

REPUBLIC OF KENYA



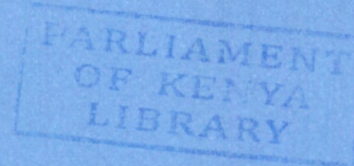
*Enhancing Accountability*

## REPORT

	PAPERS LAID
DATE	5/3/2024
TABLED BY	Maj-L
COMMITTEE	—
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**THE AUDITOR-GENERAL**

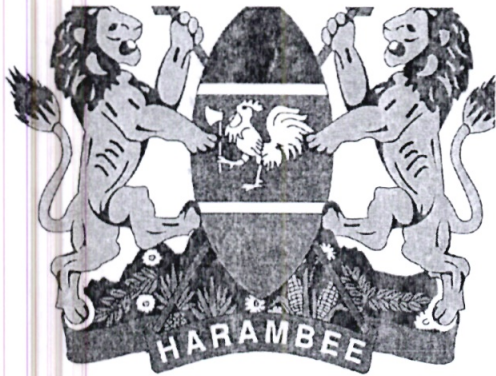
ON



**COUNTY REVENUE FUND**

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

**COUNTY GOVERNMENT OF  
UASIN GISHU**



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COUNTY REVENUE FUND  
COUNTY GOVERNMENT OF UASIN GISHU  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

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



**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

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**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

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**1. Acronyms and glossary of terms**

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
CECM	County Executive Committee Member
CO	Chief Officer
HE	His Excellency
Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

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**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	MICAH KIPKOSGEI ROGONY
2.	C.O Finance	ELIUD CHEMAGET
3.	Director Accounting Services/Finance	SILAS K RONO

**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	MICAH K ROGONY
2.	Accounting Officer in charge of Finance	ELIUD K CHEMAGET
3.	Director Accounting Services/Finance	SILAS K RONO

**d) Fiduciary Oversight Arrangements**

**a. Economic Planning Committee of the County Assembly**

- i. Provide oversight role and operation of the finance and economic planning department

**b) Budget and Appropriation Committee**

- i. Examine annual and supplementary budget estimates of expenditure presented to the house
- ii. Provide oversight on the presentation and implementation of the budget

**a) Public Accounts and Investment Committee**

- i. Increase public confidence in the credibility of the government institution through providing oversight role on financial performance
- ii. To examine reports and accounts on the public investments.

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

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**e) County Headquarters**

Uasin Gishu County Executive  
P.O Box 40 – 30100  
County Hall Building  
Uganda Road  
Eldoret, Kenya

**f) County Contacts**

Telephone: (254) – 053-2016215  
-053-2016125  
-053-2016600  
E-mail: [info@uasingishu.go.ke](mailto:info@uasingishu.go.ke)  
Website: [www.uasingishu.go.ke](http://www.uasingishu.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  
County Hall Office  
P.O. Box 40,  
Eldoret, Kenya

### 3. Statement by the CECM Finance and Economic Planning

County governments in Kenya are one of the two arms of government. The other arm is the National Government. Article 1(4) of the Constitution says that people exercise their sovereign power at the national and the county level. Article 6(1) divides the territory of Kenya into the counties specified in the First Schedule. The governments at the national and county levels are distinct and inter-dependent.

The Fourth Schedule of the Constitution contains information on the devolved services in Kenya. It stipulates the division of functions between the national and the county governments in Kenya. The devolved functions in Kenya performed by county governments are as follows.

Agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs (slaughterhouses), plant and animal disease control, and fisheries. County health services, including, in particular – county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession which is a national government function), cemeteries, funeral parlours and crematoria, and refuse removal, refuse dumps and solid waste disposal. Control of air pollution, noise pollution, other public nuisances, and outdoor advertising. Cultural activities, public entertainment and public amenities, including – betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports and cultural activities and facilities, and county parks, beaches and recreation facilities. County transport, including – County roads (Class D, E and Unclassified Roads), street lighting, traffic and parking, public road transport, and ferries and harbours (excluding the regulation of international and national shipping and matters related thereto). Animal control and welfare, including – licensing of dogs, and facilities for the accommodation, care, and burial of animals. Trade development and regulation, including – markets, trade licences (excluding regulation of professions), fair trading practices, local tourism, and cooperative societies.

