

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

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**COUNTY EXECUTIVE OF  
TAITA/TAVETA**

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

OFFICE OF THE AUDITOR GENERAL  
P.O. Box 95202, MOMBASA

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*Revised 30<sup>th</sup> June 2023*



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**COUNTY GOVERNMENT OF TAITA TAVETA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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



**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms.....	ii
2. Key Entity Information And Management .....	iii
3. Governance Statement.....	vii
4. Foreword by the CECM Finance and Economic Planning .....	x
5. Statement of Performance against County Predetermined Objectives.....	xiv
6. Environmental and Sustainability Reporting.....	xxi
7. Statement of Management Responsibilities .....	xxiv
8. Report of the Independent Auditor of the Financial Statements for the County Executive of Taita Taveta for the year ended 30 <sup>th</sup> June 2023 .....	xxvi
9. Statement of Receipts and Payments for the year ended 30 <sup>th</sup> June 2023 .....	1
10. Statement of Assets and Liabilities as at 30 <sup>th</sup> June 2023.....	2
11. Statement of Cash Flows for the period ended 30 <sup>th</sup> June 2023 .....	3
12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30 <sup>th</sup> June 2023.....	4
12 A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30 <sup>th</sup> June 2023 .....	5
12 B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 <sup>th</sup> June 2023.....	6
13. Budget Execution by Programmes and Sub-Programmes for the year ended 30 <sup>th</sup> June 2023 .....	7
14. Significant Accounting Policies.....	15
15. Notes to the Financial Statements .....	21
16. Progress On Follow Up On Prior Year Auditor’s Recommendations .....	37
17. Annexes .....	38

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**1. Acronyms and Glossary of Terms**

**a) *Acronyms***

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings
CCO	County Chief Officer
MCA	Member of County Assembly

**b) *Glossary of Terms***

Fiduciary Management	The key management personnel who had financial responsibility
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**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**2. Key Entity 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. The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1	Finance and Economic Planning	Management of County Treasury and Planning
2	Agriculture, Livestock, Fisheries and Irrigation	Overseeing County Agriculture, animal husbandry and Fish farming
3	Education, Libraries, VTCs and ICT	Management of County Educational Sector i.e ECDs & Youth
4	Health Services	Overseeing County Health Services
5	Lands, Physical Planning Housing, Mining and Energy	Overseeing the use of spatial and urban plans to guide development at the county
6	Youth, Sports, Gender, Culture and Social Services	Promotion and development of sports, Mobilization & Empowerment of Youth
7	Water, Environment, Sanitation, Climate Change and Natural Resources	Increasing access to portable water in rural areas and urban centres:
8	Devolution, Public Service and Administration	Managing Staff Welfare, Coordination of service provision at the sub-counties, Towns.
9	Trade, Tourism, Cooperative Development and Industrialization	Promotion of Business Development services & Enhance weight
10	Public Works, Transport and Infrastructure	Improve the county transport system & provision of Urban Infrastructure
11	County Public Service Board	County Human resource management

**b) Key Management team**

The County Executive's day-to-day management is under the following key organs:

- Office of The Governor
- Office of The County Attorney
- Finance and Economic Planning
- Education, Libraries, VTCs and ICT
- Health Services
- Lands, Physical Planning Housing, Mining and Energy
- Youth, Sports, Gender, Culture and Social Services
- Water, Environment, Sanitation, Climate Change and Natural Resources

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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- Devolution, Public Service and Administration
- Trade, Tourism, Cooperative Development and Industrialization
- Public Works, Transport and Infrastructure
- Agriculture, Livestock, Fisheries and Irrigation
- County Public Service Board

**c) Fiduciary Management**

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

No.	Designation	Name
1	CECM Finance and Economic Planning	CPA Dawson Katuu Mzenge
2	CCO- Finance and Economic Planning	CPA Nashon Chovu Nyali
3	CCO-Environment, Climate Change and Natural Resources	Ms. Elizabeth Mbinga
4	CCO-Water and Sanitation	Mr. Reuben Mwashuke Kitololo
5	CCO-Education, Libraries, VTCs and ICT	Ms. Lonyce Wakesho Mwakio
6	CCO-Health Services	Ms. Violet Mkamburi
7	CCO-Lands, Physical Planning Housing, Mining and Energy	Mr. Jimmy Megrori
8	CCO-Youth, Sports, Gender, Culture and Social Services	Ms. Rina Joseph Ndamu Mwanake
9	CCO-Special Programme and Service Delivery	Mr. Harrison Mkala Mwamkonu
10	CCO-Devolution, Public Service and Administration	Mr. Habib Mohamed Mruttu
11	CCO-Trade, Tourism, Cooperative Development and Industrialization	Mr. Paul Maneno Sindeu
12	CCO-Public Works, Roads, Transport and Infrastructure	Mr. Leonard Mwamulamba Kiute
13	CCO-Agriculture, Livestock, Fisheries and Irrigation	Mr. Stephen Mcharo Mwalugha

**d) Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies at the County for the year ended 30th June, 2023 were:

1. County Assembly of Taita Taveta
2. Senate Committees
3. Development partner oversight bodies
4. County Audit Committee
5. County Budget and Economic Forum (CBEF)

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**e) County Executive Headquarters**

Office of the Governor  
Mwatate Town, Off Voi – Taveta Highway,  
P.O. Box 1066-80304  
**Wundanyi, Kenya**

**f) County Executive Contacts**

Telephone: 0788186436/0718988717  
Email: [info@taitataveta.go.ke](mailto:info@taitataveta.go.ke)  
Website: [www.taitataveta.go.ke](http://www.taitataveta.go.ke)

**g) County Executive Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
  
2. Other Commercial Banks  
Kenya Commercial Bank  
Wundanyi Branch  
Along Posta Road  
P.O. Box 1067-80304  
**Wundanyi, Kenya**

**h) Independent Auditors**

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

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**i) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

**j) County Attorney**

Office of the Governor  
Mwatate Town, Off Voi – Taveta Highway,  
P.O. Box 1066-80304  
**Wundanyi, Kenya**

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**3. Governance Statement**

County Government of Taita Taveta is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and Two (2) number of County Government Entities. The County Executive is structured in terms of departments, headed by County Executive Committee Members (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

**The County Assembly**

The County Assembly is made of the Members of County Assembly (MCAs). It is headed by the Speaker who is elected by the MCAs. The CA is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent. The CA is especially critical in the budgeting process. The MCAs meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the CA has the following oversight committees:

1. Public Accounts Committee
2. Budget and Appropriations Committee

**Public Accounts Committee**

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

No	Name	Position
1	Hon Genard Mwandau	Chairperson
2	Hon. Lilian Kidali	Vice chairperson
3	Hon. Newton Kifuso	Member
4	Hon. Brayson Mwambi	Member
5	Hon. Duncan Wangama	Member
6	Hon. Patricia Mwashighadi	Member
7	Hon. Amos Makalo	Member
8	Hon. Joseph Mwalegha	Member
9	Hon. Rose Sariki	Member

**Table 3: Public accounts committee members**

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Budget and Appropriations Committee**

The budget and appropriations committee provide guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

No	Name	Position
1	Hon. Jimmy Mwamidi	Chairperson
2	Hon. Azhar Din	Vice chairperson
3	Hon. Jones Solomon	Member
4	Hon. Anthony Mng'ambwa	Member
5	Hon. Nancy Mwakio	Member
6	Hon. Lawrence Mzugha	Member
7	Hon. Dorcas Mlughu	Member
8	Hon. Joseph Mabishi	Member
9	Hon. Stephen Nzai	Member
10	Hon. Anselm Mwadime	Member
11	Hon. Sakina Kusania	Member

**Table 4: Budget and appropriations committee members**

In addition to the above two committees of the County Assembly, the County Government has an independent Audit Committee which was constituted in 2016 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

**Audit Committee**

The audit committee was constituted in 2023. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held Two (2) meetings in FY 2022/2023. The committee members during FY 2022/23 were:

No	Name	Position
1	Hon. FCPA Thomas Ludindi mwadeghu	Chairperson
2	Mr. Anthony Mwachofi Mwanyuma	Member
3	Miss. Holiness Nyambura Mwawali	Member
4	Miss. Diana Nadzua Mwacharo	Member
5	Mr. John Mwakio Mwang'ombe	Member
6	Mr. Silas Njongwa	Member
7	CPA Mohammed Ali	Secretary

**Table 5: Audit Committee members**

**Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting (Sub County Barazas) and public participation on budget in all sub counties, where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.



*Figure 1: Voi Bunge la Wananchi*



*Figure 2: Mwatate Bunge la Wananchi*

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**4. Foreword by the CECM Finance and Economic Planning**

It is my pleasure to present the County Executive of Taita Taveta financial statements for the year ended 30th June 2023. The financial statements have been prepared in accordance with the provisions of the Public Financial Management Act, 2012 cap 163 which requires the county treasury to prepare annual financial statements at the end of each financial year. The financial statements present the financial performance of the County Government over the past 12 months. The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments, Taita Taveta included. Functions and powers exercised by County Executive of Taita Taveta are as articulated in section 5 and 6 of the County Government Act 2012 respectively.

**Financing of the County Governments**

The County Government gets its financing from the Equitable share from National Government, Conditional grants from Donors & Development Partners and its own Source Revenue collected from various revenue streams. 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 on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The key local revenue sources include; Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

The County has always continued to explore new and innovative ways of increasing its local revenue collections.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

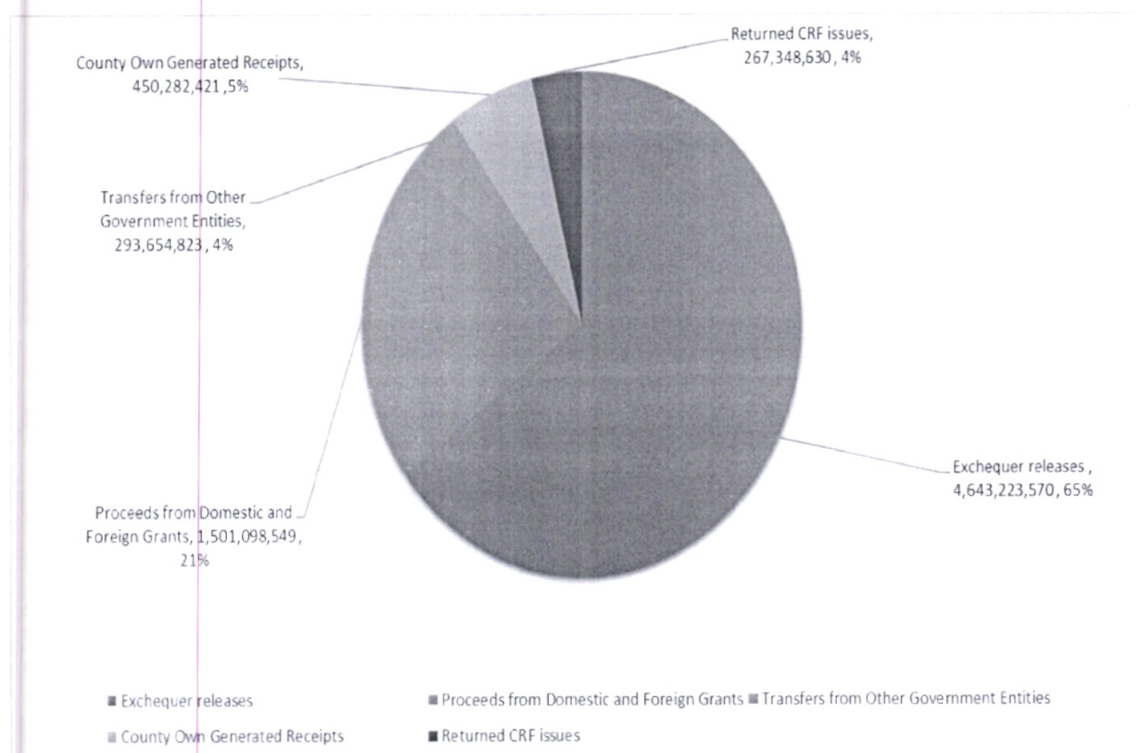
**FINANCIAL PERFORMANCE**

**I. Budget Performance Against Actual Amounts**

**a) Revenue**

In the year ended 30th June 2023, the County had total projected revenues of KShs **7,155,607,993** consisting of; KShs **450,282,421** from own sources and KShs **6,705,325,572** from other sources, including County Allocation through Exchequer and donor funding for various specific projects in the County Departments of Water, Agriculture, Mwatate Municipality and Health Services.

A graphical representation of the revenue budget is as shown below:



**Figure 1: Taita Taveta County revenue sources in FY 2022/2023**

CARA revenues continue to form the largest part of our revenue budget, contributing 65 % towards our budget. Our own generated revenues formed 5% of our budget.

Out of the projected revenue, the County was able to transfer from CRF KShs **5,240,960,991** in actual revenues, representing 85% performance.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

The table below shows an analysis of revenue performance during the year ended 30<sup>th</sup> June 2023.

