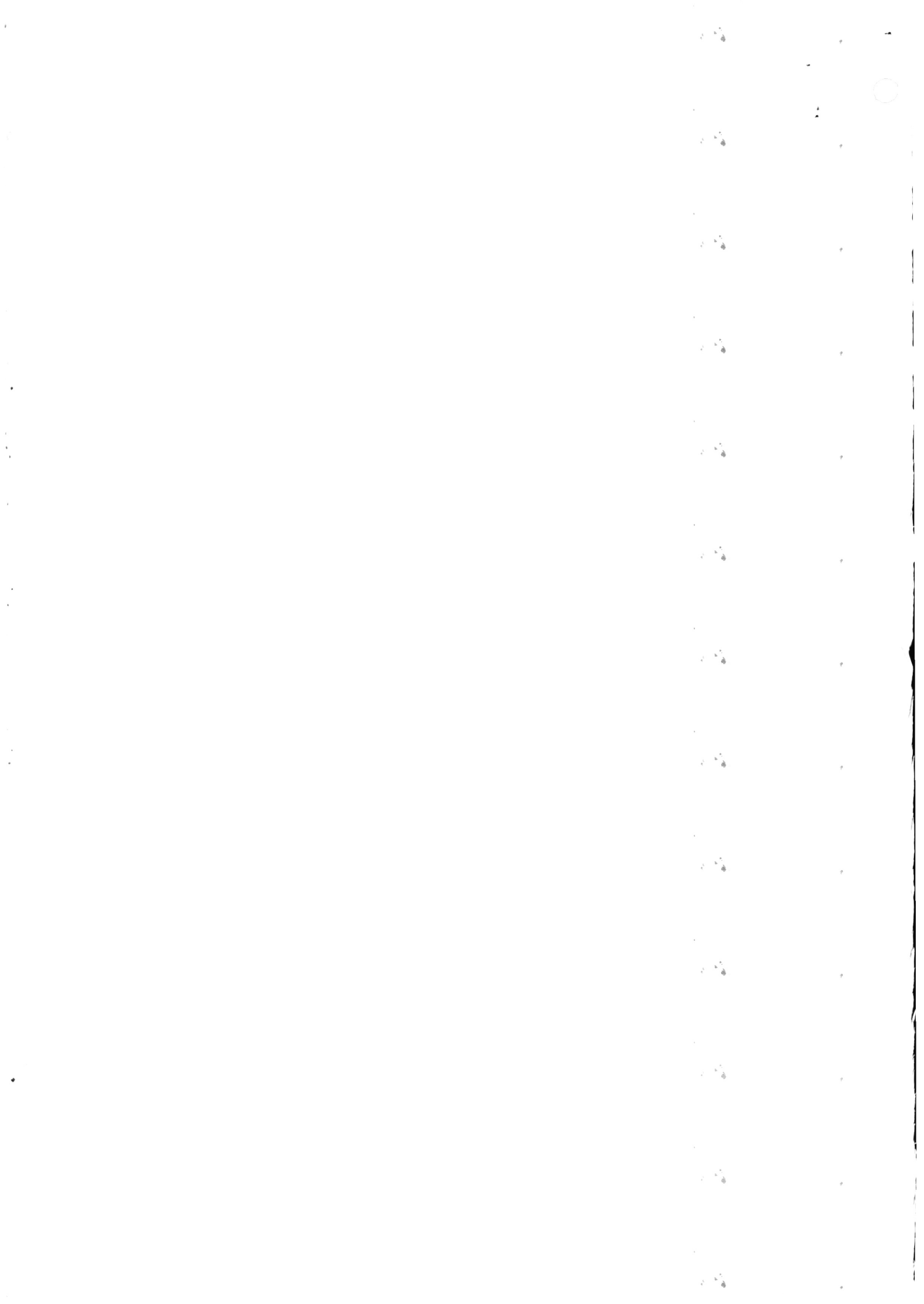
16. Errors

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.

17. 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.



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

| Description | 2019/2020 | 2018/2019
Restated |
|---------------------------------|-----------------------|-----------------------|
| | KShs | KShs |
| Total Exchequer Releases | 10,340,229,699 | 11,616,361,508 |

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows:
 (These are totals of 1A, 1B and 1C below which equal the total exchequer releases).

1A. Equitable Share

| Description | 2019/2020 | 2018/2019
Restated |
|----------------------------------|----------------------|-----------------------|
| | KShs | KShs |
| Exchequer Releases for quarter 1 | 1,817,343,000 | 541,650,000 |
| Exchequer Releases for quarter 2 | 1,880,010,000 | 2,816,580,000 |
| Exchequer Releases for quarter 3 | 3,812,242,500 | 3,135,240,034 |
| Exchequer Releases for quarter 4 | 2,036,677,500 | 4,339,529,966 |
| Total | 9,546,273,000 | 10,833,000,000 |

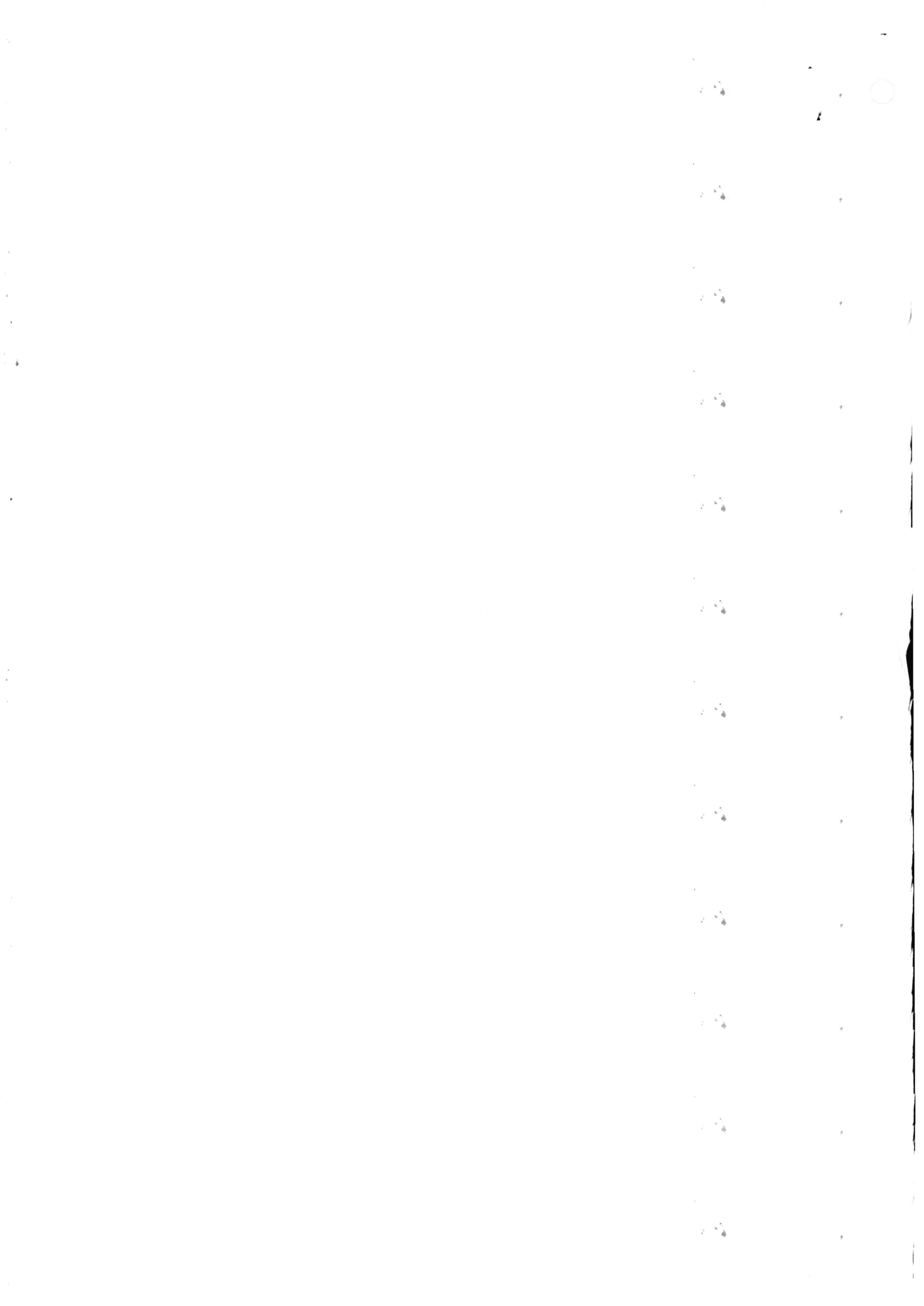
The equitable share for the month of June 2020, Kshs. 898,227,000 was received on 5th of August 2020 and was spent during the financial year 2020/2021.

1B: Level 5 Hospitals Allocation

| Description | 2019/2020 | 2018/2019
Restated |
|---------------------------------|-----------|-----------------------|
| Transfers for level 5 hospitals | - | - |
| Total | - | - |

1C: Donor Funds released through Exchequer Releases as per CARA

| Description | 2019/2020 | 2018/2019
Restated |
|---|-------------|-----------------------|
| | KShs | KShs |
| DANIDA - Universal Healthcare in Devolved Units Programme | 44,418,750 | 45,178,279 |
| World Bank – THUSCP | 118,565,287 | 81,946,554 |



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

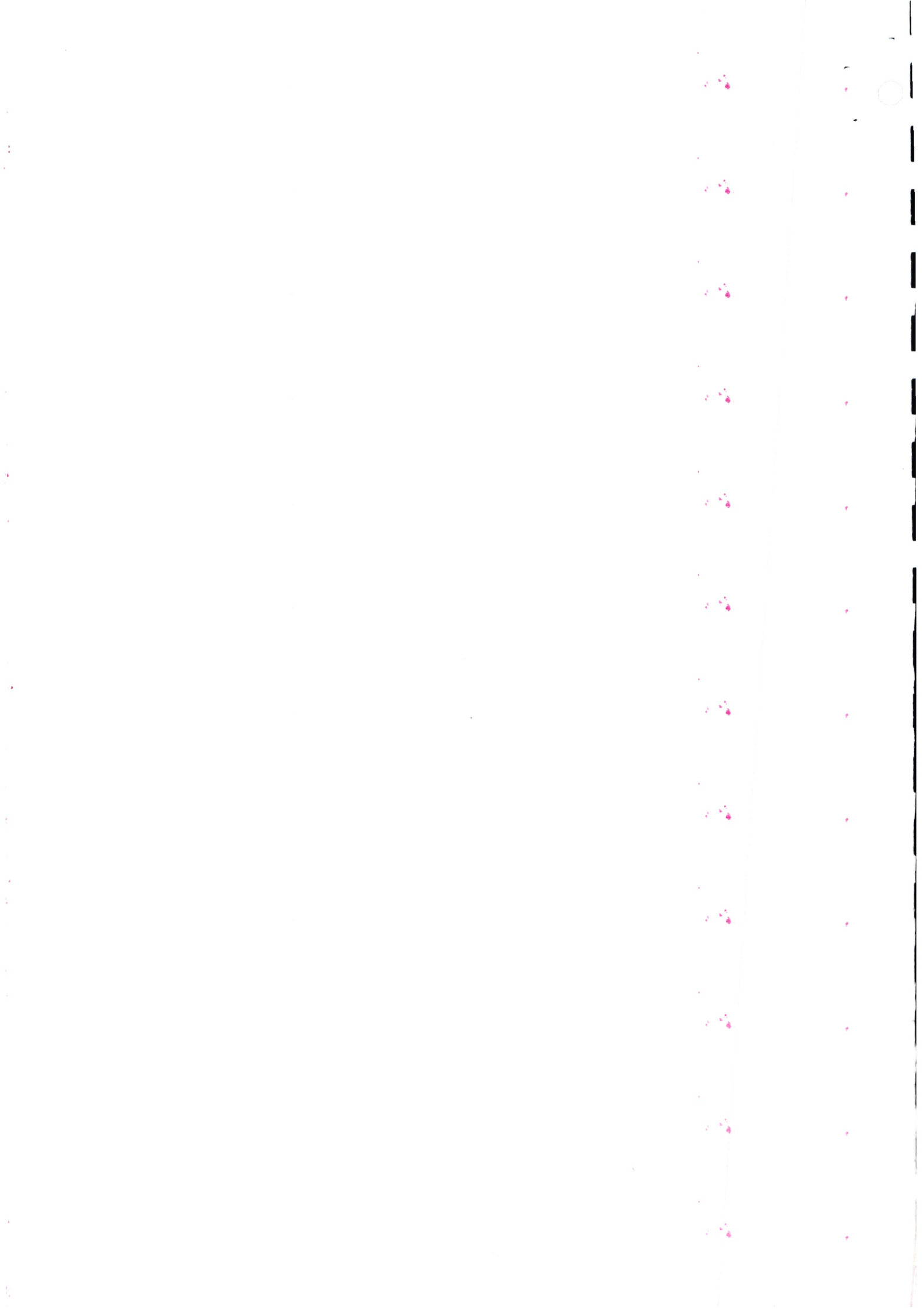
| Description | 2019/2020 | 2018/2019
Restated |
|---|--------------------|-----------------------|
| | KShs | KShs |
| National Agricultural & Rural Inclusive Growth Project (NARIGP) | 204,559,883 | 50,078,476 |
| East Africa Public Health Laboratory Networking Project (EAPHLNP) | 2,500,000 | 6,000,000 |
| Kenya Devolution Support Programme | 30,000,000 | 153,800,563 |
| Youth Polytechnic support grant | 58,863,298 | 40,041,425 |
| Abolishment of user fees in health centres and dispensaries | 25,969,864 | 25,969,864 |
| Kenya Urban Support Programme | 245,211,098 | 371,734,500 |
| Agriculture Sector Development Support Project (ASDSP) | 18,853,079 | 8,611,847 |
| Water & Sanitation Development Programme (WSDP) | 45,015,440 | - |
| Total | 793,956,699 | 783,361,508 |

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

| Name of Donor | 2019/2020 | 2018/2019
Restated |
|--|--------------------|-----------------------|
| | Kshs | Kshs |
| Grants Received from other levels of government | | |
| Kenya Roads Board (Roads Maintenance Levy Fund) | 296,474,063 | 285,223,456 |
| COVID 19 Grant | 205,947,000 | - |
| Capital Grants from Foreign Governments (GOVT OF SLOVAKIA) | 1,066,059 | - |
| Total | 503,487,122 | 285,223,456 |

3. COUNTY OWN GENERATED RECEIPTS

| Description | 2019/2020 | 2018/2019
Restated |
|--|-------------|-----------------------|
| | Kshs | Kshs |
| Receipts from Hospital Fees and Charges (HSIF) | 179,400,631 | 166,314,682 |
| Land Rates and other Land Revenue | 131,437,899 | 187,241,170 |
| Cess on natural resources | 276,601,301 | 238,009,456 |
| Business Permit | 42,495,339 | 67,530,278 |
| Parking fees | 29,805,584 | 35,452,472 |
| Market fees | 7,439,593 | 10,688,373 |



THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

| Description | 2019/2020 | 2018/2019
Restated |
|--|--------------------|-----------------------|
| | Kshs | Kshs |
| Billboards & Signage | 24,837,467 | 19,196,108 |
| Building Plan approval and Inspection | 6,817,100 | 6,492,114 |
| Rent/Stall rents | 5,411,657 | 3,839,372 |
| Survey fees and plot rents | 1,179,405 | 1,655,861 |
| Sale of Tender Documents | - | 1,000 |
| Plot ground rent | 7,292,635 | 6,229,677 |
| House rent | 30,478,756 | 63,627,022 |
| Refuse Collection | 4,384,327 | 4,209,353 |
| Food Hygiene Fees | 4,152,351 | 7,969,917 |
| Slaughter House and Livestock sale Yards | 3,526,063 | 1,212,619 |
| Others | 38,452,948 | 44,647,651 |
| Total | 793,713,056 | 864,317,126 |

(There was an overall decline in Own source revenue by 8% compared to the previous financial year. The largest declines was from Land Rates and other Land Revenue by Kshs 55,803,272 and Kshs 25,034,939 for Business permits. This was caused by the Covid-19 pandemic which affected the economic activities in the county)

4. RETURNED CRF ISSUES

| Description | 2019/2020 | 2018/2019
Restated |
|--|----------------|-----------------------|
| | Kshs | Kshs |
| Returns from County Assembly of Kilifi | 128,653 | 1,274 |
| Total | 128,653 | 1,274 |

(These relate to returns from County Assembly of Kilifi of Kshs 59,718 for unspent funds of financial year 2018/2019 which was appropriated for use in financial year 2019/2020 through a supplementary budget. Kshs 68,935 for unspent funds in financial year 2019/2020 will also be appropriated for use in the financial year 2020/2021 through a supplementary budget)

5. COMPENSATION OF EMPLOYEES

| Description | 2019/2020 | 2018/2019
Restated |
|---------------------------------------|---------------|-----------------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 1,858,748,033 | 1,794,297,549 |
| Basic wages of temporary employees | 322,944,936 | 315,346,792 |

THE COUNTY EXECUTIVE OF KILIFI
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| | | |
|---|----------------------|----------------------|
| Personal allowances paid as part of salary | 1,603,058,953 | 1,532,656,164 |
| Personal allowances paid as reimbursements | 169,999 | 341,000 |
| Employer Contributions to Compulsory National Social Security Schemes | 158,794,958 | 153,493,832 |
| Employer Contributions to Compulsory Health Insurance Schemes | | |
| Total | 3,943,716,879 | 3,796,135,337 |

(The number of permanent employees was 4,087 while that of temporary employees was 1,385) also basic salary permanent employees figure 2018-2019 has been reinstated from ksh 1.794.286,395 to ksh 1.794.298.549

