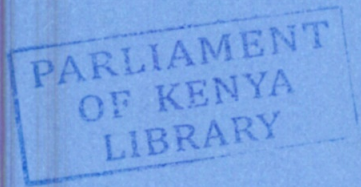


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

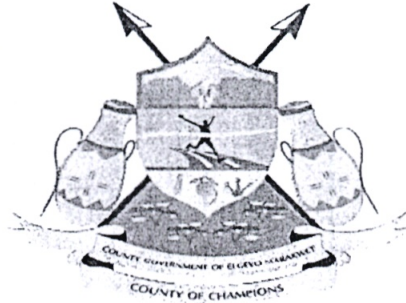
PAPERS LAID	
DATE	16/04/2024
TABLED BY	Majority Leader
COMMITTEE	Finance & Budget
CLERK AT THE TABLE	C. Cherop

ON

COUNTY REVENUE FUND

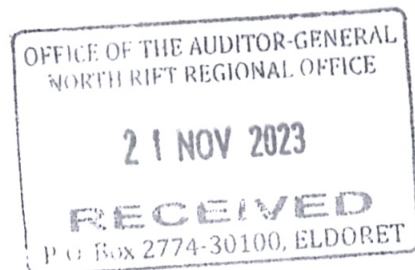
**FOR THE YEAR ENDED
30 JUNE, 2023**

**COUNTY GOVERNMENT OF
ELGEYO/MARAKWET**



COUNTY REVENUE FUND
COUNTY GOVERNMENT OF ELGEYO MARAKWET
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

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



County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

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County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings

b) glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

2. Key Entity Information and Management

a) Background information

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

Vision

A leading sector in Public Finance Management, Economic policy formulation and coordination of Development

Mission

The department is committed to providing overall leadership and policy direction in resource mobilization, management and accountability for quality public service delivery

Core Values

- ✓ Professionalism
- ✓ Team work
- ✓ Accountability
- ✓ Transparency
- ✓ Responsiveness
- ✓ Integrity
- ✓ Participation of all stakeholders

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	Alphaeus K. Tanui
2.	Ag. C.O Finance and Economic planning	JohnKeen Murkeu
3.	Ag. Director Accounting Services/Finance	David K.Chebii

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Alphaeus K. Tanui
2.	Accounting Officer in charge of Finance	JohnKeen Murkeu
3.	Ag. Director Accounting Services/Finance	David K.Chebii

d) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements include;

- The Internal Audit department responsible for ensuring proper recording of all books of Account.
- The Controller of Budget approves Exchequers requisitions in line with the Approved Budget
- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee
- Parliamentary committee activities
- Development partner oversight activities

e) County Headquarters

P.O. Box 220-30700
Elgeyo Marakwet County Treasury Building, Iten
Eldoret -Iten Road
ITEN, KENYA

f) County Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

g) County Bankers

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

h) Independent Auditor

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

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

i) Principal Legal Adviser

The Legal section,

P.O. Box 220-30700

Elgeyo Marakwet County Treasury Building, Iten

Eldoret -Iten Road

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

3. Statement by the CECM Finance

The annual financial statements for the period ended 30th June, 2023 for the County Revenue Fund have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government operates County Revenue Fund (CRF) account number 1000171723 held at Central Bank of Kenya.

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 6,256,186,221 in the FY 2022/2023 comprising of:

Recurrent Expenditure	-Sh. 3,991,288,162
Development Expenditure	-Sh. 2,264,898,059
Total	Ksh. 6,256,186,221

The Revenue performance against the Approved budget for the FY 2022/2023 is tabulated below;

Revenue Sources	Estimates 2022/23	supplementary adjustments	Approved Estimates (Net)	TOTAL (KSH)	Percent of total (%)
CRA Share	4,606,532,480	-	4,606,532,480	4,975,055,076	108%
Local Revenue	246,339,212	(100,000)	246,239,212	210,939,613	86%
Balance b/d (Return to CRF Issues)	-	1,185,317,485	1,185,317,485	5,976,399	1%
World Bank					
Kenya Climate Smart Agriculture Project(KCSAP)	-	85,593,752	85,593,752	80,593,752	94%
Emergency Locusts Response	-	75,879,000	75,879,000	74,041,566	98%
KISP II	-	8,324,295	8,324,295	8,024,004	96%
Other Grants and Loans					
Agricultural Sector Dev.Support (ASDSP) - Sweden	-	14,162,596	14,162,596	8,011,716	57%
Financing Local Led Climate Change (FLOCCA)	-	11,000,000	11,000,000	11,000,000	100%
Nutrition International (NI)	-	15,000,000	15,000,000	15,000,000	100%
DANIDA –Primary Health Care		8,137,400	8,137,400	4,849,500	60%
Kenya Urban Support Programme(KUSP)	-	-	-	2,339,915	100%
Total	4,852,871,692	1,403,314,528	6,256,186,220	5,395,831,541	86%

