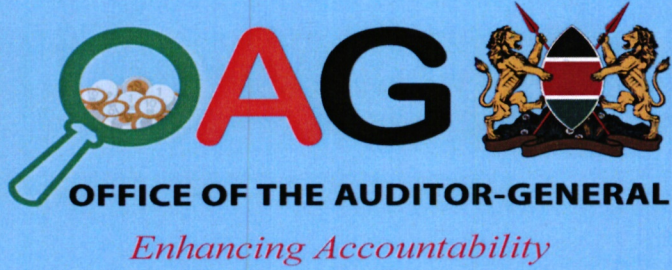


REPUBLIC OF KENYA



**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF KISII**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

**19 JAN 2023**

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**COUNTY EXECUTIVE OF KISHI**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE, 2022**

---

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

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

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**1. KEY COUNTY EXECUTIVE OF KISII INFORMATION AND MANAGEMENT**

**a) Background information**

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

**b) Key Management**

The County Executive of Kisii's day-to-day management is under the following key ministries/departments:

- Office of the Governor and Deputy Governor
- County Public Service
- Administration, Enforcement and Devolved Units
- Stakeholder Management, Public Participation and Disaster Services
- Finance & Accounting Services
- Economic Planning and Development
- Agriculture and Cooperatives Development
- Fisheries, Livestock and Veterinary Services
- Energy, Environment and Natural Resources
- Water and Sanitation Services
- Education, Labour and Manpower Development
- Medical Services
- Public Health and Preventive Services
- Lands, Physical Planning and Development
- Roads Development
- Public Works and Housing
- Trade, Industry and Tourism Development
- Culture, Sports, Youth and Social Services
- Kisii Municipality

**c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June, 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Moses Onderi
2.	Chief Officer Finance & Accounting Services	Wilfred Auma
3.	Chief Officer Economic planning	Zablon Ongori
4.	Chief Officer Executive	Alex Nyamweya

**COUNTY EXECUTIVE OF KISII**  
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No.	Designation	Name
5.	Chief Officer Administration	CPA Timothy Kambuni
6.	Chief Officer Stakeholder Management	Charles Nyakweba
7.	Chief Officer Trade & Tourism	Biliah Mogaka
8.	Chief Officer Health	Alice Abuki
9.	Chief Officer Water	Beatrice Ochoki
10.	Chief Officer Environment & Energy	Naomi Mogaka
11.	Chief Officer Livestock	Dr. Alphanus Mokaya
12.	Chief Officer Agriculture	Geoffrey Mogire
13.	Chief Officer Culture	Wilfred Riangá

**d) Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies at the County for the year ended 30<sup>th</sup> June 2022 were:

**i. County Assembly of Kisii County**

The responsibilities of the County Assembly of Kisii were as follows:

- To vet and approve nominees for appointment to county public offices as may be provided for in the relevant laws;
- To perform the roles set out under Article 185 of the Constitution;
- To approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- To approve the borrowing by the county government in accordance with Article 212 of the Constitution;
- To approve county development planning; and
- To perform any other role as may be set out under the Constitution or legislation

**ii. Audit Committee**

The functions and responsibilities of the audit committee were as follows:

- To obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- To provide an independent review of the County Executive's reporting functions to ensure the integrity of financial reports.
- To monitor the effectiveness of the County Executive's performance management and

performance information.

- To provide strong and effective oversight of County Executive's internal audit function.
- To provide effective liaison and facilitate communication between management and external audit.
- To provide oversight of the implementation of accepted audit recommendations.
- To ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

**iii. Public Accounts and Investment Committee of the Senate**

The main function of the Senate Public Accounts and Investment Committee is to invite the Governor to appear before it to adduce evidence on the reports of the Auditor-General.

**iv. Budget and Appropriations Committee**

Budget and Appropriations Committee approves expenditure budget of the County Executive for the execution of governance.

**v. Development Partners**

Development partners monitor implementation of development projects funded by them to ensure that they achieve the intended objectives.

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

---

- e) **County Executive Headquarters**  
P.O. Box 4550-40200  
Kisii Building/House/Plaza  
Kisii-Keroka Road/Highway  
**KISII, KENYA**
- f) **County Executive Contacts**  
Telephone: (254) 58203005  
E-mail: [info@kisii.goke](mailto:info@kisii.goke)  
Website: [www.kisii.go.ke](http://www.kisii.go.ke)
- g) **County Executive Bankers**
1. **Central Bank of Kenya**  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
  2. **Kenya Commercial Bank**  
Kisii Branch  
P.O. Box 48400  
Nairobi, Kenya
- h) **Independent Auditors**  
Auditor General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**NAIROBI, KENYA**
- i) **Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

**2 FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING**

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

The Kisii County Government shall ensure adherence to the functions of the County governments as set out in Section 5 of the County Governments Act which states;

- 1) A county government shall be responsible for any function assigned to it under the Constitution or by an Act of Parliament.
- 2) Without prejudice to the generality of subsection (1), a county government shall be responsible for—
  - a) county legislation in accordance with Article 185 of the Constitution;
  - b) exercising executive functions in accordance with Article 183 of the Constitution;
  - c) functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
  - d) any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
  - e) any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
  - f) Establishment and staffing of its public service as contemplated under Article 235 of the Constitution.
- 3) A county government may seek assistance from the Kenya Law Reform Commission in the development or reform of county legislation under subsection (2)(a).  
The Kisii County Government shall ensure adherence to the principles of public finance set out in Chapter Twelve of the Constitution and the fiscal responsibility principles provided in Section 107 of the PFM Act.

**COUNTY EXECUTIVE OF KISII**  
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**B. Budget performance against actual amounts for current year and for cumulative to-date based on programmes,**

**a) Revenue**

In the year ended 30 June 2022, the County had projected revenues of Kshs.12,590,694,978 consisting of Kshs.700,000,000 from own sources and Kshs 11,890,694,978 from CARA. A Graphical Representation of the Revenue Budget is as shown below:

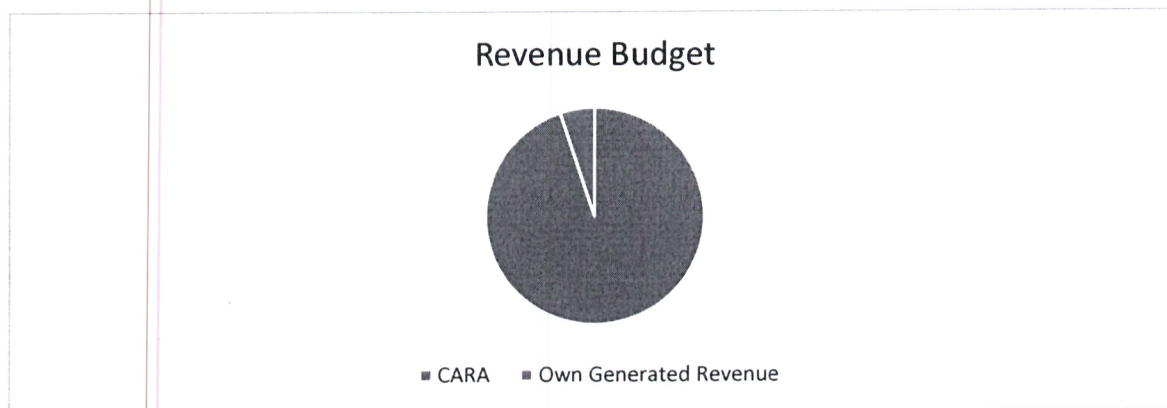


Figure 1: Kisii County revenue sources in FY 2021/2022.

- CARA revenues continue to form the largest part of our revenue budget, contributing 95.5% towards our budget. Our own generated revenues formed 4.5% of our budget.
- Out of the projected revenue, the County was able to realize Kshs.8,983,386,920 in actual revenues, representing 71% performance. In the table below, we present an analysis of revenue performance during the year.

**Table 1: Revenue Performance from Different Sources in FY 2021/2022**

Revenue Classification	Revenue Budget(Kshs)	Actual (Kshs)	Realization (%)
CARA	11,890,694,978	8,578,832,300	72%
Own Generated Revenues	700,000,000	404,554,620	58%
<b>Total</b>	<b>12,590,694,978</b>	<b>8,983,386,920</b>	<b>71%</b>

**b) Payments**

The total expenditure budget for the financial year was Kshs.12,590,694,978 and total actual expenditure amounted to Kshs.9,762,602,962 representing 77.5% budget absorption. Out of the total actual expenditure, Kshs.2,104,070,936 was development expenditure while

**COUNTY EXECUTIVE OF KISII**  
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Kshs.7,658,532,026 was recurrent expenditure as analyzed and depicted in the table and chart below:

**Table 2: Expenditure Performance Based on Votes in FY 2021/2022**

<b>Expenditure Classification</b>	<b>Expenditure budget (Kshs)</b>	<b>Actual (Kshs)</b>	<b>Absorption (%)</b>
Recurrent	8,498,972,105	7,658,532,026	90%
Development	4,091,722,873	2,104,070,936	51%
<b>Total</b>	<b>12,590,694,978</b>	<b>9,762,602,962</b>	<b>77.5%</b>

**C. Physical progress based on outputs and impacts since establishment of County Government using actual figures and percentages**

- i. Constructed a bitumen standard link road between Nyanchwa and Kisii town which has eased the traffic and opened the area for development
- ii. Maintenance of over 450km of road across the county which has eased transportation of people and commodities
- iii. Constructed a Banana factory in Kisii town and a banana collection market at Nyamache in order for farmers to receive maximum returns from farm produce
- iv. Constructed canopy sheds at Daraja Mbili Market and market sheds at various market across the county to serve fish mongers, fruit vendors and general household good traders commonly known as Mali-Mali
- v. Purchased a drug distribution truck which has improved delivery of drugs and reduced stock outs.
- vi. Constructed and equipped various health facilities across the county which has helped ease congestion of KTRH
- vii. Constructed and equipped the fire station which has helped in easing fire incidences and rescue services
- viii. Construction of mother to child hospital which is nearing completion
- ix. Construction of Doctor's Plaza
- x. Establishment of MRI unit in Kisii Teaching & Referral Hospital
- xi. Completed a 250-bed capacity male ward at KTRH.
- xii. Establishment of a microwave medical waste burning chamber.
- xiii. Completed 50-bed doctors' hostel block.
- xiv. Constructed and Equipped Marani and Nduru Level four hospital
- xv. Equipped level four hospital facilities thus, has reduced referrals to KTRH hence decongesting it.

**D. Comment on each of the County flagship projects and how they have been achieved.**

The development Agenda for Kisii County has revolved around Infrastructure Development. One of key objectives under the Big Four Agenda is to guarantee Kenyans access to high quality and affordable healthcare. And this rhymes perfectly with the

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County's transformational dream, on delivery of an affordable and reliable healthcare for the people of Kisii County and beyond

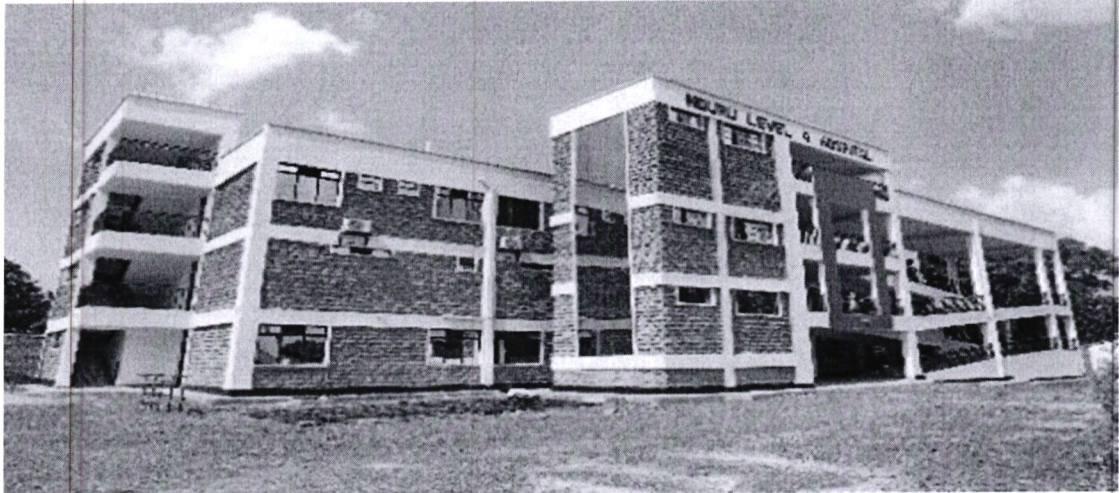


Figure 5: Nduru level four Hospital in South Mugirango Sub-County



Figure 6: Marani Level 4 hospital in Kitutu Chache North Sub-County

Further, Food security is also key to a healthy population and thus the county has since put sufficient resources into the improvement of the same.