6. USE OF GOODS AND SERVICES

| Description | 2019/2020 | 2018/2019 Restated |
|---|------------------|---------------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 80,340,124 | 87,757,134 |
| Communication, supplies and services | 12,136,867 | 26,771,972 |
| Domestic travel and subsistence | 150,961,934 | 181,955,895 |
| Foreign travel and subsistence | 48,989,535 | 59,095,662 |
| Printing, advertising and information supplies & services | 146,015,491 | 114,014,443 |
| Rentals of produced assets | 54,414,773 | 59,492,578 |
| Training expenses | 43,512,093 | 65,611,149 |
| Hospitality supplies and services | 167,440,439 | 282,146,226 |
| Insurance costs | 285,565,905 | 139,879,892 |
| Specialised materials and services | 603,654,738 | 541,632,158 |
| Office and general supplies and services | 107,509,481 | 120,560,234 |
| Fuel Oil and Lubricants | 79,787,925 | 106,723,905 |
| Other operating expenses | | |

THE COUNTY EXECUTIVE OF KILIFI
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| | | |
|--|----------------------|----------------------|
| | 354,789,021 | 300,705,564 |
| Routine maintenance – vehicles and other transport equipment | 88,261,520 | 95,622,382 |
| Routine maintenance – other assets | 103,595,274 | 284,635,802 |
| Total | 2,326,975,119 | 2,466,604,997 |

(There was an overall decline in expenditure on use of goods and services during the financial year of Kshs 139,629,878 compared to the previous financial year. The highest decrease was in routine maintenance of other assets by Kshs 181,040,528 and hospitality supplies and services by Kshs 114,705,787 which was due to austerity measures put in place by the County management) domestic travel cost bal b/f has been restated from ksh181.675.595 to ksh181.955.895

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2019/2020 | 2018/2019 Restated |
|---------------------------------------|--------------------|---------------------------|
| | Kshs | Kshs |
| Transfer to County Assembly of Kilifi | 999,517,108 | 1,031,413,979 |
| Total | 999,517,108 | 1,031,413,979 |

(These are transfers to the County Assembly of Kilifi from the county revenue fund to meet their budget obligations)

8. OTHER GRANTS AND PAYMENTS

| Description | 2019/2020 | 2018/2019 Restated |
|--|----------------------|---------------------------|
| | Kshs | Kshs |
| Scholarships and other educational benefits | 350,000,000 | 357,983,342 |
| Emergency relief and refugee assistance | 281,586,431 | 277,654,010 |
| Other Current Transfers, Grants and Subsidies | 483,984,425 | 211,877,610 |
| Other Capital Grants and Transfers | 486,745,011 | 852,731,763 |
| Other Current Transfers Others (Car Loans & Mortgages) | - | 39,000,000 |
| Total | 1,602,315,867 | 1,739,246,725 |

THE COUNTY EXECUTIVE OF KILIFI
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9. SOCIAL SECURITY BENEFITS

| Description | 2019/2020 | 2018/2019
Restated |
|---|-------------------|-------------------------------|
| | Kshs | Kshs |
| Government pension and retirement benefits {gratuity} | 26,091,937 | 34,502,849 |
| Total | 26,091,937 | 34,502,849 |

10. BUDGET CONTINGENCY RESERVE

| Description | 2019/2020 | 2018/2019 |
|--------------------|--------------------|------------------|
| | Kshs | Kshs |
| Emergency Fund | 220,000,000 | - |
| Total | 220,000,000 | - |

11. ACQUISITION OF ASSETS

| Description | 2019/2020 | 2018/2019
Restated |
|--|------------------|-------------------------------|
| Non Financial Assets | Kshs | Kshs |
| Purchase of Buildings | 19,185,948 | |
| Construction of Buildings | 625,928,665 | 782,415,743 |
| Refurbishment of Buildings | 18,477,560 | 31,910,618 |
| Construction of Roads | 1,307,098,310 | 797,858,337 |
| Construction and Civil Works | 673,573,370 | 629,860,403 |
| Purchase of Vehicles and Other Transport Equipment | 163,991,506 | 42,062,880 |
| Overhaul of Vehicles and Other Transport Equipment | - | 1,651,044 |
| Purchase of Household Furniture and Institutional Equipment | 25,741,074 | |
| Purchase of Office Furniture and General Equipment | 169,591,833 | 178,406,072 |
| Purchase of Specialised Plant, Equipment and Machinery | 121,419,385 | 128,285,235 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | 1,000,000 |
| Purchase of Specialised Plant | | |

THE COUNTY EXECUTIVE OF KILIFI
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For the year ended June 30, 2020

| | | |
|--|----------------------|----------------------|
| | 4,063,494 | |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | 123,104,417 | 134,080,251 |
| Research, Studies, Project Preparation, Design & Supervision | 33,063,507 | 33,908,121 |
| Rehabilitation of Civil Works | 7,952,196 | 3,985,042 |
| Acquisition of Strategic Stocks and commodities | - | 61,592,815 |
| Acquisition of Intangible Assets | - | 2,259,551 |
| Total | 3,293,191,265 | 2,829,276,111 |

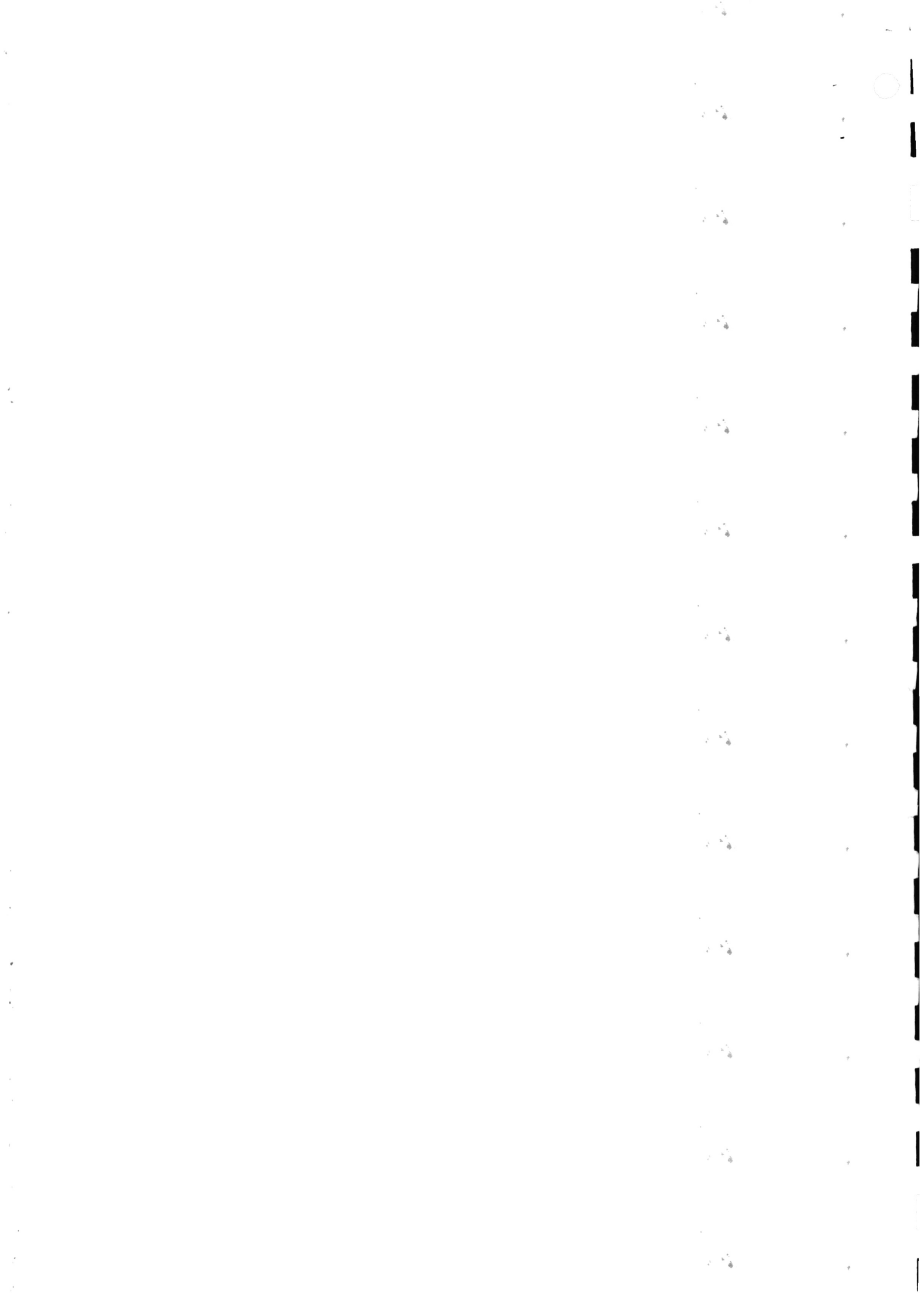
12. CASH AND BANK BALANCES

12A. BANK BALANCES

| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|---|------|--------------|-------------|--------------------|
| | | | Kshs | Kshs |
| 01. County Revenue Fund-1000170212 | CBK | CRF | 230,972,304 | 1,065,275,210 |
| 02. Kilifi County Wbank DANIDA Grants Account-1000268492 | CBK | Programme | 95,025 | 136,495 |
| 03. KILIFI COUNTY VILLAGE POLY GRANT-1000368508 | CBK | Programme | 486,820 | 560,761 |
| 04. KENYA DEVOLUTION SUPPORT PROGRAMME ACCOUNT-1000371684 | CBK | Programme | 172,466 | 4,095,410 |
| 05. Kilifi County Recurrent Account-1000170239 | CBK | Recurrent | 0 | 2,836,408 |
| 06. Kilifi County Development Account-1000170198 | CBK | Development | (0) | 45,748,144 |
| 07. Kilifi County Road Maintenance Fuel Levy-1000260928 | CBK | Programme | 0 | 22,147,082 |
| 08. KILIFI COUNTY NAGRIP-1000366389 | CBK | Programme | 0 | 0 |
| 09. KILIFI COUNTY- AGRI. SEC.DEV.SUPP. 1000366378 | CBK | Programme | 0 | 0 |
| 10. KCG Kenya Urban Support Program-1000396628 | CBK | Programme | 0 | 41,200,000 |

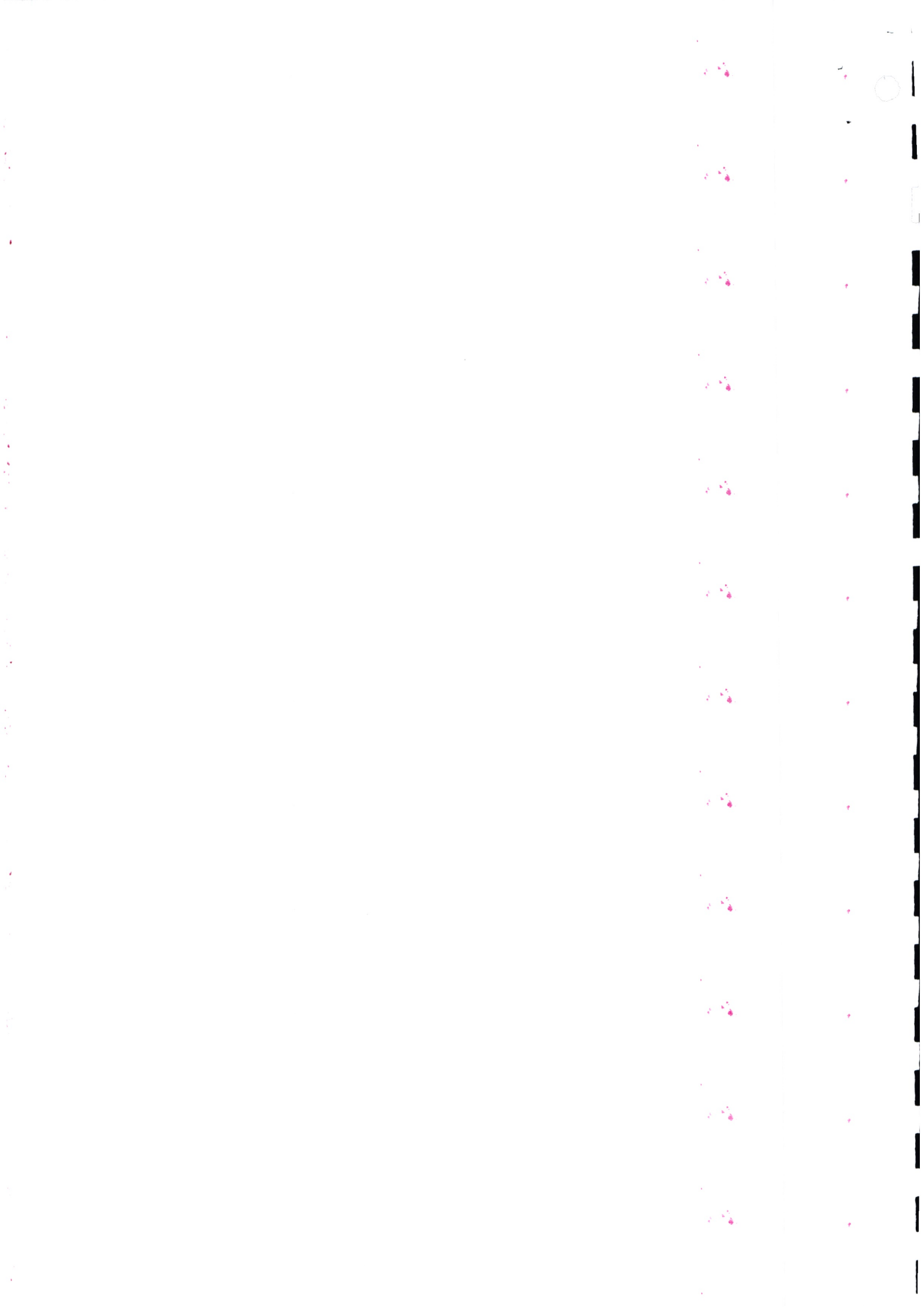
THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|--|--------------------|--------------|-------------|--------------------|
| | | | Kshs | Kshs |
| 11. KILIFI COUNTY WATER AND SANITATION-1000394889 | CBK | Programme | 15,440 | 0 |
| 12. KILIFI THS UNIVERSAL HEALTH CARE-1000339276 | CBK | Programme | 3,999,989 | 6,106,919 |
| 13. The County Government of Kilifi-Project Retention--0028950001 | DTB-Kilifi | Deposit | 329,256,064 | 251,191,133 |
| 14. Kilifi County Government - Standing Imprest Account Fin-Mgt-01141465788001 | Co-op Bank-Kilifi | Imprest | 587,401 | 382,850 |
| 15. Kilifi County Elders Cash Transfer Fund Account-1060268537210 | Equity Bank-Kilifi | Programme | 30,574,893 | 2,190,133 |
| 16. KCG - Main Revenue Account-01141691026400 | Co-op Bank-Kilifi | Revenue | 1,537,396 | 15,865,010 |
| 17. Kilifi County Revenue Collection-1140769235 | KCB-Kilifi | Revenue | 131,622 | 1,290,700 |
| 18. KCG-Land Rates Revenue-01001135200100 | NBK-Kilifi | Revenue | 330,884 | 316,756 |
| 19. The County Government of Kilifi-Cess Revenue Account-0198094843001 | SBM - Malindi | Revenue | 350,396,502 | 175,271,894 |
| 20. The County Government of Kilifi-Parking Fee Revenue Account-0198094843002 | SBM - Malindi | Revenue | 95,071,059 | 66,865,824 |
| 21. The County Government of Kilifi-Parking Fee Revenue Account-1175862436 | KCB-Kilifi | Revenue | 8,605 | 8,605 |
| 22. The County Government of Kilifi - Cess Revenue Account-1175862053 | KCB-Kilifi | Revenue | 2,132 | 1,206 |
| 23. KCG-Agriculture Revenue Collection Account-01141466268700 | Co-op Bank-Kilifi | Revenue | 477,540 | 11,400 |
| 24. Kilifi County Govt. ATC Revenue-1173577289 | KCB-Mtwapa | Revenue | 0 | 3,474,404 |
| 25. KCG- Jibana Sub County Hosp - FIF-1159898804 | KCB-Kilifi | Revenue | 11,781 | 13,224 |
| 26. KCG- Jibana Sub County Hosp PBF-1168061334 | KCB-Kilifi | Revenue | 513,010 | 82,160 |



THE COUNTY EXECUTIVE OF KILIFI
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| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|--|-------------------|--------------|------------|--------------------|
| | | | Kshs | Kshs |
| 27. KCG- Jibana Sub County Hosp PBF-1119390117 | kcb-mariakani | Revenue | 0 | 4,421,684 |
| 28. Bamba Sub District Hospital-1122196520 | KCB-mariakani | Revenue | 1,853,853 | 1,853,853 |
| 29. KCG-Lands and Housing Revenue Collection-2031340988 | BBK-Kilifi | Revenue | 1,401,843 | 452,000 |
| 30. Kilifi Liquor Control Fund Account-1184369607 | KCB-Kilifi | Revenue | 0 | 3,943,715 |
| 31. KCG - FIF Revenue Collection Account-01141779176400 | CO-OP-Kilifi | Revenue | 19,098,055 | 1,559,772 |
| 32. Kilifi County Government Gratuity-01001019119800 | NBK-Kilifi | Deposit | 2,602,155 | 2,614,754 |
| 33. Kilifi County Government - Salary Suspence Account - 01243465788000 | Co-op Bank-Kilifi | Deposit | 436,633 | 311,683 |
| 34. Kilifi County Executive Salary Account-1147302626 | KCB-Kilifi | Deposit | 5,529,294 | 2,640,757 |
| 35. KCG-Payroll Commissions-1006089603 | NIC-Kilifi | Revenue | 5,180,684 | 1,239,473 |
| 36. Kilifi County Government - Executive Standing Imprest-01141465788000 | Co-op Bank-Kilifi | Imprest | 50 | 82,518 |
| 37. Kilifi County Government Imprest Recovery Account-1171207026 | KCB Kilifi | Imprest | 383 | 374 |
| 38. KCG-Mariakani Sub County Hospital PBF-01141254535100 | Co-op-Mariakani | Revenue | 2,680,295 | 60,100 |
| 39. Mariakani District Hospital HCSF-1107831857 | KCB-Kilifi | Revenue | 0 | 32,563,035 |
| 40. Kilifi County Hospital-PBF Account-01001068243400 | NBK-Kilifi | Revenue | 11,220,780 | 683,595 |
| 41. KCG- Malindi Sub County Hospital District - PBF-01001018366800 | NBK-Malindi | Revenue | 7,304,780 | 4,969 |
| 42. KCG-Malindi/Magarini Public Health-1160452970 | KCB - Malindi | Revenue | 308,555 | 293,952 |
| 43. KCG-Bamba Sub County Hospital PBF Account-01001068243700 | NBK-Kilifi | Programme | 2,946,850 | 577,380 |