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

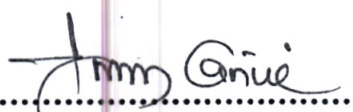
During the year, total of Ksh. 5,395,831,541 was received in the County Revenue Fund comprising of;

Exchequer issues	Sh. 4,975,055,076
Transfers from other government entities	Sh. 188,860,453
Other Grants	Sh. 15,000,000
Transfer from Revenue collection accounts	Sh. 210,939,613
Return to CRF issues	<u>Sh. 5,976,399</u>
Total	<u>Ksh 5,395,831,541</u>

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the year is summarized below;

Transfers to County Executive	4,479,577,024
Transfers to County Assembly	<u>715,385,935</u>
Total Ksh.	<u>5,194,962,959</u>

In conclusion, the financial statements for County Revenue Fund for the County Government of Elgeyo Marakwet for the period ended 30th June, 2023 reflect the true and fair view.



Alphaeus K. Tanui
CECM Finance and Economic Planning
County Government of Elgeyo Marakwet



County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

4. Management Discussion and Analysis

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 6,256,186,221 in the FY 2022/2023 comprising of:

Recurrent Expenditure	-Sh. 3,991,288,162
Development Expenditure	-Sh. 2,264,898,059
Total	Ksh. 6,256,186,221

During the year, total of Ksh.5,395,831,542 was received to the County Revenue Fund comprising of;

Exchequer issues	Sh. 4,975,055,076
Transfers from other government entities	Sh. 188,860,453
Other Grants	Sh.15,000,000
Transfer from Revenue collection accounts	Sh. 210,939,613
Return to CRF issues	<u>Sh. 5,976,399</u>
Total	Ksh 5,395,831,542

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the year is summarized below;

Transfers to County Executive	4,470,577,024
Transfers to County Assembly	<u>715,385,935</u>
Total Ksh.	<u>5,194,962,959</u>

Reconciliation of County Revenue Fund

The movement of funds in the County Revenue Fund during the year is reconciled as follows;

	2022/23	2021/22
	Kshs.	Kshs.
Opening Cashbook Balance 1.7.2022	26,160,682	378,742,279
Add Transfers to CRF		
Exchequer releases	4,975,055,076	4,238,009,884
Transfers from other government agencies	188,860,453	228,981,580
Other grants	15,000,000	189,795,683
Own Source Revenue	210,939,613	163,587,774
Return to CRF issues	5,976,399	7,369,764
Total	5,421,992,223	5,206,486,964
Less: Transfers from CRF		
Transfers to County Executive	4,479,577,024	4,588,451,226
Transfers to County Assembly	715,385,935	591,875,056
Other Transfers	-	-
Total Payments	5,194,962,959	5,180,326,282
Closing Cashbook Balance 30.6.2023	227,029,264	26,160,682

The Cashbook balance as at 30th June 2023 is Sh. 227,029,264

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2023



.....
CEC Member – Finance and Economic Planning
County Government of Elgeyo Marakwet



County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

6. Statement of Management Responsibility

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

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2023*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements; which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2023*, and of its financial position as at that date.

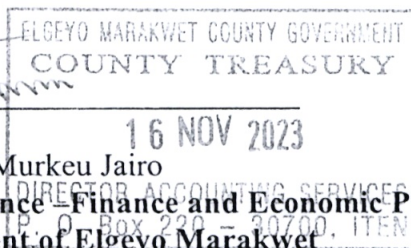
The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on **16th November, 2023**

Signature _____

Name : John Keen Murkeu Jairo
Chief Officer Finance – Finance and Economic Planning
County Government of Elgeyo Marakwet



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF ELGEYO/MARAKWET

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Elgeyo/Marakwet set out on pages 1 to 12, which comprise the statement

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

In my opinion, the financial statements present fairly, in all material respects, the financial performance of the County Revenue Fund - County Government of Elgeyo/Marakwet 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 Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.6,256,186,220 and Kshs.5,395,831,542 respectively resulting to an under-funding of Kshs.860,454,678 or 14% of the budget. Similarly, the Fund expended Kshs.5,194,962,959 against an approved budget of Kshs.6,256,186,220 resulting to an under-expenditure of Kshs.1,061,323,262 or 17% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Late Disbursements of Funds

The statement of receipts and payments and Note 1 to the financial statements reflects exchequer releases amount of Kshs.4,975,055,076 being equitable share of revenue. Included in the balance is an amount of Kshs.368,522,596 that was received in County Revenue Fund Account on 27 July, 2022 as per the bank statements being arrears for the financial year 2021/2022.

