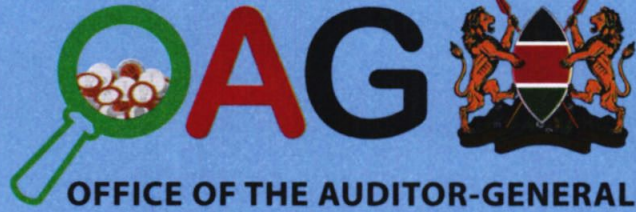


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

**COUNTY GOVERNMENT
OF NYERI**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Rep Mau Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim

Revised on 30th June, 2024.



COUNTY REVENUE FUND
COUNTY GOVERNMENT OF NYERI

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

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



County Government of Nyeri
County Revenue Fund
For the financial year ended 30th June 2024

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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

(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

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.

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance, Economic Planning & ICT	Robert Thuo
2.	C.O Finance	John Ngugi
3.	Director Accounting Services/Finance	Lucy Kangangi

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance, Economic Planning & ICT	Robert Thuo
2.	Accounting Officer in charge of Finance	John Ngugi
3.	Director Accounting Services/Finance	Lucy Kangangi

d) Fiduciary Oversight Arrangements

In the County Government of Nyeri, fiduciary oversight is integral to ensuring that public resources are managed with the highest standards of transparency, accountability, and responsibility. Some of the fiduciary oversights in the year ended 30th June 2024 include;

Audit and Finance committee activities

The committee provides oversight on risk management, controls and governance processes and audit affairs of the County Government. The committee also enhances implementation on the recommendations of the internal and external auditors.

The committee constitutes of the following members;

No.	Name	Designation
1.	Chrispus Mbogo	Chairman
2.	John K. Muchira	Secretary
3.	Pauline Wanjiru	Member
4.	Michael Chege	Member
5.	Margaret Macharia	Member
6.	Lucy K. Kangangi	Member
7.	Martha Wamuicho	Member

Senate Committee

Senate's overall function is to protect the interests of the counties and their governments. Article 96 of the Constitution of Kenya 2010 provides that the Senate has a role in-

1. Law -making;
2. Determining allocation of national revenue among counties as per Article 217 of the Constitution and overseeing national revenue allocated to county governments; and
3. Considering and determining any resolution to impeach the President and Deputy President as per the provisions of Article 145 and 150(2) of the Constitution respectively.

County Assembly

The County Assembly has set up committees that provide oversight activities to the County Governments. These committee comprise of;

i. Public Accounts Committee

The committee has provided oversight on expenditure of public funds by the executive for the period ended 30th June 2024. This is by evaluating as to whether the County has attained value for money, adhered to the set financial regulations and procedures in funds utilization and preparation of financial statements.

The committee constitutes of the listed members:

NO.	MEMBER	DESIGNATION
1.	Hon. Margaret Muthoni Kuruga	Chairperson
2.	Hon. Patrick Wachira Kanyi	Vice Chairperson
3.	Hon. Jackson Kabingu Gichuhi	Member
4.	Hon. Patrick Karanja Maina	Member
5.	Hon. Watson Mburungo Weru	Member
6.	Hon. Jonah Kamau Taiti	Member
7.	Hon. Cyrus Ndiritu Kibiru	Member
8.	Hon. Fidelis Wangui Nderitu	Member
9.	Hon. Agnes Wanjiku Wachira	Member

Public Finance & Economic Planning Committees

The committee provided oversight on revenue collection, imposition of taxes and charges, County Fiscal Planning and development including statistics; borrowing by the County Government, Consideration of the debt management strategy paper, examination of the Finance Bill and inventory of the county government's assets, in accordance to the financial and economic policies of the County.

The committee constitutes of the listed members:

No.	MEMBER	DESIGNATION
1.	Hon. Atanasio Gichohi Kabaire	Chairperson
2.	Hon. Jonah Kamau Taiti	Vice Chairperson
3.	Hon. Wilfred Wambari Nyaga	Member
4.	Hon. Jackson Kabingu Gichuhi	Member
5.	Hon. Meshack Kiruga Thuku	Member
6.	Hon. Clement Warutere Ndegwa	Member
7.	Hon. Eunice Wagaki Wanderi	Member
8.	Hon. Zipporah Wangechi Njithi	Member
9.	Hon. Watson Mburungo Weru	Member

Development partner oversight activities

The County Government of Nyeri has development partners who are involved in oversight activities to monitor the utilization of funds allocated for specific projects and programs. During the period, they conducted periodic reviews, site visits, and evaluations to ensure that funds were used efficiently and effectively, and that project outcomes aligned with the intended goals. These Partners are but not limited to;

The World Bank

The World Bank provided oversight for Kenya Devolution Support Program (KDSP) and Kenya Urban Support program (KUSP) funds implementation.