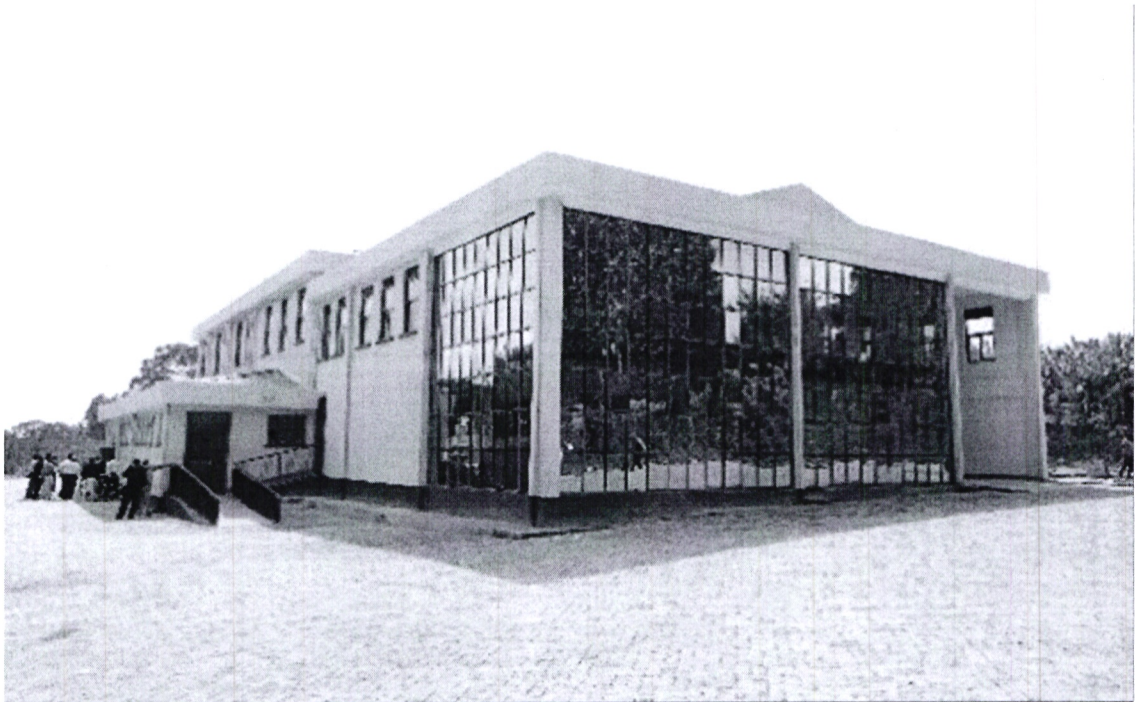


Figure 7: Farmer resource Centre in Nyaribari Chache Sub-County

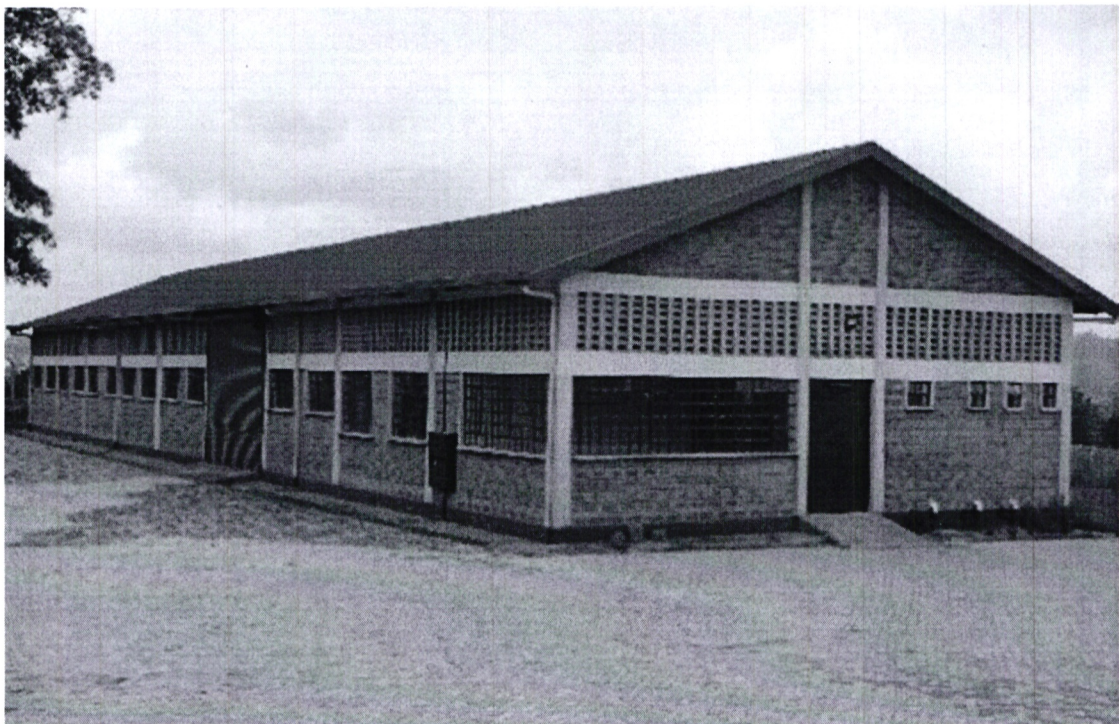


Figure 8: Banana Factory in Nyaribari Chache Sub-County

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**E. The County's future outlook**

Kisii County, being an unrivalled investment destination, dream is to be a key commercial hub for the region as it continues to live the dream of devolution. The county has entered into various partnerships with development agencies like USAID will assist the County realize most of the planned programmes and projects.

**vii. Key risk management strategies applied by the County**

Kisii County key risk management strategies include:

- Establishment of an internal audit committee and enhanced its capacity through trainings and internal control frameworks,
- Establishment of procurement and asset disposal committee to address issues of oversight, governance, accountability and transparency in the public procurement.
- Automation of revenue collection to reduce direct handling of cash and issuance of manual receipts which raises both the risk of security of cash and integrity of data leaving significant leakages.
- Construction and equipping of modern fire station to mitigate incidents of fire outbreaks.



**CECM Finance and Economic Planning**  
**Kisii County Government**

### **3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES**

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

The strategic objectives are a synthesized product of the aforementioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Kisii County’s 2018-2022 CIDP are to;

- a) To coordinate provision of responsive and effective services to the public
- b) Ensure healthy lives and promote well-being for all at all ages.
- c) To ensure that the County is food secure and residents are economically empowered
- d) To reverse the declining trend of water availability, increase access to clean water and sanitation
- e) To promote access to quality education and relevant training through provision of educational infrastructure and strengthened strategic partnerships and linkages.
- f) To promote sustainable urban development
- g) To improve trading environment
- h) To develop and maintain infrastructure within the County for sustainable economic growth and development.

#### **SUMMARY OF PERFORMANCE OF THE CIDP (2018-2022)**

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

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Public Works, Roads & Transport	To develop and maintain roads and storm water drainage to global standards	Increased efficient transportation of people, goods and services	% of motorable and passable roads within the city	270 km of roads tarmacked, 2000 km gravelled and 15 footbridges.
	To develop	Increased	% reduction of crime	Street lighting was

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Department	Objective	Outcome	Indicator	Performance
	and maintain street and security lighting infrastructure	public safety and security		undertaken in 45 wards and there has been substantive reduction in crime rates
<b>Education</b>	To increase ECDE net enrolment ratio	Increased literacy levels	% increase in enrolment	ECDE net enrolment ratio increased from 100.8% in 2014 to 110.8% in 2020.
<b>Health Services</b>	To reduce incidences of preventable illnesses and mortality at the County level	Reduction of HIV related mortality and new infections	% reduction of HIV-related mortality	HIV infections reduced from 8.6% to 4.4% in 2022. -
	To improve health status of the individual, household and the community at the County	Increased access to specialised curative diagnostic interventions	% increase of access to specialised diagnostic services	- No. of beds per 1000 population increased to 45 which is higher than the WHO recommendation of 30 beds per 10,000 populations. - No. health

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<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
				<p>facilities increased from 162 to 269 facilities in 2021.</p> <ul style="list-style-type: none"> <li>- Fully immunized children rose from 66.9% to 78.8%.</li> <li>- % of malaria prevalence decreased from 15% to 5% in 2021.</li> <li>- KTRH is now offering specialized medical services including renal, CT scan, MRI, X-ray services, etc.</li> </ul>
<b>Agriculture and Livestock</b>	To reduce poverty levels	Reduced Poverty levels	<p>-% growth</p> <ul style="list-style-type: none"> <li>- Contribution of the sector to CGP</li> </ul>	-Earnings from the sector at current prices increased from Ksh 68.7 billion in 2018 to

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Department	Objective	Outcome	Indicator	Performance
				Ksh 89.2% in 2021 registering 30% growth. -Contribution of the sector to CGP increased from 40% to 45% in 2020.
<b>Water and Environment</b>	To increase no. of households with piped water	Increased no. of households with piped water	No. of households connected with piped water.	No. of households with piped water increased from 0.4% to 1.0% in 2021.
	To Increase no. of households connected with source of power	Increased no. of households with electricity	No. of households connected with electricity.	-Connection with electricity increased from 29.5% to 39.3% in 2021. - Use of solar increased from 12.3% to 20.5% in 2021.
				-

#### **4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

##### **1. Sustainability strategy and profile**

The County has also engaged in capacity building of its human resource to ensure that they remain competitive and relevant in a competitive market. Socially the county has built the people's park to ensure that the people enjoy improved and quality life by experiencing nature and engaging in physical activities enabling them to relax.

##### **2. Environmental performance**

The county government passed legislation in the County Assembly for the cutting of eucalyptus trees which have adversely affected the water table. The county has also encouraged the replacement of eucalyptus trees which have no effect to water table. Through the ministry of environment water and natural resources, the county has initiated spring protection works and rehabilitation of water schemes. It has also embarked on recovery of riparian land by partnering with other government agencies such as NEMA.

##### **3. Employee welfare**

The County Government of Kisii provides equal employment opportunities to the citizen through advertisement of vacancies on its website and local media for easy access of the applicants. It also strives to attain the gender balance in the recruitment process. The County Government of Kisii has consistently increased capacity building of its employees in equipping them on their career development. This involves necessary skills to enable them discharge their duties and responsibilities in an ever changing working environment. It also takes care of employee's welfare through provision of comprehensive medical insurance scheme.

##### **4. Market place practices-**

The county has installed high mast solar streetlights in all major markets to enable a 24 hour economy. In empowering its citizens, the County through the department of trade, tourism and industrialization has constructed market stalls and shades to make business possible. The county has also constructed a banana and avocado processing plant to enable the locals' access easy market of their locally grown produce.

**COUNTY EXECUTIVE OF KISII**  
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**5. Community Engagements**

The county has engaged in the construction of peoples' recreational park whose objective is to offers an opportunity for social groups as well as individuals of all ages to meet and interact.

The park also offers an opportunity for reduction of crime and juvenile delinquency. It has also provided an opportunity for people to experience nature and engage in physical activities and relax.

**6. Others**

(The organization gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organization promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives).

**COUNTY EXECUTIVE OF KISII**  
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**For the year ended 30 June, 2022.**

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**5. Statement of Management Responsibilities**

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2022, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Further the CEC member for finance confirms that the County Executive's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

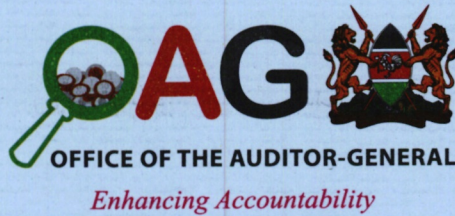
The County Executive's financial statements were approved and signed by the CEC member for finance on 29/12/2022.



**Kisii County Executive Committee Member**  
**Finance and Economic Planning**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KISII FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the County Executive of Kisii set out on pages 1 to 50, which comprise of the statement of assets and liabilities as at

30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kisii as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Unsupported Expenditure**

The statement of receipts and payments and Note 4 to the financial statements reflects expenditure on use of goods and services totalling to Kshs.1,630,997,716. The balance included other operating expenses of Kshs.164,825,299 out of which, an amount of Kshs.1,000,000 was incurred on supporting the operations of the Lake Region Economic Bloc. However, expenditure returns together with related supporting documents were not provided for audit. It was also noted that the payment was not based on any law.