In the circumstances, late disbursements of funds by The National Treasury may affect implementation of approved programmes and impact negatively on service delivery to the public.

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

Key Audit Matters

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

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, 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 for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 intention to abolish the Fund or cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

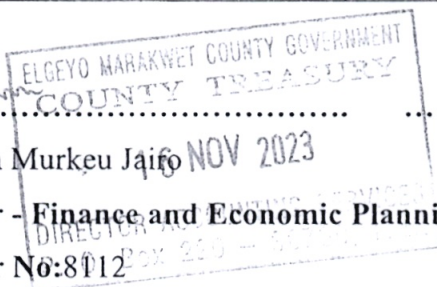
01 February, 2024

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

8. Statement of Receipts and Payments for the Year Ended 30th June 2023

		2022-2023	2021-2022
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	4,975,055,076	4,238,009,884
Transfers from other government agencies	2	188,860,453	228,981,580
Other grants	3	15,000,000	189,795,683
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	210,939,613	163,587,784
Return to CRF issues	7	5,976,399	7,369,764
Total Receipts		5,395,831,542	4,827,744,695
Payments			
Transfers to County Executive	8	4,479,577,024	4,588,451,226
Transfers to County Assembly	9	715,385,935	591,875,056
Other Transfers	10	-	-
Total Payments		5,194,962,959	5,180,326,282
Net increase/ (decrease) in cash for the year		200,868,583	(352,581,587)
Add Opening fund balance b/f	11	26,160,682	378,742,279
Closing Fund balance for the year	11	227,029,265	26,160,692

Name: John Keen Murkeu Jairo
Ag. Chief Officer - Finance and Economic Planning
ICPAK Member No: 8112
Date: 16th November, 2023



Name: David K. Chebii
Ag. Director Accounting Services
ICPAK Member No: 8088
Date: 16th November, 2023

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2023

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Exchequer releases	4,606,532,480	-	4,606,532,480	4,975,055,076	(368,522,596)	108%
Transfers from other government agencies	-	203,097,043	203,097,043	188,860,453	14,236,590	93%
Other conditional grants	-	15,000,000	15,000,000	15,000,000	-	100%
Proceeds from Domestic Borrowing	-	-	-	-	-	0%
Proceeds from Foreign Borrowing	-	-	-	-	-	0%
Own Source Revenue	246,339,212	(100,000)	246,239,212	210,939,613	35,399,599	86%
Return to CRF issues	-	1,185,317,485	1,185,317,485	5,976,399	1,179,341,086	1%
Total Receipts	4,852,871,692	1,403,314,528	6,256,186,220	5,395,831,542	860,454,678	86%
Payments						
Transfers to County Executive	4,190,363,356	1,332,630,528	5,522,993,884	4,479,577,024	1,043,416,860	81%
Transfers to County Assembly	662,408,337	70,784,000	733,192,337	715,385,935	17,906,402	98%
Others	-	-	-	-	-	0%
Total Payments	4,852,771,693	1,403,414,528	6,256,186,221	5,194,962,959	1,061,323,262	83%
Balance	-	-	-	200,868,583		

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

Notes

- (a) The County Government budgeted sh.218,097,043 for transfers from other Government entities and Donor grants in the 1st Supplementary budget.
- (b) The adjustment of Sh Sh. 1,185,317,485 relate to roll over funds unspent in FY 2021/2022 re-budgeted in FY 2022/2023
- (c) The Exchequer releases include **Sh.368,522,596** relating to disbursements for the financial year 2021/2022 received in the financial year 2022/2023. The amount of **Sh. 4,975,055,076** received in the financial year comprise of;
- | | |
|--|-------------------|
| County Allocation in the CARA (FY 2022/2023) - | Sh. 4,606,532,480 |
| Late disbursements for FY 2021/2022 | - Sh.368,522,596 |

