

REPORT

OF

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

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**COUNTY EXECUTIVE OF
TAITA/TAVETA**

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



11

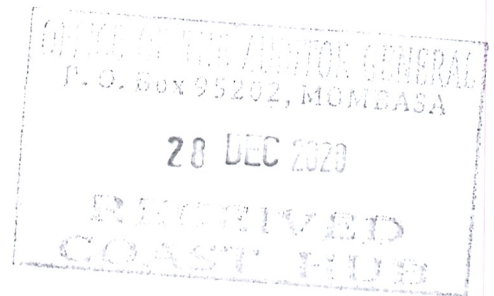
12

13

14

15

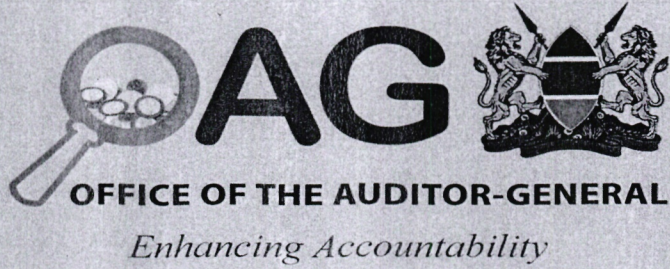
16



COUNTY EXECUTIVE OF TAITA TAVETA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**COUNTY EXECUTIVE OF
TAITA/TAVETA**

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

| | |
|----------------|---------------|
| DATE | 18/11/2021 |
| TABLED BY | Sen. Gideon M |
| COMMITTEE | |
| CLERK AT TABLE | Ms. Kariuki |

OFFICE OF THE AUDITOR GENERAL
P.O. Box 95202, MOMBASA
28 DEC 2020
RECEIVED
GENERAL FILE



COUNTY EXECUTIVE OF TAITA TAVETA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

TABLE OF CONTENTS

| | |
|--|-------|
| TABLE OF CONTENTS | i |
| 1. KEY ENTITY INFORMATION AND MANAGEMENT | ii |
| 2. FOREWORD BY THE CEC..... | v |
| 3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES..... | xxv |
| 4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING..... | xxxii |
| 5. STATEMENT OF MANAGEMENT RESPONSIBILITIES | xxxv |
| 6. REPORT OF THE INDEPENDENT AUDITORS ON THE COUNTY EXECUTIVE OF TAITA TAVETA FOR THE YEAR ENDED 30 JUNE 2020..... | xxxvi |
| 7. FINANCIAL STATEMENTS..... | 1 |
| 7.1. STATEMENT OF RECEIPTS AND PAYMENTS | 1 |
| 7.2. STATEMENT OF ASSETS AND LIABILITIES..... | 2 |
| 7.3. STATEMENT OF CASH FLOWS | 3 |
| 7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED..... | 5 |
| 7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT | 6 |
| 7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT | 7 |
| 7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES..... | 8 |
| 7.8. SIGNIFICANT ACCOUNTING POLICIES | 10 |
| 7.9. OTHER IMPORTANT DISCLOSURES | 33 |
| ANNEXES | 37 |
| ANNEX 1 - ANALYSIS OF TRANSFERS FROM THE EXCHEQUER | 37 |
| ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE..... | 38 |
| ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES | 39 |
| ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES..... | 40 |
| ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER..... | 41 |
| ANNEX 6 – INTER-ENTITY TRANSFERS | 42 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Taita Taveta County is one of the six counties in the Coastal region of Kenya. It borders Tana River, Kitui and Makueni Counties to the North, Kwale and Kilifi Counties to the East, Kajiado County to the North-west, and the Republic of Tanzania to the South and South-west. Further, the county covers an area of 17,084.1Km² and lies between latitude 20 46' South and 40 10' South and longitude 370 36' East and 300 14' East.

Administratively, the county is composed of four sub-county units namely Taveta, Mwatate, Taita and Voi, which are sub-divided into Twenty wards, nine (9) administrative divisions, and further to 32 and 90 locations and sub-locations respectively. In terms of political units, the county has four constituencies namely, Wundanyi, Mwatate, Voi and Taveta. The total number of electoral wards in the county is 20, distributed across the four constituencies with Mwatate having five wards, Voi six wards, Wundanyi four wards and Taveta five wards.

The County is constituted as per the Constitution of Kenya, 2010 and is headed by the County Governor, who is responsible for the general policy and strategic direction. The Governor is supported by a Deputy Governor and Executive Committee Members in carrying out the mandate as stipulated in the Constitution. The County Government is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct local authorities and the ones that have been transferred from the national government. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC – Finance is financial reporting for the County Government.

b) Key Management

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

| | Name | Designation | Date of holding office |
|---|-----------------------------|--|--------------------------------|
| 1 | H.E. Granton Graham Samboja | Governor | 21 st August 2017 |
| 2 | H.E. Majala Mlagui | Deputy Governor | 21 st August 2017 |
| 3 | Liverson Mghendi | County Secretary | 1 st July, 2019 |
| 4 | Dephence Manga | CEC Member, Public Service, Administration and Devolution | 26 th January, 2020 |
| 5 | Andrew K. Mlawasi | CEC Member, Finance and Economic Planning | 26 th November 2019 |
| 6 | John M. Mwakima | CEC Member, Health Services | 12 th March 2020 |
| 7 | Daniel M. Mwakisha | CEC Member, Education, Libraries & Ict | 13 th November 2017 |
| 8 | Julius M. Mwandawiro | CEC Member, Lands, Mining, Housing & Energy | 26 th November 2019 |
| 9 | Davis Mwangoma | CEC Member, Agriculture, Livestock, Fisheries & Irrigation | 13 th November 2017 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | |
|----|----------------------|--|--------------------------------|
| 10 | Laban M. Mwashighadi | CEC Member, Youth, Sports, Vocational Training, Culture & Social Service | 26 th November 2019 |
| 11 | Gaspar K. Mshighati | CEC Member, Public works, Transport & Infrastructure | 13 TH November 2017 |
| 12 | Getrude N. Shuwe | CEC Member, Trade, Tourism, Cooperatives & industrialization | 13 TH November 2017 |
| 13 | Davis Mwangoma | Ag. CEC Member, Water, Environment & Sanitation | 13 TH November 2017 |

c) Fiduciary Management

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

| No. | Designation | Name |
|-----|--|----------------------------------|
| 1. | CEC Member, Member Finance & Economic Planning | Mr. Andrew Kubo Mlawasi, ACCA |
| 2. | Chief Officer, Finance and Economic Planning | Mr. Leonard Langat, CPA (K) |
| 3. | Director – Accounting Services | Ms. Joyce Kambe Mwachia, CPA (K) |
| 4. | Director -Supply Chain Management | Mr. Patrick Leweri |

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the quarter ended 30th June, 2020 were:

1. County Assembly of Taita Taveta County;
2. County Audit Committee
3. County Budget and Economic Forum (CBEF)

e) Entity Headquarters

Office of The Governor
Mwatate Town, Off Voi – Taveta Highway,
P.O. Box 1066-80304
Wundanyi, Kenya

f) Entity Contacts

Telephone:0788186436/0718988717
Email: info@taitataveta.go.ke
Website: www.taitataveta.go.ke

g) Entity Bankers

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

2. Kenya Commercial Bank
Wundanyi Branch
Along Posta Road
P.O. Box 1067-80304
Wundanyi, Kenya

h) Independent Auditors

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

i) Principal Legal Adviser

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

2. FOREWORD BY THE CEC

It is my pleasure to present the County Executive of Taita Taveta financial statements for the year ended 30th June 2020. The financial statements present the financial performance of the County Government over the past 12 months.

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

Financing of the County Governments

The County Government gets its financing from the Equitable share from National Government, Conditional grants from Donors & Development Partners and its own Source Revenue collected from various revenue streams. Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County has been putting in efforts to increase its own source revenue over the last few years. In the year under review the County collected **Kshs.296 Million** from this key revenue stream. This was against a revised target of **Kshs.230 Million**, down from the initial **Kshs.350 Million**, due to the ravaging effects of COVID-19 that saw several businesses, markets and shops closed and curfew on movements-imposed country wide.

The key local revenue sources include; Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

The County has always continued to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) **Recruitment of additional Revenue collectors and Enforcement officers-** This has enabled the County Government to tap into more revenue streams with ease and also improve in sealing of revenue loopholes that were earlier identified.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

- 2) **Realignment and restructuring of Inspectorate Unit-** During the year under review, the Directorate of Inspectorate, Enforcement and Compliance was moved from Devolution, Public Service and Administration Department to Finance and Economic Planning docket to reduce on bureaucracies encountered in coordination of the sections that work hand in hand during revenue collection exercise. The realignment resulted to improved revenue collections in parking areas, quarries, cess points, etc hence facilitating in efficient and effective service delivery to the county residents.
- 3) **Installation of new infrastructure-** The County Government is in the process of installing weigh-bridges at Salaita, Ndi and Miasenyi (Miasenyi and Ndi) are 80% complete and are aimed to support in ensuring that the current revenue leakages are sealed.
- 4) **Improving the staff working environment** and facilitating Revenue Directorate with enough accountable documents for Revenue collection and Reporting. The County Directorate and Two (2) for Inspectorate Directorate.

FINANCIAL PERFORMANCE

I. Budget Performance Against Actual Amounts

a) Revenue

In the year ended 30th June 2020, the County had total projected revenues of KShs 5,664,527,854 consisting of; KShs 230,000,000 from own sources and KShs 5,434,527,854 from other sources, including County Allocation through Exchequer and donor funding for various specific projects in the County Departments of Water, Agriculture, Mwatate Municipality and Health Services.

A graphical representation of the revenue budget is as shown below:

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

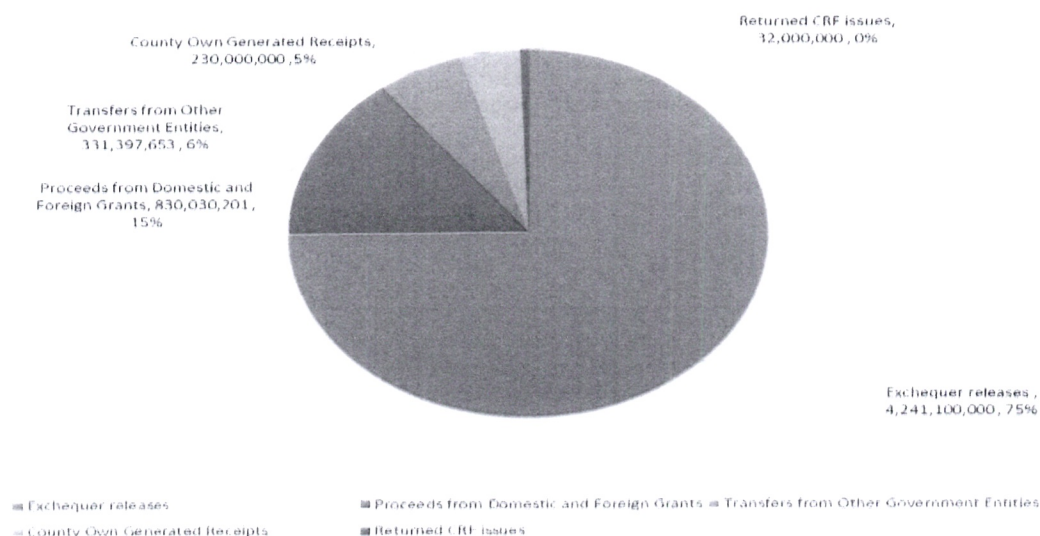


Figure 1: Taita Taveta County revenue sources in FY 2019/2020

CARA revenues continue to form the largest part of our revenue budget, contributing 75 % towards our budget. Our own generated revenues formed 5% of our budget.

Out of the projected revenue, the County was able to realize KShs **4,818,704,414** in actual revenues, representing 85% performance. This performance was as a result of 91% realization of the County Allocation through Exchequer, 129% on own generated revenues, 100% Transfers from other government entities and 38% was actualized from Donors and Development Partners.

The table below shows an analysis of revenue performance during the year ended 30th June, 2020.

Table 1: Revenue performance in FY 2019/2020

| Revenue Classification | Revenue Budget (ksh) | Actual (Ksh) | Realisation (%) |
|---|----------------------|-------------------------|-----------------|
| CARA | 5,218,437,416 | 4,251,562,714.40 | 81% |
| Proceeds from Domestic and Foreign Grants | - | - | |
| Transfers from National Government | 184,090,438 | 271,023,160.50 | 147% |
| County Own Generated Receipts | 230,000,000 | 296,039,121.55 | 129% |
| Returned CRF issues | 32,000,000 | 79,417.95 | 0% |
| Total | 5,664,527,854 | 4,818,704,414.40 | 85% |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

b) Payments

in the year under review, the County Government of Taita Taveta had projected expenditures of Kshs. 5,742,308,854 and was able to utilize a total of Kshs. 4,730,113,309 representing an absorption rate of 84%. The expenditure comprised of KShs 860,582,681 spent on development activities while KShs 3,869,530,628 was spent on salaries and other recurrent activities. It is worthy to note that out of the projected donor funded revenues of KShs 830,030,201 we only realized KShs 314,262,711 hence affecting the development absorption rate.

II. Cash flows

In the FY 2019/2020, the cash and cash equivalents increased from KShs 242,093,200 as at 30th June 2019 to KShs 345,536,999 as at 30th June 2020. The increase in net cash flow as at the end of financial year under review was as a result of slow absorption of some donor funded projects whose works were still ongoing as at the close of the financial year under review. The projects include those in Agriculture, Health, Public Works and Mwatate Municipality, i.e EU Ideas Banana Processing Plant, Agricultural Sector Development Support, Kenya Climate Support Agricultural Programme, Results Based Financing, Kenya Devolution Support Programme, Roads Maintenance Fuel Levy and Mwatate Municipality Urban Support Programme.

III. Accounts receivables

Imprest management is a critical area of focus in Taita Taveta County and we always strive to adhere to the PFM Act, 2012 and its regulations on imprest management. The County Treasury has been putting in control measures to ensure that County staff surrender their imprests on time. Some of these measures include recovery of unsurrendered imprests through payroll, stoppage of salary for defaulters and sensitizing all County staff on effective imprest management through Circulars and Memos.

There was a general positive improvement in the amount of outstanding imprests as at 30th June, 2020 as compared to the previous financial year 2018/2019 due to stringent measures that were put in place. The total outstanding imprests in the FY 2019/2020 stood at Kshs.6,796,700 as compared to Kshs.15,919,597 in the previous FY 2018/2019.

IV. Pending bills

The county Government has been putting in effort towards settlement of eligible pending bills as directed in the presidential pronouncement on payment of bills owed to suppliers and contractors. In the financial year under review, the County Government had an

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

accrued eligible pending bill of Kshs. 652,861,867 out of which Ksh.436,124,855.86 was paid to various suppliers as at 30th June, 2020.

The County Government was unable to fully settle the pending bills due to the low revenue collection experienced as a result of COVID-19 pandemic outbreak and the late exchequer releases from the National Treasury during the period under review.

During the financial year under review, the County reported additional pending bills of Kshs. 539,998,841.61. The increased pending bills were as a result of completion of projects initiated in the previous financial years, completion of the verification exercise by the Pending Bills Committee and subsequent clearance of some pending bills initially declared as ineligible for payment due to insufficient projects information and COVID-19 supplies made and remained unpaid during the year under review. Therefore, the cumulative pending bills as at 30th June 2020 stood at Kshs. 756,735,853.00.

The stock of pending bills as at 30th June, 2020 will be prioritized and paid in the subsequent financial year 2020/2021. Additionally, to closely monitor and stem the growth of the pending bills the County Government has embraced full E-Procurement cycle which will facilitate in ensuring that all procurements for goods and services are committed against budgeted provisions before execution of activities.

The County Treasury has also established a section to solely handle accounts payable and be submitting bi-weekly reports on progress in settlement of the outstanding pending bills. The Departments which are huge cost centers, such as Health, Public Works, Water, Education and Youth, Sports and Social services have been assigned additional procurement officers to effectively manage the sourcing, storage and distribution of the various items being procured from time to time. Additionally, from December, 2019 the County Government established a Central Stores for Drugs to improve on the utilization of the various medical drugs and commodities being purchased from time to time. This has greatly reduced incidences of pilferage hence contributing in effective and reliable service delivery to the County Residents.