County planning and development, including – statistics, land survey and mapping, boundaries and fencing, housing, and electricity and gas reticulation and energy regulation. Education – only pre-primary education (ECD), village polytechnics, home craft centres and childcare facilities. Implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation, and forestry. County public works and

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

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services, including – storm water management systems in built-up areas, and water and sanitation services. Fire fighting services and disaster management.

Control of drugs and pornography. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

It is my pleasure to present the Uasin Gishu County Revenue Fund financial statements which presents the financial performance for the year ended 30th June 2023.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. Financing of the County Governments Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Article 183 provides for the functions of the county executive committee in Kenya being, implementation of county legislation, and implementation of national legislation within the county if the legislation so requires, management and coordination of the functions of the county administration and its departments and performance of any other functions conferred on it by the Constitution or national legislation. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. The financial reports are utilized in informing policy decisions regarding operations, management and service delivery and also ensure the most effective and efficient use of resources. It further reviews the performance of county departments and agencies in regard to budget allocations and execution as outlined in their annual work plans. This consolidated report presents only key achievements in the period under review; the County also finances its operations through own generated revenues. The key local revenue sources for County Government of Uasin Gishu includes business permits, land rates, business plan approval, advertising fees, cesses and various other administrative charges. The County continues to explore new and innovative ways of increasing its local revenue collections.



**County Government of Uasin Gishu  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2023**

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I also thank my colleagues, the County Executive Committee Members in charge of other departments whom we have worked hand in hand to ensure that County Government of Uasin Gishu achieves its mission. I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Uasin Gishu County.



**MR MICAH KIPKOSGEI ROGONY  
COUNTY EXECUTIVE COMMITTEE MEMBER  
FINANCE AND ECONOMIC PLANNING  
COUNTY GOVERNMENT OF UASIN GISHU**

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

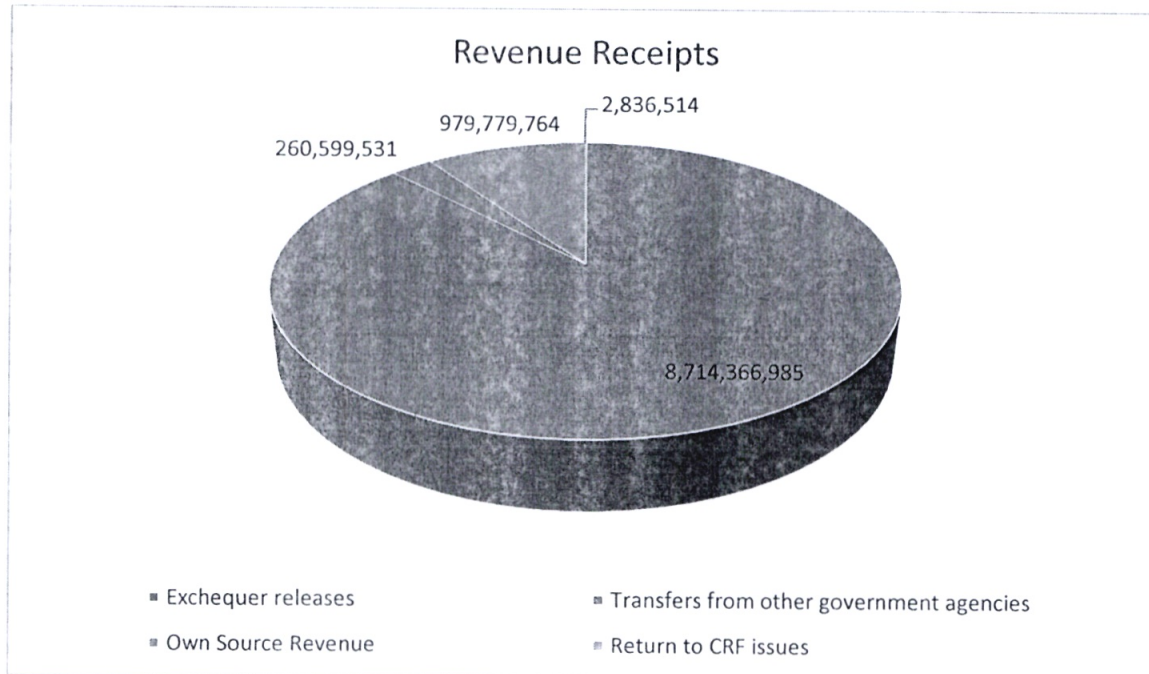
**4. Management Discussion and Analysis**

