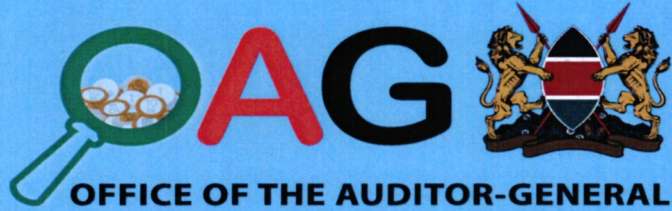


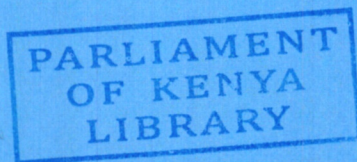
REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND - COUNTY  
GOVERNMENT OF KIRINYAGA**

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

• • •





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**COUNTY REVENUE FUND**

*(County Government of Kirinyaga)*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022.**

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County Government of Kirinyaga  
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 Kirinyaga  
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.....	
<b>1. County Government of Kirinyaga Information and Management.....</b>	<b>i</b>
<b>2. Statement by the CECM Finance.....</b>	<b>iv</b>
<b>3. Management Discussion and Analysis .....</b>	<b>v</b>
<b>4. Statement of Management Responsibility .....</b>	<b>vi</b>
<b>5. Overview of the County Revenue Fund Operations.....</b>	<b>viii</b>
<b>6. Report of the Independent Auditor on the CRF of County Government of Kirinyaga....</b>	<b>ix</b>
<b>7. Statement of Receipts and Payments Statement for the year ended 30th June,2022.....</b>	<b>1</b>
<b>8. Statement of Comparison of Budget Actual Amounts for the year ended 30<sup>th</sup> June, 2022.2</b>	<b>2</b>
<b>9. Significant Accounting Policies.....</b>	<b>3</b>
<b>10. Notes to the Financial Statements .....</b>	<b>5</b>
<b>11. Annexes .....</b>	<b>11</b>

## 1. County Government of Kirinyaga 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	- Jackline Wanjiku
2.	Accounting Officer in charge of Finance	- Edward Nyaga Njagi
3.	Director Accounting Services/Finance	- Zephaniah Kiongo

### d) Fiduciary Oversight Arrangements

The County Government of Kirinyaga consists of two Arms of Government with one mainly undertaking the oversight role namely the County Assembly of Kirinyaga. The activities are checked by the activities of several committees instituted mainly by the County Assembly. The Finance committee is mandated to ensure that the public resources in the county are applied prudently for the activities that were meant for in the County. Additionally, the members of the County Assembly are representatives of the region all over the County and consequently are able to verify the optimal resource management of the county.

The County has a functional Internal Audit Office which oversees the day-to-day financial management of the County. They assure sound internal controls are adhered to. There is an audit committee in place which has an oversight role on the county executive. They make their independent recommendations based on internal and external audit reports. External audit is

done by Office of Auditor General after the end of each financial year. The final external audit report is deliberated by the Senate, Public Account Committee and County Assembly Finance and Budget committee.

**e) County Headquarters**

P.O. Box 260 Kutus.

Kutus Town, Nyangata ward, Mwea Sub County.

**KIRINYAGA, KENYA.**

**f) County Contacts**

Telephone: (254) 0720 803 286

E-mail: [cofinance@kirinyaga.go.ke](mailto:cofinance@kirinyaga.go.ke)

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

**g) County Bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

2. Kenya Commercial Bank

P.O. BOX 90

Kerugoya 10300

**KIRINYAGA, KENYA**

3. Co-operative Bank

P.O Box 635

Kerugoya 10300

**KIRINYAGA, KENYA**

4. Equity Bank

P.O Box 1056

Kerugoya 10300

**KIRINYAGA, 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 County Attorney  
P.O. Box 260 Kutus.  
Kutus Town, Nyangata ward, Mwea Sub County.  
**KIRINYAGA, KENYA.**

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

The revenue collected for the year ended June 2022 was Kshs 363,732,462 which was 74% of the budgeted revenue required to be collected Kshs 485,000,000.