Further, the balance included an amount of Kshs.7,955,000 that was spent on security services. Management of the County Executive extended the contract agreement with a security firm on 01 January, 2019 for a period of twelve (12) months at cost of Kshs.12,780,000. On 01 January, 2020, Management extended the contract by a further period of two years. However, the extensions were not supported by approvals by the tender evaluation committee and Management did provide explanations for the extension of the contract.

In addition, Note 4 to the financial statements reflects insurance costs of Kshs.201,196,632. Included in the balance is an amount of Kshs.6,719,462 incurred on other classes of insurance costs. However, the expenditure was not supported with tender evaluation reports and approved professional opinions. Further, an amount of Kshs.18,197,788 was paid to various firms for the insurance of various assets. However, the insurance policy documents to confirm the nature, risks and extent of the insurance coverage were not provided for audit.

Moreover, Note 4 to the financial statements reflects routine maintenance-other assets amount of Kshs.96,029,509 of out of which, an amount of Kshs.5,402,425 was spent on the supply of assorted spare parts. However, counter receipt vouchers (S13), issue vouchers (S11) and job cards for the maintenance of equipment within the departments were not provided for audit review.

In the circumstances, the accuracy, completeness and regularity of the expenditure of Kshs.1,630,997,716 on use of goods and services could not be confirmed.

## **2. Unexplained Voided Transactions**

Review of the Integrated Financial Management Information System (IFMIS) system payments indicated that fifty-five (55) transactions amounting to Kshs.82,074,454 were voided. Available information also indicates that the Controller of Budget (CoB) had approved payments of the voided transactions. Management did not explain why the payments were voided yet they had been approved.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amount reflects final receipts budget and actual on comparable basis of Kshs.12,590,694,978 and Kshs.8,983,386,920 respectively, resulting to under-receipt of Kshs.3,607,308,058 (or 29%) of the budget. Similarly, the County Executive spent Kshs.9,762,602,962 out of the approved expenditure budget of Kshs.12,590,694,978, resulting to an under expenditure of Kshs.2,828,092,016 (or 22%) of the budget.

In the circumstances, the under-receipt and under expenditure could have adversely affected service delivery.

#### **2.0 Late Exchequer Releases**

Note 1 to the financial statement reflects exchequer releases totaling Kshs.8,182,732,547 which includes an amount of Kshs.756,013,333 received by the County Government from the National Treasury on 17 June, 2022 and therefore the funds could not be utilized by the end of the financial year.

In addition, other exchequer releases of Kshs.711,541,962 were disbursed on 28 July, 2022 for the financial year 2021/2022.

In the circumstances, late exchequer releases could have had adverse effects on the implementation of the planned activities and projects by the County Executive.

### **3.0 Non-Payment of Pension Contributions**

Review of financial records revealed that the County Executive owed the Local Authorities Provident Fund (LAPFUND) an amount of Kshs.25,288,547 in unremitted deductions as at 30 June, 2022. Out of this debt, Kshs.2,000,000 was paid in October, 2022.

In the circumstances, the ability of LAPFUND to service retirement benefits, as and when such benefits fall due, to the existing employees may have been adversely affected.

### **4.0 Unresolved Prior Year Matters**

The Public Sector Accounting Standard Board (PSASB) financial reporting template issued in June, 2021 stipulates that the Management should reflect a progress on follow up on auditor's recommendations indicating issues raised by the auditor, status and timeframe when the issues are expected to be resolved. However, Note 15 on other important disclosures to the financial statements shows that thirty two (32) issues raised by the Auditor-General in the report for 2020/2021 had not been resolved. Management did not provide satisfactory reasons for failure to resolve the prior year audit issues.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Non-adherence to the Public Finance Management Fiscal Responsibilities**

Review of the financial records revealed that out of the actual total revenue of Kshs.8,983,386,920 an amount of Kshs.5,129,147,123 was incurred on compensation of employees' which was 57% of the revenue and which was above the maximum limit of 35% set in Regulations 25(1)(a) and (b) of the Public Finance Management (County Governments) Regulation 2015.

Further, the statement of comparison of budget and actual amounts for development vote reflects total actual development expenditure of Kshs.2,104,070,936 (or 22%) of the total expenditure of Kshs.9,762,602,962 reflected in the statement of receipts and payments. This was contrary to Regulation 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015, which requires development expenditure to be at least 30% of total expenditure.

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

## **2.0 Pending Accounts Payable**

Note 1 under other important disclosures reflects pending accounts payable balance carried forward of Kshs.1,393,854,413, which increased by Kshs.649,495,292 or 87%, from the previous year's balance of Kshs.744,359,121. Further, out of the bills of Kshs.1,393,854,413, bills totalling Kshs.202,459,134 are long outstanding as they relate to 2018/2019 and earlier financial years. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the county government does not default on debt obligations.

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

## **3.0 Unapproved Salary and Remuneration of the County Attorney Staff**

The expenditure of Kshs.5,129,147,123 on compensation of employees' included an amount of Kshs.18,861,016 spent on the salaries and remunerations of nine (9) officers working in the County Attorney Office. However, no evidence was provided for audit to show that the Salaries and Remuneration Commission was consulted in determining their remunerations, contrary to section 19 of the Office of the County Attorney Act, 2020, which stipulates that the County Attorney, County Solicitor and County Legal Counsel appointed under this Act shall serve on such terms as the County Public Service Board shall, in consultation with the Salaries and Remuneration Commission, determine.

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

## **4.0 Irregular Engagement of Officers**

The statement of receipts and payments reflects compensation of employees balance of Kshs.5,129,147,123. Out of the balance, an amount of Kshs.300,000,000 was paid to three hundred and thirty three (333) officers occupying positions in eight (8) departments in the County that were not in the approved staff establishment. Further, review of the Integrated Personnel and Payroll Database (IPPD) payroll for the month of June, 2022 and the approved departmental staff establishments, revealed that the officers were paid a total of Kshs.25,024,040 in the month of June, 2022.

In the circumstances, the regularity of the expenditure of Kshs.300,000,000 could not be confirmed.

## **5.0 Expenditure on Excess Drivers**

The statement of receipts and payments reflects compensation of employees balance of Kshs.5,129,147,123. Out of this balance, approximately an amount of Kshs.31,209,456 was incurred on sixty-nine (69) excess drivers who were paid, on average, total gross monthly salaries of Kshs.2,600,788 per month. This was revealed through analysis of the IPPD payroll for June, 2022 that the County had one hundred and seventy (170) drivers against one hundred and one (101) serviceable motor vehicles.

In the circumstances, value for money on the expenditure of Kshs.31,209,456 could not be confirmed.

#### **6.0 Non-Compliance with Law on Ethnic Composition in Recruitment of Staff**

Review of personnel records revealed that during the year under review, the County Executive recruited ninety-four (94) members of staff out of which, ninety-three (93) or 99% were from the dominant community. This was contrary to Section 65(1)(e) of the County Governments Act, 2012 which stipulates that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.

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

#### **7.0 Delay in Confirmation of Officers**

Review of the payroll for the month of June, 2022 revealed seventy nine (79) officers had been on probation for more than six (6) months, contrary to the provision of Section B.13(1) of the County Public Service Human Resource Manual which requires that an officer be put on probation for a period of six (6) months. Management did not explain the reasons for non-compliance with the Human Resource Manual.

In the circumstances, Management was in breach of the Human Resource Manual.

#### **8.0 Failure to Observe One Third of Basic Salary Payment Rule**

Audit review of the payroll for the month of June 2022 revealed that thirty six (36) officers earned salaries which were less than a third of their respective basic salaries contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding any written law, the total amount of all deductions which under the provisions of Section (1), may be made by an employer from the wages of his employee at any time shall not exceed two thirds of such wages or such additional or other amount as maybe prescribed by the Minister either generally or in relation to a specified employer or employee of class of employers or employees or any trade or industry.

In the circumstances, Management was in breach of Section 19(3) of the Employment Act, 2007.

#### **9.0 Irregular Payments**

The statement of receipts and payments reflects expenditure on use of goods and services totalling to Kshs.1,630,997,716 which included an amount of Kshs.325,240,442 in respect of travel and subsistence expenses. Out this balance, an amount of Kshs.2,254,000 was paid to Members of Kisii County Assembly (MCAs) for attending a retreat in Kisumu to discuss and finalize the budget for the financial year 2021/2022. This was despite the fact that the County Assembly had its own operational budget.

Further, the balance includes other operating expenses of Kshs.164,825,299 out of which Kshs.3,500,000 was paid to the Council of Governors for the purpose of meeting its operation expenses. This was contrary to Section 37(b) of the Intergovernmental Relations Act, 2012 which requires operational expenses of the Council of Governors to be funded by the National Government.

In the circumstances, the regularity of expenditure of Kshs.5,754,000 could not be confirmed.

#### **10.0 Unexplained Delay in Remittance of Taxes**

The statement of receipts and payments and Note 6 to the financial statements reflects other grants and transfers of Kshs.644,275,870 and which included an amount of Kshs.108,785,893 in respect of payables to Kenya Revenue Authority. Review of financial records revealed an amount of Kshs.21,191,655 was in respect to penalties and interest due to delay in remittance of taxes. Management did not explain the reason for the delay in remittance of taxes.

In the circumstances, the value for money on the nugatory expenditure of Kshs.21,191,655 could not be confirmed.

#### **11.0 Delay in Completion of Rangi Mbili-Elimu-Umoja Road and Augmentation of Huduma Centre-Kisii Hotel Drainage and Associated Works**

The statement of receipts and payments and Note 6 to the financial statements reflects other grants and transfers expenditure of Kshs.644,275,870 out of which an amount of Kshs.89,979,516 was in respect of Kenya Urban Support program. The balance included an expenditure of Kshs.14,251,270 in respect of a contract for the construction of Rangi Mbili-Elimu-Umoja Road and Augmentation of Huduma Centre-Kisii Hotel Drainage and Associated Works. The tender had been awarded to a construction company at a contract sum of Kshs.50,594,198 for a contract period of forty eight (48) weeks commencing on 28 July, 2021 to 28 July, 2022. An additional payment was made in July, 2022, bringing the total payments to Kshs.23,843,310 (or 47% of the contract sum). Audit inspection of the project in the month of July, 2022 revealed that the project was 56% complete.

Review of records indicated that, the contractor requested for extension of time on the contract citing various reasons for the delay in completion of works, including obstruction of electrical poles, leaking water pipes, lack of design both geometric and pavement as well as lack of engineering drawings, delay in issuing instructions, the fuel crisis, changes in sequence and timing of works and excessive rainfall. The extension was granted for 85 days to 21 October, 2022.

In the circumstances, there was no value for money obtained on the expenditure of Kshs.23,843,310 on the project.

## **12.0 Failure by Contractor to Deliver Physical Development Plans**

The statement of receipts and payments and Note 7 to the financial statements, reflects expenditure on acquisition of assets totalling Kshs.1,384,988,744. The expenditure included research, studies, project preparation, design and supervision costs amounting to Kshs.14,470,000 out of which a payment of Kshs.9,500,000 was made in respect of a contract to prepare physical development plans for Marani, Masimba, Nyamarambe and Mosochi Towns. The consultancy had been awarded to a firm at a contract sum of Kshs.46,959,700 for a contract period of thirty six (36) months commencing on 12 May, 2016 and ending of 11 May, 2019. The first 30% of the contract sum (Kshs.14,087,910) was payable on submission of inception Report, second 30% on submission of situational analysis report, third 30% on submission of acceptable draft plan and the final 10% on submission and acceptance of the final Physical Development Plans for the four town centers. However, as at 30 June, 2022, the firm had not submitted the final physical development plans, despite a total of Kshs.40,147,430 (or 86%) of the contract sum having been paid. Further, although the contract had lapsed over three years ago, no evidence of contract extension was provided for audit review.

In the circumstances, value for money on the expenditure of Kshs.40,147,430 could not be confirmed.