Revenue Classification	Revenue Budget (KShs)	Actual (KShs)	Realisation (%)
Transfers from the CRF	6,160,537,977	5,240,960,991	85%
Miscellaneous receipts	-	-	0%
<b>Total</b>	<b>6,160,537,977</b>	<b>5,240,960,991</b>	<b>85%</b>

**Table 1: Revenue performance in FY 2022/2023**

**b) Payments**

In the year under review, the County Executive of Taita Taveta had projected expenditures of Kshs **6,160,537,977** and was able to utilize a total of Kshs. **5,248,051,357** representing an absorption rate of **85%**. The expenditure comprised of KShs **1,345,060,345** spent on development activities while KShs **3,902,991,012** was spent on recurrent activities.

**c). Cash flows**

In the FY 2022/2023, the cash and cash equivalents decreased from KShs **161,093,717** as at 30th June 2022 to KShs **142,878,557** as at 30th June 2023. The decrease in net cash flow as at the end of financial year under review was as a result of high absorption rate of 85% as compared to 68% of FY 2021/2022.

**II. Accounts receivables**

Imprest management is a critical area of focus in Taita Taveta County and we always strive to adhere to the PFM Act, 2012 and its regulations on imprest management. The County Treasury has been putting in control measures to ensure that County staff surrender their imprests on time. Some of these measures include recovery of unsurrendered imprests through payroll, stoppage of salary for defaulters and sensitizing all County staff on effective imprest management through Circulars and Memos.

There was a general positive improvement for imprests as at 30th June, 2023 as compared to the previous financial year 2021/2022 due to stringent measures that were put in place. The total outstanding imprests in the FY 2022/2023 stood at Kshs **1,615,200** as compared to Kshs. **2,528,800** in the previous FY 2021/2022.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**III. Pending bills**

As at 30<sup>th</sup> June 2023, the County Government reported pending bills of **Kshs. 1,470,826,373.06** the pending bills were as a result of completion of projects initiated in the previous financial years. The stock of pending bills as at 30<sup>th</sup> June, 2023 will be prioritized and paid in the subsequent financial year 2023/2024. Additionally, to closely monitor and stem the growth of the pending bills the County Government has embraced full E-Procurement cycle which will facilitate in ensuring that all procurements for goods and services are committed against budgeted provisions before execution of activities.

**IV. Fixed assets**

The Current County Administration has made significant investments in fixed assets since coming into office in August 2022. Additionally, the County inherited some assets from the defunct County and Municipal councils and same have been incorporated in the County Asset Register which is updated regularly. The County Treasury has also set up an office and deployed staff dedicated to continuously be updating the Asset Register as a key step in ensuring that the County secures and appropriately manage its assets.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Taita Taveta County achieves its mission.

I thank all staff in the County Government for their continued commitment and dedication through hard work in delivering services to the people of Taita Taveta County.



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**CPA Dawson Katuu Mzenge**  
**CECM FINANCE AND ECONOMIC PLANNING**  
**COUNTY GOVERNMENT OF TAITA TAVETA**

## **5. Statement of Performance against County Predetermined Objectives**

### **Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

### **Strategic development objectives**

The County's 2018-2023 CIDP has identified 5 key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Governments, SDGs and the MTP III.

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

The key development objectives in the County Integrated Development Plan (CIDP) 2018-2023 are to:

1. Increase access to clean, quality, affordable and potable water for all households, schools and health facilities. **(WATER)**
2. Ensure quality education through development of ECDE and Library services, equipping of schools and enhanced bursaries allocation **(EDUCATION)**
3. Provide quality infrastructure including improved roads network, ICT, quality housing, Land management and adoption of alternative sources of energy. **(INFRASTRUCTURE)**
4. Invest in quality, accessible and affordable health care services including provision of prerequisite equipment, drugs and health personnel. **(HEALTH)**
5. Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, and water for irrigation and livestock throughout the County. **(FOOD SECURITY)**
6. Empower Youth, women, and vulnerable members of the community through establishment of small-scale cooperatives, talents identification and nurturing and improved access to cheap and affordable credit. **(COMMUNITY EMPOWERMENT).**

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Progress on attainment of Strategic development objectives**

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>
<b>Health Services</b>	To Provide curative and rehabilitative services at all health service delivery units	Effective and efficient curative and rehabilitative health care services to the county citizens	-Increase in number of facilities offering curative and rehabilitative health care services  -% increase of access to specialised diagnostic services -% increase in availability of tracer drugs	Rehabilitated MCRH OPD, Mbale Health Centre male ward and opening of 2 new facilities (Saghasa, Vighombonyi),  10% increase in number clients accessing diagnostic services  60% availability of tracer drugs at all health facilities
	To provide preventive & promotive health interventions across the county	Effective and efficient preventive and promotive health interventions within the county	-Increased No. of eligible HIV clients on ARV's -No. of targeted pregnant women provided with LLITN's  -No of weekly reports for disease surveillance  -Number of dialogue and action days conducted at community level with CHVs  -No. of children 6-11 months supplemented with Vitamin A	6656 clients were put on ARVs  8000 women provided with LLITNs  98% reporting for notifiable disease  420 dialogue and health action days conducted at community level with CHVs  35768 children supplemented with Vitamin A

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

	To improve the planning, management and coordination of health services in the County	Effective and efficient Coordination of Health services in the County	-Increased number for HR  -Increased number of ambulances and utility vehicles  -Number of facilities renovated	Recruitment of 355 new HRH  Procurement of 3 new ambulances and 2 utility vehicles  Facelifting and renovation of MCRH, Taveta Hospital, Wesu SCH and Mwatate SCH
	To improve Reproductive maternal neonatal child health (RMNCH) services	Increased access to RMNCH services	-No. of integrated outreaches conducted  -No. of children fully immunized -No of women attending at least 4 ANC visits -No of women delivering at our health facilities	208 integrated outreaches conducted  8239 children fully immunized  5926 women attending 4 ANC visits  7451 women delivered in our health facilities
Public Works, Roads, Transport & Infrastructure	To develop and maintain roads and storm water drainage to global standards	Increased efficient transportation of people, goods and services	Length in Kms of roads graveled and maintained	-In FY 2022/2023 we increased memorable and passable roads by 60% with a total of 540.3Kms roads graded and 28.25 Kms graveled. - 5 roads formed and expanded.
			Number of roads equipment revived	1 excavator, 3 graders, 2 rollers, 1 back hoe and 1 tipper were revived and are fully operational
	To develop and maintain street and security lighting infrastructure	Increased public safety and security and business opportunity	% increase in trade % reduction of crime	-All the County streetlights were maintained. -5 streetlights masts erected through the Support of Slum Upgrading Program. -Crime rates reduced in Market centers by 30%.
	Establishment of Fire Service Stations to all Sub Counties	Increased capacity to respond to fire incidences in the County	.No of fire stations and equipment procured/rehabilitated	-Main fire station under construction at Voi Town. -1 Fire Engine refurbished

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

Water and Sanitation	To increase access to clean, quality and portable water	Increased access to clean water	% of households with access to clean water	60% of households currently have access to clean and potable water
			Proportion of water reservoirs chlorinated	80% of all water reservoirs were chlorinated
	To increase the level sanitation	Improved waste disposal and management	Number of waste management hubs developed/dumpsite rehabilitated	The dumpsite at chakaleri was rehabilitated Taka Taka ni mali initiative was launched.
Youth and Sports	To improve sporting infrastructure	Improved sporting infrastructure	Number of sports facilities constructed/rehabilitated	-Moi stadium in Voi and Wundanyi stadium are under construction -Mwatunge Stadium graded and levelled
Food Security/Agriculture	Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, water for irrigation and livestock throughout the County.	Improved food and nutrition security	No. of farmers trained	11,000 farmers trained through field days, on farm demonstrations, farm visits among other extension approaches
			No. of macadamia seedlings procured and distributed	2500 macadamia (Murangá 20) seedlings distributed
			No. of mango seedlings procured and distributed to farmer beneficiaries	2,857 mango seedlings distributed
			No. of avocado seedlings procured and distributed to farmer beneficiaries	5,714 avocado (Hass) seedlings distributed
			No. of water harvesting structures rehabilitated	1 water pan completed under KCSAP project – Ufunguo water pan (Kasighau ward)
				1 irrigation canal rehabilitated (Njoro Kubwa irrigation canal in Taveta)

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

			No. of water pipes procured and distributed	63 (4 inch) irrigation pipes distributed to vulnerable groups 0
	Enhanced extension services	Livestock technologies disseminated to farmers for improved productivity	No. of field-days held No. of shows held and international shows participation. No. of farmers reached through exhibition and shows and on-farm demonstrations	Livestock extension services enhanced through; One county show held and livestock technologies disseminated to 3000 farmers. 130 exhibitors attended the show. 35 livestock farmers exhibited in Mombasa show for farming technologies dissemination and networking. one officers attended Nairobi Internal trade fair. 14 fielddays held in Mata,mboghoni,Chala, ,Bomani,Mahoo Werugha,Bura,Wu ndanyi Mbale ,Mbololo,wusi Kishamba. 1560 farm families trained through farm visits 8 dairy farmer groups, 4 dairy cooperatives, one bee keeper cooperative strained
	Promotion of bee keeping in the county	Promote bee keeping in the county	No. of bee hives distributed	140 bee hives and equipment's distributed to farmer groups in Mwatate ward,Bura,Mbololo,Kasighau,Wun danyi,Challa,Mahoo,Mata
	Promotion of livestock breeding programmes	Enhanced breeding and multiplication of quality breeding stock	No. of breeding and multiplication centres operationalized	Bachuma Livestock multiplication centre in operation.130 heads of Boran and Sahiwal cattle, 270 Galla breeding goats and 13 Dorper breeding sheep raised.
	Enhance market access and value addition of livestock and livestock products	Increased access to market through development of livestock market infrastructure s organized	No. of producer organization trained and put into operation	One cooperative –Tagho dairy Cooperative operationalized into commercial milk bulking and cooling centre in Wundanyi ward. Livestock trade and market information disseminated. 15 ranching companies with share holding of 6000 members linked to local and regional market

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

		producer organization and value addition.		
	Support enabling environment for livestock investment and production	Strengthen institutions through review of policies and bills	No. of policies and bills developed	Effective and efficient service delivery through development and review of appropriate livestock policies and bills. Ranching and Grazing policy developed
	Improve Food and Nutrition Security and community resilience through provision of adequate extension services, farm inputs, water for irrigation and livestock throughout the County.	Improved livestock breeds for enhanced food security	No of livestock inseminated and calves born	1800 cattle inseminated using subsidized semen 720 calves of improved breeds born 1 AI Centre operationalized and maintained (Wundanyi)
		To reduce incidences of livestock diseases for increased productivity	No of livestock vaccinated against vaccine-preventable diseases	22, 622 vaccinated against vaccine-preventable diseases 52 passive surveillance visits done
		Promote and safeguard human health by ensuring access to safe meat and meat products	No of animals slaughtered and inspected in County slaughterhouses	5,527 cattle, 13,417 small stock and 32 camels slaughtered and inspected 6 county slaughterhouses maintained
		Improved access to extension services	No of field days/farm visits/inspection visits done	27 leather premises inspected and licensed 132 flayers trained and licensed 1,800 farmers trained on livestock improved practices

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

Education	Ensure quality education through development of ECDE and Library services, equipping of schools and enhanced bursaries allocation	Increased access to early childhood education, secondary, tertiary and university education	Increase in number of ecde teachers employed and ecde centres offering early childhood education. Number of schools that are benefiting from mobile library services Number of children given bursaries	- teachers recruited and posted in various ecde centers in the county.  -Twenty-three schools benefiting from mobile library services.  -Four hundred children (secondary, tertiary and university) benefited from county education fund scholarship and bursaries program
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It is worthy to note that the County Government is in continuous talks with strategic partners and also revamping its local revenue collection to facilitate in progressive implementation of 2018-2023 CIDP.

## **6. Environmental and Sustainability Reporting**

The County Executive of Taita Taveta exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five (5) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

### **a. Sustainability strategy and profile**

The County Executive of Taita Taveta has continued to structure its programs towards development projects and activities that depicts high sense of value for money and goes a long way in alleviating the residents suffering and improving their ease of doing business. In the year under review the County Executive commissioned a number of water projects, opened up access roads to remote villages and continued with the construction of social halls in various wards as a strategy for improving decentralization of services through public participation forums at the grassroots.

The County Executive has also been in the forefront in engaging donors, potential investors and other strategic partners through Memorandum of Understandings and Agreements on various programs geared towards improving the living standards of the County Residents. Some notable donors include USAID, NDMA, Kenya Red Cross, World Bank and European Union.

To improve on the ease of doing business and security of our markets and residential areas, the County Government continued to maintain its several street lights, drainage and sewerage systems across the County. The County Government has embarked on market infrastructure development within the financial year, with the construction and rehabilitation of markets within the county i.e Mwatate market, Wundanyi market and Kесе market.

