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REPORT

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THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

**COUNTY GOVERNMENT OF
KIRINYAGA**



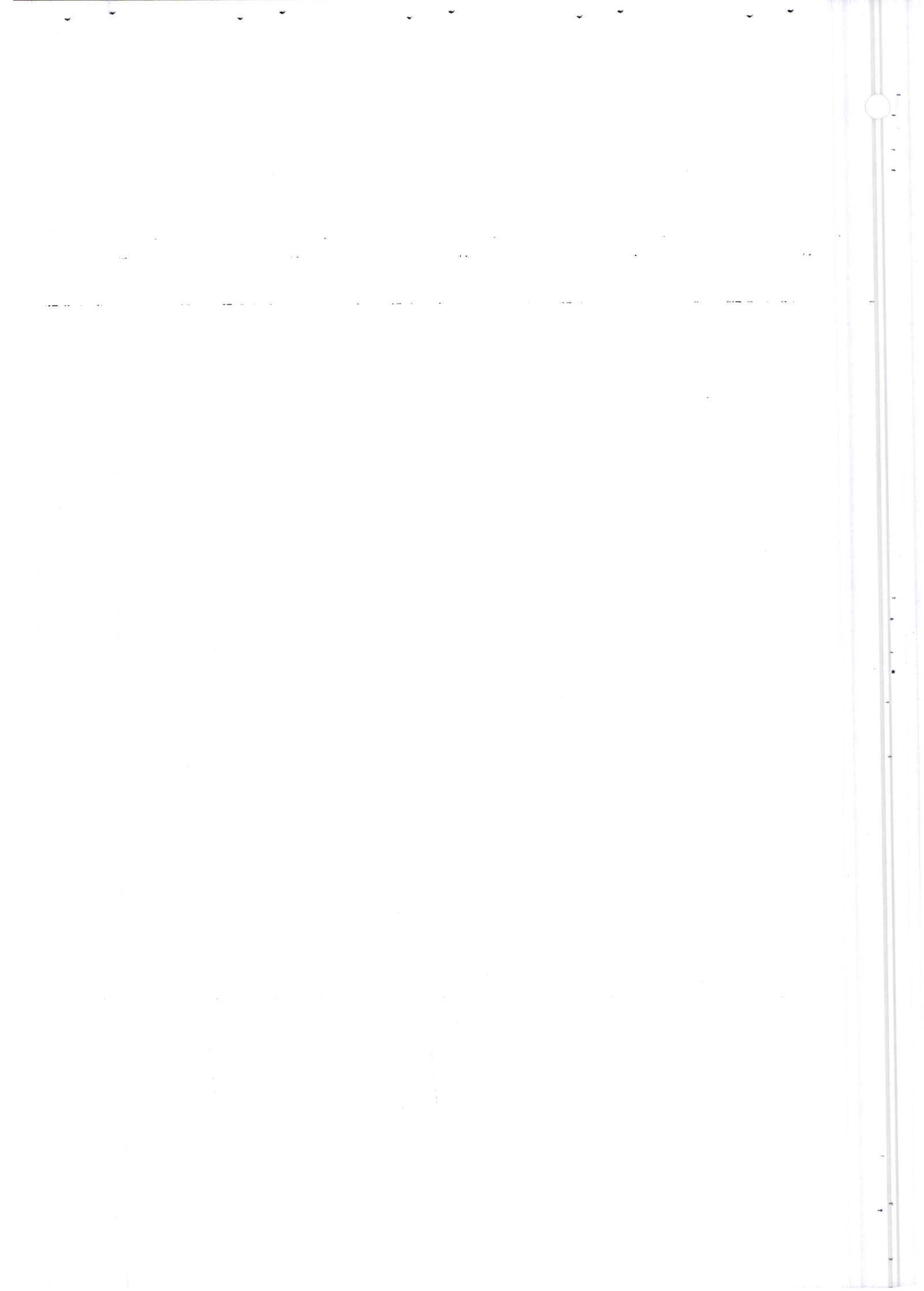
COUNTY REVENUE FUND

County Government of Kirinyaga

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

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





County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2023

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1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings

b) glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	-Jackline Wanjiku Njogu
2.	C.O Finance	- Edward Nyaga Njagi
3.	Director Accounting Services/Finance	-Raphael Mwaura

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	- Jackline Wanjiku Njogu
2.	Accounting Officer in charge of Finance	- Edward Nyaga Njagi
3.	Director Accounting Services/Finance	- Raphael Mwaura

d) Fiduciary Oversight Arrangements

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

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

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

e) County Headquarters

P.O. Box 260 Kutus

Kutus Town, Nyangata ward, Mwea Sub County.

