

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PAPERS LAID	
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COMMITTEE	FINANCE & BUDGET
AT THE TABLE	C. CHEROP

OF

THE AUDITOR-GENERAL

ON



**COUNTY EXECUTIVE OF
KILIFI**

**FOR THE YEAR ENDED
30 JUNE, 2023**

OFFICE OF THE AUDITOR GENERAL
P.O. Box 81543, MOMBASA
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COUNTY EXECUTIVE OF KILIFI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

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1. Acronyms and Glossary of Terms

a) Acronyms

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information And Management

a) Background information

The County is constituted as per the Constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Office of the Governor and The County Attorney	County attorney is the principal legal advisor of the County executive. Office of the Governor liaises with national government as well as other offices linked to government.
3.	Agriculture and Livestock and Fisheries	Overseeing County Agriculture, animal husbandry and Fish farming
4.	Water Environment, Forestry, Natural Resources and Solid Waste Management	Solid waste management Climate change Management of natural resources of the County
5.	Education and ICT	Managing vocational training centres as well as early childhood education Issuance of the ward scholarship fund
6.	Health Services	Health services and sanitation
7.	Roads, Transport and Public Works	County Roads management Fleet management of County vehicles Public works done by County Government
8.	Lands, Energy, Housing, Physical and Urban Development	County physical planning and development control Housing matters Energy matters Land matters in collaboration with national government
9.	Gender, Culture, Social Services and Sports	Special programmes of the County Government Gender mainstreaming Nurture Kilifi County Talents through sporting activities
10.	Trade, Tourism and Cooperative Development	Cooperative movement Attracting tourists to the County Attracting trade and investment to the County
11.	Devolution, Public Service and Disaster Management	Management of effective service to the residents of Kilifi
12.	County Public Service Board	Recruitment of the staff of the County executive

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b) Key Management team

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

No.	Office	Name
1.	The Governor	H.E. Gideon Maitha Mung'aro Ogw
2.	The Deputy Governor	H.E. Flora Mbetsa Chibule
3.	County Secretary	Mr. Martin Mangi Mwaro
4.	County Attorney	Mr. Henry Kazungu Lughanje
5.	CEC Member for Finance and Economic Planning	Yaye Shosi Ahmed
6.	CEC Member for Agriculture, Fisheries and Livestock Development	Dr. Patteson Chula Mwagona
7.	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	Omar Said
8.	CEC Member for Education and ICT	Clara Ningome Chonga
9.	CEC Member for Health Services	Peter Mwarogo
10.	CEC Member for Roads, Transport and Public Works	Catherine Kenga
11.	CEC Member for Lands, Energy, Housing, Physical and Urban Development	Jane Maiki Kamto
12.	CEC Member for Gender, Culture, Social Services and Sports	Dr. Ruth Dama Masha
13.	CEC Member for Trade, Tourism and Cooperative Development	Mr. John Raymond Ngala
14.	CEC Member for Devolution, Public Service and Disaster Management	Felkin Dena Kaingu

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

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No.	Designation	Name
1.	CECM Finance and Economic Planning	Yaye Shosi Ahmed
2.	Accounting Officer and Chief Officer Finance	Winnie Wakati Luwali
3.	Chief Officer Economic Planning	Jacinta Ismail
4.	Chief Officer – Resource Mobilization	Lawrence Bokoro
5.	Chief Officer Land Energy and Physical Planning	Joe Ndundi Tete
6.	Chief Officer Housing and Urban Development	Abubakar Mohamed Ali
7.	Chief Officer Trade	Lynne Tracy Farrah
8.	Chief Officer Tourism Promotion	Christine Pekeshe
9.	Chief Officer Cooperative Development	George Katama Mwangiri
10.	Chief Officer livestock	Philip Wario
11.	Chief Officer agriculture	Teddy Mwangudza Yawa
12.	Chief Officer Blue Economy	Rahab Amani Karisa
13.	Chief officer Water Services & Natural Resource Management	Hezekiah Mwarua Nguma
14.	Chief Officer Environment, Climate Change & Solid Waste Management	Herbert George Mwachiro
15.	Chief Officer Roads & Transport	Philip Kitsao Charo
16.	Chief Officer Early Childhood and Vocational Training	Frederick Kasiwa Nguma
17.	Chief officer Youth Affairs & Sports	Naftali Owino
18.	Chief officer Public service management	Eliud Kalama Chai
19.	Chief Officer Devolution Civic Education and Public Participation	Zamzam Ali
20.	Chief Officer Special Programs & Disaster Management	Irene Nekesa Opicho
21.	Chief Officer Gender, Culture & Social Services	Agneta Karemba
22.	Chief Officer Public Works	Samuel Menza Mkutano

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No.	Designation	Name
23	Chief Officer ICT & E-Government	Lerine Muoti Kitema
24.	Chief Officer Health and Sanitation Services	David Mwathethe
25.	Chief Officer Executive	Martin Mangi Mwaro

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies for the County for the year ended 30th June 2023 were:

- County Assembly of Kilifi
- Controller of Budget
- Office of the Auditor General
- 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

The following are some of the fiduciary activities undertaken during the financial year

- Approval of the 2022/2023 Executive budget supplementary estimates by the County Assembly
- Approval of the 2023/2024 Executive budget estimates by the County Assembly
- Audit of the year 2021/2022 financial statements by the Auditor General.
- Approval of funds withdrawal from the County revenue fund by the Controller of Budget
- Review and recommendations on financial management by the Audit Committee
- Discussion and recommendations on the Executive 2020/2021 Auditor General report by the County Assembly public Investment and Accounts Committee.

e) County Executive Headquarters

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

f) County Executive Contacts

P.O. Box 519-80108, Kilifi

Telephone: (254)

E-mail: info@kilifi.go.ke

Website: www.kilifi.go.ke

g) County Executive 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 Auditor

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

i) Principal Legal Adviser

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

j) County Attorney

County Government of Kilifi
P. O. Box 519-80108
KILIFI




3. Governance Statement

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





The County is made up of a County Assembly, County Executive and 4 number of County Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

The County Executive





a) The membership of the County Executive Governance Structures comprises the following:

No.	Office	
I.	The Governor	 <p>H.E Gideon Maitha Mung'aro Ogw</p>
II.	The Deputy Governor	 <p>H.E. Flora Mbetsa Chibule</p>
III.	County Secretary	 <p>Mr. Martin Mangi Mwaro</p>




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No.	Office	
IV.	County Attorney	 <p data-bbox="1066 701 1390 734">Mr. Henry Kazungu Lughanje</p>
V.	CEC Member for Finance and Economic Planning	 <p data-bbox="1090 1075 1362 1108">Hon. Yaye Shosi Ahmed</p>
VI.	CEC Member for Agriculture, Fisheries and Livestock Development	 <p data-bbox="1050 1451 1433 1482">Hon. Dr. Patteson Chula Mwagona</p>
VII.	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	 <p data-bbox="1158 1821 1347 1854">Hon. Omar Said</p>

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No.	Office	
VIII.	CEC Member for Education and ICT	 <p data-bbox="1091 584 1406 611">Hon. Clara Ningome Chonga</p>
IX.	CEC Member for Health and Sanitation Services	 <p data-bbox="1102 958 1334 985">Hon. Peter Mwarogo</p>
X.	CEC Member for Roads, Transport and Public Works	 <p data-bbox="1131 1335 1374 1361">Hon. Catherine Kenga</p>
XI.	CEC Member for Lands, Energy, Housing, Physical and Urban Development	 <p data-bbox="1110 1704 1386 1731">Hon. Jane Maiki Kamto</p>

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No.	Office	
XII.	CEC Member for Gender, Culture, Social Services and Sports	 <p data-bbox="1134 663 1437 685">Hon. Dr. Ruth Dama Masha</p>
XIII.	CEC Member for Trade, Tourism and Cooperative Development	 <p data-bbox="1145 987 1417 1010">Hon. John Raymond Ngala</p>
XIV.	CEC Member for Devolution, Public Service and Disaster Management	 <p data-bbox="1155 1406 1433 1429">Hon. Felkin Dena Kaingu</p>

b) Public participation, policies on communication, stakeholder engagement and whistle blowing.

The Civic Education and Public Participation Unit in Kilifi County operates under a gazetted Act, the Civic Education and Citizen Participation Act 2020 amended. This Act, along with implemented strategies, provides the framework for promoting public participation across all departments and ensuring that the voices and opinions of residents are considered in decision-making processes. It is important to note that while the County focuses on promoting public participation and sensitizing residents about government programs and projects, the county government has not come up with policies and framework on whistleblowing.

c) Safeguards against unethical conduct and corruption

To safeguard against unethical conduct and corruption the County has put in place the following measures:

- i. The internal audit has a work plan for carrying out audit in all the departments where reports are discussed with the management for corrective measures.
- ii. Audit Committee receives the internal audit reports and also presents their recommendations to the management.
- iii. Staff training, seminars and workshops to ensure competency and efficiency in service delivery
- iv. The county has set up a channel and procedure in handling complaints from the citizens.
- v. The County has set up a cashless revenue collection system.

d) Engagement with the County Assembly and the Senate

The following are some of the engagements undertaken with the County Assembly during the financial year

- Approval of the 2022/2023 Executive budget supplementary estimates by the County Assembly
- Approval of the 2023/2024 Executive budget estimates by the County Assembly
- Approval of funds withdrawal from the County revenue fund by the Controller of Budget
- Review and recommendations on financial management by the Audit Committee
- Discussion and recommendations on the Executive 2020/2021 Auditor General report by the County Assembly public Investment and Accounts Committee.

e) Risk management

The County Government of Kilifi did not have a risk management framework in place in the financial year 2022/2023.

The County is in the process of establishing a framework that will be used in managing risks.

The formal processes established will ensure that:

- i. Roles of various stakeholders are clearly provided through the risk management policy.

- ii. Identification and mitigation of Risks will be undertaken by the risk champions through the registers.
- iii. Monitoring and evaluation through the various committees will be done periodically.

f) Audit committee

The County Government is required to establish the Audit Committee, as outlined in section 167(1) of the Public Finance Management Regulations 2015.

The committee members were competitively sourced, and consequently appointed by H.E the Governor with effect from 16th January 2017. The composition of the committee was of diverse skills as outlined in the Audit Committee guidelines for the Counties. In the membership of the committee is a nominee of the treasury who was appointed to sit in the Committee.

The term of the Audit Committee members was extended for a period of three years with effect from 28th September 2020, in line with Section 4.3 of the gazette notice number 2690 of 15th April 2016, on the establishment of the Audit Committee guidelines.

The Committee operates with an approved charter, that guides its functions and responsibilities.

g) Compliance

The County Government of Kilifi operates under various laws and regulations that governs it and ensures compliance with these laws. These include the following:

- i. Public Finance Management Act, 2012
- ii. Public Finance Management (County Governments) Regulations, 2015
- iii. Public Procurement and Asset Disposal Act, 2015
- iv. Public Procurement and Asset Disposal Regulations, 2020
- v. Public Audit Act, 2015
- vi. Kilifi County Climate Change Act, 2021
- vii. Kilifi County Environment (Regulation and Control) Act, 2016.
- viii. Kilifi County Solid Waste Management Act, 2019

The reports are submitted to the following levels and government offices as a way of compliance:

- i. The National Treasury
- ii. Office of the Auditor General
- iii. Controller of Budget
- iv. Commissioner of Revenue Allocation
- v. County Assembly
- vi. Public Procurement Regulatory Authority
- vii. National Environment Management Authority (NEMA)

4. Forward by the CECM Finance and Economic Planning

Preamble

It is with great pleasure that I present the County Executive of Kilifi financial statements for the year ended 30th June 2023. The financial statements present the County's financial performance for the period of twelve months.

The financial statements have been prepared in accordance with 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 2023.

Functions of the County Government as per the County Government Act.

The county government shall be responsible for—

- (a) County legislation in accordance with Article 185 of the Constitution;
- (b) Exercising executive functions in accordance with Article 183 of the Constitution;
- (c) Functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
- (d) Any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
- (e) Any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
- (f) Establishment and staffing of its public

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.

Financial Performance

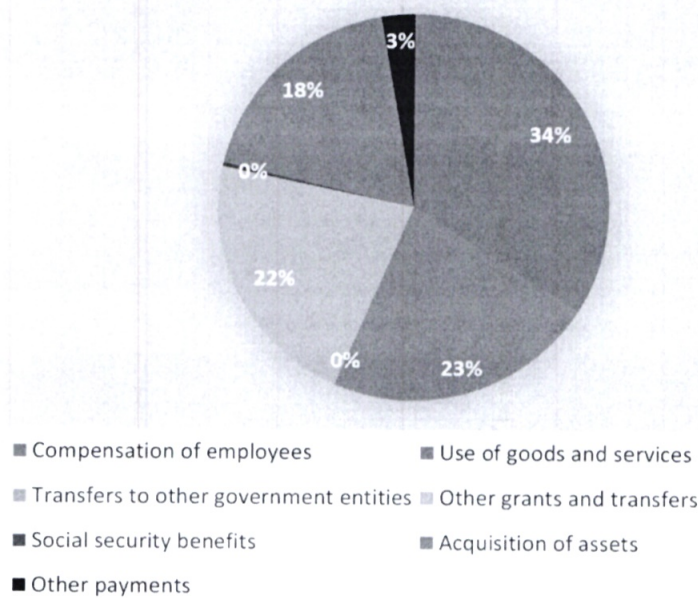
Receipts

In the financial year ended 30th June 2023 the County Government had an approved budget of Kshs. 14,715,743,320. The transfer from Kilifi County Revenue fund is Kshs.12,116,136,115 which is 82% of the total County Government approved budget.

Expenditure

The County’s actual expenditure for the FY 2022/2023 was Kshs 12,165,288,466 representing 83% of the approved budget for the year. An expenditure of Kshs 4,138,053,461 was utilized on compensation to employees. This represents 34% of the total expenditure which is in adherence to the fiscal responsibility principle that salaries and wages should not exceed 35% of the total expenditure. Development expenditure was Kshs 3,766,945,907 which is 31% of the total actual expenditure for the year.

