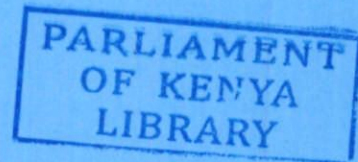


REPORT



OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	23/02/2022
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COMMITTEE	-
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LAIKIPIA COUNTY REVENUE BOARD

**FOR THE YEAR ENDED
30 JUNE, 2020**



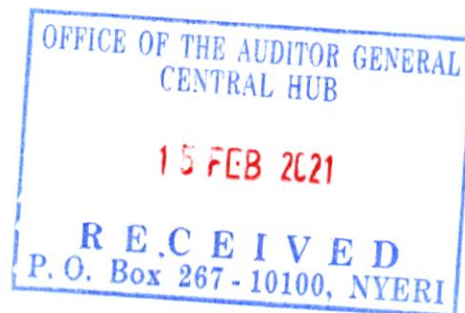


LAIKIPIA COUNTY REVENUE BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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



#Tulipe ushuru tujenge Laikipia pamoja

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Laikipia County Revenue Board
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For the year ended June 30th 2020

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Preamble

The Revenue Board was established by the County Revenue Board ACT, 2014
The Board is a body cooperate with perpetual succession and a common seal.
Objects and Purpose of the ACT is to provide for the Establishment of Legal and Institution Framework for Revenue Administration in order to:

1. Ensure effectiveness and efficiency in revenue administration
2. Facilitate transparency in Revenue Administration
3. Enhance County Income

Functions of the Board

1. Collecting and receiving all County Revenue
2. Administration and Enforcing of the County Laws related to revenue
3. Assessing, collecting and accounting for all revenue in accordance with the County laws related to revenue
4. Advising the County Executive Committee on all matters related to Administration and collecting of revenue under County Laws
5. Carry out such other roles necessary for the implementation of the objects and purpose of this ACT.

Composition of the Board the Board shall consist of;

1. Non-Executive Chairperson appointed by the Governor in consultation with the Executive Committee and with the approval of the County Assembly.
2. The Chief Officer, responsible for Finance
3. Chief Executive Officer who is an ex Officio member and a Secretary to the Board
4. Five Other persons with Knowledge and practical experience in revenue matters under County Laws

Mandate of the Board

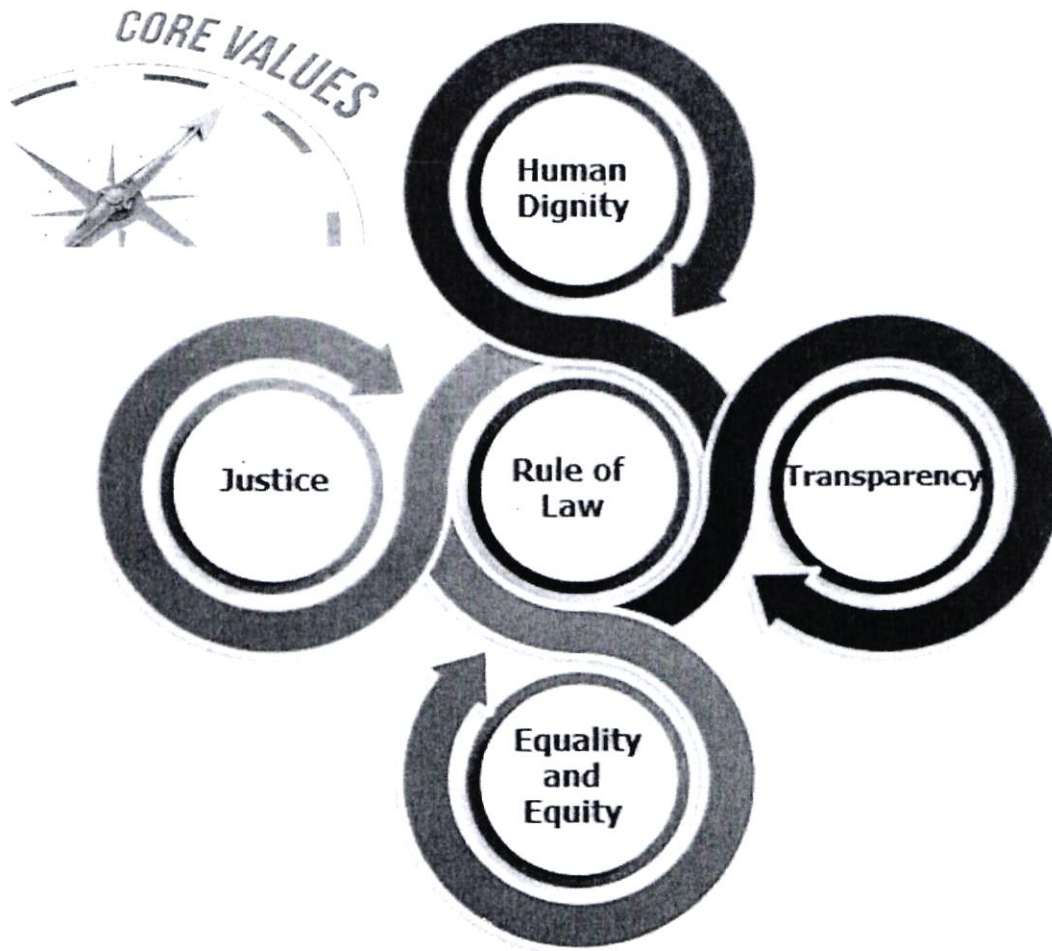
Assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue and advising the county executive committee on all matters related to administration and collection of revenue under county laws;



To be an excellent platform on all domestic revenue matters in Laikipia County Respected for Transparency, Integrity, Fairness and Rule of Law



To build the cost sustainable, secure, cost effective revenue platform that drives economic growth for the County



LAIKIPIA COUNTY REVENUE BOARD

Says Thank You



for paying your taxes
Tulipe Ushuru, Tujenge Laikipia

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Laikipia County Revenue Board was established and derives its authority and accountability from Laikipia County Revenue Board ACT 2014. The Revenue Board is wholly owned by the County Government of Laikipia which is one of the 47 Counties in the Republic of Kenya.

The Board is responsible for; collecting and receiving all county revenue; administering and enforcing county laws related to revenue; assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue; advising the County Executive Committee Member on all matters related to administration and collection of revenue under county laws; and carrying out other roles necessary for the implementation of the objects and purpose of the Laikipia County Revenue Board Act, 2014.

The board comprises of the Chairperson, Chief Executive Officer, five members and Chief Officer responsible for Finance.

The day to day management of the Board is the responsibility of the Chief Executive officer.

Over the years, Laikipia County Government has grown its own source revenue from below ksh. 500M to over ksh. 815M in the last three years. This has been attributed to automation of revenue collection processes, mapping of revenue sources, human resource restructuring, capacity building, implementation of cashless mode of payment, performance based management and tax payers' awareness in regards to payment of taxes and development.

Principle objective

To ensure effective and efficiency in Revenue collection and administration so as to fund the budgetary requirement of the Laikipia County.

Principal Activities

The principal activity of the entity is to offer revenue collection services to the County

Government of Laikipia for sustainable socio-economic development, promote and adopt principle of good governance and achieve high quality work aligned to County Development Goals

(b) Board Committee Members

Ref	Name	Position
1	Wangari Wachira	Chairperson
2	Prudence Waithera	Chief Executive Officer
3	Francis Mathenge	Member
4	Alice Kimemia	Member
5	Stella Kaparo	Member
6	Jeniffer Koinante	Member
7	Samuel Wambugu	Member
8	Paul Njenga	Ag Chief Officer Finance

Wangari Wachira –Chairperson



Has over 25 years of experience in business management, research, monitoring and evaluation in Kenya and U.S.A. She graduated with a Master’s degree in Sociology at California State University, Fullerton, U.S.A and Master’s degree in Counselling Studies and Bachelors in Counselling Studies from the University of Durham, England. Her studies include Participatory Monitoring and Evaluation from Colorado State university.

Prudence Waithera – Chief Executive Officer

Holds a Master Degree in Project Planning and Management from the University of Nairobi and a Bachelor of Science degree in Information Technology from the Jomo Kenyatta University of Agriculture and Technology. She has also attended various professional development training courses in relation to



Information Technology, Leadership and Revenue Administration both within and outside the Country. She has a vast experience in the Public Sector for having worked at Public Service Commission, Transition

Authority and County Government of Meru. While at Public Service Commission she was awarded a commendation for exemplary performance by the Head of Civil Service. Key career achievements are; Formulation of E-government Guidelines and Policies, Development of the County ICT Roadmap, Setting up the devolved system of Government structures and systems in Meru County and Increase of OSR Revenue in Meru County by 64% in the FY 2014/2015.



Alice Kimemia – Member

Alice Kimemia holds a Bachelor of Education (Economics and Business Studies) from the University of Nairobi, Master of Business Administration (Human Resource Management) from Laikipia University, a post graduate Diploma in Early Childhood Education from Kenyatta University, she is a Licensed Certified Human Resource Professional(K), and is currently undertaking a PhD in Human Resource Management at Laikipia University. Her career as an educationist spans over 35 years including

teaching in various high schools and lecturing at Laikipia University in the School of

Business and Kenya Institute of Management covering Business Management and Human Resource Management. As part of continuous professional education and personal development, she has attended amongst other courses the Human Resource Scorecard and Best Practices in Public Service Delivery by ESAMI. She has also been involved in private businesses as an entrepreneur. Alice is a full Member of the Institute of Human Resource Management and the Kenya Institute of Management.



Francis Mathenge - Member

A chartered banker, certified public secretary and a business man in Nanyuki town with many years of experience in corporate governance in the private sector

Jeniffer Koinante – Member

Holds a B.Ed. degree, Degree in HIV/AIDS Guidance and counselling and a Diploma in Early Childhood Education. She is an expert in conflict management and preventive diplomacy, forest Governance, Human Rights Education and Advocacy.





Stella Kaparo - Member

Managing Director Lentile Limited, livestock Rancher in Laikipia North and conservationist by professional with an education background in wildlife and Resource Management.

Samuel Wambugu – Member

Holds a Master degree in development studies, master degree in nutrient science in infant feeding and young children, bachelor of arts in education, Diploma in Education, Diploma in forensic psychology and law, currently pursuing a PHD in dev development studies



Paul Njenga – Member

Ag. Chief Finance Officer Department of Planning and County development. Holds an MBA (finance option), certified Institute of Purchasing and Supplies (CIPS – UK) member of KISN and currently pursuing a PHD in business administration finance option.