Furthermore, the County Government has recruited four (4) Motor Vehicle Mechanics to be stationed at the County Garage and be responsible for the routine maintenance of the County fleet. This is a strategy to mitigate against huge costs incurred during the repairs of the County Motor Vehicles at private garages. This is in addition to the centralization of the motor vehicle fueling to ensure that no fuel is committed by a given department and it remains unutilized yet other departments with numerous activities goes without fuel.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

V. Fixed assets

The Current County Administration has made significant investments in fixed assets since coming into office in August 2017. Additionally, the County inherited some assets from the defunct County and Municipal councils the same have been incorporated in the County Asset Register which is updated regularly. The County Treasury has also set up an office and deployed staff dedicated to continuously be updating the Asset Register as a key step in ensuring that the County secure and appropriately manage its assets.

In the year under review, an Assets Disposal Committee was formed to identify, inspect and give recommendation for disposal of obsolete, unserviceable, and surplus assets in various County departments. The exercise was completed and the items identified will be boarded and an advert placed for interested persons to bid for their preferred items.

OPERATIONAL PERFORMANCE

During the year under review, the County Government operations were going on smoothly until March 2020 when the first COVID-19 case was reported in the Country. The emergence of the pandemic saw the County scale down its operations due to the restrictions on movement and gatherings throughout the Country as part of measures meant to mitigate against the spread of the virus. Most of the affected activities were the planned public participation exercises to engage the County Citizenry on the various activities the County Government was implementing or planning to execute in the preceding financial years'.

However, the County was able to continue offering services to its residents and implement most of its ongoing projects in various departments as summarized below:

a) Public Works, Roads, Transport and Infrastructure

During the year under review, the County Government, through the Department of Public Works, Roads, Transport and Infrastructure, was able to improve road network across the County by 19%. Over 140 Kilometers length of road network was undertaken through funds from the Roads Maintenance Fuel Levy funds and 568.6 Kms, comprising of 540.3KMs of graded roads and 28.25KMs of graveled (murrammed roads), were done through County Own Plants and Machinery. This has greatly improved roads access and connectivity to market centers, hospitals, schools and various villages.

Among the major projects undertaken included construction of Fumba Bridge in Wumingu /Kishushe ward, Slabbing of Nganjinyi – Mwanyambo road in Ronge ward, Concrete Slabbing of Kesse – Mzazala – Saghassa road in Werugha ward, construction of

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

Foothbridge at Kaloleni, Mlegwa Foothbridge at Bura ward, Slabbing of Mlangoni-Kishamba road in Wusi/Kishamba ward,etc. Summarized list of roads improved through own source revenue and County Plants and Machinery are as shown in the attached schedule:

| NO | WARD | ROAD NAME(S) | GRADED LENGTH (KM) | GRAVELLED LENGTH (KM) | TOTAL (KMs) |
|----|----------|---|--------------------|-----------------------|-------------|
| 1 | MAHOO | Brighter Days Academy Road, By-Pass - Lessesia Road , Airstrip – Tangini – Bypass Road, Safaricom – Rashia Road,Danida Road in California,Mbochi – Kijuijui Road, New Divine Academy Road, ABC – Kwa Mathayo Road, Devine Favour Academy – Kilimanjaro Road, Majengo – Danida Road ,Ngelesani Road,Malkloriti Dispensary Road | 16.7 | 3.5 | 20.2 |
| 2 | BOMENI | KWS – Mama Muhika Road, KIE – Manyata Road, Mambaria – Msheghesheni Rd ,Kiwalwa – Msheghesheni Road,Njoro Primary Road, Mungwana – Adams Road, Mbuya -Kasolo Road,University – Msheghesheni Rd,Msheghesheni -Njoro Sec Rd | 6.8 | 1.3 | 8.1 |
| 3 | MATA | Ndilidau Dispensary Rd, Kasaani Rd, Cessi – Rekeke Dispensary Rd,Tangini Primary School Road, Feeder Roads around Matta Town Centre | 21.3 | 3 | 24.3 |
| 4 | CHALA | Njukini Market Feeder Roads,Chumvini Market Feeder Rds,Mathuku – Makimu – Mahandakini Rd, Sir Ramson C1, Chumvini – Ulawani,Chumvini – Mpakani Road, C.B.O. Mahandakini Road, Njukini – Musini Primary School Road, Chumvini Polytechnic Play Field Road, ABC – Njukini Road, Njukini Society Block(A-B) Road, Njukini Society Block C Road | 27.9 | 0 | 27.9 |
| 5 | MBOGHONI | Banana Processing Plant Road and Access to Taveta VTC, Kitogoto Pri School,Eldoro - Catholic Church Road, Kwa Chief Main AP Camp (Eldoro B1), Junct to Mwacharo Kubo (ends in Eldoro C), Patron Hill Junct – Eldoro C Pre-School, Kasegon – Eldoro Town Centre – Kitogoto Rd, Neema Pre-School Rd (Eldoro A), Kwa Kadege – Machane Rd (Eldoro B1), Eldoro B1 Feeder roads, Eldoro A1 Feeder roads, Eldoro - Kamleza Feeder roads, Ngutini – Lambo Road , Kitogoto Pri School, Eldoro - Mzambarauni Road, Kwa Father – Kiwalwa Road, Kambungu Road | 23.6 | 1.6 | 25.2 |
| 6 | MBOLOLO | Mwakiki - mkwachunyi, Makutano sec road, Mwakiki primary road , Moi hospi- Mwakingali, Power line - Mabomani roads, Voi MTF-Voi sec school, Tausa Health Centre Rd, Mkwachunyi Kwa Mchanga Rd, Kirutai Feeder Roads, Mabomani Feeder Roads | 37.3 | 8 | 45.3 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | | |
|----|----------------|--|------|------|-------|
| 7 | NGOLIA | Madangonyi road, Millionaire road, Majengo road, ACK Ghazi – Mgalenyi Rd, Lumbarwa - Chongonyi, Lumbarwa - Mbulia, Mwakajo - Mkwachunyi , Mdawa Road,Mwadilo Mbulia | 33.5 | | 33.5 |
| 8 | KALOLENI | Fly over - Birikani road, Kasarani feeder roads, Gimba Mlegwa Health Centre rd, Kosovo Feeder Roads, Kariakor/ Taita Uniforms Bangladesh Gaza, Tanzania Feeder Roads, Sofia Jua Kali, Triangle Feeder Roads, Railways Road | 19.7 | 1.5 | 21.2 |
| 9 | SAGALLA | Mwamunga road, Lata road, Mwameni mwangoni road, Loghola road, Loghola road, Sowa Bamako Dispensary, Kajire Dispensary Rd, Kirumbi Kileva Primary, G. Mosi Primary Rd, Kwa Mwambui – Talio Nyika borehole Rd, Mwambiti – Gogota Rd, Mwambiti – Silanga Rd, Mwakoma – Bwaka Rd, Mwalangi – Chief's office Rd, Kishamba Juu – Mbale Rd | 38.4 | 0 | 38.4 |
| 10 | MARUNGU | Westerman road, Miasenyi feeder roads, Marungu VTC Majengo, Kale- Majengo, Kipipiri Feeder Rd, Bughuta Kikongorinyi Rd, Bughuta Social Hall Rd | 19.7 | 0 | 19.7 |
| 11 | KASIGHAU | Bughuta - Mlalakawi road, Bughuta - Sasenyi, Bungule to Kirongwe Rd , Kisimenyi – Kwaho Gae Rd, Mkulima Ngambenyi Rd, Bughuta Kikongorinyi Rd | 33 | 0 | 33 |
| 12 | MWATATE | Ziwa- modambogho road, Mlambenyi- msisinenyi, Landi- Mdindinyi , Singila - Manjengo, Madungunyi rd, Brighter days-Omega, Mwatate pri-catholic – junction, Msengenyi –jombo | 19.3 | 6.25 | 25.55 |
| 13 | CHAWIA | Jombo- Mwakitutu, Manganga- Mruru, Mngama road, Dmk - jonathan mwakio, Iribongonyi - sechu, Kironge Mazola, Omega-Kitivo, Chawia high-Jangara | 26.9 | 0 | 26.9 |
| 14 | BURA | Mwashuma -Godoma, Bura station – Nyolo road, TTC-Mwasinenyi, Rehab centre-Mlughu , Barawa nyolo & bura dispensary access | 15.8 | 0 | 15.8 |
| 15 | WUSI/KISHAMBA | Dembwa market road, Dembwa Dispenasry road,KEFRI-Madoka rd, Kidimo rd , Kilulunyi vichwala, Ngulu-Mwachawaza-Sirienyi, Cheleka-kizingo-Josa, Kibaoni-Chawia high school | 38.2 | 1.2 | 39.4 |
| 16 | WUNDANYI/MBALE | Masumbesunyi - Mwakanyi, Mbengonyi / Kungu, Mwasombo Wasinyi, Rocks Kwa Mwacheda, Mwakanyi - Serenyi, Wanganga-Choke Primary School, Choke Primary School/ Mghoghonyi, Mnyuchi/Sirienyi, Midi yawaka/Mwalenyi/Kitukunyi, Kungu - Mbengonyi, Wanganga to Choke Primary, Meynard Primary Mbale ACK church road, Mwade | 34.4 | 0.3 | 34.7 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | | |
|----|------------------|---|--------------|--------------|--------------|
| | | Kwa Mwacheda, Midi ya Waka Mwalenyi Kitukunyi, Mwakanyi - Serienyi, Shigharo Primary Chome | | | |
| 17 | WUMINGU/KISHUSHE | Kishenyi/Mashighi/Mkuonyi, Mashighi/Grace Ministry Church, Ndiwenyi-Kitumbi-Primary School, Mferejinyi / Mwakilemba, Mferejinyi/ Kwawafiti, Vighombonyi/ Mkiyayo, Kishenyi-vighombonyi-mule-kipusi road, Mongorua - Kilulunyi, Mkanyata - Mwakirembe, Iriwa - Mferejinyi, Iriwa Isange Church, Paranga - Telenyi, Nyache - Mghoghonyi | 62 | 0 | 62 |
| 18 | WERUGHA | Mlondo-Msanganinyi P.S, Kese -Ngulu, Kese-Shimbo-Express, Kese- Saghasa-Mnyengelonyi, Saghasa-Mwakishimba towards Nchikavu, Mwaroko/SangeRock dispensary, Kighala Junction to Wesu, Shimbo - Mwandiria Mwakishimba, Mlondo - Msanganinyi, Mdundonyi -Ngulu Kiweto Mbokole | 24.5 | 0 | 24.5 |
| 19 | RONG'E | Mvita- sisera, Ndile- mwakaleri, Mariwenyi - Mbamabarenyi, | 22.1 | 1.6 | 23.7 |
| 20 | MWANDA MGHANGE | Mghange - Mwabatu - Mwaroko, Kisanganinyi – Mghwala- Ivunyi Mwalashi Road, Msisia - Lushangonyi, Mtalimbonyi - Mwangea, Mghwala- Ivunyi- Karakanjara- St.Peters Ikuminyi | 19.2 | 0 | 19.2 |
| | | TOTAL | 540.3 | 28.25 | 568.6 |

Public Works projects pictorial presentation(sampled)



Slabbing of Nganjinyi - Mwanyambo road in Rong'e ward , Mwatate sub-county. FY 2019/2020

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



Mleghwa bridge before and after construction in the FY 2019/2020



Fumba bridge construction in Wumingu-Kishushe, Wundanyi sub-county



H.E governor Granton Samboja inspecting the expansion of Mwangea primary school road in Mwanda Mgange, Wundanyi sub-county.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



Saraa Ikonde -Kapanga road at Mgange Mwanda Ward, Wundanyi Sub County whose formation was expanded by the county government in the FY 2019/2020.



Expansion, grading and slabbing of Kese –Mzazala-Saghasa road in Werugha Ward, Wundanyi sub-county.



Murraming of Kaloleni feeder roads in Voi.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



Murraming of Mwakingali roads in Mbololo Ward, Voi sub-county

b) Agriculture, Livestock, veterinary and Fisheries

During the year under review the County Government, through the Department of Agriculture, Livestock, Veterinary and Fisheries, focus its energy towards improving Agricultural value chain development through enhanced extension support services, crop development, soil and water management, agribusiness and market development, mechanization of agriculture and irrigation. This was in line with the Big Four Agenda on Food Security as contained in the Medium Term Development Plan.

The department is also working closely with development partners to promote drought tolerant crops as a strategy to mitigate against the effects of Climate Change. This saw the farmers in our County venture into sorghum farming and signed an MOU with East African Maltings Limited a subsidiary of East African Breweries Limited. To support this initiative, the County Government supplied Sorghum farmers with seedlings worth Shillings One Million (Kshs.1 Mn) to boost their production which in the long run will lead to increases job creation, income generation and poverty reduction.

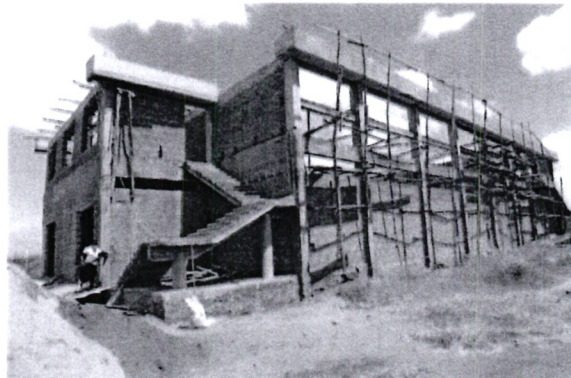
Other notable achievements of Agric & Irrigation department during the fiscal year 2019/20:

- I. Completion of **Ufunguo Water Pan** in Kasigau Ward, Voi Sub County. It has a capacity of 30,000 cubic meters and it provides water for domestic and livestock and can as well cater for minor irrigation for by the surrounding community. The target population is 3000 people.
- II. **Rehabilitation of Njoro Kubwa canal in Taveta** was completed. This canal is 12 km long and 5000 acres of land now have water for irrigation hence empowering farmers to improve crop production and productivity.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

- III. **Construction of Banana Processing Factory in Taveta.** The building during the reporting period had reached superstructure. This project will address marketing of banana through value addition hence both production and productivity of banana will be improved.
- IV. **Construction Mukuru Dam.** The Construction of Mukuru Dam in Wumingu/Kishushe Ward was completed and it has a capacity of 100,000 cubic meters and is estimated to serve 5000 farmers. The water will also be for domestic use, livestock and minor irrigation.
- V. **Agroforestry Cover:** The department aims at improving agroforestry cover both in the Highland and Low land parts of the County. During the period under review ,the department distributed to farmers 2,500 Macadamia seedlings (Murang'a 20);5,714 Avocado(Hass)and 2,857 Apple Mango. In collaboration with AFA (Agric & Food Authority), over 10,000 Cashew nuts and Coconut seedlings were distributed to farmers all over the County with the bulk part of it going to Taveta Sub County.

Agriculture, Livestock, veterinary and Fisheries Projects pictorial (sampled)



CS for Devolution Hon. Eugene Wamalwa and CECM for Agriculture, Livestock, Veterinary and Fisheries Hon. Davis Mwangoma touring the ongoing construction of Banana processing plant in Taveta.



Distribution of 5,000 litres Water tanks at Mgange, Mwanda-Mgange ward, Wundanyi Sub County to promote irrigation agriculture through rain water harvesting through a partnership between World Food Program and the County Government of Taita Taveta.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

c) Health Services Department

Despite the disruptions caused by the COVID-19 pandemic in the year under review, the Department of Health Services was able to achieve great milestones towards improvement of access to medical care and services by the County Residents. The journey towards this includes the installation of Health Integrated Management Information system (HIMIS) for monitoring of operations in all our hospitals across the County and setting up of a Central Drugs Store in Wundanyi Town meant to streamline the receiving, storage and distribution of drugs and other medical commodities to all the Hospitals, Health Centres and Dispensaries across the County. Other projects accomplished during the year include: the completion of Moi Hospital Outpatient wing, George Faraji Dispensary in Saghasa, Vighombonyi Dispensary, Mbale Male Ward, Paranga Dispensary, Equipping of Rekeke Health Centre, refurbishment of Wesu Sub County Rehabilitation Centre Building, commissioning of equipped Makandenyi Maternity Block, and refurbishment of Mahandakini dispensary blocks, etc.

Health Services Department Projects pictorial presentation (sampled)

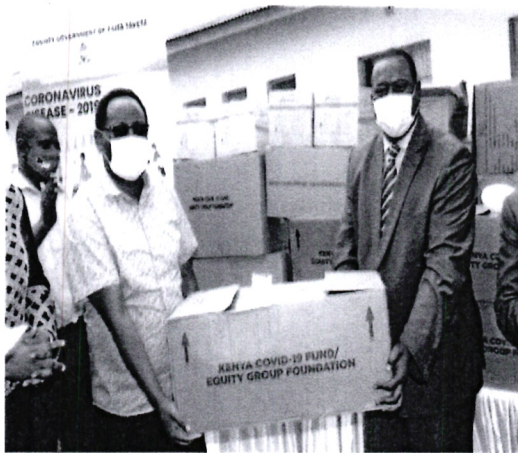


H.E Governor Granton Samboja during the commissioning of the new ultra-modern out-patient block at the Moi County Referral Hospital (MCRH) in a bid to ease congestion at the facility.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



CECM Health Services Mr. John Mwakima opening the Mbale Male Ward, Wundanyi sub-county. The facility has brought health services closer to the people.