KIRINYAGA, KENYA.

f) County Contacts

Telephone: (254) 0720 803 286

E-mail: cofinance@kirinyaga.go.ke

Website: www.kirinyaga.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

P.O. Box 260 Kutus.

Kutus Town, Nyangata ward, Mwea Sub County.

KIRINYAGA, KENYA.

3. Statement by the CECM Finance

The year under review registered a tremendous improvement in revenue collections peaking at Ksh 586,660,639 against the previous financial year collections of Ksh 388,592,181.

Major revenue collection milestones were realized in:

- Single Business Permits
- Property Rates
- Advertisement Charges
- Subletting Fees
- Conservancy Charges
- Liquor Licence Fees
- Public Health Charges
- Hospital/Medical Services Charges

The County deployed diverse strategies to realize these results as outlined hereunder:

1. Entrenching automation of entire revenue streams to eliminate leakages, evasion and promote efficiency, certainty and accountability.
2. Promotion and adoption of Revenue collection service as a central and core function in all County Departments spearheaded by H.E the Governor, the CECM's and Chief Officers of respective Departments.
3. Introduction of target based performances on Revenue Collections from all streams with a regular reporting, evaluation and monitoring from all collection centers and collaborations on field inspection with teams formed from all departments.
4. Restructuring of the Finance Department by introduction of a Chief Officer designate in line with Section 157 of the Public Finance Management Act (PFM Act) requirements for a Receiver of Revenue and further recruitment of Senior Sub-County Revenue Administrators to coordinate Revenue activities at the sub-counties and towns therein.
5. Publication through National newspapers of defaulters of property rates and proclamations thereof of County's intention to repossess all plots that had huge accumulated arrears and with owners not responding to County demand notices for payment of rates.
6. The County won the liquor licencing case which it was hither to injected from collecting liquor charges from 2021, 2022 and 2023. The County deployed teams to visit all liquor establishments to enforce payments with a near 100% response/rates realized.

With the above performance on collections the County has been able to meet and finance the entire Own Source Revenue based budget component to a tune of Ksh 550 million and over shoot with an excess of Ksh 36 million. Disbursements made to the County Revenue Fund (CRF) amounted to Ksh. 551,873,167 during the period.

The County intends to continue with full automation of all revenue collections and have further introduced an e-citizen's public portal to facilitate the client's compliance and efficient response to the County's Revenue demand notices.

There is remarkable reduction of cash transactions involving collectors by introduction of multiple payment platforms for clients to pay directly to the County as follows:

- Direct Bank Credits with integration to our Revenue Management System to auto receipt to minimize client's movements and eliminate cash transactions.
- Mpesa (mobile money transfer) by use of the:
 - a. Paybill platform
 - b. An STK push facility
 - c. USSD Code

Going forward the County is on a good pedestal to entrench sustainable revenue collection systems and further explore and exploit other revenue potential sources to finance its activities budgeted from Own Source Revenue (OSR).



.....
JACKLINE WANJIKU NJOGU
CECM Finance and Economic Planning
County Government of Kirinyaga

4. Management Discussion and Analysis

The Exchequer releases for the year 2022/2023 was Ksh5,196,177,952 against a budget allocation of Ksh5,196,177,952. This was a 100% allocation. Transfers from other government agencies namely DANIDA, County climate change resilience, NAVCDP, KUSP, NARIGP and ASDSP amounted to Ksh292,028,556. The County of Kirinyaga own source revenue for the year was Ksh586,660,639 which was 106% of the budgeted revenue required to be collected of Ksh550,000,000. The amount transferred to the County revenue Fund amounted to Ksh551,873,167.