Public Finance Management Act, (PFM) 2012 section 109 (1), (2) and (3) requires each County Government to establish and administer the County Revenue Fund in accordance with Article 207 of the Constitution and that the County Treasury for each county government shall ensure that all money raised or received by or on behalf of the county government is paid into the County Revenue Fund.

Section 164 of the Public Finance Management (PFM) Act of 2012, requires the accounting officer to prepare the annual financial statements at the end of each financial year in respect of the entity. The county Revenue fund report has been prepared in the format prescribed by the Accounting standards board.

During the year under review the county Government received total revenue of Kshs.9, 957,582,794 comprising of Exchequer releases of Kshs.8, 714,366,985. Transfers from other government agencies of Kshs.260, 599,531, Own Source Revenue of Kshs. 979,779,764 and Return to CRF issues of Kshs.2, 836,514 (Chart 1). The total Targeted revenue for the year was Kshs. 11,823,658,569 thus there was 84% of the budget revenue realization.

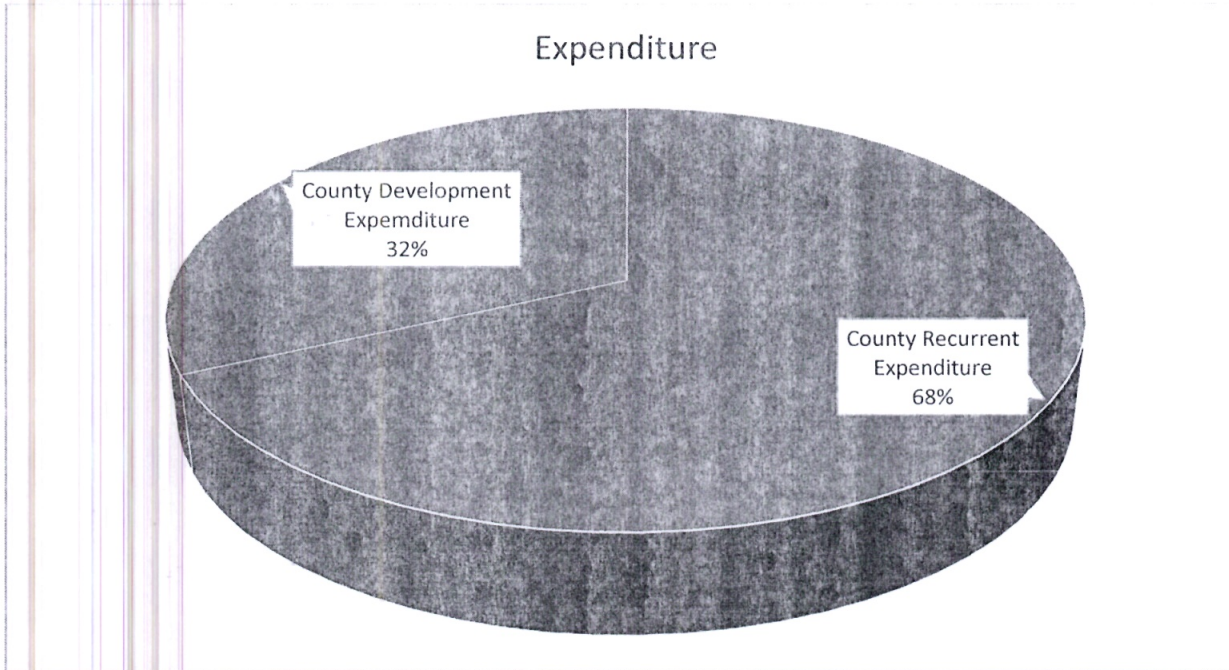
*Chart 4.0*



**County Government of Uasin Gishu  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2023**

The total Expenditure incurred during the year was Kshs.10,244,866,133 comprising of Recurrent expenditure of Kshs.6,968,197,335 and Development expenditure of Kshs.3,276,668,797 against a budgeted expenditure of Kshs. 11,823,658,569 These lead to absorption rate of 87% as shown in Chart 2 below;

*Chart 4.1*

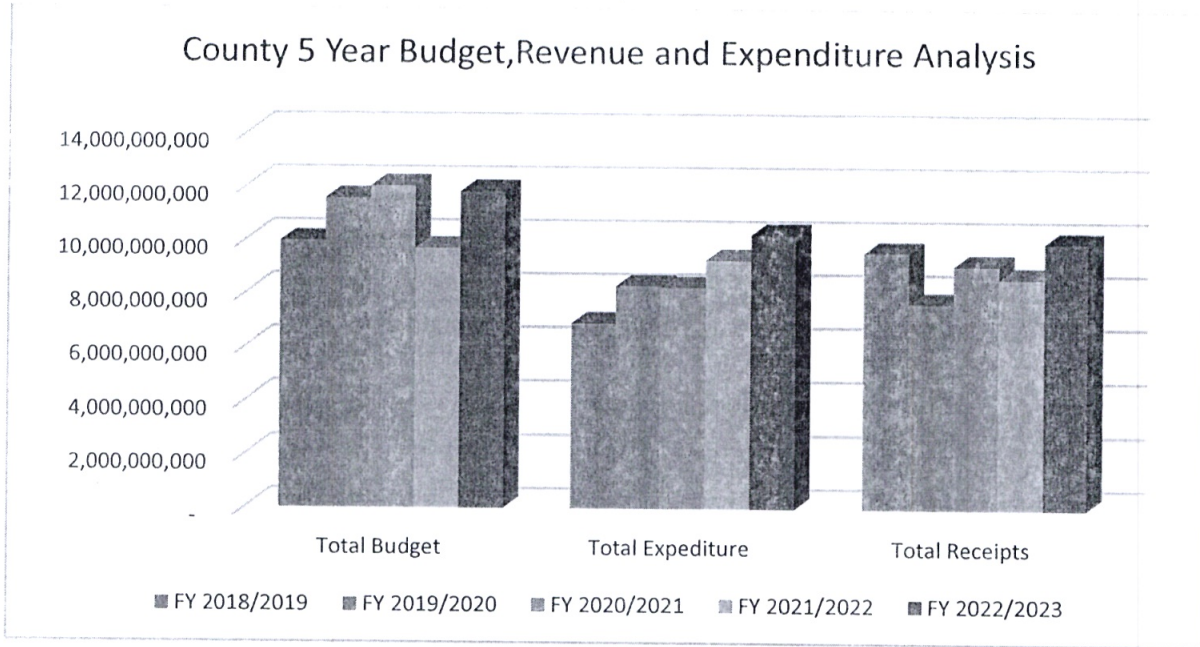


Analysis of the county financial performance for the last five years shows that absorption rate was high in FY 2021/2022 at 96% compared to the other four years. In the last five years the county received a total revenue of Kshs.44,888,954,486 of which was the highest in FY 2022/2023 at kshs.9,957,582,794 and lowest in FY 2019/2020 as shown in the graph 1.0 below. On average the county has been receiving 82% of its budgeted revenue for the last five years, and that 18% of budgeted revenues are not achieved because of under collection in Own source revenue collection and non-disbursement of other donor.