(c) Key management

Ref	Name	Position
1	Prudence Waithera	Chief Executive Officer
2	John Ngigi	Ag. Director of Revenue
3	Joseph Gichuki	Head of ICT
4	Ben Wangai	Head of Accounting Revenue
5	Susan Nyambura	Head of Reconciliation Unit
6	Grace Wanjiku	Head of Compliance and Monitoring
7	Raphael Jomo	Sub county Revenue Receiver Laikipia East
8	Peter Kimondo	Sub County Revenue Receiver Nyahururu Division
9	Esther Gachengo	Sub County Revenue Receiver Rumuruti Division
10	Beatrice Wangari	Sub County Revenue Receiver Laikipia West Division
11	James Letumper	Sub County Revenue Receiver Laikipia North Division

(i) Key Management

Prudence Waithera - Chief Executive Officer



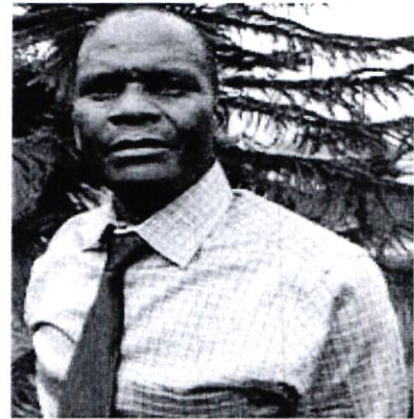
John Ngigi – Ag. Director



Ben Wangai - Head of Accounting Revenue



Joseph Gichuki - Head of ICT



Susan Nyambura - Head of Reconciliation



Grace Muchiri - Head of Compliance
and Monitoring



Raphael Jomo - Sub County Revenue
Revenue Receiver Laikipia East



Peter Kimondo - Sub County
Receiver Nyahururu Division



Esther Gachengo - Sub County Revenue
Receiver Rumuruti Division



Beatrice Wangari - Sub County
Revenue Receiver Marmanet Division



James Letumper - Sub County Revenue Receiver
Laikipia North Division



(d) LCRB Offices

P.o. Box 1271
Annex County Offices
Nanyuki, Kenya

(e) LCRB Contacts

Telephone: (254) 757701850
E-mail: lcrb@laikipia.go.ke
Website: www.laikipiarevenue.co.ke

(f). Board Bankers

- i. Central Bank of Kenya
P.O. Box 60000 - 00200
Nairobi, Kenya

- ii. Cooperative bank of Kenya
P.O. Box 1463 - 10400
Nanyuki, Kenya

The County Legal
Attorney P.O. Box 1271 - 10400
Nanyuki, Kenya

(g). Independent Auditors
Auditor General

Office of the Auditor General
Anniversary Towers, University Way P.O. Box
30084 - 00100 Nairobi, Kenya

(i) Our Partners

1. County Government of Laikipia
P.o. Box 1271 -10400
Nanyuki, Kenya

2. Department of Finance, Planning and County
Development
County Government of Laikipia
P.o. Box 1271 -10400
Nanyuki, Kenya

3. Laikipia County Assembly
P.o Box 487 – 10400,
Nanyuki, Kenya
Email: info@laikipiaassembly.go.ke

STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

The key development objectives of the Laikipia County Revenue Board 2018-2022 plan are:

- i. To enhance locally generated revenue
- ii. To enhance Effectiveness and efficiency in revenue collection processes
- iii. Formulation of the Revenue Board Regulations
- iv. Human Resource Development
- v. Civic Education to the tax payers on Revenue Matters

Table 1: Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Revenue management services	To enhance locally generated revenue	% Increase on Own Source Revenue	25% Increase in Revenue Collection	Attained 72% budget implementation
Revenue Automation	To enhance Effective and efficiency in revenue collection processes	No of revenue streams automated	1. No of Revenue Centres Connected 2.No of revenue streams automated	12 wards Connected to the Revenue Board Network Infrastructure, 81% automation
Formulation of the Revenue Board Regulation	To enhance capacity of the Board	To have Adequate Legal Framework in place	To develop at least two policy document	Enactment of the Finance ACT 2019/2020
Revenue Board Restructuring and Human Resource	To improve the Capacity of the Revenue Board	Adequate and Skilled staff	To train at least 109 staff on Revenue Administration and Reporting, 6 Board members	1.Trained 192 Revenue Collectors on Customer care, 2.Trained 28 Senior Staff of the Revenue Board on Revenue Administration and Reporting, Cooperate Culture and Ethics and Performance Management Appraisal 3.Trained 6 Board Members on Human Resource Score card, Balanced Score card and Strategic Leadership
Citizen engagement	To enhance compliance	Improved revenue collection	-No of forums held -Copy of Meeting minutes	Conducted 29 forums on Finance Bill Public Participation across the County

CHAIRPERSON'S STATEMENT



I am delighted to present the Annual Report and financial statements for Laikipia County Revenue Board for the year ended 30th June, 2020.

As a Revenue Board, our top priority is to improve performance in revenue collection and to seek more growth in own source revenue (OSR). In this regard, the Revenue Board has, over the last three years, worked towards expanding the tax base with tremendous success which has seen the growth of own source revenue from Ksh. 468 Million in Financial year 2016/17 to Ksh. 815M in Financial year 2018/2019.

In the Financial year 2019/2020 was quite challenging, with the county economic activity generally depressed due to the Covid-19 pandemic which saw a decline in tax revenue.

This meant readjustment of budget as well as working under unusual conditions. However, in spite of these challenges, the Revenue Board was able to realize ksh.730.9 million, being the second highest revenue collected in Laikipia County since devolution. Overall, the Revenue Board is proud of the milestones achieved amidst these economic setbacks.

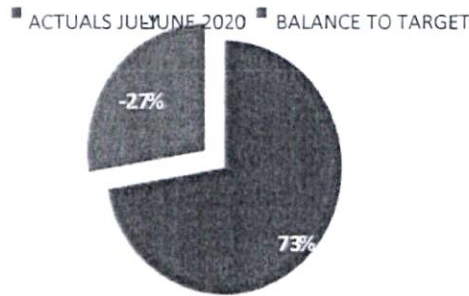
Table1: Revenue Performance

2019/2020 REVENUE TARGET IMPLEMENTATION AS AT 30TH JUNE 2020				
Financial Year 2019/2020	Target 2019-2020	Actuals July-June 2020	Balance to Target	% Budget Implementation
Total O.S.R	1,006,875,000	730,967,503	-275,907,496	73

Table 1 indicates a collection of ksh 730,967,503 as our own source revenue which signified a collection of 73% against our set budget of ksh 1,006,875,000

A graphical representation of our performance against our set budget is as per the figure below

Revenue performance 2020



Below is a comparative analysis of revenue performance for the previous year and the current year which indicates a decline of 10% as compared to the previous year

Table 2: 2019/2020 REVENUE PERFORMANCE REPORT AS AT 30TH JUNE 2020

Financial Year	2018/2019	2019/2020	Current year vs Previous Yr.	% Change
TOTAL O.S.R	815,770,157	730,967,503	(84,802,654)	(10)

The decline in revenue collection was greatly affected by the Covid 19 pandemic which majorly affected our markets, livestock cess, single business permits, vehicle parking management and the restriction on night travels affected our collection from sand cess fees. The major affected revenue streams were as the follows,

- Vehicle management
- Liquor licenses
- County natural resources
- Livestock cess
- Market fee and cess fees

However, the Revenue Board gave incentives to tax payers by giving 100% waiver on accumulated penalties and arrears on land rates in the month of May and June 2020 and managed to collect 34M which was a great milestone. Additionally, there was an extension of single business permit payment deadline from March 31st to May ,2020 and acceptance of partial payment from tax payers.

Laikipia County Revenue Board
Annual Reports and Financial Statements
For the year ended June 30th 2020

Below is an analysis of revenue performance per revenue streams and the deficit as at 30th June 2020.

Table 3: 2019/2020 REVENUE PERFORMANCE REPORT AS AT 30TH JUNE 2020

Revenue Stream	Actual collection July- 2018june 2019	Annual Targeted Revenue 2019- 2020(ksh.)	Actual Collection- July- June 2020	Current year vs previous year	Bal to Target	%Bud get Implementat ion
Hospital Revenue	306,539,780	350,000,000	268,032,152	-38,507,629	-81,967,848	77
County's Natural Resources Exploitation	83,956,469	92,675,000	88,901,351	4,944,882	-3,773,649	96
Business Permits	82,305,514	100,000,000	80,219,744	-2,085,770	-19,780,256	80
Land Rates	110,341,030	96,000,000	79,557,493	-30,783,537	-16,442,507	83
Vehicle Parking Fees	71,375,313	95,000,000	63,868,820	-7,506,493	-31,131,180	67
Cesses	24,792,005	35,000,000	22,919,615	-1,872,390	-12,080,385	65
External Services Fees	4,229,201	8,000,000	3,657,497	-571,704	-4,342,503	46
Technical Services Fees	29,336,289	38,000,000	42,254,323	12,918,034	4,254,323	111
Housing	17,668,596	25,000,000	17,907,773	239,177	-7,092,227	72
Market/Trade Centre Fee	13,694,293	18,000,000	9,289,806	-4,404,487	-8,710,194	52
Public Health Services	14,971,043	20,000,000	11,798,349	-3,172,694	-8,201,651	59
Slaughter Houses Administration	12,852,820	27,000,000	15,332,901	2,480,081	-11,667,099	57
Various Fees	29,832,930	15,000,000	15,464,791	-14,368,139	464,791	103
Plot Rents	7,873,273	14,000,000	1,668,870	-6,204,403	-12,331,130	12

Laikipia County Revenue Board
 Annual Reports and Financial Statements
 For the year ended June 30th 2020

Administrative Services Fees	5,743,000	8,000,000	6,726,163	983,163	-1,273,837	84
Social Premises Use Charges	157,600	200,000	221,400	63,800	21,400	111
Education Fees	86,000	65,000,000	3,146,456	3,060,456	-61,853,544	5
Miscellaneous Revenues	15,000			-15,000		
	815,770,157	1,006,875,000	730,967.503	(84,802,654)	(275,907,496)	73

The Revenue Board collects revenue from three sub counties namely Laikipia East, Laikipia West and Laikipia North. Below is a comparative table showing the performance per sub county and a further analysis of the ward performance

