

REPUBLIC OF KENYA

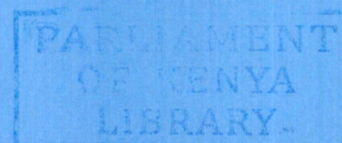


Enhancing Accountability

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REPORT

OF



THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

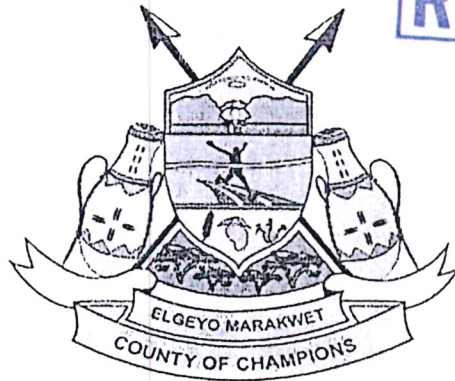
**FOR THE YEAR ENDED
30 JUNE, 2022**

**COUNTY GOVERNMENT OF
ELGEYO MARAKWET**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
27 MAR 2023
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14 FEB 2023



COUNTY REVENUE FUND
COUNTY GOVERNMENT OF ELGEYO MARAKWET
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022.

County Government of Dagestan

County Revenue Fund

Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

County Government of Elgeyo Marakwet
County Revenue Fund
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

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County Government of Elgeyo Marakwet
County Revenue Fund
Annual Report and Financial Statements for the financial year ended 30th June 2022

1. Key Entity Information and Management

a) Background information

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

Vision

A destination of choice for tourism, sports and investments

Mission



To provide innovative and high-quality services in an equitable, socially inclusive, open and economically transformative environment for accelerated development, harnessing of potentials and nurturing of talents

Core Values

- ✓ Professionalism
- ✓ Team work
- ✓ Accountability
- ✓ Transparency
- ✓ Responsiveness
- ✓ Integrity

b) Key Management


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

Ref	Name	Designation	Details of qualifications	Experience
1.	 Alphaeus K. Tanui	CECM - FINANCE AND ECONOMIC PLANNING	MBM-FINANCE PHD (Ongoing)	10 years' experience in various fields
2.	 John Keen Murkeu	Director Accounting Services /Ag. Chief Officer- Finance	MBA, B.Com (Finance), CPA (K)	30 years' experience in various fields in Accounting and Finance and 10 years' experience as a Director of Budget/Accounting

County Government of Elgeyo Marakwet

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30th June 2022

3.	 David Chebii	Deputy Director Accounting Services	MBA (Finance), CPA (K) CIFA(K)	26 Years in Accounting and Finance
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c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Alphacus K.Tanui
2.	Accounting Officer in charge of Finance	JohnKeen Murkeu Jairo
3.	Deputy Director Accounting Services	David K.Chebii

d) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements include;

- The Internal Audit department responsible for ensuring proper recording of all books of Account.
- The Controller of Budget approves Exchequers requisitions in line with the Approved Budget
- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee
- Parliamentary committee activities
- Development partner oversight activities

e) County Headquarters

P.O. Box 220-30700

Elgeyo Marakwet County Treasury Building, Iten

Eldoret -Iten Road

ITEN, KENYA

f) County Contacts

Telephone: 053-4142277

E-mail: elgeyomarakwet.go.ke

Website: www.elgeyomarakwet.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

P.O. Box 220-30700

Elgeyo Marakwet County Treasury Building, Iten

Eldoret -Iten Road

ITEN, KENYA

County Government of Elgeyo Marakwet
County Revenue Fund
Annual Report and Financial Statements for the financial year ended 30th June 2022

2. Statement by the CECM Finance

The annual report and financial statements for the period ended 30th June, 2022 for the County Revenue Fund have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government operates County Revenue Fund (CRF) account number 1000171723 held at Central Bank of Kenya.

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 6,663,573,487 in the FY 2021/2022 comprising of:

Recurrent Expenditure	-Sh. 3,568,225,078
Development Expenditure	-Sh. <u>3,095,348,409</u>
Total	<u>Ksh. 6,663,573,487</u>

The Revenue performance against the Approved budget for the FY 2021/2022 is tabulated below;