Transfers made from the County Revenue Fund to the County Executive Recurrent account amounted to Ksh4,052,289,634 and Ksh1,325,615,676 to the County Executive Development account. Transfers made from the County Revenue Fund to the County Assembly Recurrent account amounted to Ksh681,635,618 and Ksh38,417,170 to the County Assembly Development account. Transfers made from the County Revenue Fund to other government agencies amounted to Ksh348,079,028.

This was a net decrease in cash of Ksh 405,933,711.

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2023.



.....
JACKLINE WANJIKU NJOGU
CEC Member – Finance and Economic Planning
County Government of Kirinyaga

6. Statement of Management Responsibility

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

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2023*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30th, 2023*, and of its financial position as at that date.

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

Approval of the Financial Statements

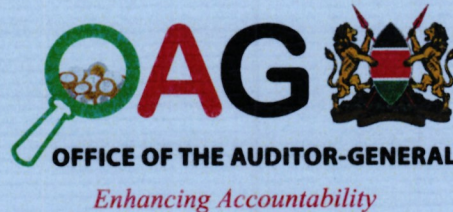
The County Revenue Fund's financial statements were approved and signed on 18/7/2023.

Signature 
Name EDWARD NYAGA NJAGI

Chief Officer Accounting Services, Audit & Revenue
County Government of Kirinyaga

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KIRINYAGA

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Opinion

I have audited the accompanying revenue statements of County Revenue Fund - County Government of Kirinyaga set out on pages 1 to 16, which comprise the statement receipts

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2023 - County Government of Kirinyaga

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

In my opinion, the revenue statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Kirinyaga as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those charged with Governance

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

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's 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 governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 January, 2024

County Government of Kirinyaga
 County Revenue Fund
 for the financial year ended 30th June 2023

8. Statement of Receipts and Payments for the Year Ended 30th June 2023.

	Notes	2022-2023 Kshs.	2021-2022 Kshs.
Receipts			
Exchequer releases	1	5,196,177,952	5,196,177,952
Transfers from other government agencies	2	292,028,556	291,395,732
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	551,873,167	363,732,462
Return to CRF issues	7	23,740	93,683,019
Total Receipts		6,040,103,415	5,944,989,165
Payments			
Transfers to County Executive	8	5,377,905,310	4,491,063,693
Transfers to County Assembly	9	720,052,788	912,285,258
Other Transfers	10	348,079,028	554,582,460
Total Payments		(6,446,037,126)	(5,957,931,411)
Net increase/ (decrease) in cash for the year		(405,933,711)	(12,942,246)
Add Opening fund balance b/f	11	448,801,502	461,743,748
Closing Fund balance for the year	11	42,867,791	448,801,502

.....
 Name –Edward Nyaga Njagi
 Chief Officer – Accounting services, Audit
 & Revenue
 ICPAK Member No 23268
 Date... 18/7/2023

.....
 Name –Raphael Mwaura
 Director Accounting Services
 ICPAK Member No 9972
 Date... 18/7/2023

County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2023

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2023.

Receipts/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Exchequer releases	5,196,177,952	-	5,196,177,952	5,196,177,952	-	100%
Transfers from other government agencies	708,461,236	(299,169,329)	409,291,907	292,028,556	117,263,351	71.3%
Other conditional grants	-	-	-	-	-	-
Proceeds from Domestic Borrowing	-	-	-	-	-	-
Proceeds from Foreign Borrowing	-	-	-	-	-	-
Own Source Revenue	500,000,000	50,000,000	550,000,000	551,873,167	1,873,167	100.3%
Return to CRF issues	146,845,583	730,193,531	877,039,114	405,957,451	471,081,663	46%
Total Receipts	6,551,484,771	481,024,202	7,032,508,973	6,446,037,126	992,405,559	86%
Payments						
Transfers to County Executive	5,115,970,673	765,193,531	5,881,164,204	5,377,905,310	503,258,894	91%
Transfers to County Assembly	727,052,862	15,000,000	742,052,862	720,052,788	22,000,074	97%
Others	708,461,236	(299,169,329)	409,291,907	348,079,028	61,212,879	85%
Total Payments	6,551,484,771	481,024,202	7,032,508,973	6,446,037,126	586,471,847	91.7%
Balance						