Expenditure analysis



(i) Departmental Performance

The County Executive of Kilifi has 12 entities namely;

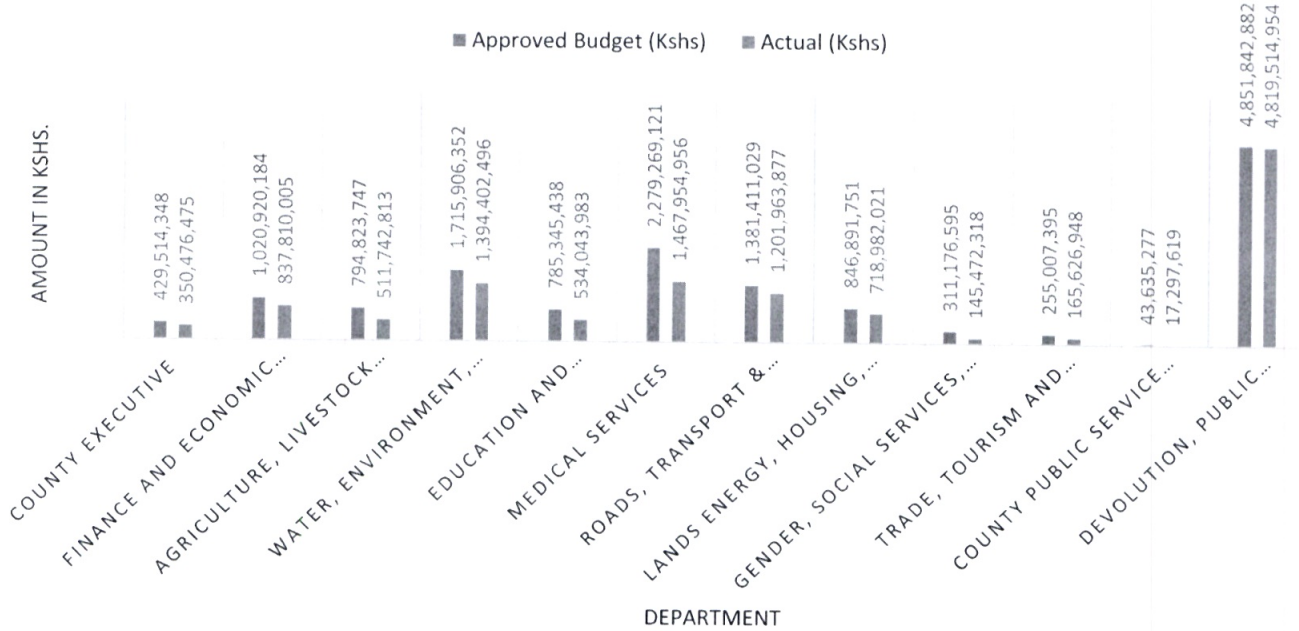
- The Executive
- Finance & Economic Planning
- Agriculture Fisheries & Livestock Development
- Water Environment, Forestry, Natural Resources and Solid Waste Management
- Education and ICT
- Health Services
- Roads and Public Works
- Lands, Energy, Housing, Physical & Urban Development
- Gender, Culture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

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Each entity works independently in providing essential services to citizens. The performance of the County Executive entities during the financial 2022/2023 is highlighted below:

Department/entity	Original	Approved	Actual (Kshs)	Absorption
	Budget (Kshs)	Budget (Kshs)	Kshs.	Rate (%)
County Executive	321,303,025	429,514,348	350,476,475	82%
Finance and Economic Planning	405,063,213	1,020,920,184	837,810,005	82%
Agriculture, Livestock and Fisheries Development	725,555,335	794,823,747	511,742,813	64%
Water, Environment, Forestry Natural Resources and Solid Waste Management	2,916,294,019	1,715,906,352	1,394,402,496	81%
Education and Information, Communication and Technology	892,986,161	785,345,438	534,043,983	68%
Medical Services	1,975,374,482	2,279,269,121	1,467,954,956	64%
Roads, Transport & Public Works	1,144,465,413	1,381,411,029	1,201,963,877	87%
Lands Energy, Housing, Physical Planning and Urban Development	1,005,120,585	846,891,751	718,982,021	85%
Gender, Social Services, Culture, Youth and Sports	266,563,326	311,176,595	145,472,318	47%
Trade, Tourism and Cooperative Development	296,199,771	255,006,595	165,626,948	65%
County Public Service Board	63,698,442	43,635,278	17,297,620	40%
Devolution, Public Service and Disaster Management	4,768,630,631	4,851,842,882	4,819,514,954	99%
TOTAL	14,781,254,403	14,715,743,320	12,165,288,466	83%

DEPARTMENTAL EXPENDITURE ANALYSIS



MAJOR PROJECTS FOR FY 2022/2023

- (i) **Purchase of Ambulances for Emergence Medical Services**
The cost of the ambulances was Kshs. 31,280,000



(ii) Construction of Murya Chakwe Water Pan, Sokoke Ward.

The project is set to benefit 30 small scale irrigation farmers, around the facility, over 300 households and 1000 heads of cattle.

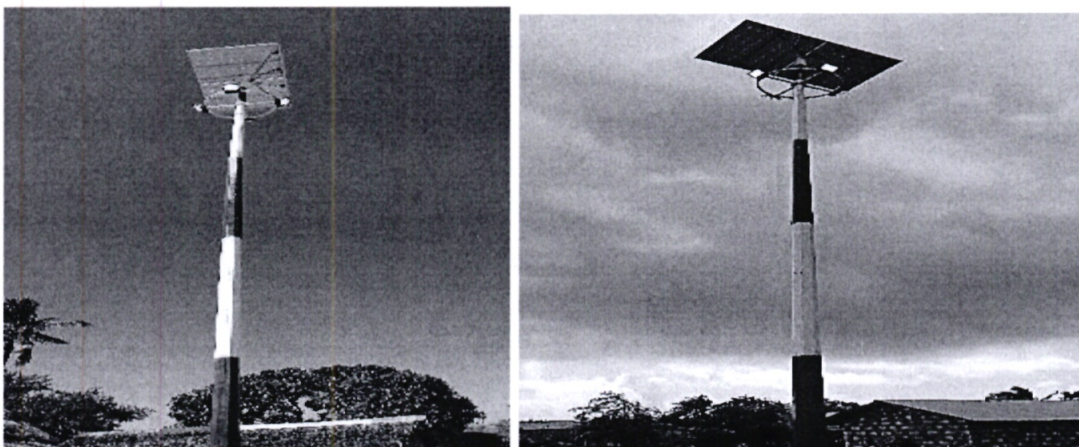
Solarization of the facility is yet to be proposed for effective drawing of the water into the farms and cattle troughs.

The project cost Kshs. 6,923,721.



(iii) Installation of 8 street lights Shimo la Tewa and Mtepeni wards

The project was undertaken at a cost of Ksh.17.4M



(iv) Upgrading to Cabro Standard of Kwa Ndongya to Goodlife Orphanage Road in Mtepeni Ward

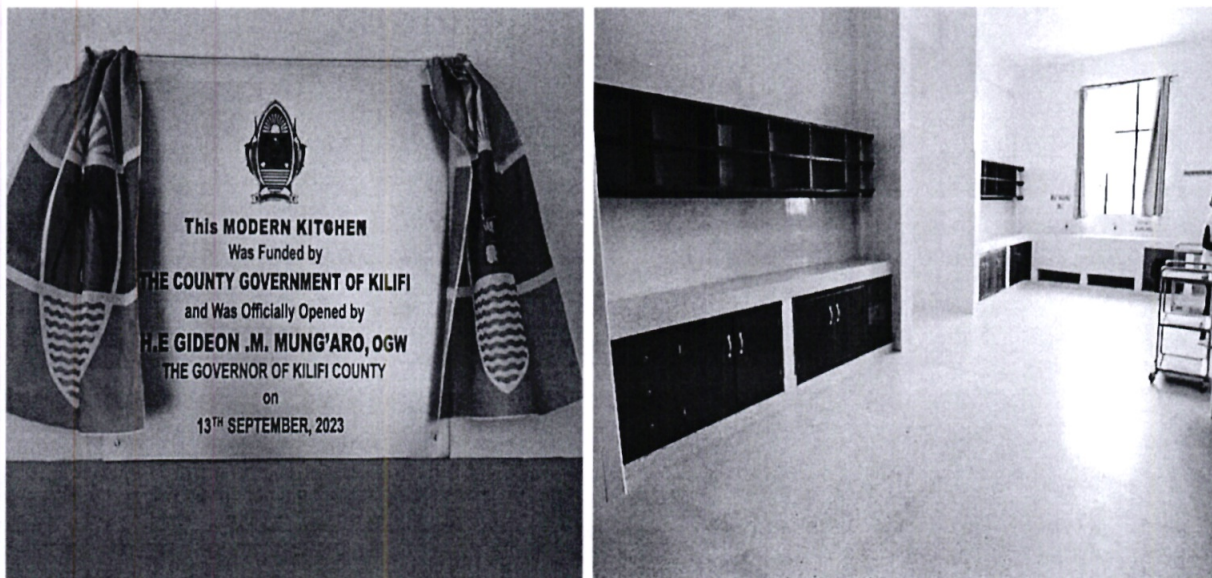
The upgrading of the road to cabro standard was done at a cost of Kshs. 19,889,940..



(v) Construction of Mtwapa Sub-County medical complex

The health facility was constructed by Kenya Medical Training Centre and equipped by County Government did the equipping at a costs Kshs.42m. The facility has a capacity of 80 beds and an operating theatre.





Implementation challenges of strategic objectives and County's future outlook

i. Implementation Challenges

The County encountered the following challenges during the financial year 2021/2022 on implementation of its strategic objectives:

Delay of funds disbursement from National treasury

The disbursement of funds from the National treasury have not been flowing in accordance to the PFM Act where Counties are expected to receive the same in the 15th day of every month. There has been a lot of delays with some of the disbursement being received after the end of the financial year. This has adversely affected the County budget implementation.

High poverty levels

Kilifi County is one of the Kenyan Counties with a high poverty level. This has had a big effect on the County's local revenue in terms of realizing the target or even increasing its revenue base. This has also been a hindrance in growing the commercial economic activities as majority of citizen only struggle to earn their daily bread.

Unpredictable and unreliable weather pattern

Most of the farmers in Kilifi County depend on rainfall. The rainfall patterns have of late been very unpredictable in most cases causing a big loss to farmers due to drought or even floods.

ii. Mitigation on the challenges

To overcome the challenges the County has undertaken the following measures:

Delay of funds disbursement from National treasury

The Counties through the Council of Governors have been on continuous dialogue with the National Treasury to ensure that funds are disbursed on time.

High poverty levels

To reduce the high poverty level the County has come up with programmes on empowering the citizens to accelerate the economic activities. Such programmes include subsidized farm inputs like fertilizers, seeds and seedlings; interest-free loans under Mbegu Fund.

Unpredictable and unreliable weather pattern

To overcome the problem of unpredictable rainfall patterns and water shortage the County has undertaken construction of water pans and water pipelines. This enables harvest of water during the rainy season which can sustain the farmers for some periods after the rains. The water pipelines have enabled more citizen to access water.

iii. County's future outlook

In the coming financial year 2023/2024 the County has budgeted to spend Kshs. 18,936,301,016. This amount comprises Kshs. 10,809,895,172 for Recurrent and Kshs. 8,126,405,844 for development expenditures. Among the projects which have been earmarked from the County's strategic plan include the following:

No.	Project	Amount (Kshs.)
1	Rehabilitation of Palakumi to Mwijo water pipeline Phase I	47,500,000
2	Construction of Phase II Bwaga moyo to Mkapuni water pipeline	57,500,000
3	Construction of Buni Reinforce Concrete Water Tan	50,000,000
4	Construction of 5,000 cubic meters RC tank at Mtepeni	70,000,000
5	Construction of KCH Complex Phase II	115,000,000
6	Upgrading to bitumen standard of Goshi Madunguni Road phase II	50,000,000
7	Upgrading to bitumen standard of Kijiwetanga to Jacaranda Hotel (Phase I)	40,000,000
8	Upgrading of cabro standard of Marafa Junction-Hospital to hells kitchen road	50,000,000
9	Purchase of grader	60,000,000
10	Construction of a Sports Complex	75,000,000
11	Construction of Mariakani Market	45,000,000
12	Construction of an Industrial Park	100,000,000

Key risk management strategies applied by the County

The County has applied the following strategies in mitigating risks:

- (i) Revenue enhancement
 - Automation of Revenue collection to minimise leakages and improve efficiency in revenue collection

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- Adoption of mobile banking by use of pay bill numbers
 - Use of bank agents to ensure timely banking of money collected, at the County hospitals
- (ii) Project Management
- Introduction of a project management system, that will enhance monitoring and evaluation
- (iii) Enhancement of Accountability
- Recruitment of additional staff in various cadres and designation, for instance project monitoring officers and accountants
 - Rotation of staff from one work station to another
 - Introduction of Hospital Services Improvement Fund (HSIF) at the County Hospitals
- (iv) Payroll management
- Consolidation of the payroll budget and implementation from a central point, helps to monitor and ensure accuracy of the reports given.
 - Monthly reviews of the casuals' payroll by the County Public Service Board (CPSB) to monitor the casual wages.
- (v) Internal Controls
- Formulation of policies, guidelines and legislations to mitigate on the identified gaps.
- Guidelines on disbursement of cash to the elderly and vulnerable
 - Kilifi County persons with disability bill



Hon. John Raymond Ngala

CECM Finance and Economic Planning
County Government of Kilifi

5. Statement of Performance against County Predetermined Objectives

Strategic development objectives

The Kilifi County CIDP (*speci2018-2022*) has identified 54 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 Vision 2030, SDGs, the MTP III, East Africa Community Vision 2050 and the Africa Union agenda 2063

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 CIDP are:-

1. Agriculture, Rural and Urban Development

- i. To increase crop productivity, value addition and marketing for sustained income and
- ii. Livelihoods
- iii. To improve livestock production for wellbeing and wealth creation
- iv. To improve sustainable fisheries development and management for socio-economic
- v. Development
- vi. To increase the proportion of people with equitable access to decent and affordable
- vii. Housing
- viii. To manage the development and growth of urban areas through integrated planning
- ix. To facilitate land survey for secure land tenure
- x. To improve management and application of land information

2. Energy, Infrastructure and ICT Sector

- i. To develop and manage an effective, efficient and secure road transport system
- ii. To enhance connectivity and mobility for socio-economic development
- iii. To improve the institutional capacity for effective and efficient disaster management
- iv. To increase Access to ICT Network for Socio-Economic Development
- v. To improve the development of energy resources for livelihood support

3. Environmental Protection, Water, Sanitation and Natural resources

- i. To sustainably manage and conserve the environment
- ii. To sustainably manage and conserve water resources
- iii. To increase availability of safe and adequate water for human consumption

4. Education Sector

- i. To enhance equitable access to quality Early Childhood Development Education (ECDE) to nurture wholesome development of all children.
- ii. To enhance equitable access to quality and relevant primary education
- iii. Provide access to quality skills training through VTC services
- iv. To enhance equitable access to quality and relevant secondary education
- v. To develop, maintain and enhance education quality standards
- vi. To enhance access, equity and relevance of university education through training and research

5. Public Administration and Intergovernmental Relations Sector

- i. To enhance efficient utilization of resources
- ii. To strengthen Monitoring and Evaluation (M&E) services
- iii. To enhance utility of information in county planning and forecasting
- iv. To improve the quality of public service delivery
- v. To strengthen the delivery of public services
- vi. To improve investment and wealth creation
- vii. To develop legislative framework for improved delivery of public services
- viii. To strengthen policy, legislative and institutional framework for effective governance
- ix. To institutionalize natural values in governance practices

6. Health Sector

- i. To offer preventive and promotive services for improved health in the county.
- ii. To offer quality curative, rehabilitative health care services which are accessible by all
- iii. Improve planning and coordination for quality service delivery
- iv. To improve reproductive, maternal, neonatal, child and adolescent health

7. General Economic and Commercial Affairs Sector

- i. To promote and develop trade and investment for income and wealth creation
- ii. To promote tourism development for income and wealth creation.