Through KDSP, oversight is continuously carried out for the Naromoru Hospital under KDSP Level II.

Under KUSP, oversight was carried out for the completed Modern Asian Quarter bus terminus construction.

Controller of Budget

Provide oversight for budget implementation in the County Governments.

Office of the Auditor General

Provide oversight activities to the County Governments.

The Auditor General is mandated to audit and report on the use and management of public resources by public entities. This is by confirming that public finance has been used lawfully and value for money is realised.

During the financial year ended 30th June 2024, the fiduciary activities encompassed a range of initiatives, including but not limited to:

Financial Audits: Thorough financial audits were conducted to ensure accuracy and transparency in financial reporting.

Risk Assessments: Comprehensive risk assessments were performed to identify potential financial vulnerabilities and develop mitigation strategies.

Expenditure Reviews: Regular reviews of expenditures were conducted to verify that resources were allocated appropriately and in accordance with established budgets.

Compliance Monitoring: Continuous monitoring of compliance with legal and regulatory frameworks was undertaken to prevent financial irregularities.

Capacity Building: Capacity-building initiatives were implemented to enhance financial management skills across the organization.

- **County Government of Nyeri Headquarters**

P.O. BOX 1112-10100
Town Hall Building
Kenyatta Road/Highway
NYERI, KENYA

- **County Executive Contacts**

Telephone: (254) 0612030700
E-mail: infonyericounty@gmail.com
Website: www.nyeri.go.ke.

- **County Government of Nyeri Bankers**

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

II. Kenya Commercial Bank
Nyeri Branch

III. Co-operative Bank of Kenya
Nyeri Branch

IV. Equity Bank Nyeri Branch
Nyeri Branch

- **Independent Auditors**

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

- **Principal Legal Adviser**

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

3. Statement by the CECM Finance and Economic Planning



A County Government shall be responsible for any function assigned to it under the Constitution or by an Act of Parliament. This is achieved through coordinating and enhancing participation in governance of communities at the local level especially in the wards and sub counties. The communities will be empowered to develop administrative capacity for effective exercise of functions and powers of governance.

This financial statement is prepared in accordance with Section 163, 164, and 165 of the Public Finance Management Act, 2012. The sections of the PFM listed above require all County Governments through their respective County Treasuries to prepare financial statements at the end of every quarter and end of each financial year.

Preparation of the statements is in accordance with the guidelines, standard, and format prescribed by the Public Sector Accounting Standard Board. The financial statements provide a true and fair view of the financial position of the County as at 30th June 2024.

In the fiscal year 2023/2024, the total County budget is Kshs 8,982,402,108.00 from this amount; Kshs 6,196,977,088 is allocated for recurrent expenditure and Kshs 2,785,425,020 is set aside for development projects. The funding of this budget is expected from Equitable Share, Local Revenue, Conditional Grants, Donor Funds and Transfers from other Government Entities & Agencies.

The cumulative local revenue collected as at 30th June 2024 amounting to Kshs 667,103,501, equitable share and donor funding amounting to Kshs. 6,423,393,668 was received from the National Government.