THE COUNTY EXECUTIVE OF KILIFI
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For the year ended June 30, 2020

| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|--|--------------------|--------------|----------------------|----------------------|
| | | | Kshs | Kshs |
| 44. County Director of Health-1144462355 | KCB Kilifi | Programme | 0 | 1,100 |
| 45. KCG -HSSF KILIFI CHMT-1153100622 | KCB Kilifi | Programme | 0 | 12,513 |
| 46. KCG Land and Housing Revenue-01141779473400 | Co-op Bank-Kilifi | Revenue | 0 | 644,395 |
| 47. County Government of Kilifi Donation Account-1060279268120 | Equity Bank-Kilifi | Programme | 22,200,180 | 0 |
| 48. EAP Health Labs Networking Project Account -1148548434 | KCB-Kilifi | Programme | 8,419 | 5,439,256 |
| 49. Kilifi County Deposit Account -1000357339 | CBK | Deposit | 55,929 | 55,929 |
| Total | | | 1,127,469,668 | 1,764,528,531 |

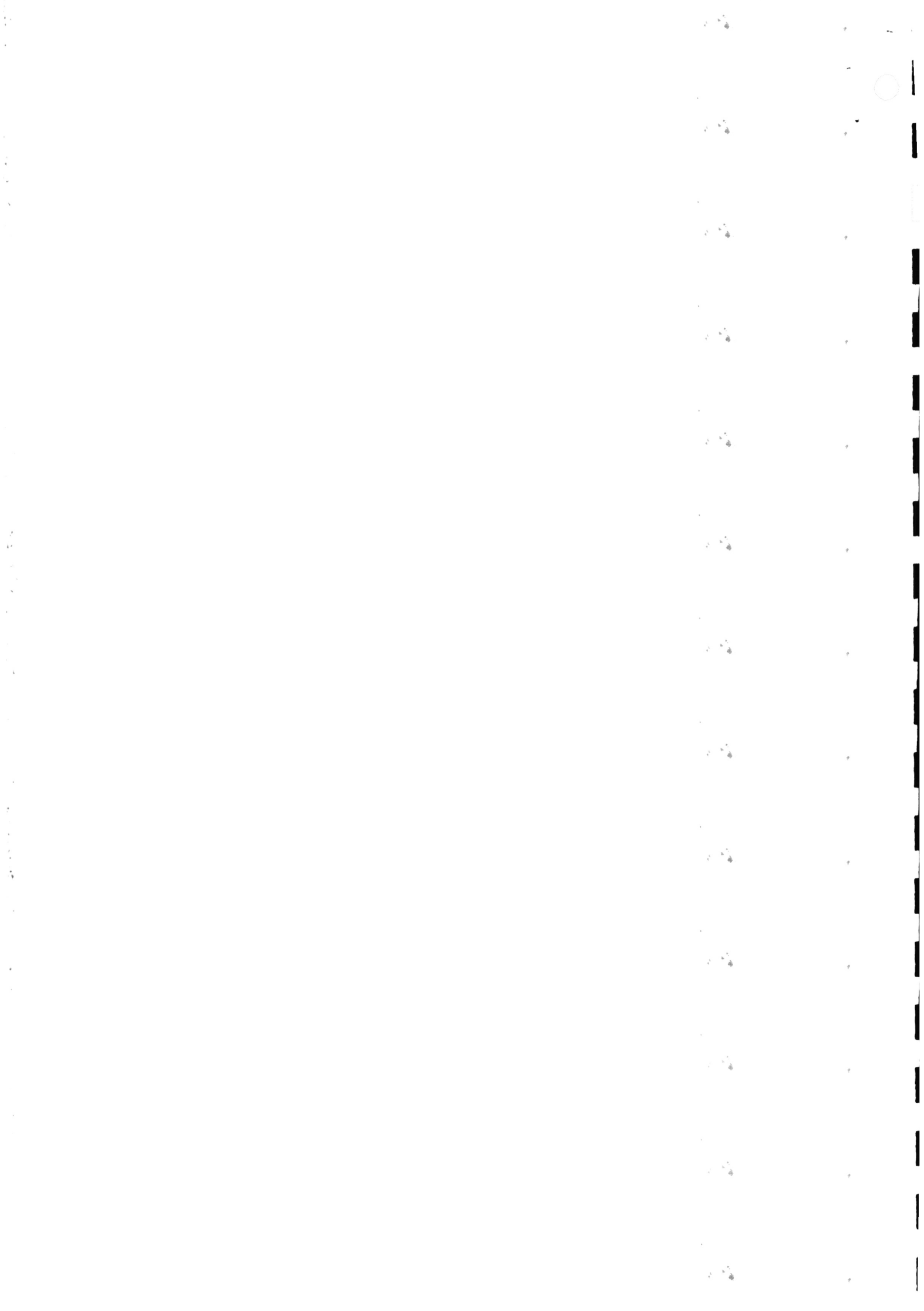
*(Amounts are as per amounts in the cash book and bank reconciliation statements prepared for each account held) the opening bank balance has been restated from ksh 1,742,179,579 to ksh 1,764,528,531 the change being on CRF bank account balance being restated from 1,042,926,259 to 1,065,275,210

12B. CASH IN HAND

| Description | 2019/2020 | 2018/2019 Restated |
|--|----------------|--------------------|
| | Kshs | Kshs |
| Cash in Hand – Held in domestic currency | 225,113 | 3,953,682 |
| Total | 225,113 | 3,953,682 |

Cash in hand should also be analysed as follows:

| Description | 2019/2020 | 2018/2019 Restated |
|-------------|-----------|--------------------|
| | Kshs | Kshs |
| Rabai | 0 | 301,200 |
| Kaloleni | 112,790 | 51,511 |



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| | | |
|--------------|----------------|------------------|
| Ganze | 0 | 13,500 |
| Malindi | 0 | 2,769,510 |
| Kilifi North | 112,323 | 721,836 |
| Kilifi South | 0 | 96,125 |
| Magarini | 0 | 0 |
| Total | 225,113 | 3,953,682 |

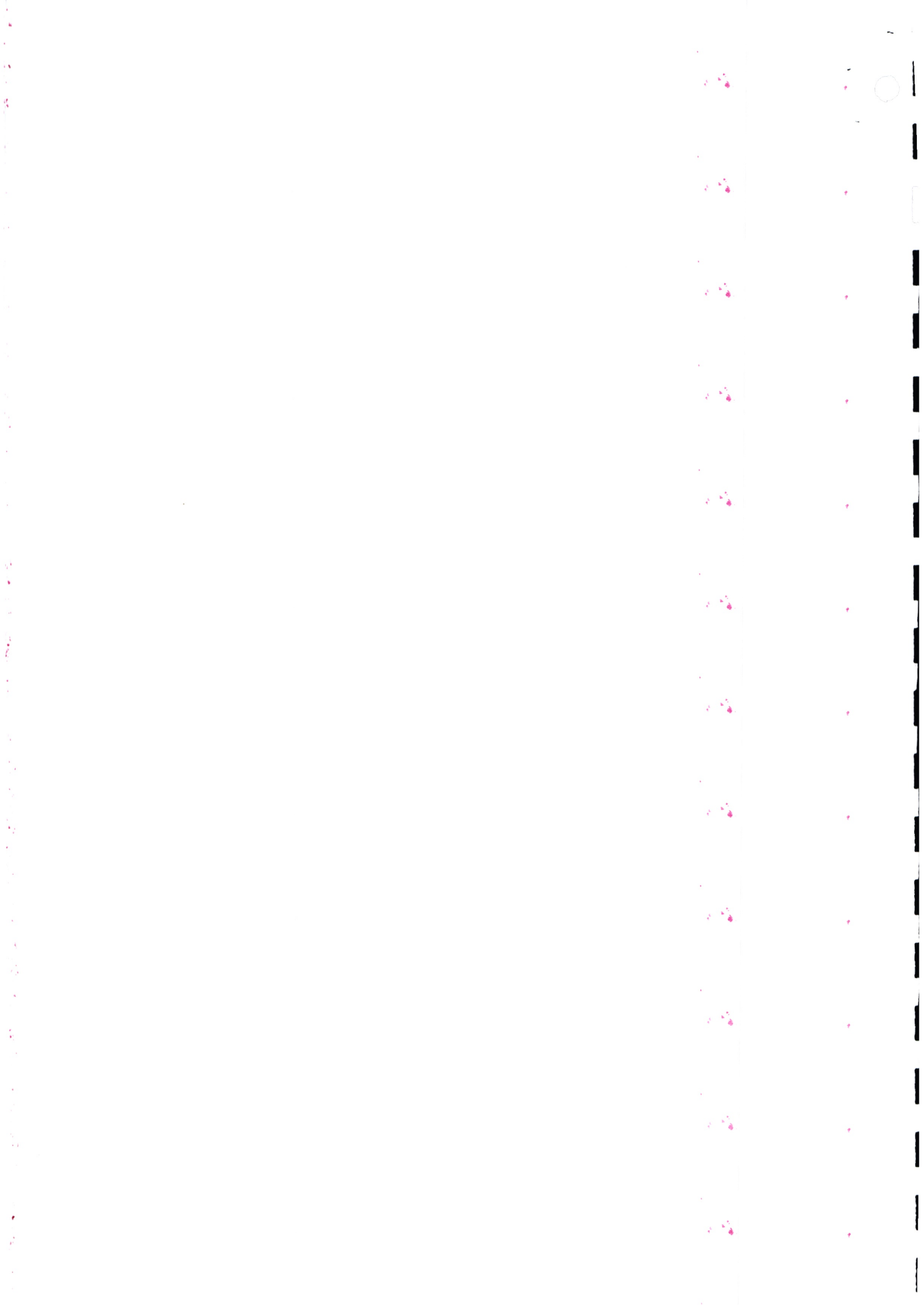
**[Amounts are as per the amounts in the cashbooks and cash count certificates for each account and collection units]*

13. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

| Description | 2019/2020 | 2018/2019 Restated |
|---|-------------------|--------------------|
| | Kshs | Kshs |
| Government Outstanding Imprests | 3,503,360 | 4,738,035 |
| Other Accounts Receivables - Loss of Cash | 43,240,740 | 43,240,740 |
| Total | 46,744,100 | 47,978,775 |

[Included below is a breakdown of the outstanding imprest:-]

| Name of Officer or Institution | Department | Date Imprest Taken | Amount Taken | Amount Surrendered | Outstanding Amount |
|--------------------------------|------------|--------------------|--------------|--------------------|--------------------|
| | | | Kshs | Kshs | Kshs |
| OMAR ABUU MOHAMED | EXECUTIVE | 13-Dec-19 | 24,500 | 0 | 24,500 |
| ARNOLD MKARE JEFWA | EXECUTIVE | 6-Sep-19 | 47,800 | 0 | 47,800 |
| ARNOLD MKARE JEFWA | EXECUTIVE | 27-Nov-19 | 1,312,811 | 0 | 1,312,811 |
| ARNOLD MKARE JEFWA | EXECUTIVE | 4-Feb-20 | 26,800 | 0 | 26,800 |
| JOHN KALAMA VUKO | FINANCE | 27-Jan-20 | 45,100 | 0 | 45,100 |
| FELIX LALO WANJE | FINANCE | 27-Jan-20 | 118,600 | 0 | 118,600 |
| JOHN MWANGI MUHUGA | FINANCE | 30-Jun-20 | 708,000 | 0 | 708,000 |
| MICHAEL GOMBO MWANGO | FINANCE | 30-Jun-20 | 172,200 | 0 | 172,200 |
| Abdul Mbarak | Finance | B/F 16-17 | 60,000 | 0 | 60,000 |
| Duncan Obura | Finance | B/F 16-17 | 83,500 | 0 | 83,500 |



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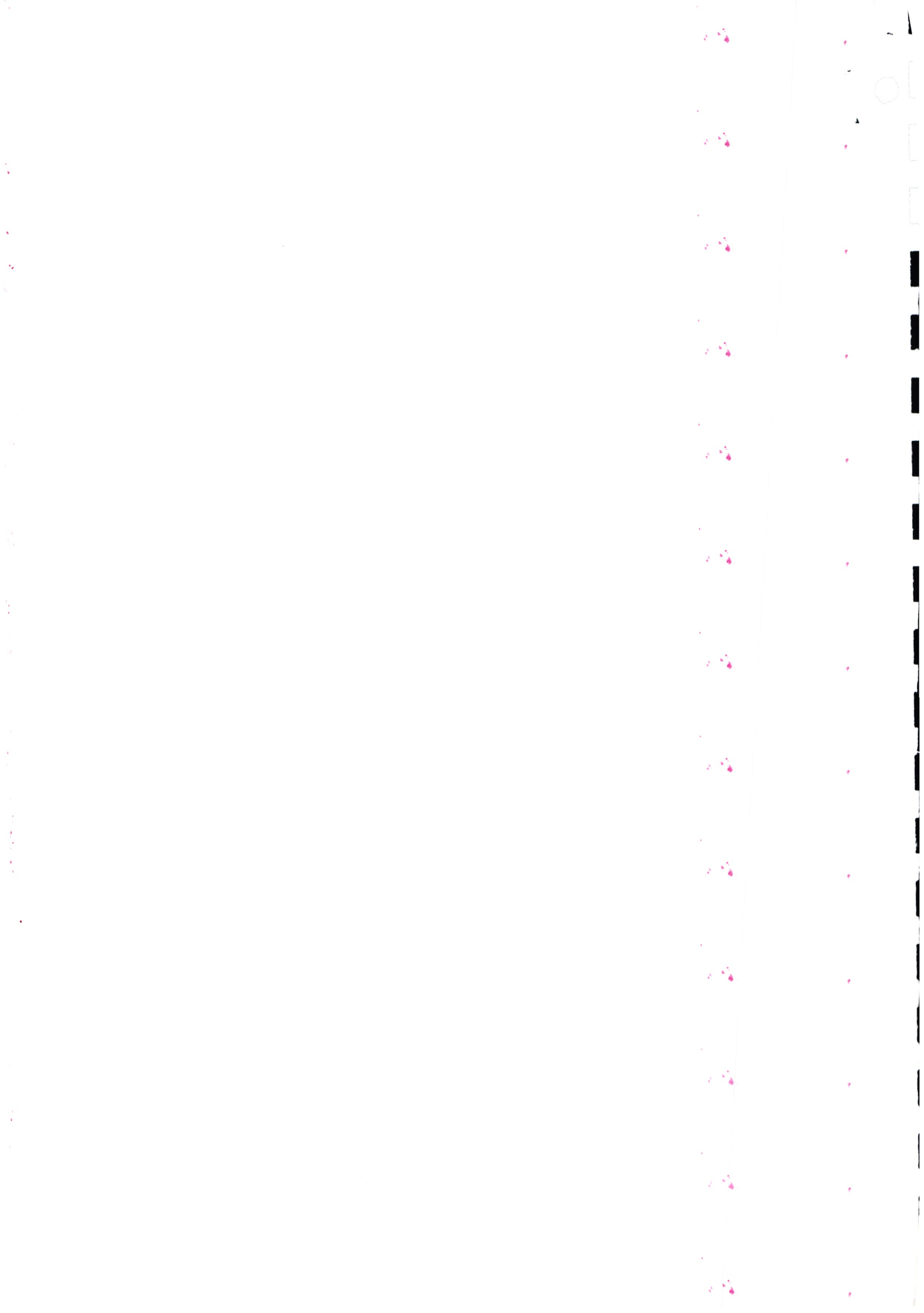
| Name of Officer or Institution | Department | Date Imprest Taken | Amount Taken | Amount Surrendered | Outstanding Amount |
|--------------------------------|------------|--------------------|------------------|--------------------|--------------------|
| | | | Kshs | Kshs | Kshs |
| Kieti Kigen Kelvin | Finance | B/F 16-17 | 123,251 | 0 | 123,251 |
| Vincent Mbito | Finance | B/F 16-17 | 88,000 | 0 | 88,000 |
| Everlyne Chepchirchir | Health | Bal blf | 375,000 | 0 | 375,000 |
| Shadrack Jefwa | Health | Bal blf | 5,040 | 0 | 5,040 |
| MAURICE POLE TSUMA | Lands | 24-Jan-20 | 359,900 | 359,400 | 500 |
| KENNEDY OCHIENG OLUDO | Lands | 1-Apr-20 | 112,000 | 75,340 | 36,660 |
| MARGARET MAGOMBE MUNGA | Lands | 1-Apr-20 | 450,360 | 439,562 | 10,798 |
| HESBON SARO MAE | PSM | 18-Mar-20 | 248,880 | 0 | 248,880 |
| Busara Canana Kongwe | Roads | 2-Nov-19 | 320 | 0 | 320 |
| Ali Mwambiti | Water | Bal/b/f | 15,000 | 0 | 15,000 |
| Joseph Tinga | Water | Bal/b/f | 600 | 0 | 600 |
| Total | | | 4,377,662 | 874,302 | 3,503,360 |

14. ACCOUNTS PAYABLE

| Description | 2019/2020 | 18/2019 Restated |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Gratuity | 2,616,915 | 2,616,915 |
| Salaries | 5,849,347 | 2,952,439 |
| Contractors Retention | 380,580,713 | 302,440,775 |
| KCG Elders Cash Transfer | 30,575,493 | 2,190,133 |
| County Government of Kilifi Donations | 22,804,140 | - |
| KCG- Jibana Sub County Hosp PBF-1119390117 | 1,191 | - |
| Total | 442,427,799 | 310,200,262 |

15. FUND BALANCE BROUGHT FORWARD

| Description | 2019/2020 | 2018/2019 Restated |
|-------------|-----------|--------------------|
| | Kshs | Kshs |
| | | |