- iii. To promote and develop a vibrant cooperative sector for socio-economic wellbeing
- iv. To promote industrialization for wealth creation and socio-economic wellbeing

8. Social Protection, Culture and Recreation Sector

- i. To enhance conservation of culture and development of arts for economic gain and Posterity
- ii. To improve access to information for leisure, recreation, knowledge and production
- iii. To improve social wellbeing of vulnerable and marginalized persons
- iv. To improve access to equitable development opportunities for girls and boys, men and women.
- v. To improve the utility of sports and talents for leisure, recreation and economic gain
- vi. To enhance capacity for disaster preparedness and response.
- vii. To promote access to information on the labor markets for wellbeing of employees.

9. Governance, Justice, Law and Order Sector

- i. To provide protection to life and property, policing services, detection and prevention of crime
- ii. To improve access to government services, enhance peace building and conflict management and reduce alcohol, drug and substance abuse in the county
- iii. To maintain a comprehensive population database, proper migration management registration, and issuance of secure identification documents
- iv. To facilitate increased access to justice, provide quality services for custody, containment,

Supervision and rehabilitation and integration of all categories of offenders

- v. To ensure effective operationalization of the constitution and good governance
- vi. To improve responsive, effective and efficient delivery of gaming services
- vii. To improve the administration of justice, rule of law and protection of human rights, property and democracy
- viii. To promote rule of law, provide legal services and protect public interest.

Below we present the progress made in attaining the objectives of the 2023-2027 CIDP for Kilifi County.

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SN	Strategic Objective as per CIDP (present the objectives on a high and strategic level)	Targeted Outcome	Performance/Progress made up since inception from the latest CIDP	Remarks (Explain the reasons underperformance/ Overperformance)
1.	To enhance access, equity and quality of Early Childhood Development and Education (ECDE) so as to nurture every learner's potential	Increased access to Quality ECD Education	<p>ECDE gross enrollment increased from 56,729 to 60,023 which is a 5.81% increment</p> <p>Teacher Pupil Ratio reduced from 1:204 to 1:45</p> <p>Transition rate increased from 45% to 70%</p> <p>Retention rate increased from 63% to 88%</p> <p>Construction of 2 second-generation ECDE classrooms</p> <p>Teachers Recruited increased from 666 to 3166</p> <p>Provision of feeding program(porridge) to 812 public pre-primary schools (60,023 pupils) in the county</p>	<p>Interventions such as school feeding programme</p> <p>More teachers were recruited</p> <p>Remarkable improvement</p> <p>This is new generation of classrooms that is all inclusive</p> <p>Improved budget allocations</p> <p>New programme</p>

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			Furnishing of 51 pre-schools with furniture (3553 chairs and 407 tables)	Notable achievements
2.	Provide Quality skilled training and increased access to VTC services	Increased access to quality training VTC services	VTC gross enrollment increased from 6,300 to 7,500 which is a 12.7% increment	Due to community sensitization
			Percentage of Completion rate increased from 37% to 87%	Achieved
			Teacher Learner ratio improved from 1:36 to 1:22	Due to recruitment of more teachers
			Workshop constructed increased from 18 to 35	Budget constraints
			Dormitory constructed increased from 3 to 5	Budget constraints
			technical instructors recruited number improved from 52 to 112	Budget constraints
			Equipping of 6 vocational training centers with modern tools and equipment	Budget constraints
3.	To increase crop production and productivity	Increased crop production.	Increased Annual Maize production by 116,071 (90kg) bags	Improved extension services
			% Change in Cassava yield increased from 50% to 60%	More awareness on cassava farming

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	for food sufficiency		Increased acreage under improved mango crop orchards by 267 acres (from 20,013 to 20,280 acres)	Improved extension services
			Increased the acreage under cashew crop orchards by 300 acres (From 37,348 to 37,648 acres)	Improved extension services
			% Change in Coconut yield increased from 40% to 50%	Introduction of new varieties
4.	To increase the proportion of land under irrigation for food security	Increased in land put under irrigation	Acreage of land put under Irrigation increased to 300 acreage	More budget allocation required
5.	To increase equitable access to agricultural mechanization services for optimal crop	increased access to agricultural mechanization services	Proportion of farmers adopting mechanization increased	Improved extension services

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6.	To improve value addition and agribusiness marketing for crop products for income generation and sustained livelihoods	improved value addition and agribusiness marketing	3000 agribusiness farmers supported, and linked to the market. This was above the target of 1181	Development partner support
7.	To improve livestock production for wellbeing and wealth creation	Improved Livestock production.	%Change in milk production from 40% to 58.1%	Improved extension services
			% Change in beef production increased from 20% to 30%	Improved extension services
			% Change in chevron goat meat increased from 40% to 50%	Improved extension services. Limited budget
			% of farmers linked to group marketing ventures increased from 10% to 15%	Improved extension services. Development partner support
			Proportion of farmers adopting new breeding technologies increased from 10% to 35%	

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8.	To increase sustainable capture of fisheries production for livelihoods support and wealth creation by 2022	increased fish production	<p>% change in the tonnage of fish captured increased from to</p> <p>% fishermen acquiring improved fishing increased from to 60%</p> <p>Proportion of fishermen accessing fisheries development credit increased</p>	<p>modernised fishing equipment</p> <p>Improved extension services</p> <p>Improved extension services. Existence</p>
9.	To increase by 20% aquaculture fisheries production for livelihoods support and wealth creation	Increased aquaculture fish production	<p>No. of fish farmers acquiring fishing gears increased from 220 to 283</p> <p>Increased the number of farmers adopting commercial aquaculture production by 15%</p> <p>No. of rehabilitated fish ponds increased to 94</p>	
10.	To improve value addition and marketing of fish and fish	Improved value addition and marketing of fish and fish products	Number of fish traders/BMUs trained on fish handling, quality and safety issues was at 400 BMUs	Development partner support

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	products for improved livelihoods and wealth creation		Number of fishermen trained on fisheries technologies increased to 400 fishermen	Development partners complemented
			Number of fish BMUs equipped with fishing gear increased to 17	
11	To offer preventive and promotive health services for improved health in the county	Improved health services in the county	% School age children dewormed increased from 80% to 89.2%	
		Increased access to preventive and promotive health services	Proportion of schools with adequate sanitation increased from 4% to 6%	
		Reduced incidence of non-communicable diseases	% of new out-patient cases with high blood pressure diagnosed & treated increased to 139%	
			No. of diabetes cases diagnosed increased from 11,000 to 14,529	
			% of households with latrines increased from 83% to 84%	
			Hypertension target surpassed by 39%	
			Percentage of children under five years stunted reduced from 39.1% to 25%	

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			Diabetes exceeded the target by 32% and asthma cases (52% above target).	
			Percentage of TB clients completing treatment increased from 85% to 95%	
			HIV – Preventive Mother to Child Transmission at 95%	
		Increased access to curative and rehabilitative services	Enhanced specialized services, Through acquisition of 2 anesthetic machines, 4 theatre beds s 5 ICU beds, 3 ECG machines and digital X-ray machines. Upgrading of 4 health centres to Level 4 Hospitals	

Progress on Attainment of Development Objectives from Annual Development Plan for FY 2022-2023.

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

<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
	<i>Provide safe, secure and</i>	<i>Increased County and</i>	<i>Km. Of road paved</i>	<i>In FY 2022/2023, we managed to pave</i>

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<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
<i>Roads, Transport and Public Works</i>	<i>efficient transport networks, transport system and quality works for county prosperity</i>	<i>sub-county transport connectivity</i>		<i>7.25Km thus increasing road motor ability in the county</i>
			<i>No. of box culverts constructed</i>	<i>In the FY 2022/2023 we managed to construct 5 box culverts</i>
			<i>No. of footbridges constructed</i>	<i>In the FY 2022/23 the county did not construct foot bridges</i>
			<i>Km of road graveled</i>	<i>In the FY 2022/23, 210km of roads were gravelled</i>
			<i>Km of Road opened</i>	<i>In the FY 2022/23, 1200km of roads were opened</i>
			<i>Cubic meters of potholes patched</i>	<i>In the FY 2022/23 200 cubic meters of potholes were patched to improve on road motorability</i>
			<i>No. of road bumps constructed/installed</i>	<i>In the FY 2022/23, 50 bumps were installed in key areas in order to reduce incidences of road accidents</i>

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<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
<i>Health Services</i>	<i>To increase access to preventive and promotive health services.</i>	<i>A community with reduced preventable diseases</i>	<i>% of persons diagnosed with HIV initiated on treatment and care and retained</i>	<i>In the FY 2022/23, 84% of persons diagnosed with HIV initiated on treatment and care and retained</i>
			<i>% HIV + pregnant mothers receiving preventive ARV's</i>	<i>In the FY 2022/23 we achieved 90.2% of HIV + pregnant mothers receiving preventive ARV's</i>
			<i>% of TB patients completing treatment</i>	<i>In the FY 2022/23 we achieved 90% against a target of 100%</i>
			<i>% of fevers tested positive for malaria</i>	<i>In the FY 22/23, the percentage reduced to 15.4%</i>
	<i>To increase access to Curative and Rehabilitative health services</i>	<i>Increased access to Curative and Rehabilitative health services</i>	<i>No. of clients rehabilitated</i>	
			<i>No. of routine laboratory tests done</i>	<i>In FY 2022/23, the number of routine laboratory tests increased 481,272 against a target of 298,133</i>
			<i>No. of specialized laboratory tests done</i>	<i>In FY 2022/23, the number of specialized laboratory tests done increased to 341,350</i>

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Department	Objective	Outcome	Indicator	Performance
Water, Environment, Natural Resources and Solid Waste Management	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	Km of pipeline infrastructure laid	In FY 2022/23, 124 Km of new pipelines constructed across the county
	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	Km of pipeline infrastructure laid	In FY 2022/23, 124 Km of new pipelines constructed across the county
Water, Environment, Natural Resources and Solid Waste Management	To improve health administrative, planning and support services delivery	Improved health administrative, planning and support services	No. of health care workers undergone management training (SLDP, SMC, Supervisory Course)	In FY 2022/23, we managed 8 against a target of 25
	To improve health administrative, planning and support services delivery	Improved health administrative, planning and support services	No. of health care workers undergone management training (SLDP, SMC, Supervisory Course)	In FY 2022/23, we managed 8 against a target of 25
Water, Environment, Natural Resources and Solid Waste Management	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of special X Rays done	In FY 22/23, the number of special Xrays done increased from 744 to 976
	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of special X Rays done	In FY 22/23, the number of special Xrays done increased from 744 to 976
Water, Environment, Natural Resources and Solid Waste Management	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of boreholes drilled	In FY 2022/23, 11 boreholes were drilled
	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of boreholes drilled	In FY 2022/23, 11 boreholes were drilled
Water, Environment, Natural Resources and Solid Waste Management	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	Pipeline upgrade	In FY 2022/23, 23 km of water pipeline upgraded to HPDF
	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	Pipeline upgrade	In FY 2022/23, 23 km of water pipeline upgraded to HPDF
Water, Environment, Natural Resources and Solid Waste Management	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of storage tanks constructed	In FY 2022/23, 9 water storage tanks were constructed
	To increase availability of safe and adequate water resources	Increase access to safe and adequate water for human consumption	No. of storage tanks constructed	In FY 2022/23, 9 water storage tanks were constructed

Department	Objective	Outcome	Indicator	Performance
Agriculture, Livestock and Fisheries Development and Fisheries	To increase crop productivity; value added, marketing for income and livelihoods	Increased food sufficiency and income	No. of cassava cutting procured and distributed	Procurement and distribution of 1.8 million cassava cuttings as a food security initiative.
				Certified Maize seeds delivered and distributed to farmers
Agriculture, Livestock and Fisheries Development and Fisheries	To conserve the environment and manage and sustainably environmental conservation	Sustainable and management	Town cleanups conducted	In FY 2022/23 we conducted 65 Town clean up across the county
				No of mangrove seedlings planted
Agriculture, Livestock and Fisheries Development and Fisheries	To increase crop productivity; value added, marketing for income and livelihoods	Increased food sufficiency and income	No. of cassava cutting procured and distributed	8,269,452.70 disbursed to community groups
				FLOCA funding
Agriculture, Livestock and Fisheries Development and Fisheries	To increase crop productivity; value added, marketing for income and livelihoods	Increased food sufficiency and income	Certified Maize seeds delivered and distributed to farmers	In FY 22/23, 256 bags of fertilizer supplied and delivered
				Grafted Mango seedlings delivered and distributed to farmers