TABLE 4: REVENUE PERFORMANCE PER SUB COUNTY

SUB - COUNTY	Targets 2019-2020	Collection 2018-2019	July-June 2019-2020	Bal to Previous Year	Bal To Target	%Bal to Target
Laikipia East	235,000,000	203,389,061	168,963,284	-34,425,777	-66,036,716	-28
Laikipia West	269,500,000	237,906,076	222,325,845	-15,580,231	-47,174,155	-17
Laikipia North	90,000,000	67,935,240	71,646,222	3,710,982	-18,353,778	-20
TOTALS	594,500,000	509,230,378	459,925,604	-49,304,774	134,574,396	-22

Fig 2

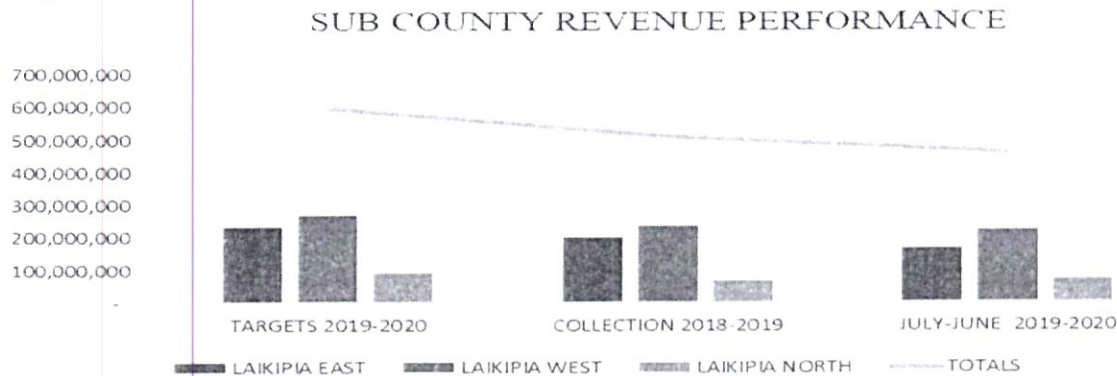
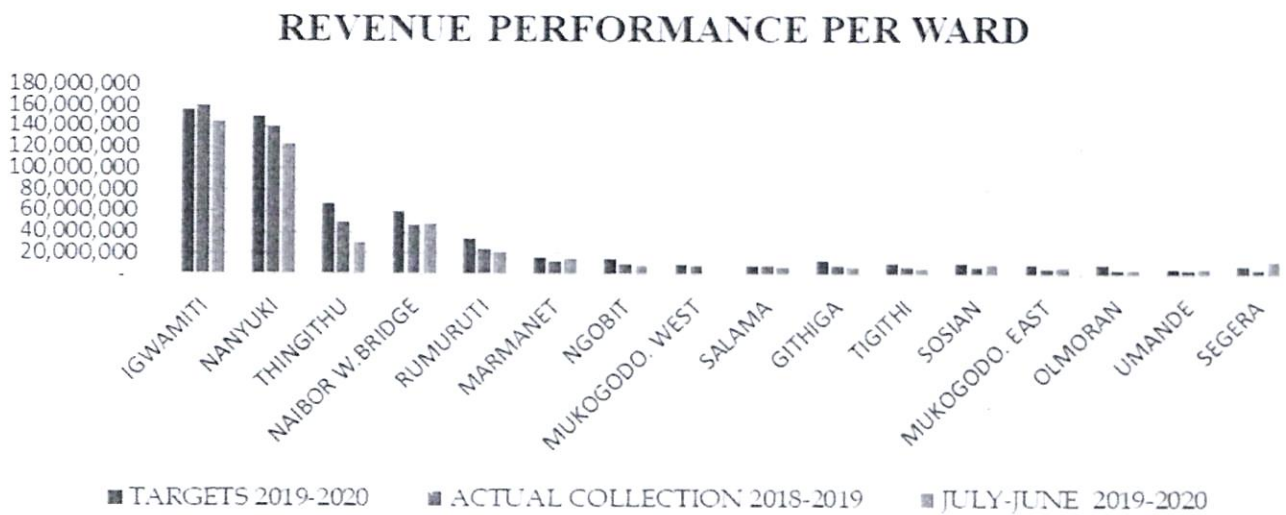


TABLE 6: WARD REVENUE PERFORMANCE

Wards	Targets 2019-2020	Actual Collection 2018-2019	July-June 2019-2020	Bal to Previous Year	Bal To Target	% Target Implementation
Igwamiti	156,000,000	159,600,679	144,486,101	-15,114,578	-11,513,899	93
Nanyuki	150,000,000	140,121,588	123,051,007	-17,070,581	-26,948,993	82
Thingithu	67,000,000	49,991,441	30,171,359	-19,820,082	-36,828,641	45
Naibor Weigh Bridge	60,000,000	47,202,707	48,747,972	1,545,265	-11,252,028	81
Rumuruti	34,000,000	24,527,649	21,944,961	-2,582,688	-12,055,039	65
Marmanet	17,000,000	12,877,513	15,439,560	2,562,047	-1,560,440	91
Ngobit	16,000,000	10,272,291	9,209,263	-1,063,028	-6,790,737	58
Mukogodo. West	11,000,000	9,443,979	1,544,035	-7,899,944	-9,455,965	14
Salama	9,500,000	8,929,013	7,897,295	-1,031,718	-1,602,705	83
Githiga	14,500,000	8,492,145	7,599,620	-892,525	-6,900,380	52
Tigithi	12,000,000	7,979,602	6,153,184	-1,826,418	-5,846,816	51
Sosian	12,000,000	7,782,231	9,953,535	2,171,304	-2,046,465	83
Mukogodo East	10,000,000	6,349,406	8,323,182	1,973,776	-1,676,818	83

Olmoran	10,500,000	5,424,555	5,795,510	370,955	-4,704,490	55
Umande	6,000,000	5,296,431	6,577,987	1,281,556	577,987	110
Segera	9,000,000	4,939,148	16,040,780	8,091,885	7,040,780	145
Totals	594,500,000	509,230,378	462,935,352	(46,295,027)	(49,304,774)	77

Fig. 3

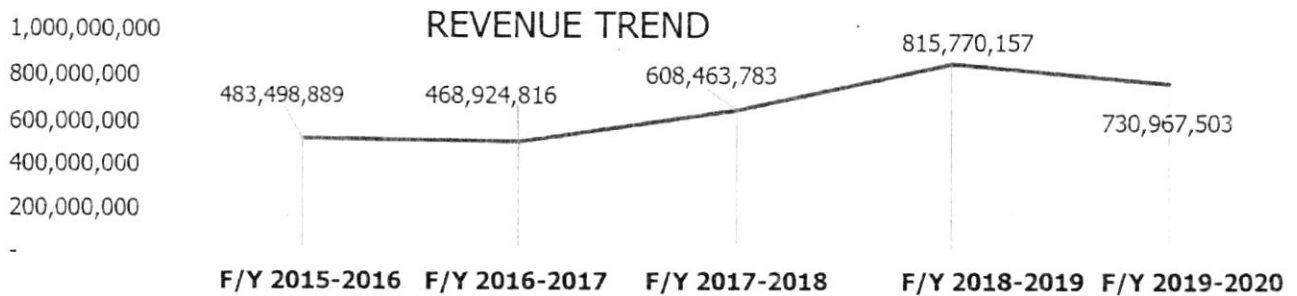
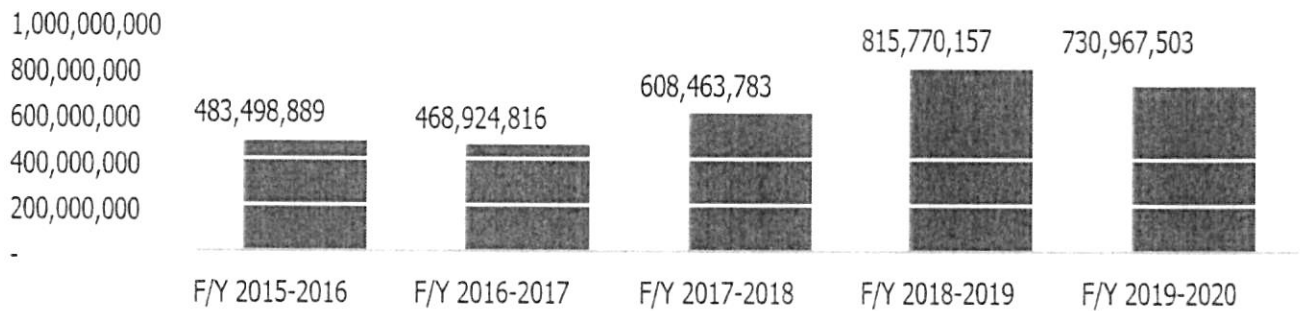


Yearly Revenue Performance

Over the years, Laikipia County Revenue Board has grown its own source revenue from below 500M to over 600M in the last three years. This has been contributed to automation of revenue collection processes, mapping of revenue sources, human resource restructuring, implementation of cashless mode of payment, performance based management and tax payers' awareness in regards to payment of taxes. Below is a summary of yearly performance.

YEARLY COMPARISON GROWTH

Revenue Comparison



The tax payer is one of the Revenue Boards’ greatest asset. For this reason, every effort has been made to ensure that cordial and collaborative working relationships are maintained. To further enhance this partnership, the Revenue Board has extended a hand to all Laikipia debtors. Through the dispute resolution committee, the tax payers now have a platform where tax grievances can be heard and resolved quickly and amicably.

In this difficult environment, it is of paramount importance for the Revenue Board to rebuild policy buffers while laying a stronger foundation for future growth by broadening the tax base, human capital, inter departmental collaboration, and addressing the challenges associated with revenue growth. The board will continue to work towards increasing own source revenue in support of the 2020/2021 revenue target.

Despite the many challenges presented by the business environment in financial year 2019/2020, the Revenue Board was able to turn in a good result.

On behalf of the board, I take this opportunity to thank our staff for the hard work and dedication to duty as well as all Laikipia taxpayers who have continuously paid taxes.

This achievement would not have been possible without the support, understanding and cooperation of H.E. Governor Ndiritu Muriithi who tirelessly guided and supported the Revenue Board in the discharge of its mandate.

I wish to appreciate the CECM Finance, Planning and County Development for the provision of resources

The Revenue Board remains committed to keeping a tight rein on enhancing revenue growth. in order to increase leverage of the County revenue collection

Signed: _____

Wangari Wachira Chairperson



CHIEF EXECUTIVE OFFICER STATEMENT



Dear Stakeholders,
I am pleased to report that we have made great strides in revenue collection in the financial year 2019/2020.