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| | | |
|------------------------------------|----------------------|--------------------|
| Bank accounts | 1,764,528,532 | 880,430,382 |
| Cash in hand | 3,953,682 | 482,111 |
| Receivables - lost cash | 43,240,740 | 43,240,740 |
| Receivables - Outstanding Imprests | 4,738,035 | 6,081,121 |
| Payables - Deposits | (310,200,262) | (315,045,945) |
| Total | 1,506,260,728 | 615,188,409 |

16. PRIOR YEAR ADJUSTMENTS

A prior period adjustment applies to the correction of an error in the financial statements of a prior period

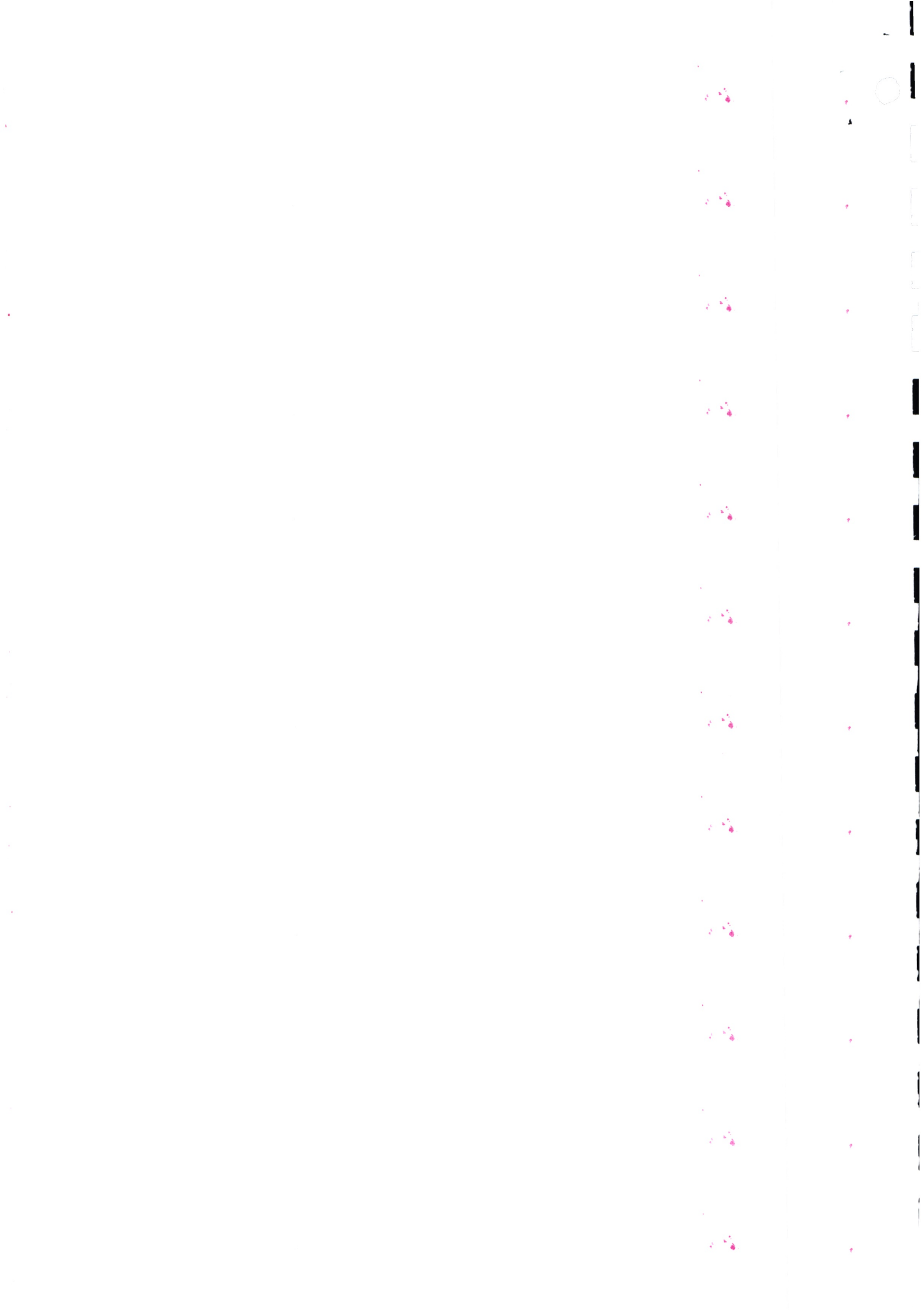
| Description | 2019/2020 | 2018/2019 Restated |
|--------------------------------------|-----------|--------------------|
| | Kshs | Kshs |
| Adjustments on bank account balances | 0 | 22,348,951 |
| Adjustments on cash in hand | 0 | 0 |
| Adjustments on payables | 0 | 0 |
| Adjustments on receivables | 0 | 0 |
| Others Adjustments(<i>specify</i>) | 0 | 0 |
| Total | 0 | 22,348,951 |

17. CHANGES IN RECEIVABLES

| Description | 2019/2020 | 2018/2019 Restated |
|---|-------------------|--------------------|
| | KShs | KShs |
| Outstanding Imprest & Loss of Cash at Beginning of the Period (A) | 47,978,775 | 49,321,861 |
| Imprest issued during the year (B) | 215,724,286 | 199,575,614 |
| Imprest surrendered/recoveries during the Year (C) | 216,958,961 | 200,918,700 |
| Outstanding Imprest & Loss of Cash as at End of the period D= A+B-C | 46,744,100 | 47,978,775 |
| Net changes in account receivables E= A-D | 1,234,675 | 1,343,086 |

18. CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS

| Description | 2019/2020 | 2018/2019 Restated |
|--|-------------|--------------------|
| | KShs | KShs |
| Deposit and Retentions as at Beginning of the Period (A) | 310,200,262 | 315,045,945 |



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| | | | |
|---|----------|--------------------|--------------------|
| Deposit and Retentions withheld during the Year | (B) | 408,045,626 | 305,668,431 |
| Deposit and Retentions paid out during the Year | (C) | 257,409,569 | 310,514,114 |
| Deposit and Retentions as at End of the Period | D= A+B-C | 460,836,318 | 310,200,262 |
| Net changes in account payables | E= D-A | 150,636,056 | (4,845,683) |

19. RESTATEMENT OF THE FINANCIAL STATEMENTS FY 2018/2019

a. Restatement of compensation of employees (Basic salaries permanent employees) FY 2018/2019 was adjusted as follows:-

| Description | 2018/2019 Restated |
|---|----------------------|
| | Kshs |
| Basic salaries of permanent employees as per Audited Financial Statements 2018/2019 | 1,794,286,395 |
| Adjustment for Imprest recovery not posted in the Audited Financial Statements | 11,154 |
| Restated/Adjusted Basic salaries permanent employees 2018-2019 | 1,794,297,549 |

(The adjustment was as a result of an imprest recovery in FY 2018/2019 but erroneously reported as outstanding. This has been corrected in the financial statements and FY 2018/2019 figures restated in Note 5 and Note 13 of the financial statements)

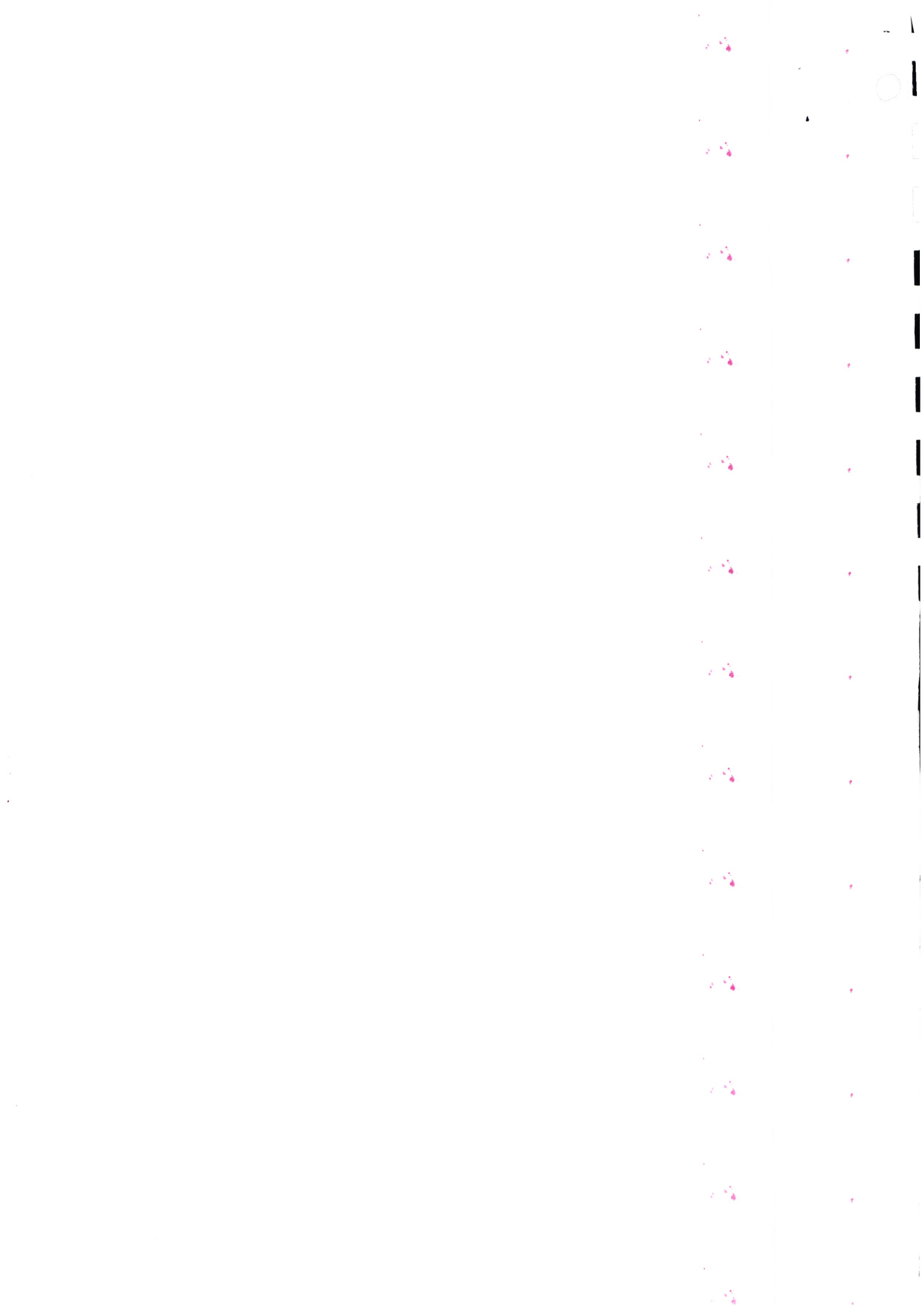
b. Restatement of domestic travel and subsistence FY 2018/2019 was adjusted as follows:-

| Description | 2018/2019 Restated |
|---|--------------------|
| | Kshs |
| Domestic travel and subsistence as per Audited Financial Statements 2018/2019 | 181,675,895 |
| Adjustment for Imprest surrender not posted in the Audited Financial Statements | 280,000 |
| Restated/Adjusted Domestic travel and subsistence 2018-2019 | 181,955,895 |

(This was as a result of adjustment of imprests surrendered in FY 2018/2019 but erroneously reported as outstanding. This has since been corrected in the financial statements and figures restated in Note 2 and Note 13 of the financial statements)

c. Restatement of bank balances FY 2018/2019 was adjusted as follows:-

| Description | 2018/2019 Restated |
|-------------|--------------------|
| | Kshs |



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| | |
|---|----------------------|
| Bank balances as per Audited Financial Statements 2018-2019 | 1,742,179,579 |
| Adjustment of Transfers to CRF from KCG Agriculture Collection Account in FY 2018-2019 not in CRF Cashbook | 278,970 |
| Adjustment of Transfers to CRF from KCG Main Revenue Collection Account in FY 2018-2019 not in CRF Cashbook | 5,049,368 |
| Adjustment of Transfers to CRF from KCG FIF Revenue Collection Account in FY 2018-2019 not in CRF Cashbook | 17,020,613 |
| Adjusted/Restated Bank balances 2018-2019 | 1,764,528,530 |

(The adjustment was done to correct an error in the FY 2018/2019 financial statements. The bank balances were understated by Kshs 22,348,951 which related to transfers/ cash in transit to county revenue fund account from the county revenue collections accounts. The figures have now been adjusted and the financial statement restated to reflect the adjustment as reported in note 12 to the financial statements)

d. Restatement of Outstanding imprest balances FY 2018/2019 was adjusted as follows:-

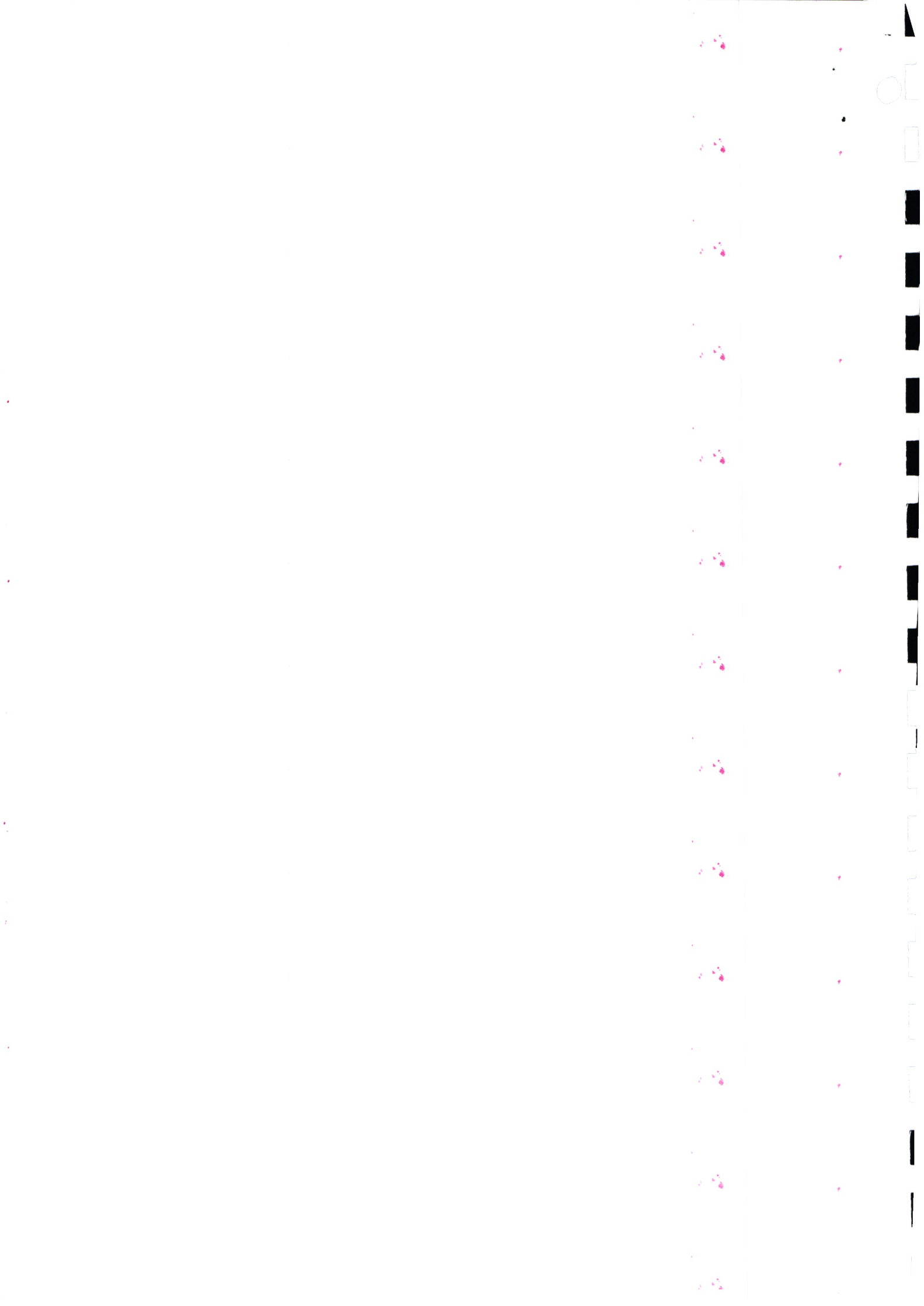
| Description | 2018/2019 Restated |
|---|--------------------|
| | Kshs |
| Outstanding imprest as per Audited Financial Statements 2018-2019 | 7,020,192 |
| Adjustment of opening balance FY 2018/2019 for imprest recovered/ Surrendered in FY 2017/2018 | (1,991,003) |
| Adjustment for imprest recovered/surrendered in FY 2018/2019 | (291,154) |
| Adjusted/Restated Outstanding imprest balances 2018-2019 | 4,738,035 |