Department	Objective	Outcome	Indicator	Performance		
Livestock and Wellbeing and Improved Livelihoods for Livestock Farmers	To improve Livestock Production for wellbeing and wealth creation	Improved Livelihoods for Livestock Farmers	aluminum milk cans procured and distributed			
			Milk cooling plants constructed	Mwarafa milk collection and cooling centre 50% complete		
			Livestock sale yards constructed	In FY 2022/23 bamba livestock saleyard completed		
			Cooling tanks installed			
			Quantity of assorted vaccines procured and number of animals vaccinated in FY 2022/23	7000 assorted vaccines procured and number of animals vaccinated in FY 2022/23		
			Amount of bull semen purchased			
			Meat inspection equipment purchased			
			Number of Fish feed mill installed and operational at ATC Mwapa	90% complete awaiting power connection		
			fisheries sustainable development and economic development for social management			
			development and economic development for social management			

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Department	Objective	Outcome	Indicator	Performance
Lands, Energy, Housing, Physical Planning and Urban Development	Improve Land Management	Improved land management for sustainable development	No. of ECDE teachers and coordinators trained	In Y 2022/23 we trained 723 ECDE teachers and coordinators
			No. of schools with school feeding programme	In FY 2022/23 we put 812 public pre-primary schools (60,023 pupils) under school feeding programme in the county
Lands, Energy, Housing, Physical Planning and Urban Development	Improve Land Management	Improved land management for sustainable development	Number of trading centers surveyed and allocated	In FY 2022/23 only 1 trading centre was surveyed
			Number of subsidiary control points generated	
			Number of community land Registered	In FY 2022/23 only 1 community land was identified and registered
			Number of land issues public awareness session conducted	20 land issues public awareness session conducted
GENDER, SOCIAL SERVICES	To enhance and conserve positive cultural	Effective conservation and promotion of	No. of ECDE teachers and coordinators trained	In Y 2022/23 we trained 723 ECDE teachers and coordinators
			No. of historical sites upgraded	No of historical sites upgraded
				Not done due to inadequate budget

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<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
<i>YOUTHS AND SPORTS</i>	<i>Heritage in the County</i>	<i>Culture, Heritage and Posterity</i>		
			<i>No of database developed.</i>	<i>Not done due to inadequate budget</i>
			<i>No of youth champions identified and trained</i>	<i>40 youth champions were identified and trained in the Y 2022/23 against a target of 70</i>
			<i>No of registers of historical sites and monuments developed</i>	<i>Not done due to inadequate budget</i>
			<i>No. of cultural festivals celebrated</i>	<i>Did chenda chenda and Kilifi cultural festival</i>
			<i>No. of Exhibitions done</i>	<i>Not done due to inadequate budget</i>
	<i>To Improve livelihood of vulnerable citizens</i>	<i>Enhanced Livelihood of vulnerable citizens</i>	<i>A register of PWDs developed</i>	<i>Not done due to inadequate budget</i>
			<i>Numbers of PWDs benefited from wezesha fund, wef fund, youth fund etc.</i>	<i>In Y 2022/23, 150 PWDs benefited from wezesha fund, wef fund, youth fund</i>
			<i>Numbers of child labor cases, cases of child kidnapping,</i>	<i>300 child labor cases, cases of child kidnapping, number</i>

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<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
			<i>number of child abuse cases, reported and followed up</i>	<i>of child abuse cases, reported and followed up</i>
			<i>Number of PWDs registered</i>	<i>Not done due to inadequate funds</i>
	<i>To empower youth in all spheres of life</i>	<i>Healthy and empowered youth</i>	<i>No. of youth sensitized on AGPO and entrepreneurship</i>	<i>500 youths were sensitized against a target of 1,000</i>
			<i>No. of youth sensitized on sexual and reproductive health at the ward level</i>	<i>1,400 youths were sensitized against a target of 1,050</i>
<i>Trade, Tourism and Cooperative Development</i>	<i>To promote and develop trade and investment for income and wealth creation</i>	<i>Improved wellbeing and livelihoods of citizens</i>	<i>Amount of loans disbursed</i>	
			<i>No. of SMEs loaned</i>	
			<i>No. of SMEs Trained</i>	<i>290 SMEs were trained in the FY 2022/23</i>
			<i>No of spaces created</i>	<i>182 trading spaces were created in the FY 2022/23</i>
			<i>No. of Equipment Verified.</i>	<i>5763 equipments were verified in the FY 2022/23</i>

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<i>Department</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
			<i>No. of goods pre-packaged inspections.</i>	<i>Not done due to inadequate budget</i>
	<i>To promote a sustainable tourism industry</i>	<i>Increased income from Tourism.</i>	<i>No. of exhibitions attended/ held.</i>	<i>In FY 2022/23 4 exhibition were attended against a target of 4</i>
<i>No. Niche tourism promotional events organized and participated</i>			<i>2 Niche tourism events organised</i>	
<i>No. of Tourism stakeholder meetings</i>			<i>In FY 2022/23, 12 Tourism stakeholders engagement meetings done</i>	
	<i>To Create an Enabling Environment for the Growth of the Co-operative Sector</i>	<i>Improved Welfare and Economic Status of Citizens</i>	<i>No of New Co-operatives</i>	<i>37 new cooperatives registered. The government prioritizing cooperatives as enablers for economic development</i>
<i>No. of co-operative audits done and registered</i>			<i>74 cooperative audits done against a target of 150</i>	
<i>Amount of Audit Fees Collected</i>			<i>Ksh. 732,000 of audit fee collected against a target of Ksh.900,000</i>	

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Department	Objective	Outcome	Indicator	Performance
Finance and economic planning	To improve financial Management	Improved financial Management	No of Co-operative tax consultancies	In FY 2022/23 147 were done against a target of 200
			Leaders Meetings Organized	3 cooperative leaders meetings done. County Leaders Meeting not held due to financial Constraints
			No. of revenue streams automated	12 revenue streams were identified against a target of 10
			Quarterly and annual financial reports	5 reports were prepared
			% of comprehensive market surveys undertaken	100 % of market survey was done
Finance and economic planning	To improve Policy planning; Coordination and M& E	Improved Policy planning, Coordination and M& E	No. of Sector working group reports prepared	Not done due to the fact that we were in the process of preparing 3 rd generation CIDP
			No. of ADP review reports prepared	In FY 2022/23 1 ADP was prepared

Department	Objective	Outcome	Indicator	Performance
Devolution, Public Service and Disaster Management	To enhance capacity for disaster preparedness and response	Enhance disaster risk preparedness and management	No. of quarterly economic reports prepared	Not done due to budgetary constraints
			Cash transfers for elderly and OVC disbursed	1023 elderly benefited cash transfers
				9.2m was disbursed to the elderly
			Amount of funds utilized for purchase of food items	175m was used for procurement of food and non-food items and distributed due to the protracted drought
			No. of Emergency operation center developed	One emergency operation center was established in partnership with stakeholders (KRCS)

6. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The department of Water Environment, Forestry, Natural Resources and Solid Waste Management has two (2) main divisions, Environment and solid waste management and Forestry and climate change. The broader mission of the department is to protect, promote, and ensure sound and sustainable environmental management, green growth, and enhanced forest conservation for socio-economic development.

The department have developed and implemented environmental and sustainability culture strategy over the years. The sustainability strategies offer opportunities to build on, complement in the environment, forestry, climate change and solid waste management sectors to improve the long-term effectiveness in the delivery of the department's mandates.

The strategies include: -

- i. Policy integration; this is where the department used the national policies to integrate and domesticate them to form county policies and plans to address issues at the county level e.g., the Kenya Forest Conservation and Management Act, 2016 was integrated and domesticated to develop a Kilifi County Conservation and Management Act, 2019, among other county laws and policies.
- ii. Coordination and collaborations; a wide range of county and national departments and agencies are involved in matters environment, forestry, climate change and solid waste management. The department takes the responsibility to involve all the relevant agencies in the different matters that have shared mandates e.g. issues of noise pollution which is jointly addressed by National Environment Management Authority, County department of Environment, Liquor licensing board, security personnel amongst others.
- iii. Stakeholder participation; the nature of the department's mandates makes stakeholder participation inevitable at different levels of developing and implementing policies, laws and plans e.g., stakeholder participation and engagement was at the heart of the development of Kilifi County Climate Change Action Plan 2023-2027.
- iv. Mainstreaming Climate change planning and budgeting to all sectors within the County Government of Kilifi. This ensures climate change actions are planned and budgeted for at sector level and therefore their implementation is guaranteed.

Achievements

The department has made the following achievements:

- i. Inclusivity of all partners and stakeholders involved on departmental matters. This is a best benefit practice which has contributed to a greater success in development of laws, policies and plans. Through this practice, it was possible for the department to develop Kilifi County Climate change Action 2023-2027 within a month which a big achievement.

- ii. Intergenerational considerations, this is where policies, laws and plans are made to serve generations. This best practice makes policies, laws and plans pass the test of time and are able to serve generations.
- iii. Institution ownership through the collaboration strategy enhances synergy and compliments the work of each department and agency. The major achievement is handling conflicts jointly which solves them within the shortest time.

Failures

The department has encountered the challenges:

- i. Proposed amendments of policies, laws and plans immediately after their enactment e.g., Kilifi County Climate Change Act, 2021 whose proposal to amend started in 2022.

2. Environmental performance

The department boosts of sectoral policies and laws to guide the operation of the different sectors within the mother department: -

Environment: existing policies and laws

- i. Kilifi County Environment (Regulation and Control) Act, 2016.

Proposed policies & laws on Environment

- i. Kilifi County Environment (Regulation & Control) amendment bill
- ii. Kilifi County Environment policy
- iii. Kilifi County Environment regulations.

Solid waste management – existing policies & laws

- i. Kilifi County Solid Waste Management Act, 2019

Proposed policies and laws on solid waste management

- i. Kilifi County Solid waste management policy
- ii. Kilifi County Solid waste management regulations

Forestry – Existing policies and laws

- i. Kilifi County Forest Policy, 2016
- ii. Kilifi County Forest Conservation and Management Act, 2019.

Proposed policies & laws on Forestry

- i. Kilifi County Forest regulations

Climate Change – existing policies & laws

- i. Kilifi County Climate Change Policy, 2023
- ii. Kilifi Climate Change Amendment Act, 2023

Proposed policies & laws on climate change

- i. Kilifi County climate change regulations
- ii. Kilifi county carbon trading regulations

Efforts to manage biodiversity

- Establishment of Community Forest Association (CFAs), Beach Management Units (BMUs) and Community User Groups
- Promotion of Nature Based Enterprises
- Gazettement of County Forests areas
- Development of site management plans

Efforts to reduce environmental impacts on organisations' products

- Promotion of extended producer responsibility (EPR) in the County.
 - Mainstreaming of Environmental concerns into policies, plans and programs through development of Strategic Environmental Assessment (SEA) alongside comprehensive project reports for County projects.
 - Committing and signing community Corporate Social Responsibility agreements
- Conducting Annual environmental Audits on operating projects

3. Employee welfare

The County Government of Kilifi has come up with modelities to cater for the welfare of employees. They include the following:

Kilifi County Staff Welfare Association

Kilifi County Staff Welfare Association was created to bring the County staff together on social and economic support through a revolving fund for the benefit of the members. For one to be a member one should be an employee of the County Government of Kilifi whether on Contract or permanent terms of service, through a monthly contribution of Khs.200/= which is paid through check off system from the payroll.

The beneficiary for the funds is the members and spouse, five (5) biological children or legal children and member's parents. Welfare funding include death, loans to members, special savings, ill-health and on retirement the member shall be given a parting gift of Kshs.50,000/=

The welfare was registered on 7th February, 2020. It is governed through a constitution and rules enacted in December 2019. It has a total number one hundred forty (140) staff members.

Kilifi County Car Loans and Mortgage Fund Scheme

The Kilifi County Car loan and Mortgage Scheme Fund was established and derives its authority and accountability from the provisions under Section 84(1), Section 24 (4) (5) (6) (7) of the PFM Act, 2012 and Salaries and Remuneration Commission (SRC) Circular SRC/CGOVT/3/61 dated 30th September, 2014.

The aim of the scheme is to improve on the social and economic status of the staff of the County Government of Kilifi through provision of 3% interest rate car loans and mortgage.

The scheme has to date awarded fifteen (15) staff with mortgage and three (3) staff with car

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The County evaluates suppliers fairly for contracts by use of the standard supplier evaluation process. The entity formulates a project team that works with the supplier for better implementation of contracts. The entity signs Contracts with successful bidders that would be binding on both parties. The entity also endeavours to make payment to suppliers on a first in first out basis depending on availability of funds.

b) Responsible ethical practices-

The County has put up measures on Anti-corruption such as posters at the entrance with messages like "THIS IS A NO CORRUPTION ZONE", training programmes for anti-corruption and legal approach to any corruption proceeds. The County Government employs end-to-end e-procurement to promote competition as well as ensuring suppliers' confidentiality. Suppliers are also encouraged to express their views.

Politicians are majorly involved at public participation in order to come up with the needed projects at the grassroots

c) Stewardship of goods -

The County endeavours to make payments on time. It provides access to information through its website to the interested consumers. The County also ensures privacy of suppliers' information.

5. Community Engagements

Community Engagement is the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people. It is a powerful vehicle for bringing about environmental and behavioral changes that will improve the health of the community and its members. It often involves partnerships and coalitions that help mobilize resources and influence systems, change relationships among partners, and serve as catalysts for changing policies, programs, and practices (CDC, 1997). The County Government of Kilifi partnered with various NGO to support the community under various CSR programmes such as the following:

a) Sports and social activities:

Moving the Goal Post

Moving the Goalposts (MTG) is a unique organization that links Gender-Based Violence, reproductive health, HIV/AIDS, and economic empowerment within youth sports programming. They use football as their main tool to positively impact the lives of disadvantaged girls and young women between the ages of 9 – 25 in the rural coastal region of Kenya.