*County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2023*

Commentary on significant under realisation (below 90% of realisation) and any over realisation

- (a) The under utilization of funds from transfers from other government agencies of 71% was due to the fact that all budgeted funds were not received subsequently the payments were not done for the same.*
- (b) The over realisation of own source revenue of 100.3% was due to collection of arrears especially for liquor licence for the financial year 2021/2022 and 2022/2023. The County Government of Kirinyaga also automated the collection of revenue necessitating the increase in revenues for other sources.*

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

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

11. Notes to the Financial Statements

1. Exchequer releases

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

Description	2022-2023 Kshs.	2021-2022 Kshs.
Equitable Share (a)	5,196,177,952	5,196,177,952
Level 5 hospitals (b)	-	-
Others (Specify) (c)		
Total (d=a+b+c)	5,196,177,952	5,196,177,952

2. Transfers from other government agencies**

Description	2022-2023 Kshs.	2021-2022 Kshs.
Road Maintenance Levy	-	-
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	47,110,544
World Bank-NARIGP-State Department of Crop Development	178,744,304	224,574,704
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	-
Kenya urban Support Programme(KUSP)	2,339,915	
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	13,642,875	4,698,375
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	8,108,733	15,012,109
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support-	-	-

County Government of Kirinyaga
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Description	2022-2023	2021-2022
(IDEAS)-State Department of Devolution		
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	-	-
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	67,192,729	-
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)l CCIS Grant State Department of	22,000,000	-
Total	292,028,556	291,395,732

3. Other grants**

Description	2022-2023 Kshs.	2021-2022 Kshs.
Donor 1 (Specify)	-	-
Donor 2 (Specify)	-	-
Donor 3 (Specify)	-	-
Others (Specify)	-	-
	-	-

4. Proceeds from Domestic borrowing.

Description	2022-2023 Kshs.	2021-2022 Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others (Specify)	-	-
Total	-	-

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (Specify)	-	-
Total	-	-

6. Own Source Revenue

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Cess	5,793,880	7,108,739
Land rate	6,330,829	4,669,111
Single/Business permits	106,706,294	73,960,835
Property rent	33,444,605	1,349,500
Parking fees	6,327,790	3,352,080
Market fees	38,348,847	33,265,703
Advertising	8,325,400	6,492,740
Hospital fees	174,677,229	164,321,197
Public health service fees	39,945,146	12,289,392
Physical planning and development	10,618,953	14,250,322
Transfer Fee	-	-
Conservancy administration	5,989,310	-
Administration control fees and charges	6,934,495	-
Liquor License	47,712,680	2,065,500
Veterinary Services	5,021,627	4,882,530
Other fines, penalties, and forfeiture fees	3,901,141	-
Kamweti	4,802,477	2,367,444
Survey Fee	7,318,607	1,586,760
Weight & Measures	1,897,130	1,507,000
Group Registration	892,200	553,400
Commission by payroll	835,155	-
Sale of minutes	-	1,002,003

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Cooperative Audit	141,750	-
Sublet fees	5,112,000	810,000
Cemetery	7,000	138,150
Quarries	2,736,100	2,093,300
Property rate	-	2,707,228
Subdivision fee	831,200	-
Bus Park	15,184,700	16,687,040
Refuse Collection	12,036,622	6,272,488
Total	551,873,167	363,732,462

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	1,217	306,178
Development Account (<i>County Executive</i>)	22,522	252,697
Recurrent Account (<i>County Assembly</i>)	1	0.40
Development Account (<i>County Assembly</i>)	-	920,725
Others (<i>Specify</i>)	-	92,203,418
Total	23,740	93,683,018

8. Transfers to County Executive

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account	4,052,289,634	3,654,068,033
Development Account	1,325,615,676	836,995,660
Special Purpose Accounts	-	-
Others (<i>Specify</i>)	-	-
Total	5,377,905,310	4,491,063,693

