

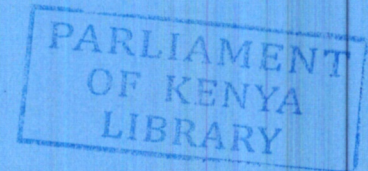
REPUBLIC OF KENYA



*Enhancing Accountability*

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DATE	31/5/2023
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COMMITTEE	—
CLERK AT THE TABLE	Chania.

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

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

**COUNTY GOVERNMENT OF TRANS NZOIA**



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**COUNTY REVENUE FUND**  
**COUNTY EXECUTIVE OF TRANS NZOIA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022.**

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County Government of Trans Nzoia  
County Revenue Fund  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2022.

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County Government of Trans Nzoia  
County Revenue Fund  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2022.

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	Page No.
Table of contents.....	
1. Key Entity Information and Management .....	i
2. Statement by the CECM Finance .....	iv
3. Statement of Management Responsibility .....	vii
4. Overview of the County Revenue Fund Operations.....	viii
5. Report of the Independent Auditor on the CRF of County Government of Trans Nzoia.....	ix
6. Statement of Receipts and Payments Statement for the year ended 30th June, 2022.....	1
7. Statement of Comparison of Budget Actual Amounts for the year ended 30th June, 2022.....	2
8. Significant Accounting Policies.....	3
9. Notes to the Financial Statements.....	5
10. Annexes .....	9

## 1. Key Entity Information and Management

### a) Background information

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

### b) Key Management

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

- CECM Finance and Economic planning
- C.O Finance
- Director Accounting Services/Finance

### c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	-Hon. Andrew Musungu
2.	Accounting Officer in charge of Finance	-Emmanuel Sikuku Wanjala
3.	Director Accounting Services/Finance	-Benard Madegwa

### d) Fiduciary Oversight Arrangements

*The key fiduciary oversight bodies at the County for the year ended 30th June 2022 were;*

- *Audit and Finance committee activities*
- *Senate Committee Activities*
- *County Assembly*
- *Development partner oversight activities*
- *Controller of Budget*
- *Office of the Auditor General*

**e) Users of Financial Statements**

- Office of the Controller of Budget
- Office of the Auditor General
- The National Treasury
- Commission on Revenue Allocation
- The County Assembly of Trans Nzoia

**f) County Headquarters**

P.O. Box 4211-30200

County Head Quarter Building

Moi Avenue

**KITALE, KENYA**

**g) County Contacts**

Telephone: (254) 054-30301/2

E-mail: [countyoftransnzoia@gmail.com](mailto:countyoftransnzoia@gmail.com)

Website: [www.transnzoia.go.ke](http://www.transnzoia.go.ke)

**h) County Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

**i) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

**j) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

## **2. Statement by the CECM Finance**

I take this opportunity to present the Trans Nzoia County Revenue Fund financial statements and report for the period ended 30<sup>th</sup> June 2022. The financial statement presents the financial performance of the County Government Over the past financial year.

Section 164(1) of the PFM Act, 2012, states that at the end of each financial year the accounting officer for the County Government entity shall prepare Financial Statements in respect of the entity in formats prescribed by the public sector accounting standard Board.

Sub section 4 states that within three months after the end of each financial year, the accounting officer of the entity shall: (a) submit the entity's financial statement to the Auditor General and (b) deliver a copy of the statement to the relevant County Treasury, the controller of Budget and the Commission of Revenue Allocation. The attached financial statement which has been prepared in line with the requirement of PFMA 2012, Presents a true and fair view of the state of affairs of Trans Nzoia County Revenue Fund for twelve months' period ending 30 June 2022.

### **County Governments' Financing**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County government's equitable share of revenue raised nationally is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission of Revenue Allocation and approved by parliament in accordance with article 217 of the constitution.

The other way of financing the County's operation is through own generated revenues and the County Executive of Trans Nzoia continues to explore new innovative ways of increasing its local revenue collections in her goal to improve revenue collection in the County.

## Financial Performance

### A. Revenue

For the year ended 30 June 2022, the County Government of Trans Nzoia had projected revenues of Kshs 9,305,304,756 consisting of Kshs 7,186,157,670 from exchequer releases, Kshs 724,984,356 from other conditional grants, Kshs 529,500,000 from the Own Source revenue and Kshs 864,662,730 from the reallocation budget.

Exchequer releases 87%

Other Conditions grants 3%

Own sources Revenue 2.4 %

Returns to CRF 7.6%

Out of the projected revenue, the County realize Kshs. 7,603,449,900 in actual revenues representing 82% performance. The difference in the budget was a result of revenue under collection in own source revenue, the donor funds, Exchequer releases, and other revenues as presented below.