H.E Governor Granton Samboja receiving a donation of Personal Protective Equipment(PPEs) from Equity Bank Ltd, Marketing Director, Mr.David Nyamu to help in the fight against COVID-19.

d) Water, Environment, Climate Change & Sanitation Department

Inadequate clean and safe drinking water and sustainable sanitation is still one of the biggest challenges facing our County despite it being home to natural water springs and a source of water for Counties that surround it. However, with close collaboration with other stakeholders like the Kenya Red Cross Society, National Drought Management Authority, Water Sector Trust Fund, National Ministry of Water and Irrigation, Kenya Coast Development Authority, World Vision and World Bank, the County Government has continued with the implementation of

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

several notable water projects ranging from development of new water sources, borehole drilling, equipping and solar power installation.

During the year under review the department completed the construction of Kimwa and Saraa water projects, Marungu Water Project in Mwanda-Mgange ward, Kisambinyi Koenyi water project in Mbololo Ward, through Tavevo Water and Sewerage Company Ltd procured 10 Motorcycles of 175CC, Purchased of Repair kit (Critical operational tools & fittings), Purchase of Office Equipment and Furniture, among others.

Water and Sanitation projects pictorial presentation (sampled)



H.E Governor Granton Samboja commissioning the Kisambinyi Koenyi water project in Mbololo Ward, Voi sub-county.

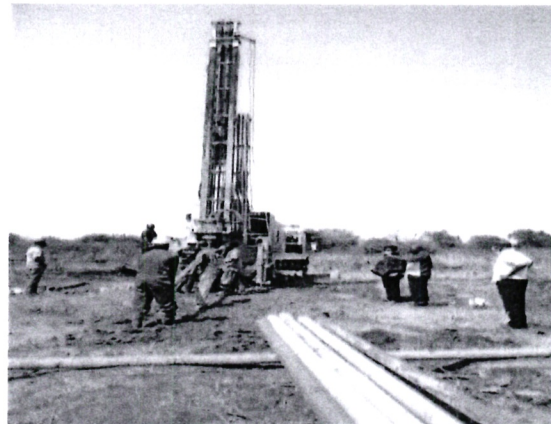
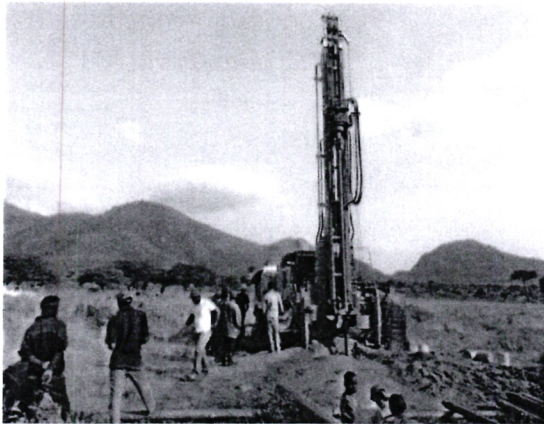


Delivering pipes for water distribution at Mazola, Mwatate ward.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



Commissioning of Kanyagha water project in Wumingu Kishushe Ward through a partnership between the County Government and National Drought Management Authority.



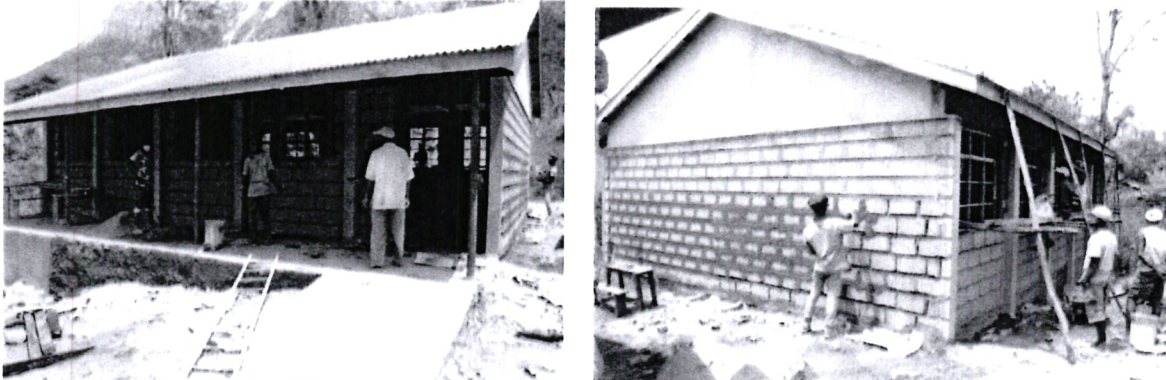
Water drilling at Marungu in Mwanda/Mgange Ward, Wundanyi Sub County.

e) Education

The department of Education, Libraries and Vocational Training has continued to pursue its mission of providing, promoting and coordinating access to basic quality education and training for sustainable development. In the year under review the Department's efforts resulted to an increased enrolment at ECDE Centres from 11815 in FY 2018/2019 to 12514 in the FY 2019/2020. It also managed to procure and issue 3,400 teacher guides to all the 313 ECDE centres in the county on the five learning activity areas.

Among the other achievements is the construction and rehabilitation of nineteen ECDEs and VTCs across the County, with Tausa, Ghazi, Mwanda, Mwanjila, Bungule and Mwarungu Vocational Training Centers being among those renovated during the year under review.

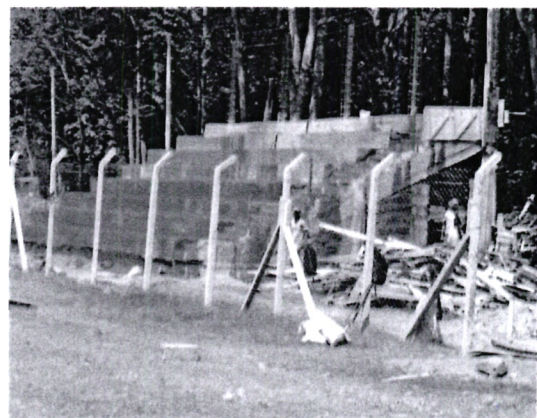
COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020



Ongoing construction of Bungule VTC IN Kasighau ward.

f) Youth, Sports and Social Services

During the year under review the Department of Youth, Sports and Social services embarked on an ambitious program to rehabilitate sports facilities in the County as a channel towards improving the talent of the sports men and women in the County. Through this initiative various projects are ongoing, including the Construction of Flagship Dawson Mwanyumba Stadium in Wundanyi Sub County, Moi Stadium in Voi Sub County, Mwatunge Stadium in Mwatate Sub County, etc. The department also purchased and distributed various items for Youth NAD Women Empowerment to boost their income generating activities. The items included a Farm Tractor for Ebenezer CBO in Mahoo Ward, Taveta Sub County, motorbikes for various wards, tents and plastic chairs, etc.



Ongoing construction of the Dawson Mwanyumba stadium, Wundanyi in the FY 2019/2020. The facility will improve sports activities in the region.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

g) Trade, Tourism and Industry

The department continues with its efforts geared towards the creation of a conducive environment for county business stakeholders and in encouraging investors and other development partners to tap into the available investment opportunities in our county, often referred to as “the Hidden Treasure.” During the year under review, the County Government of Taita Taveta initiated a partnership with Export Processing Zone Authority (EPZA) to set up an Export Processing Zone in Ndii, Voi Sub County along Mombasa- Nairobi Highway. The partnership is intended to create thousands of jobs for our Youths and Women as well as being a market for the various produce from the County.

IMPLEMENTATION CHALLENGES OF STRATEGIC OBJECTIVES

There were several challenges that affected the overall achievement of the County’s Strategic objectives. Some of these includes:

- i. **Emergence of COVID-19 Pandemic:**
This greatly affected the implementation of Economic Activities in the County as a result of the stringent measures put in place as per the Ministry of Health Protocols that resulted to closure of businesses and introduction of lockdowns hence reduction in Revenue collection by the County Government.
- ii. **Late disbursement of Funds:**
This negatively affected service delivery due to late honoring of invoices and bills from various supplier of goods and services. As at 30th June, 2020 the County had not received its Equitable share of June 2020 funds totaling over Kshs. 364,734,600 hence resulting to increase in outstanding pending bills as at 30th June, 2020.
- iii. **Unrealized grants from donors:**
The County Government of Taita Taveta received a total of Kshs. 314,262,711 from domestic and foreign grants from the projected Kshs. 830,030,201 hence resulting to under-performance of 62%, i.e Kshs.515,767,490 from this revenue stream hence denying the County residents the services which were to be actualized through these funds.
- iv. **Low local Revenue Collection:** This resulted from emergence of COVID-19 that resulted to little business activities forcing the County to revise its revenue projections from Kshs.350 Million to Kshs.230Million in the year under review.

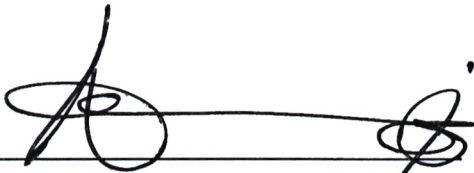
COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

Conclusion

Despite the emergence of COVID-19 in the Country on March, 2020, the FY 2019/2020 was a good year in general. Good progress was made in absorption of funds, unlike in the previous financial year 2018/2019 and the momentum has been created to enable Taita Taveta County continue on a trajectory into prosperity. We have identified gaps and areas to improve in the next financial year 2020/2021.

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

I thank all staff in the County Government for their continued commitment and dedication through hard work in delivering services to the people of Taita Taveta County.



County Executive Committee Member for Finance and Economic Planning
County Government of Taita Taveta

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

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

Strategic development objectives

The County's 2018-2022 CIDP has identified 5 key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

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

The key development objectives in the County Integrated Development Plan(CIDP) 2018-2022 are to:

1. Increase access to clean, quality, affordable and potable water for all households, schools and health facilities. **(WATER)**
2. Ensure quality education through development of ECDE and Library services, equipping of schools and enhanced bursaries allocation **(EDUCATION)**
3. Provide quality infrastructure including improved roads network, ICT, quality housing, Land management and adoption of alternative sources of energy. **(INFRASTRUCTURE)**
4. Invest in quality, accessible and affordable health care services including provision of prerequisite equipment, drugs and health personnel. **(HEALTH)**
5. Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, water for irrigation and livestock throughout the County. **(FOOD SECURITY)**
6. Empower Youth, women, and vulnerable members of the community through establishment of small scale cooperatives, talents identification and nurturing and improved access to cheap and affordable credit. **(COMMUNITY EMPOWERMENT)**

Progress on attainment of Strategic development objectives

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| Department | Objective | Outcome | Indicator | Performance |
|------------------------|---|---|--|--|
| Health Services | To Provide curative and rehabilitative services at all health service delivery units | Effective and efficient curative and rehabilitative health care services to the county citizens | -Increase in number of facilities offering curative and rehabilitative health care services -% increase of access to specialised diagnostic services -% increase in availability of tracer drugs | Rehabilitated MCRH OPD, Mbale Health Centre male ward and opening of 2 new facilities (Saghasa, Vighombonyi), 10% increase in number clients accessing diagnostic services 60% availability of tracer drugs at all health facilities |
| | To provide preventive & promotive health interventions across the county | Effective and efficient preventive and promotive health interventions within the county | -Increased No. of eligible HIV clients on ARV's -No. of targeted pregnant women provided with LLITN's -No of weekly reports for disease surveillance -Number of dialogue and action days conducted at community level with CHVs -No. of children 6-11 months supplemented with Vitamin A | 6656 clients were put on ARVs 8000 women provided with LLITNs 98% reporting for notifiable disease 420 dialogue and health action days conducted at community level with CHVs 35768 children supplemented with Vitamin A |
| | To improve the planning, management and coordination of health services in the County | Effective and efficient Coordination of Health services in the County | -Increased number for HR -Increased number of ambulances and utility vehicles | Recruitment of 355 new HRH Procurement of 3 new ambulances and 2 utility vehicles Facelifting and renovation of MCRH, |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | |
|---|--|--|--|--|
| | | | -Number of facilities renovated | Taveta Hospital, Wesu SCH and Mwatate SCH |
| | To improve Reproductive maternal neonatal child health (RMNCH) services | Increased access to RMNCH services | -No. of integrated outreaches conducted -No. of children fully immunized -No of women attending at least 4 ANC visits -No of women delivering at our health facilities | 208 integrated outreaches conducted 8239 children fully immunized 5926 women attending 4 ANC visits 7451 women delivered in our health facilities |
| | To provide effective and efficient Covid-19 intervention across the county | Effective and efficient implementation of Covid-19 interventions within the county | -No of isolation wards in the County -No. of isolation wards equipped -No. of ICU in the County -Number of RRT teams for Covid 19 management -No. of health workers and stakeholders trained on Covid 19 | Covid-19 isolation wards set up in MCRH, Taveta, Wesu, Mwatate, Rekeke and Mwanagea 6 wards equipped at MCRH, Taveta, Wesu, Mwatate, Rekeke and Mwanagea Setting up of 1 ICU Unit in Mwatate SCH 4 RRT teams set up for Covid 19 management 2756 health workers and stakeholders trained on Covid 19 |
| Public Works, Roads, Transport & Infrastructure | To develop and maintain roads and storm water drainage to global standards | Increased efficient transportation of people, goods and services | Length in Kms of roads graveled and maintained | -In FY 2019/2020 we increased memorable and passable roads by 60% with a total of 540.3Kms roads graded and 28.25 Kms graveled. - 5 roads formed and expanded. |
| | | | Number of roads equipment revived | 1 excavator, 3 graders, 2 rollers, 1 back hoe and 1 tipper were revived and are fully operational |
| | To develop and | Increased | % increase in trade | -All the County streetlights were |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | |
|---------------------------|---|--|---|---|
| | maintain street and security lighting infrastructure | public safety and security and business opportunity | % reduction of crime | maintained. -5 streetlights masts erected through the Support of Slum Upgrading Program. -Crime rates reduced in Market centers by 30%. |
| | Establishment of Fire Service Stations to all Sub Counties | Increased capacity to respond to fire incidences in the County | No of fire stations and equipment procured/rehabilitated | -Main fire station under construction at Voi Town. -1 Fire Engine refurbished |
| Water and Sanitation | To increase access to clean, quality and portable water | Increased access to clean water | % of households with access to clean water | 60% of households currently have access to clean and potable water |
| | | | Proportion of water reservoirs chlorinated | 80% of all water reservoirs were chlorinated |
| | To increase the level sanitation | Improved waste disposal and management | Number of waste management hubs developed/dumpsites rehabilitated | The dumpsite at chakaleri was rehabilitated Taka Taka ni mali initiative was launched. |
| Youth and Sports | To improve sporting infrastructure | Improved sporting infrastructure | Number of sports facilities constructed/rehabilitated | -Moi stadium in Voi and Wundanyi stadium are under construction -Mwatunge Stadium graded and levelled |
| Food Security/Agriculture | Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, water for irrigation and livestock throughout the County. | Improved food and nutrition security | No. of farmers trained | 11,000 farmers trained through field days, on farm demonstrations, farm visits among other extension approaches |
| | | | No. of macadamia seedlings procured and distributed | 2500 macadamia (Murangá 20) seedlings distributed |
| | | | No. of mango seedlings procured and distributed to | 2,857 mango seedlings distributed |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | |
|--|--|--|--|---|
| | | | farmer beneficiaries | |
| | | | No. of avocado seedlings procured and distributed to farmer beneficiaries | 5,714 avocado (Hass) seedlings distributed |
| | | | No. of water harvesting structures rehabilitated | 1 water pan completed under KCSAP project – Ufunguo water pan (Kasighau ward) |
| | | | | 1 irrigation canal rehabilitated (Njoro Kubwa irrigation canal in Taveta) |
| | | | No. of water pipes procured and distributed | 63 (4 inch) irrigation pipes distributed to vulnerable groups 0 |
| | Enhanced extension services | Livestock technologies disseminated to farmers for improved productivity | No. of field-days held No. of shows held and international shows participation. No. of farmers reached through exhibition and shows and on-farm demonstrations | Livestock extension services enhanced through; One county show held and livestock technologies disseminated to 3000 farmers. 130 exhibitors attended the show. 35 livestock farmers exhibited in Mombasa show for farming technologies dissemination and networking. one officers attended Nairobi Internal trade fair. 14 fielddays held in Mata,mboghoni,Chala, ,Bomani,MahooWerugha,Bura,Wundanyi Mbale ,Mbololo,wusi Kishamba. 1560 farm families trained through farm visits 8 dairy farmer groups, 4 dairy cooperatives, one bee keeper cooperative strained |
| | Promotion of bee keeping in the county | Promote bee keeping in the county | No. of bee hives distributed | 140 bee hives and equipment's distributed to farmer groups in Mwatate ward,Bura,Mbololo,Kasighau,Wundanyi,Challa,Mahoo,Mata |
| | Promotion of livestock breeding programmes | Enhanced breeding and multiplication of quality | No. of breeding and multiplication centres operationalized | Bachuma Livestock multiplication centre in operation.130 heads of Boran and Sahiwal cattle, 270 Galla breeding goats and 13 Dorper breeding sheep |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | |
|--|---|---|---|--|
| | | breeding stock | | raised. |
| | Enhance market access and value addition of livestock and livestock products | Increased access to market through development of livestock market infrastructure s organized producer organization and value addition. | No. of producer organization trained and put into operation | One cooperative –Tagho dairy Cooperative operationalized into commercial milk bulking and cooling centre in Wundanyi ward. Livestock trade and market information disseminated. 15 ranching companies with share holding of 6000 members linked to local and regional market |
| | Support enabling environment for livestock investment and production | Strengthen institutions through review of policies and bills | No. of policies and bills developed | Effective and efficient service delivery through development and review of appropriate livestock policies and bills. Ranching and Grazing policy developed |
| | Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, water for irrigation and livestock throughout the County. | Improved livestock breeds for enhanced food security | No of livestock inseminated and calves born | 1800 cattle inseminated using subsidized semen 720 calves of improved breeds born 1 AI Centre operationalized and maintained (Wundanyi) |
| | | To reduce incidences of livestock diseases for increased productivity | No of livestock vaccinated against vaccine-preventable diseases | 22, 622 vaccinated against vaccine-preventable diseases 52 passive surveillance visits done |
| | | Promote and safeguard human health by ensuring access to safe meat and | No of animals slaughtered and inspected in County slaughterhouses | 5,527 cattle, 13,417 small stock and 32 camels slaughtered and inspected 6 county slaughterhouses maintained |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | |
|-----------|---|---|---|---|
| | | meat products | | |
| | | Improved access to extension services | No of field days/farm visits/inspection visits done | 27 leather premises inspected and licensed 132 flayers trained and licensed 1,800 farmers trained on livestock improved practices |
| Education | Ensure quality education through development of ECDE and Library services, equipping of schools and enhanced bursaries allocation | Increased access to early childhood education, secondary, tertiary and university education | Increase in number of ecde teachers employed and ecde centres offering early childhood education. Number of schools that are benefiting from mobile library services Number of children given bursaries | -Ninety-one (91) teachers recruited and posted in various ecde centers in the county. -Twenty-three schools benefiting from mobile library services. -Four hundred children (secondary, tertiary and university) benefited from county education fund scholarship and bursaries program |