## **13.0 Delay in Completion of Construction of Buildings**

The statement of receipts and payments and Note 7 to the financial statements, reflects expenditure on acquisition of assets totalling Kshs.1,384,988,744 which includes an amount of Kshs.115,873,218 on construction of buildings. Review of financial records revealed six (6) projects had either been abandoned or their completion date delayed. The details are provided below;

- i. An amount of Kshs.4,074,440 was paid to a contractor for the construction of Sameta Library. The tender was awarded at a contract sum of Kshs.9,820,000 in the financial year 2015/2016. However, audit inspection of the project revealed that the project was abandoned, and contractor was not on site. Management had attributed the delay in completion of the project on failure to pay the contractor.
- ii. Further, an amount of Kshs.2,000,000 was incurred on construction of a cultural hall at Nyanturago in Ibeno Ward. The works had been awarded to a contractor at a contract sum of Kshs.9,911,010 in the financial year 2015/2016. Review of payment records revealed that the contractor had been paid a total of Kshs.4,929,221 as at 30 June, 2022. Physical verification of the project on 06 July, 2022 revealed that the project had not been completed and no contract extension approval was provided for audit.
- iii. In addition, an amount of Kshs.1,060,920 was incurred on construction of a cultural hall at Tabaka. The contract was awarded to a construction company in the year 2013/2014 at a contract sum of Kshs.10,633,037. As at 30 June, 2022 a total of Kshs.7,443,967 had been paid to the contractor. However, physical verification on 06 July, 2022 revealed that the project had not been completed and no contract extension approval was provided for audit review.

- iv. Moreover, an amount of Kshs.2,056,580 was spent on construction of a public toilet at Keroka Market at a contract sum of Kshs.2,056,580. However, physical verification of the project on 29 June, 2022 revealed that the project was approximately 50% complete as the water tower had not been done, while the toilets fittings were falling apart. It was also noted that the project was done in a garbage collection site, behind the market and which poses risk to the residents.
- v. According to the financial records, an amount of Kshs.7,000,000 was paid to a contractor constructing a perimeter fence at Nyatieko Waste Management. The tender had been awarded to construction company at a sum of Kshs.22,573,195 and the works commenced on 04 October, 2020 and was expected to be completed on 04 August, 2021. As at 30 June 2022, a total of Kshs.17,000,000 had been paid. However, physical verification of the project on 08 July, 2022 revealed that the walls had not been completed and the contractor was not on site. In addition, approval from National Environmental Management Authority and ownership documents for the waste management site were not provided for audit review.
- vi. An amount of Kshs.5,000,000 was incurred on construction of the Kisii Governor's Official Residence in the year under review. The tender had been awarded to construction company at a contract sum of Kshs.19,402,298 for a contract period of 6 months. In the first phase, a total of Kshs.9,000,000 was paid, bringing the total expenditure for the project as at 30 June, 2022 to Kshs.14,000,000. However, physical verification on 14 July, 2022 revealed that the project had not been completed despite the contract period having elapsed on 28 May, 2022. Management indicated that the contract was terminated on 11 October, 2022 due to failure by the contractor to strictly adhere to specifications and instructions.

In the circumstances, the value for money on the expenditure of Kshs.49,504,208 on six (6) projects could not be confirmed.

#### **14.0 Payment for Non-existent Project**

The statement of receipts and payments and Note 7 to the financial statements, reflects expenditure on acquisition of assets totalling Kshs.1,384,988,744 which includes an amount of Kshs.115,873,218 on construction of buildings. Included in this balance is an amount of Kshs.1,866,128 spent on the proposed construction of Nyamache market shade and workshop which had been awarded at a contract sum of Kshs.4,143,578. The contract was to commence on 30 April, 2015 and end on 30 July, 2015 for a period of three (3) months. As at 30 June, 2022 the contractor had been paid the full contract amount. However, physical verification of the project on 29 June, 2022 revealed that the project did not exist on the ground and the site where the market shed was allegedly built was occupied by Nyamache Banana Market.

In the circumstances, the regularity and value for money on the expenditure of Kshs.4,143,578 could not be confirmed.

## **15.0 Unutilized Youth Polytechnic**

The statement of receipts and payments and Note 7 to the financial statements, reflects expenditure on acquisition of assets totalling Kshs.1,384,988,744 which includes an amount of Kshs.115,873,218 on construction of buildings. Included in the balance is an amount of Kshs.3,998,000 spent on construction of Rioma Youth Polytechnic which had been awarded at a contract sum of Kshs.3,998,000. However, audit inspection revealed that the project was done to completion but was not being utilized. Further, ownership documents for the land on which the Polytechnic is built were not provided for audit review.

In the circumstances, the value for money on the expenditure of Kshs.3,998,000 could not be confirmed.

## **16.0 Incomplete Construction Works**

The statement of receipts and payments and Note 7 to the financial statements, reflects expenditure on acquisition of assets totalling Kshs.1,384,988,744 which includes an amount of Kshs.115,873,218 on construction of buildings. Included in the balance is an amount of Kshs.12,820,425 paid to a contractor for the refurbishment of Suneka Market. The works had been awarded at a contract sum of Kshs.20,461,390 for a contract period of 6 months starting from 20 February, 2020 and ending on 30 July, 2020. Physical verification revealed that the project was not complete, more than two years after the expected completion date, and the contractor was not on site. Management had explained that the contract was terminated due to non-performance by the contractor.

Further, available Information indicated that a company was awarded a contract for the Proposed Civil Works at Gesieka Market at a contract sum of Kshs.2,534,370. The contract period was agreed at three months, from 28 June, 2019 to 30 September, 2019. As at 30 June, 2022, the contractor had been paid the full contract sum of Kshs.2,534,370. However, audit inspection on 29 June, 2022 revealed that the project was never implemented.

In the circumstances, the value for money on the expenditure of Kshs.15,354,795 on the two (2) could not be confirmed.

## **17.0 Non- Publication of Procurement Contracts**

Review of the procurement records for the County Executive revealed that procurement contracts with contract sums totalling to Kshs.158,569,014 were not published on County Executive's notice boards and websites as required by Regulation 131 of the Public Procurement and Asset Disposal Regulations, 2020. In addition, no evidence was provided to indicate that the contracts were reported to the Public Procurement and Review Authority.

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

## **18.0 Stalled and Incomplete Projects**

Review of the projects under the Department of County Administration, Corporate Services and Stakeholder Management revealed that fifteen (15) projects in respect of

the construction of Ward offices and sub-county headquarters on which the County Executive had spent Kshs.70,809,162 as at 30 June 2022, were incomplete had stalled as shown below:

<b>Project Name</b>	<b>Year of awarded</b>	<b>Cum. Amount Paid (Kshs.)</b>	<b>% of Completion</b>	<b>Remarks</b>
Construction of Bogeka Ward Office	2013/14	3,447,578	60%	Stalled
Construction of Masige West Ward Office	2013/14	2,350,000	70%	Stalled
Construction of Sengera Bosoti Ward Office	2014/15	4,329,614	70%	Stalled
Construction of Ibeno Ward Office	2014/15	2,124,842	50%	Stalled
Construction of Kegogi Ward Office	2015/16	3,903,299	50%	Stalled
Construction of Nyamasibi Ward Office	2015/16	4,128,953	85%	Stalled
Construction of Birongo Ward Office	2015/16	3,503,880	65%	Stalled
Construction of Kiamokama Ward Office	2015/16	3,045,000	80%	Stalled
Construction of Keumbu Ward Office	2015/16	4,805,333	98%	Stalled
Construction of Moticho Ward Office	2014/15	4,007,240	70%	Stalled
Construction of Boochi Borabu Ward Office	2014/15	3,384,349	70%	Stalled
Construction of Riana Ward Office	2019/20	3,830,737	90%	Stalled
Construction of Machoge Bassi Ward Office	2015/16	4,507,347	80%	Stalled
Construction of Pit Latrine Block at Moticho Ward Office	2019/20	0	80%	Stalled
Construction of Sub-County Hqs Kitutu Chache South	2013/14	23,440,990	95%	Stalled
<b>Total</b>		<b>70,509,162</b>		

In the circumstances, value for money on the expenditure of Kshs.70,809,162 could not be confirmed.

### **19.0 Pending Legal Cases**

Review of legal documents from the County Attorney's Office revealed that two hundred and sixty-six (266) court cases were pending against the Kisii County Executive some of which were inherited from the defunct local authorities. Out of these cases, nine (9) were

ruled against the County Executive and the plaintiffs or claimants awarded a total of Kshs.1,696,135 in two (2) of the nine cases, while amounts awarded in the remaining seven (7) cases had not been provided for audit. However, the County Executive had so far not settled the Court awards of Kshs.1,696,135 which had also not been included in the reported list of pending bills. Further, no evidence was adduced on any appeals on the matters. In addition, the status of the two hundred and fifty-seven (257) unconcluded Court cases was not provided for audit.

In the circumstances, failure to abide to the Court rulings may results to incurrence of further avoidable costs in form of penalties and interests.

## **20.0 Irregular Conferment of Municipality Status to Ogembo Urban Centre**

According to the Urban Areas and Cities (Amendment) Act, 2019, a town is eligible for conferment of municipality status if it has a population of at least fifty thousand (50,000) residents according to the final gazetted results of the last population census carried out. However, information available indicates that on 29 July, 2021, the Governor, Kisii County conferred the status of a municipality to Ogembo Urban Area through Gazette Notice No.8634, despite it having a population of only 3,901, according to the 2019 Kenya Population and Housing Census. Therefore, Ogembo Urban Area did not satisfy the criteria for conferment to a municipality. No explanation was given for the anomaly.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Grounded Motor Vehicles and Machineries**

Annex 3 – summary of non-current assets register to the financial statements reflects total non-current assets with a historical cost of Kshs.15,822,083,275 which included transport equipment of Kshs.715,917,441. However, review of the status of the Executive’s fleet of

motor vehicles and machineries revealed that sixty-eight (68) motor vehicles and heavy machinery out of an inventory list of one hundred and eighty-two (182) representing 37% of the entire fleet, were grounded and unserviceable. Although Management had prepared a consolidated annual disposal plan for the financial year 2020/2021, none of the grounded vehicles had been disposed of as at 31 December, 2022.

In the circumstances, Management did not institute effective internal controls to ensure proper management of the fleet of motor-vehicles.

## **2.0 Uncollected Revenue - Property Rates**

The statement of comparison of budget and actual amounts reflects other receipts budget amount of Kshs.1,595,176,552 which includes Kshs.30,000,000 expected from land rates. Similarly, the statement reflects other receipts actual amount of Kshs.800,654,373 which, as disclosed in Note 2 to the financial statements, includes County own generated receipts of Kshs.404,554,619 out of which Kshs.12,845,291 relates to land rates. Therefore, the County Executive had a shortfall of Kshs.17,154,709 from land rates or 57% of the budgeted revenue.

Further, review of the County Executive's electronic records indicated that the Management had not collected long outstanding property rates, inclusive of interest and penalties, totalling Kshs.435,999,218, which were owed by plot owners within Kisii Municipality and other areas in the County. In addition, no records were provided for audit to show efforts made by the Management to recover the outstanding monies. Moreover, the valuation rolls used in the collection of land rates were those used by the defunct local authorities.