**Table 1: Revenue Performance in the Financial in FY 2021/2022**

Revenue Classification	Revenue Budget (Kshs)	Adjustment	Final Budget	Actual (Kshs)	Realization
Exchequer Releases	7,186,157,670	-	7,186,157,670	6,611,265,058	92%
Conditional grants	724,984,356	-	724,984,356	232,219,336	32%
Own Source Revenue	529,500,000	-	529,500,000	183,852,949	35%
Return to CRF issues	812,528,323	52,134,407	864,662,730	576,015,442	67%
<b>Total</b>	<b>9,253,170,349</b>	<b>52,134,407</b>	<b>9,305,304,756</b>	<b>7,603,352,785</b>	<b>82%</b>

### B. Transfers or requisitions

The Trans Nzoia County Executive and County Assembly requisitioned Kshs. 6,797,247,547 and 772,553,455 respectively during the financial year 2021/2022 that was spent on the acquisition of Assets, use of goods and services, other grants and transfers, and personnel emoluments.

### **Own Source Revenue**

The County's revenue collection decreased by Kshs 156,326,628 from Kshs 340,453,746 to Kshs 184,127,118 in the current year. The county will explore ways of enhancing revenue collection to make sure that it is improved.

The major streams of own source revenue are land rates, cess, single business permits, income from health facilities, motorbike stickers, slaughterhouse operations fees, building plan approvals, outdoor advertisements, liquor fees, refuse collections vehicle parking fees market, and trade centre fees, enclosed bus park fees, public toilets, market stalls, and fire inspections

The county executive requested Kshs 4,535,012,985 for the current vote while Kshs 2,262,234,562 was requested under the development vote totalling Kshs 6,797,247,547. The Trans Nzoia County Assembly requisitioned Kshs. 676, 650,593, and Kshs 95,902,862 for the recurrent and Development votes respectively making a total of Kshs. 772,553,455.

### **C. Operational Performance**

The County's operations are structured in terms of departments which are headed by a County Executive Committee Member. All departments work together towards achieving operational efficiency.

As I conclude, I take this opportunity to thank H.E the Governor and the Deputy Governor for their leadership and guidance in achieving the County vision for the citizens of Trans Nzoia. I appreciate my colleague's, the CECM in charge of other departments together with the Chief officers who we have worked together to ensure Trans Nzoia County Government achieves its vision and mission.

Finally, I thank all staffs in the County for their continued commitment and dedication through hard work in delivering services to the people of the County of Trans Nzoia.

.....  
**CECM Finance and Economic Planning**  
**County Executive of Trans Nzoia**

### 3. Statement of Management Responsibility

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

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

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2022, and of its financial position as at that date.

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

#### Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30/06 2022.

Signature   
Name Emmanuel Sikuku Wanjala  
Chief Officer – Finance

#### **4. Overview of the County Revenue Fund Operations**

##### **Background**

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

##### **Receipts into the County Revenue Fund**

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

##### **Transfers from the County Revenue Fund**

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

##### **Financial Reporting requirements**

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

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30<sup>th</sup> June 2022.



.....  
**Name Emmanuel Sikuku Wanjala**  
**Chief Officer – Finance**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF TRANS NZOIA**

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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 County Revenue Fund – County Government of Trans Nzoia set out on pages 1 to 11, which comprise of the statement of

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*Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2022– County Government of Trans Nzoia*

receipts and payments and the statement of comparison of budget and actual amounts for the year ended 30 June, 2022, 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 performance of the County Revenue Fund – County Government of Trans Nzoia for the year ended 30 June, 2022, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Own Source Revenue**

The statement of receipts and payments reflects total revenue receipts of Kshs.7,027,600,510. Included in this amount is own source revenue amount of Kshs.183,852,949 as detailed in Note 4 to the financial statements. However, revenue ledgers in support of the amount were not provided for audit.

In the circumstance, the accuracy, completeness and validity of own revenue of Kshs.183,852,949 reflected in the statements of receipts and payments could not be confirmed.

#### **2. Inaccuracies in the Financial Statements**

The statement of receipts and payments reflects comparative year transfers to County Executive and County Assembly of Kshs.6,339,458,358 and Kshs.670,515,483 respectively whose total was inaccurately reflected as Ksh.7,088,192,415 instead of Kshs.7,009,973,841. The error of Kshs.78,218,574 had not been corrected.

In the circumstances, the accuracy 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 Fund 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**

### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts and actual on comparable basis of Kshs.9,305,304,756 and Kshs.7,603,449,900 respectively resulting to an under-funding of Kshs.1,701,854,856 or 18% of the budget. Similarly, the Fund disbursed Kshs.7,569,801,002 against an approved budget of Kshs.9,305,304,756 resulting to an under-disbursement of Kshs.1,735,503,754 or 19% of the budget.