It is worthy to note that some objectives previously set in some sectors were not met as the County Government realigned its priorities by channelling most funds towards the fight against the spread of COVID-19. This led to preparation of a supplementary budget in the Month of April, 2020 that reduced allocations from various budget line in order to get adequate funds for purchase of Personal Protective Equipment, purchase of beds and construction of Isolation Ward. Going forward the County Government will continue looking for strategic partners and revamping its local revenue collection to facilitate in progressive implementation of 2018-2023 CIDP.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

a. Sustainability strategy and profile

The County Executive of Taita Taveta has continued to structure its programs towards development projects and activities that depicts high sense of value for money and goes a long way in alleviating the residents suffering and improving their ease of doing business. In the year under review the County Executive opened up access roads to remote villages and continued with the construction of social halls in various wards as a strategy for improving decentralization of services through public participation forums at the grassroots.

The County Executive has also been in the forefront in engaging donors, potential investors and other strategic partners through Memorandum of Understandings and Agreements on various programs geared towards improving the living standards of the County Residents.

To improve on the ease of doing business and security of our markets and residential areas, the County Government continued to maintain its several street lights, drainage and sewerage systems across the County. This resulted to a positive spill over as reflected in improved revenue collection over the last 2 financial years which has seen the County Government increase its services offered to its residents.

b. Environmental performance

To promote sustainable land use and environmental conservation the County Government undertook various capacity building and provision of materials geared towards environmental protection and sustainable land use.

Some of these activities include, but not limited to promotion of on farm water harvesting structures such as terraces, running tree planting campaigns during rainy seasons, distribution of organic manure, excavation of water pans and desisting of canals in Taveta Sub County. This has

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

greatly contributed in creation of a conducive environment to its residents and increased agricultural productivity through irrigation and control of flood waters. As a strategy in protecting our environment and riparian lands the County Government has developed Taita Taveta Sand Harvesting Act, 2020 to guide in the exploitation of sand as a resource in the construction sector.

c. Employee welfare

The County Government revamped its efforts in improving the welfare of its employees as a key ingredient to employee motivation and satisfactory work performance. Some of these activities includes the provision of Comprehensive Medical Cover through National Hospital Insurance Fund (NHIF) to all its cadre of staff.

The County also recruited additional staff through a competitive process by the County Public Service Board for the understaffed departments of Health Services, Education and Libraries, Revenue Directorate and Public Service and Administration. Through the process casual staff were replaced with long term contracts hence a boost on staff job security.

Additionally, the County completed the construction and equipping of the County Headquarters and County Treasury in Mwatate Sub-County hence providing the necessary office space and equipment needed for effective and efficient service delivery to the County residents and other stakeholders.

The County always strive to adhere to the Employment Act, 2007, Salaries and Remuneration Commission circulars and Human Resource manuals in the engagement and management of staff. Also the County continued to undertake staff appraisals and is usually a key tool before any promotion is undertaken.

d. Market place practices-

To entrench the spirit of competition in its activities, the County Government during the year under review embraced E-Procurement when sourcing of goods and services. The system enhances openness and transparency as tenders were advertised on the local dailies and also posted on the IFMIS portal hosted at The National Treasury. The same were opened, evaluated, awarded, inspected and received through the system hence sealing loopholes of any collusion that could have occurred.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

Additionally, the County Treasury through its Procurement Directorate trained all the suppliers, contracts and cyber operators through-out the County to build their capacity on online bidding and submission of tenders. Also the County strived to settle its pending bills as evidenced by creation of a budget line in Finance Department to offset the long outstanding debts.

As a strategy in promoting the growth of its markets, efforts were made to ensure that hawkers were directed to the available slots in the urban markets and all advertisements were registered and licensed by the County Government before undertaking their activities.

Furthermore, the County Government through the Department of Health Services inspected all hotels, eateries and other food outlets in order to safeguard the wellbeing and interests of its residents. This exercise was boosted by recruitment and deployment of additional Public Health officers to various sub-counties.

e. Community Engagements-

The County Government through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improved people's living standards. Several public participation exercises were conducted to collect views and contributions from the County residents on issues such proposed projects, progress reports, budgets, etc having a bearing on service delivery.

During the year under review several specialized medical camps, such as cancer screening, orthopaedic medical camps, were held in various parts of the County. This included a blood donation drive in partnership with Kenya Red Cross Society and The Kenya National Blood Transfusion Service (KNBTS) that was aimed at boosting the capacity of the County and the region in meeting blood demands in case of an emergency or accidents along the Mombasa – Nairobi Highway.

Following the emergence of COVID-19 in the Month of March, 2020 the County Government distributed various water tanks, soap and water to various market centres, bodaboda sheds, etc to help in prevention of the spread of the virus. Additionally, the County Government and the County Emergency response team distributed food stuffs, thermo guns, facemasks, etc to residents in various parts of the County to curb the spread of the disease.



County first Lady H.E Stella Samboja, launching a blood transfusion exercise at Moi Stadium, Voi Sub County.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

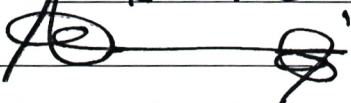
The County Executive Committee (CEC) member for Finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

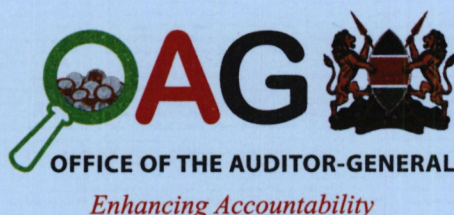
The County Government's financial statements were approved and signed by the CEC member for Finance on 28-12- 2020.



County Executive Committee Member – Finance

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Taita/Taveta set out on pages 1 to 36, which comprise the statement of assets and liabilities as at 30 June, 2020, the statement of receipts and payments, statement of cash flows and summary statement of appropriation – recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Unconfirmed Balances

1.1 County Own-Generated Revenue

The statement of receipts and payments reflects county own-generated receipts totalling Kshs.296,039,122. Review of revenue records revealed the following anomalies:

1.1.1 Market and Trading Centres Revenue

Note 9 to the financial statements reflects market and trade centres fee receipts totalling Kshs.26,162,199 collected during the year under review. Examination of revenue documents revealed that both Government Printer miscellaneous receipt books and receipt books printed by the County Executive were used to collect the revenue. However,

there was no indication that Management had established a robust system to track issues of new receipt books and returns of used ones. As a result, the receipt books were not properly accounted for.

In the circumstance, the accuracy and completeness of revenue totalling Kshs.26,162,199 reported to have been collected from market and trading centres during the year under review has not been confirmed.

1.2 Sub-County Health Facilities Revenue

The statement of receipts and payments reflects County own-generated receipts totaling Kshs.296,039,122 which include Kshs.50,299,006 from public health facilities. However, reports on revenue collected at Mwatate Sub-County Hospital were not presented for verification. As a result, it was not possible to confirm whether all the revenue due was collected, recorded and banked as required.

1.3 Pending Bills

1.3.1 Discrepancies in Pending Accounts Payables and Other Payables

Other important disclosures to the financial statements reflect pending accounts payables as at 30 June, 2020 totalling Kshs.756,735,853 in Annexure 2 and other pending payables totalling Kshs.48,912,001 in Annexure 4, all totalling Kshs.805,647,854.

However, the identities of the creditors owed the other pending payables totalling Kshs.48,912,000, and the dates the respective debts were incurred, was not disclosed. Further, recasting of the amounts depicted in the balance revealed a casting error of Kshs.184,390,146 suggesting that the pending payables balance as at 30 June, 2020 may have amounted to Kshs.233,302,147 and not Kshs.48,912,001 as reflected in the financial statements.

In addition, the analysis of pending accounts payables in Annex 2 to the financial statements reflects nil outstanding balances as at 30 June, 2019 whereas the pending accounts payables indicated in the financial statements for the year then ended reflected payables totalling Kshs.652,861,867.

Other records examined indicated that the County Executive made commitments under County Emergency – Covid-19 Vote amounting to Kshs.104,170,688 but only paid Kshs.42,908,527, leading to unsettled commitments of Kshs.61,262,161 as at 30 June, 2020.

Failure to settle bills in the year they occur distorts the financial statements for the year and adversely affects the provisions for the subsequent year to which the bills have to be charged.

1.3.2 Undisclosed Revenue Management System Fees

As previously reported, the County Executive implemented a new electronic revenue collection system in 2014/2015 financial year at a contract sum of Kshs.27,999,320. Fees

equivalent to 4% of revenue collected through the system were, in addition, payable to the system's vendor every year for the three-year duration of the contract. As at 30 June, 2020, the fees paid by the County Executive to the vendor amounted to Kshs.33,295,472, out of which only Kshs.1,330,849 related to the year under review. However, the outstanding fees as at 30 June, 2020, if any, have not been disclosed in the pending bills balance reflected in the financial statements for the year under review. In view of these discrepancies, the accuracy and completeness of the pending bills balance totaling Kshs.805,647,854 as at 30 June, 2020 could not be confirmed.

1.4 Acquisition of Assets

1.4.1 Inadequate Disclosures on Fixed Assets

The summary of fixed assets register in Annex 5 to the financial statements reflects a fixed assets balance of Kshs.3,804,896,006 as at 30 June, 2020. However, records on the respective assets did not indicate important information such as the dates the assets were acquired, their costs and location.

As a result, the valuation and completeness as well as ownership and custody of all the assets valued at Kshs.3,804,896,006 as at 30 June, 2020 could not be confirmed.

1.4.2 Misclassified Expenditure

Note 17 to the financial statements indicates that Kshs.376,948,877 was spent on acquisition of assets during the year under review. Included in the balance is Kshs.13,430,247 spent on purchase of household furniture and institutional equipment. However, examination of procurement records revealed that the balance included several non-asset items valued at Kshs.2,842,010. Their inclusion in the balance has overstated expenditure on assets reported in the year under review.

1.5 Discrepancies in Donor Programme Receipts

Note 1C to the financial statements indicates that Exchequer Issues for donor funds in the year under review totaled Kshs.375,197,314. Included in the balance is Kshs.35,761,940 for Urban Development Grant (UDG) and Kshs.8,800,000 for Urban Institutional Grant (UIG) both disbursed under the Kenya Urban Support Programme funded by the World Bank and the National Government. However, the Programme's bank account reflected receipts totalling Kshs.50,000,000 under UDG and Kshs.8,800,000 under UIG resulting in unexplained variances of Kshs.14,238,060 and Kshs.32,400,000 in the records maintained for the respective grants.

In the circumstance, the accuracy and completeness of the Exchequer Issues totalling Kshs.44,561,940 for the Kenya Urban Support Programme has not been confirmed.

2.0 Unsupported Expenditure

2.1 Undelivered Medical Equipment and Supplies

Note 12 to the financial statements reflects use of goods and services expenditure totalling Kshs.869,642,744. Included in the balance is Kshs.207,829,509 spent on

purchase of specialized materials and services. However, records on the spending indicated that the County Management contracted a vendor to supply medical equipment and other supplies at a cost of Kshs.42,882,950 but only supplies worth Kshs.13,000,000 were delivered. The records further indicated that the Inspection and Acceptance Committee accepted supplies valued at Kshs.9,000 only.

Consequently, no value for money was obtained on public funds worth Kshs.33,882,950 spent on the undelivered and rejected medical supplies.

2.2 Unsupported Cash Transfer

In addition, the payments totalling Kshs.13,430,247 made for household furniture and institutional equipment include Kshs.1,300,000 being a transfer of funds from the Central Bank of Kenya Recurrent Account to the County Treasury Standing Imprest Account. However, the transfer was not explained or supported with any records and as a result, its occurrence and validity could not be confirmed.

3.0 Failure to Return County Revenue Fund Issues

The statement of receipts and payments for the year ended 30 June, 2020 reflects returned County Revenue Fund Exchequer issues totalling Kshs.79,418. The Notes 21A and 21B to the financial statements reflect bank and cash balances totalling Kshs.242,093,200 as at 30 June, 2019. However, as indicated in the statement of receipts and payments, only Kshs.79,418 of the unspent issues was transferred to the County Revenue Fund Account after the closure of the financial year leaving Kshs.242,013,782.

Management therefore contravened Section 136 (2) of the Public Finance Management Act, 2012, which requires each County Government holding unspent appropriated funds at the end of the respective financial year to repay the unspent money to the County Revenue Account. Further, the omission has distorted the financial position of the County Executive as at 30 June, 2020 as presented in the financial statements.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects final receipts budget and actuals on comparable basis totalling Kshs. 5,664,527,854 and Kshs.4,818,704,414 respectively resulting to an under-funding of Kshs.845,823,440 or 15% of the budget. Similarly, the County Executive spent Kshs.4,730,113,309 against an approved budget of Kshs.5,664,527,854 resulting to an under-expenditure of Kshs.934,414,545 or 16% of the budget. The funding shortfalls constrained execution of planned activities and service delivery to the residents of Taita/ Taveta County.

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 has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1.0 Implementation of Projects

The project status report prepared by Management indicated that the County Executive had budgeted to implement 492 projects at an aggregate cost of Kshs.614,590,781 during the year under review, and that at least 350 of these were completed. However, as outlined below, the audit confirmed that not all projects were executed as planned:

1.1 Unimplemented Projects

Project records indicated that as at 30 June, 2020, ten (10) projects budgeted at Kshs.18,047,510 were not implemented whereas six (6) others approved for implementation in the previous financial year at an estimated aggregate cost of Kshs.4,607,915 had stalled.