Revenue Sources	Approved Estimates (Net)	Actual Transfers	Percent of tota (%)
CRA Share	4,606,532,480	4,238,009,884	92%
Local Revenue	266,100,000	163,587,784	61%
Balance b/d (Roll-over funds)	1,078,886,624	7,369,764	1%
World Bank		-	0%
Kenya Climate Smart Agriculture Project(KCSAP)	350,000,000	158,523,596	45%
Emergency Locusts Response	47,838,667	17,626,781	37%
KISIP II (Kenya Informal Sett. Improvement Project	50,000,000	-	0%
KDSP-II	184,795,683	184,795,683	100%
Transforming Health Systems -THS	37,021,153	36,633,382	99%
Other Grants and Loans		-	0%
Agricultural Sector Dev.Support (ASDSP) -Sweden	23,843,630	11,920,195	50%
Nutrition International	10,000,000	5,000,000	50%
Support to Abolishment of User Fees in H/C & Dispensaries	8,555,250	4,277,625	50%
RMLF	-	-	
Total	6,663,573,487	4,827,744,694	72%

During the year, the total transfers received to the County Revenue Fund amounted to Kshs. 4,827,744,694 against an approved budget of **Kshs.6,663,573,487**. This translates to 72%.

County Government of Elgeyo Marakwet
County Revenue Fund
Annual Report and Financial Statements for the financial year ended 30th June 2022

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the year is summarized below;

Transfers to County Executive	4,588,451,226
Transfers to County Assembly	<u>591,875,056</u>
Total Ksh.	<u>5,180,326,282</u>

In conclusion, the financial statements for County Revenue Fund for the County Government of Elgeyo Marakwet for the period ended 30th June, 2022 reflect the true and fair view.



.....
Alphaeus K. Tanui
CECM Finance and Economic Planning
County Government of Elgeyo Marakwet



County Government of Elgeyo Marakwet
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

3. Management Discussion and Analysis

The County Government of Elgeyo Marakwet operates on a Revenue Ceiling of Sh. 6,663,573,487 in the FY 2021/2022 comprising of:

Recurrent Expenditure	-Sh. 3,568,225,078
Development Expenditure	-Sh. 3,095,348,409
Total	<u>Ksh. 6,663,573,487</u>

During the year, the total transfers received to the County Revenue Fund amounted to Kshs. 4,827,744,694 against an approved budget of Kshs.6,663,573,487. This translates to 72%.

The total transfers from County Revenue fund (CRF) as approved by the Controller of Budget during the year is summarized below;

Transfers to County Executive	4,588,451,226
Transfers to County Assembly	<u>591,875,056</u>
Total	<u>5,180,326,282</u>

Reconciliation of County Revenue Fund

The movement of funds in the County Revenue Fund during the year is reconciled as follows;

	2021/22	2020/21
	Kshs.	Kshs.
Opening Cashbook Balance 1.7.2021	378,742,279	-
Add Transfers to CRF		
Exchequer releases	4,238,009,884	-
Transfers from other government agencies	228,981,580	-
Other grants	189,795,683	-
Own Source Revenue	163,587,784	
Return to CRF issues	7,369,764	-
Total	5,206,486,974	-
Less: Transfers from CRF		
Transfers to County Executive	4,588,451,226	-
Transfers to County Assembly	591,875,056	-
Other Transfers	-	-
Total Payments	5,180,326,282	-
Closing Cashbook Balance 30.6.2022	26,160,692	-

The Cashbook balance as at 30th June 2022 is Sh.26,160,692.

4. Statement of Management Responsibility

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

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

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

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 3rd February, 2023.

Signature 

Name: John Keen Murken Jairo

Ag. Chief Officer - Finance

County Government of Elgeyo Marakwet

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

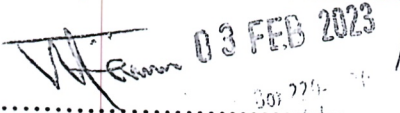
Transfers from the County Revenue Fund

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

Financial Reporting requirements

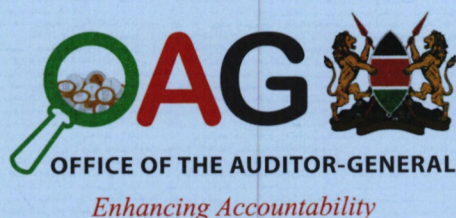
The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

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


.....
Name: John Keen Murkeu Jairo
Ag. Chief Officer – Finance

REPUBLIC OF KENYA

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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 REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2022 COUNTY - GOVERNMENT OF ELGEYO MARAKWET

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2022 County - Government of Elgeyo Marakwet

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial performance of the County Revenue Fund - County Government of Elgeyo Marakwet for the year then ended, in accordance with international Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

Inaccuracy of Closing Fund Balance

The statement of receipts and payments reflects closing fund balance for the year of Kshs.26,160,681. However, balance differs with County Revenue Fund bank statement balance of Kshs.719,370,231 resulting to unreconciled variance of Kshs.693,209,550.