### **b. Environmental performance**

To promote sustainable land use and environmental conservation the County Government undertook various capacity building and provision of materials geared towards environmental protection and sustainable land use.

Some of these activities include, but not limited to promotion of on farm water harvesting structures such as terraces, running tree planting campaigns during rainy seasons, distribution of organic manure, excavation of water pans and desisting of canals in Taveta Sub County. This has greatly

contributed in creation of a conducive environment to its residents and increased agricultural productivity through irrigation and control of flood waters. As a strategy in protecting our environment and riparian lands the County Government has developed Taita Taveta Sand Harvesting Act, 2020 to guide in the exploitation of sand as a resource in the construction sector.

**c. Employee welfare**

The County Government revamped its efforts in improving the welfare of its employees as a key ingredient to employee motivation and satisfactory work performance. Some of these activities includes the provision of Comprehensive Medical Cover to all its cadre of staff.

The County also recruited additional staff through a competitive process by the County Public Service Board for the understaffed departments of Health Services, Education and Libraries, Revenue Directorate and Public Service and Administration. Through the process casual staff were replaced with long term contracts hence a boost on staff job security.

The County always strive to adhere to the Employment Act, 2007, Salaries and Remuneration Commission circulars and Human Resource manuals in the engagement and management of staff. Also, the County continued to undertake staff appraisals and is usually a key tool before any promotion is undertaken.

**d. Market place practices-**

To entrench the spirit of competition in its activities, the County Government during the year under review embraced E-Procurement when sourcing of goods and services. The system enhances openness and transparency as tenders were advertised on the local dailies and also posted on the IFMIS portal hosted at The National Treasury. The same were opened, evaluated, awarded, inspected and received through the system hence sealing loopholes of any collusion that could have occurred.

The County Treasury through its Procurement Directorate trained all the suppliers, contracts and cyber operators' through-out the County to build their capacity on online bidding and submission of tenders. Also, the County strived to settle its pending bills as evidenced by creation of a budget line in Finance Department to offset the long outstanding debts.

As a strategy in promoting the growth of its markets, efforts were made to ensure that hawkers were directed to the available slots in the urban markets and all advertisements were registered and licensed by the County Government before undertaking their activities.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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Furthermore, the County Government through the Department of Health Services inspected all hotels, eateries and other food outlets in order to safeguard the wellbeing and interests of its residents. This exercise was boosted by recruitment and deployment of additional Public Health officers to various sub-counties.

**e. Community Engagements-**

The County Government through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improved people's living standards. Several public participation exercises were conducted to collect views and contributions from the County residents on issues such proposed projects, progress reports, budgets, etc having a bearing on service delivery.

During the year under review several specialized medical camps, such as cancer screening, orthopaedic medical camps, were held in various parts of the County. This included a blood donation drive in partnership with Kenya Red Cross Society and The Kenya National Blood Transfusion Service (KNBTS that was aimed at boosting the capacity of the County and the region in meeting blood demands in case of an emergency.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**7. Statement of Management Responsibilities**

Section 164 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 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, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county 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, 2023, 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.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

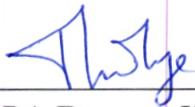
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The CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year 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 14<sup>th</sup> -Nov-2023.

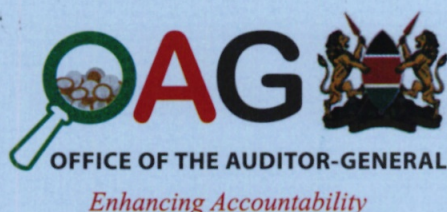


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CPA Dawson Katuu Mzenge  
CECM FINANCE AND ECONOMIC PLANNING  
**COUNTY GOVERNMENT OF TAITA TAVETA**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-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 EXECUTIVE OF TAITA/TAVETA FOR THE YEAR ENDED 30 JUNE, 2023

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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 that Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Executive of Taita/Taveta set out on pages 1 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows

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*Report of the Auditor-General on County Executive of Taita/Taveta for the year ended 30 June, 2023*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Taita/Taveta as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis ) and comply with the County Government Act 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.142,878,556 comprising of bank and cash balances of Kshs.142,878,556 held in twenty-eight (28) bank accounts and Kshs.Nil cash in hand as disclosed in Notes 13A and 13B to the financial statements respectively. However, the certificate of bank balance for one (1) bank account was not provided for audit. Further, there was no evidence in the cashbooks for eight (8) bank accounts that at the closure of the financial year the balances were confirmed by the Boards of Survey as required. In addition, the Board of Survey reports for twenty-six (26) bank accounts were also not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.142,878,556 could not be confirmed.

#### **2. County Employees not included in IPPD Payroll**

The statement of receipt and payments and Note 3 to the financial statements reflects compensation of employees expenditure of Kshs.2,988,894,233. Further, Note 20.2 and Annex 3 to the financial statements reflect a balance of Kshs.315,431,022 in respect of pending staff payables.

Review of the June, 2023 Integrated Payroll and Personnel Database (IPPD) payroll records revealed that out of the two hundred and twenty-three (223) newly recruited staff during the financial year under review, one hundred and twenty-five (125) staff or 56% had not been included in the IPPD payroll despite having been issued with appointment letters. Consequently, the staff would be paid their salaries in arrears as and when they received their payroll numbers, thereby resulting to a pending staff payables amount of Kshs.5,704,048 as at 30 June, 2023. However, the amount of Kshs.5,704,048 was not disclosed in the financial statements under staff payables. Management did not provide any explanation for this unsatisfactory situation.

In the circumstances, the accuracy and completeness of compensation of employees amount of Kshs.2,988,894,233 and the pending staff payables balance of Kshs.315,431,022 could not be confirmed.

### **3. Unexplained Variances in Pending Bills Payables**

Note 20.1 and Annex 2 to the financial statements reflect a balance of Kshs.1,136,416,547 in respect of pending accounts payable for suppliers of goods, works and services which included an opening balance of Kshs.1,200,275,144. However, an Internal Audit report dated 22 May, 2023, on the status of the pending bills for the County Government of Taita/Taveta for the year ending 30 June, 2022, indicated that the pending accounts payables for good, works and services was Kshs.359,087,218 thereby resulting to an unexplained variance of Kshs.841,187,926.

In the circumstances, the authenticity, accuracy and completeness of the pending bills payables balance of Kshs.1,136,416,547 could not be confirmed.

### **4. Unexplained Voided Transactions in the IFMIS System**

Review of financial records revealed that one thousand and seventy seven (1,077) transactions in the Integrated Financial Management Information System (IFMIS) amounting to Kshs.1,575,676,547 were voided by the County Executive during the year. However, supporting documents such as voided payment vouchers, requests to void the payments, the National Treasury approval and Exchequer requisitions to the Controller of Budget were not provided for audit review. Further, the voided payments were not disclosed as pending accounts payable and the utilization of the funds meant for the voided transactions was also not be confirmed.

In the circumstances, the accuracy and completeness of financial statements and the authenticity of the voided transactions amount of Kshs.1,575,676,547 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts (recurrent and development combined) reflects final receipts budget and actual amounts on comparable basis of Kshs.6,160,537,977 and Kshs.5,240,960,991 respectively, resulting in underfunding of Kshs.919,576,986 or 15% of the budget. Similarly, the County Executive spent

Kshs.5,248,051,357 against an approved budget of Kshs.6,160,537,977, resulting in an under-expenditure of Kshs.912,486,620 or 15% of the budget.

The underfunding and under-expenditure constrained the activities of the County Executive and may have affected delivery of services to the residents of Taita/Taveta County.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management did not any evidence to show how the issues were resolved.

## **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 matters 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**

#### **1. Unremitted Statutory Dues**

Review of human resources records revealed that Kenya Revenue Authority (KRA) wrote to the County Secretary, County Executive of Taita/Taveta vide letters Ref: P051340429R dated 25 May, 2022 and Ref: KRA/I&E/SR/DTIS/1269/023 dated 26 May, 2023. The letters indicated that the County Executive had not been remitting Fringe Benefit Tax on its employees on mortgages and loans received at lower interest rates and Pay As You Earn (PAYE) from previous financial years amounting to Kshs.5,426,035 and Kshs.6,196,002 respectively. Further, the amount has not been included in the list of

pending payables as at 30 June, 2023. This is contrary to Section 12B of the Income Tax Act, Cap 470 of the Laws of Kenya which provides for the imposition of fringe benefits tax. In addition, Section 37(1) of the Act provides that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

## 2. Non-Compliance with Fiscal Responsibility on Wage Bill

The statement of receipts and payments reflects an expenditure of Kshs.2,988,894,233 in respect of compensation of employees representing 57% of the total revenue received of Kshs.5,240,960,991 during the year under review. This contravened Regulation 25(1) (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the County Assembly to set a wage and benefits for its public officers limit which should not exceed 35% of the total revenue received.

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

## 3. Stalled Projects

Review of the project status reports for the Departments of Agriculture, Health and Public Works revealed that there were seven (7) stalled projects' whose contract periods had expired but had not been renewed. The details of the stalled projects are as shown in the table below: -

Project Title	Contract Number	Contract Period	Contract Amount (Kshs)	Work Certified (Kshs)
Proposed Completion of Sangenyi Social Hall	1172830-20222/2023	Details not provided	2,999,018	Nil
Supply Installing and Renovations at Milk Cooling Plant-Mghange Dawida	1186703-2-2022/2023	26 April, 2023 to 26 July, 2023	2,399,975	1,987,300
Proposed Construction of Njoro Dispensary	824837-2020/2021	20 November, 2020 to 21 November, 2021	10,909,743	3,011,487
Construction of Mengo Dispensary	830332-2020/2021	8 December, 2020 to 8 April, 2021	4,995,970	2,242,665
Proposed Construction of a Cancer Centre at Moi Referral Hospital Voi	1117730-2022/2023	11 January, 2023 to 12 June, 2023	19,850,736	6,000,020
Completion of Maternity Block at Kirumbi Dispensary	822054-2020/2021	12 November, 2020 to 12 March, 2021	4,077,147	757,850
Completion of Shigharo Dispensary	819767-2020/2021	9 October, 2020 to 10 March, 2021	7,072,500	3,836,213
			<b>52,305,089</b>	<b>17,835,535</b>

This is contrary to Section 139 (2) (a) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, may approve the request for the following, which request shall be accompanied by a certificate from the tenderer making a justifications for such cost - extension of contract period.

In the circumstances, value for money may not have been achieved for projects worth Kshs.52,305,089 with certified works of Kshs.17,835,535.

#### **4. Lack of Value for Money on Legal Costs Incurred**

During the year under review, Taita/Taveta County Executive spent a total of Kshs.3,260,017 on legal services in respect of a Constitutional case No. 18 of 2021 between an ore mining company and the County Government on disputed mining fees charged of Kshs.19,883,301, as a result of the County charging at the rate of Kshs.1,000 instead of Kshs.150 per tonne of ore. The case was ruled against the County Government whose rates were found to be excessive and was therefore ordered to revert to the previous rate of Kshs.150 per tonne of ore.

However, the status report on legal payments made as required by Public Sector Accounting Standards Board reporting guidelines on asset and liability management in the public sector was not provided for the audit. Therefore, it was not possible to determine the total legal payments made as a result of the dispute in the Constitutional case ever since the case was filed in court. Further, in the list of pending bills as at 30 June, 2023, an amount of Kshs.3,260,018 was included as due on legal costs for Constitutional Case No. 18 of 2021. There is a likelihood that the County Executive will make legal payments in excess of the disputed amount.

In the circumstances, value for money may not be achieved on the expenditure relating to the legal dispute on mining fees.

#### **5. Irregular Contract Management**

The statement of receipts and payments reflects use of goods and services amount of Kshs.742,072,565 which as disclosed in Note 4 to the financial statements includes other operating expenses of Kshs.34,353,728. The latter amount further includes a payment of Kshs.7,118,579 which was paid as a deposit to a joint/escrow account as security for a disputed amount of Kshs.9,899,000 owed to a contractor for the provision of street lighting maintenance works.

However, the following anomalies were observed:

- i. The amount demanded by the contractor as at 16 June, 2022 was Kshs.10,360,953 and accrued interest of Kshs.1,243,314, all totalling to Kshs.11,604,267 as per the Court ruling of 18 January, 2021. Therefore, the County Executive is likely to pay more than the amount owed of Kshs.9,899,000 as the amount continues to accumulate.

- ii. The legal status report as evidence of the total legal cost paid in support of the legal representation in Court was not provided for audit.
- iii. As at 30 June, 2023 the outstanding pending bills listing provided for audit indicated that the balance owed to the contractor was Kshs.7,628,400 while the supporting certified works indicated an amount of Kshs.9,899,000. Although Management explained that the variance of Kshs.2,270,600 related to works not yet certified and hence not valid for payment, it was not clear why the payments demand for works not certified had not been provided for. Further, the internal audit report on pending bills status did not reflect the amount as payable, thus raising doubts on the authenticity of the pending payment.
- iv. Supporting documentation of tender award, professional opinion, certificates of work done and inspection and acceptance certificate were not provided in support of the outstanding payment of Kshs.9,899,000.