Based on the approved estimates, under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

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

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

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

#### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

*Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2022– County Government of Trans Nzoia*

Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

05 April, 2023

**6. Statement of Receipts and Payments Statement for the year ended 30th June, 2022.**

		2021/22	2020/21
	Notes	Kshs.	Kshs.
<b>Receipts</b>			
Exchequer releases	1	6,611,265,058	5,760,300,000
Transfers from other government agencies	2	232,219,336	502,040,592
Other grants	3	-	313,460,036
Own Source Revenue	4	183,852,949	340,453,746
Return to CRF issues	5	166,052	495,385,800
<b>Total Receipts</b>		<b>7,027,503,395</b>	<b>7,411,640,174</b>
<b>Payments</b>			
Transfers to County Executive	6	6,797,247,547	6,339,458,358
Transfers to County Assembly	7	772,553,455	670,515,483
<b>Total Payments</b>		<b>(7,569,801,002)</b>	<b>(7,088,192,415)</b>
Net increase (decrease) in cash for the year		<b>(542,200,492)</b>	<b>323,447,759</b>
Add Opening fund balance b/f	8	<b>575,849,390</b>	<b>252,401,631</b>
<b>Closing Fund balance for the period</b>	<b>8</b>	<b>33,551,783</b>	<b>575,849,390</b>



Name Emmanuel Sikuku Wanjala  
 Chief Officer - Finance  
 ICPAK Member No. 6069  
 Date: 30/06/2022



Name Benard L. Madegwa  
 Director Accounting Services  
 ICPAK Member No. 17944  
 Date: 30/06/2022

County Government of Trans Nzoia

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022

**7. Statement of Comparison of Budget Actual Amounts for the year ended 30<sup>th</sup> June, 2022.**

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
<b>Receipts</b>						
Exchequer releases	7,186,157,670	-	7,186,157,670	6,611,265,058	574,892,612	92%
Other conditional grants	724,984,356	-	724,984,356	232,219,336	492,765,020	32%
Own Source Revenue	529,500,000	-	529,500,000	183,852,949	345,647,051	35%
Return to CRF issues	812,528,323	52,134,407	864,662,730	576,015,442	288,647,288	67%
<b>Total Receipts</b>	<b>9,253,170,349</b>	<b>52,134,407</b>	<b>9,305,304,756</b>	<b>7,603,352,785</b>	<b>1,701,951,971</b>	<b>82%</b>
<b>Payments</b>						
Transfers to County Executive	8,204,248,684	52,134,407	8,256,383,091	6,797,247,547	1,459,135,544	82%
Transfers to County Assembly	1,048,921,665	-	1,048,921,665	772,553,455	276,368,210	74%
<b>Total Payments</b>	<b>(9,253,170,349)</b>	<b>(52,134,407)</b>	<b>(9,305,304,756)</b>	<b>(7,569,801,002)</b>	<b>(1,735,503,754)</b>	<b>81%</b>

## **8. Significant Accounting Policies**

### **a) Statement of compliance and basis of preparation**

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

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

### **b) Reporting entity**

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

### **c) Receipts**

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

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

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

County own source revenue is recognized as receipts when the funds are received in the County Exchequer Account.

### **d) Payments**

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

**e) Fund Balances**

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

**f) Restriction on Cash**

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

## 9. Notes to the Financial Statements

### 1. Exchequer releases

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

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share (a)	6,611,265,058	5,760,300,000
Level 5 hospitals (b)	-	-
Others ( <i>Specify</i> ) (c)	-	-
<b>Total (d=a+b+c)</b>	<b>6,611,265,058</b>	<b>5,760,300,000</b>

### 2. Transfers from other government agencies\*\*

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	172,628,761
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	43,909,894
User Fees Foregone -Ministry of Health	-	21,304,915
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	42,938,992
World Bank-NARIGP-State Department of Crop Development	211,327,048	194,364,673
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	-	-
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	6,381,375	16,380,000
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	14,510,913	10,513,357
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department	-	-

County Government of Trans Nzoia

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022

	2021/22	2020/21
of Housing & Urban Development		
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	-	-
<b>Totals</b>	<b>232,219,336</b>	<b>502,040,592</b>

\*\* These include other government grants that do not pass through the Exchequer.