Among the unimplemented ones was Kenya Climate Smart Project funded by the World Bank. Records presented for audit indicated that a sum of Kshs.33,305,640 was transferred to various wards for use in community development activities under the project during the year. However, as at 30 June, 2020, the funds had not been spent and as a result, the benefits that they were expected to provide to the targeted communities were not realized.

1.2 Delayed Projects

Sampled verification of project execution activities indicated that several key projects were behind their respective completion schedules as outlined below:

1.2.1 Banana Processing Factory

Expenditure records indicated that a sum of Kshs.15,847,997 was during the year under review paid to a contractor for construction of a banana processing plant in Taveta. The project was initiated in May, 2019. The budget for the project amounted to Kshs.31,721,780 whereas the contract value was for Kshs.39,740,573. With the project planned for completion during the year in October, 2019, it was not clear how the financing shortfall amounting to Kshs.8,018,793 would be met. A progress-of-work report dated 27 December, 2019 indicated that only 36% of the contracted works had been done even though the project was behind schedule by three (3) months.

An audit inspection carried out in November, 2020 revealed that the building works were still incomplete and the banana processing plant had not been installed.

1.2.2 Construction Works at Moi Stadium

Procurement records indicated that a contract to build a wall, ticket booth, security rooms and two stalls at Moi Stadium was awarded at a cost of Kshs.8,437,333 in March, 2020. Payments made to the contractor totaled Kshs.5,000,000 as at 30 June, 2020.

However, verification of the project in November, 2020, indicated that the works were yet to be completed thirteen (13) weeks after the lapse of the expected completion date in August, 2020.

No adequate explanation was provided by Management for the delay.

1.2.3 Rehabilitation of Mwatate County Administration Offices and Other Miscellaneous Projects

The County Government in August, 2019 awarded a contract costing Kshs.48,162,006 for miscellaneous works that included rehabilitation of Mwatate County Administration Offices Access Road, construction of an 8-door modern toilet and construction of garbage receptacles. The other projects in the portfolio entailed construction of a car park and walkway and supply and installation of solar street lighting.

The contract period was to last for 20 weeks from 1 September, 2019 to 16 January, 2020. However, at the time of the audit in November, 2020 the works had not been completed even though ten months (10) had passed after the end of the contract completion date and payments totalling Kshs.40 million made to the contractor. No adequate explanation was provided by Management for the delay in completion of the works.

In view of the delay, the residents of Taita Taveta are yet to enjoy the benefits that the projects were intended to provide.

2.0 Irregularities in Compensation of Employees

Examination of personnel records indicated the following irregularities related to compensation of employees:

3.1 High County Wage Bill

The statement of receipts and payments reflects compensation of employees' expenditure totalling Kshs.2,131,653,372, as further disclosed in Note 11 to the financial statements. The expenditure was equivalent to 44 % of the reported County revenue receipts totalling Kshs.4,818,704,414 for the year and was in excess of the threshold of 35% prescribed for staff emoluments in Regulation 25 (1)(b) of the Public Finance Management (County Governments) Regulations, 2012. Therefore, the expenditure totalling Kshs.445,106,827 incurred in excess of the threshold was irregular and would otherwise have funded development projects and public services in the County.

3.2 Salaries Paid Outside the Integrated Payroll and Personnel Database System

Examination of payroll and salary records revealed that payments amounting to Kshs.230,481,849 were processed outside the Integrated Payroll and Personnel Database (IPPPD) System.

The payments were made contrary to the National Treasury Circular No.13/2019 which requires personnel emoluments payments to be supported by Integrated Personnel Payroll Date (IPPD) system records.

4.0 Outstanding Imprests

Records examined indicated that outstanding imprests totalling Kshs.6,796,700 were overdue for surrender as at 30 June, 2020. Further, the imprests included a sum of Kshs.997,150 issued to four officers with previous imprests, contrary to Regulation 93(4) of the Public Finance Management (County Governments) Regulations, 2015.

Failure by Management to recover the imprests contravened Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which requires officers issued with temporary imprest to account or surrender the imprest within seven days after returning to the duty station.

5.0 Underperformance of Revenue Collection System

In addition, despite the electronic system, some revenue reports for the year under review were published from manual records and therefore all of the County's revenues were not collected through the system. Further, procurement records indicated that, the cost of the system amounting to Kshs.27,999,230 included Kshs.2,250,000 for the purchase of 100 point-of-sale (PoS) devices that were to automate receipting and recording of revenues

collected. However, the devices were disabled in January, 2018 after which the Management reverted to using the manual system. As a result, the County Executive may not have attained value for money on the expenditure totalling Kshs.27,999,320 spent to procure and install the electronic system.

Overall own-generated revenue in the year under review totalled Kshs.296,039,122 having declined by Kshs.36,673,429 or 11% from the sum of Kshs.332,712,551 collected in the previous year.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

1.0. Weak Internal Audit and Audit Committee Functions

Records availed for audit review indicated that controls required to ensure that necessary approvals given for all transactions and financial and other organizational records and documents are properly kept were either weak or not functioning as intended. No adequate explanation was provided by Management for the anomaly.

2.0 Lack of Risk Management Framework

Review of operational systems indicted that Management had not established a risk management framework as required by Section 157(b) and 158 (1)(a) of Public Finance Management (County Governments) Regulations, 2015. The provision requires the Accounting Officer in every County Government entity to ensure that the County Government develops risk management strategies, among other systems needed to build robust business operations.

In the absence of a rational framework, the Management may not respond effectively to operational and other risks faced by the County Executive.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating

effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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 manner.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Executive 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control:
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Taita Taveta County Executive to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to

the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 October, 2021

Appendix I

Unimplemented Projects

| S/NO | Project Title and Project Code | Outstanding Project Cost | Contract Amount (Kshs.) |
|------|--|--------------------------|-------------------------|
| 1. | Taita Taveta County Spatial Planning | 6,000,000 | 6,000,000 |
| 2. | Establishment of County Wananchi Settlement Scheme Mining Park | 500,000 | 500,000 |
| 3. | Artisanal and Small Scale Mining Development Programme - Review of all Community Mining Agreements | 1,000,000 | 1,000,000 |
| 4. | Policy and Environmental Impact Assessment Review | 500,000 | 500,000 |
| 5. | Rehabilitation of Mining Sites | 1,000,000 | 1,000,000 |
| 6. | Equiping Ndilidau Dispensary | 700,000 | 2,500,000 |
| 7. | Kachero Dispensary Equipment | 1,000,000 | 2,300,000 |
| 8. | Werugha HC Makandenyi Furniture | 1,050,000 | 2,500,000 |
| 9. | Construction of an Incinerator plant Complete with an Incinerator | 800,000 | 1,397,510 |
| 10. | Construction of Rumangao Toilet | 350,000 | 350,000 |
| | | 12,900,000 | 18,047,510 |


COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

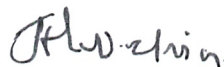
7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2019/2020 Kshs | 2018/2019 Kshs |
|--|------|----------------------|----------------------|
| RECEIPTS | | | |
| Exchequer releases | 1 | 4,251,562,714 | 4,326,967,492 |
| Proceeds from Domestic and Foreign Grants | 2 | - | - |
| Transfers from Other Government Entities | 3 | 271,023,161 | 134,083,300 |
| Proceeds from Domestic Borrowings | 4 | - | - |
| Proceeds from Foreign Borrowings | 5 | - | - |
| Proceeds from Sale of Assets | 6 | - | - |
| Reimbursements and Refunds | 7 | - | - |
| Returns of Equity Holdings | 8 | - | - |
| County Own Generated Receipts | 9 | 296,039,122 | 332,712,551 |
| Returned CRF issues | 10 | 79,418 | 55,128,403 |
| TOTAL RECEIPTS | | 4,818,704,414 | 4,848,891,747 |
| PAYMENTS | | | |
| Compensation of Employees | 11 | 2,131,653,372 | 2,085,861,342 |
| Use of goods and services | 12 | 869,642,744 | 1,006,211,459 |
| Subsidies | 13 | - | - |
| Transfers to Other Government Units | 14 | 776,612,270 | 851,070,794 |
| Other grants and transfers | 15 | 133,182,419 | 211,721,753 |
| Social Security Benefits | 16 | 5,604,912 | 10,599,389 |
| Acquisition of Assets | 17 | 376,948,877 | 776,052,983 |
| Finance Costs, including Loan Interest | 18 | 343,859 | 69,521 |
| Repayment of principal on Domestic and Foreign borrowing | 19 | - | - |
| Other Payments | 20 | 436,124,856 | 214,358,837 |
| TOTAL PAYMENTS | | 4,730,113,309 | 5,155,946,078 |
| SURPLUS/DEFICIT | | 88,591,105 | (307,054,332) |

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


 Chief Officer
 Name: **LEONARD LANGAT**

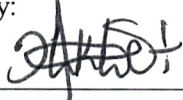

 Head of Treasury
 Name: **JOSES MWACHIA**
 ICPAK Member Number:


COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.2. STATEMENT OF ASSETS AND LIABILITIES

| FINANCIAL ASSETS | Note | 2019/2020 Kshs | 2018/2019 Kshs |
|---|------|--------------------|--------------------|
| Cash and Cash Equivalents | | | |
| Bank Balances | 21A | 344,881,439 | 241,600,980 |
| Cash Balances | 21B | 655,560 | 492,220 |
| Total Cash and cash equivalents | | 345,536,999 | 242,093,200 |
| Accounts receivables – Outstanding Imprests | 22 A | 6,796,700 | 15,919,597 |
| Prepayment | 22 B | | 15,186,280 |
| TOTAL FINANCIAL ASSETS | | 352,333,699 | 273,199,077 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables – Deposits and retentions | 23 | 35,151,426 | 28,196,093 |
| NET FINANCIAL ASSETS | | 317,182,272 | 245,002,984 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 24 | 245,002,984 | 570,837,724 |
| Prior year adjustments | 25 | (16,411,817) | (18,780,409) |
| Surplus/Deficit for the year | | 88,591,105 | (307,054,332) |
| NET FINANCIAL POSITION | | 317,182,272 | 245,002,983 |

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


 Chief Officer
 Name: **LEONARD LANGAT**


 Head of Treasury
 Name: **JOYCE MWAKIMA**
 ICPAK Member Number:

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CASH FLOWS

| | Note | 2019/2020 Kshs | 2018/2019 Kshs |
|--|------|----------------------|----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from operating income | | | |
| Exchequer releases | 1 | 4,251,562,714 | 4,326,967,492 |
| Proceeds from Domestic and Foreign Grants | 2 | - | - |
| Transfers from Other Government Entities | 3 | 271,023,161 | 134,083,300 |
| Reimbursements and Refunds | 7 | - | - |
| Returns of Equity Holdings | 8 | - | - |
| County Own Generated Receipts | 9 | 296,039,122 | 332,712,551 |
| Returned CRF issues | 10 | 79,418 | 55,128,403.00 |
| Payments for operating expenses | | | |
| Compensation of Employees | 11 | (2,131,653,372) | (2,085,861,342) |
| Use of goods and services | 12 | (869,642,744) | (1,006,211,459) |
| Subsidies | 13 | - | - |
| Transfers to Other Government Units | 14 | (776,612,270) | (851,070,794) |
| Other grants and transfers | 15 | (133,182,419) | (211,721,753) |
| Social Security Benefits | 16 | (5,604,912) | (10,599,389) |
| Finance Costs, including Loan Interest | 18 | (343,859) | (69,521.09) |
| Other Payments | 20 | (436,124,856) | (214,358,837) |
| Adjusted for: | | | |
| Changes in receivables | 26 | 24,309,177 | (13,097,725) |
| Changes in payables | 27 | 6,955,332 | 27,650,729 |
| Prior year adjustments | 25 | (16,411,817) | (18,780,409) |
| Total Adjustments | | 14,852,692 | (4,227,405) |
| Net cash flows from operating activities | | 480,392,675 | 464,771,247 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 6 | - | - |
| Acquisition of Assets | 17 | (376,948,877) | (776,052,983) |
| Net cash flows from investing activities | | (376,948,877) | (776,052,983) |
| CASHFLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Domestic Borrowings | 4 | - | - |
| Proceeds from Foreign Borrowings | 5 | - | - |
| Repayment of principal on Domestic and Foreign borrowing | 19 | - | - |

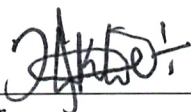
COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

Net cash flow from financing activities

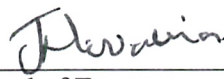
- -

| | | | |
|---|----|-------------|---------------|
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 103,443,798 | (311,281,736) |
| Cash and cash equivalent at BEGINNING of the year | 21 | 242,093,200 | 553,374,936 |
| Cash and cash equivalent at END of the year | 24 | 345,536,997 | 242,093,200 |
| As per statement of assets | | 345,536,999 | 242,093,200 |

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



 Chief Officer
 Name: **LEONARD LANTAT**



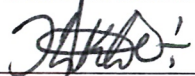
 Head of Treasury
 Name: **JOYCE MWACHIRA**
 ICPAK Member Number

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

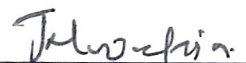
7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget utilization difference | % of Utilization |
|--|----|----------------------|---------------------|----------------------|----------------------------|-------------------------------|------------------|
| | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| | | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | | |
| Exchequer releases | 1 | 5,213,922,416 | 4,515,000 | 5,218,437,416 | 4,251,562,714 | 966,874,702 | 81% |
| Proceeds from Domestic and Foreign Grants | 2 | - | - | - | - | - | 0% |
| Transfers from Other Government Entities | 3 | 146,386,438 | 37,704,000 | 184,090,438 | 271,023,161 | (86,932,723) | 147% |
| Proceeds from Domestic Borrowings | 4 | - | - | - | - | - | 0% |
| Proceeds from Foreign Borrowings | 5 | - | - | - | - | - | 0% |
| Proceeds from Sale of Assets | 6 | - | - | - | - | - | 0% |
| Reimbursements and Refunds | 7 | - | - | - | - | - | 0% |
| Returns of Equity Holdings | 8 | - | - | - | - | - | 0% |
| County Own Generated Receipts | 9 | 350,000,000 | (120,000,000) | 230,000,000 | 296,039,122 | (66,039,122) | 129% |
| Returned CRF issues | 10 | 32,000,000 | - | 32,000,000 | 79,418 | 31,920,582 | 0% |
| TOTAL | | 5,742,308,854 | (77,781,000) | 5,664,527,854 | 4,818,704,414 | 845,823,440 | 85% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 11 | 2,022,264,926 | 188,258,200 | 2,210,523,126 | 2,131,653,372 | 78,869,754 | 96% |
| Use of goods and services | 12 | 1,200,849,588 | (128,186,058) | 1,072,663,530 | 869,642,744 | 203,020,786 | 81% |
| Subsidies | 13 | - | - | - | - | - | 0% |
| Transfers to Other Government Units | 14 | 780,706,250 | 5,226,305 | 785,932,555 | 776,612,270 | 9,320,285 | 99% |
| Other grants and transfers | 15 | 326,213,713 | 652,850 | 326,866,563 | 133,182,419 | 193,684,144 | 41% |
| Social Security Benefits | 16 | 64,147,397 | 8,492,000 | 72,639,397 | 5,604,912 | 67,034,485 | 8% |
| Acquisition of Assets | 17 | 1,191,611,980 | (665,228,851) | 526,383,129 | 376,948,877 | 149,434,252 | 72% |
| Finance Costs, including Loan Interest | 18 | 500,000 | (150,000) | 350,000 | 343,859 | 6,141 | 98% |
| Repayment of principal on Domestic and Foreign borrowing | 19 | - | - | - | - | - | 0% |
| Other Payments | 20 | 156,015,000 | 513,154,554 | 669,169,554 | 436,124,856 | 233,044,698 | 65% |
| TOTAL | | 5,742,308,854 | (77,781,000) | 5,664,527,854 | 4,730,113,309 | 934,414,545 | 84% |
| SURPLUS/(DEFICIT) | | - | - | - | 88,591,105.44 | (88,591,105.44) | |

The entity financial statements were approved on _____ 2020 and signed by:



 Chief Officer
 Name: **LEONARD LANGAT**



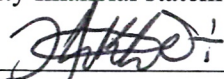
 Head of Treasury Accounts
 Name: **Julius Mwangi**
 ICPAK Member Number