In the circumstances, the County Government is likely to pay more than the disputed amount of Kshs.9,899,000 as a result of the legal dispute which would have been avoided.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

#### Lack of Annual Recruitment Plans

During the year under review, two hundred and twenty-five (225) staff were hired by the County Government of Taita/Taveta. However, no annual recruitment plans backed by evidence of budgetary allocation were provided. This is contrary to Section B.2(2) of the County Human Resource Management Policy and Manual, 2020 that requires, County Departments develop annual recruitment plans backed by evidence of budgetary

allocation which will be forwarded to the County Public Service Board at the beginning of each financial year to enable it plan to fill the vacancies.

In addition, Management failed to prepare human resource plans to support achievement of goals and objectives in their Strategic Plans as required by Section B.2(1) of the County Human Resource Management Policy and Manual, 2020.

In the circumstances, Management was in breach the law and the effectiveness of internal controls relating human resources management could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the County'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 the intention to dissolve the County 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 comply with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the County Executive'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 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 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 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 County Executive 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


06 February, 2024

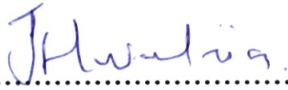
County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

9. Statement of Receipts and Payments for the year ended 30th June 2023

	Notes	FY 2022-2023 Kshs	FY 2021-2022 Kshs
<b>Receipts</b>			
Transfers from the CRF	1	5,240,960,991	4,789,527,056
Miscellaneous receipts	2	-	-
<b>Total receipts</b>		<b>5,240,960,991</b>	<b>4,789,527,056</b>
<b>Payments</b>			
Compensation of employees	3	2,988,894,233	2,829,708,887
Use of goods and services	4	742,072,565	930,127,691
Subsidies	5	-	-
Transfers to other government entities	6	765,307,745	403,816,567
Other grants and transfers	7	58,029,899	20,874,185
Social security benefits	8	17,516,451	116,108,882
Acquisition of assets	9	366,993,416	354,350,293
Finance costs, including loan interest	10	248,991	220,765
Repayment of principal on domestic & foreign Borrowing	11	-	-
Other payments	12	308,988,057	240,387,788
<b>Total payments</b>		<b>5,248,051,357</b>	<b>4,895,595,058</b>
<b>Surplus/deficit</b>		<b>(7,090,366)</b>	<b>(106,068,002)</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 14<sup>th</sup> Nov- 2023 and signed by:

  
.....  
Name: CPA Nashon Chovu Nyali  
Chief Officer - Finance  
ICPAK Member No. 31433

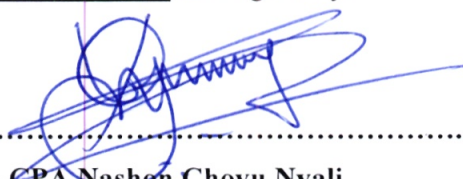
  
.....  
Name: CPA Joyce Kambe Mwachia  
Director Accounting Services  
ICPAK Member No. 12587

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

10. Statement of Assets and Liabilities as at 30th June 2023

	Notes	FY 2022-2023 Kshs	FY 2021-2022 Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	13A	142,878,556	160,934,265
Cash balances	13B	-	159,451
<b>Total cash and cash equivalent</b>		<b>142,878,556</b>	<b>161,093,716</b>
Outstanding imprests and advances	14	1,615,200	2,528,800
<b>Total financial assets</b>		<b>144,493,756</b>	<b>163,622,516</b>
<b>Financial liabilities</b>			
Deposits and retentions	15	12,266,337	24,304,732
<b>Net financial assets</b>		<b>132,227,418</b>	<b>139,317,784</b>
<b>Represented by</b>			
Fund balance b/fwd.	16	139,317,784	245,385,786
Prior year adjustments	17	-	-
Surplus/deficit for the year		(7,090,366)	(106,068,002)
<b>Net financial position</b>		<b>132,227,418</b>	<b>139,317,784</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 14<sup>th</sup> -Nov- 2023 and signed by:



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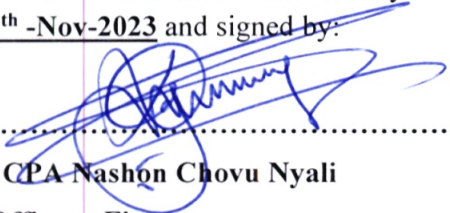
County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

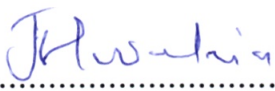
11. Statement of Cash Flows for the period ended 30<sup>th</sup> June 2023

	Notes	FY 2022-2023 Kshs	FY 2021-2022 Kshs
<b>Receipts from operating income</b>			
Transfers from the CRF	1	5,240,960,991	4,789,527,056
Miscellaneous receipts	2	-	-
<b>Payments for operating expenses</b>			
Compensation of employees	3	(2,988,894,233)	(2,829,708,887)
Use of goods and services	4	(742,072,565)	(930,127,691)
Subsidies	5	-	-
Transfers to other government units	6	(765,307,745)	(403,816,567)
Other grants and transfers	7	(58,029,899)	(20,874,185)
Social security benefits	8	(17,516,451)	(116,108,882)
Finance costs, including loan interest	10	(248,991)	(220,765)
Other payments	11	(308,988,057)	(240,387,788)
<b>Adjusted for:</b>			
<b>Prior year adjustments</b>			
Decrease/(increase) in outstanding imprests & advances	17	-	-
Increase/(decrease) in deposits and retentions	18	913,600	3,397,355
	19	(12,038,395)	(7,252,408)
<b>Net cash flow from operating activities</b>		<b>348,778,256</b>	<b>244,427,238</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	9	(366,993,416)	(354,350,293)
<b>Net cash flows from investing activities</b>		<b>(366,993,416)</b>	<b>(354,350,293)</b>
<b>Cash flow from borrowing activities</b>			
Repayment of principal on domestic and foreign Borrowing	11	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(18,215,161)</b>	<b>(109,923,055)</b>
<b>Cash and cash equivalents at beginning of the year</b>	13	<b>161,093,717</b>	<b>271,016,772</b>
<b>Cash and cash equivalents at end of the year</b>		<b>142,878,557</b>	<b>161,093,717</b>
<b>As per statement of assets</b>		<b>142,878,556</b>	<b>161,093,716</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

14<sup>th</sup> -Nov-2023 and signed by:

  
Name: CPA Nashon Chovu Nyali  
Chief Officer - Finance  
ICPAK Member No. 31433

  
Name: CPA Joyce Kambe Mwachia  
Director Accounting Services  
ICPAK Member No. 12587

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30<sup>th</sup>

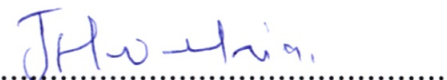
June 2023

Receipt/Expense Item		Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>							
Transfers from the CRF	1	6,375,336,179	(214,798,202)	6,160,537,977	5,240,960,991	919,576,986	85%
Other receipts	2	-	-	-	-	-	0%
Opening balance for Non-refundable	3	-	-	-	-	-	0%
<b>TOTAL</b>		<b>6,375,336,179</b>	<b>(214,798,202)</b>	<b>6,160,537,977</b>	<b>5,240,960,991</b>	<b>919,576,986</b>	<b>85%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4	2,734,107,086	288,181,204	3,022,288,290	2,988,894,233	33,394,057	99%
Use of goods and services	5	1,057,072,532	(299,040,186)	758,032,346	742,072,565	15,959,781	98%
Subsidies	6	-	-	-	-	-	0%
Transfers to Other Government Units	7	775,296,305	(5,296,305)	770,000,000	765,307,745	4,692,255	99%
Other grants and transfers	8	567,898,256	149,144,785	717,043,041	58,029,899	659,013,142	8%
Social Security Benefits	9	20,000,000	-	20,000,000	17,516,451	2,483,549	88%
Acquisition of Assets	10	927,143,780	(471,484,446)	455,659,334	366,993,416	88,665,918	81%
Finance Costs, including Loan Interest	11	900,000	(285,000)	615,000	248,991	366,009	40%
Repayment of principal on Domestic and Foreign borrowing	12	-	-	-	-	-	0%
Other Payments	13	292,918,220	123,981,746	416,899,966	308,988,057	107,911,910	74%
<b>TOTAL</b>		<b>6,375,336,179</b>	<b>(214,798,202)</b>	<b>6,160,537,977</b>	<b>5,248,051,357</b>	<b>912,486,620</b>	<b>85%</b>
<b>SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,090,366)</b>	<b>7,090,366</b>	

The County Executive's financial statements were approved on 14<sup>th</sup> -Nov-2023 and signed by:



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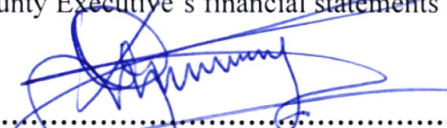
Name: CPA Joyce Kambe Mwachia  
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ICPAK Member No. 12587

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

12 A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30<sup>th</sup> June 2023

Receipt/Expense Item		Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>							
Exchequer releases (Transfers from the CRF)	1	3,927,391,310	94,134,406	4,021,525,716	4,021,525,716	-	100%
Proceeds from sale of assets	2	-	-	-	-	-	0%
Other receipts	3	-	-	-	-	-	0%
<b>TOTAL</b>		<b>3,927,391,310</b>	<b>94,134,406</b>	<b>4,021,525,716</b>	<b>4,021,525,716</b>	<b>-</b>	<b>100%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4	2,734,107,086	288,181,204	3,022,288,290	2,988,894,233	33,394,057	99%
Use of goods and services	5	1,005,172,532	(310,325,186)	694,847,346	679,717,443	15,129,903	98%
Subsidies	6	-	-	-	-	-	0%
Transfers to Other Government Units	7	5,296,305	(5,296,305)	-	(0)	0	0%
Other grants and transfers	8	-	55,039,915	55,039,915	11,050,437	43,989,478	20%
Social Security Benefits	9	20,000,000	-	20,000,000	17,516,451	2,483,549	88%
Acquisition of Assets	10	39,443,780	1,395,270	40,839,050	39,115,282	1,723,768	96%
Finance Costs, including Loan Interest	11	-	-	-	150,267	(150,267)	0%
Repayment of principal on Domestic and Foreign borrowing	12	-	-	-	-	-	0%
Other Payments	13	123,371,607	65,139,508	188,511,115	166,546,899	21,964,216	88%
<b>TOTAL</b>		<b>3,927,391,310</b>	<b>94,134,406</b>	<b>4,021,525,716</b>	<b>3,902,991,012</b>	<b>118,534,704</b>	<b>97%</b>
<b>SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>0</b>	<b>0</b>	<b>118,534,704</b>	<b>(118,534,704)</b>	

The County Executive's financial statements were approved on 14<sup>th</sup> -Nov- 2023 and signed by



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County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

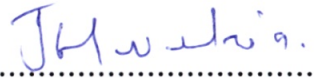
12 B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30<sup>th</sup> June 2023

Receipt/Expense Item		Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>							
Exchequer releases (Transfers from the CRF)	1	2,447,944,869	(308,932,608)	2,139,012,261	1,219,435,275	919,576,986	57%
Proceeds from sale of assets	2	-	-	-	-	-	0%
Other receipts	3	-	-	-	-	-	0%
<b>TOTAL</b>		<b>2,447,944,869</b>	<b>(308,932,608)</b>	<b>2,139,012,261</b>	<b>1,219,435,275</b>	<b>919,576,986</b>	<b>57%</b>
<b>PAYMENTS</b>							
Compensation of Employees	11	-	-	-	-	-	0%
Use of goods and services	12	51,900,000	11,285,000	63,185,000	62,355,122	829,878	99%
Subsidies	13	-	-	-	-	-	0%
Transfers to Other Government Units	14	770,000,000	-	770,000,000	765,307,745	4,692,255	99%
Other grants and transfers	15	567,898,256	94,104,870	662,003,126	46,979,463	615,023,663	7%
Social Security Benefits	16	-	-	-	-	-	0%
Acquisition of Assets	17	887,700,000	(472,879,716)	414,820,284	327,878,134	86,942,150	79%
Finance Costs, including Loan Interest	18	900,000	(285,000)	615,000	98,724	516,277	16%
Repayment of principal on Domestic and Foreign borrowing	19	-	-	-	-	-	0%
Other Payments	20	169,546,613	58,842,238	228,388,851	142,441,158	85,947,693	62%
<b>TOTAL</b>		<b>2,447,944,869</b>	<b>(308,932,608)</b>	<b>2,139,012,261</b>	<b>1,345,060,345</b>	<b>793,951,916</b>	<b>63%</b>
<b>SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,625,070)</b>	<b>125,625,070</b>	

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Chief Officer - Finance  
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Director Accounting Services  
ICPAK Member No. 12587