County Government of Kirinyaga
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Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Recurrent Account	681,635,618	637,393,335
Development Account	38,417,170	274,891,923
Special purpose accounts	-	-
Others (<i>Specify</i>)	-	-
Total	720,052,788	912,285,258

10. Other Transfers

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Agency Notices	-	-
Others	348,079,028	554,582,460
Total	348,079,028	554,582,460

11. Fund balance

Description	2022-2023	2021-2022
	Kshs.	Kshs.
County Exchequer Account - (<i>CBK Account number (10001700433)</i>)	42,867,791	448,801,502
Total	42,867,791	448,801,502

Notes to the Financial Statements (Continued)

12. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency Kes	Account Number	Indicate whether Rec, Dev, Depete	2022-2023 Kshs	2021-2022 Kshs
KCB,1225956242, KES- KIRINYAGA PUBLIC HEALTH REVENUE	1225956242	RECURRENT	1,760.08	45.08
KCB,1224816366, KES-KERUGOYA COUNTY REFERRAL HOSPITAL	1224816366	RECURRENT	25,082,333.75	253,165.75
KCB,1224816722, KES-KIMBIMBI SUB COUNTY HOSPITAL	1224816722	RECURRENT	5,250,712	88,392.00
KCB,1224816846, KES-KIANYAGA SUB COUNTY HOSPITAL	1224816846	RECURRENT	2,555,551	106,085.00
KCB,1224817109, KES-SAGANA SUB COUNTY HOSPITAL	1224817109	RECURRENT	1,413,407.38	5,944.38
KCB, 1140791605, KES- OPERATIONS	1140791605	RECURRENT	662,795.91	832,613.91
KCB, 1140758497, KES-KIRINYAGA COUNTY REVENUE ACCOUNT	1140758497	REVENUE	1,280,305.53	3,046.68
KCB, 1104075997, KES-KAMWETI DEMONSTRATION FUND	1104075997	REVENUE	387,801.35	49.75
KCB,1254841075, KES-KIRINYAGA COUNTY HOSPITAL REVENUE	1254841075	REVENUE	-	5.00
CO-OP, 01141567073500, KES- HOSPITAL FUND COLLECTION	01141567073500	REVENUE	36.54	36.54
CO-OP, 01141489581000, KES-SUB COUNTY REVENUE	01141489581000	REVENUE	90,600.02	-
CO-OP BANK, STANDING IMPREST AC/C01141273895600	1141273895600	DEVELOPMENT	400.04	400.04
CO-OP,01141567202400, KES- ALCOHOL COLLECTION	01141567202400	REVENUE	-599.96	-
EQUITY,0420260844601, KES- COLLECTION ACCOUNT	0420260844601	REVENUE	6,692,482.30	-
ABC BANK, 001217001000046, KES- REVENUE A/C	001217001000046	REVENUE	-1,820.00	-1,820.00
FAMILY BANK, GATHUTHUMA DISPENSARY	57000034987	REVENUE	99,930	60,840.00
CO-OP BANK, BARICHO HEALTH CARE CENTER	1141035288400	REVENUE	2,743,250.30	2,121,070.30