Adequate Resources is the backbone of every development success of the County, our strategic focus is to ensure effective and efficient in revenue collection so as to fund the budgetary requirements of the County Government of Laikipia.

Our revenue target for the financial year 2019/2020 was to collect a total of Kshs 1Billion to support the County development momentum. During our first half of the financial year 2019/2020 our performance curve was improving extremely well with minimum challenges. However, our performance in the second half of the year was greatly affected by the COVID -19 pandemic which led to a disruption, near and in some instances total closure of many businesses and markets. Major affected revenue streams were; tourism and hospitality sector, vehicle management, County natural resources and Livestock markets. This greatly affected our revenue collection for the F/Y 2019/2020 to Kshs 730.9 million which is 73% budget implementation.

Revenue streams that recorded optimal performance were; Technical services at 111%, County natural resources 96%, Business Permit 80%, Land Rates 83% Administrative fee 84%, and Hospital Revenue 77% respectively.

This performance was attributed to proper mapping of all revenue sources within the county, ensuring that the data of all the revenue payers is consolidated and improved, Revenue Automation, Collaboration Framework, Establishment of cashless mode of payment, Revenue process re-engineering and Human Resource Development.

Our key Revenue streams are: Land Rates, Single Business Permit, Hospital Revenue, Technical Services, Vehicle Parking Management and County Natural Resources.

The Board strategy has been to widen the revenue net horizontally rather than vertically meaning it does not need to increase fees and charges but rather have higher compliance rate. Despite the steady growth in revenue, citizens remain unburdened as no taxes or additional charges have ever been introduced.

The continuous improvement in revenue Collection has translated to various key development within the County in terms of Roads Construction, Markets, City Park, Construction and Equipping of technical institutions, ECDE Classrooms, equipped and expanded health facilities, Innovations and job Creations.

In order to enhance our engagement and interaction with our tax payers, we have continued to hold annual tax payers' day and ofisi mashinani in every village so as to educate our tax payers on revenue matters and to offer revenue services.

The Revenue Board has been a model board for other counties who have shown interest in setting up similar Revenue Boards and growing own source revenue. Many Counties among them Makueni, Kiambu, Nakuru, Nyeri, Meru, Narok, Migori, Nyandarua and Wajir have come to benchmark with Laikipia Revenue Board on the best practices in revenue collection and management.

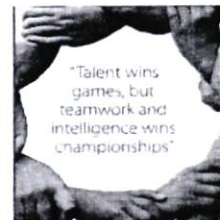
Through automation of our revenue processes, citizens can conveniently pay via Mobile Money through *861# and Pay Bill No. 313131 and also check our progress and activities on our website www.laikipiarevenue.co.ke

I take this opportunity to appreciate the Board Management and Staff of the Board whom we have worked hand in hand to deliver on the set targets and improve revenue collection despite the global and National challenges of Covid 19. Pandemic

Looking ahead, the Revenue Board has an increasingly daunting task to maximize revenue collection to ksh. 1 Billion in order to keep the County development momentum.

My sincere appreciation goes to H.E. The Governor of Laikipia County for his continuous support and guidance in order to ensure we live up to our motto, County Treasury for the support accorded to us, County Departments for continuous collaboration and engagements and County Assembly for enactment of the Finance ACT and other Legislative matters.

In conclusion, I say talent is a tool to win games, but teamwork and intelligence leads to goals achievement. As the stakeholders we need to work hand in hand in order to execute our Strategy and attain success in revenue matters.



Signed: _____

Prudence Waithera Chief Executive Officer



CORPORATE GOVERNANCE STATEMENT

The Board consist of Chairperson, five members, Chief Executive Officer who is also an ex-official and the chief officer in charge of finance.

The board members are appointed from diverse fields in private, government and academic sectors who provide complementary expertise and depth of experience to the Board. The members take full responsibility for the sound judgement in leading and directing the board towards the achievement of its goals.

The Board under the general supervision of the County Executive Committee Member is responsible for;

- (a) Collecting and receiving of all county revenue
- (b) administering and enforcing county laws related to revenue;
- (c) assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue;
- (d) advising the county executive committee on all matters related to administration and collection of revenue under county laws.

The members of the Board are entitled to a sitting allowance, Transport Allowance, Airtime and monthly retainer as follows;

	Sitting Allowance	Transport/ Mileage	Airtime	Retainer
Chairperson	Kshs 25,000	Kshs 20,000	Kshs 5,000	Kshs 90, 000
Member	1 st Year Kshs 15,000 2 nd Year Kshs 17,500 3 rd Year Kshs 20,000	Kshs 20,000	Kshs 4,000	1 st Year Kshs 40,000 2 nd Year Kshs 50,000 3 rd Year Kshs 60,000

Board and Strategy Meetings

The Board meets regularly in accordance with business requirements and Revenue Board act to discuss on policy matters. The meetings are chaired by the Chairperson with the Chief Executive Officer as the secretary of the board. The Board meetings are structured to allow sufficient time for consideration of the matters to be discussed ahead of the sittings with the agendas well spelt.

Adequate notice is given for each meeting and the agenda and supporting papers are distributed in advance to all the Board members to allow time for appropriate

review. The Board has ownership over the strategic direction and progress toward the realization of its goals and objectives in revenue collection. This is evidenced by regular meetings with the County departments at Governors round table to discuss on the pertinent department issues affecting the revenue collection at departmental level.

Board Committees

The Board Committees are established with written terms of reference detailing their respective mandate.

Following is the list of all Board Committee members.

Human Resource Committee	Technical and strategy committee	Finance committee
Alice Kimemia Chairperson	Jeniffer Koinante Chairperson	Francis Mathenge Chairperson
Francis Mathenge	Samuel Wambugu	Stella Kaparo
Prudence Waithera	Prudence Waithera	Paul Njenga
		Prudence Waithera

Human Resource Committee

Mandate

1. Promote the values and principles of the LCRB
2. Development of Human Resource Policies
3. Organize the structuring and performance Evaluation of the employee
4. Ensure the Human Resource is effective and efficient
5. Development of the Human Resource of the LCRB

Technical and Strategy Committee

Mandate

1. Advise the board on strategic planning and operation of the revenue
2. Reviewing the performance of the revenue streams to ensure optimal performance
3. Advising the board on the best practices in revenue collection and challenges facing revenue collection.

Finance Committee

Mandate

1. Reviewing the revenue reports and progress
2. Advising on internal financial control systems to ensure conformity to PFM ACT, 2012
3. Reviewing the Revenue Board Revenue budget implementation

Board meetings

Name	Designation	No of meetings
Wangari Wachira	Chairperson	39
Prudence Waithera	CEO	42
Alice Kimemia	Member	42
Francis Mathenge	Member	41
Samuel Wambugu	Member	34
Jeniffer Koinante	Member	30
Stella Kaparo	Member	26
Paul Njenga	Member	18

Cost Benefit on the Human Resource Restructuring

Staff Establishment before 31st October, 2018		
Employment Status	Employees No.	Monthly Wage bill (Ksh)
Permanent and Pensionable	113	8,842,140.00
Contract	103	1,545,000.00
Total	216	10,387,140.00
Yearly Wage bill		124,645,684.00
Current Staff Establishment: - (1st July. 2019)		
Employment Status	Employees No.	Monthly Wage bill (Ksh)
Permanent and Pensionable	16	967,200.00
Contract	188	4,230,300.00
Total	204	5,197,500.00
Yearly Wage bill		62,370,000.00

The Revenue Board Management team

The management team which comprises of the Chief Executive Officer, the director, sectional heads and sub county revenue receivers regularly meets to review reports on progress toward the weekly, monthly and quarterly target realization at the Ward and Sub-County levels which translates to the total revenue collected within the county.



MANAGEMENT DISCUSSION AND ANALYSIS

The Board takes this opportunity to present its first independent Annual Financial Report. Previously the board operated under the ambit of the Department of Finance and Economic Planning, the FY 2018/2019 marked the movement towards ongoing autonomy. The financial report therefore marks an important milestone in the achievement of the board's objectives.

Financial Highlights

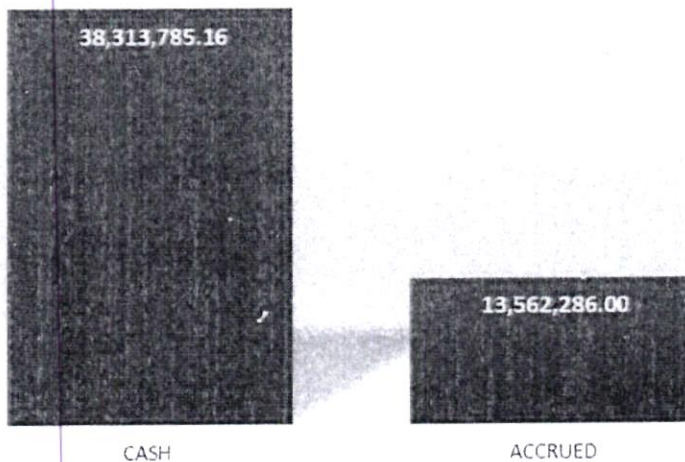
The Board is established under an Act of the County Assembly and operates its own day to day affairs under the CEO guided by the Board of Directors. The budget of the for the board is approved by the Board, the County Treasury and the County Assembly.

Summary of Financial Results Against Budget

The Board originally budgeted its activities against a budget of Ksh 71,600,000. However, on an accrual basis the county was only able to realise Kshs 51,876,071 which represents 72% of the receipts against the original budget. During the period the budget was adjusted downwards to Kshs 51,820,136 marking a 28% reduction on the budget against the original approved budget. This came against the background of the urgent prioritisation of the government cashflows to combat the effects of the Covid -19 pandemic.