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

13. Budget Execution by Programmes and Sub-Programmes for the year ended 30<sup>th</sup> June 2023

Head	Program	Description	Approved Budget	Actual Payments	Variance
<b>3262000100</b>		<b>Headquarters</b>	<b>3,197,107,357.00</b>	<b>3,177,007,244.49</b>	<b>20,100,112.51</b>
	705003260	Leadership Development Programme	0	0	0.00
	701003260	General Administration support services	3,197,107,357.00	3,177,007,244.49	20,100,112.51
	3260		0	0	0.00
	704003260	General Administration and Management of County Affairs	0	0	0.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
<b>3262000200</b>		<b>Taveta Sub County Administration</b>	<b>490,000.00</b>	<b>170,000.00</b>	<b>320,000.00</b>
	705003260	Leadership Development Programme	0	0	0.00
	701003260	General Administration support services	490,000.00	170,000.00	320,000.00
<b>3262000300</b>		<b>Wundanyi Sub County Administration</b>	<b>464,280.00</b>	<b>354,280.00</b>	<b>110,000.00</b>
	701003260	General Administration support services	464,280.00	354,280.00	110,000.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
<b>3262000400</b>		<b>Mwatate Sub County Administration</b>	<b>390,000.00</b>	<b>290,000.00</b>	<b>100,000.00</b>
	703003260	Decentralised Infrastructure development programme	0	0	0.00
	701003260	General Administration support services	390,000.00	290,000.00	100,000.00
<b>3262000500</b>		<b>Voi Sub County Administration</b>	<b>480,000.00</b>	<b>180,000.00</b>	<b>300,000.00</b>
	701003260	General Administration support services	480,000.00	180,000.00	300,000.00
<b>3262000600</b>		<b>Taveta Town Administration</b>	<b>250,000.00</b>	<b>50,000.00</b>	<b>200,000.00</b>
	705003260	Leadership Development Programme	0	0	0.00
	701003260	General Administration support services	250,000.00	50,000.00	200,000.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
<b>3262000700</b>		<b>Voi Town Administration</b>	<b>240,625.00</b>	<b>65,625.00</b>	<b>175,000.00</b>
	701003260	General Administration support services	240,625.00	65,625.00	175,000.00
	705003260	Leadership Development Programme	0	0	0.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
<b>3262000800</b>		<b>County Policing Authority</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	701003260	General Administration support services	0	0	0.00
<b>3262000900</b>		<b>Human Resource Management</b>	<b>1,517,101.00</b>	<b>1,227,500.00</b>	<b>289,601.00</b>
	701003260	General Administration support services	1,517,101.00	1,227,500.00	289,601.00
<b>3262001000</b>			<b>3,268,506.00</b>	<b>1,763,280.00</b>	<b>1,505,226.00</b>
	701003260	General Administration support services	3,268,506.00	1,763,280.00	1,505,226.00
<b>3262001100</b>			<b>135,000.00</b>	<b>135,000.00</b>	<b>0.00</b>
	701003260	General Administration support services	135,000.00	135,000.00	0.00
<b>3263000100</b>		<b>Headquarters</b>	<b>77,394,200.00</b>	<b>66,832,893.00</b>	<b>10,561,307.00</b>
	705003260	Leadership Development Programme	0	0	0.00

**County Executive of Taita Taveta**  
**Annual Report and Financial Statements**  
**For the year ended June 30 2023**

	701003260	General Administration support services	0	0	0.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
	704003260	General Administration and Management of County Affairs	77,394,200.00	66,832,893.00	10,561,307.00
<b>3263000200</b>		<b>Office of the Deputy Governor</b>	<b>24,774,735.00</b>	<b>21,479,686.00</b>	<b>3,295,049.00</b>
	705003260	Leadership Development Programme	0	0	0.00
	101003260	Administration Planning and Support Services	0	0	0.00
	704003260	General Administration and Management of County Affairs	24,774,735.00	21,479,686.00	3,295,049.00
<b>3263000300</b>		<b>Special Programmes Unit</b>	<b>3,151,880.00</b>	<b>370,050.00</b>	<b>2,781,830.00</b>
	704003260	General Administration and Management of County Affairs	1,431,600.00	370,050.00	1,061,550.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
	705003260	Leadership Development Programme	1,720,280.00	0	1,720,280.00
<b>3263000400</b>		<b>Service Delivery Unit</b>	<b>162,000.00</b>	<b>89,000.00</b>	<b>73,000.00</b>
	704003260	General Administration and Management of County Affairs	162,000.00	89,000.00	73,000.00
<b>3263000500</b>		<b>Industrialization</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	703003260	Decentralised Infrastructure development programme	0	0	0.00
	705003260	Leadership Development Programme	0	0	0.00
	704003260	General Administration and Management of County Affairs	0	0	0.00
<b>3263000600</b>		<b>ICT</b>	<b>3,942,150.00</b>	<b>1,746,150.00</b>	<b>2,196,000.00</b>
	704003260	General Administration and Management of County Affairs	3,942,150.00	1,746,150.00	2,196,000.00
	703003260	Decentralised Infrastructure development programme	0	0	0.00
<b>3263000700</b>			<b>980,001.00</b>	<b>727,000.00</b>	<b>253,001.00</b>
	704003260	General Administration and Management of County Affairs	980,001.00	727,000.00	253,001.00
<b>3263000800</b>			<b>70,000.00</b>	<b>0.00</b>	<b>70,000.00</b>
	704003260	General Administration and Management of County Affairs	70,000.00	0.00	70,000.00
<b>3263000900</b>			<b>9,360,500.00</b>	<b>4,035,500.00</b>	<b>5,325,000.00</b>
	704003260	General Administration and Management of County Affairs	9,360,500.00	4,035,500.00	5,325,000.00
<b>3264000100</b>		<b>Headquarters</b>	<b>87,099,981.00</b>	<b>74,536,023.85</b>	<b>12,563,957.15</b>
	701003260	General Administration support services	0	0	0.00
	707003260	Treasury Development Programme	0	0	0.00
	706003260	General Administration, Planning, Internal Audit & Support Services	87,099,981.00	74,536,023.85	12,563,957.15
<b>3264000200</b>		<b>County Emergency Fund</b>	<b>10,000,000.00</b>	<b>1,500,000.00</b>	<b>8,500,000.00</b>
	706003260	General Administration, Planning, Internal Audit & Support Services	10,000,000.00	1,500,000.00	8,500,000.00
	707003260	Treasury Development Programme	0	0	0.00
	701003260	General Administration support services	0	0	0.00
<b>3264000300</b>		<b>Equilization of Wards Infrastructure</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	707003260	Treasury Development Programme	0	0	0.00
<b>3264000400</b>		<b>Planning</b>	<b>16,437,945.00</b>	<b>12,374,224.90</b>	<b>4,063,720.10</b>
	706003260	General Administration, Planning, Internal Audit & Support Services	16,437,945.00	12,374,224.90	4,063,720.10
	707003260	Treasury Development Programme	0	0	0.00
<b>3264000500</b>		<b>Gratuity Fund</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

**County Executive of Taita Taveta**  
**Annual Report and Financial Statements**  
**For the year ended June 30 2023**

	706003260	General Administration,Planning,Internal Audit & Support Services	0	0	0.00
<b>3264000700</b>		<b>County Executive Administration</b>	<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>0.00</b>
	701003260	General Administration support services	0	0	0.00
	706003260	General Administration,Planning,Internal Audit & Support Services	10,000,000.00	10,000,000.00	0.00
<b>3264000800</b>		<b>Internal Audit Services</b>	<b>4,627,598.00</b>	<b>1,284,499.60</b>	<b>3,343,098.40</b>
	706003260	General Administration,Planning,Internal Audit & Support Services	4,627,598.00	1,284,499.60	3,343,098.40
<b>3264000900</b>		<b>Revenue Management</b>	<b>20,102,192.00</b>	<b>12,533,452.00</b>	<b>7,568,740.00</b>
	706003260	General Administration,Planning,Internal Audit & Support Services	20,102,192.00	12,533,452.00	7,568,740.00
	701003260	General Administration support services	0	0	0.00
<b>3264001000</b>		<b>Procurement</b>	<b>3,077,000.00</b>	<b>2,343,250.00</b>	<b>733,750.00</b>
	706003260	General Administration,Planning,Internal Audit & Support Services	3,077,000.00	2,343,250.00	733,750.00
<b>3264001100</b>		<b>Accounting Services</b>	<b>9,025,875.00</b>	<b>6,645,475.00</b>	<b>2,380,400.00</b>
	701003260	General Administration support services	0	0	0.00
	706003260	General Administration,Planning,Internal Audit & Support Services	9,025,875.00	6,645,475.00	2,380,400.00
<b>3264001200</b>		<b>Kenya Devolution Support Programme</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	706003260	General Administration,Planning,Internal Audit & Support Services	0	0	0.00
	701003260	General Administration support services	0	0	0.00
<b>3264001300</b>			<b>337,389,386.22</b>	<b>196,609,309.20</b>	<b>140,780,077.02</b>
	707003260	Treasury Development Programme	238,763,779.22	183,882,199.50	54,881,579.72
	706003260	General Administration,Planning,Internal Audit & Support Services	98,625,607.00	12,727,109.70	85,898,497.30
<b>3265000100</b>		<b>Headquarters</b>	<b>96,454,430.00</b>	<b>91,335,340.00</b>	<b>5,119,090.00</b>
	104003260	Agricultural Development Programme	20,500,000.00	18,939,531.00	1,560,469.00
	101003260	Administration Planning and Support Services	5,954,430.00	5,203,080.00	751,350.00
	105003260	Livestock and Fisheries Development	70,000,000.00	67,192,729.00	2,807,271.00
	102003260	Development programme	0	0	0.00
<b>3265000200</b>		<b>Livestock</b>	<b>8,281,571.00</b>	<b>4,789,140.00</b>	<b>3,492,431.00</b>
	104003260	Agricultural Development Programme	0	0	0.00
	101003260	Administration Planning and Support Services	6,581,571.00	4,089,140.00	2,492,431.00
	105003260	Livestock and Fisheries Development	1,700,000.00	700,000.00	1,000,000.00
	102003260	Development programme	0	0	0.00
<b>3265000300</b>		<b>Fisheries</b>	<b>475,881.00</b>	<b>249,232.00</b>	<b>226,649.00</b>
	105003260	Livestock and Fisheries Development	0	0	0.00
	101003260	Administration Planning and Support Services	475,881.00	249,232.00	226,649.00
	102003260	Development programme	0	0	0.00
<b>3265000400</b>		<b>Veterinary</b>	<b>11,331,691.00</b>	<b>8,144,184.00</b>	<b>3,187,507.00</b>
	104003260	Agricultural Development Programme	0	0	0.00
	101003260	Administration Planning and Support Services	5,731,691.00	4,546,375.00	1,185,316.00
	105003260	Livestock and Fisheries Development	5,600,000.00	3,597,809.00	2,002,191.00
	102003260	Development programme	0	0	0.00
<b>3265000500</b>		<b>Agribusiness Project (EU Grant)</b>	<b>15,624,929.00</b>	<b>0</b>	<b>15,624,929.00</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

	104003260	Agricultural Development Programme	0	0	0.00
	102003260	Development programme	0	0	0.00
	101003260	Administration Planning and Support Services	0	0	0.00
	105003260	Livestock and Fisheries Development	15,624,929.00	0	15,624,929.00
<b>3265000600</b>		<b>Kenya Climate Smart Agric Program</b>	<b>313,757,537.00</b>	<b>272,833,148.00</b>	<b>40,924,389.00</b>
	104003260	Agricultural Development Programme	0	0	0.00
	1001003260	Water and irrigation Development Programme	0	0	0.00
	105003260	Livestock and Fisheries Development	313,757,537.00	272,833,148.00	40,924,389.00
<b>3265000700</b>		<b>Water</b>	<b>34,421,715.00</b>	<b>24,121,715.00</b>	<b>10,300,000.00</b>
	105003260	Livestock and Fisheries Development	34,421,715.00	24,121,715.00	10,300,000.00
	104003260	Agricultural Development Programme	0	0	0.00
<b>3266000100</b>		<b>Headquarters</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	105003260	Livestock and Fisheries Development	0	0	0.00
<b>3266000300</b>		<b>Veterinary</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	105003260	Livestock and Fisheries Development	0	0	0.00
<b>3266000400</b>		<b>Fisheries</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	105003260	Livestock and Fisheries Development	0	0	0.00
<b>3267000100</b>		<b>Headquarters</b>	<b>65,999,460.00</b>	<b>53,071,327.00</b>	<b>12,928,133.00</b>
	1001003260	Water and irrigation Development Programme	58,200,000.00	45,410,768.00	12,789,232.00
	1002003260	General Administration,Support and Support Services	7,799,460.00	7,660,559.00	138,901.00
<b>3267000200</b>		<b>Water Services</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	1001003260	Water and irrigation Development Programme	0	0	0.00
	1002003260	General Administration,Support and Support Services	0	0	0.00
<b>3267000300</b>		<b>Bulk Water Project</b>	<b>10,000,000.00</b>	<b>0</b>	<b>10,000,000.00</b>
	1001003260	Water and irrigation Development Programme	10,000,000.00	0	10,000,000.00
<b>3267000400</b>		<b>Ambulance services</b>	<b>971,396,430.00</b>	<b>586,272,686.90</b>	<b>385,123,743.10</b>
	1001003260	Water and irrigation Development Programme	971,396,430.00	586,272,686.90	385,123,743.10
<b>3267000500</b>		<b>Public Health and Sanitation</b>	<b>30,000,000.00</b>	<b>29,000,000.00</b>	<b>1,000,000.00</b>
	1001003260	Water and irrigation Development Programme	30,000,000.00	29,000,000.00	1,000,000.00
<b>3267000600</b>		<b>Promotion of primary health care</b>	<b>500,000.00</b>	<b>0</b>	<b>500,000.00</b>
	1002003260	General Administration,Support and Support Services	0	0	0.00
	1001003260	Water and irrigation Development Programme	500,000.00	0	500,000.00
<b>3268000100</b>		<b>Headquarters</b>	<b>54,671,380.00</b>	<b>14,171,106.00</b>	<b>40,500,274.00</b>
	1001003260	Water and irrigation Development Programme	0	0	0.00
	501003260	General Administration, Planning and Support services	11,171,380.00	4,142,006.00	7,029,374.00
	502003260	Early childhood Education and Youth Training Development Programme	43,500,000.00	10,029,100.00	33,470,900.00