In the circumstances, Management did not institute effective internal controls to ensure collection of property rates.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal controls, risk management and overall governance was maintained 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 such internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

Management is aware of the intention to dissolve the County Executive or to cease operations.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in

accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 judgment and maintain professional scepticism 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.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the 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 County Executive's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

06 April, 2023

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**


**7.STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.**

		2021-2022	2020-2021
	Notes	Kshs	Kshs
<b>Receipts</b>			
Exchequer releases (Transfers from the CRF)	1	8,182,732,547	8,972,275,529
Other receipts	2	800,654,373	1,464,276,327
<b>Total receipts</b>		<b>8,983,386,920</b>	<b>10,436,551,856</b>
<b>Payments</b>			
Compensation of employees	3	5,129,147,123	4,821,422,299
Use of goods and services	4	1,630,997,716	1,164,572,560
Transfers to other government entities	5	960,962,827	962,258,658
Other grants and transfers	6	644,275,870	1,323,110,110
Acquisition of assets	7	1,384,988,744	1,582,494,457
Other payments	8	12,230,682	-
<b>Total payments</b>		<b>9,762,602,962</b>	<b>9,853,858,083</b>
<b>Surplus/(deficit)</b>		<b>(779,216,042)</b>	<b>582,693,773</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on

29/6/2022 and signed by:

.....  
**Name: Wilfred O. Auma**  
**Chief Officer - Finance**

  
 .....  
**Name: John N. Nyandanyi**  
**Head of Accounting Services**  
**ICPAK M/No: 13733**

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

**8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	9A	525,767,877	1,364,918,380
Cash balances	9B	-	-
<b>Total cash and cash equivalent</b>		<b>525,767,877</b>	<b><u>1,364,918,380</u></b>
Outstanding imprests and advances			-
<b>Total financial assets</b>		<b>525,767,877</b>	<b>1,364,918,380</b>
<b>Financial liabilities</b>			
Deposits and retentions	10	104,967,167	162,720,325
<b>Net financial assets</b>		<b>420,800,710</b>	<b>1,202,198,055</b>
<b>Represented by</b>			
Fund balance b/fwd.	11	1,202,198,055	626,196,221
Prior year adjustments	12	(2,181,303)	(6,691,939)
Surplus/(deficit) for the year		(779,216,042)	582,693,773
<b>Net financial position</b>		<b>420,800,710</b>	<b>1,202,198,055</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on

23/12/ 2022 and signed by:



.....  
**Name: Wilfred O. Auma**  
**Chief Officer - Finance**



.....  
**Name: John N. Nyandanyi**  
**Head of Accounting Services**  
**ICPAK M/No: 13733**

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

**9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating income</b>			
Exchequer releases (Transfers from the CRF)	<b>1</b>	8,182,732,547	8,972,275,529
Other receipts	<b>2</b>	800,654,373	1,464,276,327
<b>Payments for operating expenses</b>			
Compensation of employees	<b>3</b>	5,129,147,123	(4,821,422,299)
Use of goods and services	<b>4</b>	1,630,997,716	(1,164,572,560)
Transfers to other government units	<b>5</b>	960,962,827	(962,258,658)
Other grants and transfers	<b>6</b>	644,275,870	(1,323,110,110)
Other payments	<b>8</b>	12,230,682	-
<b>Adjusted for:</b>			
Other adjustments Prior year adjustments	<b>12</b>	(2,181,303)	(6,691,939)
Increase/(decrease) in deposits and retentions	<b>10</b>	(57,753,158)	68,461,070
<b>Net cash flow from operating activities</b>		<b>545,838,241</b>	<b>2,226,957,361</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		1,384,988,744	(1,582,494,457)
<b>Net cash flows used in investing activities</b>		<b>(1,384,988,744)</b>	<b>(1,582,494,457)</b>
<b>Cash flow from borrowing activities</b>			
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(839,150,503)</b>	<b>644,462,904</b>
<b>Cash and cash equivalents at beginning of the year 1 July 2021</b>		<b>1,364,918,380</b>	<b>720,455,476</b>
<b>Cash and cash equivalents at end of the year 30 June 2022</b>		<b>525,767,877</b>	<b>1,364,918,380</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on

28/12 2022 and signed by

.....

**Name: Wilfred O. Auma**  
**Chief Officer Finance**

.....

**Name: John N. Nyandanyi**  
**Head of Accounting Unit**  
**ICPAK Member Number:13733**

**COUNTY EXECUTIVE OF KISII**  
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**For the year ended June 30, 2022**

**10.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Exchequer releases (Transfers from the CRF)	10,995,518,426	-	10,995,518,426	8,182,732,547	2,812,785,879	74
Proceeds from sale of assets		-	-	-	-	-
Other receipts	1,595,176,552	-	1,595,176,552	800,654,373	794,522,179	50
<b>Total</b>	<b>12,590,694,978</b>	<b>-</b>	<b>12,590,694,978</b>	<b>8,983,386,920</b>	<b>3,607,308,058</b>	<b>71</b>
<b>Payments</b>						
Compensation of employees	5,054,040,709	48,414,750	5,102,455,459	5,129,147,123	-26,691,664	101
Use of goods and services	2,101,789,301	95,939,649	2,197,728,950	1,630,997,716	566,731,234	74
Subsidies	-	-	-	-	-	-
Transfers to other government units	1,512,183,719	(73,880,723)	1,438,302,996	960,962,827	477,340,169	67
Other grants and transfers	650,275,870	(6,000,000)	644,275,870	644,275,870	-	100
Social security benefits	264,000	(264,000)	-	-	-	-
Acquisition of assets	2,871,556,203	281,375,500	3,152,931,703	1,384,988,744	1,767,942,959	44
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	325,585,176	(325,585,176)	-	-	-	-
Other payments	75,000,000	(20,000,000)	55,000,000	12,230,682	42,769,318	22
<b>Total</b>	<b>12,590,694,978</b>	<b>-</b>	<b>12,590,694,978</b>	<b>9,762,602,962</b>	<b>2,828,092,016</b>	<b>78</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(779,216,042)</b>	<b>779,216,042</b>	<b>-</b>

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

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**Note:** Transfer to other government units and other grants and payments have been aggregated under transfers to other government units.

- (a) Exchequer releases under-utilization was due to late disbursement of funds from the exchequer.
- (b) Other receipts includes leasing of medical equipment funds which is only received inform of equipment and EU funds which was not disbursed in the year. Also not fully disbursed were NARIGP, ASDSP and UDG funds.
- (c) Transfers to other government units underutilization was due to late disbursement of funds.
- (d) Acquisition of assets underutilization was due to late disbursement of funds.

The County Executive's financial statements were approved on 28/12/ 2022 and signed by:



.....  
**Name: Wilfred O. Auma**  
**Chief Officer Finance**



.....  
**Name: John N. Nyandanyi**  
**Head of Accounting Services**  
**ICPAK Member Number: 13733**

**COUNTY EXECUTIVE OF KISII**  
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**11.STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS:: RECURRENT FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Original</b>			<b>Actual on</b>	<b>Budget</b>	<b>% of</b>
<b>Receipt/expense item</b>	<b>Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Comparable</b>	<b>Utilization</b>	<b>Utilization</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Exchequer releases (Transfers from the CRF)	7,738,790,322	-	7,738,790,322	6,884,115,402	854,674,920	89
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	780,338,157	-	780,338,157	475,879,630	304,458,527	61
<b>Total</b>	<b>8,519,128,479</b>	<b>-</b>	<b>8,519,128,479</b>	<b>7,359,995,032</b>	<b>1,159,133,447</b>	<b>86</b>
<b>Payments</b>						
Compensation of employees	5,054,040,709	48,414,750	5,102,455,459	5,129,147,123	-26,691,664	101
Use of goods and services	2,008,789,301	65,749,649	2,074,538,950	1,508,003,851	566,535,099	73
Subsidies	-	-	-	-	-	-
Transfers to other government units	926,637,661	51,307,727	977,945,388	897,322,807	80,622,581	92
Other grants and transfers	117,827,563	(6,000,000)	111,827,563	111,827,563	-	100
Social security benefits	264,000	(264,000)	-	-	-	-
Acquisition of assets	201,569,245	(24,364,500)	177,204,745	-	177,204,745	-
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	135,000,000	(135,000,000)	-	-	-	-
Other payments	75,000,000	(20,000,000)	55,000,000	12,230,682	42,769,318	22
<b>Total</b>	<b>8,519,128,479</b>	<b>(20,156,374)</b>	<b>8,498,972,105</b>	<b>7,658,532,026</b>	<b>840,440,079</b>	<b>90</b>

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Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Surplus/(deficit)</b>	-	<b>20,156,374</b>	<b>20,156,374</b>	<b>(298,536,994)</b>	<b>318,693,368</b>	-

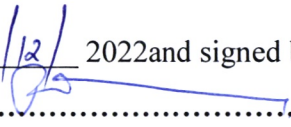
a) Other receipts includes DANIDA funds which were not fully released.

b) Use of goods and services underutilization was due to late disbursement of funds.

The County Executive's financial statements were approved on 28/12/ 2022 and signed by

.....  


**Name: Wilfred O. Auma**  
**Chief Officer Finance**

.....  


**Name: John N. Nyandanyi**  
**Head of Accounting Services**  
**ICPAK Member Number: 13733**

**COUNTY EXECUTIVE OF KISII**  
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**For the year ended 30 June, 2022.**

**12.STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Original</b>			<b>Actual on</b>	<b>Budget</b>	<b>%</b>
<b>Receipt/expense item</b>	<b>Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Comparable</b>	<b>Utilisation</b>	<b>ofUtilisatio</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Exchequer releases (Transfers from the CRF)	3,256,728,104	-	3,256,728,104	1,298,617,145	1,958,110,959	40
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	814,838,395	-	814,838,395	324,774,743	490,063,652	40
<b>Total</b>	<b>4,071,566,499</b>	<b>-</b>	<b>4,071,566,499</b>	<b>1,623,391,888</b>	<b>2,448,174,611</b>	<b>40</b>
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	93,000,000	30,190,000	123,190,000	122,993,865	196135	100
Subsidies	-	-	-	-	-	-
Transfers to other government units	585,546,058	(125,188,450)	460,357,608	63,640,020	396717588	14
Other grants and transfers	532448307	-	532,448,307	532,448,307	-	100
Social security benefits	-	-	-	-	-	-
Acquisition of assets	2,669,986,958	305,740,000	2,975,726,958	1,384,988,744	1590738214	47
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	190,585,176	(190,585,176)	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Totals</b>	<b>4,071,566,499</b>	<b>20,156,374</b>	<b>4,091,722,873</b>	<b>2,104,070,936</b>	<b>1,987,651,937</b>	<b>51</b>

**COUNTY EXECUTIVE OF KISHII**  
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**For the year ended 30 June, 2022.**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Surplus/(deficit)	-	(20,156,374)	(20,156,374)	(480,679,048)	460,522,674	-

- a) Exchequer releases under utilization was due to late disbursement of funds from the exchequer.
- b) Other receipts includes leasing of medical equipment funds which is only received inform of equipment and EU funds which was not disbursed in the year. Also not fully disbursed were NARIGP,ASDSP and UDG funds.
- c) Transfers to other government units underutilization was due to late disbursement of funds.
- d) Acquisition of assets underutilization was due to late disbursement of funds.

The County Executive's financial statements were approved on 28/12/ 2022 and signed by:



.....  
**Name: Wilfred O. Auma**  
**Chief Officer Finance**



.....  
**Name: John N. Nyandanyi**  
**Head of Accounting Services**  
**ICPAK Member Number: 13733**

**13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2022**

<b>Programme/Sub-programme</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>County Administration</b>					
Administration, planning and support services	475,085,448	(2,700,000)	472,385,448	444,985,095	27,400,353
Devolved units services	58,343,694	4,500,000	62,843,694	15,001,237	47,842,457
Human Resource development	10,610,000	(560,000)	10,050,000	2,876,892	7,173,108
Enforcement services	8,800,000	-	8,800,000	4,897,700	3,902,300
Stakeholder management	49,809,602	500,000	50,309,602	8,175,680	42,133,922
Public participation and civic Education	11,800,000	(5,500,000)	6,300,000	3,785,340	2,514,660
Disaster management	10,926,255	1,700,000	12,626,255	7,904,432	4,721,823
Fleet management	7,000,000	-	7,000,000	5,341,316	1,658,684
<b>Sub-total</b>	<b>632,374,999</b>	<b>(2,060,000)</b>	<b>630,314,999</b>	<b>492,967,692</b>	<b>137,347,307</b>
<b>Finance and Economic Planning</b>					
Administration, coordination and support services	1,007,264,503	43,780,000	1,051,044,503	948,834,693	102,209,810
Public Financial	82,025,000	(2,200,000)	79,825,000	52,425,609	27,399,391

**COUNTY EXECUTIVE OF KISHII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
<b>Programme/Sub-programme</b>					
Management services					
County planning services	243,315,695	9,519,899	252,835,594	198,076,616	54,758,978
<b>Sub-total</b>	<b>1,332,605,198</b>	<b>51,099,899</b>	<b>1,383,705,097</b>	<b>1,199,336,918</b>	<b>184,368,179</b>
<b>County executive &amp; public service board</b>					
Administration, planning and support services	377,737,952	(1,450,000)	376,287,952	314,744,450	61,543,502
Office of the county secretary	24,640,000	(2,750,000)	21,890,000	14,854,343	7,035,657
Legal services	13,820,000	(6,500,000)	7,320,000	4,126,722	3,193,278
Communication services	25,570,000	(1,000,000)	24,570,000	16,523,757	8,046,243
Special programmes	8,150,000	(200,000)	7,950,000	7,101,805	848,195
Public private partnership	6,900,000	-	6,900,000	3,852,310	3,047,690
Advisory services	6,750,000	-	6,750,000	4,459,242	2,290,758
Chief of staff	4,700,000	-	4,700,000	3,829,900	870,100
County public service Board	42,000,000	(2,030,000)	39,970,000	20,336,509	19,633,491
<b>Sub-total</b>	<b>510,267,952</b>	<b>(13,930,000)</b>	<b>496,337,952</b>	<b>389,829,038</b>	<b>106,508,914</b>
<b>Roads public works and transport</b>					
General administration and	102,820,000	1,650,000	104,470,000	87,152,991	17,317,009