In the circumstances, the accuracy and completeness of the closing fund balance of Kshs.26,160,681 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget actual amounts reflects an approved budget of Kshs.6,663,573,482 against actual receipts of Kshs.4,827,744,695 resulting to an underfunding of Kshs.1,835,828,787 or 27.5% of the approved budget.

The under-funding is an indication that some activities and projects in the annual work plan were not implemented. This is likely to have negative effect on service delivery to the residents of the County of Elgeyo Marakwet.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

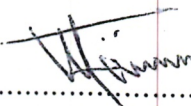
Nairobi

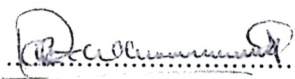
24 April, 2023

County Government of Elgeyo Marakwet
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

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

		2021/22	2020/21
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	4,238,009,884	-
Transfers from other government agencies	2	228,981,580	-
Other grants	3	189,795,683	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	163,587,784	-
Return to CRF issues	7	7,369,764	-
Total Receipts		4,827,744,695	-
Payments			
Transfers to County Executive	8	4,588,451,226	-
Transfers to County Assembly	9	591,875,056	-
Other Transfers	10	-	-
Total Payments		5,180,326,282	-
Net increase (decrease) in cash for the year		(352,581,587)	-
Add Opening fund balance b/f	11	378,742,279	-
Closing Fund balance for the period	11	26,160,692	-


 03-FEB 2023
 Name: John Keen Murkeu Jairo
 Ag.Chief Officer -Finance
 ICPAK Member Number: 8112
 Date: 3rd February,2023


 Name: David K. Chebii
 Ag.Head of Accounting Services
 ICPAK Member Number: 8088
 Date: 3rd February,2023

County Government of Elgeyo Marakwet
 County Revenue Fund
 Annual Report and Financial Statements for the financial year ended 30th June 2022

8. Statement of Comparison of Budget Actual Amounts for the year ended 30th June, 2022.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer releases	4,606,532,480	-	4,606,532,480	4,238,009,884	368,522,596	92%
Transfers from other government agencies	419,420,033	97,838,667	517,258,700	228,981,580	288,277,120	44%
Other conditional grants	184,795,683	10,000,000	194,795,683	189,795,683	5,000,000	99%
Proceeds from Domestic Borrowing		-	-	-	-	-
Proceeds from Foreign Borrowing	-	-	-	-	-	-
Own Source Revenue	166,100,000	100,000,000	266,100,000	163,587,784	102,512,216	61%
Return to CRF issues	1,275,368,620	(196,482,001)	1,078,886,619	7,369,764	1,071,516,855	1%
Total Receipts	6,652,216,816	11,356,666	6,663,573,482	4,827,744,695	1,835,828,787	72%
Payments						
Transfers to County Executive	6,058,961,848	11,356,668	6,070,318,516	4,588,451,226	1,481,872,290	76%
Transfers to County Assembly	593,254,972	-	593,254,972	591,875,056	1,379,916	100%
Others	-	-	-	-	-	-
Total Payments	6,652,216,820	11,356,668	6,663,573,488	5,180,326,282	1,374,065,579	78%
Balance	-	-	-	(352,581,587)		

County Government of Elgeyo Marakwet
County Revenue Fund
Annual Report and Financial Statements for the financial year ended 30th June 2022

Notes:

- (a) The County Government did not receive the last disbursement of Sh. 368,527,602 for the equitable share from National Treasury during the year.
- (b) During the year ,the County Government did not receive transfers and donor funds amounting to Sh.293,277,121 from User fees, KCSAP, Emergency Locusts Response Funds, ASDSP, Nutrition and Kenya Informal Settlement project funds
- (c) Sh.102,512,216 from the own sources revenue was not realized due to low business activities in the year due to high political temperatures experienced during election campaigns.

9. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

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

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

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10. Notes to the Financial Statements

1. Exchequer releases

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

	2021/22	2020/21
	Kshs.	Kshs.
Equitable Share (a)	4,238,009,884	-
Level 5 hospitals (b)	-	-
Others (<i>Specify</i>) (c)	-	-
Total (d=a+b+c)	4,238,009,884	-

2. Transfers from other government agencies

	2021/22	2020/21
	Kshs.	Kshs.
Road Maintenance Levy	-	-
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	4,277,625	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	36,633,382	-
World Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	158,523,597	-
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	-	-
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	11,920,195	-
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	17,626,781	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-

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	2021/22	2020/21
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	-	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	-	-
Total	228,981,580	-

3. Other grants

	2021/22	2020/21
	Kshs.	Kshs.
World Bank-KDSP	184,795,683	-
World Bank -Nutrition International	5,000,000	-
Total	189,795,683	-