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

d) Payments

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

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

11. Notes to the Financial Statements

1. Exchequer releases

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

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Equitable Share (a)	4,975,055,076	4,238,009,884
Level 5 hospitals (b)	-	-
Others (<i>Specify</i>) (c)	-	-
Total (d=a+b+c)	4,975,055,076	4,238,009,884

2. Transfers from other government agencies

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Road Maintenance Levy	-	-
COVID-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	4,277,625
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	36,633,382
World Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	80,593,752	158,523,597
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	4,849,500	-
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	8,011,716	11,920,195
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	74,041,566	17,626,781
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	8,024,004	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support-(IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water,	-	-

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023

Description	2022-2023	2021-2022
Sanitation, and Irrigation		
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	-	-
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)I CCIS Grant State Department	11,000,000	-
Kenya Urban Support Programme (KUSP)	2,339,915	
	-	-
Total	188,860,453	228,981,580

3. Other grants

Description	2022-2023	2021-2022
	Kshs.	Kshs.
World Bank-KDSP	-	184,795,683
World Bank -Nutrition International	15,000,000	5,000,000
Other Grants	-	-
Total	15,000,000	189,795,683

4. Proceeds from Domestic borrowing.

Description	2022-2023	2021-2022
	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	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

County Government of Elgeyo Marakwet
County Revenue Fund
For the financial year ended 30th June 2023
Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

6. Own Source Revenue

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Cess	11,113,053	10,815,416
Land rate	583,881	1,662,512
Single/Business permits	16,716,265	10,304,408
Property rent	2,245,389	239,534
Parking fees	3,336,580	3,215,340
Market fees	6,455,098	3,443,391
Advertising	1,500,300	2,021,380
Hospital fees	157,024,821	118,103,290
Public health service fees	2,491,526	2,187,200
Physical planning and development	1,343,800	215,800
Hire of County Assets	-	-
Conservancy administration	878,460	678,600
Administration control fees and charges	30,600	188,850
Park fees	-	-
Proceeds from sale of assets	-	-
Other fines, penalties, and forfeiture fees	153,200	83,428
Miscellaneous	393,979	9,093,913
Others (<i>Specify</i>)	6,672,661	1,334,712
Total	210,939,613	163,587,774

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	5,976,399	7,369,764
Development Account (<i>County Executive</i>)	-	-
Recurrent Account (<i>County Assembly</i>)	-	-
Development Account (<i>County Assembly</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	5,976,399	7,369,764

8. Transfers to County Executive

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account	3,121,231,465	2,862,489,037
Development Account	1,084,210,652	1,282,912,418
Special Purpose Accounts	274,134,907	443,049,771
Others –Total transfers for previous year	-	-
Total	4,479,577,024	4,588,451,226

During the year, the Controller of Budget approved total requisition of Sh. 4,479,577,024 for spending against approved budget of Sh.5,522,993,884.

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023
 Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account	715,385,935	591,875,056
Development Account	-	-
Special purpose accounts	-	-
Others (<i>Specify</i>)	-	-
Total	715,385,935	591,875,056

During the year, the Controller of Budget approved total requisition of Sh. 715,385,935 to the County Assembly.

10. Other Transfers

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

11. Fund balance

Description	2022-2023	2021-2022
	Kshs.	Kshs.
County Exchequer Account - (<i>CBK Account number 1000171723</i>)	227,029,264	26,160,682
Total	227,029,264	26,160,682

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Notes to the Financial Statements (Continued)

12. 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 are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2022-2023	2021-2022
			Kshs	Kshs
KCB, County Revenue Collection A/c no.1140751360	-	-	943,496	312,257
Access Bank Ltd,A/c no.0180130000044	-	-	1,569,759	159,392
KCB, Iten County Referral Hospial Collection A/c n0.1140751360	-	-	-	-
	-	-	-	-
Total			2,513,255	471,649


County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

12. Annexes

Annex 1: Progress on follow up of Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Inaccuracy of Closing Fund Balance	Un-reconciled variance of Sh.693,208,550	The variance represent the reconciling items in the bank reconciliation for the CRF i.e the exchequers and requisitions not cleared as at 30 June 2022	3 months	Not resolved
Budgetary Control and Performance	Underfunding of Ksh.1,834,828,787	During the year the exchequer funds and some donor funds were not received in full hence the shortfall	6 months	Not resolved