Budgets Against Actual Disbursement

Actual vs Accrued (Kshs)



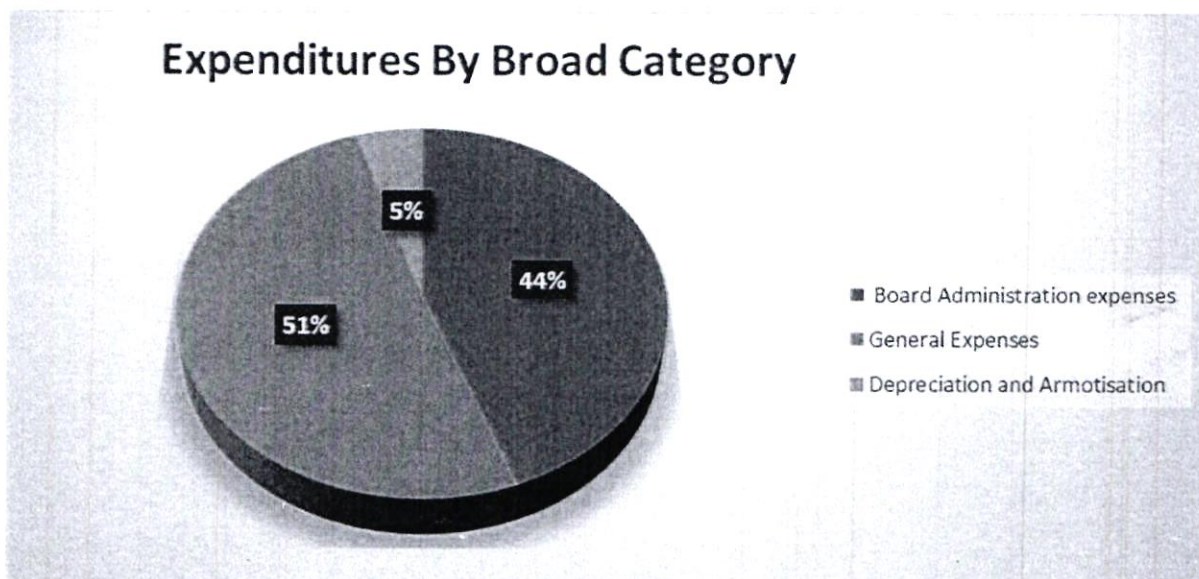
Cashflow receipts in the period amounted to ksh 38,248,500 which was 46% against the original budget and 73% against the final budget, this was against ksh 38,248,500 indicating 100% absorption on a cash basis. Notably on an Accrual Basis the Receipts and Receivables were kshs 51,876,071.16 against kshs 55,885,380 payments and payables indicating 92% ability to settle outstanding claims.

Receipts

The board is supported by the County Government by way of transfers for operational use. During the period the County Treasury transferred ksh 38,248,500 on cash and approved via appropriation to transfer ksh 13,571,636 in the period 2020/2021 accruing from the 2019/2020. This amount to kshs 51,820,136. Further, the board earned an amount of kshs 587,871 from previous period opening budget, spot awards for good performance and Inter-Entity refundable cashflow support.

Expenditures

Board administration expenses amounted to ksh 20,975,791 while general expenses amounted to ksh 24,215,456. Training formed a huge part of the board administration expenses accounting for a huge proportion of the technical training by the board members and the secretariat, this geared toward ensuring the board is able to meet its mandate. further, a significant amount was put to Asset Acquisition reflected by the asset depreciation for the period amounting to ksh 2,252,783.33



Liquidity Position

The board held a total amount of Kshs. 2,140,064 restricted funds and a total of kshs. 65.16 unrestricted fund in its Bank account at the end of the year. This cash and cash equivalents as at June 30, 2019 were allocated as follows

	Amount in kshs.	Nature of Restriction
Restricted Funds	2,140,064.00	vendor issued unrepresented cheques
Unrestricted Funds	65.16	

Funding Gap

The County Government allocates the Grants to the board to cater for revenue collection drives and capital expenditure. During the period in review the funding gap was quite huge. Consequently, this adversely affects the financial sustainability of the Board.

Material arrears in Statutory and other financial obligations

The Board did not have any material statutory and other financial obligations in the period under review. A pragmatic approach towards settlement of all statutory deductions as a priority is the basis of this.

Sustainability Report

The 2019-2020 report is our 1st sustainability report and will continue to reflect the Board's performance as well as the Board's strategy and vision for the future. As an example Revenue Collection Board, we recognize that we must conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of the Entity. We are committed to being transparent, candid and open about our Entity and this report is a reflection of that commitment. At the Laikipia County Revenue, we have a pragmatic approach to sustainability. We focus on identifying and putting into practice initiatives and programs that deliver real world and lasting benefits under the three areas of our sustainability activities. These areas include; maintaining a sustainable supply chain, minimizing our environmental footprint and caring for our people.

Stakeholder engagement

Engaging with stakeholders informs our decision making, strengthens our relationships and helps us deliver our commitments and succeed as an entity. In order to achieve these goals, we recognize that we must work in partnership with other interested stakeholders who share our commitment and have a stake in our organization's vision. We actively engage with Government, regulators, customers, suppliers, investors and individual citizens to create an environment that is supportive of solutions.

Materiality

We recognize that material issues can directly or indirectly impact our ability to create long-term value for its customers, employees, stakeholders and society at large.

Maintaining a sustainable supply chain Our Commitment

The Board has Many suppliers that supply good and services. When we manage and engage multiple service providers for our operations and projects, our own reputation as service provider is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods of offered.

Minimizing our environmental footprint Our initiatives

In our offices and operational areas, we continue to encourage employees to help reduce energy consumption by switching of their computers and lights at the end of the day. We actively identify ways to reduce our carbon footprint and help to implement initiatives across the organization

Social Capital Our Initiatives

We invest in providing the best working environment for our employees. Recognition and appreciation of our employees is a core part of this. Our employee Reward and Sanctions policy allows all employees to recognize their teammates for demonstrating one or more of our corporate value behaviours with a recognition letter. Directors and Head of units are also given to reward those employees who consistently go above and beyond what is required in their roles.

The Board promotes a healthy lifestyle and provides all employees. Employees are encouraged and supported to continually build on their skills and knowledge. The Board invests heavily in learning and development program for employees. These include courses on leadership, management and technical competencies relevant to each employee. We also have a policy on disability mainstreaming and a recruitment

policy where at least a third is not of more than one gender or one regional representation.

Risk Management

The Board is accountable for the Revenue Board risk management process and system of internal control. The CEO is mandated by the Board to monitor the risk management process and systems of internal control of the Board. The Board oversees the activities of the CEO and the secretariat, the Revenue Boards internal and external auditors. The objective of risk management in Board is to establish an integrated and effective risk management framework where important risks are identified, quantified and managed. The board is in the process of developing a comprehensive Risk management policy.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Board has continued to educate the public on revenue matters, during the year under review, the board held several revenue forums within the County by engaging the public through public participation, social media, radio and print media.

The Board Reviews the Finance ACT on yearly basis, however in doing so the Board considers various sectors so as to harmonize the fees and charges to ensure fair consideration of all sectors.

The growth of revenue has translated to various development within the County in terms of Road Construction, equipped and expanded health facilities, Provision of Human resource is key in service delivery, during the year the Board Trained Six board members on leadership skills, Human Resource and Performance management.

Road Construction



Mother Child health facility in Nanyuki



Nganoini Water Project





The Senior staff and other Board Employees were also trained on Customer Care, Performance Appraisal Management, Effective and efficiency service delivery is paramount to every organization.



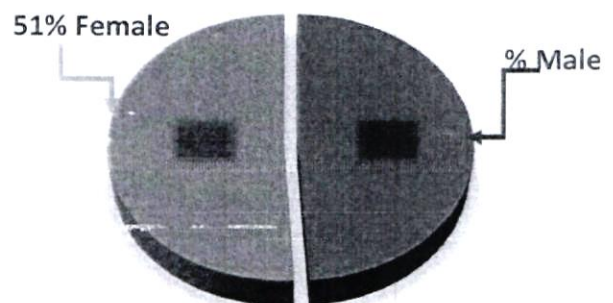
Revenue Board has automated its revenue processes so as to offer effective service delivery to the Tax payers. During the year under review the board implemented integrated network and connected all the revenue ward offices. The board further implemented cashless mode of payment in the hospital revenue stream.

review, the Board experienced a lot of challenges due to low county economic activity as a result of Covid-19 pandemic which saw a decline in County revenue collection. However, in spite of these challenges, the Revenue Board was able to realize ksh.730.9 million. The County Government of Laikipia has put in place an economic stimulus programme to uplift businesses which has suffered a blow in the wake of Covid-19 pandemics. The County is working out partnerships with financial institutions to ensure the businesses and traders get cheaper credit to restart their businesses. The County Executive has supported the Revenue Board through consultative meeting to review the departmental revenue performance progress and to discuss mechanisms to be implemented in various departments for optimal revenue performance.

Employee welfare

The board has a total of 208 staff,190 on contract and 17 on permanent status. The gender composition ration is 100 males 49% and 104 female which is 51%. meeting the two third gender rule thresh hold in the Kenya constitution.

The board on regular basis awards its staff for their exemplary performance in their area of jurisdiction. The award is



based on the targets agreed on the appraisal performance at the beginning of every financial year

Community Engagement

The board has made full suite of communication to the citizen through direct and indirect interaction to impart the community with knowledge on issues of revenue. Public participation has been and remains the most effective tool of board citizen engagement since it's a deliberative process which involves public in decision-making in matters of revenue. The forum provides the citizens with a platform to interact with the board and other legislators on the revenue issues and allows individuals and communities to contribute by expressing concerns, needs and values. The board has all round communication platform to reach its audience. This is evidenced by its various interactive tools to ensure all levels of community are engaged i.e. public participation, tax open day forums, Laikipia Revenue Board Facebook account, twitter account, website. Email (lcrb@laikipia.go.ke), video clips and radio voice over.