4. Proceeds from Domestic borrowing

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

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Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

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

6. Own Source Revenue

Description	2021/22	2020/21
	Kshs.	Kshs.
Cess	10,815,416	-
Land/Poll rate	1,662,512	-
Single/Business permits	10,304,408	-
Property rent	239,534	-
Parking fees	3,215,340	-
Market fees	3,443,391	-
Advertising	2,021,380	-
Hospital fees	118,103,290	-
Public health service fees	2,187,200	-
Physical planning and development	215,800	-
Hire of County Assets	-	-
Conservancy administration	678,600	-
Administration control fees and charges	188,850	-
Park fees	-	-
Other fines, penalties, and forfeiture fees	83,428	-
Miscellaneous	6,593,923	-
Others (<i>Specify</i>)	1,334,712	-
Total	163,587,784	-

Note: The total of own source revenue transferred to CRF tally with disbursements from county Receiver of Revenue

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Notes to the Financial Statements (Continued)

7. Return to CRF Issues

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	7,369,764	-
Development Account (<i>County Executive</i>)	-	-
Recurrent Account (<i>County Assembly</i>)	-	-
Development Account (<i>County Assembly</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	7,369,764	-

Note: The amount relate to unspent balances transferred to CRF from various bank accounts.

8. Transfers to County Executive

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	2,862,489,037	-
Development Account	1,282,912,418	-
Special purpose Accounts	443,049,771	-
Total	4,588,451,226	-

During the year, the Controller of Budget approved total requisition of Sh.4,588,451,226 for spending against approved budget of 5,961,136,889.

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Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

	2021/22	2020/21
	Kshs.	Kshs.
Recurrent Account	591,875,056	-
Development Account	-	-
Special purpose accounts	-	-
Others (<i>Specify</i>)	-	-
Total	591,875,056	-

Note: The total amount transferred to County Assembly is Sh.591,875,056 against the amount of Sh.593,254,972 in the approved Budget for FY 2021/2022

10. Other Transfers

Description	2021/22	2020/21
	Kshs.	Kshs.
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

11. Fund balance

	2021/22	2020/21
	Kshs.	Kshs.
County Exchequer Account - (<i>CBK Account number 1000171723</i>)	378,742,279	-
Total	378,742,279	-

Note: The figure of Sh.378,742,279 is the opening bank balances in County Revenue Fund account held at Central Bank of Kenya account number 1000171723 .The amount is derived from the Cash and Cash Equivalent of the audited figures for Elgeyo Marakwet County Executive for the FY 2020/2021.


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11. Annexes

Annex 1: Progress on follow up of Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
			The CRF financial statement is being prepared for the first time. There is no pending/ unresolved matters	


 03 FEB 2023
 Name : JohnKeen Murkeu Jairo
 Ag.Chief Officer -Finance
 ICPAK Member No: 8112
 Date:3rd February 2023

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

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	760,077,860	1,151,633,120	760,077,860	1,566,221,044	4,238,009,884
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	-	-
World Bank – THUSCP	-	-	-	36,633,382	36,633,382
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	-	-
Kenya Devolution Support Programme	184,795,683	-	-	-	184,795,683
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	4,277,625	4,277,625
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-	-	11,920,195	11,920,195
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	158,523,596	158,523,596
Water and Sanitation Development Project	-	-	-	-	-
World Bank-Emergency Locusts Response	-	-	-	17,626,781	17,626,781
World Bank Nutrition International	-	-	-	5,000,000	5,000,000
Total	944,873,543	1,151,633,120	760,077,860	1,800,202,624	4,656,787,147

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Annex 3: Analysis of Transfers from the County Revenue Fund

Period (2021/22)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	414,657,504	820,704,885	466,898,270	1,160,228,378	2,862,489,037
County Executive -Dev	-	273,107,802	137,883,667	871,920,949	1,282,912,418
County Assembly -Rec	96,067,331	224,561,545	119,548,605	151,697,575	591,875,056
County Assembly -Dev	-	-	-	-	-
Special Purpose A/c (Specify)					
Emergency Locusts Response		-		17,626,781	17,626,781
KCSAP		-	4,400,000	110,031,675	114,431,675
KDSP	184,795,683	-			184,795,683
Maternal Health	15,815,035	-	-	43,335,757	59,150,792
Nutrition International		-		19,859,400	19,859,400
UDG	24,028,387	-			24,028,387
ASDSP	2,000,000	-	8,986,858	12,170,195	23,157,053
Total	737,363,940	1,318,374,232	737,717,400	2,386,870,710	5,180,326,282