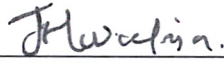
COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

| Receipt/Expense Item | | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget utilization difference | % of Utilization |
|--|----|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
| | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| | | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | | |
| Exchequer releases | 1 | 3,088,036,745 | 614,827,841 | 3,702,864,586 | 3,533,559,260 | 169,305,326 | 95% |
| Proceeds from Domestic and Foreign Grants | 2 | - | - | - | - | - | 0% |
| Transfers from Other Government Entities | 3 | - | - | - | 86,270,530 | (86,270,530) | 0% |
| Proceeds from Domestic Borrowings | 4 | - | - | - | - | - | 0% |
| Proceeds from Foreign Borrowings | 5 | - | - | - | - | - | 0% |
| Proceeds from Sale of Assets | 6 | - | - | - | - | - | 0% |
| Reimbursements and Refunds | 7 | - | - | - | - | - | 0% |
| Returns of Equity Holdings | 8 | - | - | - | - | - | 0% |
| County Own Generated Receipts | 9 | 350,000,000 | (120,000,000) | 230,000,000 | 296,039,122 | (66,039,122) | 129% |
| Returned CRF issues | 10 | 28,800,000 | - | 28,800,000 | 79,418 | 28,720,582 | 0% |
| TOTAL | | 3,466,836,745 | 494,827,841 | 3,961,664,586 | 3,915,948,330 | 45,716,257 | 99% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 11 | 2,022,264,926 | 128,258,200 | 2,150,523,126 | 2,131,653,372 | 18,869,754 | 99% |
| Use of goods and services | 12 | 1,177,667,838 | (301,468,058) | 876,199,780 | 847,121,530 | 29,078,250 | 97% |
| Subsidies | 13 | - | - | - | - | - | 0% |
| Transfers to Other Government Units | 14 | - | 570,296,305 | 570,296,305 | 570,852,400 | (556,095) | 100% |
| Other grants and transfers | 15 | 19,066,150 | 7,048,850 | 26,115,000 | 15,243,840 | 10,871,160 | 58% |
| Social Security Benefits | 16 | 64,147,397 | (51,508,000) | 12,639,397 | 5,604,912 | 7,034,485 | 44% |
| Acquisition of Assets | 17 | 72,475,434 | 19,390,396 | 91,865,830 | 87,932,110 | 3,933,720 | 96% |
| Finance Costs, including Loan Interest | 18 | - | - | - | 331,950 | (331,950) | 0% |
| Repayment of principal on Domestic and Foreign borrowing | 19 | - | - | - | - | - | 0% |
| Other Payments | 20 | 111,215,000 | 122,810,148 | 234,025,148 | 210,790,515 | 23,234,633 | 90% |
| TOTAL | | 3,466,836,745 | 494,827,841 | 3,961,664,586 | 3,869,530,628 | 92,133,958 | 98% |
| SURPLUS/(DEFICIT) | | 0 | - | 0 | 46,417,701 | | |

The entity financial statements were approved on _____ 2020 and signed by:


 Chief Officer
 Name: LEONARD LANSAT


 Head of Treasury Accounts
 Name: JOTAO M. MWAKIMA
 ICPAK Member Number:

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

| Receipt/Expense Item | | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget utilization difference | % of Utilization |
|--|----|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|
| | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| | | a | b | c=a+b | d | e=c-d | f=d/e % |
| RECEIPTS | | | | | | | |
| Exchequer releases | 1 | 2,125,885,671 | (610,312,841) | 1,515,572,830 | 718,003,454 | 797,569,375 | 47% |
| Proceeds from Domestic and Foreign Grants | 2 | - | - | - | - | - | 0% |
| Transfers from Other Government Entities | 3 | 146,386,438 | 37,704,000 | 184,090,438 | 184,752,631 | (662,193) | 100% |
| Proceeds from Domestic Borrowings | 4 | - | - | - | - | - | 0% |
| Proceeds from Foreign Borrowings | 5 | - | - | - | - | - | 0% |
| Proceeds from Sale of Assets | 6 | - | - | - | - | - | 0% |
| Reimbursements and Refunds | 7 | - | - | - | - | - | 0% |
| Returns of Equity Holdings | 8 | - | - | - | - | - | 0% |
| County Own Generated Receipts | 9 | - | - | - | - | - | 0% |
| Returned CRF issues | 10 | 3,200,000 | - | 3,200,000 | - | 3,200,000 | 0% |
| TOTAL | | 2,275,472,109 | (572,608,841) | 1,702,863,268 | 902,756,085 | 800,107,183 | 53% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 11 | - | 60,000,000 | 60,000,000 | - | 60,000,000 | 0% |
| Use of goods and services | 12 | 23,181,750 | 173,282,000 | 196,463,750 | 22,521,214 | 173,942,536 | 11% |
| Subsidies | 13 | - | - | - | - | - | 0% |
| Transfers to Other Government Units | 14 | 780,706,250 | (565,070,000) | 215,636,250 | 205,759,870 | 9,876,380 | 95% |
| Other grants and transfers | 15 | 307,147,563 | (6,396,000) | 300,751,563 | 117,938,579 | 182,812,984 | 39% |
| Social Security Benefits | 16 | - | 60,000,000 | 60,000,000 | - | 60,000,000 | 0% |
| Acquisition of Assets | 17 | 1,119,136,546 | (684,619,247) | 434,517,299 | 289,016,767 | 145,500,532 | 67% |
| Finance Costs, including Loan Interest | 18 | 500,000 | (150,000) | 350,000 | 11,909 | 338,091 | 3% |
| Repayment of principal on Domestic and Foreign borrowing | 19 | - | - | - | - | - | 0% |
| Other Payments | 20 | 44,800,000 | 390,344,406 | 435,144,406 | 225,334,341 | 209,810,065 | 52% |
| TOTAL | | 2,275,472,109 | (572,608,841) | 1,702,863,268 | 860,582,681 | 842,280,587 | 51% |
| SURPLUS/(DEFICIT) | | (0) | - | (0) | 42,173,404 | (42,173,404) | |

The entity financial statements were approved on _____ 2020 and signed by:

Chief Officer

Name:

LEONARD LANGAT

Head of Treasury Accounts

Name: *JOSUE MUPAIA*

ICPAK Member Number:

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Program | Sub Program | Description | Approved Budget | Actual Payments | Variance |
|-----------|-------------|---|-------------------------|-------------------------|-----------------------|
| 3260 | | | 0 | -1,389,013.75 | 1,389,013.75 |
| | 0 | Default - Non Programmatic | 0 | -1,389,013.75 | 1,389,013.75 |
| 101003260 | | Administration Planning and Support Services | 69,764,884.00 | 57,463,066.75 | 12,301,817.25 |
| | 101013260 | Administration Planning and Support Services | 69,764,884.00 | 57,463,066.75 | 12,301,817.25 |
| 102003260 | | Development programme | 0 | 0 | 0 |
| | 102013260 | Development programme | 0 | 0 | 0 |
| 103003260 | | Infrastructure Development programme | 289,935,925.00 | 186,516,009.20 | 103,419,915.80 |
| | 103013260 | Infrastructure Development programme | 289,935,925.00 | 186,516,009.20 | 103,419,915.80 |
| 104003260 | | Agricultural Development Programme | 208,900,108.00 | 157,595,399.30 | 51,304,708.70 |
| | 104013260 | Agricultural Development Programme | 208,900,108.00 | 157,595,399.30 | 51,304,708.70 |
| 105003260 | | Livestock and Fisheries Development | 0 | 0 | 0 |
| | 105013260 | Livestock and Fisheries Development | 0 | 0 | 0 |
| 301003260 | | General Administration and support services programme | 74,826,791.00 | 66,346,318.15 | 8,480,472.85 |
| | 301013260 | General Administration and support services programme | 74,826,791.00 | 66,346,318.15 | 8,480,472.85 |
| 302003260 | | Trade Development programme. | 0 | 13,006,000.00 | -13,006,000.00 |
| | 302013260 | Trade Development programme. | 0 | 13,006,000.00 | -13,006,000.00 |
| 401003260 | | Administration and Support Services | 231,419,398.30 | 107,290,945.10 | 124,128,453.20 |
| | 401013260 | Administration and Support Services | 231,419,398.30 | 107,290,945.10 | 124,128,453.20 |
| 402003260 | | Health Development Programme | 181,767,406.00 | 101,579,779.60 | 80,187,626.40 |
| | 402013260 | Health Development Programme | 181,767,406.00 | 101,579,779.60 | 80,187,626.40 |
| 501003260 | | General Administration, Planning and Support services | 90,787,649.00 | 86,398,366.00 | 4,389,283.00 |
| | 501013260 | General Administration, Planning and Support services | 90,787,649.00 | 86,398,366.00 | 4,389,283.00 |
| 502003260 | | Early childhood Education and Youth Training Development Programme | 91,461,960.30 | 95,691,000.00 | -4,229,039.70 |
| | 502013260 | Early childhood Education & Youth Training Development Programme | 91,461,960.30 | 95,691,000.00 | -4,229,039.70 |
| 701003260 | | General Administration support services | 2,692,509,275.00 | 2,572,373,962.05 | 120,135,312.95 |
| | 701013260 | General Administration support services | 2,692,509,275.00 | 2,572,373,962.05 | 120,135,312.95 |
| 702003260 | | County Assembly Infrastructure improvement | 45,000,000.00 | 35,174,624.60 | 9,825,375.40 |
| | 702013260 | County Assembly Infrastructure improvement | 45,000,000.00 | 35,174,624.60 | 9,825,375.40 |
| 703003260 | | Decentralised Infrastructure development programme | 10,000,000.00 | 8,908,312.00 | 1,091,688.00 |
| | 703013260 | Decentralised Infrastructure development programme | 10,000,000.00 | 8,908,312.00 | 1,091,688.00 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | | | | |
|-------------------|------------|--|-------------------------|-----------------------|-----------------------|
| 704003260 | | General Administration and Management of County Affairs | 140,981,927.00 | 128,071,612.20 | 12,910,314.80 |
| | 704013260 | General Administration and Management of County Affairs | 140,981,927.00 | 128,071,612.20 | 12,910,314.80 |
| 705003260 | | Leadership Development Programme | 0 | 0 | 0 |
| | 705013260 | Leadership Development Programme | 0 | 0 | 0 |
| 706003260 | | General Administration, Planning, Internal Audit & Support Services | 621,279,816.00 | 543,863,152.05 | 77,416,663.95 |
| | 706013260 | General Administration, Planning, Internal Audit & Support Services | 621,279,816.00 | 543,863,152.05 | 77,416,663.95 |
| 707003260 | | Treasury Development Programme | 387,248,919.00 | 290,428,313.80 | 96,820,605.20 |
| | 707013260 | Treasury Development Programme | 387,248,919.00 | 290,428,313.80 | 96,820,605.20 |
| 1001003260 | | Water and irrigation Development Programme | 498,000,000.00 | 254,366,118.31 | 243,633,881.69 |
| | 1001013260 | Water and irrigation Development Programme | 498,000,000.00 | 254,366,118.31 | 243,633,881.69 |
| 1002003260 | | General Administration, Support and Support Services | 30,643,795.40 | 26,429,343.60 | 4,214,451.80 |
| | 1002013260 | General Administration, Support and Support Services | 30,643,795.40 | 26,429,343.60 | 4,214,451.80 |
| 1003003260 | | Natural Resources Support Programme | 0 | 0 | 0 |
| | 1003013260 | Natural Resources Support Programme | 0 | 0 | 0 |
| | | Grand Total | 5,664,527,854.00 | 4,730,113,309 | 934,414,545.04 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Third Party Payments

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

6. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to KShs 35,151,426 compared to KShs 28,196,093 in prior period as indicated on note 23.

7. Accounts Receivable

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

8. Accounts Payable

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Non-current assets

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

10. Pending bills

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

11. Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Contingent Assets

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

13. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity'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 6th November 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There were three number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

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

15. Subsequent events

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

16. Errors

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

17. Related party transactions

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

| Description | 2019/2020 | 2018/2019 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Total Exchequer Releases for quarter 1 | 737,951,400 | 486,072,000 |
| Total Exchequer Releases for quarter 2 | 821,118,473 | 928,022,809 |
| Total Exchequer Releases for quarter 3 | 1,324,397,313 | 1,135,310,818 |
| Total Exchequer Releases for quarter 4 | 1,368,095,528 | 1,777,561,865 |
| Total | 4,251,562,714 | 4,326,967,492 |

1.A Equitable Share

| Description | 2019/2020 | 2018/2019 |
|-------------------------------------|----------------------|----------------------|
| | KShs | KShs |
| Total Equitable Share for quarter 1 | 737,951,400 | 486,072,000 |
| Total Equitable Share for quarter 2 | 763,398,000 | 769,614,000 |
| Total Equitable Share for quarter 3 | 1,208,713,500 | 1,113,915,000 |
| Total Equitable Share for quarter 4 | 1,166,302,500 | 1,680,999,000 |
| Total | 3,876,365,400 | 4,050,600,000 |

1B: Level 5 Hospitals Allocation

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

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

| Description | 2019/2020 | 2018/2019 |
|---|--------------------|--------------------|
| | KShs | KShs |
| DANIDA - Universal Healthcare in Devolved Units Programme | 16,608,750 | 13,061,250 |
| World Bank – THUSCP | 56,942,903 | 29,240,344 |
| National Agricultural & Rural Inclusive Growth Project (NARIGP) | - | - |
| Kenya Devolution Support Programme | 30,000,000 | - |
| Youth Polytechnic support grant | 55,638,298 | 37,504,625 |
| Abolishment of user fees in health centres and dispensaries | 5,296,305 | 5,296,305 |
| Kenya Urban Support Programme (UDG) | 35,761,940 | 91,200,000 |
| Kenya Urban Support Programme (UIG) | 8,800,000 | |
| Agriculture Sector Development Support Project (ASDSP) | 16,633,655 | 7,280,193 |
| Kenya Climate Smart Agriculture Project (KCSAP) | 104,500,024 | 40,805,066 |
| European Union Grant - IDEAS Banana Processing & Marketing | - | 51,979,709 |
| Water and Sanitation Development Project (World Bank) | 45,015,440 | - |
| Total | 375,197,314 | 276,367,492 |

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

| Name of Donor | Date received | Amount in | 2019/2020 | 2018/2019 |
|--|---------------|------------------|-----------|-----------|
| | | foreign currency | Kshs | Kshs |
| Grants Received from Bilateral Donors (Foreign Governments) | | | | |
| Grants Received from Multilateral Donors (International Organizations) | | | | |
| | | - | | |
| Grants Received from other levels of government | | - | | |
| | | - | | |
| TOTAL | | - | - | - |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | 2019/2020 | 2018/2019 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Transfers from Central government entities | | |
| COVID-19 Emergency Response | 37,704,000 | |
| National Government Grant - Health Professionals Allowances | 34,575,000 | |
| NHIF Refunds | 51,695,530 | 54,096,722 |
| Transfers from Ministries | | |
| Road maintenance fuel levy fund | 147,048,631 | 79,986,578 |
| Total | 271,023,161 | 134,083,300 |

4. PROCEEDS FROM DOMESTIC BORROWINGS

| Description | 2019/2020 | 2018/2019 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Borrowing within General Government | - | - |
| Borrowing from Monetary Authorities (Central Bank) | - | - |
| Other Domestic Depository Corporations (Commercial Banks) | - | - |
| Borrowing from Other Domestic Financial Institutions | - | - |
| Borrowing from Other Domestic Creditors | - | - |
| Domestic Currency and Domestic Deposits | - | - |
| Total | - | - |

5. PROCEEDS FROM FOREIGN BORROWINGS

| Description | 2019/2020 | 2018/2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Foreign Borrowing – Draw-downs Through Exchequer | - | - |
| Foreign Borrowing - Direct Payments | - | - |
| Foreign Currency and Foreign Deposits | - | - |
| Total | - | - |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROCEEDS FROM SALE OF ASSETS

| Description | 2019/2020 | 2018/2019 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Receipts from the Sale of Buildings | - | - |
| Receipts from the Sale of Vehicles and Transport Equipment | - | - |
| Receipts from the Sale Plant Machinery and Equipment | - | - |
| Receipts from Sale of Certified Seeds and Breeding Stock | - | - |
| Receipts from the Sale of Strategic Reserves Stocks | - | - |
| Receipts from the Sale of Inventories, Stocks and Commodities | - | - |
| Disposal and Sales of Non-Produced Assets | - | - |
| Receipts from the Sale of Strategic Reserves Stocks | - | - |
| Total | - | - |

7. REIMBURSEMENTS AND REFUNDS

| Description | 2019/2020 | 2018/2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Refund from World Food Programme (WFP) | - | - |
| Reimbursement of Audit Fees | - | - |
| Reimbursement on Messing Charges (UNICEF) | - | - |
| Reimbursement from World Bank – ECD | - | - |
| Reimbursement from Individuals and Private Organisations | - | - |
| Reimbursement from Local Government Authorities | - | - |
| Reimbursement from Statutory Organisations | - | - |
| Reimbursement within Central Government | - | - |
| Reimbursement Using Bonds | - | - |
| NHIF Funds | - | - |
| Total | - | - |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

| Description | 2019/2020 | 2018/2019 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Returns of Equity Holdings in Domestic Organisations | - | - |
| Returns of Equity Holdings in International Organisations | - | - |
| Total | - | - |