Since 2001, they have empowered over 50,000 girls to find their voices and use them to make healthy decisions about their future and fight for lasting change within their community and country. Tunaweza! (We, Can)

The organization offers scholarships support to vulnerable girls and young women so they can afford to pay for their education. Through the award scheme they pay school fees for the most active members. There is a resource center which welcome learners to enjoy the free study material and supportive space to learn. They reach out the community through a mobile library so that everyone can access their books.

b) Health care

Plan International

Plan international has health care projects in Migodoma, Kimbule, in Ganze sub county and Mikuluni in Kauma sub county. The organization has built several early childhood development centers in parts of Kilifi County. They have programmes on nutrition food as recommended by health services. They also support WASH programmes and the use of toilets and good sanitation.

STAWISHA PWANI

Stawisha Pwani program is a 5-year program funded by the President's Emergency Plan for AIDS Relief (PEPFAR) through the US Agency for International Development (USAID).

The main goal is to increase the use of quality county-led health services in the four Coastal counties of Kilifi, Kwale, Mombasa, and Taita Taveta by strengthening county health systems with a focus on HIV Prevention & Treatment, Family Planning, Reproductive, Maternal, Child and Adolescent Health (FP/RMNCAH), and Nutrition.

The programme has led to significant progress in enhancing access to health services in the County.

International Centre For Reproductive Health Kenya

The Mission of ICRH is to contribute to improved health status of Kenyans by designing and implementing innovative, evidence-based and cost-effective research and interventions capable of influencing public policy and practice in the field of sexual and reproductive health in Kenya.

It is a leading non-governmental organization dedicated to sexual reproductive health service in Kilifi County. It has linkages to anti-retroviral therapy as an integral part of HIV continuum of care. All newly identified HIV positive individuals are promptly connected to ARV services.

In Kilifi County the organization provided Ant-Viral Therapy to 345 key population, 425 female sex workers and 105 MSM.

c) Education

Kesho Kenya

Kesho Kenya is an NGO which was formed in 2004 with a small group of five women and a man living in Kilifi who had concerns over lack of educational opportunities for children from disadvantaged families

Since its inception the organization has given financial support on full scholarship to 1200 need and poor children within Kilifi County

Plan International (Kilifi)

This is an international NGO that work to promote free, equal access to quality education for all children from early child development to secondary school level.

Kuhenza

Kuhenza is a nonprofit organization that exist to meet the needs of children living with disabilities in Kilifi county.

The organization works with the parents, leaders and communities to support children with disabilities in accessing high quality education tailored to their unique physical and learning needs by construction of schools, tuition fees and other supplies.

World Vision

The organization gives sponsorship opportunity and connect with children, families and communities in need. The NGO connects one child with one sponsor maximizing the child's potential for development and giving the sponsor a unique responsibility.

World vision has sponsored 24 children in Kilifi County this financial year .

Gabriella Vonwald

It's a local NGO which was established in 2006 after an Australian tourist. He was so deeply moved by the plight of local widows in Kilifi. The NGO operates Kilifi Vonwald primary and secondary schools, where the poor children learn for free. The center is located at Fumbini Kibarani ward Kilifi south in Kilifi county

Today the center is supporting the education of close to 1050 students in colleges and universities.

d) Water and sanitation

Kenya Redcross

It's the largest humanitarian organization in Kenya working on the five functions

- 1 Disaster relief
- 2 Blood services
- 3 Training and certification
- 4 Water and sanitation
- 5 Rescue and reunion

Kenya Red Cross commissioned a six kilometres water pipeline in Ganze. The pipeline project is aimed at boosting access to clean and safe drinking water, improve sanitation and hygiene among the target community. A total of 14500 community members in Ganze have benefited. It has rehabilitated the existing water system by installing 72 solar panels and newly automated pumps. They have introduced a new 3 diameter offtake at a distance of 0.93 km to Jaribuni. Other projects done by Kenya Redcross in Kilifi include the following:

- i. Rehabilitation of a 50m³ masonry tank at mbudzi
- ii. Construction of 5 water points fitted with prepaid meters
- iii. Training of community on hygiene practices
- iv. It has implemented a three-year program on WASH

e) Staff training and development

The County spent Kshs. 29,981,406 staff training and development under both structured and unstructured programmes.

f) Care for the Elderly

The County was able to disburse Kshs. 9,203,458.35 to the elderly cash transfer program during the year.

7. Statement of Management Responsibilities

Section 164 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 in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2023. 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 Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2023, and of its financial position as at that date.

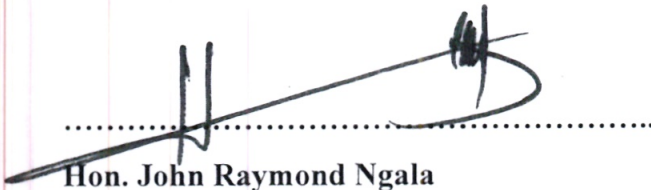
The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive'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 Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Executive's financial statements were approved and signed by the CEC member for finance on 28/12/ 2023.



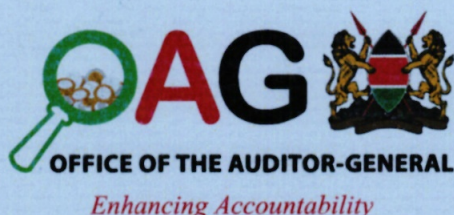
A handwritten signature in black ink, consisting of a stylized 'J' followed by a long horizontal stroke that loops back to the right, ending in a vertical stroke. The signature is written over a dotted horizontal line.

Hon. John Raymond Ngala

County Executive Committee Member – Finance and Economic Planning

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kilifi set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on County Executive of Kilifi for the year ended 30 June, 2023

30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kilifi as at 30 June, 2023, 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. Inaccuracy in Receipts Amount and Opening Balance

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects receipts in respect of transfers from County Revenue Fund (CRF) of Kshs.12,116,136,115. However, the statement of comparison of budget and actual amounts for recurrent and development combined reflects total receipts of Kshs.12,182,480,254 resulting to a variance of Kshs.66,344,139 which is in relation to the opening balance as reflected under the adjustments column. Further, Note10A to the financial statements reflects an opening cash and cash equivalents balance of Kshs.332,534,947 resulting to an unexplained variance of Kshs.266,190,808.

In the circumstances, the accuracy and completeness of the transfers from CRF amount of Kshs.12,116,136,115 could not be confirmed.

2. Unsupported Payments on Emergency Relief and Refugee Assistance

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects payments in respect of other grants and transfers totaling to Kshs.3,069,643,299. which included an amount of Kshs.214,052,360 in respect of emergency relief and refugee assistance used in the supply and delivery of dry maize and beans by local firms. However, review of records revealed that details on receipt of the cereals in the County main stores, delivery vehicles to the stores, vetting of beneficiaries, distribution of the cereals to the beneficiaries, work tickets for distribution vehicles from the stores to the beneficiaries and other critical information were not provided for audit.

In the circumstances, the accuracy and completeness of expenditure of Kshs.214,052,360 on emergency relief and refugee assistance for the year ended 30 June, 2023 could not be confirmed.

3. Unsupported Payments on Cash Transfer Programme

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects payments in respect of other grants and transfers totaling to Kshs.3,069,643,299. which included an amount of Kshs.858,575,743 in respect of other current transfers, grants and subsidies. During the year under review, Kshs.12,403,875 was paid by the Department of Devolution and Disaster Management through the Uzima Cash Transfer Programme (CTP). The payments were made to one thousand two hundred and three (1203) beneficiaries at a rate of Kshs.12,000 per beneficiary. However, the information on the criteria used in identification of the beneficiaries, the legal framework upon which this programme is premised, the integration of this programme with other similar programmes by other agencies including Nutrition Improvement through Cash and Health Education (NICHE) programme which is also a cash transfer programme and the National Government's Inua Jamii Cash Transfer Programme among other critical information were not provided for audit.

In the circumstances, the accuracy, completeness and regularity of the payments on other grants and transfers amount of Kshs.12,403,875 could not be confirmed.

4. Unsupported Purchase of Boats

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects acquisition of assets amounting to Kshs.2,165,903,942 out of which an amount of Kshs.17,391,791 in respect of purchase of boats for distribution to youth groups. However, the payment vouchers and procurement records, the legal framework upon which this procurement and distribution of boats was based, the process of vetting and identification of beneficiary youth groups, ownership documents and evidence of issuance of certificate of seaworthiness were not provided for audit.

In the circumstances, the accuracy and completeness of the amount of Kshs.17,391,791 incurred for the purchase of boats could not be confirmed.

5. Inaccurate and Excessive Period of Withheld Deposits and Retentions Balance

The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects deposits and retentions balance of Kshs.305,994,526, which includes a balance of Kshs.305,821,330 in respect of contractors' retention funds out of which Kshs.262,278,499 held in the Central Bank of Kenya and a balance of Kshs.43,542,831 held at DTB bank. However, Note 10A to the financial statements reflects a corresponding balance held at DTB bank of Kshs.22,218,182 resulting to an unexplained variance of Kshs.21,324,649. Further, Management maintained and operated the retention monies in a commercial bank against the provisions of Regulation 82(1) (b) of the Public Finance Management (County Governments) Regulations, 2015, which require all County Government bank accounts to be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash.

In the circumstances, the accuracy and completeness of the deposit and retentions balance of Kshs.305,994,526 could not be confirmed.

6. Inaccuracies in Acquisition of Assets

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects acquisition of assets amounting to Kshs.2,165,903,942. However, the summary of fixed asset as disclosed in Annexure 6 to the financial statements reflects additions during the year of Kshs.433,162,604 resulting to an unexplained and unreconciled variance of Kshs.1,732,741,338. Further, review of the asset register revealed that the entity did not update the fixed asset register.

In the circumstances, the accuracy and completeness of the acquisition of assets amount of Kshs.2,165,903,942 could not be confirmed.

7. Long Outstanding Other Accounts Receivables

The statement of assets and liabilities reflects outstanding imprests and advances balance of Kshs.104,419,988 which includes other accounts receivables-Kenya Revenue Authority of Kshs.41,496,123 and loss of cash of Kshs.43,240,740 as disclosed in Note 11 to the financial statements. Management has not however disclosed the efforts being made to recover these debts.

In the circumstances, the recoverability of the imprest and advances balance of Kshs.104,419,988 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.

Emphasis of Matters

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts for recurrent and development (combined) reflects final receipts budget and actual on comparable basis of Kshs.14,715,880,712 and Kshs.12,182,480,254 respectively, resulting to an under-funding of Kshs.2,533,400,458 or 17%. Similarly, the County Executive spent Kshs.12,165,288,466 against an approved budget of Kshs.14,715,744,920, resulting to an under-expenditure of Kshs.2,550,456,455 or 17%. The under-funding and under-expenditure may have impacted negatively on the achievement of the planned goals and objectives.

2. Outstanding Pending Bills

The financial statements under other important disclosures revealed pending bills balance of Kshs.3,450,355,778 comprised of pending accounts payables of Kshs.3,284,162,862, pending staff payables of Kshs.165,919,072 and other pending payables of Kshs.273,844 as disclosed in Note 17 of other important disclosures. However, pending bills balances of

Kshs.976,434,285 did not have details of date invoiced/ contracted making it difficult to establish the period the bills have remained outstanding. In addition, the pending bill list contained long outstanding bills amounting to Kshs.154,139,650 which were invoiced or contracted between 2011 and 2018.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent years as they form a first charge.

My opinion is however, not modified in respect of these matters.

Key Audit Matters

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

Prior Year Unresolved Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Payment of Salaries Outside the Integrated Personnel and Payroll Database (IPPD)

Review of the payroll records during the year under review revealed that Management processed and paid salaries to some staff outside the IPPD payroll system. The salaries payable to these staff were calculated using Microsoft excel contrary to the requirements of the Public Finance Management (County Governments) Regulations, 2015 Regulation 120(2) which states that each employee shall be linked to a program in the budget of a County Government entity's Vote.

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

2. Failure to Comply with Two Thirds Deductions Rule

Review of the payroll records provided revealed that various employees had deductions that were more than two thirds of their basic pay as indicated below:

Month	No. of Staff	Month	No. of Staff
August, 2022	1	February, 2023	39
September, 2022	29	March, 2023	76
October, 2022	27	April, 2023	13
November, 2022	41	May, 2023	10
December, 2022	15	June, 2023	5
January, 2023	87		

This was contrary to the provisions of Section 19(3) of the Employment Act 2007 which states that the total amount of all deductions that may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

3. Failure to Observe Ethnic Diversity

Review of payroll records revealed that out of the total 4508 employees, 3564 (or 79%) are from the dominant community. In addition, the recruitment during the year failed to remedy the ethnic disparity contrary to Section 65(1)(e) of the County Government Act, 2012 which states that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.

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

4. Irregular Procurement of Certified Seeds, Breeding Stock and Live Animals

Review of records revealed that an amount of Kshs. 14,992,177 was incurred in the purchase of certified seeds, breeding stock and live animals. However, evidence of market survey having been undertaken, the criteria for identification of beneficiaries, report on need assessment and sustainability of the projects before they were procured were not provided. In addition, the legal framework under which certified seeds, breeding stock and live animals were bought using County funds and distributed at no cost was not provided while evidence receipt and distribution of all the tree seedlings and certified seeds was not provided. This is contrary to Section 104 of the County Government Act, 2012 which provides that a County Government shall plan for the County and no public funds shall be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly and that to promote public participation, non-state actors shall be incorporated in the planning processes by all authorities.

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

5. Delay in Construction of Kilifi County Hospital Phase 2

Review of records revealed that an amount of Kshs.72,750,473 was paid during the year in respect of construction of Kilifi County Hospital Phase II. Review of the contract documents revealed that the contract commenced in the financial year 2019/2020 and was awarded to a local construction company for a duration of seventy-eight (78) weeks at a contract sum of Kshs.389,235,735. However, as at 30 June, 2023, the works remained incomplete without evidence of extension of contract period. Further, there was no evidence that retention money was transferred to the deposits account to be paid to the contractor after the expiry of the contract liability period.