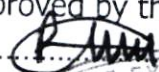
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by (The Fund should state the appropriate legislation establishing the Fund) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

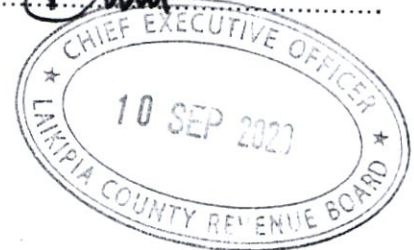
The Chief Executive Officer of the Revenue Board is responsible for the preparation and presentation of the board's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

- (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 board;
- (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 board;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

Laikipia County Revenue Board
Annual Reports and Financial Statements
For the year ended June 30th 2020

The Chief Executive Officer of the Revenue Board accepts responsibility for the board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (quote the applicable legislation establishing the County Public Fund). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Chief Executive Officer of the Revenue Board has assessed the board's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Chief Executive Officer to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement. Approval of the financial statement board's financial statements were approved by the Board on 10th September, 2020 and signed on its behalf by: 

Chief Executive Officer of the board



based on the targets agreed on the appraisal performance at the beginning of every financial year

Community Engagement

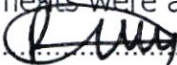
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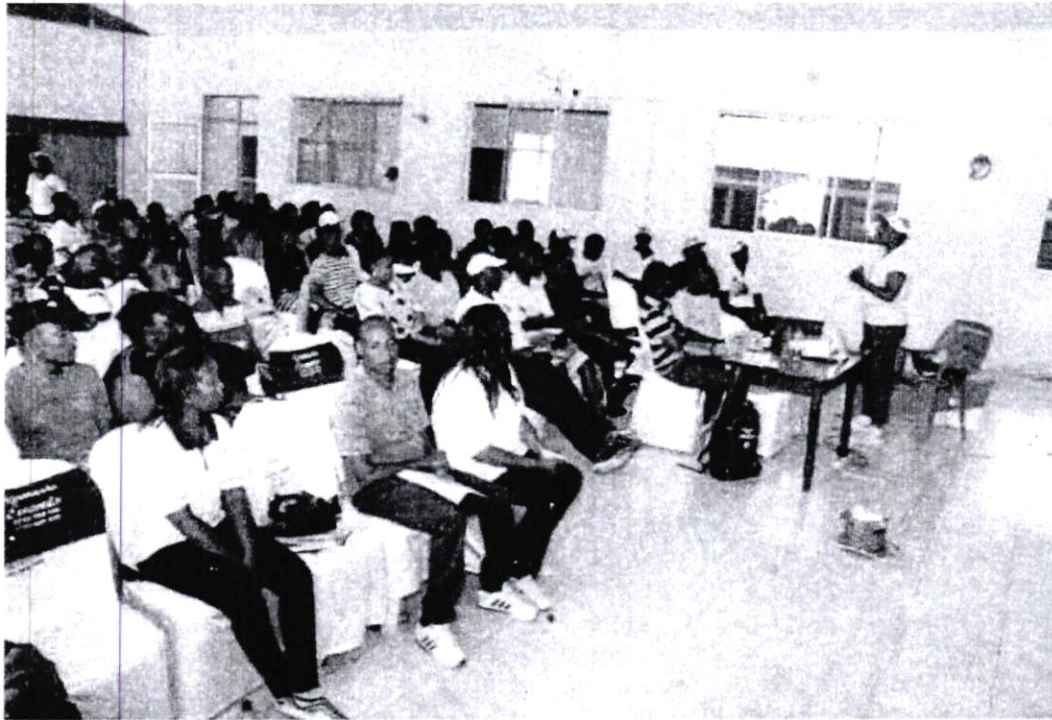
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Chief Executive Officer of the board

REVENUE BOARD PERFORMANCE HIGHLIGHTS

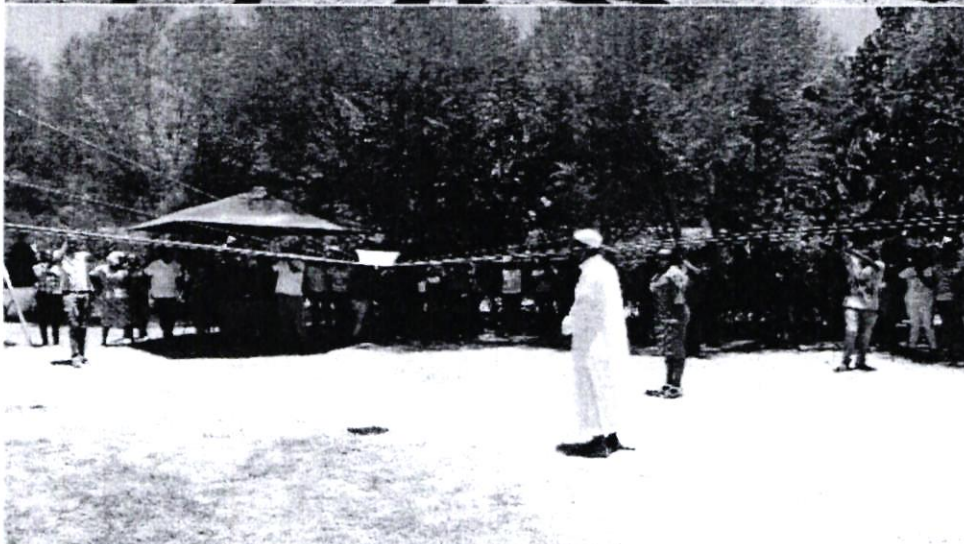
Capacity Building

To improve effective and efficiency in revenue collection processes, human resource is a key determinant, During the year the Revenue Board conducted various trainings and team building activities for the employees in order to enhance the skills and the capacity of the Board.



Team Buildings

Team building activities help our team work as a cohesive group for the best interest of the board thus enhancing the board performance



Result Based Performance

The board has embraced result based management in the revenue administration process to ensure effective and efficiency in revenue collection



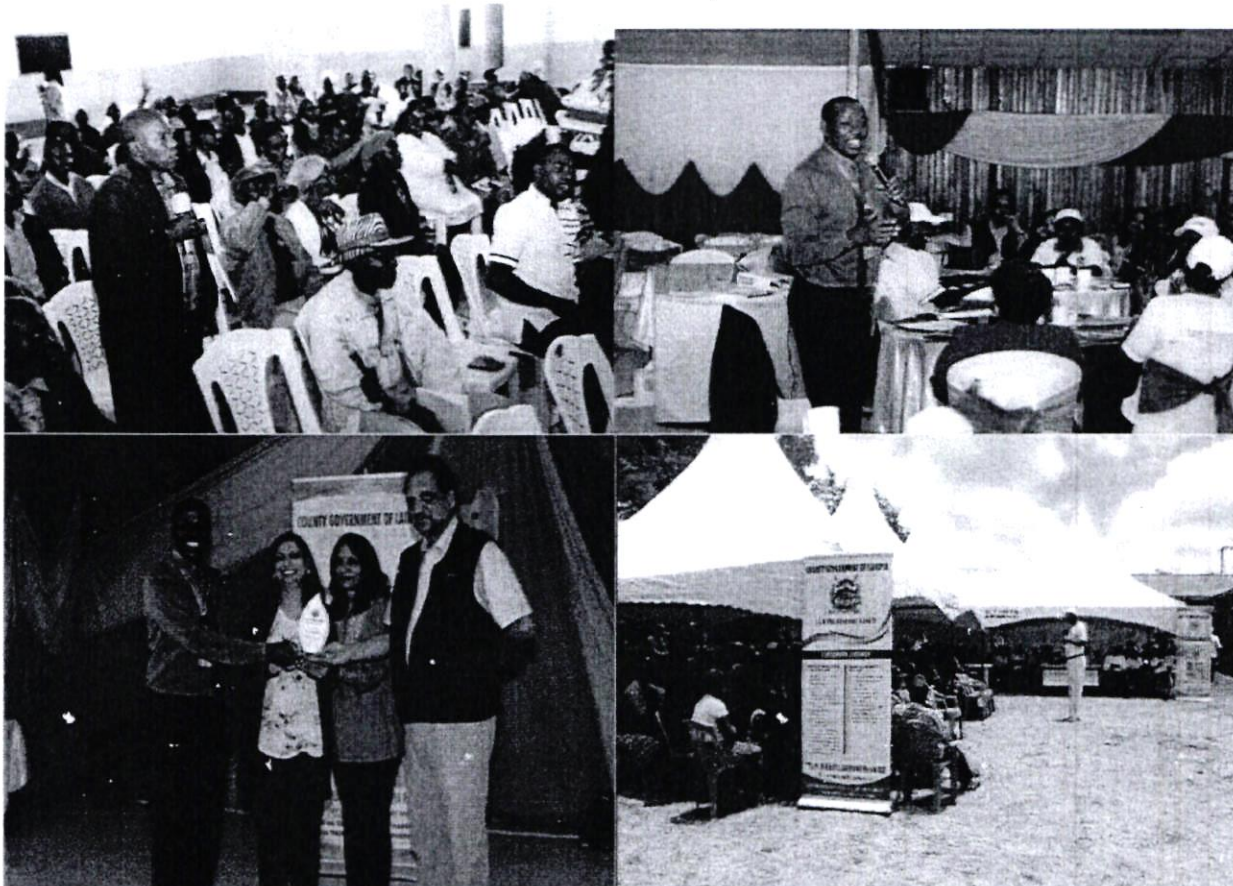
ROUNDTABLE MEETINGS

Every month the Revenue Board holds the revenue round table meetings to brief the Governor and the executive on the progress of the Departmental revenue performance and mechanism implemented to enhance revenue collection .



Citizen Engagement

To educate the tax payers on revenue matters the Board has continued to hold tax open days to educate the citizen on revenue obligations and what the revenue has translated to in terms of development in the county.



Laikipia County Revenue Board
Annual Reports and Financial Statements
For the year ended June 30th 2020

Board Facebook

Board twitter

Laikipia County Revenue Board
Annual Reports and Financial Statements
For the year ended June 30th 2020

Board Website

The screenshot shows the Laikipia Revenue Board website. At the top, there is a navigation menu with links for HOME, ABOUT US, DEPARTMENTS, SERVICES, ONLINE SERVICES, and TENDERS. Below the menu is a large banner image of a group of staff members in uniform. To the right of the banner, there is a 'REVENUE STATS' section with two data points: '1 Billion Our Target (FY 2020/2021)' and '727.9 Million Amount Collected (FY 2019/2020)'. Below the stats is a 'NOTICES' section featuring a mobile phone icon with the number '*861#'. At the bottom of the page, there is a 'LATEST NEWS' section and a 'Tweets' section. A cookie consent banner is visible at the very bottom of the page, stating 'This website uses cookies to improve your experience. We'll assume you're ok with this, but you can opt-out if you wish.' with 'Accept' and 'Read More' buttons. The Windows taskbar is visible at the bottom of the browser window, showing the search bar and system tray with the date 15/09/2020 and time 08:17.

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 LAIKIPIA COUNTY REVENUE BOARD FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Laikipia County Revenue Board set out on pages 2 to 26, which comprise the statement of financial position as at 30 June, 2020 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Laikipia County Revenue Board as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

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

Irregular Recruitment of Staff

As disclosed in Note 3 to the financial statements, the statement of financial performance reflects Board administration expenses of Kshs.20,975,791. Included in this balance is staff costs amounting to Kshs.12,470,451. An audit review of the recruitment processes revealed that the process was done contrary to provisions of Section 108 of the Laikipia County Revenue Board Act, 2014 which requires that the County Public Service Board shall appoint such staff as the Board may recommend to be necessary for proper discharge of its functions. Further, no evidence was provided to confirm that the recruitment function of the County Public Service Board was granted to the Revenue Board, contrary to Section 59(1)(b) of the County Governments Act, 2012.