County Government of Kirinyaga
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EQUITY BANK, CIAGINI HEALTH CENTRE	380296924361	REVENUE	370,793.60	228,053.60
CO-OP BANK, GATHAMBI DISPENSARY	1141034519600	REVENUE	2,534,471.50	1,352,274.50
CO-OP BANK, GATITHI DISPENSARY	1141059973100	REVENUE	1,565,977	1,400,567.00
CO-OP BANK, GATUGURA DISPENSARY	1141035279200	REVENUE	401,397	326,617.00
CO-OP BANK, GATUTO DISPENSARY	1141035246300	REVENUE	1,071,570.55	730,270.55
CO-OP BANK, GATWE HEALTH CENTRE	1141568432700	REVENUE	1,046,540	644,160.00
KCB BANK, HSSF KARUMANDI HEALTH CENTRE	1255408677	REVENUE	1,636,599	1,132,072.00
KCB BANK, KABARE HEALTH CENTRE	1119347610	REVENUE	2,072,670.50	1,603,678.50
CO-OP BANK, KAGUMO DISPENSARY	1141035053500	REVENUE	2,024,731.75	1,583,101.75
CO-OP BANK, KAIRINI DISPENSARY	1141059570900	REVENUE	305,914	194,184.00
CO-OP BANK, KAMUIRU DISPENSARY	1141568141100	REVENUE	111,955	59,915.00
CO-OP BANK, KAMWETI DISPENSARY	1141035284900	REVENUE	238,774	185,794.00
CO-OP BANK KIANGOMBE DISPENSARY	1141035279300	REVENUE	256,370.50	133,017.00
CO-OP BANK, KANGAITA HEALTH CENTRE	1141272157200	REVENUE	1,667,367.50	1,232,897.50
CO-OP BANK, KANGU DISPENSARY	1141272391300	REVENUE	1,320,566	1,004,676.00
CO-OP BANK, KANJINJI DISPENSARY	1141034730300	REVENUE	255,236.50	129,426.50
CO-OP BANK, KIAMUTUGU HEALTH CENTRE	1141035294500	REVENUE	2,401,081	1,825,291
CO-OP BANK, KIANGAI DISPENSARY	1141059992500	REVENUE	809,864.38	579,594.38
CO-OP BANK, KIANJEJE DISPENSARY	1141059976300	REVENUE	375,485	142,865.00
KIARUKUNGU DISPENSARY	76000007540	REVENUE		163,806.01
CO-OP BANK, KIBIRIGWI DISPENSARY	1141059524100	REVENUE	1,032,658	510,998.00
EQUITY BANK, KIROGO HSSF DISPENSARY	380296917718	REVENUE	743,236	524,526.00
CO-OP BANK, KUTUS DISPENSARY	1141034766100	REVENUE	3,418,655	2,513,365.00
CO-OP BANK, MUKANGU DISPENSARY	1141059501800	REVENUE	750,733	351,003.00
CO-OP BANK, MUMBUINI DISPENSARY	1141051477700	REVENUE	443	443.00
CO-OP BANK, MURINDUKO HEALTH CENTRE	1141051830800	REVENUE	2,009,805	1,277,635.00

County Government of Kirinyaga

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for the financial year ended 30th June 2023

CO-OP BANK, MUTITU DISPENSARY	1141035003600	REVENUE	443,578.80	334,158.80
EQUITY BANK, NGUKA DISPENSARY	380296960724	REVENUE	1,240,143	1,100,693.00
EQUITY BANK, THIBA DISPENSARY	380296928194	REVENUE	1,446,100	1,211,720.00
EQUITY BANK, WAMUMU DISPENSARY	380296917476	REVENUE	214,963	175,972.00
TOTAL			78,026,625.82	26,122,649.52

12. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
CEN/HUB/KRGA.C/EXEC/2021/2022/1A/02	The statement of receipts and payments for the year ended 30th June,2022 reflects own source revenue balance of Kshs. 363,732,462 as disclosed in Note 6 to the financial statements. However, the revenue schedules provided for audit reflect a	The variance of Kshs 24,859,719 is due to the balances of revenue accounts for dispensaries. The amounts were not swiped to the CRF account. All bank reconciliations, cash books and bank	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	balance of Kshs. 388,592,181 resulting to an unsupported or reconciled variance of Kshs.24,859,719	certificate balances and statements for the dispensary revenue accounts were provided to explain the difference. The financial statements in respect of Receiver of Revenue for the year ended 30th June 2022 own source revenue have since been amended to		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reflect the correct balance of Kshs 363,732,462.		