In addition, works costing Kshs.81,180,000 were omitted from the original bill of quantities as a result of proposals made by the Project Manager- Department of Public Works during financial appraisal dated 20 July, 2023.

In the circumstances, the value for money on the funds used in the construction of the County Hospital could not be confirmed.

6. Delayed Payment of Certificates

The statement of receipts and payments reflects acquisition of assets of Kshs.2,165,903,942 which includes construction of roads amounting to Kshs.918,685,015 as disclosed in Note 8 to the financial statements. Review of the payment records revealed that there were delays in payment of certificates as tabulated below:

PV No	Details	Amount	Date of Certificate	Date of Payment	Delay Period (Days)
30697	Proposed rehabilitation of Bora Bora Midodoni Road	4,928,150	29 June, 2021	15 June, 2023	716
30355	Proposed and Grading of Katolani – Jongooni Road	2,186,600	02 June, 2022	23 May, 2023	355
30227	Proposed grading Murraming of kwa radhi – hollways	2,983,961	14 July, 2021	30 Jan, 2023	565
30251	Grading and Gravelling of Mferejini – Msumarini Sch-Village Road	4,963,500	24 Nov, 2022	31 Mar, 2023	127
29830	Proposed and Grading and Spot Murraming of Kinangoni to Gotani Road	3,978,916	21 May, 2021	30 Jan, 2023	619

This is contrary to Regulation 139 of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a contractor shall satisfactorily perform its contractual obligations prior to any payment by a procuring entity and that a procuring entity shall make prompt and timely payments to a contractor that meets its contractual obligations.

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

7. Unserviceable Motor Vehicles and Equipment

Review of status of the fleet of motor vehicles and equipment revealed that the County Government had a total of seven hundred and fifty-two (752) motor vehicles, out of which one hundred and sixty-four (164) were grounded and unserviceable. However, Management did not provide the annual disposal plan contrary to Regulation 176(1) of the Public Procurement and Asset Disposal Regulations, 2020 requires an accounting officer of a procuring entity to ensure that an annual assets disposal plan is prepared of items declared as unserviceable, surplus or obsolete, obsolescence stores, asset or equipment.

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

8. Failure to Account for Long Outstanding Imprests

The statement of assets and liabilities reflects outstanding imprests and advances of Kshs.104,419,988 which includes Government imprests of Kshs.19,683,125 as disclosed in Note 11 to the financial statements. Review of the imprest ledgers revealed that a balance of Kshs.4,067,803 related to the previous financial years with some dating back to 2016/17 financial year. This is contrary to Regulation 93 of the Public Finance Management (County Governments) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station. In the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate.

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

9. Irregular Payments to the Council of Governors

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.2,745,360,846 in respect of use of goods and services. Included in the payments is Kshs.5,000,000 paid to the Council of Governors. This is contrary to Section 37 of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the structures and institutions established in the Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the summit, the Council of County Governors, the Technical Committee, Secretariat and the sectoral working group established by the Technical Committee and the sectoral working groups established by the Council.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of the internal control environment revealed that Management had not put in place a risk management policy, fraud prevention mechanism and operational and disaster recovery plans. This is contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism a system of risk management and internal controls that builds robust business operations.

In the circumstances, the security and reliability of the County Government's data including the management information system could not be confirmed.

2. Failure to have a County Public Service Board

Review of records and governance structure revealed that the County Government did not have a County Public Service Board in place. This was as a result of the revocation of appointment of the former members by the Governor due to violations of the Constitution and various laws. This is contrary to Section 56 (1) of the County Government Act, 2012 which provides that each County shall, in accordance with Article 235 of the Constitution, have its own public service to be known as County Public Service. The County Public Service shall be headed by a County Secretary appointed under section 44.

In the circumstances, the effectiveness of the overall governance of the County Government could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Executive'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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report.

However, future events or conditions may cause the County Executive to cease to sustain its services.

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

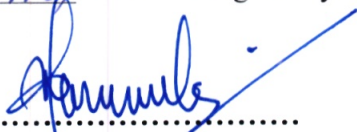
08 February, 2024

County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023

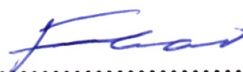
9. Statement of Receipts and Payments for the year ended 30th June 2023

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Receipts			
Transfers from the CRF	1	12,116,136,115	11,381,962,488
Miscellaneous receipts	2	-	-
Total receipts		12,116,136,115	11,381,962,488
Payments			
Compensation of employees	3	4,138,053,461	4,141,325,008
Use of goods and services	4	2,745,360,846	2,767,678,349
Transfers to other government entities	5	3,595,352	87,905,890
Other grants and transfers	6	3,069,643,299	1,861,540,665
Social security benefits	7	42,731,566	79,379,954
Acquisition of assets	8	2,165,903,942	2,365,794,686
Other payments	9	-	200,000,000
Total payments		12,165,288,466	11,503,624,552
Surplus/deficit		(49,152,351)	(121,662,063)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 28/12 2023 and signed by:



.....
Name: Winnie Wakati Luwali
Chief Officer -Finance



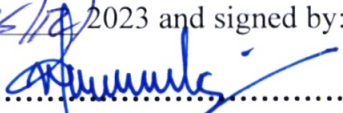
.....
Bonaventure F. M. Mwakio
Director Accounting Services
ICPAK M/No 3346

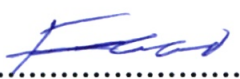
*County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023*

10. Statement of Assets and Liabilities as at 30th June 2023

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	10A	295,097,935	332,534,947
Cash balances	10B	-	-
Total cash and cash equivalents		<u>295,097,935</u>	<u>332,534,947</u>
Outstanding imprests and advances	11	104,419,988	97,656,257
Total financial assets		399,517,923	430,191,204
Financial liabilities			
Deposits and retentions	12	305,994,526	287,515,457
Net financial assets		93,523,397	142,675,747
Represented by			
Fund balance b/fwd.	13	142,675,747	262,244,535
Prior year adjustments	14	-	2,093,276
Surplus/deficit for the year		(49,152,351)	(121,662,063)
Net financial position		93,523,397	142,675,747

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 28/7/2023 and signed by:


.....
Name: Winnie Wakati Luwali
Chief Officer - Finance


.....
Name: Bonaventure F. M. Mwakio
Director Accounting Services
ICPAK M/N03346

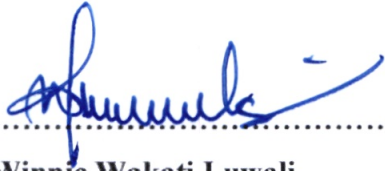
*County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023*

Statement of Cash Flows for the period ended 30th June 2023

		FY 2022-2023	FY 2021-2022
	Notes	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	12,116,136,115	11,381,962,488
Miscellaneous receipts	2	-	-
Total receipts from operating income		12,116,136,115	11,381,962,488
Payments for operating expenses			
Compensation of employees	3	(4,138,053,461)	(4,141,325,008)
Use of goods and services	4	(2,745,360,846)	(2,767,678,349)
Transfers to other government entities	5	(3,595,352)	(87,905,890)
Other grants and transfers	6	(3,069,643,299)	(1,861,540,665)
Social security benefits	7	(42,731,566)	(79,379,954)
Other payments	9	-	(200,000,000)
Total payments for operating expenses		(9,999,384,523)	(9,137,829,865)
Net receipts/ (payments) from operations		2,116,751,592	2,244,132,623
Adjusted for:			
Prior year adjustments	14	-	2,093,276
Decrease/(increase) in outstanding imprests & advances	15	(6,763,730)	6,576,892
Increase/(decrease) in deposits and retentions	16	18,479,069	44,552,409
Net cash flow from operating activities		2,128,466,931	2,297,355,199
Cash flow from investing activities			
Acquisition of assets	8	(2,165,903,942)	(2,365,794,686)
Net cash flows from investing activities		(2,165,903,942)	(2,365,794,686)
Net increase in cash and cash equivalents		(37,437,012)	(68,439,487)
Cash and cash equivalents at beginning of the year		332,534,947	400,974,434
Cash and cash equivalents at end of the year		295,097,935	332,534,947

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 28/12/ 2023 and signed by:

*County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023*



.....
Name: Winnie Wakati Luwali
Chief Officer Finance



.....
Name: Bonaventure F. M Mwakio
Director Accounting Services
ICPAK M/NO.3346

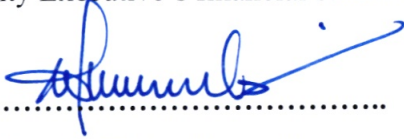
11. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30th

June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	14,781,254,403	(131,717,830)	14,649,536,573	12,116,136,115	2,533,400,458	83%
Other receipts	-	-	-	-	-	0%
Opening balance	-	66,344,139	66,344,139	66,344,139	-	100%
Total	14,781,254,403	(65,373,691)	14,715,880,712	12,182,480,254	2,533,400,458	
Payments						
Compensation of employees	4,289,935,235	(136,771,389)	4,153,163,846	4,138,053,461	15,110,385	100%
Use of goods and services	2,662,486,033	637,018,255	3,299,504,288	2,745,360,846	554,143,442	83%
Transfers to other government units	-	3,534,477	3,534,477	3,595,352	(60,875)	0%
Other grants and transfers	3,804,178,065	(815,162,017)	2,989,016,048	3,069,643,299	(80,627,251)	103%
Social security benefits	35,000,000	9,792,518	44,792,518	42,731,566	2,060,952	95%
Acquisition of assets	3,889,655,070	(3,921,327)	3,885,733,743	2,165,903,942	1,719,829,801	56%
Other payments	100,000,000	240,000,000	340,000,000	-	340,000,000	0%
Total	14,781,254,403	(65,509,483)	14,715,744,920	12,165,288,466	2,550,456,455	83%
Surplus/(Deficit)	-	135,792	135,792	17,191,788	(17,055,996)	

The budget utilization of 103% on other grants and transfers was necessitated by correction of misclassification of transfer of Emergency funds of Kshs 340,000,000. This expenditure was budgeted for and spent under other Payments in IFMIS system. The error was discovered and corrected after closure of the financial year and the system had closed making it impossible to adjust the budget in the system, so the expenditure was moved from Other payments to Other grants and transfer through a manual journal voucher hence the budget utilization of 0% Other payments and 103% under Other grants and transfers.

The County Executive's financial statements were approved on 28/12/ 2023 and signed by:



.....
Name: Winnie Wakati Luwali
Chief Officer Finance



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

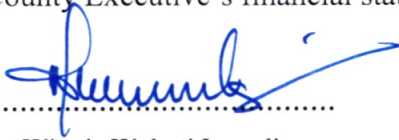
10A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A	b	c = a+b	d	e = c-d	f = c/e %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	8,209,896,525	1,086,339,340	9,296,235,865	8,344,965,612	951,270,253	90%
Other receipts			-	-	-	0%
Opening balance		66,276,243	66,276,243	66,276,243	-	100%
Total	8,209,896,525	1,152,615,583	9,362,512,108	8,411,241,855	951,270,253	90%
Payments						
Compensation of employees	4,289,935,235	(136,771,389)	4,153,163,846	4,138,053,461	15,110,385	100%
Use of goods and services	2,584,129,067	514,239,614	3,098,368,681	2,592,950,494	505,418,188	84%
Transfers to other government units	-	-	-	7,823	(7,823)	0%
Other grants and transfers	1,063,726,977	222,175,996	1,285,902,973	1,422,628,103	(136,725,130)	111%
Social security benefits	35,000,000	9,792,518	44,792,518	42,731,566	2,060,952	95%
Acquisition of assets	137,105,246	303,178,844	440,284,090	201,971,113	238,312,978	46%
Other payments	100,000,000	240,000,000	340,000,000	-	340,000,000	0%
Total	8,209,896,525	1,152,615,583	9,362,512,108	8,398,342,559	964,169,549	90%
Surplus/(deficit)	-	-	-	12,899,296	(12,899,296)	

The budget utilization of 46% on Acquisition of assets was necessitated by correction of misclassification of transfer to Car loan and mortgage fund of Kshs 120,000,000. This transfer had been budgeted for and spent under Acquisition of financial in IFMIS system. The error was discovered and corrected after closure of the financial year when the system had already closed making it impossible to adjust the budget in the system, so the expenditure was moved from acquisition of assets to Other grants and transfer through a manual journal voucher hence the budget utilization of 46% in acquisition of assets to 111% in Other grants and transfers.