9. COUNTY OWN GENERATED RECEIPTS

| Description | 2019/2020 | 2018/2019 |
|--|------------|------------|
| | Kshs | Kshs |
| RECEIPTS | | |
| Interest Received | - | - |
| Profits and Dividends | - | - |
| House Rents | 1,369,826 | 5,924,070 |
| Other Property Income | - | - |
| Sales of Market Establishments | - | - |
| Business Permits | 28,879,183 | 49,553,241 |
| Cesses | 28,907,014 | 27,835,413 |
| Poll Rates | - | - |
| Plot Rents | 19,098,585 | 21,689,034 |
| Other Local Levies | 47,950 | 124,740 |
| Administrative Service Fees | 3,563,435 | 1,778,735 |
| Various Fees | 65,058,748 | 66,819,114 |
| Mining Cess | 35,044,529 | 30,876,451 |
| Lease/Rental of Infrastructure Assets | - | - |
| Other miscellaneous revenues | - | - |
| Insurance claims recovery | - | - |
| Transfers from reserve funds | - | - |
| Donations | - | - |
| Fund raising events | - | - |
| Other revenues from financial assets loans | - | - |
| Market/Trade Centre fees | 26,162,199 | 39,262,975 |
| Vehicle Parking Fees | 20,284,433 | 20,269,214 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | |
|---|--------------------|--------------------|
| Housing | - | - |
| Social Premises Use Charges | 1,537,200 | 2,282,830 |
| School Fees | - | - |
| Other Education Related Fees | - | - |
| Other Education Revenues | - | - |
| Public Health Services | - | - |
| Public Health Facilities Operations | 50,299,006 | 44,352,349 |
| Environment & Conservancy Administration | 5,474,400 | 5,835,555 |
| Slaughter Houses Administration | 3,226,290 | 3,728,885 |
| Water Supply Administration | 25,000 | - |
| Sewerage Administration | - | - |
| Other Health & Sanitation Revenues | - | 2,000 |
| Technical Services Fees | 5,993,410 | 10,253,262 |
| External Service Fees | - | - |
| Fines Penalties and Forfeitures | 1,067,913 | 2,124,683 |
| Receipts from Voluntary transfers other than grants | - | - |
| Other Receipts Not Classified Elsewhere | - | - |
| TOTAL | 296,039,122 | 332,712,551 |

10. RETURNED CRF ISSUES

| Description | 2019/2020 | 2018/2019 |
|---------------------|---------------|-------------------|
| | Kshs | Kshs |
| Recurrent account | 79,418 | 55,128,403.00 |
| Development account | | - |
| KCB Account | | - |
| Total | 79,418 | 55,128,403 |

11. COMPENSATION OF EMPLOYEES

| Description | 2019/2020 | 2018/2019 |
|--|---------------|---------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 1,914,438,329 | 1,795,873,480 |
| Basic wages of temporary employees | 195,997,687 | 236,299,069 |
| Personal allowances paid as part of salary | 3,531,380 | 53,688,793 |
| Personal allowances paid as reimbursements | - | - |
| Personal allowances provided in kind | - | - |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | |
|---|----------------------|----------------------|
| Pension and other social security contributions | 17,685,976 | - |
| Compulsory national social security schemes | - | - |
| Compulsory national health insurance schemes | - | - |
| Social benefit schemes outside government | - | - |
| Other personnel payments | - | - |
| Total | 2,131,653,372 | 2,085,861,342 |

12. USE OF GOODS AND SERVICES

| Description | 2019/2020 | 2018/2019 |
|--|--------------------|----------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 43,182,035 | 38,406,529 |
| Communication, supplies and services | 10,294,498 | 5,441,146 |
| Domestic travel and subsistence | 227,237,849 | 398,857,661 |
| Foreign travel and subsistence | 4,376,110 | 50,405,404 |
| Printing, advertising and information supplies & services | 19,680,893 | 24,014,779 |
| Rentals of produced assets | 26,343,840 | 22,471,934 |
| Training expenses | 24,418,170 | 26,149,831 |
| Hospitality supplies and services | 48,600,005 | 81,547,480 |
| Insurance costs | 48,632,507 | 27,834,528 |
| Specialized materials and services | 207,829,509 | 154,915,698 |
| Office and general supplies and services | 29,369,578 | 36,088,216 |
| Other operating expenses | 84,028,200 | 63,010,892 |
| Routine maintenance – vehicles and other transport equipment | 12,745,056 | 16,430,294 |
| Fuel Oil and Lubricants | 70,031,946 | 47,065,266 |
| Routine maintenance – other assets | 12,872,551 | 13,571,801 |
| | | |
| Total | 869,642,744 | 1,006,211,459 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

| Description | 2019/2020 | 2018/2019 |
|----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Subsidies to Public Corporations | - | - |
| Subsidies to Private Enterprises | - | - |
| Total | - | - |

(Give explanation of the nature of subsidies and the kind of services that have been subsidised)

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2019/2020 | 2018/2019 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Transfers to Central government entities | - | - |
| Taita Taveta County Assembly | 608,852,400 | 701,070,794 |
| Transfers to Other Counties | - | - |
| Taita Taveta County Mortgage Account | 40,851,670 | 30,000,000 |
| Taita Taveta County Education Fund | 30,192,570 | 105,000,000 |
| Taita Taveta County Emergency Account | 51,700,190 | 15,000,000 |
| Taita Taveta County Treasury Imprest Account | 0 | |
| Tevevo Water & Sanitation | 45,015,440 | |
| TOTAL | 776,612,270 | 851,070,794 |

15. OTHER GRANTS AND PAYMENTS

| Description | 2019/2020 | 2018/2019 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Scholarships and other educational benefits | 3,200,000 | 2,551,000 |
| Emergency relief and refugee assistance | 4,671,040 | 265,500 |
| Subsidies to small businesses, cooperatives, and self employed | - | - |
| Donations | 1,440,000 | 210,000 |
| Other current transfers, grants | 63,009,566 | 115,420,004 |
| Capital Transfer - Other (Budg | 60,861,813 | 93,275,249 |
| TOTAL | 133,182,419 | 211,721,753 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

| Description | 2019/2020 | 2018/2019 |
|--|------------------|-------------------|
| | Kshs | Kshs |
| Government pension and retirement benefits | 5,604,912 | 10,599,389 |
| Social security benefits in cash and in kind | - | - |
| Employer Social Benefits in cash and in kind | - | - |
| Total | 5,604,912 | 10,599,389 |

17. ACQUISITION OF ASSETS

| Description | 2019/2020 | 2018/2019 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Non Financial Assets | - | - |
| Purchase of Buildings | - | - |
| Construction of Buildings | 10,444,780 | 129,038,986 |
| Refurbishment of Buildings | 981,525 | 6,632,310 |
| Construction of Roads | 42,663,488 | - |
| Construction and Civil Works | 95,369,498 | 416,866,730 |
| Overhaul and Refurbishment of Construction and Civil Works | 51,601,711 | 2,998,849 |
| Purchase of Vehicles and Other Transport Equipment | 43,810,000 | 47,349,737 |
| Overhaul of Vehicles and Other Transport Equipment | - | - |
| Purchase of Household Furniture and Institutional Equipment | 13,430,247 | 24,783,956 |
| Purchase of Office Furniture and General Equipment | | |
| Purchase of ICT Equipment | 1,281,150 | 12,562,260 |
| Purchase of Specialized Plant, Equipment and Machinery | 30,313,801 | 44,931,130 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 2,819,484 | - |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | 5,999,925 | 24,519,609 |
| Research, Studies, Project Preparation, Design & Supervision | 67,082,021 | 56,593,025 |
| Rehabilitation of Civil Works | 11,151,248 | 9,776,391 |
| Acquisition of Strategic Stocks and commodities | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Financial Assets | | |
| Domestic Public Non-Financial Enterprises | - | - |
| Domestic Public Financial Institutions | - | - |
| Total | 376,948,877 | 776,052,983 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

| Description | 2019/2020 | 2018/2019 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Exchange Rate Losses | - | - |
| Interest Payments on Foreign Borrowings | - | - |
| Interest Payments on Guaranteed Debt Taken over by Govt | - | - |
| Interest on Domestic Borrowings (Non-Govt) | - | - |
| Interest on Borrowings from Other Government Units | - | - |
| Bank Charges | 343,859 | 69,521 |
| Total | 343,859 | 69,521 |

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

| Description | 2019/2020 | 2018/2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Repayments on Borrowings from Domestic | - | - |
| Principal Repayments on Guaranteed Debt Taken over by Government | - | - |
| Repayments on Borrowings from Other Domestic Creditors | - | - |
| Repayment of Principal from Foreign Lending & On – Lending | - | - |
| | | |
| Total | - | - |

20. OTHER PAYMENTS

| Description | 2019/2020 | 2018/2019 |
|----------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Budget Reserves | - | - |
| Civil Contingency Reserves | - | - |
| Other expenses | 436,124,856 | 214,358,837 |
| Total | 436,124,856 | 214,358,837 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

| Description | Account Number | Amount in bank account currency | Indicate whether recurrent or development, deposits, receipts, etc | 2019/2020 | 2018/2019 |
|--|----------------|---------------------------------|--|------------|------------|
| Name of Bank, Account No. & Currency | | | Kshs | Kshs | Kshs |
| Taita Taveta County Revenue Fund Account - Cbk | 1000171855 | Kshs | CRF | 42,056,002 | 59,555,588 |
| Taita Taveta County -Revenue Collection Account No: | 1140754017 | Kshs | Revenue | 2,696,582 | 621,290 |
| Taita Taveta County Recurrent Account - Cbk | | Kshs | Recurrent | 16,168 | 2,426 |
| Taita Taveta County Village Polytechnic | 1000368519 | Kshs | Project | 2 | 4,223,517 |
| Taita Tavate County -Result Based Financing | 1000291745 | Kshs | Project | 38,883,884 | 5,297,042 |
| Taita Tavate County -Kenya Climate Smart Agriculture Project | 1000365455 | Kshs | Project | 0 | 12,300,832 |
| Taita Taveta County- Agriculture Sector Support Project-CBK | | Kshs | Project | 0 | - |
| Taita Taveta Eu Ideas Banana Process-CBK | 1000399473 | Kshs | Project | 9 | 27,868,049 |
| Mwatate Municipality Urban Grant-Dev | 1000386835 | Kshs | Project | 35,761,939 | 50,000,000 |
| Mwatate Municipality Urban Inst Gr-Rec | 1000370858 | Kshs | Project | 1 | |
| Taita Taveta County Public Service Board | 1152450379 | Kshs | Imprest | 2,028,207 | 2,003 |
| Taita Taveta County - Moi Hospital | 1145667961 | Kshs | Facility Operations | 4,023,949 | 1,069,158 |
| Taita Taveta County - Mwatate Hospital | 1145668054 | Kshs | Facility Operations | 179,875 | 177,910 |
| Taita Taveta County - Wesu NHIF Hospital | 1174149914 | Kshs | Facility Operations | 296,793 | 1,067,432 |
| Taita Taveta County - Wundanyi Hospital | 1145668178 | Kshs | Facility Operations | 305,155 | 21,258 |
| Taita Taveta County - Taveta Hospital | 1145668097 | Kshs | Facility Operations | 317 | 462,635 |
| Kenya Commercial Bankac No. (Education Fund) | 1152801015 | Kshs | Fund Operations | 0 | |
| Taita Taveta County Education Imprest Account | 1152721747 | Kshs | Imprest | 2,911 | 1,046,477 |
| Kenya Commercial Bankac No.(Datu Fund) | 1166131580 | Kshs | Imprest | 0 | - |
| Co-Operative Bank Ac No. 0114122222000 (Datu Fund) | | Kshs | Fund Operations | 0 | - |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| Kcb Emergency A/C No. | | Kshs | Fund Operations | 0 | - |
|---|----------------|------|---------------------|--------------------|--------------------|
| Taita Taveta County - Moi Hospital Revenue Collection a/c | 1197838384 | Kshs | Revenue | 3,650 | 110,010 |
| Taita Taveta County -Taveta Hospital Revenue Collection a/c | 1197838996 | Kshs | Revenue | 2,235 | 28,320 |
| Taita Taveta County - Wesu Hospital Maternity Acc | 1145668135 | Kshs | Facility Operations | 198 | 2,862 |
| Taita Taveta County Revenue Imprest Account no: | 1205281940 | Kshs | Imprest | 2,972,984 | 2,316 |
| Taita Taveta County -CHMT Danida Acc | 1167689542 | Kshs | Project Operations | 4,559,660 | 4,657,333 |
| Taita Taveta County Treasury Imprest Account | 1172668035 | Kshs | Imprest | 39,007 | 3,125,971 |
| Taita Taveta County- Mpesa Revenue Collection statement | 899131 | Kshs | Revenue | 658,948 | 225,960 |
| Taita Taveta County -Kenya Devolution Support Programme | | Kshs | Project Operations | 30,001,933 | 1,933 |
| Taita Taveta County Development Account - Cbk | | Kshs | Development | 9,906 | 68,645 |
| Taita Taveta County Road Maintenance Levy Account | 1000268767 | Kshs | Project | 18,411,043 | 5,998,537 |
| Taita Taveta County Deposit Account No. | 1000251174 | Kshs | Deposits | 3,112,530 | 33,237,899 |
| Taita Taveta Eu Ideas Banana Process-KCB | 1252445024 | Kshs | Project Operations | 26,666,273 | 26,000,000 |
| TTC Agriculture Sector Development Support Project-Coop | 01141222798000 | Kshs | Project Operations | 20,134,555 | 4,425,575.00 |
| Taita Tvt County MTT MUNI.KUSP.UDG-KCB | 1259752836 | Kshs | Project Operations | 497,097 | - |
| KCSAP TAITA TAVETA-Coop | | Kshs | Project Operations | 67,974,563 | - |
| Taita Taveta County -Water & Sanitation | | Kshs | Project Operations | 0 | - |
| Taita Tvt County MTT MUNI.KUSP.UIG-KCB | 1264488491 | Kshs | Project Operations | 37,735,201 | - |
| Taita Taveta County Hospitals Revenue | | Kshs | Revenue | 115 | - |
| Moi Sub County Hosp Nhif Imprest | | Kshs | Project Operations | 2,577,134 | - |
| Mwatate Sub County Hosp Nhif Imprest | | Kshs | Project Operations | 845,790 | - |
| Wesu Sub County Hosp Nhif Imprest | | Kshs | Project Operations | 2,426,478 | - |
| Mwambirwa Sub County Hosp Maternity | 1154162273 | Kshs | Project Operations | 345 | - |
| Total | | | | 344,881,439 | 241,600,980 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

21B. CASH IN HAND

| Description | 2019/2020 | 2018/2019 |
|--|----------------|----------------|
| | Kshs | Kshs |
| Cash in Hand – Held in domestic currency | 655,560 | 492,220 |
| Cash in Hand – Held in foreign currency | - | - |
| Total | 655,560 | 492,220 |

Cash in hand should also be analysed as follows:

| Description | 2019/2020 | 2018/2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Mwatate Sub County Hospital | 6,860 | 13,480 |
| Mwatate Sub County Hospital : Public Health Office | - | - |
| Mwatate Sub County Revenue Office | 5,450 | - |
| Mwatate Sub County Livestock & Fisheries | - | 4,000 |
| Wundanyi Sub County Hospital | - | 1,010 |
| Wundanyi Sub County Hospital: Public Health Office | 3,600 | - |
| Wundanyi Sub County Revenue Office | - | 68,040 |
| Wundanyi Sub County Trade Dept | - | - |
| Wundanyi Sub County Livestock & Fisheries Dept | - | - |
| Taveta Sub County Fisheries Dept | - | - |
| Taveta Sub County Hospital | - | 360 |
| Taveta Sub County Livestock Dept | - | - |
| Taveta Sub County Revenue Office | 37,550 | 212,000 |
| Taveta Sub County Veterinary Office | - | - |
| Voi Sub County Hospital | - | 14,400 |
| Voi Sub County Livestock Dept | - | - |
| Voi Sub County Revenue Office | 29,620 | 154,330 |
| Voi Sub County Veterinary Office | 3,050 | - |
| Voi Sub County Hospital: Public Health Office | - | 600 |
| Taveta Sub County Public Health | 2,000 | 24,000 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | |
|---|----------------|----------------|
| Moi County Referral Hosp Mpesa 593856 | 338,230 | - |
| Taveta Sub County Hospital Mpesa 593863 | 96,388 | - |
| Wundanyi sub County Hospital Mpesa 899131 | 19,140 | - |
| Wesu Sub County Hospital Mpesa 593858 | 60,770 | - |
| Mwatate Sub county Hospital Mpesa 593948 | 52,902 | - |
| Total | 655,560 | 492,220 |