**COUNTY EXECUTIVE OF KISII**  
**Annual Reports and Financial Statements**  
**For the year ended 30 June, 2022.**

<b>Programme/Sub-programme</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
Planning services					
Roads development	938,984,248	233,900,000	1,172,884,248	639,594,825	533,289,423
Public works	202,171,474	14,975,000	217,146,474	118,528,853	98,617,621
Housing services	11,000,000	4,000,000	15,000,000	5,757,950	9,242,050
<b>Sub-total</b>	<b>1,254,975,722</b>	<b>254,525,000</b>	<b>1,509,500,722</b>	<b>851,034,619</b>	<b>658,466,103</b>
<b>County Health</b>					
Medical services	4,148,724,480	(228,453,048)	3,920,271,432	3,489,054,597	431,216,835
Public health	50,720,000	(5,660,000)	45,060,000	18,931,260	26,128,740
<b>Sub-total</b>	<b>4,199,444,480</b>	<b>(234,113,048)</b>	<b>3,965,331,432</b>	<b>3,507,985,857</b>	<b>457,345,575</b>
<b>Education, &amp; Manpower Development</b>					
General administration and planning services	623,517,045	(138,000,000)	485,517,045	465,937,450	19,579,595
Early childhood development education	86,707,636	-	86,707,636	3,395,513	83,312,123
Vocational training	67,179,898	-	67,179,898	23,303,505	43,876,393
<b>Sub-total</b>	<b>777,404,579</b>	<b>(138,000,000)</b>	<b>639,404,579</b>	<b>492,636,468</b>	<b>146,768,111</b>
<b>Agriculture, Livestock, Fisheries &amp; co-operate Development</b>					
Administrative and support	424,861,335	51,028,175	475,889,510	167,686,930	308,202,580

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	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
<b>Programme/Sub-programme</b>					
services					
Crop development and value addition	410,473,675	(15,170,000)	395,303,675	402,525,485	(7,221,810)
Livestock development	52,200,000	8,390,000	60,590,000	58,563,854	2,026,146
Veterinary services	240,998,980	35,890,000	276,888,980	271,352,292	5,536,688
Co-operative development and management	3,100,000	-	3,100,000	2,001,885	1,098,115
Fisheries development	44,133,870	7,618,040	51,751,910	45,131,043	6,620,867
Kisii agricultural training center	25,672,220	1,511,960	27,184,180	18,493,391	8,690,789
<b>Sub-total</b>	<b>1,201,440,080</b>	<b>89,268,175</b>	<b>1,290,708,255</b>	<b>965,754,880</b>	<b>324,953,375</b>
<b>Energy, Water, Environment &amp; Natural resources</b>					
Administration and planning services	60,156,331	(1,990,000)	58,166,331	47,405,567	10,760,764
Water and sanitation services	327,087,867	(9,865,000)	317,222,867	166,764,210	150,458,657
Environment management	18,000,000	(4,500,000)	13,500,000	4,193,000	9,307,000
Energy services	5,841,809	-	5,841,809	627,550	5,214,259

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<b>Programme/Sub-programme</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
<b>Sub-total</b>	<b>411,086,007</b>	<b>(16,355,000)</b>	<b>394,731,007</b>	<b>218,990,327</b>	<b>175,740,680</b>
<b>Culture &amp; Social services</b>					
Administration and planning services	80,817,361	(6,720,000)	74,097,361	66,546,059	7,551,302
Sports development	130,137,091	14,700,000	144,837,091	87,440,626	57,396,465
Cultural services	33,048,677	(6,900,000)	26,148,677	6,573,677	19,575,000
Social development	3,500,000	-	3,500,000	2,845,110	654,890
<b>Sub-total</b>	<b>247,503,129</b>	<b>1,080,000</b>	<b>248,583,129</b>	<b>163,405,472</b>	<b>85,177,657</b>
<b>Land Physical Planning &amp; Urban Development</b>					
Administration, planning and support services	182,125,000	(13,750,000)	168,375,000	146,419,069	21,955,931
Land use services	37,799,078	(1,000,000)	36,799,078	25,372,790	11,426,288
Urban development	85,931,284	11,000,000	96,931,284	24,408,751	72,522,533
<b>Sub-total</b>	<b>305,855,362</b>	<b>(3,750,000)</b>	<b>302,105,362</b>	<b>196,200,610</b>	<b>105,904,752</b>
<b>Trade, Development &amp; Regulations</b>					
Administration and planning services	86,266,639	995,000	87,261,639	77,547,941	9,713,698
Tourism development	8,520,000	(320,000)	8,200,000	2,163,650	6,036,350
Weights and measures	4,050,000	(800,000)	3,250,000	1,035,000	2,215,000

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<b>Programme/Sub-programme</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
Liquor licensing	1,150,000	(350,000)	800,000	605,000	195,000
Markets development	126,735,153	(4,034,000)	122,701,153	28,624,688	94,076,465
Betting and gaming	3,200,000	(500,000)	2,700,000	2,193,800	506,200
<b>Sub-total</b>	<b>229,921,792</b>	<b>(5,009,000)</b>	<b>224,912,792</b>	<b>112,170,079</b>	<b>112,742,713</b>
<b>Kisii Town</b>					
General administration, planning and support services	170,937,287	(9,000,000)	161,937,287	98,479,842	63,457,445
Infrastructure development	261,136,783	(19,600,000)	241,536,783	112,848,380	128,688,403
<b>Sub-total</b>	<b>432,074,070</b>	<b>(28,600,000)</b>	<b>403,474,070</b>	<b>211,328,222</b>	<b>192,145,848</b>
<b>County Assembly</b>					
Office of the speaker	6,355,200	-	6,355,200	1,317,568	5,037,632
Representation, legislative and oversight services	225,855,824	6,552,090	232,407,914	192,180,784	40,227,130
County assembly service board	823,530,584	39,291,884	862,822,468	767,464,428	95,358,040
<b>Sub-total</b>	<b>1,055,741,608</b>	<b>45,843,974</b>	<b>1,101,585,582</b>	<b>960,962,780</b>	<b>140,622,802</b>
<b>GRAND-TOTAL</b>	<b>12,590,694,978</b>	<b>-</b>	<b>12,590,694,978</b>	<b>9,762,602,962</b>	<b>2,828,092,016</b>

#### **14. Significant Accounting Policies**

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

##### **1. Statement of compliance and basis of preparation**

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

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

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

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

##### **2. Reporting entity**

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

##### **3. Recognition of receipts and payments**

###### **a) Recognition of receipts**

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

**Significant Accounting Policies (Continued)**

**i) Transfers from the County Revenue Fund (CRF)**

Transfer from CRF is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and a notification received by the entity.

**ii) Proceeds from sale of assets**

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

**b) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

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**Significant Accounting Policies (Continued)**

**v) Acquisition of fixed assets**

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

**4. In-kind contributions**

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

**5. Third Party Payments**

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

**6. Cash and cash equivalents**

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

**Significant Accounting Policies (Continued)**

**a) Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to Kshs 104,967,167 compared to Kshs 162,720,325 in prior period as indicated on note 16.

**7. Imprests and Advances**

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

**8. Third Party Deposits and Retention**

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

**9. Non-current assets**

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

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**Significant Accounting Policies (Continued)**

**10. Pending bills**

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

**11. Contingent Liabilities**

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

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note 10 of other important disclosures provide information on contingent liabilities.

**Significant Accounting Policies (Continued)**

**12. Contingent Assets**

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

**13. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**14. Comparative figures**

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

**15. Subsequent events**

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

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**Significant Accounting Policies (Continued)**

**16. Prior Period Adjustment**

During the year, errors that have been corrected are disclosed under note 12 explaining the nature and amounts.

**17. Related Party Transactions**

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

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

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

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**15. Notes to the Financial Statements**

**1. Exchequer Releases( Transfer from the CRF)**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Total exchequer releases for quarter 1	1,467,555,293	669,587,400
Total exchequer releases for quarter 2	2,223,568,627	2,569,347,000
Total exchequer releases for quarter 3	2,223,568,627	2,138,558,236
Total exchequer releases for quarter 4	2,268,040,000	3,594,782,893
<b>Total</b>	<b>8,182,732,547</b>	<b>8,972,275,529</b>

In the first quarter the significant change in amounts disbursed was due to disbursement in arrears for the previous year. In quarter 4 the change was as a result of delays in the disbursement of June allocations.

**2. Other Receipts**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Proceeds from domestic and foreign grants	393,918,451	685,660,452
Transfers from other government entities	-	372,418,644
County Own Generated Receipts	404,554,619	399,505,292
Return CRF issues	2,181,303	6,691,939
<b>Total</b>	<b>800,654,373</b>	<b>1,464,276,327</b>

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**Notes to the Financial Statements (Continued)**

**3. Compensation of Employees**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	3,110,633,907	3,046,132,414
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	1,753,576,041	1,599,654,377
Personal allowances paid as reimbursements	15,122,863	117,343
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	249,814,312	175,518,164
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
<b>Total</b>	<b>5,129,147,123</b>	<b>4,821,422,299</b>

**Note:** The significant change in personal allowance paid as reimbursement was due to nursing uniform allowance.

The significant change in employer contribution to compulsory national social scheme was due to more employees joining the national social security schemes.

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**Notes to the Financial Statements (Continued)**

**4. Use of Goods and Services**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	32,199,732	54,303,834
Communication, supplies and services	12,643,044	10,705,338
Domestic travel and subsistence	325,240,442	275,039,370
Foreign travel and subsistence	31,768,528	11,960,112
Printing, advertising and information supplies & services	70,300,020	30,153,159
Rentals of produced assets	10,963,699	2,340,300
Training expenses	57,595,912	45,844,180
Hospitality supplies and services	74,081,851	50,230,969
Insurance costs	201,196,632	179,042,540
Specialized materials and services	451,828,508	224,224,061
Office and general supplies and services	43,029,796	28,966,816
Fuel, oil and lubricants	37,605,872	39,446,842
Other operating expenses	164,825,299	129,713,620
Routine maintenance – vehicles and other transport equipment	21,688,872	21,634,300
Routine maintenance – other assets	96,029,509	60,967,118
<b>Total</b>	<b>1,630,997,716</b>	<b>1,164,572,560</b>

**Note.** Kshs 3,041,670 has been transferred from other operating expenses to other grants and transfers

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**Notes to the Financial Statements (Continued)**

**5. Transfer to Other Government entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transfers to county government entities</b>		
County Assembly	960,962,827	962,258,658
<b>Total</b>	<b>960,962,827</b>	<b>962,258,658</b>

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**Notes to the Financial Statements (Continued)**

**6. Other Grants and Payments**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Emergency relief and refugee assistance	21,000,000	14,000,000
KUSP	89,979,516	117,337,642
SIDA/ASDSP	22,114,840	21,053,765
Village Youth Polytechnic	23,143,248	96,511,173
EU IDEAS	60,946,880	27,102,579
UHC	-	11,070,000
DANIDA	13,406,527	19,645,000
NARIGP	75,223,352	278,666,987
User Fee/HSSF	-	26,138,997
Conditional grants to Level 5	226,633,944	322,041,669
KDSP	-	129,817,735
COVID-19	-	146,283,314
Health system for universal care	-	25,367,915
Support to farmers	-	23,432,000
Other transfers	-	50,000
KUSP/UIG	-	8,800,000
Payment to Kenya Revenue Authority-Tax Arrears	108,785,893	55,791,333
Bursary	3,041,670	-
<b>Total</b>	<b>644,275,870</b>	<b>1,323,110,110</b>

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**Notes to the Financial Statements (Continued)**

**7. Acquisition of Assets**

<b><u>Non- financial assets</u></b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of buildings	-	-
Construction of buildings	115,873,218	98,129,152
Refurbishment of buildings	15,625,800	10,957,400
Construction of roads	584,188,344	510,860,009
Construction and civil works	238,824,683	349,980,643
Overhaul and refurbishment of construction & civil works	80,282,770	349,909,718
Purchase of vehicles and other transport equipment	10,594,900	1,950,000
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	2,500,000	3,000,000
Purchase of office furniture and general equipment	65,413,294	49,792,884
Purchase of specialized plant, equipment and machinery	59,596,892	63,380,958
Rehabilitation and renovation of plant, machinery and equip.	36,358,125	-
Purchase of certified seeds, breeding stock and live animals	150,799,450	140,163,065
Research, studies, project preparation, design & supervision	14,470,000	1,500,000
Rehabilitation of civil works	10,461,268	2,870,629
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
<b>Total acquisition of non- financial assets</b>	<b>1,384,988,744</b>	<b>1,582,494,457</b>
<b><u>Financial assets</u></b>		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
<b>Total acquisition of financial assets</b>	<b>-</b>	<b>-</b>
<b>Total acquisition of assets</b>	<b>1,384,988,744</b>	<b>1,582,494,457</b>

**Note:** Expenditure of Kshs 2,532,150 and Kshs 438,000 initially captured under purchase of office furniture and general equipment have been corrected and properly captured under Rehabilitation of civil works.