 ELGEYO MARAKWET COUNTY GOVERNMENT
 COUNTY TREASURY
 16 NOV 2023
 DIRECTOR ACCOUNTING SERVICES
 P.O. BOX 220 - 30700, ITEN
Name: John Keen Murkeu Jairo
Ag. Chief Officer Finance and Economic Planning
ICPAK Member No:8112
Date:16th November,2023

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 2 . Analysis Of Receipts from The National Treasury Exchequer Releases

Period 2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,128,600,455	760,077,860	760,077,859	2,326,298,902	4,975,055,076
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	4,849,500	4,849,500
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	-	-
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	2,339,915	2,339,915
Agriculture Sector Development Support Project (ASDSP)	-	-	5,211,716	2,800,000	8,011,716
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	80,593,752	-	80,593,752
Water and Sanitation Development Project	-	-	-	-	-
World Bank-Emergency Locusts Response	-	-	29,806,665	44,234,901	74,041,566
World Bank Nutrition International	-	7,500,000	-	7,500,000	15,000,000
Kenya Informal Sector Settlement Program -KISP	-	-	-	8,024,004	8,024,004
Financially Locally Led Climate Change –FLOCCA	-	-	11,000,000	-	11,000,000
Total	1,128,600,455	767,577,860	886,689,992	2,396,047,222	5,178,915,529

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

Period 2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	2,275,758	2,120,755	4,051,420	2,665,120	11,113,053
Land rate	79,501	72,944	169,488	261,948	583,881
Single/Business permits	610,210	519,050	9,600,140	5,986,865	16,716,265
Property rent	274,333	314,100	505,342	1,151,614	2,245,389
Parking fees	269,750	760,500	1,257,900	1,048,430	3,336,580
Market fees	906,585	1,903,580	2,073,214	1,571,719	6,455,098
Advertising	500	110,400	364,400	1,025,000	1,500,300
Hospital fees	24,418,659	33,547,713	52,553,434	46,505,015	157,024,821
Public health service fees	152,150	256,475	1,391,476	691,425	2,491,526
Physical planning and development	66,500	109,000	622,600	545,700	1,343,800
Hire of County Assets	-	-	-	-	-
Conservancy administration	15,800	19,300	638,360	205,000	878,460
Administration control fees and charges	-	21,600	-	9,000	30,600
Park fees	31,350	29,300	46,450	46,100	153,200
Proceeds from sale of assets	-	-	-	-	-
Other fines, penalties, and forfeiture fees	14,130	24,300	145,965	209,584	393,979
Miscellaneous	-	-	-	-	-
Others (Specify)	-	-	-	-	-
Auction/ Animal stock sale fees	290,250	379,770	291,830	264,000	1,225,850
Slaughter fees	183,200	236,950	188,800	213,050	822,000
Veterinary - VSD	145,695	146,205	164,435	156,750	613,085
public works	11,000	30,000	112,000	100,000	253,000

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Transfer fees	2,500	40,000	2,000	25,500	70,000
Clearance Certificate fees	8,200	17,100	28,400	28,500	82,200
Hide & skins	-	11,000	2,400	400	13,800
Water Department	20,150	28,500	10,500	13,000	72,150
Co-operative Department	121,850	-	15,050	14,620	151,520
Recoveries	176,634	-	-	70,800	247,434
Others	631,107	836,561	865,137	788,817	3,121,622
Total	30,705,812	41,535,103	75,100,741	63,597,957	210,939,613

County Government of Elgeyo Marakwet
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 4: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive –Recurrent	648,895,199	759,172,454	688,080,274	1,025,083,538	3,121,231,465
County Executive -Development	-	-	35,517,483	1,048,693,169	1,084,210,652
County Assembly –Recurrent	85,339,654	156,526,679	229,221,141	244,298,461	715,385,935
County Assembly -Development	-	-	-	-	-
<i>Special Purpose A/c</i>	-	-	-	-	-
Emergency Locusts Response	-	-	29,806,665	44,234,901	74,041,566
KCSAP	-	48,491,912	85,593,752	-	134,085,664
KDSP	-	-	-	-	-
DANIDA -Primary Health Care	-	-	14,492,419	4,849,500	19,341,919
Nutrition International	-	-	17,729,042	7,500,000	25,229,042
UDG	-	-	-	-	-
ASDSP	-	-	7,636,716	2,800,000	10,436,716
KUSP	-	-	-	-	-
KISP II	-	-	-	-	-
FLOCCA	-	-	-	11,000,000	11,000,000
Total	734,234,853	964,191,045	1,108,077,492	2,388,459,569	5,194,962,959