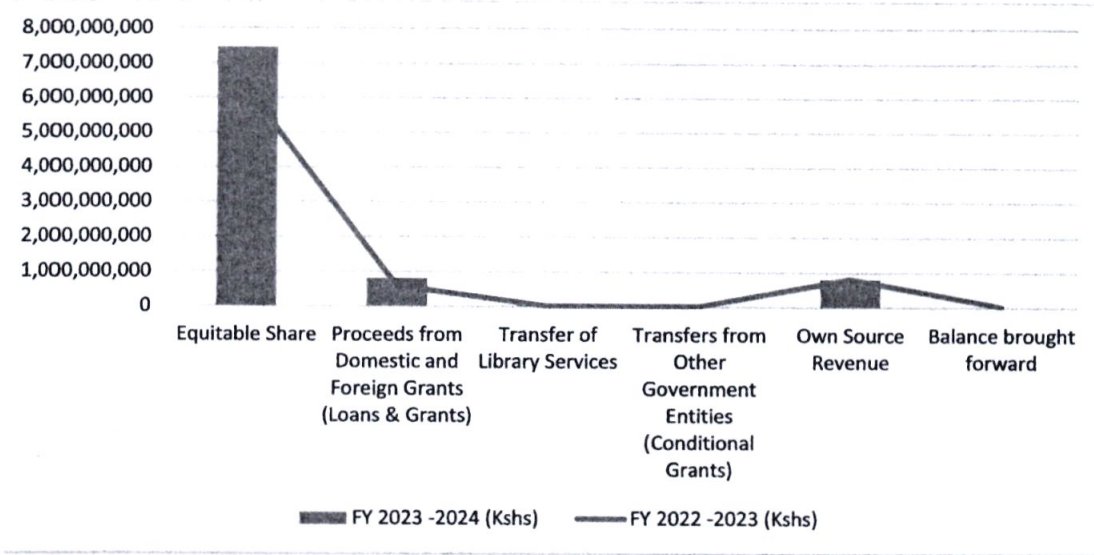
Financial Management & Service Delivery:

The County is committed to its development agenda in the execution of its budget for the FY 2023-2024. The County Treasury encourages departments to be prudent in management and utilization of the allocated resources. The County endeavors to ensure value for money in the budget implementation and utilization of public funds. Therefore, focus is geared towards ensuring resources are allocated to priority areas in line with the County's long-term development agenda.

The table below illustrates budget comparison for two (2) financial years.

APPROVED BUDGET - FY 2023 / 2024		
Description	FY 2023 -2024 (Kshs)	FY 2022 -2023 (Kshs)
Equitable Share	7,447,850,641	6,229,016,859
Proceeds from Domestic and Foreign Grants (Loans & Grants)	717,032,252	579,455,247
Transfer of Library Services	17,519,215	-
Transfers from Other Government Entities (Conditional Grants)	-	-
Own Source Revenue	800,000,000	800,000,000
Balance brought forward	0	-
Estimated Total Revenue	8,982,402,108	7,608,472,106

Figure 1: Graphical presentation of comparison of Approved Budget for FY 2023/ 2024 and FY 2022-2023.



Budget Performance:

By the end of the period ended 30th June 2024, the County Treasury budget absorption rate was at 96 % Recurrent, and 72% absorption on the Development expenditure calculated against cumulative expenditure as at 30th June 2024.

..... (Sign)

CECM Finance and Economic Planning
County Government of Nyeri

4. Management Discussion and Analysis

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity 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 government has taken strides towards the improvement of people's livelihoods and the realization of the National Government key economic pillars. The key pillars being Agriculture; Micro, Small and Medium Enterprise (MSME) economy; Housing and Settlement; Healthcare; Digital superhighway and creative economy; Environment and climate change. County Government of Nyeri has come up with three additional pillars namely; Transport through road networks, Youth Empowerment through annual internship programs and Entrepreneurship through enterprise development fund, to form the Governor's Big 7 Agenda. Nyeri County Government continues to work hard towards the achievement of these objectives and the satisfaction of residents, investors, tourists and all stake holders in general. Some of the projects undertaken during the year in various departments were as follows;

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

The key development objectives of the Nyeri County's 2023-2027 CIDP are to;

- Improve productivity in agriculture and overall food and nutrition security.
- Promote shared economic growth and job creation.
- Enhance good governance and active citizenry.
- Enhance basic infrastructure for effective service delivery.
- Promote climate action, environmental protection, and sustainable use of natural resources.
- Improve financial sustainability and resilience.
- Provide accessible, affordable, and quality health care services.

- Scale up institutional development, transformation, and innovation.
- Promote access to quality and affordable housing.
- Enhance the use of information and communications technology (ICT) and other innovations.

The CECM for Finance in Section 104 (d) of the PFM Act 2012 is responsible for mobilization of resources in funding the budget. Under section 109, the CECM for Finance is mandated to establish a County Revenue Fund and shall ensure that all monies raised or received or on behalf of the County Government is paid into the County Revenue Fund. Under section 157

(1) The CECM for Finance shall, in writing, designate persons to be responsible for collecting, receiving and accounting for such County Government revenue as the CECM for Finance may specify in their letters of designation.

(2) A receiver of County Government revenue is responsible to the CECM for finance for ensuring that the revenue for which the receiver is responsible, is collected or recovered, and is accounted for.