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**Notes to the Financial Statements (Continued)**

**8. Other Payments**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
System Required Expense	12,230,682	-
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	-	-
<b>Total</b>	<b>12,230,682</b>	

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**Notes to the Financial Statements (Continued)**

**9. Cash and Bank Balances**

**9A. Bank Balances**

Name of Bank, Account No. & currency	Account Number	Indicate whether recurrent, Development, deposit, receipts e.t.c	2021-2022	2020 – 2021
			Kshs	Kshs
CBK Revenue Fund	1000170565	CRF	68,418,940	929,801,754
CBK Development	1000170425	Development	6,212	2,173,801
CBK Recurrent	1000170395	Recurrent	10,877	1,451
CBK Retention,	1000276681	Deposits	104,967,167	162,720,325
CBK Road M. Levy	1000276697	Fuel Levy	4,781,941	48,848,236
CBK Maternity Fund	1000276703	Maternity	-	172,489
CBK Universal Health Care	1000368567	Universal Health Care	-	3,824,875
CBK Village Youth Polytechnic	1000368578	Village Youth Polytechnic	408,000	749,077
CBK EU Grant	1000394013	Grant	696	696
CBK Kisii county Agric& Rural Growth	1000365544	Development	-	1
KCB Revenue collection, Kisii Branch,	1140758519	Revenue	18,778,448	33,781,135
KCB Masimba Hospital, Kisii Branch	1102022888	FIF	-	-
KCB Ibacho, Hospital, Kisii Branch	1109472706	FIF	-	-
KCB Ibeno Hospital, Kisii Branch	1117448010	FIF	-	-
KCB Gesusu Hospital, Kisii Branch	1102016942	FIF	-	-
KCB Gucha South Hospital, Kisii Branch	1102030139	FIF	-	-
KCB Etago Hospital, Kisii Branch	1124844163	FIF	-	-
KCB Keumbu Hospital, Kisii branch	1106481070	FIF	-	-
KCB Kenya hospital, Kisii Branch	1102026093	FIF	-	-
Chase Nyaribari Chache Sub-County Health Kisii Branch	252092856001	Imprest	317,374	317,374

**COUNTY EXECUTIVE OF KISII**  
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<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>Indicate whether recurrent, Development, deposit, receipts e.t.c</b>	<b>2021-2022</b>	<b>2020 – 2021</b>
KCB Oresi HC Kisii Branch	1113168633	Recurrent	-	-
KCB Kisii District Public	1235544745	FIF	-	-
KCB Kisii County Imprest A/C Kisii Branch	1235544745	Recurrent	-	-
Manyansi Vocational Training Centre	1233603272	Recurrent	21,364	1,224,773
Entanke Vocational Training Centre	1233624873	Recurrent	6,458	818,956
Gotichaki Vocational Training Centre	1233625721	Recurrent	20,709	1,159,950
Kirwanda Vocational Training Centre	1233624695	Recurrent	22,014	1,145,595
Nyansembe Youth Polythechnic	510277307167	Recurrent	5,055	1,239,431
Masakwe Vocational VTC	1233605992	Recurrent	46,494	1,305,799
Nyachenge Vocational Training Centre	1233499041	Recurrent	23,226	772,415
Bosansa Vocational Training Centre	01139808194300	Recurrent	16,406	675,814
Ekioga Vocational Training Centre	1233499491	Recurrent	125,694	707,352
St. Don Bosco Ngeri Polythechnic	01139296807300	Recurrent	23,839	842,470
Itongo Vocational Training Centre	1233625217	Recurrent	30,717	676,179
KCB Nyagonyi Vocational Training Centre	1233598430	Recurrent	23,325	1,090,019
KCB Nyamondo Vocational Training Centre	1233625063	Recurrent	3,717	908,750
KCB Kenyenyua Vocational Training Centre	1233496786	Recurrent	126,837	2,357,453
Nyarenda Vocational Training Centre	1238170587	Recurrent	16,294	532,710
Nyachogochogo Vocational Training Centre	1233622285	Recurrent	7,794	771,986
Nyakoora Vocational Training Centre	1238158234	Recurrent	14,532	644,538
KCB Nyaore Vocational Training Centre	1233624628	Recurrent	190,774	3,462,794

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<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>Indicate whether recurrent, Development, deposit, receipts e.t.c</b>	<b>2021-2022</b>	<b>2020 – 2021</b>
KCB Nyamagesa Vocational Training Centre	1233506226	Recurrent	7,644	1,350,120
KCB Nyambogo Vocational Training Centre	1233506773	Recurrent	43,276	700,484
KCB Moreremi Vocational Training Centre	1233507494	Recurrent	5,897	1,042,695
KCB Riatirimba Vocational Training Centre	1233505645	Recurrent	36,366	857,065
KCB Nyabiosi Vocational Training Centre	1238227732	Recurrent	17,874	531,048
KCB Nyanguru Vocational Training Centre	1233625411	Recurrent	22,569	744,182
KCB Irungu Vocational Training Centre	1233599933	Recurrent	1,663	687,824
KCB Keumbu Vocational Training Centre	1233927892	Recurrent	98,176	1,302,161
KCB Kiobegi Vocational Training Centre	1233545590	Recurrent	8,966	593,720
KCB Mobamba Vocational Training Centre	1233625268	Recurrent	6,081	620,886
KCB Gionseri Vocational Training Centre	1233624059	Recurrent	48,610	858,794
KCB St. Kizito Nyamagwa Youth Polytechnic	1233443658	Recurrent	10,649	1,107,287
KCB Nyaburumbasi Vocational Training Centre	1233624989	Recurrent	32,448	691,581
KCB Enchori Youth Polytechnic	1233396838	Recurrent	4,979	1,468,113
KCB Bombaba Vocational Training Centre	1233625608	Recurrent	30,042	599,376
KCB Gesonso Vocational Training Centre	1233625519	Recurrent	17,947	738,343
KCB ST. Joseph Etono DOK VTC	1233608169	Recurrent	11,748	750,286
KCB ST. Joseph's Nyamesocho VCT	1233608363	Recurrent	28,025	538,640
KCB Nyabinyinyi Vocational Training Centre	1233624288	Recurrent	1,672	638,516
KCB Nyamiobo Vocational Training Centre	1233624784	Recurrent	50	493,672

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<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>Indicate whether recurrent, Development, deposit, receipts e.t.c</b>	<b>2021-2022</b>	<b>2020 – 2021</b>
KCB Nyandusi Vocational Training Centre	1233624784	Recurrent	24,351	430,282
KCB Getacho Vocational Training Centre	1238101445	Recurrent	11,987	723,138
KCB Masongo Vocational Training Centre	1233404008	Recurrent	11,727	653,778
KCB Ikorongo Vocational Training Centre	1233507117	Recurrent	10,424	624,890
KCB Rianyoka Vocational Training Centre	1233601644	Recurrent	9,855	596,852
KCB Riangabi Vocational Training Centre	1233485318	Recurrent	41,760	661,279
KCB Genga Youth Vocational Training Centre	1233401831	Recurrent	11,486	672,792
KCB Omosobwa Vocational Training Centre	1233926985	Recurrent	8,199	526,306
KCB Raganga Vocational Training Centre	1257034073	Recurrent	9,599	611,514
KCB Kiamwasi Vocational Training Centre	1238100937	Recurrent	9,751	611,938
KCB Birongo PAG VTC	1233541455	Recurrent	51,271	419,075
KCB Kioge Vocational Training	1238099750	Recurrent	62,668	742,832
COOP Gesabakwa Vocational Training Centre	01141809197900	Recurrent	12,736	-
COOP Nyangusu Vocational Training Centre	01141809435700	Recurrent	7,882	-
COOP Iringa Vocational Training Centre	01141808839900	Recurrent	158,069	-
KCB Nyatwoni Vocational Training	1275622542	Recurrent	38,667	450,191
NBK Agricultural Sector Development Support Programme	01560209412700	Recurrent	9,043	17,623,882
NBK EU Ideas Led Banana Project	01560206754600	Development	7,746,677	45,575,742
SBM Kisii County Imprest	0252376833001	Recurrent	14,142	1,307,241
NBK NARIGP Kisii County	015602118195	Development		

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<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>Indicate whether recurrent, Development, deposit, receipts e.t.c</b>	<b>2021-2022</b>	<b>2020 – 2021</b>
Operations	00		173,679,282	31,918,954
KCB Kiogoro Sub County Hospital	1225471176	FIF	-	-
CBK Kisii County Devolution Support Programme	1000433647	Recurrent	142,950,751	36,318,332
CBK Kisii County COVID-19 Emergency Fund	1000459654	Recurrent	2,037,964	5,406,372
CBK Kisii County Agric Sector Development Support Programme	1000365498		-	-
<b>Total</b>			<b>525,767,877</b>	<b>1,364,918,380</b>

**COUNTY EXECUTIVE OF KISII**  
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**Notes to the Financial Statements (Continued)**

**10. Deposits and Retention**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits	104,967,167	162,720,325
Retention Monies	-	-
<b>Total</b>	<b>104,967,167</b>	<b>162,720,325</b>

**11. Fund Balance Brought Forward**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Accounts	1,364,918,380	720,455,476
Cash in Hand	-	-
Accounts Receivables	-	-
Accounts Payables	(162,720,325)	(94,259,255)
<b>Total</b>	<b>1,202,198,055</b>	<b>626,196,221</b>

**12. Prior Year Adjustments**

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

	<b>Balance b/f FY 2021-2022 as per audited financial statements</b>	<b>Adjustments during the year relating to prior periods</b>	<b>Adjusted ** Balance b/f FY 2020-2021</b>
<b>Description Of The Error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Return to CRF issues	2,181,303	-	6,691,939
Bank Account Balances	-	-	-
Cash in Hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
<b>Total</b>	<b>2,181,303</b>	<b>-</b>	<b>6,691,939</b>

**COUNTY EXECUTIVE OF KISII**  
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**Notes to the Financial Statements (Continued)**

**13. Increase/ (Decrease) in Deposits and Retention**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits and Retention s as at 1 <sup>st</sup> July (A)	162,720,325	94,259,255
Deposits and Retention as at 30 <sup>th</sup> June (B)	104,967,167	162,720,325
Increase/ (Decrease)in Deposits and Retentions C= B-A	<b>(57,753,158)</b>	<b>68,461,070</b>

**Other Important Disclosures**

**1. Pending Accounts Payable (See Annex 2)**

	<b>Balance b/f FY 2020-2021</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of Buildings	86,059,464	33,909,818	36,976,900	82,992,382
Construction of Civil Works	294,433,996	640,773,629	124,019,978	811,187,647
Supply of Goods	182,080,187	205,450,776	96,145,127	291,385,834
Supply of Services	181,785,474	103,642,987	77,139,911	208,288,550
<b>Total</b>	<b>744,359,121</b>	<b>983,777,210</b>	<b>334,281,916</b>	<b>1,393,854,413</b>

**Note:** Included in the balance brought forward and paid during the year is Kshs 19,274826 being pending bills for the year that were not disclosed as at 30<sup>th</sup> June,2021

**COUNTY EXECUTIVE OF KISII**  
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**Other Important Disclosures (Continued)**

**2. Related Party Disclosures**

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

The following comprise of related parties to the County Executive:

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

**Related party transactions**

	<b>2021- 2022</b>	<b>2020- 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Key Management Compensation (Governor, CEC Members And Cos)	-	-
<b><u>Transfers To Related Parties</u></b>		
Transfer to the County Assembly	960,962,827	962,258,658
Transfers to Other County Government Entities	-	-
EU IDEAS	28,639,545	45,697,438
SIDA/ASDSP	43,557,788	19,186,008
NARIGP	178,410,506	271,856,456
Village Youth Polytechnic	16,185,077	69,800,023
Kenya Devolution Support Program 'starter pack'-level II	128,507,146	-
Urban Institutional Grant	-	8,800,000
Emergency Fund	21,000,000	14,000,000
Universal Healthcare	-	11,070,000
Conditional Grant Level 5	226,633,944	
Transfers to Development Projects-KUSP	89,979,516	117,337,642
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
DANIDA	13,406,527	19,645,000
User Fee	-	26,138,997
Expenses paid on Behalf Of County Water Service Providers	-	25,943,150