The revenue was raised within the Finance Act of Kirinyaga county government, the main source is, the hospital fee which was Kshs 189,180,916 which is 110% of expected revenue followed by the single business permits at Kshs 73,960,835 which is 104% of expected revenue, the rest were fairly above 60% of the required revenue, others adversely affected were the land rates at 8 % of expected revenue and the liquor license at 5% of expected revenue, the liquor license was affected due to the pending cases in the court since they had not paid from year 2020 where they had been affected by the COVID -19 ,hence the laxity to pay for their licences.



**Jackline Wanjiku Njogu**

CECM Finance and Economic Planning

**COUNTY GOVERNMENT OF KIRINYAGA**

### **3. Management Discussion and Analysis**

The Exchequer releases for the year 2021/2022 was Ksh 5,196,177,952 against a budget allocation of Ksh 5,196,177,952. This was a 100% allocation. Transfers from other government agencies namely DANIDA, THUSCP(WORLD Bank), NARIGP and ASDSP amounted to Ksh 291,395,732.25. The County of Kirinyaga own source revenue for the year was Ksh 363,732,462 which was 74% of the budgeted revenue required to be collected of Ksh 485,000,000.

Transfers made from the County Revenue Fund and to the County Executive and County Assembly amounted to Ksh 4,491,062,973 and Ksh 912,285,258 respectively. Transfers made from the County Revenue Fund to other government agencies amounted to Ksh 554,582,460.

This was a net decrease in cash of Ksh 12,942,245.

#### **4.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 5<sup>th</sup> January 2023.

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

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**Signature** \_\_\_\_\_

**Name: Edward Nyaga Njagi Chief Officer – Finance County Government of Kirinyaga**

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

### **Background**

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

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

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. 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**

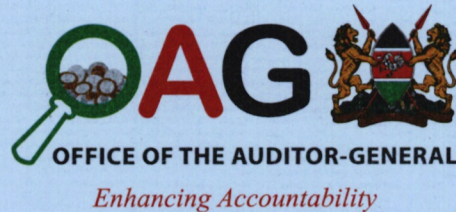
The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

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

  
.....  
**Name: Edward Nyaga Njagi**  
**Chief Officer – Finance**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND - COUNTY GOVERNMENT OF KIRINYAGA 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 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 control, 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**

#### **Opinion**

I have audited the accompanying financial statements of County Revenue Fund - County Government of Kirinyaga set out on pages 1 to 11, which comprise the statement receipts

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the County Revenue Fund - County Government of Kirinyaga 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), the Public Finance Management Act, 2012 and comply with the County Governments Act, 2012.

### **Basis for Opinion**

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

### **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 comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.7,705,332,107 and Kshs.5,944,989,165 respectively, resulting to an under collection of Kshs.1,760,342,942 or 23% of the budget. Similarly, the statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.7,705,332,107 and Kshs.5,957,931,411 respectively, resulting to an under expenditure of Kshs.1,747,400,696 or 23% of the budget.

The underfunding and underutilization of approved budget affects the planned activities and may have negatively impacted service delivery to the citizens of Kirinyaga County.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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**

#### **Late Submission of Financial Statements**

The financial statements for the Fund were submitted to the Auditor General on 26 October, 2022, twenty-six days after the statutory deadline of 30 September, 2022. This was contrary to Regulation 101(4) of Public Finance Management (County Governments) Regulations, 2015 which provides that an Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board, not later than three months after the end of the financial year and submit them to the Auditor-General with a copy to the County Treasury, the Controller of Budget and The National Treasury.