*County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023*

The County Executive's financial statements were approved on 28/12/ 2023 and signed by



.....
Name: Winnie Wakati Luwali
Chief Officer Finance

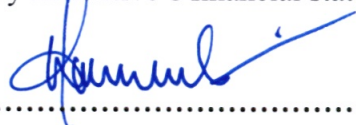


.....
Name: Bonaventure F. M Mwakio
Director Accounting Services
ICPAK M/No:3346

10B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	A	b	c = a + b	d	e = c - d	f = d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	6,571,357,878	(1,218,057,170)	5,353,300,708	3,771,170,503	1,582,130,205	70%
Other receipts			-			0%
Opening balance A		67,896	67,896	67,896	-	100%
Total	6,571,357,878	(1,217,989,274)	5,353,368,604	3,771,238,399	1,582,130,205	
Payments						
Compensation of employees						
Use of goods and services	78,356,966	122,778,641	201,135,607	152,410,353	48,725,255	76%
Transfers to other government units	-	3,534,477	3,534,477	3,587,529	(53,052)	102%
Other grants and transfers	2,740,451,088	(1,037,338,013)	1,703,113,075	1,647,015,195	56,097,880	97%
Social security benefits						
Acquisition of assets	3,752,549,824	(307,100,171)	3,445,449,653	1,963,932,830	1,481,516,823	57%
Other payments						
Totals	6,571,357,878	(1,218,125,066)	5,353,232,812	3,766,945,907	1,586,286,906	70%
Surplus/(deficit)	-	135,792	135,792	4,292,492		

The County Executive's financial statements were approved on 28/12/ 2023 and signed by:



Name: Winnie Wakati Luwali
Chief Officer Finance



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

12. Budget Execution by Programmes and Sub-Programmes for the year ended 30th June 2023

Programme/Sub-Programme	Original budget	Adjusted budget	Final Budget	Actual on comparable basis	% Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
County Executive					
County Attorney					
Administration, Planning and Support Services	156,432,340	(88,344,569)	68,087,771	56,267,052	83%
County Attorney Total	156,432,340	(88,344,569)	68,087,771	56,267,052	83%
Office of the Governor					
Administration, Planning and Support Services	138,570,685	143,787,415	282,358,100	225,310,845	80%
General Administration Planning and Support Services	26,300,000	52,768,477	79,068,477	68,898,578	87%
Office of the Governor Total	164,870,685	196,555,892	361,426,577	294,209,423	81%
County Executive Total	321,303,025	108,211,323	429,514,348	350,476,475	82%
Finance and Economic Planning					
County Division for Economic Planning					
County Fiscal Planning	48,250,000	3,012,337	51,262,337	46,931,157	92%
Statistical Information Services/Monitoring	29,706,785	(8,734,740)	20,972,045	20,693,008	99%
Administration, Planning and Support Services	10,500,000	(6,908,502)	3,591,498	3,521,498	98%
County Division for Economic Planning Total	88,456,785	(12,630,905)	75,825,880	71,145,663	94%
County Division for Finance					
Accounting Services	19,847,401	3,560,284	23,407,685	23,382,484	100%
Audit Services	11,100,000	12,370,077	23,470,077	17,225,006	73%
Budget Formulation, Cordination and Management	20,712,337	23,409,718	44,122,055	43,107,176	98%
Resource Mobilization/Debt Management	25,565,000	161,895,231	187,460,231	68,462,957	37%
Supply Chain Management Services	17,100,000	3,501,781	20,601,781	15,832,334	77%

Programme/Sub-Programme	Original budget	Adjusted budget	Final Budget	Actual on comparable basis	% Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration, Planning and Support Services	222,281,690	423,750,785	646,032,475	598,654,384	93%
County Division for Finance Total	316,606,428	628,487,876	945,094,304	766,664,342	81%
Finance and Economic Planning Total	405,063,213	615,856,971	1,020,920,184	837,810,005	82%
Agriculture, Livestock and Fisheries Development					
County Division for Agriculture					
Agribusiness and information management	348,987,004	179,913,780	528,900,784	417,277,718	79%
Food security initiatives	93,218,490	19,427,328	112,645,818	31,945,580	28%
Development Planning and Land Reforms	68,431,200	(44,071,034)	24,360,166	10,805,784	44%
County Division for Agriculture Total	510,636,694	155,270,074	665,906,768	460,029,081	69%
County Division for Fisheries					
Development Planning and Land Reforms	147,343,723	(72,154,961)	75,188,762	32,191,909	43%
County Division for Fisheries Total	147,343,723	(72,154,961)	75,188,762	32,191,909	43%
County Division for Livestock					
Development Planning and Land Reforms	67,574,918	(13,846,701)	53,728,217	19,521,823	36%
County Division for Livestock Total	67,574,918	(13,846,701)	53,728,217	19,521,823	36%
Agriculture, Livestock and Fisheries Development Total	725,555,335	69,268,412	794,823,747	511,742,813	64%
Water, Environment, Forestry Natural Resources and Solid Waste Management					
County Division for Environment, Natural Resources & Wildlife					
Administration, Planning and Support Services	214,026,970	(69,179,716)	144,847,254	127,290,400	88%
County Division for Environment, Natural Resources & Wildlife Total	214,026,970	(69,179,716)	144,847,254	127,290,400	88%
County Division for Water & Sanitation					
Administration, Planning and Support Services	2,702,267,049	(1,131,207,951)	1,571,059,098	1,267,112,096	81%

*County Executive of Kilifi
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For the year ended June 30 2023*

Programme/Sub-Programme			Final Budget	Actual on comparable basis	% Budget utilization
	Original budget	Adjusted budget			
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
County Division for Water & Sanitation Total	2,702,267,049	(1,131,207,951)	1,571,059,098	1,267,112,096	81%
Water, Environment, Forestry Natural Resources and Solid Waste Management Total	2,916,294,019	(1,200,387,667)	1,715,906,352	1,394,402,496	81%
5 Education and Information, Communication and Technology					
County Division for Education					
Free Pre-Primary Education	397,204,082	(69,035,773)	328,168,309	130,466,181	40%
Scholarship, Bursary and Loan	356,000,000	(4,385,590)	351,614,410	351,558,223	100%
Administration, Planning and Support Services	114,325,407	(31,163,110)	83,162,297	38,550,680	46%
County Division for Education Total	867,529,489	(104,584,473)	762,945,016	520,575,083	68%
County Division for Information, Communication & Technology					
E-Government	25,456,672	(3,056,250)	22,400,422	13,468,900	60%
County Division for Information, Communication & Technology Total	25,456,672	(3,056,250)	22,400,422	13,468,900	60%
Education and Information, Communication and Technology Total	892,986,161	(107,640,723)	785,345,438	534,043,983	68%
Medical Services					
County Division for Medical Services					
Administration, Planning and Support Services	1,077,748,955	(103,657,837)	974,091,118	391,722,979	40%
County Health Care Services	696,370,000	436,780,351	1,133,150,351	948,983,681	84%
County Referral Services	10,050,000	(1,600,000)	8,450,000	2,283,866	27%
County Division for Medical Services Total	1,784,168,955	331,522,514	2,115,691,469	1,342,990,526	63%

*County Executive of Kilifi
Annual Report and Financial Statements
For the year ended June 30 2023*

Programme/Sub-Programme			Final Budget	Actual on comparable basis	% Budget utilization
	Original budget	Adjusted budget			
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
County Division for Public Health					
Administration, Planning and Support Services	92,394,089	(24,000,000)	68,394,089	44,156,174	65%
Health Promotion	40,260,438	(13,014,088)	27,246,350	25,018,288	92%
Non-Communicable Diseases	58,551,000	9,386,213	67,937,213	55,789,969	82%
County Division for Public Health Total	191,205,527	(27,627,875)	163,577,652	124,964,430	76%
Medical Services Total	1,975,374,482	303,894,639	2,279,269,121	1,467,954,956	64%
Roads, Transport & Public Works					
Roads, Transport & Public Works					
Administrative Planning Support Services	237,765,413	(17,200,000)	220,565,413	208,067,537	94%
Maintenance of Roads	906,700,000	254,145,616	1,160,845,616	993,896,340	86%
Roads, Transport & Public Works Total	1,144,465,413	236,945,616	1,381,411,029	1,201,963,877	87%
Roads, Transport & Public Works Total	1,144,465,413	236,945,616	1,381,411,029	1,201,963,877	87%
Lands Energy, Housing, Physical Planning and Urban Development					
County Division for Lands & Energy					
Agricultural Policy, Legal and Regulatory Frameworks	128,394,602	(56,498,327)	71,896,275	44,235,501	62%
Development Planning and Land Reforms	355,054,860	(5,780,458)	349,274,402	343,539,533	98%
Land Settlement	337,306,708	(29,479,062)	307,827,646	265,783,448	86%
County Division for Lands & Energy Total	820,756,170	(91,757,847)	728,998,323	653,558,482	90%
County Division for Physical Planning, Urban Development and Housing					
Housing Development	60,897,628	(41,000,000)	19,897,628	5,963,759	30%
Town administration services	92,677,453	(14,970,987)	77,706,466	41,759,335	54%
Administration, Planning & Support Services	2,595,500	(1,400,000)	1,195,500	992,090	83%

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Programme/Sub-Programme			Final Budget	Actual on	%
	Original budget	Adjusted budget		comparable basis	Budget
	2023	2023	2023	2023	utilization
	Kshs	Kshs	Kshs	Kshs	2023
Land use	28,193,834	(9,100,000)	19,093,834	16,708,355	88%
County Division for Physical Planning, Urban Development and Housing Total	184,364,415	(66,470,987)	117,893,428	65,423,539	55%
Lands Energy, Housing, Physical Planning and Urban Development Total	1,005,120,585	(158,228,834)	846,891,751	718,982,021	85%
Gender, Social Services, Culture, Youth and Sports					
Gender, Culture, Social Services and Sports					
Social Welfare and vocational rehabilitation	202,916,193	49,523,554	252,439,747	113,597,722	45%
1Conservation of Heritage	34,680,320	(7,043,734)	27,636,586	12,155,143	44%
2Library Services	5,841,730	(841,730)	5,000,000	-	0%
Administration, Planning & Support Services	23,125,083	2,975,179	26,100,262	19,719,453	76%
Gender, Culture, Social Services and Sports Total	266,563,326	44,613,269	311,176,595	145,472,318	47%
Gender, Social Services, Culture, Youth and Sports Total	266,563,326	44,613,269	311,176,595	145,472,318	47%
Trade, Tourism and Cooperative Development					
County Division for Cooperative Development					
Co-operative Governance	5,000,000	(4,695,250)	304,750	274,750	90%
Promotion of Co-operative & Advisory services	19,100,000	(16,954,750)	2,145,250	96,400	4%
Administration Planning and Support Services	3,800,000	(2,225,825)	1,574,175	285,825	18%
Co-operative marketing and value addition	4,300,567	3,999,433	8,300,000	1,454,214	18%

Programme/Sub-Programme	Original budget	Adjusted budget	Final Budget	Actual on comparable basis	Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
County Division for Cooperative Development Total	32,200,567	(19,876,392)	12,324,175	2,111,189	17%
County Division for Trade, & Tourism					
Fair Trade and Consumer Protection	2,500,000	(926,715)	1,573,285	539,240	34%
Market Development	2,200,000	10,186,274	12,386,274	6,483,915	52%
Niche tourism products development and diversification	2,400,000	(2,200,000)	200,000	200,000	100%
Tourism promotion and marketing	14,050,000	(13,858,000)	192,000	191,200	100%
Tourism training and capacity building	878,785	-	878,785	-	0%
Trade Development	221,220,419	(33,054,165)	188,166,254	144,886,599	77%
Administration Planning and Support Services	20,750,000	18,535,822	39,285,822	11,214,805	29%
County Division for Trade, & Tourism Total	263,999,204	(21,316,784)	242,682,420	163,515,759	67%
Trade, Tourism and Cooperative Development Total	296,199,771	(41,193,176)	255,006,595	165,626,948	65%
County Public Service Board					
County Public Service Board					
Administration, Planning and Support Services	63,698,442	(20,063,165)	43,635,277	17,297,619	40%
County Public Service Board Total	63,698,442	(20,063,165)	43,635,277	17,297,619	40%
County Public Service Board Total	63,698,442	(20,063,165)	43,635,277	17,297,619	40%
Devolution, Public Service and Disaster Management					
County Division for Devolution and Disaster Management					
Relief and Rehabilitation	97,045,649	131,522,353	228,568,002	225,812,643	99%
Sub county and ward administration services	4,650,000	(3,285,320)	1,364,680	1,351,880	99%
Administration, Planning and Support Services	42,774,747	(12,375,489)	30,399,258	19,980,995	66%

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Programme/Sub-Programme			Final Budget	Actual on comparable basis	% Budget utilization
	Original budget	Adjusted budget			
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Development Planning and Land Reforms	-	203,000	203,000	-	0%
County Division for Devolution and Disaster Management Total	144,470,396	116,064,544	260,534,940	247,145,519	95%
County Division Public Service Management					
Human Resource Development	13,150,000	(5,357,163)	7,792,837	4,532,235	58%
Administration, Planning and Support Services	4,611,010,235	(27,495,130)	4,583,515,105	4,567,837,201	100%
County Division Public Service Management Total	4,624,160,235	(32,852,293)	4,591,307,942	4,572,369,436	100%
Devolution, Public Service and Disaster Management Total	4,768,630,631	83,212,251	4,851,842,882	4,819,514,954	99%
Grand Total	14,781,254,403	(65,511,083)	14,715,743,320	12,165,288,466	83%

13. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

b) Reporting entity

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

c) Recognition of receipts and payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

Transfer from CRF 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 a notification received by the entity.

iii) Proceeds from sale of assets

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the entity.

Significant Accounting Policies (Continued)

d) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

Significant Accounting Policies (Continued)

e) In-kind contributions

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

f) Third Party Payments

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

g) 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 2023, this amounted to KShs 284,496,681 compared to KShs 266,190,808 in prior period as indicated on note 10A. / *(There were no other restrictions on cash during the year)*

Significant Accounting Policies (Continued)

h) Imprests and Advances

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.

i) Third Party Deposits and Retention

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.

j) Non-current assets

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

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Executive at the end of the year. Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

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

The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent Assets

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

Significant Accounting Policies (Continued)

n) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30th June 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was two (2) number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

o) Comparative figures

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

p) 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.

q) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 14* explaining the nature and amounts.

r) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

14. Notes to the Financial Statements

1. Transfer from the CRF

Description	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Total exchequer releases for quarter 1	1,000,971,857	888,788,786
Total exchequer releases for quarter 2	1,868,570,461	3,281,535,322
Total exchequer releases for quarter 3	3,438,910,482	1,987,306,756
Total exchequer releases for quarter 4	5,807,683,315	5,224,331,624
Total	12,116,136,115	11,381,962,488

2. Miscellaneous Receipts

Description	FY 2022-2023 Kshs	FY 2021-2022 Kshs
	-	-

(Give a brief description of other receipts including write backs and recoveries where applicable)

3. Compensation of Employees

Description	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Basic salaries of permanent employees	2,015,299,562	2,030,655,785
Basic wages of temporary employees	215,807,450	240,328,124
Personal allowances paid as part of salary	1,650,158,531	1,625,786,412
Personal allowances paid as reimbursements	1,057,216	1,683,405
Employer contribution to compulsory national social schemes	255,730,704	242,871,281
Total	4,138,053,461	4,141,325,008

4. Use of Goods and Services

Description	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Utilities, supplies and services	74,174,414	97,778,996
Communication, supplies and services	34,177,165	14,241,368
Domestic travel and subsistence	116,335,512	110,211,924
Foreign travel and subsistence	33,926,544	29,214,670
Printing, advertising and information supplies & services	102,467,238	121,604,248
Rent and Rates	88,060,402	81,808,023
Training expenses	34,032,406	34,058,847
Hospitality supplies and services	187,377,127	227,559,516