(The adjustment was made to correct the outstanding imprest balance. This was due to an error in the figure reported in the audited financial statements for FY 2018/2019 that included amounts of imprests recovered of Kshs 735,403, an amount of unpaid imprest of Kshs 198,000 and surrendered imprests in FY 2017/2018 of Kshs 1,057,600.00. These figures have been adjusted and the financial statements for FY restated as reported in note 13 and note 15 of the financial statements)

e. Restatement of bank account balances for FY 2018/2019

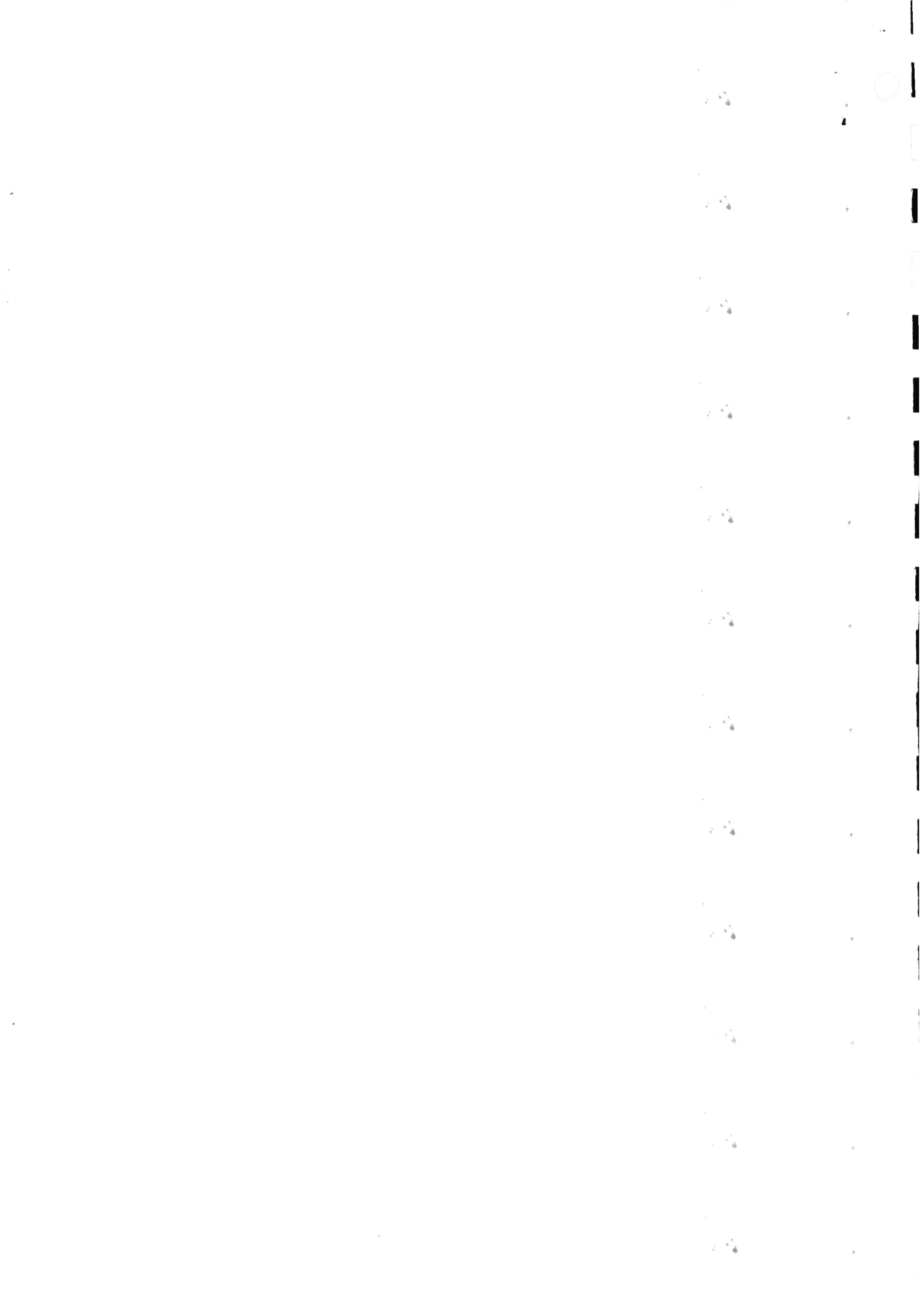
The prior year adjustment relates to errors in reporting of the bank account balances for the previous financial year. These have been subsequently adjusted in the financial statements and the comparative figures for financial year 2018/2019 restated to reflect the adjustments as below:-

| Description | 2018/2019 |
|--|----------------------|
| | Kshs |
| Original Fund balance Bank Accounts FY 2018-2019 | 1,742,179,581 |
| Adjustment of Transfers to CRF from KCG Agriculture Collection Account in FY 2018-2019 not in CRF Cashbook | 278,970 |



THE COUNTY EXECUTIVE OF KILIFI
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| | |
|---|----------------------|
| Adjustment of Transfers to CRF from KCG Main Revenue Collection Account in FY 2018-2019 not in CRF Cashbook | 5,049,368 |
| Adjustment of Transfers to CRF from KCG FIF Revenue Collection Account in FY 2018-2019 not in CRF Cashbook | 17,020,613 |
| Adjusted/Restated Closing Fund Balance - Bank Accounts FY 2018-2019 | 1,764,528,532 |



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7.9 OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

| 1. | Balance B/F | Additions
For The
Period | Paid During
The Year | Balance C/F |
|-----------------------------|----------------------|--------------------------------|-------------------------|----------------------|
| | Fy 2018/2019 | | | Fy 2019/2020 |
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction Of Buildings | 76,389,522 | 353,224,727 | 137,129,330 | 292,484,919 |
| Construction Of Civil Works | 205,494,320 | 159,720,548 | 205,494,320 | 159,720,548 |
| Supply Of Goods | 605,934,652 | 226,566,512 | 483,269,397 | 349,231,767 |
| Supply Of Services | 279,033,473 | 359,603,266 | 266,610,069 | 372,026,670 |
| Total | 1,166,851,967 | 1,099,115,053 | 1,092,503,115 | 1,173,463,904 |

2. PENDING STAFF PAYABLES (See Annex 2)

| Description | Balance B/F | Additions
For The
Period | Paid During
The Year | Balance C/F |
|-----------------------|-------------------|--------------------------------|-------------------------|-------------------|
| | Fy 2018/2019 | | | Fy 2019/2020 |
| Description | Kshs | Kshs | Kshs | Kshs |
| Senior Management | 3,035,578 | 2,032,863 | 3,035,578 | 2,032,863 |
| Middle Management | 4,788,692 | 19,408,452 | 4,788,692 | 19,408,452 |
| Unionisable Employees | 15,975,206 | 56,000 | 15,975,206 | 56,000 |
| Others | 8,706,688 | 6,719,200 | 8,706,688 | 6,719,200 |
| Total | 32,506,164 | 28,216,515 | 32,506,164 | 28,216,515 |

3. OTHER PENDING PAYABLES (See Annex 3)

| Description | Balance B/F | Additions
For The
Period | Paid During
The Year | Balance C/F |
|---|------------------|--------------------------------|-------------------------|----------------|
| | Fy 2018/2019 | | | Fy 2019/2020 |
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts Due To National Government Entities | 342,290 | 957,258 | 342,290.00 | 957,258 |
| Amounts Due To Third Parties | 1,662,752 | | 1,320,462 | - |
| Total | 2,005,042 | 957,258 | 1,662,752.00 | 957,258 |



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4. RELATED PARTY DISCLOSURES

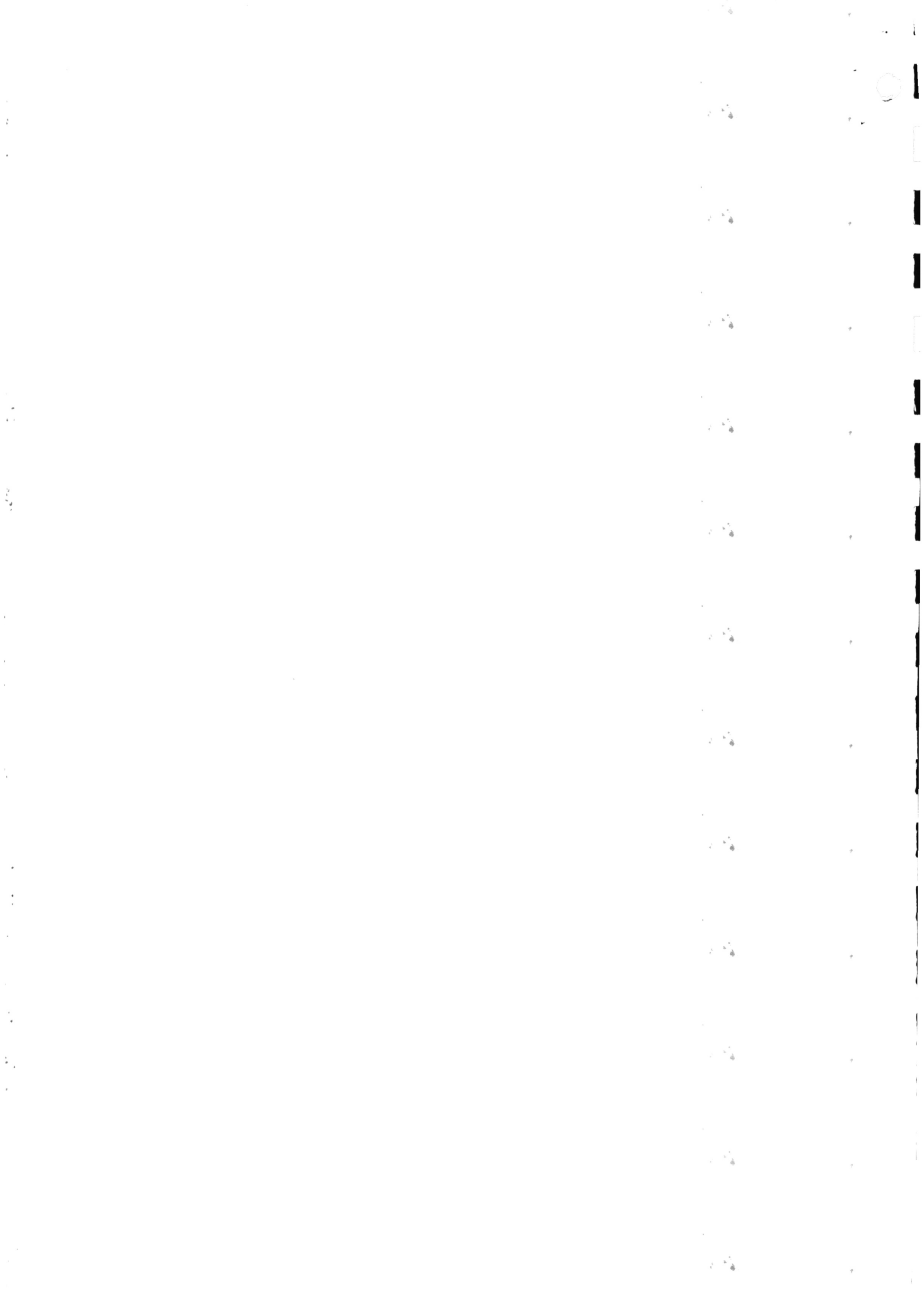
Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government of Kilifi:

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

Related party transactions

| DESCRIPTION | 2019- 2020 | 2018- 2019 |
|--|-----------------------|-----------------------|
| | Kshs | Kshs |
| Key Management Compensation(Governors, CEC Members and C.Os) | 103,188,750 | 101,860,476 |
| Transfers to related parties | | |
| Transfer to the County Assembly | 999,517,108 | 1,031,413,979 |
| Transfers to Scholarships Fund | 350,000,000 | 357,983,342 |
| Transfers to Mbegu Fund | 105,000,000 | 30,000,000 |
| Transfers to Kilifi Municipality | 0 | 96,750,100 |
| Transfers to Malindi Municipality | 0 | 233,784,400 |
| Transfers to health services improvement fund | 100,910,677 | 0 |
| Total Transfers to related parties | 1,454,517,108 | 1,749,931,821 |
| Transfers from related parties | | |
| Transfers from the Exchequer | 9,546,273,000 | 11,616,361,508 |
| Transfers from National Government-KRB | 296,474,063 | 285,223,456 |
| Transfers from National Government-DANIDA | 44,418,750 | 45,178,279 |
| Transfers from National Government-Level 5 Hospital Allocation | 0 | 0 |
| Other Transfers- Donor funds transferred through exchequer | 748,104,008 | 732,183,229 |
| Total Transfers from related parties | 10,635,269,821 | 12,678,946,472 |



THE COUNTY EXECUTIVE OF KILIFI
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5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

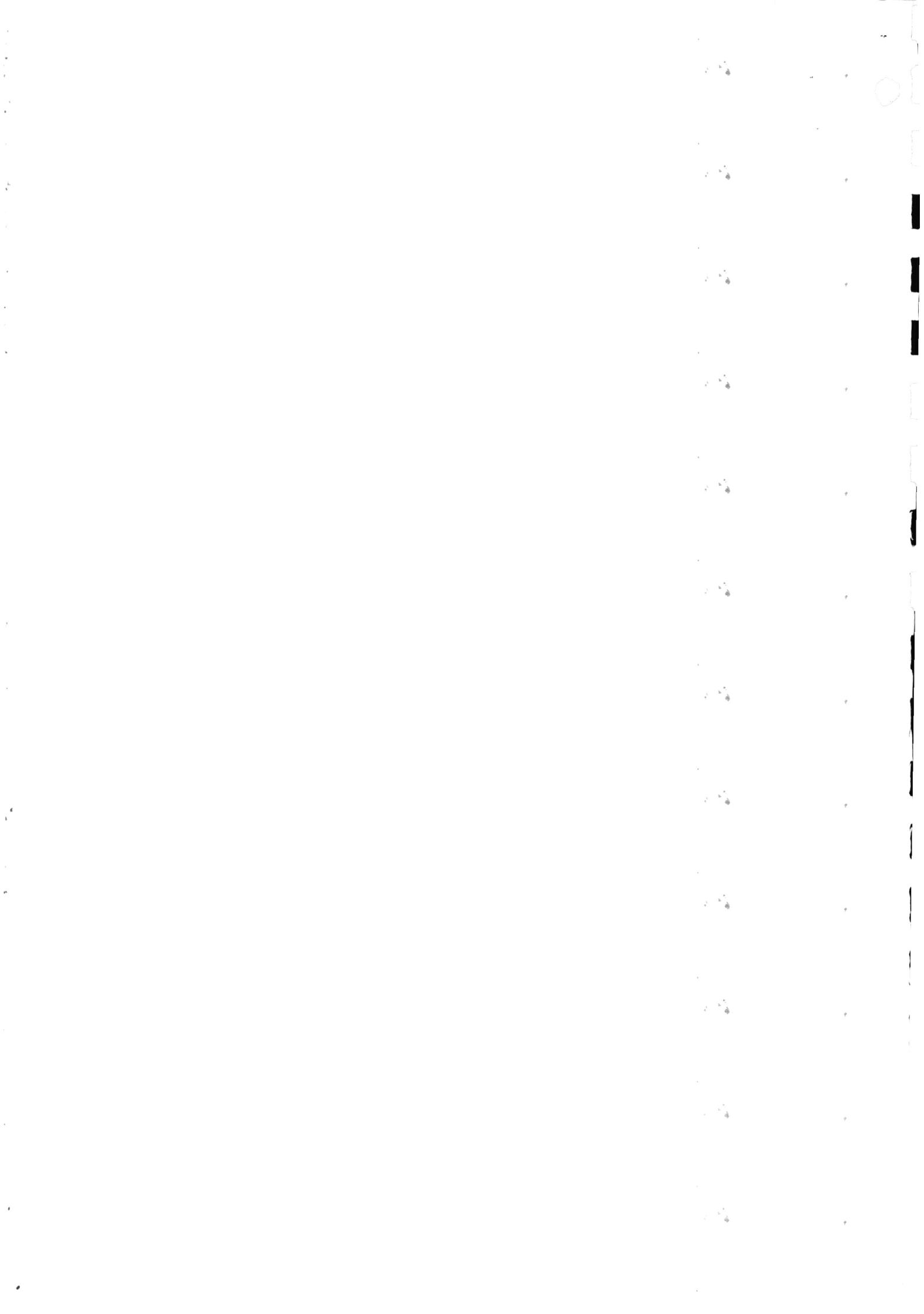
The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

| Entity | Date Established/Date taken over | Location | Accounting Officer responsible |
|--|---|-----------------|---------------------------------------|
| Scholarships Fund | December 2013 | County HQ | NEEMA SIRYA |
| Mbegu Fund | June 2016 | County HQ | Mercy Mahoro |
| Kilifi Municipality | June 2018 | Kilifi Town | ELIAS CHIPA |
| Malindi Municipality | June 2018 | Malindi Town | SILAS NGUNDO |
| County Water Service Providers (KIMAWASCO) | March 2013 | Kilifi Town | Hezekiah N. Mwarua |
| Health Services Improvement Fund | 2019/2020 | County HQ | Bahati mashalahu |
| County Water Service Providers (MAWASCO) | March 2013 | Malindi Town | Gerald Mwambire |

6. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS

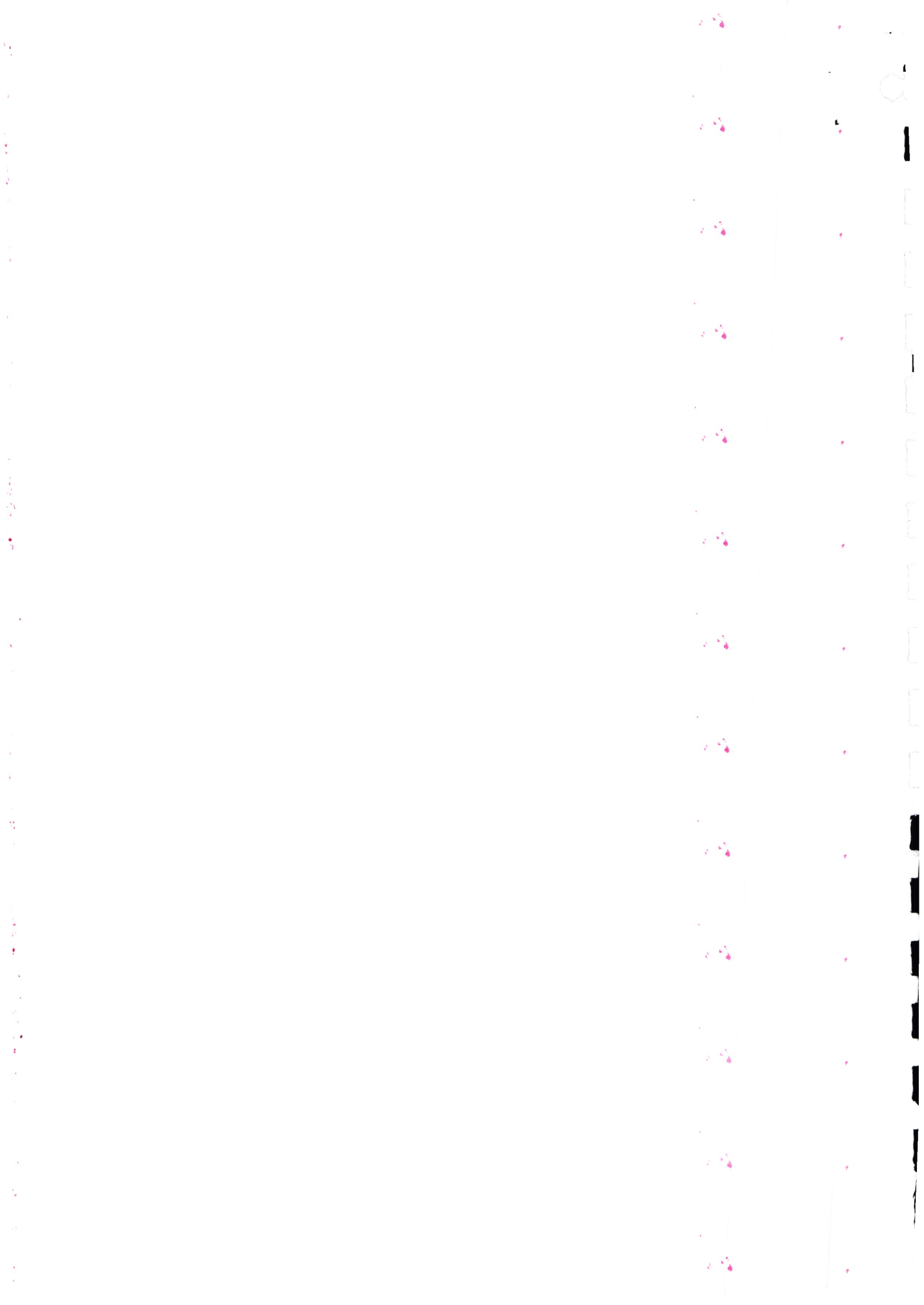
County Government Own source revenue is recognized in the financial statements when it has been swept to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|--|-------------------|---------------------|------------------|---------------------------|
| | | | Kshs | Kshs |
| <i>KCG - Main Revenue Account-01141691026400</i> | Co-op Bank-Kilifi | Revenue | 1,612,321 | 15,865,010 |
| <i>Kilifi County Revenue Collection-1140769235</i> | KCB-Kilifi | Revenue | 131,622 | 1,290,700 |
| <i>KCG-Land Rates Revenue-01001135200100</i> | NBK-Kilifi | Revenue | 330,884 | 316,756 |
| <i>The County Government of Kilifi-Cess Revenue Account-0198094843001</i> | SBM - Malindi | Revenue | 350,396,502 | 175,271,894 |
| <i>The County Government of Kilifi-Parking Fee Revenue Account-0198094843002</i> | SBM - Malindi | Revenue | 95,071,059 | 66,865,824 |
| <i>The County Government of Kilifi-Parking Fee Revenue Account-1175862436</i> | KCB-Kilifi | Revenue | 8,605 | 8,605 |



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| Name of Bank & Number | Bank | Account Type | 2019/2020 | 2018/2019 Restated |
|--|-------------------|---------------------|--------------------|---------------------------|
| | | | Kshs | Kshs |
| <i>The County Government of Kilifi - Cess Revenue Account-1175862053</i> | KCB-Kilifi | Revenue | 2,132 | 1,206 |
| <i>KCG-Agriculture Revenue Collection Account-01141466268700</i> | Co-op Bank-Kilifi | Revenue | 477,540 | 11,400 |
| <i>Kilifi County Govt. ATC Revenue-1173577289</i> | KCB-Mtwapa | Revenue | 0 | 3,474,404 |
| <i>KCG- Jibana Sub County Hosp - FIF-1159898804</i> | KCB-Kilifi | Revenue | 11,781 | 13,224 |
| <i>KCG- Jibana Sub County Hosp PBF-1168061334</i> | KCB-Kilifi | Revenue | 513,010 | 82,160 |
| <i>KCG- Jibana Sub County Hosp PBF-1119390117</i> | kcb-mariakani | Revenue | 0 | 4,421,684 |
| <i>Bamba Sub District Hospital-1122196520</i> | KCB-mariakani | Revenue | 1,853,853 | 1,853,853 |
| <i>KCG-Lands and Housing Revenue Collection-2031340988</i> | BBK-Kilifi | Revenue | 1,401,843 | 452,000 |
| <i>Kilifi Liquor Control Fund Account-1184369607</i> | KCB-Kilifi | Revenue | 0 | 3,943,715 |
| <i>KCG - FIF Revenue Collection Account-01141779176400</i> | CO-OP-Kilifi | Revenue | 19,098,055 | 1,559,772 |
| <i>KCG-Payroll Commissions-1006089603</i> | NIC-Kilifi | Revenue | 5,180,684 | 1,239,473 |
| <i>KCG-Mariakani Sub County Hospital PBF-01141254535100</i> | Co-op-Mariakani | Revenue | 2,680,295 | 60,100 |
| <i>Mariakani District Hospital HCSF-1107831857</i> | KCB-Kilifi | Revenue | 0 | 32,563,035 |
| <i>Kilifi County Hospital-PBF Account-01001068243400</i> | NBK-Kilifi | Revenue | 11,220,780 | 683,595 |
| <i>KCG- Malindi Sub County Hospital District - PBF-01001018366800</i> | NBK-Malindi | Revenue | 7,304,780 | 4,969 |
| <i>KCG-Malindi/Magarini Public Health-1160452970</i> | KCB - Malindi | Revenue | 308,555 | 293,952 |
| <i>KCG Land and Housing Revenue-01141779473400</i> | Co-op Bank-Kilifi | Revenue | 0 | 644,395 |
| Total | | | 497,604,299 | 310,921,725 |



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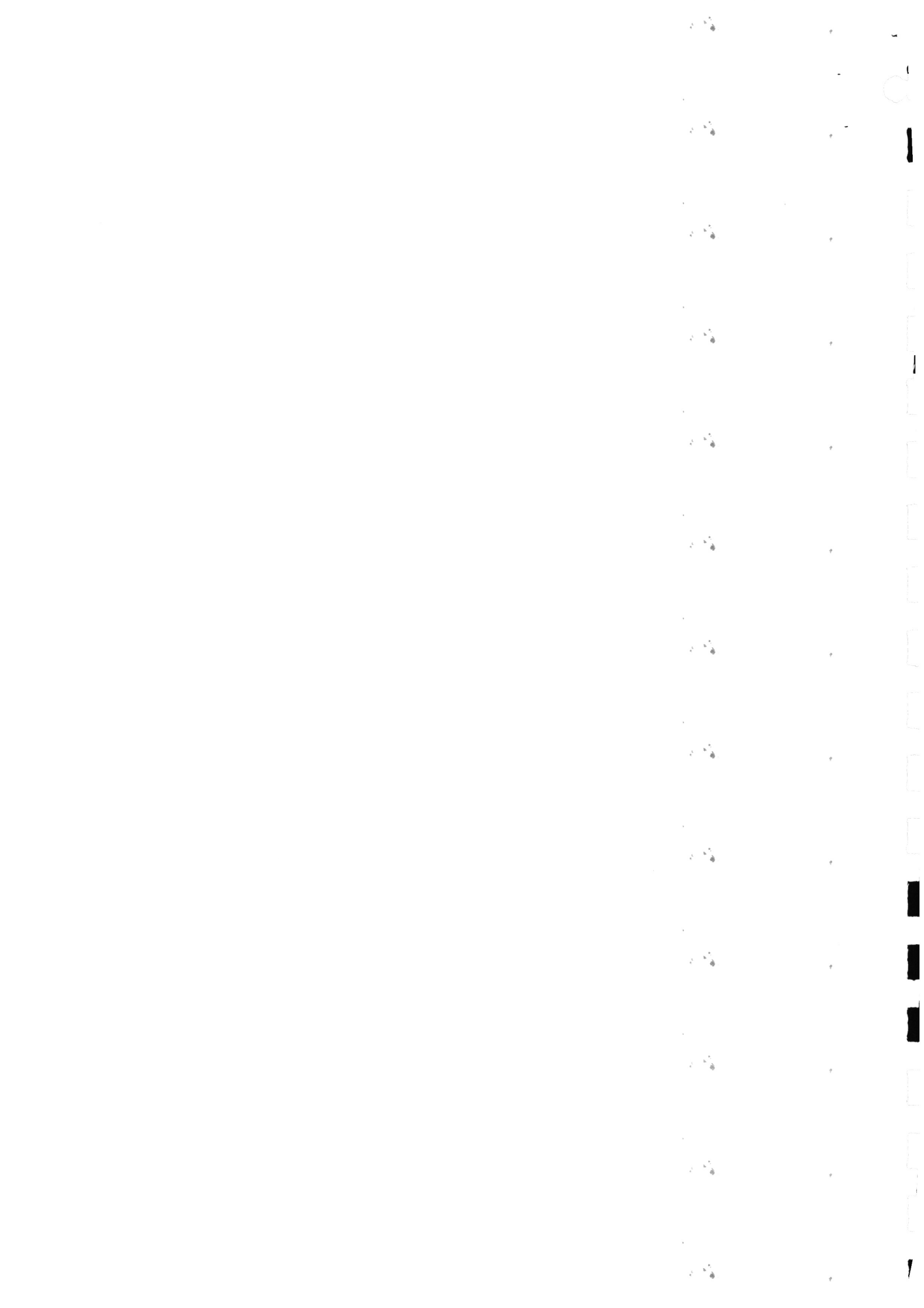
7. PROGRESS ON FOLLOW UP ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

| 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) |
|--|---|--|--|--|--|
| 1.0 | Inaccuracies in the Financial Statements | | | | |
| 1.1 | Variance Between Surplus Amount in the Statement of Receipts and Payments and the Amount Reflected in the Statement of Cash flows | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.2 | Variance Between Opening Balances and Prior Year Audited Financial Statements | Necessary amendments were done as per the submitted Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.3 | Difference Between Financial Statements and Integrated Financial Management Information System (IFMIS) Balances | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 2.0 | Cash and Cash Equivalent | | | | |

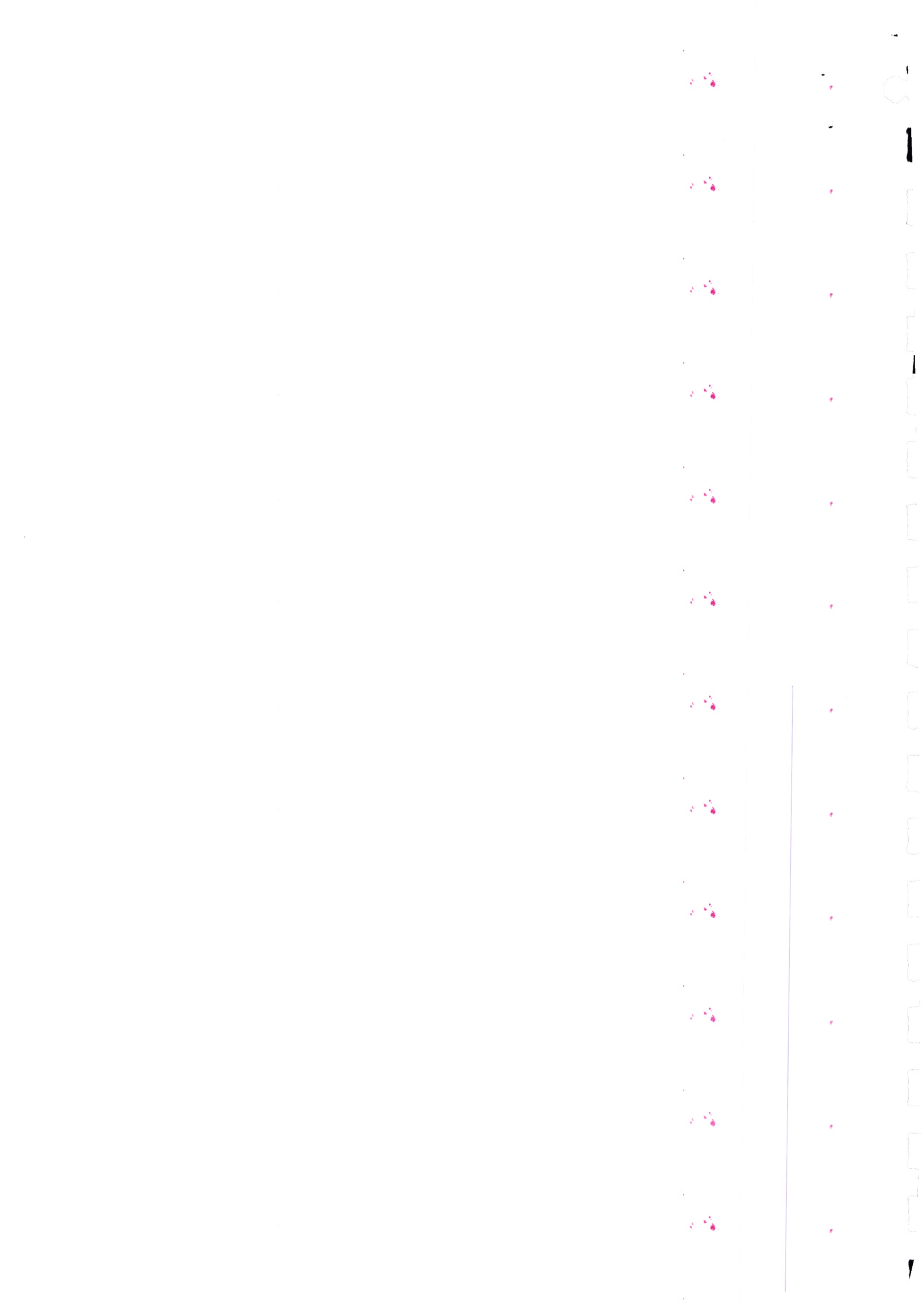
THE COUNTY EXECUTIVE OF KILIFI
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| 2.1 | Retention Bank Account-
The amounts paid were irregularly charged to retention account as the account is supposed to hold only retention money for contractors. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 2.2 | County Revenue Fund-
Variance of Kshs.7, 045,680 and Kshs. 4,770 in Cashbooks and Bank reconciliations as at 30 th June 2018. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 2.3 | Development Bank Account
Variance of kshs.570,050. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.0 | Accounts Receivables | | | | |
| 3.1 | Outstanding Imprest-
8,072,124-
Kshs.8,072,124. Variance with Support schedule list of Kshs.1,170,900.
Further, imprest amounting to Kshs.4,564, 162 outstanding for more than one year | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.2 | Accounts Receivables -
Loss of Cash-
Kshs.43,240,740 | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- | Awaiting feedback from the Senate and | |



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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) |
|--|---|--|--|--|--|
| | | | Finance | Kilifi C/ Assembly | |
| 3.3 | Proceeds from Domestic and Foreign Grants- user fees foregone amounting to Kshs.65,756,778 not disbursed to facilities | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4.0 | Use of Goods and Services | | | | |
| 4.1 | Routine Maintenance of Other Assets-
Payment of pending bills amounting to Kshs.9,144,730 not included in closing pending bill list for the year 2016/17. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4.2 | Other Operating Expenses- expenditure of Kshs.97,617,358 for legal fees for the year 2015 but not disclosed as pending bills in the previous years. | Detailed explanations to observation given in the Audit response | Michele Bibi Fondo
County Attorney | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 5.0 | Acquisition of Assets the Procured award of contract for Kshs.23,887, 188.07 against a budget a of Kshs.20m. Also, part of the pipeline was laid in the storm water drain leaving some parts exposed. | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer- Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| | Other Matters | | | | |

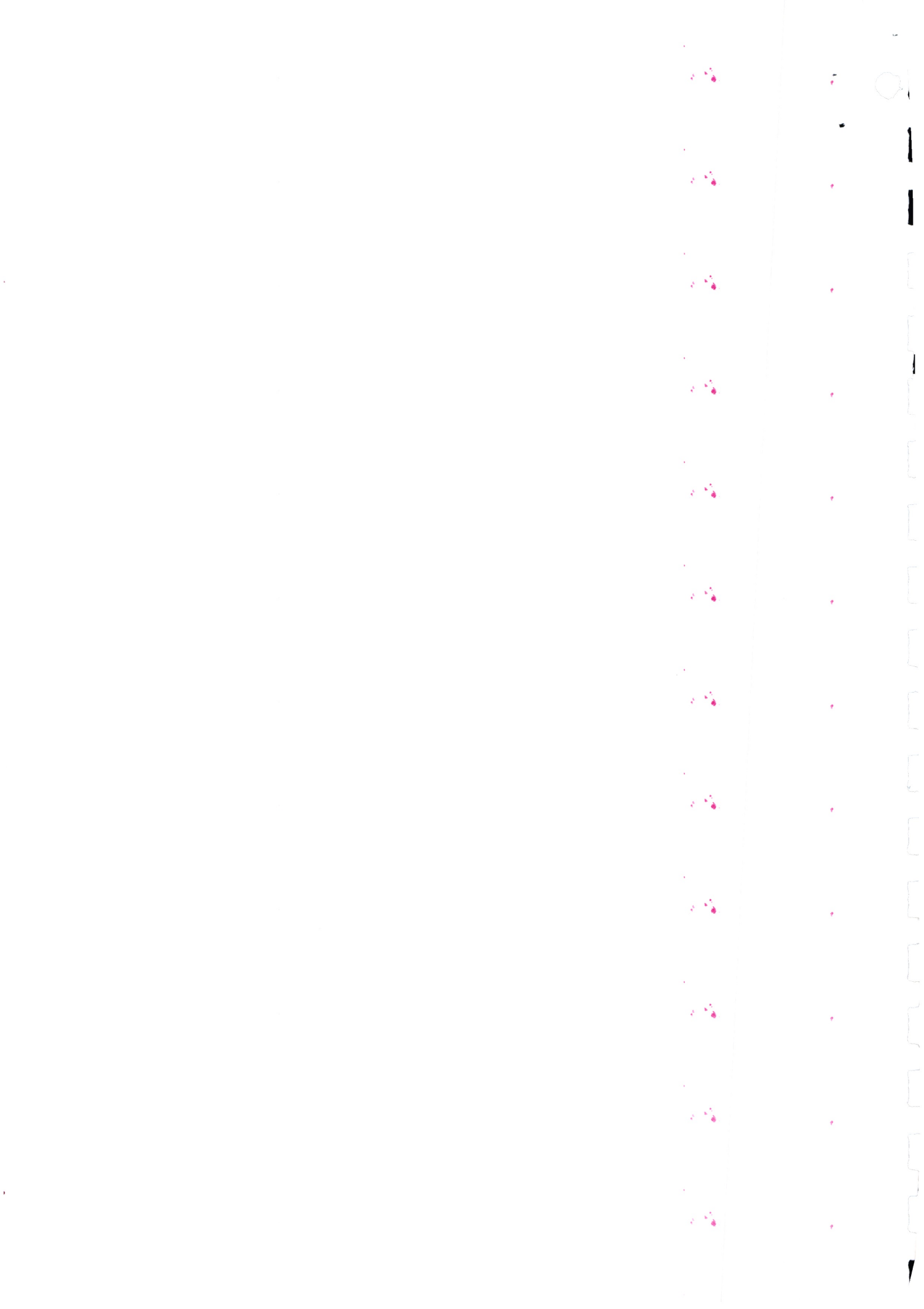


THE COUNTY EXECUTIVE OF KILIFI
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| 1.0 | Budgetary Control and Performance | | | | |
| 1.1 | Budget Utilization- Overall under expenditure of Kshs.1,329,874,335 or 11%. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.2 | Variance Between Appropriation Amount and Forward by County Executive Committee Member for Finance. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 2.0 | County Own Generated Revenue - Under Collection.