COUNTY EXECUTIVE OF TAITA TAVETA
 Reports and Financial Statements
 For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

| Description | 2019/2020 | 2018/2019 |
|---------------------|------------------|-------------------|
| | Kshs | Kshs |
| Government Imprests | 6,796,700 | 15,919,597 |
| Clearance Accounts | - | - |
| Total | 6,796,700 | 15,919,597 |

| Name of Officer or Institution | Admin Code | Amount Taken | Amount Surrendered | Balance |
|--|------------|------------------|--------------------|------------------|
| | | Kshs | Kshs | Kshs |
| County Assembly | 3261 | - | - | - |
| Public Service & Administration | 3262 | 1,407,950 | - | 1,407,950 |
| Office of the Governor | 3263 | 1,311,150 | - | 1,311,150 |
| Finance and Planning | 3264 | 1,674,900 | - | 1,674,900 |
| Agriculture Livestock & Fisheries | 3265 | 41,300 | - | 41,300 |
| Water and Irrigation | 3267 | 63,000 | - | 63,000 |
| Education and Libraries | 3268 | 50,000 | - | 50,000 |
| Health | 3269 | 519,300 | - | 519,300 |
| Trade, Tourism & Cooperative Development | 3270 | 936,400 | - | 936,400 |
| County Public Service Board | 3271 | - | - | - |
| Infrastructure and Public Works | 3272 | - | - | - |
| Lands Environment and Natural Resources | 3273 | 70,000 | - | 70,000 |
| Mining & ICT | 3275 | - | - | - |
| Youth, Gender & Sports | 3276 | 722,700 | - | 722,700 |
| Total | | 6,796,700 | - | 6,796,700 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

22(B) PREPAYMENT (ADVANCE PAYMENT)

| Description | 2018/2019 | 2018/2019 |
|--------------|-----------|-------------------|
| | Kshs | Kshs |
| Prepayments | | 15,186,280 |
| Total | | 15,186,280 |

23. ACCOUNTS PAYABLE

| Description | 2019/2020 | 2018/2019 |
|--------------|-------------------|-------------------|
| | Kshs | Kshs |
| Deposits | 35,151,425 | 28,196,093 |
| Total | 35,151,425 | 28,196,093 |

24. FUND BALANCE BROUGHT FORWARD

| Description | 2019/2020 | 2018/2019 |
|----------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Bank accounts | 241,600,980 | 552,602,680 |
| Cash in hand | 492,220 | 772,256 |
| Accounts Receivables | 31,105,877 | 18,008,152 |
| Accounts Payables | (28,196,093) | (545,364) |
| Total | 245,002,984 | 570,837,724 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

| | Balance b/f FY 2019/2020 as per Financial statements | Adjustments | Adjusted Balance b/f FY 2018/2019 |
|-----------------------------|---|---------------------|--|
| Description of the error | Kshs | Kshs | Kshs |
| Adjustments on cash in hand | (492,220) | (772,256) | (772,256) |
| Adjustments on payables | | | |
| Adjustments on receivables | (15,919,597) | (18,008,153) | (18,008,153) |
| Others (<i>specify</i>) | - | | |
| Total | (16,411,817) | (18,780,409) | (18,780,409) |

N/B: The adjustment is for movement in imprests and cash for timing differences associated with the continuing appropriation of the previous year adjusted to express the actual amounts for the year under review.

26. CHANGES IN RECEIVABLES

| Description | 2019 - 2020 | 2018 - 2019 |
|---|-------------------|---------------------|
| | KShs | KShs |
| Outstanding Imprests as at 1st July 2019 | 15,919,597 | 18,008,152 |
| Outstanding prepayments as at 1st July 2019 | 15,186,280 | |
| Outstanding Imprest as at 30th June 2020 | (6,796,700) | (31,105,877) |
| Net changes in account receivables | 24,309,177 | (13,097,725) |

27. CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS

| Description | 2019 - 2020 | 2018 - 2019 |
|---|------------------|-------------------|
| | KShs | KShs |
| Deposit and Retentions as at 1st July 2019 (A) | 28,196,093 | 545,364 |
| Deposit and Retentions as at 30th June 2020 (B) | 35,151,425 | 28,196,093 |
| Net changes in account receivables C= (B)-(A) | 6,955,332 | 27,650,729 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

7.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|-----------------------------|--------------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction of buildings | 299,257,784 | 55,470,931.40 | 127,024,756.50 | 227,703,959 |
| Construction of civil works | 208,591,487 | 106,703,805.75 | 137,676,932.50 | 177,618,360 |
| Supply of goods | 44,298,456 | 144,602,392.77 | 47,783,309.51 | 141,117,539 |
| Supply of services | 100,714,140 | 233,221,711.69 | 123,639,857.35 | 210,295,994 |
| Total | 652,861,867 | 539,998,841.61 | 436,124,855.86 | 756,735,853 |

2. PENDING STAFF PAYABLES (See Annex 2)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|-----------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Senior management | xxx | xxx | (xxx) | xxx |
| Middle management | xxx | xxx | (xxx) | xxx |
| Unionisable employees | xxx | xxx | (xxx) | xxx |
| Others | xxx | xxx | (xxx) | xxx |
| Total | xxx | xxx | (xxx) | xxx |

3. OTHER PENDING PAYABLES (See Annex 3)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|---|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts due to National Government entities- Salaries | 48,912,000.75 | 0 | | 48,912,000.75 |
| Amounts due to County Government entities | 0 | 0 | 0 | 0 |
| Amounts due to third parties | 0 | 0 | 0 | 0 |
| Total | 48,912,000.75 | 0 | 0 | 48,912,000.75 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

4. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

Classification by Source

| | FY 2019/2020 | FY 2018/2019 |
|---------------------------------------|---------------------|---------------------|
| Description | Kshs | Kshs |
| National government | xxx | xxx |
| Multilateral donors | xxx | Xxx |
| Bilateral donors | xxx | Xxx |
| International assistance organization | xxx | Xxx |
| NGOs | xxx | Xxx |
| National Assistance Organization | xxx | Xxx |
| Total | xxx | Xxx |

Classification of payments made by Third Parties by Nature of expenses

| PAYMENTS MADE BY THIRD PARTIES | FY 2019/2020 | FY 2018/2019 |
|--|---------------------|---------------------|
| Compensation of Employees | Xxx | Xxx |
| Use of goods and services | Xxx | Xxx |
| Subsidies | Xxx | Xxx |
| Transfers to Other Government Units | Xxx | Xxx |
| Other grants and transfers | Xxx | Xxx |
| Social Security Benefits | Xxx | Xxx |
| Acquisition of Assets | Xxx | Xxx |
| Finance Costs, including Loan Interest | Xxx | Xxx |
| Repayment of principal on Domestic and Foreign borrowing | Xxx | Xxx |
| Other Payments | Xxx | Xxx |
| TOTAL | Xxx | Xxx |

5. RELATED PARTY DISCLOSURES

6. Related party transactions

| Description | 2019/2020 | 2018/2019 |
|---|------------------|------------------|
| | Kshs | Kshs |
| <u>Transfers to related parties</u> | | |
| Transfer to the County Assembly | 608,852,400 | 701,070,794 |
| Transfers to other County Government Entities | 167,759,870 | - |
| Transfers to Development Projects | 133,182,419 | 211,721,753 |
| Transfers to non reporting entities e.g schools and welfare | | |
| Transfers to County Water Service Providers | | |
| Expenses paid on behalf of County Water Service Providers | | |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

| | | |
|---|--------------------|--------------------|
| Total Transfers to related parties | 909,794,690 | 912,792,547 |
| | | |
| <u>Transfers from related parties</u> | | |
| Transfers from the Exchequer | | |
| Transfers from MDAs | | |
| Transfers from SCs and SAGAs- National Government | | |
| (Insert any other transfers received) | | |
| Total Transfers from related parties | | |

7. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

| Entity | Date Established | Location | Accounting responsible | Officer |
|--------------------------|-------------------------|-----------------|-------------------------------|----------------|
| Emergency Fund | 2014 | Wundanyi | Leonard Langat | |
| Education Fund | 2015 | Wundanyi | Simon Mwachia | |
| Car Loan & Mortgage Fund | 2015 | Wundanyi | Leonard Langat | |
| Datu Sawazisha Fund | 2015 | Wundanyi | Christine Mwakera | |

8. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS

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

| Name of Bank, Account No. & currency | Amount in bank account currency* | 2019 - 2020 | 2018 - 2019 |
|---|---|--------------------|--------------------|
| | | KShs | KShs |
| Taita Taveta County -Revenue Collection Account | 1140754017 | 2,696,582 | 621,290 |
| Taita Taveta County Hospitals Revenue | 1261095480 | 115 | - |
| Taita Taveta County - Moi Hospital Revenue Collection a/c | 1197838384 | 3,650 | 110,010 |
| Taita Taveta County -Taveta Hospital Revenue Collection a/c | 1197838996 | 2,235 | 28,320 |
| Taita Taveta County- Mpesa Revenue Collection statement | 899131 | 658,948 | 225,960 |
| Total | | 3,361,530 | 985,580 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---------------------|--|-----------------------------------|--|
| 1.1 | Unconfirmed Market & Trading Centres Revenue | Observation noted | Simeon Irina | Resolved | 30 th June, 2020 |
| 1.2 | Unsupported Revenue from Sub-County Health facilities | Observation noted | Simeon Irina | Resolved | 31 st December, 2019 |
| 1.3 | Uncollected Mining Revenue | Observation noted | Simeon Irina | Resolved | 30 th June, 2020 |
| 1.4 | Undisclosed fees due from incomplete Revenue Management system | Observation noted | G. Kalaghe | Resolved | 30 th June, 2020 |
| 2.1 | Unsupported Domestic Travel & Subsistence | Observation noted | G. Kalaghe | Resolved | 30 th June, 2020 |
| 2.2 | Unsupported Insurance payments | Observation noted | P. Leweri | Resolved | 30 th June, 2020 |
| 3.0 | Unsupported Agro-Input expenditure | Observation noted | S. Mnene | Resolved | 30 th June, 2020 |
| 4.0 | Unconfirmed fixed assets | Observation noted | S. Mnene | Resolved | 30 th June, 2020 |

CEC, County Treasury

Sign.....

Date.....28-12-2020

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEXES

ANNEX 1 - ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

| Period | Equitable Share | DANIDA | Level 5 hospitals allocation | Other transfers- Donor funds transferred through exchequer | Total Transfers from the National Treasury/ Exchequer |
|----------------------------------|------------------------|-------------------|-------------------------------------|---|--|
| Exchequer Releases for quarter 1 | 737,951,400 | - | - | - | 737,951,400 |
| Exchequer Releases for quarter 2 | 763,398,000 | - | - | 57,720,473 | 821,118,473 |
| Exchequer Releases for quarter 3 | 1,208,713,500 | 6,046,875 | - | 109,636,938 | 1,324,397,313 |
| Exchequer Releases for quarter 4 | 1,166,302,500 | 10,561,875 | - | 191,231,153 | 1,368,095,528 |
| Total | 3,876,365,400 | 16,608,750 | 0 | 358,588,564 | 4,251,562,714 |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/2020 | Outstanding Balance 2018/2019 | Comments |
|--|--------------------|-----------------|---------------------|-------------------------------|-------------------------------|----------|
| | A | B | c | d=a-c | | |
| Construction of buildings | | | | | | |
| Education Department & Health Department | 65,039,753.16 | 2019/2020 | | 65,039,753.16 | | |
| Youth Department | 63,949,836.10 | 2019/2020 | | 63,949,836.10 | | |
| Other Departments | 12,127,950 | 2019/2020 | | 12,127,950 | | |
| Sub-Total | 141,117,539 | | | 141,117,539 | | |
| Construction of civil works | | | | | | |
| Public Works | 134,720,345 | 2019/2020 | | 134,720,345.30 | | |
| Water and Sanitation & Trade Department | 23,423,615 | 2019/2020 | | 23,423,614.95 | | |
| Other Departments | 19,474,400 | 2019/2020 | | 19,474,400.00 | | |
| Sub-Total | 177,618,360 | | | 177,618,360 | | |
| Supply of goods | | | | | | |
| Health Department | 203,662,435 | 2019/2020 | | 203,662,435 | | |
| Agriculture Department | 12,602,391 | 2019/2020 | | 12,602,391 | | |
| Other Departments | 11,439,133 | 2019/2020 | | 11,439,133 | | |
| Sub-Total | 227,703,959 | | | 227,703,959 | | |
| Supply of services | | | | | | |
| Youth Department | 75,924,570 | 2019/2020 | | 75,924,570 | | |
| Governors Department | 65,577,945 | 2019/2020 | | 65,577,945 | | |
| Other Departments | 68,793,479 | 2019/2020 | | 68,793,479 | | |
| Sub-Total | 210,295,994 | | | 210,295,994 | | |
| Grand Total | 756,735,853 | | | 756,735,853 | | |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2018/2019 | Outstanding Balance 2017/2018 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|-------------------------------|-------------------------------|----------|
| | | a | b | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019/2020 | Outstanding Balance 2018/2019 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|-------------------------------|-------------------------------|----------|
| | | a | b | c | d=a-c | | |
| Amounts due to National Govt Entities | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Sub-Total | | | | | | | |
| Amounts due to County Govt Entities | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Sub-Total | | | | | | | |
| Amounts due to Third Parties | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | 233,302,147 | | | 48,912,001 | | |

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (KShs) 2018/2019 | Additions during the year (KShs) | Disposals during the year (KShs) | Transfers in/(out) during the year (KShs) | Historical Cost c/f (KShs) 2019/2020 |
|--|--|--|--|---|--|
| Land | 2,242,408,724 | - | - | - | 2,242,408,724 |
| Buildings and structures | 341,207,477 | 11,426,305 | - | - | 352,633,782 |
| Transport equipment | 147,706,070 | 43,810,000 | - | - | 191,516,070 |
| Office equipment, furniture and fittings | 33,857,148 | 13,430,247 | - | - | 47,287,395 |
| ICT Equipment | 20,282,656 | 1,281,150 | - | - | 21,563,806 |
| Machinery and Equipment | 103,731,130 | 33,133,285 | - | - | 136,864,415 |
| Heritage and cultural assets | - | - | - | - | - |
| Biological assets | 24,519,609 | 5,999,925 | - | - | 30,519,534 |
| Intangible assets | 84,592,345 | 67,082,021 | - | - | 151,674,366 |
| Infrastructure assets- Roads, Rails | 429,641,970 | 200,785,945 | - | - | 630,427,915 |
| Work in progress | - | - | - | - | - |
| Total | 3,427,947,129.00 | 376,948,877 | - | - | 3,804,896,006 |

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.)

COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 6 – INTER-ENTITY TRANSFERS

| Ref | Entity | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Amount transferred KShs | Amount Confirmed as received KShs | difference | explanation |
|-----|------------------------------------|-------------------|--------------------|--------------------|--------------------|----------------------------|--------------------------------------|------------|-------------|
| 1 | Taita Taveta County Assembly | 50,000,000 | 211,386,400 | 193,000,000 | 154,466,000 | 608,852,400 | 608,852,400 | - | |
| 2 | Taita Taveta County Mortgage Fund | - | 16,750,000 | 12,436,670 | 11,665,000 | 40,851,670 | 40,851,670 | - | |
| 3 | Taita Taveta County Education Fund | 2,701,570 | - | 25,000,000 | 2,491,000 | 30,192,570 | 30,192,570 | - | |
| 4 | Taita Taveta County Emergency Fund | 511,490 | 3,000,000 | 10,500,000 | 37,688,700 | 51,700,190 | 51,700,190 | - | |
| 5 | Tevevo Water & Sanitation | | | 45,015,440 | | 45,015,440 | 45,015,440 | - | |
| | | | | | | | | - | |
| | Total | 53,213,060 | 231,136,400 | 285,952,110 | 206,310,700 | 776,612,270 | 167,759,870 | | |

Director of Finance
 County Executive



Director of Finance
 County Assembly/fund/project



COUNTY EXECUTIVE OF TAITA TAVETA
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 6 Contingent liabilities register

| | Nature of contingent liability | Payable to | Currency | Estimated Amount Kshs | Expected date of payment | Remarks |
|----|---------------------------------------|-------------------|-----------------|------------------------------|---------------------------------|----------------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| | | | | | | |