This financial statement is prepared in accordance with Section 158(3) of the Public Finance Management Act, 2012. The section of the PFM Act requires that a receiver of revenue for a County Government shall provide quarterly statements to the County Treasury with copies to the National Treasury and the Commission on Revenue Allocation. Preparation of these accounts is in accordance with the guidelines, standard, and format prescribed by the Public Sector Accounting Standard Board-(PSASB). The County Revenue Fund (CRF) report provides a true and fair view of the revenue accounts of the County as at 30th June 2024

Budget Execution Historical Performance and Outlook:

In the fiscal year 2023/2024, the County's funding of this budget is expected from Equitable Share Kshs. 7,447,850,641 and Kshs 717,032,252 from donor funding and Local Revenue Kshs. 800,000,000 and Transfer of library services Kshs 17,519,215. Local revenue is expected to contribute 8.9% in financing the 2023- 2024 FY budget. The cumulative amount of local revenue for 2023-2024 was Kshs. 667,103,501.

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.

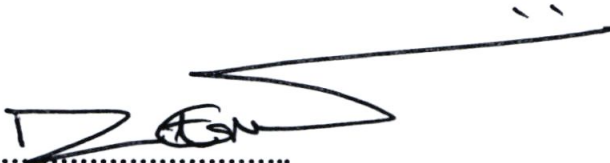
Transfers from the County Revenue Fund

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 2024.



.....

CEC Member – Finance and Economic Planning
County Government of Nyeri

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, 2024*. 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, 2024, 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 23/09 2024.

Signature



Name: John Ngugi
Chief Officer Finance /Accounting Officer
County Government of Nyeri

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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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, 2024 - COUNTY GOVERNMENT OF NYERI

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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for specific issues, the financial statements present a true and fair view in accordance with the applicable financial reporting framework. The Qualified Opinion indicates that the financial statements are to a large extent in agreement with the books of accounts and the underlying records, except for a few cases where material misstatements or omissions were noted in the books of accounts and the financial statements. The issues though material, are not widespread or persistent.

The Qualified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the

Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Nyeri set out on pages 1 to 15, which comprise of the statement of receipts and payments for the year ended 30 June, 2024 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, 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 County Revenue Fund - County Government of Nyeri as at 30 June, 2024 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 County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Amounts Transferred to the County Executive

The statement of receipts and payments reflects transfers to the County Executive totalling to Kshs.7,253,744,913 as disclosed in Note 8 to the financial statements. However, the amount varies with the actual computed exchequer releases of Kshs.6,159,044,124 and transfer to special purpose account of Kshs.490,978,326 totalling to Kshs.6,650,022,450. The resulting variance of Kshs.603,722,463 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of transfers to County Executive totalling to Kshs.7,253,744,913 could not be confirmed.

2. Variance in Amounts Transferred to the County Assembly

The statement of receipts and payments reflects transfers to the County Assembly totalling to Kshs.792,863,260 as disclosed in Note 9 to the financial statements. However, the amount varies with the exchequer releases of Kshs.792,988,260 reflected in the County Assembly of Nyeri financial statements. The resulting variance of Kshs.125,000 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of transfers to County Assembly totalling to Kshs.792,863,260 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund Management in accordance with ISSAI 130 on the 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 judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page iii to xiii which comprise of Key Entity Information and Management, statement by the CECM Finance and Economic Planning, Management Discussion and Analysis, overview of the County Revenue Fund operations and Statement of Management Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 ISSAIs 3000 and 4000. The standards require 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 comply 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 THE 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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2024

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.

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. (Entity to indicate the amount of funds restricted for use or relating to conditional allocations.)

County Government of Nyeri
County Revenue Fund
For the financial year ended 30th June 2024

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	2023-2024	Comparative period 2022-2023
	Kshs.	Kshs.
Equitable Share (a)	5,966,504,567	6,727,026,842
Level 5 hospitals (b)	-	-
Others (Specify) (c)	-	-
Total (d=a+b+c)	5,966,504,567	6,727,026,842

2. Transfers from other government agencies**

Description	2023-2024	Comparative period 2022-2023
	Kshs.	Kshs.
Road Maintenance Levy	-	-
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	-
World Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	-	124,713,230
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	9,875,250	17,409,938
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	2,241,641	15,674,770
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	135,648,946	30,000,000
Kenya Urban Support Programme (KUSP)	-	2,339,915
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, Sanitation and Irrigation	-	-
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	199,668,236	-
(IDA) World Bank Credit-Financing localy Led climate programme (FFLoCA)1	11,000,000	22,000,000
(IDA) World Bank Credit-Financing localy Led climate programme (FFLoCA) 2	98,455,028	67,192,729
Total	456,889,101	279,330,582