In addition, a review of personnel files revealed lack of crucial documents including advertisements, application letters, shortlisting, interview details and list of appointments.

Consequently, it was not possible to ascertain whether the recruitment was done in an open and transparent manner as required by Section 66 of the County Governments Act, 2012.

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 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 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 (Accrual 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 ability of the Board to sustain 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 terminate the Board or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 based on 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 Fund's 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 ability of the Board 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 Board to cease to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board 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


10 February, 2022


Report of the Auditor-General on Laikipia County Revenue Board for the year ended 30 June, 2020


2.0 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020
		KShs
Revenue from non-exchange transactions		
Public contributions and donations		-
Transfers from the County Government	1	51,876,071.16
Fines, penalties and other levies		-
		51,876,071.16
Revenue from exchange transactions		
Interest income		-
Other income	2	587,871.00
		587,871.00
Total revenue		52,463,942.16
Expenses		
Board Administration expenses	3	20,975,791.00
General expenses	4	24,215,456.00
Depreciation and Amortisation	5	2,252,783.33
Total expenses		47,444,030.33
Other gains/losses		
Gain/loss on disposal of assets		
Surplus/(Deficit) for the period		5,019,911.83

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10th Sept 2020 and signed by:


 CEO of the Board
 Name: Prudence Waithera
 Date: 10th Sept 2020


 Accountant
 Ben Wangai
 Date: 10/9/2020


 Accountant
 Name: Susan Rubia
 ICPAK No.: 119762
 Date: 10/9/2020

3.0 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Note	2019/2020
		KShs
Assets		
Current assets		
Cash and cash equivalents	6	65.16
Accounts receivables from county government		13,562,286.00
		13,562,351.16
Non-current assets		
Property, plant and equipment	8	6,188,566.67
Intangible assets		-
		6,188,566.67
Total assets		19,750,917.83
Liabilities		
Current liabilities		
Trade and other payables from exchange transactions	9	14,731,006.00
Provisions		-
Current portion of borrowings		-
Employee benefit obligations		-
	9	14,731,006.00
Non-current liabilities		
Non-current employee benefit obligation		-
Long term portion of borrowings		-
Total liabilities		14,731,006.00
Net assets		5,019,911.83
Revolving Fund		
Reserves		
Accumulated surplus		5,019,911.83
Total net assets and liabilities		5,019,911.83

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10th Sept / 2020 and signed by:

Prudence Waithera
CEO of the Board
Name: Prudence Waithera

Date: 10/9/2020

Ben Wangai
Accountant
Ben Wangai

Date: 10/9/2020

Susan Rubia
Accountant
Name: Susan Rubia
ICPAK No: 119762

Date: 10/9/2020

4.0 STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2020

	Revaluation Reserve	Accumulated surplus	Total
	KShs	KShs	KShs
Balance as at 1 July 2018	-	-	-
Surplus/(deficit) for the period	-	-	-
Balance as at 30 June 2019	-	-	-
Balance as at 1 July 2019	-	-	-
Surplus/(deficit) for the period	-	5,019,911.83	5,019,911.83
Balance as at 30 June 2020	-	5,019,911.83	5,019,911.83

5.0 STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	
Transfers from the County Government	1	38,313,786.16	
Interest received		-	
Receipts from other operating activities	2	587,871.00	
Total Receipts		38,901,656.16	
Payments			
Board administration expenses	3	20,975,791.00	
General expenses	4	14,755,075.00	
Finance cost		-	
Total Payment		35,730.866.00	
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding transfers)			
Increase/(Decrease) in Accounts Payable: (Trade Payables)			
Net cash flows from operating activities		3,170,790.16	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		3,170,725.00	
Net cash flows used in investing activities		(3,170,725.00)	
Cash flows from financing activities			
Net cash flows used in financing activities		-	
Net increase/(decrease) in cash and cash equivalents	6	65.16	
Cash and cash equivalents at 1 JULY		-	
Cash and cash equivalents at 30 JUNE	6	65.16	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10th Sept 2020 and signed by

CEO of the Board
Name: Prudence Waithera

Date: 10th 9/2020

Accountant
Ben Wangai

Date:

Accountant
Name: Susan Rubia
ICPAK Member Number: 119762

Date: 10/9/2020

6.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUALS AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization	
	a	B	c=a+b	D	e=c-d	f=d/c%	
	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2,020.00	
	KShs	KShs	KShs	KShs	KShs		
Revenue							
Public contributions and donations	-			-	-		
Transfers from County Govt.	71,600,000.00	(19,723,928.84)	51,876,071.16	38,313,785.16	-	0%	a
Interest income	-			-	-		
Other income	-	587,871.00	587,871.00	587,871.00	-	0%	b
Total income	71,600,000.00	(19,136,057.84)	52,463,942.16	38,901,656.16	-	0%	
Expenses							
Board administration expenses	12,000,000.00	8,200,000	20,200,000.00	20,975,791.00	(775,791.00)	103%	c
General expenses	38,000,000.00	(16,236,900.79)	24,215,456.00	14,755,075.00	9,460,381	60%	d
Revenue collection and infrastructure - Purchase of Assets	15,655,200.00	(7,255,200.00)	8,400,000.00	3,170,725.00	6,286,183.33	25%	e
Revenue management and infrastructure -Depreciation and Amortisation	5,944,800.00	(3,843,957.05)	2,100,842.95	0	2,100,842.95	100%	f
Total expenditure	71,600,000.00	(19,136,057.84)	52,463,942.16	38,901,656.00	16,601,139.16	68%	
Surplus for the period	-	-	-	65.16			

Budget notes

6.1 Explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

- a) The revenue flow or grants expected in the original county approved budget was ksh 71,600,000 this was adjusted downward during the supplementary budget to ksh 51,876,071.16 marking a reduction of Ksh 19,723,929S. The board engaged the county executive through the county treasury and the county assembly on this and that led to an amount in the budget of Ksh 13,571,636 in the year 2020-2021 recognized as earned revenue accruing from FY 2019-2020.
- b) The Board received 587,871.12 being receipts to the Board. These adjustments represent the inter-entity transfer of ksh 287,871 and Ksh 300,000 as token of appreciation for exemplary performance in revenue collection in the FY 2018-2019.
- c) The Board administration exceeded the final budget by ksh 775,791 hence over performance on an actual and comparable basis, this is represented by the underlying commitments in the period relating to making the processes of revenue collection more effective.
- d) The general expenses amounted to ksh 11,716,287, this is represented by the underlying commitments in the period for revenue operations. Further, its coupled by the intensive measures put in place to enhance the collections in the 3rd and 4th Quarters
- e) During the period the board acquired assets in the form of computers routers and other equipment to enhance service delivery the performance which amounted to kshs2,113,816.67
- f) Depreciation is represented on an actual and comparable basis. the represented by an Original budget of Ksh 5,944,800 and final budget of 2,100,842.95 this represents a performance difference of 1,043,934.62

6.2 Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

The Laikipia County Revenue Board approved 13th September 2019 submitted to the county treasury a budget totaling to ksh 71,600,000 this was linked to the board's

performance Objectives for the same period. During the period the world, country and county experienced a global pandemic in the second half of the Fiscal year leading to reprioritization of County resources to fight the pandemic. The county assembly reviewed and approved the final budget on 7th of July 2020.

Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual).

The board prepares and approves its budget on a cash basis and the financial performance on accrual basis. The reconciliation of the surplus of budget and actuals comparison statement against the statement of financial performance is presented as per the reconciliation below

6.3 Reconciliation between surplus as per the budget and as per the financial position

Details	Statement Of Receipts	Budget Vs Actual	Variance	Explanation
Transfer from county	51,876,071	38,313,785	13,562,286	receivables from executive
Other income			0	
			13,562,286	
General expenses	24,215,456	14,755,075	9,460,381	Accrued expenses
Assets		3,170,725	(3,170,725)	reported under asset in financial position
Depreciation	2252783	0	2,252,783	non cash item
			8,542,439	
Variance between surplus in R&R and budget vs actual			5,019,847	

7. Significant Accounting Policies

1. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the revenue board accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Revenue Board. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS).

2. Summary of significant accounting policies

The principle accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2(a) Revenue recognition

Revenue from non-exchange transactions Transfer from County Treasury

Transfers from the County treasury are recognized in the statement of financial performance on a systematic basis over the period. Transfers that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support are recognized in the statement of financial performance in the period in which they become receivable.

2(b) Budget information

The original budget for financial year 2019/20 was approved by the County Revenue Board and the County Assembly of Laikipia. Subsequent revisions and appropriations were made to the approved budget. The annual budget is prepared on the cash basis. All planned costs and income are presented in a single statement to determine the needs of the Revenue Board.

2(c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Revenue Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Annual Report and Financial Statements for the Year Ended June 30, 2020, depreciation on assets is calculated on a straight-line balance basis to write off the cost of each asset, or the revalued amount, to their residual values over the estimated useful life. The annual rates used for each class of assets are:

Land	Nil	Buildings	Nil
	Computers, computer accessories and infrastructure		33 1/3%
	Furniture and Fittings		12.5%
	Motor Vehicles		25%

2(d) Intangible assets

The revenue board did not acquire any Intangible assets during the year

2(e) Financial instruments Financial Assets Initial recognition and measurement

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Revenue board determines the classification of its financial assets at initial recognition.

2(f) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

2(g) Impairment of financial assets

The Revenue Board assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

2(h) Financial liabilities Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Revenue Board determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

2 (i) Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

2 (j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non- exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Revenue Board.

2 (k) Provisions

Provisions are recognized when the Revenue Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Revenue Board expects some or all of a provision to be reimbursed, the

reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

2(l) Contingent liabilities

The Revenue Board 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.

2(m) Contingent assets

The Revenue Board 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 Revenue Board 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 benefit 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.

2(n) Nature and purpose of reserves

Accumulated Fund

Accumulated fund is a revenue fund where the results (surplus/deficit) for each year's financial performance are accumulated. Movements in the revaluation reserve are shown in the statement of changes in net assets.

2(o) Changes in accounting policies and estimates

The Revenue Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

2(p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the

settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

2(q) Borrowing costs Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete.

Further borrowing costs are charged to the statement of financial performance.

2(r) Related parties

The Revenue Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Revenue Board, or vice versa. Members of key management are regarded as related parties and comprise the Revenue Board, Board of Management, and the Executive management made up of the Chief Executive Officer, Chief officers and Other county entities.