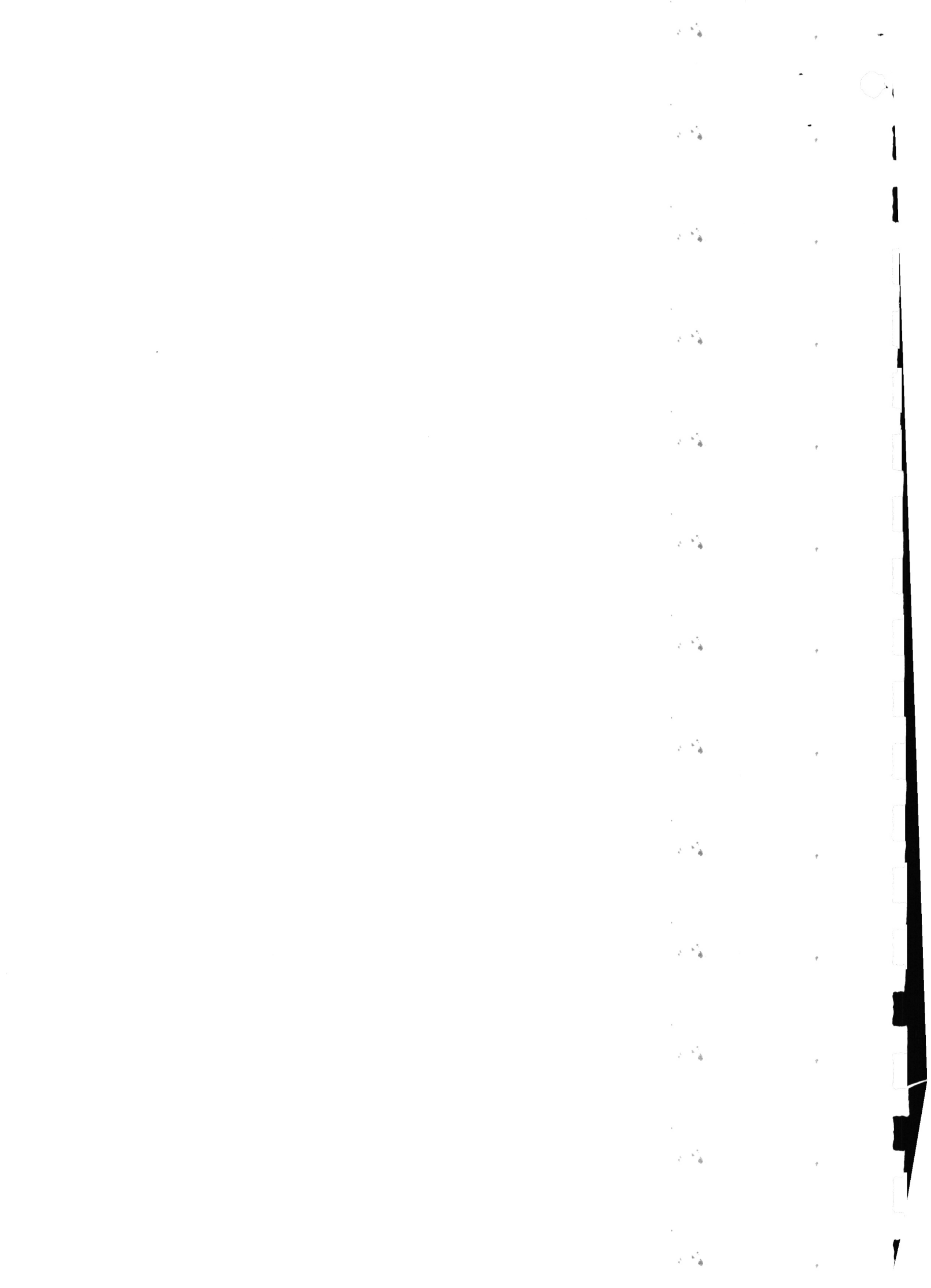
Decrease in own revenue from Kshs.665,814,286 in 2016/2017 to Kshs.508,594,540 in FY 2017/18 (24%.) | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer- Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.0 | Project Verification | | | | |
| 1 | Construction Kanagoni-Muyu Project of Marereni- wa Kae Water

Water kiosk erected on a road reserve with no Way-Leave approval from KENHA . In addition, the works was not completed | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer- Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |



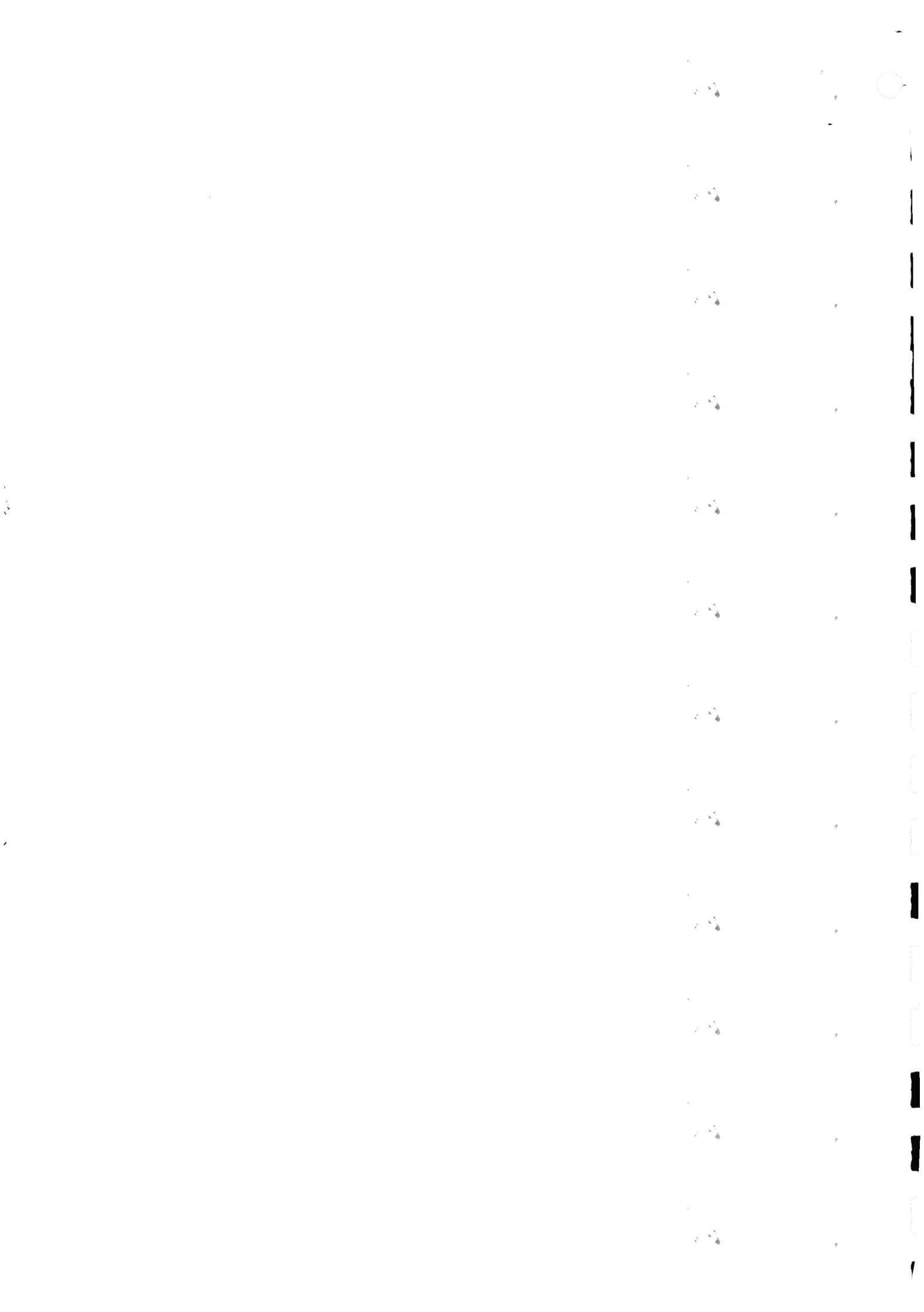
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|--|--|
| 2 | Construction of supply line Mambui water
completed but not in use | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer-Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3 | Construction of Songoresa-Kambi Ya Waya Water Supply Pipeline
completed but not in use | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer-Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4 | Construction of Mjanaheri Mapimo water project in Magarini
Completed but not in use | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer-Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 5 | Construction of ICT Lab at Kaloleni Youth Polytechnic
No wiring had been done to allow for electricity to be installed. | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer-Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 6 | Construction of 2no. Classroom Block at M'buyuni ECD
Finishing works including plastering not complete. | Detailed explanations to observation given in the Audit response | Mulewa S. Katana
Chief Officer-Education and ICT | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 7 | Construction of 2no. Classroom Block at Mawe Mabomu Pre- | Detailed explanations to observation given in the Audit response | Mulewa S. Katana | Awaiting feedback from the | |



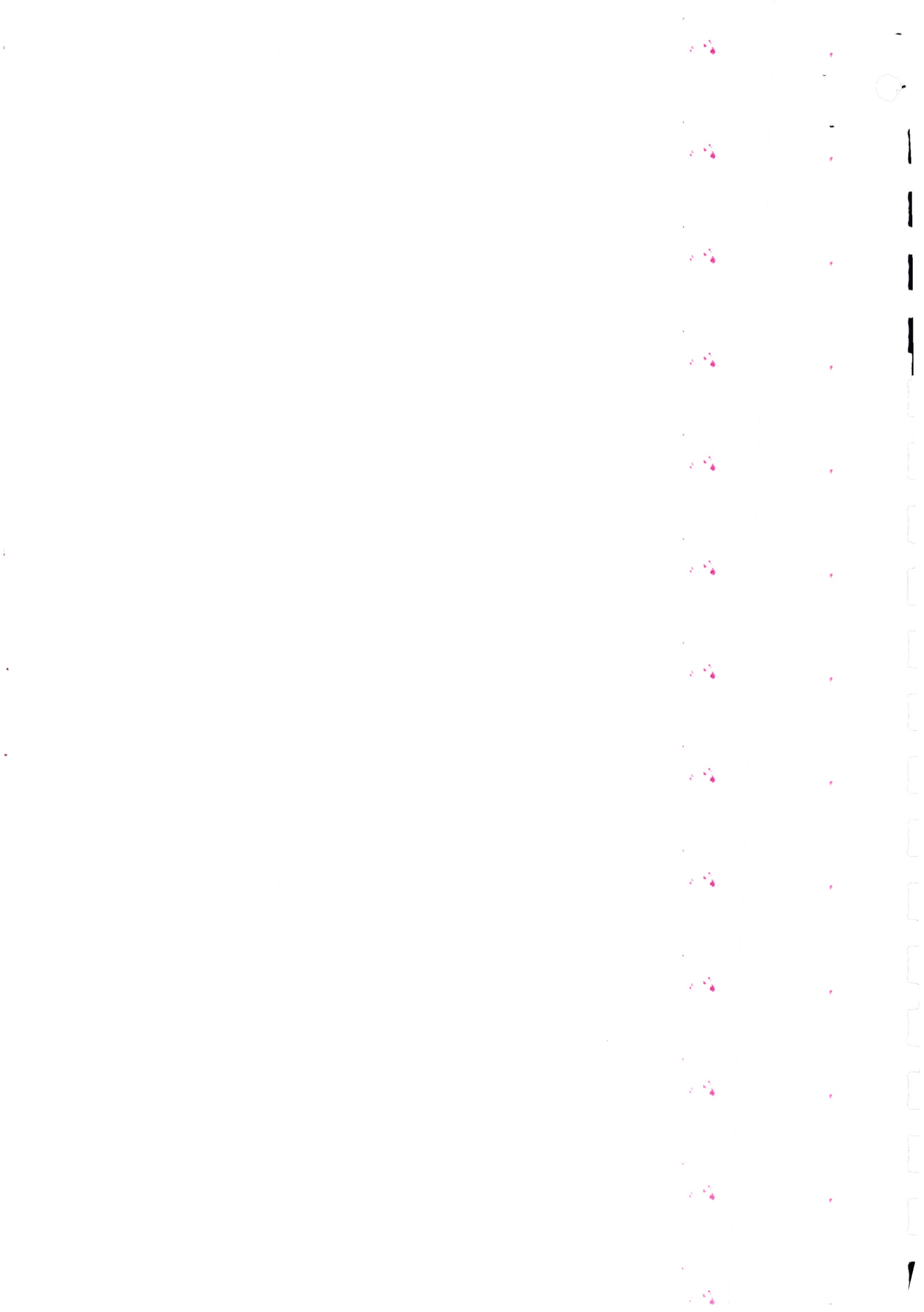
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|--|--|
| | <p>School</p> <p>The classrooms were fitted with electricity fittings yet no power connection. The windows were not fitted with louvres</p> | | Chief Officer-Education and ICT | Senate and Kilifi C/ Assembly | |
| 8 | <p>Construction of 2no. Classroom Block at Mwamtsunga Polytechnic</p> <p>The project was ongoing with two classrooms complete but not fitted with windows.</p> | Detailed explanations to observation given in the Audit response | Mulewa S. Katana
Chief Officer-Education and ICT | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 9 | <p>Construction of perimeter fence at Gongoni Health Centre</p> <p>Perimeter fence not completed- contractor not on site.</p> | Detailed explanations to observation given in the Audit response | Bilal M. Yusuf
Chief Officer-Health Services | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 10 | <p>Medical equipments – Various</p> <p>Still held in stores. Not issued to facilities</p> | Detailed explanations to observation given in the Audit response | Bilal M. Yusuf
Chief Officer-Health Services | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 11 | <p>Upgrading of Malindi Township Roads to Cabro Standard (Ngala-HGM-St-Kevin Sch-AIC)</p> | Detailed explanations to observation given in the Audit response | Kenneth C. Kazungu
Chief Officer-Roads and | Awaiting feedback from the Senate and Kilifi C/ Assembly | |



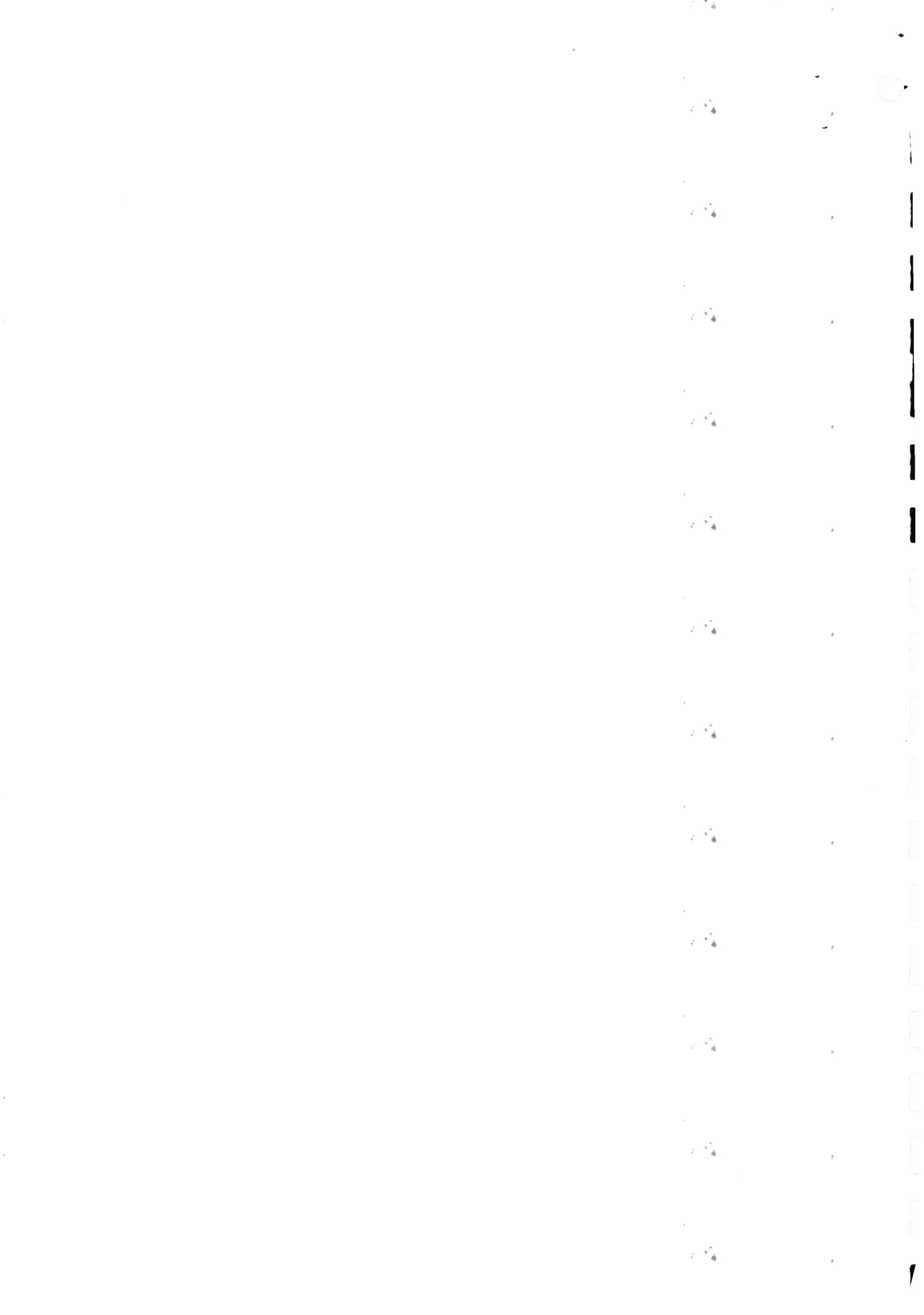
THE COUNTY EXECUTIVE OF KILIFI
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| | The drainage works were not done in some sections while in other areas the drainage works cut-off feeder road entrances. | | Public Works | | |
| 12 | Upgrading to Cabro Standards of Al-Junction Shell Petrol Station- Slaughter House Road-Ngowe House-Red Cross-Tamani Jua A7-Junction
Ongoing | Detailed explanations to observation given in the Audit response | Kenneth C. Kazungu
Chief Officer- Roads and Public Works | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 13 | Kibaoni Social Hall
Plastering not yet done yet contract duration lapsed on 15/01/2017. No project signage erected.
Contractor not on site. | Detailed explanations to observation given in the Audit response | Mwenda Karisa
Chief Officer- Gender | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 14 | Kibarani Social Hall
Plastering not yet done contract duration lapsed on 12/02/2017. No project signage erected.
Contractor was not on site | Detailed explanations to observation given in the Audit response | Mwenda Karisa
Chief Officer- Gender | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 15 | Eza Moyo Social Hall
Plastering not yet done. No project signage erected and contractor not on site. | Detailed explanations to observation given in the Audit response | Mwenda Karisa
Chief Officer- Gender | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 16 | Mwarakaya Social Hall | Detailed explanations to observation given | Mwenda Karisa | Awaiting feedback | |