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	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Insurance costs	427,019,279	335,352,226
Specialized materials and services	1,044,631,839	869,663,479
Office and general supplies and services	69,708,039	88,531,757
Fuel, oil and lubricants	66,201,302	105,249,928
Other operating expenses (including bank charges)	298,327,774	295,754,378
Routine maintenance – vehicles and other transport equipment	73,120,595	96,555,164
Routine maintenance – other assets	95,801,211	260,093,824
Total	2,745,360,846	2,767,678,349

5. Transfer to other Government entities

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Transfers From the CRF	60,878	1,515,554
Transfer to Kilifi Municipality	1,194,559	25,828,272
Transfer to Malindi Municipality	1,194,559	60,562,064
Transfer to MUNICIPALITY UIG	1,145,356	
Total	3,595,352	87,905,890

6. Other Grants and Transfers

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Scholarships and other educational benefits	350,000,000	350,000,000
Emergency relief and refugee assistance	214,052,360	243,540,524
Other current Transfers, grants and Subsidies	858,575,743	443,801,877
Other Capital Grants and Transfers	1,647,015,195	824,198,264
Total	3,069,643,299	1,861,540,665

7. Social Security Benefits

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Social Security Benefits	42,731,566	79,379,954
Total	42,731,566	79,379,954

Notes to the Financial Statements (Continued)

8. Acquisition of Assets

Non-financial assets	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Purchase of buildings		-
Construction of buildings	296,570,806	563,340,044
Refurbishment of buildings	20,743,727	12,568,608
Construction of roads	918,685,015	917,513,046
Construction and civil works	426,051,489	80,244,041
Overhaul and refurbishment of construction & civil works		
Purchase of vehicles and other transport equipment	205,142,745	438,799
Overhaul of vehicles and other transport equipment		
Purchase of household furniture and institutional equipment	51,276,827	12,012,730
Purchase of office furniture and general equipment	49,500,846	72,331,641
Purchase of specialized plant, equipment and machinery	130,738,762	200,989,087
Rehabilitation and renovation of plant, machinery and equip.		
Purchase of certified seeds, breeding stock and live animals	14,992,177	27,391,754
Research, studies, project preparation, design & supervision	14,698,771	11,965,825
Rehabilitation of civil works	-	420,311,616
Acquisition of strategic stocks and commodities		
Acquisition of ICT Equipment's		
Acquisition of land		-
Acquisition of intangible assets	37,502,778	46,687,496
Total acquisition of non- financial assets	2,165,903,942	2,365,794,686

9. Other Payments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Budget Reserves		
Civil Contingency Reserves	-	200,000,000
Other payments (specify/breakdown)		
Total	-	200,000,000

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Notes to the Financial Statements (Continued)

10. Cash and Bank Balances

10A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc	FY 2022-2023	FY 2021-2022
			Kshs	Kshs
<i>KILIFI COUNTY RECURRENT - 1000170239</i>	CBK	Recurrent	2,090	7,823
<i>KILIFI COUNTY DEVELOPMENT - 1000170198</i>	CBK	Development	20,751	53,054
<i>Kilifi County Road Maintenance Fuel Levy-1000260928</i>	CBK	Programme		-
KILIFI COUNTY KENYA DEVOLUTION S PR - 1000371684	CBK	Program	250	37,044,750
KILIFI COUNTY WATER AND SANITATION - 1000394889	CBK	Program	14,840	4,840
KILIFI COUNTY- AGRI. SEC.DEV.SUPP. - 1000366378	CBK	Program		-
KILIFI COUNTY CLIMATE CHANGE INST - 1000546778	CBK	Program	755,700	-
KILIFI COUNTY KENYA URBAN SUPP PROG - 1000396628	CBK	Program	2	2
KILIFI COUNTY THS UNIVERSAL HEALTH - 1000403853	CBK	Program	1,402,729	26,435,758
KILIFI COUNTY WB AND DANIDA GRANT - 1000268492	CBK	Program	-	2,150,236
KILIFI COUNTY-NAT. AGRI.& RUR.INC - 1000366389	CBK	Program	6,500,000	-
KILIFI COUNTY VILLAGE POLY GRANT-KES - 1000368508	CBK	Program	57,955	57,955
The County Government of Kilifi-Project Retention--0028950001	DTB-Kilifi	Deposit	22,218,182	43,011,779
Kilifi County Government - Standing Imprest Account Fin-Mgt-01141465788001	Co-op Bank-Kilifi	Imprest	579,721	579,721
Kilifi County Deposit Account -1000357339	CBK	Deposit	262,278,499	223,179,029
CGK Cash Transfer Programme Account-1283242303	KCB	Programme	153,856	-
<i>KILIFI COUNTY PRIMARY HEALTH CARE-1000559958</i>	CBK	Program	1,113,362	
<i>KILIFI COUNTY NAT AGRI VALUE CHAIN-1000713698</i>			-	
Total			295,097,935	332,534,947

Notes to the Financial Statements (Continued)

10B Cash in Hand

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cash in hand – Held in Domestic Currency		
Cash in hand – Held in Foreign Currency		
Total	-	-

11. Outstanding imprests and advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Government Imprests	19,683,125	12,919,395
Other Accounts Receivables-Kenya Revenue Authority	41,496,123	41,496,123
Other Accounts Receivables-Loss of Cash	43,240,740	43,240,740
Total	104,419,988	97,656,257

12. Deposits and Retention

	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Contractors Retention CBK	262,278,499		223,179,029	
Contractors Retention DTB	43,542,831		64,336,428	
Winnie Wakati Luwali(Excess refund)	19,340			
CGK Cash Transfer Programme Account	153,856			
Total	305,994,526		287,515,457	
Ageing analysis for	FY 2022-2023		FY 2021-2022	
Ageing analysis: (deposits and retentions)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	146,702,279	48%	129,075,885	45%
1-2 years	80,247,717	26%	70,256,195	24%
2-3 years	35,347,843	12%	43,846,949	15%
Over 3 years	43,542,831	14%	44,336,428	15%
Total (tie to above total)	305,840,670	100%	287,515,457	100%

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Notes to the Financial Statements (Continued)

13. Fund Balance Brought Forward

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank Accounts	332,534,947	400,974,434
Cash in Hand		
Outstanding Imprests and Advances	97,656,257	104,233,149
Third party deposits and retention	(287,515,457)	(242,963,048)
Total	142,675,747	262,244,535

14. Prior Year Adjustments

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

	Balance b/f from Previous FY as per audited financial statements	Adjustments	Adjusted Balance B/f for Previous FY
Description Of the Error	Kshs	Kshs	Kshs
Bank Account Balances	332,534,947		332,534,947
Outstanding Imprests and Advances	97,656,257	-	97,656,257
Third party deposits and Retention	(287,515,457)		(287,515,457)
Total	142,675,747	-	142,675,747

15. Decrease/(increase) in outstanding imprests & advances

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Imprest and Advances as at 1 st July (A)	97,656,257	104,233,149
Imprest and Advances as at 30 th June (B)	104,419,988	97,656,257
Increase)/ Decrease in Imprest and Advances (C=(B-A))	(6,763,730)	6,576,892

16. Increase/ (Decrease) in Deposits and Retention

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	287,515,457	242,963,048
Deposits and Retention as at 30 th June (B)	305,994,526	287,515,457
Increase/ (Decrease) in Deposits and Retentions C= B-A	18,479,069	44,552,409

17. Other Important Disclosures

1. Pending Accounts Payable (See Annex 4)

	Balance b/f FY 2021/2022	Additions for the period	Paid during the year	Balance c/f FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	1,421,983,579	227,594,394	584,915,139	1,064,662,834
Construction of civil works	438,064,943	457,201,945	270,396,825	624,870,064
Supply of goods	692,986,257	413,784,206	224,630,548	882,139,915
Supply of services	673,489,567	227,926,244	188,925,762	712,490,049
Total	3,226,524,346	1,326,506,789	1,268,868,273	3,284,162,862

2. Pending Staff Payables (See Annex 5)

	Balance b/f FY 2021/2022	Additions for the period	Paid during the year	Balance c/f FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Senior management	9,078,159	22,495,905	2,914,845	28,659,219
Middle management	32,553,743	60,172,442	19,834,300	72,891,885
Unionisable employees	29,668,362	35,191,059	8,152,973	56,706,447
Others	3,506,560	4,154,960	-	7,661,520
Total	74,806,825	122,014,366	30,902,118	165,919,072

3. Other Pending Payables (See Annex 6)

	Balance b/f FY 2021/2022	Additions for the period	Amount Paid during the year	Balance c/f FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to Third Parties	-	273,844.35	-	273,844.35
Total	-	273,844.35	-	273,844.35

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 Executive:

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

Related party transactions

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers To Related Parties		
Transfers to Other County Government Entities		
Transfers From the CRF	60,878	100,968
Transfer to Kilifi Municipality	1,194,559	356,170,886
Transfer to Malindi Municipality	1,194,559	
Transfer to MUNICIPALITY UIG	1,145,356	
Transfer to Kilifi Scholarship fund	350,000,000	350,000,000
Transfer to Kilifi Mariakani Water and Sewerage Company Limited	446,660,695	395,020,130
Transfer to Kilifi Malindi Water and Sewerage Company Limited	446,660,695	395,020,130
Total Transfers to Related Parties	1,246,916,742.00	1,496,312,114

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.

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Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Scholarships Fund	December 2013	County HQ	NEEMA SIRYA
Mbegu Fund	June 2016	County HQ	PETER MSUKO
Kilifi Municipality	June 2018	Kilifi Town	ELIAS CHIPA
Malindi Municipality	June 2018	Malindi Town	ASSAD SHEYUMBE
County Water Service Providers (KIMAWASCO)	March 2013	Kilifi Town	Eng Pascal Dume Jira
Health Services Improvement Fund	2019/2020	County HQ	Bahati Mashalaghu
County Water Service Providers (MAWASCO)	March 2013	Malindi Town	Gerald Mwambire

Other Important Disclosures

6. Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments. In the current financial year, amounts relating to leased medical equipment was Kshs 110,638,298.

7. Contingent Assets

The above note 7 items are items with pending court cases whereby the recovery of the funds are uncertain.

8. Other Bank Accounts

Bank Name	Bank	Kshs.
County Government of Kilifi Donation Account-1060279268120	Equity Bank-Kilifi	2,129,101
Salary Suspense Account - 1147302626	KCB	525,640,609
		527,923,566

15. Progress On Follow Up On Prior Year Auditor's Recommendations

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<p>he following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. Reference No. on the external audit Report</p>	<p>Issue / Observations from Auditor</p>	<p>Management comments</p>	<p>Status: (Resolved / Not Resolved)</p>	<p>Timeframe: (Put a date when you expect the issue to be resolved)</p>
<p>2020-2021</p>				
<p>Inaccuracies in the Financial Statements</p>				
<p>1.2</p>	<p>Unexplained Variances between the Financial Statements and IFMIS Balances</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Not Resolved</p>	<p>2023-2024</p>
<p>2.0</p>	<p>Unsupported County Own Generated Receipts</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Not Resolved</p>	<p>2023-2024</p>
<p>3.3</p>	<p>Accounts Receivable - Loss of Cash- Kshs.43,240,740.</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Not Resolved</p>	<p>2023-2024</p>
<p>Key Audit Matters</p>				
<p>1.2</p>	<p>Variances in the Confirmed Pending Bills</p>	<p>Detailed explanations to observation given in the Audit response</p>	<p>Not Resolved</p>	<p>2023-2024</p>
<p>Report on Lawfulness and Effectiveness in use of Public Resources</p>				

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1.1	Failure to Spend Fully on the Projects as Budgeted	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
1.2	Delayed Projects Implementation	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
1.3	Completed Projects not in use	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
2021-2022				
Inaccuracies in the Financial Statements				
1.1	Variance between County Revenue Fund and County Executive transfers	Detailed explanations to observation given in the Audit response	Not Resolved	2023/2024
1.2	Variance between County Executive and County Assembly transfers	Detailed explanations to observation given in the Audit response	Not resolved	2023/2024
2.1	Unsupported Bank Balances	Detailed explanations to observation given in the Audit response	Not Resolved	2023/2024
2.2	Unsupported Prior Year Adjustment	Detailed explanations to observation given in the Audit response	Not Resolved	2023/2024
2.3	Variance in Bank Balances brought forward	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
3.0	Unsupported Accounts Payables-Deposits and Retentions	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
4.1	Hospitality Supplies and Services. Payment vouchers and supporting	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024

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	documents were not provided for audit.			
4.2	Legal Services Expenses. Details of the legal matters handled were not provided for audit and the engagement of legal consultant was contrary to Section 16 of the Office of the County Attorney Act, 2020	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
4.3	Routine Maintenance of Other Assets. development expenditure wrongly charged to the recurrent budget. Amount was not disclosed as pending bills in the prior year. The expenditure lacked survey reports.	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
5.0	Pending Bills which had an unexplained and unreconciled variance	Detailed explanations to observation given in the Audit response	Resolved	
6.0	Unsupported Cash Requests for Exchequer releases	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
Other Matters				

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1.0	Budgetary Control and Performance. An under-funding of Kshs.3,411,894,514 or 23% and an under-expenditure of Kshs.3,483,138,831 or 23% of the budget.	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
2.0	Unsupported Supplementary Budget and Unexplained Variances	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
3.0	Unexplained Budgetary Variances and Re-allocations	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
4.0	Unresolved Prior Year Matters	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
Report On Lawfulness and Effectiveness in Use of Public Resources				
1.0	Irregular payment of allowances to hired police officers	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
2.0	Unexplained Expenditure on Emergency Relief	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
3.0	Doubtful Legal Fees for Drafting of Revenue Collection Agreement	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024

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4.0	Anomalies in Outsourced Revenue Collections	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
Report on effectiveness of internal control, Risk management and Governance				
1.1	Irregular staff recruitment	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
1.2	Non-Compliance with the Law on Staff Ethnic Composition	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024
2.0	Failure to Provide Housing Benefit to the Deputy Governor	Detailed explanations to observation given in the Audit response	Not Resolved	2023-2024

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Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your County Executive responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.


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County Executive Committee Member
Finance and Economic Planning
Date