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

3. Other grants**

Description	2023-2024	Comparative period 2022-2023
	Kshs.	Kshs.
Donor 1 (UIG)	-	-
Donor 2 (UDG)	-	-
Donor 3 (Center for Disease Control CDC)	-	-
Others (Specify)	-	-
Total	-	-

4. Proceeds from Domestic borrowing.

Description	2023-2024	Comparative period 2022-2023
	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 (Specify)	-	-
Total	-	-

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	Q4	Comparative period
	Kshs.	2022-2023 Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (Specify)	-	-
Total	-	-

6. Own Source Revenue

Description	2023-2024	Comparative period
	Kshs.	2022-2023 Kshs.
Cess	40,753,811	40,915,390
Land Rate	60,365,018	51,086,122
Single/Business Permits	117,842,586	113,010,516
Property Rent	61,102,286	57,305,619
Parking Fees	119,873,769	105,123,959
Market Fees	18,086,291	12,915,433
Advertising	38,975,841	35,145,105
Hospital Fees	-	-
Public Health Service Fees	13,138,509	10,740,387
Physical Planning and Development	42,627,082	42,615,604
Hire Of County Assets	7,722,594	6,551,360
Conservancy Administration	39,627,225	31,327,370
Administration Control Fees and Charges	96,927,375	95,446,410
Proceeds from sale of assets	-	1,008,004
Park Fees	-	-
Other Fines, Penalties, And Forfeiture Fees	5,475,091	2,261,030
Miscellaneous receipts	4,586,023	5,284,998
Unreceipted revenue for the quarter received but not yet disbursed revenue	764,611	-
Total	667,868,112	600,136,502

Notes to the Financial Statements (Continued)

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

7. Return to CRF Issues

Description	2023-2024	Comparative period 2022-2023
	Kshs,	Kshs,
Recurrent Account (<i>County Executive</i>)	185,431	288,211
Development Account (<i>County Executive</i>)	3,109,318	93
Recurrent Account (<i>County Assembly</i>)	300	1,050
Development Account (<i>County Assembly</i>)	-	-
County Revenue Fund Account	-	-
Others (<i>Specify</i>)	-	-
Total	3,295,048	289,353

8. Transfers to County Executive

Description	2023-2024	Comparative period 2022-2023
	Kshs,	Kshs,
Recurrent Account	5,176,685,014	4,367,419,271
Development Account	1,586,081,573	1,270,572,273
Special purpose Accounts	490,978,326	272,931,512
Others (<i>Specify</i>)	-	-
Total	7,253,744,913	5,910,923,056

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	773,913,692	733,126,043
Development Account	18,949,568	995,384
Special purpose accounts	-	-
Others (<i>Specify</i>)	-	-
Total	792,863,260	734,121,427

10. Other Transfers

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

11. Fund balance

Description	2023-2024	2022-2023
	Kshs.	Kshs.
County Exchequer Account /CRF Account- (<i>CBK Account number 1000171634</i>)	30,620,595	982,671,939
Total	30,620,595	982,671,939

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	JUNE 2024 Kshs	JUNE 2024 Kshs
EQUITY BANK 0110280843674	226,346	11,350
K.C.B. REVENUE 1140760319	1,038,045	646,375
COOPERATIVE BANK OF KENYA 01141666594400	247,655	296,296
Total	1,512,046	954,021

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/Observation from Auditor	Management Comments	Status (Resolved/Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	Budgetary Control and Performance	The variance has been corrected in the amended Financial Statement for the year ended 30 th June 2023. The underfunding of Kshs 199,863,497 was caused by the failure to meet the local revenue target and unrealized conditional grants which had a shortfall of 52% in the funds disbursed as compared to the budgeted funds.	Pending senate	