### 3. Other grants

	2021/22	2020/21
	Kshs.	Kshs.
Kenya Devolution Support Programme	-	150,802,077
Kenya Urban Support Programme	-	162,657,959
Donor 3 (Specify)	-	-
Others (Specify)	-	-
	-	<b>313,460,036</b>

\*\* These are funds received from development partners directly through CRF

### 4. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Rates	18,376,334	33,362,282
Cess	5,664,317	23,027,149
Business permits	41,806,350	61,083,374
Cemetery charges	22,300	65,000
Hire of stadium	131,700	6,000
Audit Cooperative	315,250	297,440
Motorbike fees	4,100,100	3,008,281
Way leave charges	-	-
Income from Health	20,900,000	142,869,461
Livestock Auction fees	240,889	663,305
Fire inspection	3,685,900	1,253,500
Noise Control pollution fees	71,500	66,000
Market stalls	2,699,210	1,065,101

County Government of Trans Nzoia  
 County Revenue Fund  
 Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022

Enclosed Bus Park fees	29,759,800	21,954,800
Market / trade Centre fee	9,565,565	17,354,645
Vehicle parking fee	19,140,200	12,316,348
Amusement permits	-	100,745
Refuse collection	4,084,065	3,099,386
Tree harvesting permit	294,990	405,500
Temporary occupation licenses	-	86,250
Weight and measures fees	258,960	920,040
Liquor fees	5,714,900	2,034,500
Agricultural mechanization	108,540	641,030
Advertisement, trade names billboard and signs	10,610,695	8,436,220
Building plans clearance and completion certificates	4,049,185	3,544,362
Plot subdivision and transfers	-	219,720
Survey fees	98,445	323,000
Coffee Movement permit	169,752	353,060
Slaughter house operation fees	1,053,327	1,188,547
Toilet	930,675	642,100
Nursery fruit trees	-	66,600
<b>Total</b>	<b>183,852,949</b>	<b>340,453,746</b>

*(The total of own source revenue should tally with disbursements from county receiver of revenue)*

#### 5. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account ( <i>County Executive</i> )	9,820	495,385,800
Development Account ( <i>County Executive</i> )	131,032	-
Others ( <i>Specify</i> )	25,200	-
<b>Total</b>	<b>166,052</b>	<b>495,385,800</b>

**6. Transfers to County Executive**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	4,535,012,985	4,072,687,318
Development Account	2,262,234,562	2,266,771,040
<b>Total</b>	<b>6,797,247,547</b>	<b>6,339,458,358</b>

**7. Transfers to County Assembly**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	676,650,593	628,139,110
Development Account	95,902,862	42,376,373
<b>Total</b>	<b>772,553,455</b>	<b>670,515,483</b>

**8. Fund balance**

	2021/22	2020/21
	Kshs.	Kshs.
County Exchequer Account - (CBK Account No. 1000171596)	33,551,783	575,849,390
<b>Total</b>	<b>33,551,783</b>	<b>575,849,390</b>

**10. Annexes**

**Annex 1: Progress on follow up of Auditor’s Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

- The CRF Financial Statements are being prepared for the first time hence no prior recommendations by the Auditor.



Name Emmanuel Sikuku Wanjala  
 Chief Officer Finance  
 ICPAK Member No. 6069  
 Date 20/06/2022

**Annex 2. Analysis of Receipts from The National Treasury Exchequer Releases**

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,185,716,016	1,796,539,418	1,796,539,418	1,832,470,206	6,611,265,058
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	6,381,375	6,381,375
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	211,052,879	211,052,879
Agriculture Sector Development Support Project (ASDSP)	-	2,500,000	-	12,010,913	14,510,913
<b>Total</b>	<b>1,185,716,016</b>	<b>1,799,039,418</b>	<b>1,796,539,418</b>	<b>2,061,915,373</b>	<b>6,843,210,225</b>

**Annex 3: Analysis of Transfers from the County Revenue Fund**

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive - Recurrent	729,375,666	1,248,040,539	1,504,383,095	1,053,213,688	4,535,012,989
County Executive - Development	-	639,834,311	829,697,056	792,703,195	2,262,234,562
County Assembly - Recurrent	169,162,647	171,230,701	179,945,242.00	156,312,003	676,650,593
County Assembly - Development	-	9,331,435	-	86,571,427	95,902,862
<b>Total</b>	<b>898,538,313</b>	<b>2,068,436,987</b>	<b>2,514,025,394</b>	<b>2,088,800,313</b>	<b>7,569,801,006</b>

**Annex 4: TRIAL BALANCE**

**TRANS NZOIA COUNTY**  
**GOVERNMENT**  
**CRF TRIAL BALANCE**  
**FOR THE YEAR ENDED 30TH JUNE,**  
**2022**

Account No and Description	Current Period	
	Debit	Credit
	Kshs	Kshs
Exchequer releases	6,611,265,058.00	
Transfers from other government agencies	232,219,336.05	
Own Source Revenue	183,852,949.00	
Return to CRF Issues	166,051.90	
Fund balance b/d	575,849,390.00	
Transfers to County Executive		6,797,247,546.91
Transfers to County Assembly		772,553,455.00
Fund balance c/d		33,551,783
<b>Total</b>	<b>7,603,352,784.95</b>	<b>7,603,352,784.95</b>