2(s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, mobile money, 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.

2(t) Comparative figures

The board did not have any comparative figures as this was the first presentation of the board's financial statements.

2(q) Significant judgements and sources of estimation uncertainty

The preparation of the Revenue Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

2 Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Revenue Board based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Revenue Board. Such changes are reflected in the assumptions when they occur.

ii) Useful lives and residual values

- a. The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:
- b. The condition of the asset based on the assessment of experts employed by the Revenue Board,
- c. The nature of the asset, its susceptibility and adaptability to changes in technology and processes,
- d. The nature of the processes in which the asset is deployed,
- e. Availability of funding to replace the asset,
- f. Changes in the market in relation to the asset.

iii) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Provisions made by the management include:

(a) Provision for Bad Debts

A debt is deemed to be impaired if, and only if, there is objective evidence that the recoverability of that debt is doubtful. Indigent patients who are unable to settle their medical bills upon clinical discharge are allowed home on unsecured credit, and since the payment of these debts are highly doubtful, they are provided for as bad and doubtful.

6.5 (u) Credit risk Exposure to credit risk

Financial assets that potentially subject the Revenue Board to concentration of credit risk consist principally of cash, short-term deposits and trade and other receivables. The Revenue Board's cash equivalents and short-term deposits are placed with financial institutions with a high credit rating. Trade receivables are represented net of the allowance for doubtful receivables.

The carrying amounts of financial assets included in the statement of financial position represent the Revenue Board's maximum exposure to credit risk in relation to these assets. At June 30, 2020 and June 30, 2019, the Revenue Board did consider there to be a significant concentration of credit risk.

Credit risk

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	13,562,286.00	13,562,286.00	-	-
Bank balances	65.16	65.16	-	-
Total	13,562,351.16	13,562,351.16	-	-
At 30 June 2019				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

7. Public contributions and donations

Description	2019/2020	2018/2019
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	KShs	KShs
Donation from development partners		
Contributions from the public		
Total	0.00	0.00

The board did not have any public contributions and donations during the period

8. NOTES TO THE FINANCIAL STATEMENT

1. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	51,876,071.16	
Payments by County on behalf of the entity		
Total	51,876,071.16	

The Revenue Board transfer for the year was Kshs. 51,876,071.16. However, the amount transferred and received totaled kshs. 38,313,785.16 leaving a balance of ksh. 13,562,286 which was not received in the FY 2019/20 and the same has been accrued as receivable for transfers not received as at June 30, 2020 (See note 5.b.).

1.b.

Transfers from the County Government

Transfers from County Treasury

Transfers Received

Transfers Receivables

Recognized in the statement of financial Performance

2019/2020	2018/2019
KShs	KShs
38,313,785.16	
13,562,286.00	
51,876,071.16	

2. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Income from spot award	300,000.00	
Miscellaneous income	287,871.00	

Total other income	587,871.00	
---------------------------	-------------------	--

The Revenue board received ksh 300,000 as token of appreciation for exemplary performance in the f/y 2018/19 and an inter-entity cash refundable transfer of kshs. 287,871 from Ndindika health Centre. The same had not been refunded by the close of the period

3. Board administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 9b)	12,470,451.00	
Professional services costs		
Board Allowances	8,505,340.00	
Total	20,975,791.00	

The board administration expenses totalled to kshs. 20,975,791 this include kshs. 8,505,340 for running the board affairs at including allowances on meeting held. the staff costs are as stipulated in 9.b

3.b. Staff costs

Description	2019/2020	2018/2019
	KShs	KShs
Staff training expenses	1,495,260.00	
Staff Allowances	10,975,191.00	
Total	12,470,451.00	

Staff and training expenses amounted to ksh 12,470,451 during the period under review. This were mainly by facilitations of revenue drives and field revenue services

4. General Expenses

General Expenses	2019/2020	2018/2019
Description	KShs	KShs
Consumables	2,044,300.00	
Fuel and oil costs	2,968,379.00	
motor vehicle repair and maintenance	122,500.00	
Airtime	632,000.00	
Internet	651,030.00	

Accountable Documents	2,476,000.00	
Printing and stationery	5,820,788.00	
Rental costs		
Security costs	1,002,000.00	
Telecommunication	2,965,920.00	
Hospitality	2,017,340.00	
Other expenses (see note 28)	3,515,199.00	
Total	24,215,456.00	

The board general expenses were kshs 24,215,456 during the financial year 2019/2020. This forms the core of the direct revenue collection services costs

5. Depreciation and amortization costs

Description	2019/2020	2018/2019
	KShs	KShs
Land and Buildings		
Motor Vehicle		
Furniture and Fitting	336,600.00	
Computer and Office Equipment	1,916,183.33	
Total	2,252,783.33	

The rates applied for depreciation on furniture's and fitting and computer and office equipment were 12.5% and 33.3% respectively. (**see table 15**)

6. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Fixed deposits account		
On – call deposits		
Current account	65.16	
Others		
Total cash and cash equivalents	65.16	-

The board had a closing balance amounting to kshs. 65.16 as detailed in Table 13.b below

6.b. Detailed breakdown of Cash and Cash Equivalents

		2019/2020	2018/2019
Financial institution	Account number	KShs	KShs
a) Current account			
Co-operative bank of Kenya Account No	01141369182100	2,140,129.16	-
Sub- total		2,140,129.16	-
b) Others(specify)			
Cash in transit- Being Unpresented cheques At 30th June 2020		(2,140,064.00)	-
Cash in hand			-
M Pesa			-
Sub- total		(2,140,064.00)	-
Grand total		65.16	-

7.Revenue from Non-Exchange transaction

	2019/2020	KShs
Description	KShs	KShs
Receivables from County Executive	13,562,286.00	-
Transfer from other county entities	-	-
Total receivables from non-exchange transactions	13,562,286.00	-

The Non-exchange transaction relates to the amount not received at the closure of the period and provided by the Appropriation and Program Based Budget for disbursement in the FY 2020/2021

8. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs.	KShs.	KShs.	KShs.	KShs.
At 1st July 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
At 1st July 2019					
Additions	-	-	2,692,800.00	5,748,550.00	8,441,350.00
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2020	-	-	2,692,800.00	5,748,550.00	8,441,350.00
Depreciation and impairment					
At 1 st July 2018	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
At 1st July 2019					
Depreciation	-	-	336,600.00	1,916,183.33	2,252,783.33
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2020	-	-	336,600.00	1,916,183.33	2,252,783.33
Net book values					
At 30th June 2019	-	-	-	-	-
At 30th June 2020	-	-	2,356,200.00	3,832,366.67	6,188,566.7

Detailed computation of the depreciation on a straight-line method for the assets.

9. Trade and other payables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	14,443,135.00	
Refundable deposits		
Accrued expenses		
Other payables	287,871.00	
Total trade and other payables	14,731,006.00	-

Trade payables relate to the payables for services and goods obtained by the end of the financial year. It amounted to Kshs. 14,443,135 for suppliers and vendors. And Kshs. 287,871 relating to the inter entity transfers, in this case payable to Ndindika Hospital.

10. Changes in Accounts Receivable

Description of the error	2019/2020	2019/2020
	KShs	KShs
Account receivable as at 1 st July 2019 (A)	-	-
Account receivable issued during the year (B)	13,562,286.00	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	13,562,286.00	

Changes related to accounts receivable amounted to kshs. 13,562,286 from the previous period year start

Description of the error	2019/2020	2019/2020
	KShs	KShs
Accounts Payable as at 1 st July 2019 (A)	-	
Accounts Payable held during the year (B)	14,731,006.00	
Accounts Payable paid during the Year (C)	-	
Net changes in account receivables D= A+B-C	14,731,006.00	

Changes related to accounts Payable amounted to kshs. 14,731,006 from the previous period and the start of the period

14. Transfers from County Treasury

DATE RECEIVED IN BANK	TRANSACTION NUMBER	DETAILS	AMOUNT
01/07/2019		TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	55,935.16
15/08/2019	FT19227L14D3	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	6,000,000.00
26/08/2019	FT1923849NXR	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	3,000,000.00
07/10/2019	FT19280YPLHL	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	1,416,000.00
17/12/2019		TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	350,000.00
18/12/2019		TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	1,996,600.00
08/01/2020	FT200086RH9K	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	5,000,000.00
21/02/2020	FT20052ZX1ZK	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	1,416,000.00
24/02/2020	FT20055SPMSZ	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	700,000.00
25/03/2020	FT20085BWSV7	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	8,000,000.00
16/04/2020	FT20107KJ28N	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	4,938,850.00
09/06/2020	FT20161Z0BKS	TRANSFER FROM LAIKIPIA COUNTY EXECUTIVE	5,440,400.00
		TOTALS	38,313,785.16

The transfers have been confirmed and reconciled with the county treasury

13. Progress on Follow-up of Prior Years Auditors Recommendation

Reference No. on the external audit Report	Issue Observations / from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A					

There were no audit queries for the board from previous periods

11. Cash generated from operations

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	5,019,911.83	
Adjusted for:		
Depreciation	2,252,783.33	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments	7,272,695.16	
Increase in inventory	-	-
Increase in receivables	(13,562,286.00)	-
Increase in payables	14,731,006.00	-
Net cash flow from operating activities	8,441,415.16	

12. Related party transactions

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties- County Government Laikipia	38,313,785.16	-
Transfers from related parties- Ndindika Hospital	287,871.00	-
Transfers to related parties-Nanyuki Teaching and referral Hospital	600,000.00	-
Transfers to Ndindika Hospital	1,800,000.00	-

Related part transactions related to kshs. 38,313,785.16 received from the county government during the year (see note 28). receipts from Ndindika hospital in the course of the year but not paid back, transfers to Nanyuki hospital for refunds from previous transfers.

12.b. Key management remuneration

	2019/2020	2018/2019
	KShs	KShs
Board of Directors	8,505,340.00	-
Key Management Compensation		-
Total	8,505,340.00	-

Key management compensation relates to payment of travel, sitting, training and other allowances to the board

12.c. Due from related parties

	2019/2020	2018/2019
	KShs	KShs
Due from County Government Laikipia	13,562,286.00	-
	-	-
Total	13,562,286.00	-

This is due to un transferred amounts at the close of the period which are recognized in the budget estimates as relating to the previous period

12. d. Due to related parties

	2019/2020	2018/2019
	KShs	KShs
Due to Ndindika Hospital	287,871.00	-
Total	287,871.00	-

This relates to the amounts not refunded to Ndindika hospital at the close of the period