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

<b>3268000200</b>		<b>Polytechnics</b>	<b>21,389,410.00</b>	<b>1,137,950.00</b>	<b>20,251,460.00</b>
	502003260	Early childhood Education and Youth Training Development Programme	20,000,000.00	900,000.00	19,100,000.00
	501003260	General Administration, Planning and Support services	1,389,410.00	237,950.00	1,151,460.00
<b>3268000300</b>		<b>Early Childhood Development</b>	<b>981,344.00</b>	<b>467,924.00</b>	<b>513,420.00</b>
	501003260	General Administration, Planning and Support services	981,344.00	467,924.00	513,420.00
	301003260	General Administration and support services programme	0	0	0.00
	502003260	Early childhood Education and Youth Training Development Programme	0	0	0.00
<b>3268000400</b>		<b>Library services</b>	<b>270,400.00</b>	<b>175,800.00</b>	<b>94,600.00</b>
	501003260	General Administration, Planning and Support services	270,400.00	175,800.00	94,600.00
	502003260	Early childhood Education and Youth Training Development Programme	0	0	0.00
<b>3268000500</b>		<b>Education Fund</b>	<b>147,840,000.00</b>	<b>142,000,000.00</b>	<b>5,840,000.00</b>
	502003260	Early childhood Education and Youth Training Development Programme	0	0	0.00
	501003260	General Administration, Planning and Support services	147,840,000.00	142,000,000.00	5,840,000.00
<b>3268000600</b>		<b>Energy</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	501003260	General Administration, Planning and Support services	0	0	0.00
	502003260	Early childhood Education and Youth Training Development Programme	0	0	0.00
<b>3269000100</b>		<b>Headquarters</b>	<b>140,020,028.00</b>	<b>118,619,684.35</b>	<b>21,400,343.65</b>
	704003260	General Administration and Management of County Affairs	0	0	0.00
	706003260	General Administration, Planning, Internal Audit & Support Services	0	0	0.00
	402003260	Health Development Programme	74,437,875.00	68,407,008.35	6,030,866.65
	401003260	Administration and Support Services	65,582,153.00	50,212,676.00	15,369,477.00
<b>3269000200</b>		<b>Wesu Hospital</b>	<b>462,500.00</b>	<b>212,500.00</b>	<b>250,000.00</b>
	401003260	Administration and Support Services	462,500.00	212,500.00	250,000.00
<b>3269000300</b>		<b>Moi Referral Hospital</b>	<b>1,725,100.00</b>	<b>30,000.00</b>	<b>1,695,100.00</b>
	401003260	Administration and Support Services	1,725,100.00	30,000.00	1,695,100.00
<b>3269000400</b>		<b>Mwatate Hospital</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	401003260	Administration and Support Services	0	0	0.00
<b>3269000500</b>			<b>0</b>	<b>0</b>	<b>0.00</b>
	401003260	Administration and Support Services	0	0	0.00
<b>3269000600</b>			<b>37,500.00</b>	<b>37,500.00</b>	<b>0.00</b>
	401003260	Administration and Support Services	37,500.00	37,500.00	0.00
<b>3269000700</b>			<b>0</b>	<b>0</b>	<b>0.00</b>
	401003260	Administration and Support Services	0	0	0.00
<b>3269000800</b>			<b>0</b>	<b>0</b>	<b>0.00</b>
	401003260	Administration and Support Services	0	0	0.00
<b>3269000900</b>			<b>566,000.00</b>	<b>116,000.00</b>	<b>450,000.00</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

	401003260	Administration and Support Services	566,000.00	116,000.00	450,000.00
<b>3269001000</b>			<b>750,000.00</b>	<b>0</b>	<b>750,000.00</b>
	401003260	Administration and Support Services	750,000.00	0	750,000.00
<b>3269001100</b>			<b>80,175,000.00</b>	<b>70,921,894.00</b>	<b>9,253,106.00</b>
	402003260	Health Development Programme	0	0	0.00
	401003260	Administration and Support Services	80,175,000.00	70,921,894.00	9,253,106.00
<b>3270000100</b>		<b>Headquarters</b>	<b>7,109,324.00</b>	<b>5,229,891.00</b>	<b>1,879,433.00</b>
	302003260	Trade Development programme.	3,000,000.00	2,984,281.00	15,719.00
	301003260	General Administration and support services programme	4,109,324.00	2,245,610.00	1,863,714.00
<b>3270000200</b>		<b>Trade</b>	<b>549,000.00</b>	<b>414,200.00</b>	<b>134,800.00</b>
	301003260	General Administration and support services programme	549,000.00	414,200.00	134,800.00
	302003260	Trade Development programme.	0	0	0.00
<b>3270000300</b>		<b>Sports</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	301003260	General Administration and support services programme	0	0	0.00
	302003260	Trade Development programme.	0	0	0.00
<b>3270000400</b>		<b>Gender</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	302003260	Trade Development programme.	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
<b>3270000500</b>		<b>Cooperative</b>	<b>886,700.00</b>	<b>504,540.00</b>	<b>382,160.00</b>
	301003260	General Administration and support services programme	886,700.00	504,540.00	382,160.00
	302003260	Trade Development programme.	0	0	0.00
<b>3270000600</b>		<b>Youth Development</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	302003260	Trade Development programme.	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
<b>3270000700</b>		<b>Culture</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	302003260	Trade Development programme.	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
<b>3270000800</b>		<b>Markets</b>	<b>1,486,255.00</b>	<b>1,260,985.00</b>	<b>225,270.00</b>
	301003260	General Administration and support services programme	1,486,255.00	1,260,985.00	225,270.00
<b>3270000900</b>			<b>200,000.00</b>	<b>189,600.00</b>	<b>10,400.00</b>
	301003260	General Administration and support services programme	200,000.00	189,600.00	10,400.00
	302003260	Trade Development programme.	0	0	0.00
<b>3270001100</b>		<b>Weights and Measures</b>	<b>490,800.00</b>	<b>14,400.00</b>	<b>476,400.00</b>
	301003260	General Administration and support services programme	490,800.00	14,400.00	476,400.00
<b>3270001200</b>			<b>0</b>	<b>0</b>	<b>0.00</b>
	302003260	Trade Development programme.	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
<b>3270001300</b>		<b>Liquor Control and Licensing Fund</b>	<b>3,550,000.00</b>	<b>1,882,000.00</b>	<b>1,668,000.00</b>
	301003260	General Administration and support services programme	3,550,000.00	1,882,000.00	1,668,000.00
<b>3270001400</b>			<b>2,553,899.00</b>	<b>284,600.00</b>	<b>2,269,299.00</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

	302003260	Trade Development programme.	2,000,000.00	0	2,000,000.00
	301003260	General Administration and support services programme	553,899.00	284,600.00	269,299.00
<b>3271000100</b>		<b>Headquarters</b>	<b>18,417,844.00</b>	<b>15,917,844.00</b>	<b>2,500,000.00</b>
	703003260	Decentralised Infrastructure development programme	2,500,000.00	0	2,500,000.00
	701003260	General Administration support services	15,917,844.00	15,917,844.00	0.00
<b>3272000100</b>		<b>Headquarters</b>	<b>27,752,600.00</b>	<b>18,611,792.45</b>	<b>9,140,807.55</b>
	101003260	Administration Planning and Support Services	27,752,600.00	18,611,792.45	9,140,807.55
<b>3272000200</b>		<b>ICT</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	103003260	Infrastructure Development programme	0	0	0.00
<b>3272000300</b>		<b>Roads</b>	<b>97,519,621.00</b>	<b>73,743,564.65</b>	<b>23,776,056.35</b>
	102003260	Development programme	87,500,000.00	70,244,778.65	17,255,221.35
	103003260	Infrastructure Development programme	0	0	0.00
	101003260	Administration Planning and Support Services	10,019,621.00	3,498,786.00	6,520,835.00
<b>3272000400</b>		<b>Housing</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	102003260	Development programme	0	0	0.00
	103003260	Infrastructure Development programme	0	0	0.00
<b>3272000500</b>		<b>Public Works</b>	<b>6,284,138.00</b>	<b>3,222,880.00</b>	<b>3,061,258.00</b>
	101003260	Administration Planning and Support Services	4,484,138.00	3,222,880.00	1,261,258.00
	103003260	Infrastructure Development programme	0	0	0.00
	102003260	Development programme	1,800,000.00	0	1,800,000.00
<b>3272000600</b>		<b>Defunct Local Authorities</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	302003260	Trade Development programme.	0	0	0.00
	103003260	Infrastructure Development programme	0	0	0.00
<b>3273000100</b>		<b>Headquarters</b>	<b>17,056,217.00</b>	<b>8,481,782.68</b>	<b>8,574,434.32</b>
	1003003260	Natural Resources Support Programme	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
	102003260	Development programme	5,500,000.00	1,047,326.83	4,452,673.17
	101003260	Administration Planning and Support Services	11,556,217.00	7,434,455.85	4,121,761.15
<b>3273000200</b>		<b>Mwatate Municipal Administration</b>	<b>19,300,000.00</b>	<b>10,571,575.95</b>	<b>8,728,424.05</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	102003260	Development programme	19,300,000.00	10,571,575.95	8,728,424.05
	1003003260	Natural Resources Support Programme	0	0	0.00
<b>3273000300</b>		<b>Headquarters</b>	<b>6,949,436.00</b>	<b>4,564,780.00</b>	<b>2,384,656.00</b>
	101003260	Administration Planning and Support Services	1,949,432.00	564,780.00	1,384,652.00
	1003003260	Natural Resources Support Programme	0	0	0.00
	102003260	Development programme	5,000,004.00	4,000,000.00	1,000,004.00
<b>3273000400</b>		<b>Headquarters</b>	<b>9,776,200.00</b>	<b>9,776,200.00</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	9,776,200.00	9,776,200.00	0.00

County Executive of Taita Taveta  
 Annual Report and Financial Statements  
 For the year ended June 30 2023

	102003260	Development programme	0	0	0.00
<b>3273000500</b>		<b>Environment and Natural Resources</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	101003260	Administration Planning and Support Services	0	0	0.00
	1003003260	Natural Resources Support Programme	0	0	0.00
<b>3273000600</b>			<b>63,500,000.00</b>	<b>30,000,000.00</b>	<b>33,500,000.00</b>
	102003260	Development programme	63,500,000.00	30,000,000.00	33,500,000.00
	103003260	Infrastructure Development programme	0	0	0.00
	301003260	General Administration and support services programme	0	0	0.00
<b>3276000100</b>		<b>Headquarters</b>	<b>74,460,254.00</b>	<b>51,295,614.00</b>	<b>23,164,640.00</b>
	301003260	General Administration and support services programme	65,164,640.00	42,000,000.00	23,164,640.00
	1003003260	Natural Resources Support Programme	9,295,614.00	9,295,614.00	0.00
	1002003260	General Administration,Support and Support Services	0	0	0.00
		<b>Grand Total</b>	<b>6,160,537,977.22</b>	<b>5,248,051,357</b>	<b>912,486,620.22</b>

**14. Significant Accounting Policies**

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

**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 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.

**b) Reporting entity**

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

**c) Recognition of receipts and payments**

**i) Recognition of receipts**

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

**ii) 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.

**iii) Proceeds from sale of assets**

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

**Significant Accounting Policies (Continued)**

**d) Recognition of payments**

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

**i) Compensation of employees**

Salaries and Wages, Allowances, and statutory contributions 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. (if applicable).*

**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.

**Significant Accounting Policies (Continued)**

**e) 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.

**f) Third Party Payments**

This relates to payments done directly to supplier on behalf of the county Executive 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 these financial statements.