.....
 Name : EDWARD NYAGA NJAGI
 Chief Officer: Accounting Services, Revenue & Audit
 ICPAK Member No: 23268
 Date 18/7/2023

County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2023

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

Period 2023	Quarter 1 (KShs)	Quarter 2 (KShs)	Quarter 3 (KShs)	Quarter 4 (KShs)	Total (KShs)
Equitable Share	857,369,362	857,369,362	857,369,362	2,624,069,866	5,196,177,952
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	13,642,875	13,642,875
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	178,744,304	178,744,304
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
County Climate Resilience Investment(CCRI)	-	-	11,000,000	11,000,000	22,000,000
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	2,339,915	2,339,915
National Agricultural Value Chain Development project	-	-	-	67,192,729	67,192,729
Agriculture Sector Development Support Project (ASDSP)	-	-	8,108,733	-	8,108,733
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Water and Sanitation Development Project	-	-	-	-	-
Others (Specify)	-	-	-	-	-
Total	857,369,362	857,369,362	876,478,095	2,896,989,689	5,488,206,508

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

Period 2023	Quarter 1 (KShs)	Quarter 2 (KShs)	Quarter 3 (KShs)	Quarter 4 (KShs)	Total (KShs)
Cess	1,220,390	1,257,930	1,745,430	1,570,130	5,793,880
Land rate	1,336,741	2,298,632	-	2,695,456	6,330,829
Single/Business permits	4,213,164	5,136,322	77,054,172	20,302,636	106,706,294
Property rent	80,800	1,635,200	24,511,687	7,216,918	33,444,605
Parking fees	872,230	849,920	2,602,070	2,003,570	6,327,790
Market fees	7,382,370	9,350,928	10,969,171	10,646,378	38,348,847
Advertising	897,000	559,000	2,703,500	4,165,900	8,325,400
Hospital fees	1,831,300	60,061,457	45,841,110	66,943,362	174,677,229
Public health service fees	8,578,226	1,764,470	21,681,050	7,921,400	39,945,146
Physical planning and development	3,022,973	2,463,143	2,234,700	2,898,137	10,618,953
Hire of County Assets	-	-	-	-	-
Conservancy administration	576,220	567,860	2,203,250	2,641,980	5,989,310
Administration control fees and charges	-	776,981	2,233,860	3,923,654	6,934,495
Liquor License	94,000	1,485,880	38,603,400	7,529,400	47,712,680
Park fees	-	-	-	-	-
Veterinary Services	1,235,365	-	1,007,450	2,778,812	5,021,627
Kamweti	1,595,030	561,275	659,462	1,986,710	4,802,477
Proceeds from sale of assets	-	-	-	-	-
Commission by payroll	-	-	-	835,155	835,155
Refuse Collection	-	-	-	12,036,622	12,036,622
Survey Fee	789,700	-	2,518,707	4,010,200	7,318,607
Weight & Measures	220,600	148,920	456,330	1,071,280	1,897,130

County Government of Kirinyaga
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 For the financial year ended 30th June 2023

Cooperative Audit	..	-	-	-	141,750	141,750
Group Registration	181,100	223,300	242,400	245,400	892,200	892,200
Bus Park	4,249,640	4,110,310	2,365,130	4,459,620	15,184,700	15,184,700
SubLet Fees	..	216,000	3,355,000	1,541,000	5,112,000	5,112,000
Quarries	555,700	487,100	659,300	1,034,000	2,736,100	2,736,100
Cemetery	7,000	-	-	-	7,000	7,000
Subdivision fee	..	831,200	-	-	831,200	831,200
Other fines, penalties, and forfeiture fees	..	1,315,120	2,586,021	-	3,901,141	3,901,141
Miscellaneous	..	-	-	-	-	-
Others (<i>Specify</i>)	..	-	-	-	-	-
Total	38,939,549	96,100,948	246,233,200	170,599,470	551,873,167	551,873,167

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 4: Analysis of Transfers from the County Revenue Fund

Period 2023	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
County Executive -Rec	483,666,946	1,196,059,024	567,685,244	1,804,878,420	4,052,289,634
County Executive -Dev	122,350,880	176,753,329	99,973,403	926,538,064	1,325,615,676
County Assembly -Rec	60,866,127	200,604,862	183,084,498	237,080,131	681,635,618
County Assembly -Dev	-	-	-	38,417,170	38,417,170
Special Purpose A/c (Specify)	-	-	-	-	-
Total	666,883,953	1,573,417,215	850,743,145	3,006,913,785	6,097,958,098