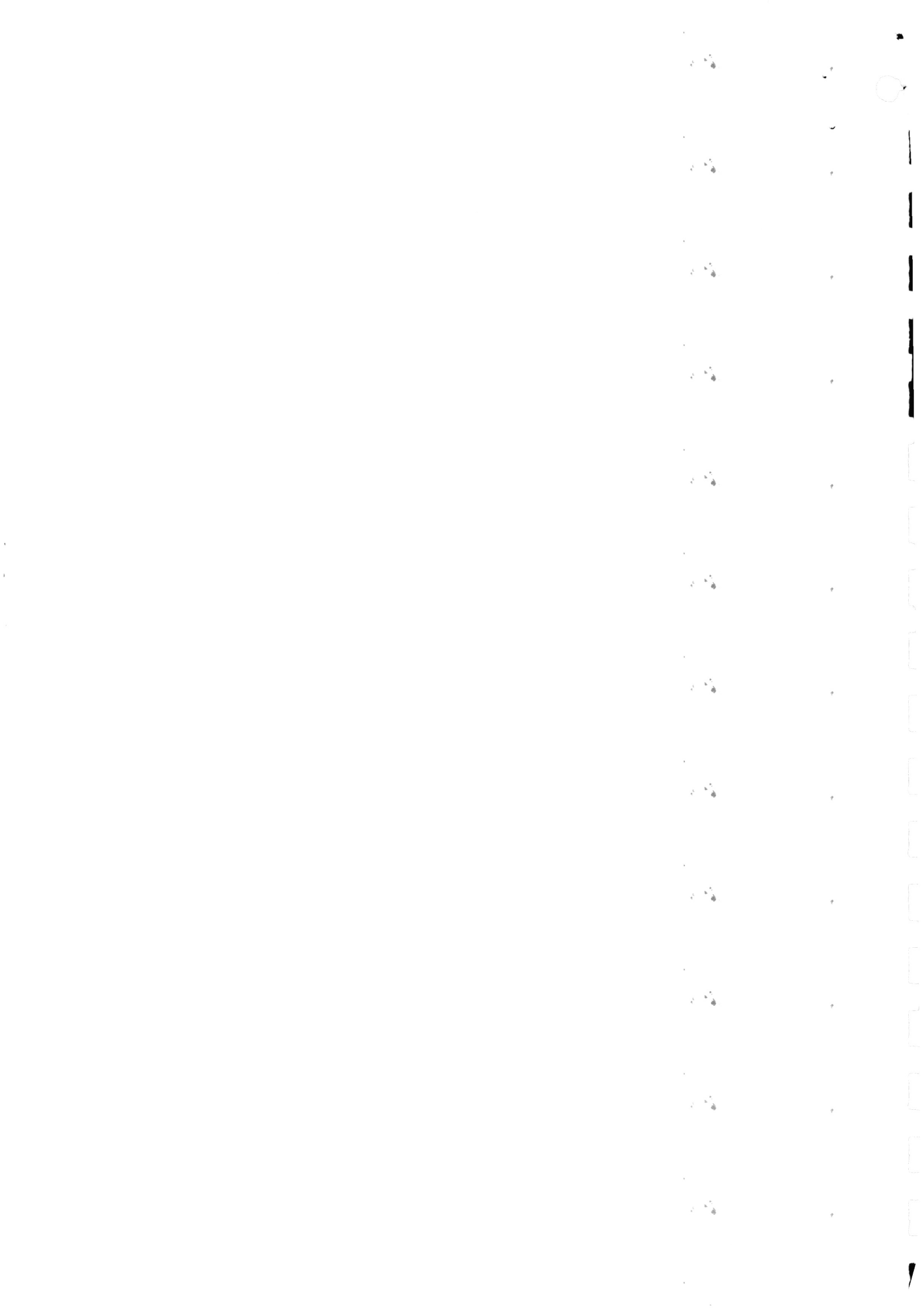
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| | Only foundation was complete and walling started halfway. | in the Audit response | Chief Officer-Gender | from the Senate and Kilifi C/ Assembly | |
| 17 | Rabai Kisurutini Social Hall
Contract duration lapsed on 30/06/2017. Plastering was ongoing and windows fixed. No project signage erected. | Detailed explanations to observation given in the Audit response | Mwenda Karisa
Chief Officer-Gender | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 18 | Proposed Setting up of a County Radio station
Ongoing | Detailed explanations to observation given in the Audit response | Mulewa S. Katana
Chief Officer-Education and ICT | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 19 | Renovation of Marafa market
project complete but not in use | Detailed explanations to observation given in the Audit response | Mary Mkare
Chief Officer-Trade | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES | | | | | |
| 1 | County Own Generated Revenues | | | | |
| 1.1 | Revenue Not Transferred to County Revenue Fund (CRF)-
Kshs.174,504,990 not transferred to the CRF Account | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |



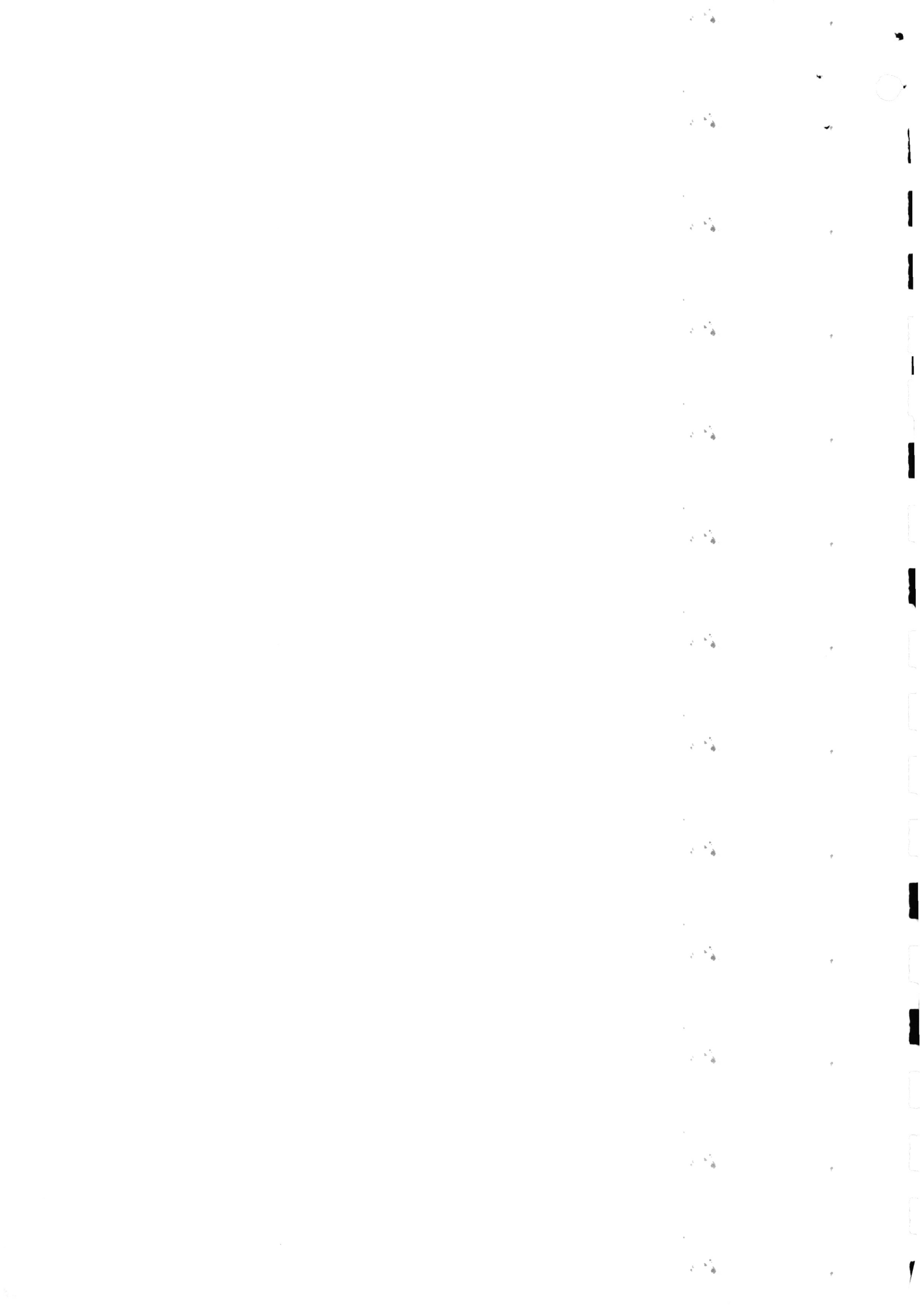
THE COUNTY EXECUTIVE OF KILIFI
Reports and Financial Statements
For the year ended June 30, 2020

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|--|---|--|--|--|--|
| 1.2 | Revenue Spent at Source
-
Collections spent at source amounting to Kshs.41,259,839 | Detailed explanations to observation given in the Audit response | Bilal M. Yusuf
Chief Officer-Health Services | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.3 | User Fees Collected by Facilities-
Health facilities charging user fees contrary to National Government policy | Detailed explanations to observation given in the Audit response | Bilal M. Yusuf
Chief Officer-Health Services | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.4 | Collections by Contracted Service Provider | | | | |
| 1.4.1 | Revenue Target-
Service provider failure to meet the revenue collection target of Kshs.766,500,00 by Kshs.606,964,566 or 79%. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.4.2 | Use of Service Provider's Own Receipt Books-
Used receipt books not availed for audit review. In addition, the service provider deposited money in their private Chase bank accounts instead of the escrow account. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 1.4.3 | Prevention of Access into Information Data | Detailed explanations to observation given | Benjamin k. Chilumo | Awaiting feedback | |



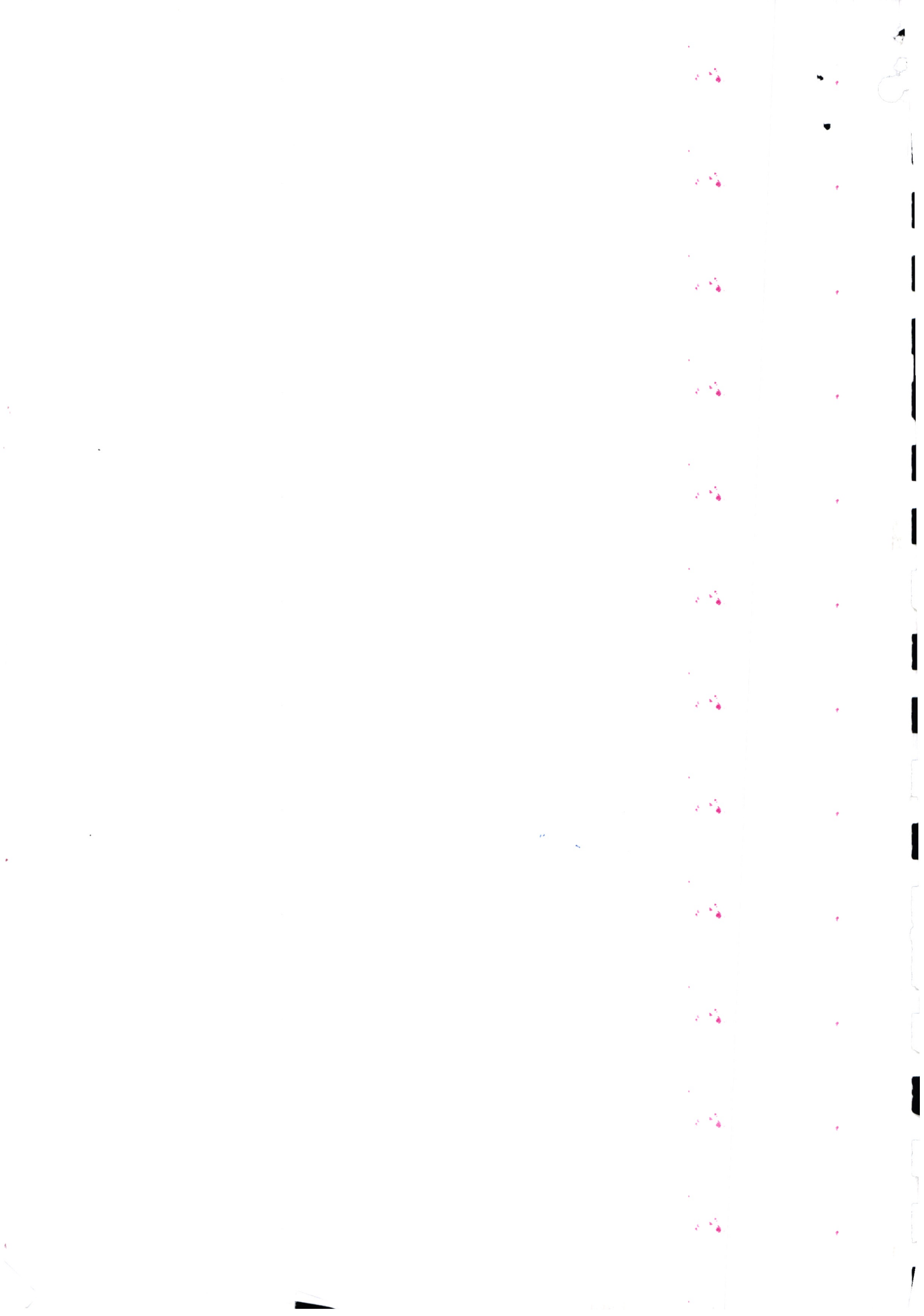
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|--|--|--|--|--|--|
| | by service provider | in the Audit response | Chief Officer-Finance | from the Senate and Kilifi C/ Assembly | |
| 2.0 | Compensation of Employees | | | | |
| 2.1 | Non-Remittance of Statutory and Other Deduction-
Widows Children Pension Scheme (WCPS) and GOK Rent deduction Kshs.24,705,559 and Kshs.7,874,795 respectively. | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 2.2 | Reallocation of Funds from Wages to Non-Wages-
Kshs.115,780,412 | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.0 | Use of Goods and Services | | | | |
| 3.1 | Pre-payments for Goods-
pre-payments totaling Kshs.7,421,648 | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.2 | Communication Supplies and Services-
Wide area network. Full installation, testing and confirmation done in 12 | Detailed explanations to observation given in the Audit response | Mulewa S. Katana
Chief Officer-Education | Awaiting feedback from the Senate and Kilifi C/ | |



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|--|--|--|---|--|--|
| | sites out of 18. These installations were fully paid for, Kshs.5,373,899. | | and ICT | Assembly | |
| 3.3 | Domestic Travel and Subsistence-
Payments for member of County Assembly allowances of Kshs.2,667,000 to attend devolution conference in Kakamega County on April 2018. | Detailed explanations to observation given in the Audit response | Adan M. Abdulai
Chief Officer-Devolution, Public Service and Disaster Management | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 3.4 | Specialized Materials-
Performance bonds for contracts valued at Kshs.80,835,331 were not availed for audit | Detailed explanations to observation given in the Audit response | Benjamin k. Chilumo
Chief Officer-Finance | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4.0 | Acquisition of Assets | | | | |
| 4.1 | Contract Signed Outside Tender Validity Period-
Payments Kshs.7,937,132.15 for construction of Eza Mayo social hall.Contract agreement signed long after expiry of the 120 days' tender validity period. | Detailed explanations to observation given in the Audit response | Mwenda Karisa
Chief Officer-Gender | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4.2 | Procurement of Agrochemicals-
Valid tax compliance certificate was not attached therein | Detailed explanations to observation given in the Audit response | Fredrick B. Kaingu
Chief Officer-Livestock | Awaiting feedback from the Senate and Kilifi C/ | |



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|--|---|--|--|--|--|
| | | | | Assembly | |
| 4.4 | Mtwapa Water Scheme Supply-
Water kiosks not constructed. Further, a portion of the pipeline was laid on KARLO land and a Way-Leave was not acquired. | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer- Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |
| 4.5 | Procurement of Borehole Drilling Rig-
Kshs.46,414,062.68. Part of the payments were done before the rig was inspected . | Detailed explanations to observation given in the Audit response | Samuel k. Ngari
Chief Officer- Water & Environment, | Awaiting feedback from the Senate and Kilifi C/ Assembly | |

CPA Samuel Kombe Njai
County Executive Committee Member
For Finance and Economic Planning
ICPAK MEMBER NO.12429