**g) 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.

***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 30<sup>th</sup> June 2023, this amounted to KShs compared to KShs in prior period as indicated on note xxx.

**Significant Accounting Policies (Continued)**

**h) Imprests and Advances**

For the purposes of these financial statements, imprests and advances to authorised 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.

**i) 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 payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment 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.

**j) 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.

**k) 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.

**Significant Accounting Policies (Continued)**

**l) Contingent Liabilities**

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 recognised 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 xx and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

**m) 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.

**Significant Accounting Policies (Continued)**

**n) 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 xxx for the period 1<sup>st</sup> July 2022 to 30 June 2023 as required by law. There was 3 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.

**o) Comparative figures**

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

**p) 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.

**q) Prior Period Adjustment**

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

**r) 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.

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**15. Notes to the Financial Statements**

**1. Transfer from the CRF**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Total exchequer releases for quarter 1	760,913,892	520,729,713.00
Total exchequer releases for quarter 2	976,931,901	1,464,305,200
Total exchequer releases for quarter 3	1,189,892,013	1,141,984,653
Total exchequer releases for quarter 4	2,313,223,185	1,662,507,490
<b>Total</b>	<b>5,240,960,991</b>	<b>4,789,527,056</b>

**2. Miscellaneous Receipts**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Insurance Recoveries	-	-
Other Receipts ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. Compensation of Employees**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	2,963,685,332	2,827,889,487
Basic wages of temporary employees	24,953,959	1,450,000
Personal allowances paid as part of salary	254,942	369,400
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	-	-
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>2,988,894,233</b>	<b>2,829,708,887</b>

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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

**4. Use of Goods and Services**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>KShs</b>
Utilities, supplies and services	62,381,531	58,470,419
Communication, supplies and services	1,515,380	2,670,279
Domestic travel and subsistence	149,720,547	70,684,648
Foreign travel and subsistence	3,393,481	450,820
Printing, advertising and information supplies & services	8,174,355	10,195,963
Rentals of produced assets	6,060,186	11,003,642
Training expenses	7,507,014	5,257,285
Hospitality supplies and services	91,624,723	70,466,096
Insurance costs	109,956,543	94,194,000
Specialized materials and services	127,198,516	450,969,231
Office and general supplies and services	69,389,603	32,793,672
Fuel, oil and lubricants	56,902,748	56,302,483
Other operating expenses	34,353,728	33,235,402
Routine maintenance – vehicles and other transport equipment	11,185,416	19,791,551
Routine maintenance – other assets	2,708,795	13,642,200
<b>Total</b>	<b>742,072,565</b>	<b>930,127,691</b>

**5. Subsidies**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Subsidies to Public Corporations		
Subsidies to Private Enterprises		
<b>Total</b>	<b>-</b>	<b>-</b>

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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

**6. Transfer to other Government entities**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
<b>Transfers to county government entities</b>		
Taita Taveta County Assembly	-	4,000,000
<b>Transfers to other county entities</b>		
Taita Taveta County Mortgage Account	10,000,000	11,600,000
Taita Taveta County Education Fund	142,000,000	58,400,000
Taita Taveta County Emergency Account	-	-
Tavevo Water & Sanitation (WSDP)	569,396,254	304,791,286
Mwatate Municipality UDG Account	10,571,576	10,000,000
Mwatate Municipality UIG Account	5,339,915	-
Level 4 Hospital	-	15,025,282
TAVEVO Water & sanitation Co. Ltd (WSTF)	25,000,000	
<b>Transfers to national government entities</b>	-	
Transfer to the council of governors	3,000,000	-
<b>Total</b>	<b>765,307,745</b>	<b>403,816,567</b>

**7. Other Grants and Transfers**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	330,000	1,000,000
Subsidies to small businesses, cooperatives, and self employed	-	-
Donations	150,000	1,000,000
Other current transfers, grants	57,549,899	18,874,185
Capital Transfer - Other (Budg	-	-
<b>Total</b>	<b>58,029,899</b>	<b>20,874,185</b>

**8. Social Security Benefits**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Government Pension and Retirement Benefits	17,516,451	116,108,882
Social Security Benefits	-	-
Employer Social Benefits	-	-
<b>Total</b>	<b>17,516,451</b>	<b>116,108,882</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

<u>Non- financial assets</u>	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	7,351,291	33,132,012
Refurbishment of buildings	4,344,007	11,775,619
Construction of roads	8,338,305	58,312,377
Construction and civil works	120,371,349	56,511,385
Overhaul and refurbishment of construction & civil works	-	-
Purchase of vehicles and other transport equipment	32,472,090	4,048,200
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	14,015,326	11,370,085
Purchase of office furniture and general equipment		
Purchase of specialized plant, equipment and machinery	40,058,421	27,029,844
Rehabilitation and renovation of plant, machinery and equip.	1,987,300	-
Purchase of certified seeds, breeding stock and live animals	5,825,100	6,120,484
Research, studies, project preparation, design & supervision	130,381,116	143,977,889
Rehabilitation of civil works	1,849,111	2,072,398
Acquisition of strategic stocks and commodities		
Acquisition of land	-	-
Acquisition of intangible assets	-	-
<b>Total acquisition of non- financial assets</b>	<b>366,993,416</b>	<b>354,350,293</b>
<b>Financial assets</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>366,993,416</b>	<b>354,350,293</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Notes to the Financial Statements (Continued)

10. Finance Costs, including Loan Interest

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank charges	248,991	220,765
Interest payments on foreign borrowings		
Interest payments on guaranteed debt taken over by govt		
Interest on domestic borrowings (non-govt)		
Interest on borrowings from other government units		
<b>Total</b>	<b>248,991</b>	<b>220,765</b>

11. Repayment of Principal on Domestic Lending and On-Lending

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Repayments on borrowings from domestic	-	-
Principal repayments on guaranteed debt taken over by govt	-	-
Repayments on borrowings from other domestic creditors	-	-
Repayment of principal from foreign lending & on – lending	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

12. Other Payments

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Budget Reserves		
Civil Contingency Reserves		
Other payments (Pending Bills Paid)	308,988,057	240,387,788
<b>Total</b>	<b>308,988,057</b>	<b>240,387,788</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc.	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Taita Taveta County Recurrent Account - Cbk	1000170263	Recurrent	84	8,401
Taita Taveta County Village Polytechnic	1000368519	Project	502	502
Result Based Financing	1000291745	Project	2,660,828	(0)
Kenya Climate Smart Agriculture Project	1000365455	Project	0	0
Agriculture Sector Support Project-CBK	1000365463	Project	-	-
Taita Taveta Eu Ideas Banana Process-CBK	1000399473	Project	9	9
Mwatate Municipality Urban Grant-Dev	1000386835	Project	1	-
Mwatate Municipality Urban Inst Gr-Rec	1000370858	Project	1	1
Taita Taveta County Public Service Board	1152450379	Imprest	1,113,017	71
Taita Taveta County Education Imprest Account	1152721747	Imprest	2,620	2,620
Taita Taveta County Revenue Imprest Account no:	1205281940	Imprest	87,434	2,471
Taita Taveta County -CHMT Danida Acc	1167689542	Project Operations	3,422,275	3,911,157
Taita Taveta County Treasury Imprest Account	1172668035	Imprest	12,459,311	2,125,309
Taita Taveta County -Kenya Devolution Support Programme	427184001	Project Operations	2,738	31,271
Taita Taveta County Development Account - Cbk	1000170228	Development	3,951	57,168
Taita Taveta County Road Maintenance Levy Account	1000268767	Project	27,132	5,327,240
Taita Taveta County Deposit Account No.	1000251174	Deposits	3,346,324	32,840,359
Taita Taveta Eu Ideas Banana Process-KCB	1252445024	Project Operations	2,738	2,738
TTC Agriculture Sector Development Support Project-Coop	01141222798000	Project Operations	11,617,850	1,518,499
KCSAP TAITA TAVETA-Coop	0114122279900	Project Operations	9,379,535	115,106,057
Taita Taveta County -Water & Sanitation	1000392867	Project Operations	1	1
Taita Taveta County RIG Operations Account	0790280132560	Project Operations	392	392
Taita Taveta County Facility Improvement Fund	1293040819	Facility Operations	-	-
Taita Taveta County Climate Change-Cbk	1000567856	Project Operations	23,567	

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

Taita Taveta County Climate Change	1313861995	Project Operations	1,535,518	
Taita Taveta County Nat Agr Val Cha-Kes	1000718269	Project Operations	-	
Taita Taveta County National Agri Value Chain		Project Operations	67,192,729	
Taita Taveta County Government Settlement Ac	0790280844716		30,000,000	
<b>Total</b>			<b>142,878,556</b>	<b>160,934,265</b>

**13 B Cash in Hand**

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cash in hand – Held in Domestic Currency	-	159,451
Cash in hand – Held in Foreign Currency	-	-
<b>Total</b>	<b>-</b>	<b>159,451</b>

Cash in hand should also be analysed as follows:

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Taveta Sub County Hospital	-	160.00
Taveta Sub County Livestock Dept	-	-
Taveta Sub County Revenue Office	-	10,600.00
Moi County Referral Hosp Mpesa 593856	-	97,881.00
Taveta Sub County Hospital Mpesa 593863	-	16,740.00
Wundanyi sub-County Hospital Mpesa 899131	-	-
Wesu Sub County Hospital Mpesa 593858	-	13,950.00
Mwatate Sub County Hospital Mpesa 593948	-	20,120.00
<b>Total</b>	<b>-</b>	<b>159,451.00</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Notes to the Financial Statements (Continued)

14. Outstanding imprests and advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Government Imprests	1,615,200	2,528,800
Salary Advance		
Clearance accounts		
<b>Total</b>	<b>1,615,200</b>	<b>2,528,800</b>

15. Deposits and Retention

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Deposits	12,266,337	24,304,732
Retention Monies		
<b>Total</b>	<b>12,266,337</b>	<b>24,304,732</b>

16. Fund Balance Brought Forward

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank Accounts	160,934,265	270,853,627
Cash in Hand	159,451	163,144
Accounts Receivables	2,528,800	5,926,155
Accounts Payables	(24,304,732)	(31,557,140)
<b>Total</b>	<b>139,317,784</b>	<b>245,385,786</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Notes to the Financial Statements (Continued)

17. Prior Year Adjustments

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

	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f
Description Of the Error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash in Hand	-	-	-
Outstanding Imprests and Advances	-	-	-
Third party deposits and Retention	-	-	-
Others ( <i>Specify</i> )	-	-	-
<b>Total</b>	-	-	-

18. Increase/ (Decrease) in Outstanding Imprests and Advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Imprest and Advances as at 1 <sup>st</sup> July (A)	2,528,800	5,926,155
Imprest and Advances as at 30 <sup>th</sup> June (B)	1,615,200	2,528,800
Increase)/ Decrease in Imprest and Advances (C=(B-A))	<b>913,600</b>	<b>3,397,355</b>

19. Increase/ (Decrease) in Deposits and Retention

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Deposits and Retention s as at 1 <sup>st</sup> July (A)	24,304,732	31,557,140
Deposits and Retention as at 30 <sup>th</sup> June (B)	12,266,337	24,304,732
Increase/ (Decrease) in Deposits and Retentions C= B-A	<b>(12,038,395)</b>	<b>(7,252,408)</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	204,921,934	76,704,506	36,160,867	245,465,572
Construction of Civil Works	376,517,646	59,474,277	44,997,228	390,994,694
Supply of Goods	399,397,086	40,851,843	168,139,547	272,109,382
Supply of Services	219,438,478	44,936,516	36,528,095	227,846,899
<b>Total</b>	<b>1,200,275,144</b>	<b>221,967,141</b>	<b>285,825,738</b>	<b>1,136,416,547</b>

2. Pending Staff Payables (See Annex 3)

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-			
Middle management	-			
Unionisable employees	-			
Statutory Deductions	208,952,556	315431021.6	208952556	315,431,022
<b>Total</b>	<b>208,952,556</b>	<b>315431021.6</b>	<b>208952556</b>	<b>315,431,022</b>

3. Other Pending Payables (See Annex 4)

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	19,707,367.00	-	19,707,367.00	-
Amounts due to County Government Entities	-	-	-	-
Amounts due to Third Parties	18,978,803.85	-	-	18,978,803.85-
<b>Total</b>	<b>38,686,170.85</b>	<b>-</b>	<b>19,707,367.00</b>	<b>18,978,803.85</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

**Other Important Disclosures**

**4. External Assistance**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	-	-
External Assistance received In Kind- as Payment by Third Parties	-	-
<b>Total</b>	-	-

**a) External assistance relating to loans and grants**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External Assistance received as Loans	-	-
External Assistance received as Grants	-	-
<b>Total</b>	-	-

*(Total here to tie to line 2 of note 4)*

**b) Undrawn external assistance**

	Purpose for which the undrawn external assistance may be used	FY 2022-2023	FY 2021-2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
<b>Total</b>		-	-

*(This is a disclosure of the assistance not yet received as per donor agreements)*

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

**Other Important Disclosures**

**c) Classes of providers of external assistance**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

*(Provide details for external assistance e, g. Economic development or welfare objective, Emergency relief, Trading activities etc. The total here should tie to totals of note 4)*

**d) Non-monetary external assistance**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc. N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement The totals here tie with line 3 of note 4).*

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Other Important Disclosures**

**e) Purpose and use of external assistance.**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to Other Government Entities	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used. (The total here should tie to the note 4 on external assistance)*

**f) External Assistance paid by Third Parties on behalf of the County Executive by Source**

*This relates to external assistance paid directly by third parties to settle obligations on behalf of the County Executive.*

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Other Important Disclosures**

**5. Payments by Third Party on Behalf of the County Executive**

This relates to payments made directly to supplier on behalf of the county Executive. For example, the national government may fund the operations of health or education program, a donor may pay directly for construction of a given market etc.