 Name: John Ngugi
 Chief Officer Finance
 Date: 22/09/2024

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

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

Period (2023/2024)	Q1	Quarter 2	Quarter 3	Quarter 4	CUMULATIVE	Comparative Period 2022/2023
	(Kshs)	(Kshs)	(Kshs)	(Kshs)		(Kshs)
A. Transfers from the National Exchequer						
Equitable Share	551,253,139	1,588,906,107	1,621,332,763	2,205,012,558	5,966,504,567	6,727,026,842
Level 5 Hospitals		-	-	-	-	-
Total (As per Note 1)	551,253,139	1,588,906,107	1,621,332,763	2,205,012,558	5,966,504,567	6,727,026,842
B. Transfers from Other Government Agencies						
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	-	-	-	-	124,713,230
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	-	-	-	9,875,250	9,875,250	17,409,938
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	-	500,000	1,741,641	-	2,241,641	15,674,770
Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-	-	-	-	-
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-	-	135,648,946	135,648,946	30,000,000
Kenya Urban Support Programme (KUSP)	-	-	-	-	-	2,339,915
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	-	-	-	199,668,236	199,668,236	-
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of	-	-	-	11,000,000	11,000,000	22,000,000
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA) 2 CCIS Grant State Department of	-	-	-	98,455,028	98,455,028	67,192,729
Total (As per note 2)	-	500,000	1,741,641	454,647,460	456,889,101	279,330,582
Grand Total (A+B)	551,253,139	1,589,406,107	1,623,074,404	2,659,660,018	6,423,393,668	7,006,357,424

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

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


Description	Q1 Kshs.	Q2 Kshs.	Q3 Kshs.	Q4 Kshs.	Total Kshs.
Cess	10,056,480	9,897,999	9,084,493	11,714,839	40,753,811
Land Rate	6,202,859	5,204,026	35,714,118	13,244,015	60,365,018
Single/Business Permits	8,927,578	4,210,399	72,110,171	32,594,438	117,842,586
Property Rent	14,073,768	12,638,236	19,713,376	14,676,906	61,102,286
Parking Fees	28,120,557	26,958,031	32,220,169	32,575,012	119,873,769
Market Fees	4,254,822	4,566,808	4,650,739	4,613,922	18,086,291
Advertising	3,064,767	2,910,847	13,621,883	19,378,344	38,975,841
Hospital Fees	-	-	-	-	-
Public Health Service Fees	2,227,034	1,799,000	5,379,483	3,732,992	13,138,509
Physical Planning and Development	12,273,445	9,375,988	10,614,431	10,363,218	42,627,082
Hire Of County Assets	1,085,875	2,943,266	2,110,101	1,583,352	7,722,594
Conservancy Administration	3,882,515	3,200,048	21,088,292	11,456,370	39,627,225
Administration Control Fees and Charges	12,436,471	10,007,290	58,978,463	15,505,151	96,927,375
Proceeds from sale of assets	-	-	-	-	-
Park Fees	-	-	-	-	-
Other Fines, Penalties, And Forfeiture Fees	808,900	1,102,051	1,840,650	1,723,490	5,475,091
Miscellaneous receipts	796,063	843,835	1,622,673	1,323,452	4,586,023
Unreceipted revenue for the quarter receipted but not yet disbursed revenue	-	-	-	-	-
Total	108,211,134	95,657,824	288,749,042	174,485,501	667,103,501

County Government of Nyeri
 County Revenue Fund
 For the financial year ended 30th June 2024

Annex 4: Analysis of Transfers from the County Revenue Fund

Period (2023/2024)	Q1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)
County Executive -Rec	708,944,795	2,103,626,118	3,457,282,094	5,176,685,014	4,367,419,271
County Executive -Dev	50,316,750	162,872,748	306,312,636	1,586,081,573	1,270,572,273
County Assembly -Rec	223,925,046	404,277,997	588,870,274	773,913,692	718,150,634
County Assembly -Dev	-	-	-	18,949,568	-
Special Purpose A/c (Specify)	-	-	71,500,000	490,978,326	288,902,305
Total	983,186,591	2,670,776,863	4,423,965,004	8,046,608,173	6,645,044,483

F.O. 30			
COUNTY GOVERNMENT OF NYERI			
JUNE			
Bank Name: NYERI COUNTY REVENUE FUND			
Account Number: 1000171634			
BANK RECONCILIATION			
For the month of June 2024			
		Ksh	Ksh
			Ksh
Balance as per Bank certificate:			1,651,894,325.10
Less:			
1	Payments in cash book not yet recorded in bank statement (Unpresented cheques)	1,632,273,730.50	
2	Receipts in bank statement not yet recorded in cash book	-	1,632,273,730.50
Add:			
3	Payments in bank statement not yet recorded in cash book	-	
4	Receipts in cashbook not yet recorded in bank statement	11,000,000.00	11,000,000.00
Balance as per Cash book			30,620,594.60
ACTUAL CASH BOOK BALANCE			30,620,594.60

 .04/07/2024