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 audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of service 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 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 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 Fund policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

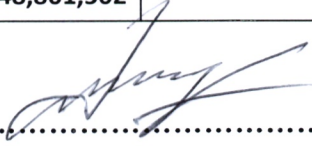
Nairobi

03 February, 2023

**7. 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	5,196,177,952	-
Transfers from other government agencies	2	291,395,732	-
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	363,732,462	-
Return to CRF issues	7	93,683,019	-
<b>Total Receipts</b>		<b>5,944,989,165</b>	-
		-	-
<b>Payments</b>		-	-
Transfers to County Executive	8	4,491,063,693	-
Transfers to County Assembly	9	912,285,258	-
Other Transfers	10	554,582,460	-
<b>Total Payments</b>		<b>5,957,931,411</b>	-
Net increase (decrease) in cash for the year		(12,942,246)	-
Add Opening fund balance b/f	11	461,743,748	-
<b>Closing Fund balance for the period</b>	11	<b>448,801,502</b>	-

.....  
  
 Name; Edward Nyaga Njagi  
 Chief Officer - Finance  
 ICPAK Member No:23268

.....  
  
 Name: Zephaniah Kiongo  
 Director Accounting Services  
 ICPAK Member No:9398

**8. 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	5,196,177,952	-	5,196,177,952	5,196,177,952	-	100%
Transfers from other government agencies	573,638,600		573,638,600	291,395,732	282,242,868	51%
Other conditional grants						
Proceeds from Domestic Borrowing						
Proceeds from Foreign Borrowing						
Own Source Revenue	485,000,000		485,000,000	363,732,462	121,267,538	75%
Return to CRF issues	1,450,515,555		1,450,515,555	93,683,019	1,356,832,535	6%
<b>Total Receipts</b>	<b>7,705,332,107</b>		<b>7,705,332,107</b>	<b>5,944,989,165</b>	<b>1,760,342,941</b>	<b>77%</b>
<b>Payments</b>						
Transfers to County Executive	6,124,731,950		6,124,731,950	4,491,063,693	1,633,668,257	73%
Transfers to County Assembly	1,006,961,558		1,006,961,558	912,285,258	94,676,300	90%
Others	573,638,600		573,638,600	554,582,460	19,056,140	97%
<b>Total Payments</b>	<b>7,705,332,107</b>		<b>7,705,332,107</b>	<b>5,957,931,411</b>	<b>1,747,400,696</b>	<b>77%</b>
<b>Balance</b>						

The under realisation is due to late disbursements from the National treasury and under collection of the county own source revenue.

## **9. 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.

**Significant Accounting Policies (Continued)**

**e) Fund Balances**

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

**f) Restriction on Cash**

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

## 10. 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)	5,196,177,952	-
Level 5 hospitals (b)	-	-
Others ( <i>Specify</i> ) (c)	-	-
<b>Total (d=a+b+c)</b>	<b>5,196,177,952</b>	<b>-</b>

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

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	-
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	47,110,544	-
World Bank-NARIGP-State Department of Crop Development	224,574,704	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	-
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	4,698,375	-
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
Kenya Devolution Support Programme	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	15,012,109	-
World Bank-Emergency Locust Response Project ( ILRP) State Department of Crop Development	-	-

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

	2021/22	2020/21
<b>TOTAL</b>	<b>291,395,732</b>	<b>-</b>
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support-(IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	-	-

**3. Other grants\*\***

	2021/22	2020/21
	Kshs.	Kshs.
Donor 1 ( <i>Specify</i> )	-	-
Donor 2 ( <i>Specify</i> )	-	-
Donor 3 ( <i>Specify</i> )	-	-
Others ( <i>Specify</i> )	-	-

**4. Proceeds from Domestic borrowing**

	2021/22	2020/21
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**5. Proceeds from Foreign Borrowing**

	2021/22	2020/21
	Kshs.	
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others ( <i>Specify</i> )		
<b>Total</b>	-	-

**6. Own Source Revenue**

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess	7,108,739	-
Land/Poll rate	4,669,111	-
Single/Business permits	73,960,835	-
Property rent	1,349,500	-
Parking fees	3,352,080	-
Market fees	31,212,303	-
Advertising	6,492,740	-
Hospital fees	164,321,197	-
Public health service fees	12,289,392	-
Physical planning and development	14,250,322	-
Hire of County Assets	-	-
Conservancy administration	-	-
Administration control fees and charges	-	-
Park fees	-	-
Other fines, penalties, and forfeiture fees	-	-
Miscellaneous	-	-
Liquor License	2,065,500	-
Veterinary Services	4,882,530	-
Kamweti	2,367,444	-
Transfer Fee	-	-
Market fee	2,053,400	-