**5.1 Classification by Source**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Other County Entities	-	-
Others	-	-
<b>Total</b>	-	-

**5.2 Classification of payments made by Third Parties by Nature of expenses.**

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Repayment of principal on domestic & foreign borrowing	-	-
Other payments	-	-
<b>Total</b>	-	-

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Other Important Disclosures**

**6. 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**

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)		
<b>Transfers To Related Parties</b>		
Transfer to the County Assembly	-	4,000,000
Transfers to Other County Government Entities	152,000,000	85,025,282
Transfers to Development Projects	15,911,491	10,000,000
Transfers to Non-Reporting Entities E.G Schools And Welfare	3,000,000	
Transfers to County Water Service Providers	594,396,254	304,791,286
Expenses paid on Behalf Of County Water Service Providers		
<b>Total Transfers To Related Parties</b>	<b>765,307,745</b>	<b>403,816,568</b>
<b>Transfers From Related Parties</b>		
Transfers From The Exchequer		
Transfers From MDAs		
Transfers From SCs And SAGAs - National Government		
(Insert Any Other Transfers Received)		
<b>Total Transfers from Related Parties</b>	<b>-</b>	<b>-</b>

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**Other Important Disclosures**

**7. 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.

Entity	Date Established	Location	Accounting Officer responsible
Tevevo Water & Sewerage Co.		Voi	Mr. Reuben Mwashuke Kitololo
Emergency Fund	2014	Mwatate	CPA Nashon Chovu Nyali
Education Fund	2015	Wundanyi	Ms. Lonyce Wakesho Mwakio
Car Loan & Mortgage Fund	2015	Mwatate	CPA Nashon Chovu Nyali
Datu Sawazisha Fund	2015	Mwatate	Ms. Rina Ndamu Mwanake

**8. 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 current financial year, amounts relating to leased medical equipment was Kshs Nil and Kshs Nil for the previous Financial year.

**9. Contingent Liabilities**

Contingent Liabilities	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Court Case X Against the Entity	-	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising from PPPs	-	-
<b>Total</b>	-	-

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

**16. Progress On Follow Up On Prior Year Auditor's Recommendations**

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

<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>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Variations Between Transfers from County Executive and County Assembly		Resolved	30 <sup>th</sup> June 2023
2	Unverified County Owned Generated Receipts		Resolved	30 <sup>th</sup> June 2023
3	Unconfirmed Payments to Project Accounts		Resolved	30 <sup>th</sup> June 2023
4	Irregularities in Non-Current Assets		Resolved	30 <sup>th</sup> June 2023
5	Voided Transactions		Resolved	30 <sup>th</sup> June 2023
6	Unsupported Supplementary Budgets and Unexplained Variance		Resolved	30 <sup>th</sup> June 2023
7	Long Outstanding and Inaccurate Pending Bills Balances		Resolved	30 <sup>th</sup> June 2023
8	Irregularities in Receipts		Resolved	30 <sup>th</sup> June 2023
9	Budgetary Control and Performance		Resolved	30 <sup>th</sup> June 2023

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

**Date...28<sup>th</sup> -Nov -2023**

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

17. Annexes

Annex 1 – Analysis of Transfers From the CRF

Period (2022-2023)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	747,342,315	972,329,353	747,239,602	1,926,662,216	4,393,573,486
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	-	-
World Bank – THUSCP	-	4,602,548.00	-	8,500,000	13,102,548.00
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	-	-
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Kenya Urban Support Programme (UDG)	10,571,577.00	-	-	2,339,915	12,911,492
Kenya Urban Support Programme (UIG)	-	-	-	-	-
Agriculture Sector Development Support Proj	3,000,000.00	-	17,921,715.00	-	20,921,715
Kenya Climate Smart Agriculture Project	-	-	124,522,005.00	23,340,762	147,862,767
Water and Sanitation Development Project	-	-	300,208,691.00	269,187,563	569,396,254
Locally Led Climate Action Programme	-	-	-	16,000,000	16,000,000
National Agricultural Value Chain dev Project	-	-	-	67,192,729	67,192,729
<b>Total</b>	<b>760,913,892.00</b>	<b>976,931,901.00</b>	<b>1,189,892,013.00</b>	<b>2,313,223,185.00</b>	<b>5,240,960,991</b>

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

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>							
Education & Libraries		26,248,471	26,248,471	-	2,592,646	23,655,825	
Health Services		35,577,039	35,577,039	-	13,505,777	22,071,262	
Other Departments		143,096,423	143,096,423	76,704,507	20,062,444	199,738,486	
<b>Sub-Total</b>		<b>204,921,934</b>	<b>204,921,933</b>	<b>76,704,507</b>	<b>36,160,867</b>	<b>245,465,573</b>	
<b>Construction of civil works</b>							
Public Works		128,472,150	128,472,150		13,202,085	115,270,065	
Water and Sanitation & Trade Departments		88,235,276	88,235,276		16,476,176	71,759,100	
Other Departments		159,810,223	159,810,223	59,474,274	15,318,968	203,965,529	
<b>Sub-Total</b>		<b>376,517,646</b>	<b>376,517,648</b>	<b>59,474,274</b>	<b>44,997,228</b>	<b>390,994,694</b>	
<b>Supply of goods</b>							
Health Services		117,723,747	117,723,747	-	105,653,458	12,070,289.15	
Agriculture		107,099,955	107,099,955	-	1,680,000	105,419,955.15	
Other Departments		174,573,385	174,573,385	40,851,842.68	60,806,090	154,619,137.40	
<b>Sub-Total</b>		<b>399,397,086</b>	<b>399,397,086</b>	<b>40,851,842.68</b>	<b>168,139,547</b>	<b>272,109,382</b>	
<b>Supply of services</b>							
Health Services		98,816,770	98,816,770		-	98,816,770.00	
Governor's Office		100,104,245	100,104,245		-	100,104,245.36	
Other Departments		20,517,462	20,517,462	44,936,516	36,528,094.70	28,925,883.53	
<b>Sub-Total</b>		<b>219,438,478</b>	<b>219,438,478</b>	<b>44,936,516</b>	<b>36,528,095</b>	<b>227,846,899</b>	
<b>Grand Total</b>		<b>1,200,275,144</b>	<b>1,200,275,145</b>	<b>221,967,140</b>	<b>285,825,738</b>	<b>1,136,416,547</b>	

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Annex 3 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2022-2023	2021-2022	
			a	b	c=a-b		
<b>Senior Management</b>							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-	-
<b>Middle Management</b>							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-	-
<b>Unionisable Employees</b>							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-	-
<b>Others : Salaries</b>			315,431,022		315431022	208,952,556	
	-	-			-	-	-
	-	-			-	-	-
<b>Sub-Total</b>	-	-			-	208,952,556	--
<b>Grand Total</b>	-	-	315,431,022	-	315431022	208,952,556	-

County Executive of Taita Taveta  
**Annual Report and Financial Statements**  
For the year ended June 30 2023

**Annex 4 – Analysis Of Other Pending Payables**

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
			a	b	c=a-b		
<b>Amounts Due To National Govt Entities</b>							
1.	-	-	-	-	-	19,707,367	
2. Others	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-		
<b>Amounts Due To County Govt Entities</b>							
	-	-	-	-	-	-	
	-	-	-	-	-	-	
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
	-	-	-	-	-	-	
	-	-	18,978,803.85	-	18,978,803.85	18,978,804	
	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	18,978,803.85	-	18,978,803.85	-	-
	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	-	
<b>Grand Total</b>	-	-	18,978,803.85	-	18,978,803.85	38,686,171	

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Annex 5 –Analysis Of imprests and Advances

(a) Government Imprest

Name of Officer or Institution	Admin Code	Amount Taken	Amount Surrendered	Balance	FY 2021-2022
		Kshs	Kshs	Kshs	Kshs
County Assembly	3261	-	-	-	-
Public Service & Administration	3262	60,000	-	60,000	150,000
Office of the Governor	3263	253,200	-	253,200	1,340,600
Finance and Planning	3264	100,000	-	100,000	-
Agriculture Livestock & Fisheries	3265	-	-	-	-
Water and Irrigation	3267	-	-	-	-
Education and Libraries	3268	-	-	-	-
Health	3269	-	-	-	-
Trade, Tourism & Cooperative Development	3270	-	-	-	1,038,200
County Public Service Board	3271	-	-	-	-
Infrastructure and Public Works	3272	112,400	-	112,400	-
Lands Environment and Natural Resources	3273	922,000	-	922,000	-
Mining & ICT	3275	-	-	-	-
Youth, Gender & Sports	3276	167,600	-	167,600	-
<b>Total</b>		<b>1,615,200</b>	<b>-</b>	<b>1,615,200</b>	<b>2,528,800</b>

(b) Salary Advance

Name Of Officer	Date Advanced	Amount Advanced	Amount Recovered	Balance as at (insert current FY)
		Kshs	Kshs	Kshs
Name Of Officer	-	-	-	-
Name Of Officer	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

County Executive of Taita Taveta  
**Annual Report and Financial Statements**  
For the year ended June 30 2023

**Annex 6 – Summary of Non-Current Asset Register**

Asset Class	Historical Cost b/f (Kshs) 2021-22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2022-2023
Land	2,242,408,724	-	-	-	2,242,408,724
Buildings And Structures	629,439,687	11,695,298	-	-	641,134,985
Transport Equipment	217,240,270	32,472,090	-	-	249,712,360
Office Equipment, Furniture And Fittings	71,954,922	14,015,326	-	-	85,970,248
ICT Equipment	22,041,806	-	-	-	22,041,806
Machinery And Equipment	205,849,985	40,058,421	-	-	245,908,406
Heritage And Cultural Assets	-	-	-	-	-
Biological Assets	85,563,534	5,825,100	-	-	91,388,634
Intangible Assets	504,753,473	130,381,116	-	-	635,134,589
Infrastructure Assets- Roads, Rails	1,097,031,103	132,546,065	-	-	1,229,577,168
Work In Progress	-	-	-	-	-
<b>Total</b>	<b>5,076,283,504</b>	<b>366,993,416</b>	<b>-</b>	<b>-</b>	<b>5,443,276,920</b>

County Executive of Taita Taveta  
**Annual Report and Financial Statements**  
For the year ended June 30 2023

**Annex 7 – Inter-Entity Transfers**

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred	Amount Confirmed as received
						KShs	KShs
1	Taita Taveta County Assembly	-	-	-	-	-	-
2	Taita Taveta County Mortgage Account	-	-	-	10,000,000	10,000,000	10,000,000
3	Taita Taveta County Education Fund	-	21,000,000	75,000,000	46,000,000	142,000,000	142,000,000
4	Taita Taveta County Emergency Account	-	-	-	-	-	-
5	Tevevo Water & Sanitation (WSDP)	-	-	300,208,691	269,187,563	569,396,254	569,396,254
6	Mwatate Municipality UDG Account	10,571,576	-	-	-	10,571,576	10,571,576
7	Mwatate Municipality UIG Account	-	-	3,000,000	2,339,915	5,339,915	5,339,915
8	Level 4 Hospital	-	-	-	-	-	-
9	TAVEVO Water & sanitation (WSTF)	-	12,500,000	12,500,000	-	25,000,000	25,000,000
10	Transfer to the council of governors	-	-	3,000,000	-	3,000,000	3,000,000
	<b>Total</b>	<b>10,571,576</b>	<b>33,500,000</b>	<b>393,708,691</b>	<b>327,527,478</b>	<b>765,307,745</b>	<b>765,307,745</b>

.....  
County Chief Office-Finance  
County Executive

.....  
Director of Finance  
County Executive

**County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023**

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**Annex 8 – Contingent Liabilities Register**

	<b>Nature of contingent liability</b>	<b>Payable to</b>	<b>Currency</b>	<b>Estimated Amount Kshs</b>	<b>Expected date of payment</b>	<b>Remarks</b>
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

County Executive of Taita Taveta  
**Annual Report and Financial Statements**  
 For the year ended June 30 2023

**Annex: 9 Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

County Executive of Taita Taveta  
Annual Report and Financial Statements  
For the year ended June 30 2023

Annex 10 Reporting on Disaster Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount(Kshs.)	Comments



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