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<b>Total Transfers To Related Parties</b>	<b>1,707,282,876</b>	<b>1,591,733,372</b>
<b><u>Transfers From Related Parties</u></b>		
Transfers From The Exchequer	8,576,650,998	9,657,935,981
Transfers From MDAs	-	372,418,644
Transfers From SCs And SAGAs - National Government		
(Insert Any Other Transfers Received)		
<b>Total Transfers From Related Parties</b>	<b>8,576,650,998</b>	<b>10,030,354,625</b>

**3. Establishment of other County Government Entities**

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

<b>Entity</b>	<b>Date Established/Date taken over</b>	<b>Location</b>	<b>Accounting Officer responsible</b>
Gusii Water and Sewerage Company (GWASCO)	2006	Department of Water	Beatrice Moraa Ochoki
Kisii County Bursary Fund	2014	Department of Education	Dr. Doris Nyokangi
Alcoholic Drug Control	2015	Department of Trade	Biliah Mogaka
Demonstration Farm Fund	2013	Department of Agriculture	Naum Mokaya
Kisii Vet Development Fund	2013	Department of Veterinary	Dr. Alphanus Mokaya
Kisii Car and Mortgage Fund	2016	Department of Finance	Mr. Wilfred O. Auma
Kisii Emergency Fund	2016	Department of Stakeholder Mgt	Mr. Alex Nyamweya
Kisii Teaching and Referral Hospital Fund	2014	Department of Health	Alice Abuki
DANIDA Fund	2014	Department of Health	Alice Abuki
Kisii Municipal Board	2019	Kisii Urban Development	Mr. Nahason Ongeru

**COUNTY EXECUTIVE OF KISII**  
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**4. Disclosure of Balances in Revenue Collection Accounts**

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

<b>Name of Bank, Account No. &amp; currency</b>	<b>Amount in bank account currency*</b>	<b>Ex. rate (if in foreign currency)</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
				<b>Kshs</b>
CBK Kisii County Revenue Fund Account A/C 1000170565			68,418,940	929,801,754
KCB Kisii County Revenue Collection A/C 1140758519			18,778,448	33,781,135
<b>Total</b>			<b>87,197,388</b>	<b>963,582,889</b>

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**Other Important Disclosures (Continued)**

**5. Leasing of Medical Equipment**

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments. In the year 2021/22 amounts relating to leased medical equipment was Kshs 153,297,872 .

**6. Contingent Liabilities**

<b>Contingent Liabilities</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Court Case Against The Entity	26,295,416	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising From Ppps	-	-
<b>Total</b>	<b>26,295,416</b>	<b>-</b>

**7. Covid- 19 Funds**

<b>Covid -19 Funds</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Receipts</b>		
Receipts From The National Government (Note 3)		-
Other Donations For Covid-19 Received Directly (Note 2)		-
Others –Covid-19 allowances	-	84,165,000
<b>Total Receipts</b>	<b>-</b>	<b>84,165,000</b>
<b>Payments</b>		
Purchase Of Covid 19 Materials- Masks, Sanitizers Etc		-
Purchase Of Beds And ICU Units		
Subsidies To The Community		-
Payment Of Hospital Bills		-
Donations To Schools And Other Institutions		-
Other Expenses (Specify)		-
<b>Total Payments</b>	<b>-</b>	<b>-</b>
<b>Balance In The Covid 19 Fund</b>	<b>2,037,964</b>	<b>5,406,372</b>

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**16. Progress on Follow up on Prior Year Auditor's Recommendations**

<b>Reference No. on the external audit Report</b>	<b>Issue Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Time frame: (Put a date when you expect the issue to be resolved)</b>
1	Under-collection of county own generated revenue	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
2	Budgetary control and performance	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
3	Late exchequer releases	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4	Pending bills	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
1.1	Non compliance with the law on wage bill	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
1.2	Delayed confirmations in employments	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
1.3	Non- compliance with one third of	The issue is being addressed since	Not resolved	30 <sup>th</sup> March, 2023

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Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	basic salary rule	we received the report of the Auditor General late		
1.4	Non- compliance with law on ethnic composition	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
1.5	Failure to remit retirement contributions	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
2	Failure to prepare training needs assessments	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
3	Acquisition of assets	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.1.1	Construction of treatment and rehabilitation centre at Kiamwasi	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.1.2	Refurbishment of Suneka market-phase II	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.1.3	Construction of	The issue is being	Not resolved	30 <sup>th</sup> March, 2023

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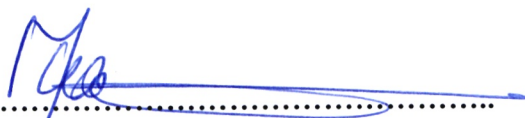
<b>Reference No. on the external audit Report</b>	<b>Issue Observations from Auditor /</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Time frame: (Put a date when you expect the issue to be resolved)</b>
	Nyamache market shade	addressed since we received the report of the Auditor General late		
4.2.1	Installation of culvert works for Keroka drain	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.2.2	Construction of perimeter wall at Nyatieko waste management site	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.2.3	Drilling of borehole in Kiabigori in Botenga ward	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.2.4	Construction of culture centre at Nyanturago-Ibeno ward	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.2.5	Landscaping Abagusii Culture and development centre	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.2.6	Construction of Marani town hall	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023

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<b>Reference No. on the external audit Report</b>	<b>Issue Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Time frame: (Put a date when you expect the issue to be resolved)</b>
4.3.1	Supply and delivery of Kenya library equipment	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.3.2	Construction of Nyangoge stadium	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.3.3	Construction of Nyamache banana market	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4.3.4	Construction of Mosochi town hall	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
5.1	Specific key ongoing projects	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
6	Legal cases	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
6.1	Delay in development of intergrated development plan	The issue is being addressed since we received the report of the Auditor General	Not resolved	30 <sup>th</sup> March, 2023

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Reference No. on the external audit Report	Issue Observations from Auditor /	Management comments	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
		late		
6.2	Conferment of municipality status to Ogembo urban centre	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
1	Cash management systems	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
2	Weak internal controls over cashbooks	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
3	Unauthorized IPPD system users	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023
4	IT internal controls	The issue is being addressed since we received the report of the Auditor General late	Not resolved	30 <sup>th</sup> March, 2023



CEC, County Treasury

Date 28/12/2022

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**17. Annexes**

**Annex 1 – Analysis Of Transfers From the CRF**

<b>Period (2021-2022)</b>	<b>Quarter 1 (Kshs)</b>	<b>Quarter 2 (Kshs)</b>	<b>Quarter 3 (Kshs)</b>	<b>Quarter 4 (Kshs)</b>	<b>Total (Kshs)</b>
Equitable Share	1,467,555,293	2,223,568,627	2,223,568,627	2,268,040,000	8,182,732,547
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	8,625,375	8,625,375
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	178,828,372	178,828,372
Kenya Devolution Support Programme	128,507,146	-	-	-	128,507,146
Youth Polytechnic support grant	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	2,500,000	-	13,183,290	15,683,290
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Water and Sanitation Development Project	-	-	-	-	-
Conditional Allocation Universal Healthcare	-	-	-	62,692,134	62,692,134
<b>Total</b>	<b>1,596,062,439</b>	<b>2,226,068,627</b>	<b>2,223,568,627</b>	<b>2,531,369,171</b>	<b>8,577,068,864</b>

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**Annex 2 – Analysis Of Pending Accounts Payable**

Supplier Of Goods Or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
<b>Construction Of Buildings</b>							
1. Various			86,059,464	33,909,818	36,976,900	82,992,382	
<b>Sub-Total</b>			<b>86,059,464</b>	<b>33,909,818</b>	<b>36,976,900</b>	<b>82,992,382</b>	
<b>Construction Of Civil Works</b>							
2. Various			294,433,996	640,773,629	124,019,978	811,187,647	
<b>Sub-Total</b>			<b>294,433,996</b>	<b>640,773,629</b>	<b>124,019,978</b>	<b>811,187,647</b>	
<b>Supply Of Goods</b>							
3. Various			182,080,187	205,450,776	96,145,127	291,385,834	
<b>Sub-Total</b>			<b>182,080,187</b>	<b>205,450,776</b>	<b>96,145,127</b>	<b>291,385,834</b>	
<b>Supply Of Services</b>							
4. Various			181,785,474	103,642,987	77,139,911	208,288,550	
<b>Sub-Total</b>			<b>181,785,474</b>	<b>103,642,987</b>	<b>77,139,911</b>	<b>208,288,550</b>	
<b>Grand Total</b>			<b>744,359,121</b>	<b>983,777,210</b>	<b>334,281,916</b>	<b>1,393,854,413</b>	

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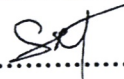
**Annex 3 – Summary of Non-Current Asset Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 2020-2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 2021-2022</b>
Land	2,291,214,800	-	-	-	2,291,214,800
Buildings And Structures	8,297,967,967	131,499,018	-	-	8,429,466,985
Transport Equipment	705,322,541	10,594,900	-	-	715,917,441
Office Equipment, Furniture And Fittings	380,024,142	70,883,494	-	-	450,907,636
ICT Equipment	48,920,351	-	-	-	48,920,351
Machinery And Equipment	203,477,811	95,955,017	-	-	299,432,828
Biological Assets	-	150,799,450	-	-	150,799,450
Intangible Assets	-	14,470,000	-	-	14,470,000
Infrastructure Assets- Roads, Rails	2,660,966,369	910,786,865	-	-	3,571,753,234
<b>Total</b>	<b>14,587,893,981</b>	<b>1,384,988,744</b>	<b>-</b>	<b>-</b>	<b>15,822,083,275</b>

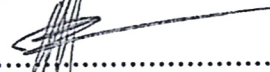
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**Annex 4 – Inter-Entity Transfers**

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred (Kshs)	Amount Confirmed as received Kshs)	Difference	Explanation
1	County Assembly	147,193,056	328,232,681	165,947,037	319,590,053	960,962,827	960,962,827	-	
2	NARIGP	-	-	-	178,410,506	178,410,506	178,410,506	-	
3	SIDA	-	-	-	43,557,788	43,557,788	43,557,788	-	
4	EU IDEAS	-	-	23,140,145	5,499,400	28,639,545	28,639,545	-	
5	Emergency Fund	-	-	-	21,000,000	21,000,000	21,000,000	-	
6	Youth Polytechnic	-	749,077	15,252,000	184,000	16,185,077	16,185,077	-	
7	KUSP	24,227,795	-	65,751,721	-	89,979,516	89,979,516	-	
8	DANIDA	-	-	-	-	13,406,527	13,406,527	-	
9	UHC	52,958,084	55,467,171	3,376,900	14,831,791	126,633,946	226,633,944	-	
	<b>Total</b>	<b>224,378,935</b>	<b>384,448,929</b>	<b>273,467,803</b>	<b>583,073,538</b>	<b>1,478,775,732</b>	<b>1,578,775,730</b>		

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**Director of Finance**  
**County Executive**

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**Director of Finance**  
**County Assembly**

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**Annex 8: Contingent Liabilities Register**

No.	Nature Of Contingent Liability	Payable To	Currency	Estimated Amount Kshs	Expected Date Of Payment	Remarks
1	Civil(Monarch Insurance)	Dr. Kennedy Getange	Kshs	127,350		Pending
2	Accident(Monarch Insurance)	David Mogaka	Kshs	6,700		Pending
3	Accident	Rhoda Bochere	Kshs	6,500		Pending
4	Taxation	Kenya Comfort Hotel Suites	Kshs	149,914		Pending
5	Taxation	Francis Opiyo Ouma	Kshs	141,606		Pending
6	Civil/Accident	Scholastica Mosongo	Kshs	228,250		Pending
7	Employment And Labour Related	Michael Otieno Onyango	Kshs	3,851,154		Pending
8	Civil	Bosire Gichana	Kshs	170,803		Awaiting Payment
9	Civil	Rodz Ltd	Kshs	3,772,950		Pending
10	Civil	Municipal Council Of Kisii Vs Accounting Officer Ministry Of Local Govt & 2 Others	Kshs	187,888		Pending
11	Civil	Zedarch Architects	Kshs	1,533,444		Pending Payment
12	Civil	Vajra Drill Ltd	Kshs	13,085,481		Pending
13	Civil	Repulic Vs&Ex Parte Multiline Motors(Kenya) Limited	Kshs	3,003,376		Pending
		<b>Total</b>		<b>26,265,416</b>		