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

Description	2021/22	2020/21
	Kshs.	Kshs.
Survey Fee	1,586,760	-
Sale of minutes	1,002,003	-
Produce Cess	-	-
Weight & Measures	1,507,000	-
Coop audit	-	-
Group Registration	553,400	-
Refuse Collection	6,272,488	-
Bus Park	16,687,040	-
Property Rate	2,707,228	-
SubLet Fees	810,000	-
Quarries	2,093,300	-
Cementry	138,150	-
Subdivision fee	-	-
<b>Total</b>	<b>363,732,462</b>	<b>-</b>

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

**7. Return to CRF Issues**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account ( <i>County Executive</i> )	306,178	-
Development Account ( <i>County Executive</i> )	252,697	-
Recurrent Account ( <i>County Assembly</i> )	0.40	-
Development Account ( <i>County Assembly</i> )	920,725	-
Others ( <i>TRANSFERS</i> )	92,203,418	-
<b>Total</b>	<b>93,683,018</b>	-

**8. Transfers to County Executive**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	3,654,068,033	-
Development Account	836,995,660	-
Special purpose Accounts	-	-
Others ( <i>Specify</i> )		-
<b>Total</b>	<b>4,491,063,693</b>	-

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

**9. Transfers to County Assembly**

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	637,393,335	-
Development Account	274,891,923	-
Special purpose accounts	-	-
Others ( <i>Specify</i> )		-
<b>Total</b>	<b>912,285,258</b>	<b>-</b>

**10. Other Transfers**

Description	2021/22	2020/21
	Kshs.	Kshs.
Agency Notices		
Others ( <i>Specify</i> )	554,582,460	-
<b>Total</b>	<b>554,582,460</b>	<b>-</b>

**11. Fund balance**

	2021/22	2020/21
	Kshs.	Ksh.
County Exchequer Account - (10001700433)	448,801,501	-
<b>Total</b>	<b>448,801,501</b>	<b>-</b>

**11. 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)



.....  
Name: Edward Nyaga Njagi  
Chief Officer Finance  
ICPAK Member No:23268

**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	857,369,362	1,299,044,488	1,299,044,488	1,740,719,614	5,196,177,952
Level 5 Hospitals					
DANIDA - Universal Healthcare in Devolved Units Programme				4,698,375	4,698,375
World Bank – THUSCP				47,110,544	47,110,544
National Agricultural & Rural Inclusive Growth Project (NARIGP)				224,574,703	224,574,704
Kenya Devolution Support Programme					
Youth Polytechnic support grant					
Abolishment of user fees in health centres and dispensaries					
Kenya Urban Support Programme					
Agriculture Sector Development Support Project (ASDSP)				15,012,109	15,012,109
Kenya Climate Smart Agriculture Project (KCSAP)					
Water and Sanitation Development Project					
<b>Total</b>	<b>857,369,362</b>	<b>1,299,044,488</b>	<b>1,299,044,488</b>	<b>2,032,115,345</b>	<b>5,487,573,684</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 -Rec	467,732,873	1,353,159,081	956,888,545	876,286,814	3,654,067,313
County Executive -Dev	111,090,242	-	432,757,469	293,147,949	836,995,660
County Assembly -Rec	119,592,339	180,880,412.35	147,733,551	189,187,033	637,393,335
County Assembly -Dev	-	155,128,495	67,594,148	52,169,280	274,891,923
Special Purpose A/c (Specify)	-	-	-	-	-
<b>Total</b>	<b>698,415,454</b>	<b>1,689,167,988</b>	<b>1,604,973,713</b>	<b>1,410,791,076</b>	<b>5,403,348,231</b>