Total Expenditure was low in FY 2019/2020 and high in FY 2022/2023

**County Government of Uasin Gishu  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2023**

**4.1 Chart for County 5 Year Budget Revenue & Expenditure Analysis**



**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

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

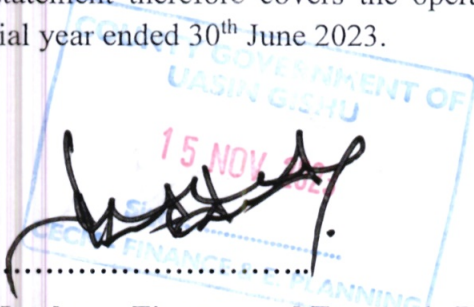
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Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

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



A handwritten signature in black ink is written over a blue rectangular official stamp. The stamp contains the text 'COUNTY GOVERNMENT OF UASIN GISHU' at the top, '15 NOV 2023' in the center, and 'CEC MEMBER - FINANCE & ECONOMIC PLANNING' at the bottom. A horizontal dotted line is drawn across the page just below the signature.

**CEC Member – Finance and Economic Planning**  
**County Government of Uasin Gishu**

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

**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 30, 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. 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 \_\_\_\_\_ 2023

Signature \_\_\_\_\_  
Name **ELIUD CHEMAGET**  
Chief Officer Finance / Accounting Officer



# REPUBLIC OF KENYA

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Anniversary Towers  
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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 UASIN GISHU**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Revenue Fund - County Government of Uasin Gishu set out on pages 1 to 9, which comprise of the statement of

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

receipts and payments for the year ended 30 June, 2023, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Uasin Gishu 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 Article 207 of the Constitution of Kenya.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Opening and Closing Fund Balances**

The statement of receipts and payment reflects a closing fund balance of Kshs.531,355,952 while the corresponding Note 11 to the financial statements reflects a fund balance of Kshs.533,091,927 resulting to unexplained variance of Kshs.1,735,975. In addition, the statement further reflects a fund comparative balance of Kshs.738,036,536 while Note 11 to the financial statements reflects a comparative fund balance of Kshs.818,639,291 resulting to unexplained variance of Kshs.80,602,755.

In the circumstances, the accuracy of the closing and opening fund balances could not be confirmed.

#### **2. Inaccurate Own Source Revenue Amount**

The statement of receipts and payments and Note 6 to the financial statements reflects own source revenue amount totalling to Kshs.979,779,764. However, review of the cash book, bank statements and reports from the receiver of revenue reveals that a total amount of Kshs.981,515,739 was disbursed to County Exchequer Account maintained at the Central Bank of Kenya, resulting to an unexplained variance of Kshs.1,735,975.

In the circumstances, the accuracy of receipts from own source revenue totalling to Kshs.979,779,764 could be confirmed.

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



## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.11,823,658,569 and Kshs.9,957,582,794 respectively resulting to an under-funding of Kshs.1,866,075,775 or 16% of the budget. Similarly, the Fund expended Kshs.10,244,866,133 against an approved budget of Kshs.11,823,658,569 resulting to an under-expenditure of Kshs.1,578,792,436 or 13% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, no report or recommendations from Uasin Gishu County Executive Management and oversight bodies were submitted for audit verification. Further, the issues remain unresolved contrary to Section 149(2) (l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding.

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective. The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities that 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 entity 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.

- 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 going concern 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 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 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 controls 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**

**05 February, 2024**

**County Government of Uasin Gishu**  
**County Revenue Fund**  
**For the financial year ended 30<sup>th</sup> June 2023**

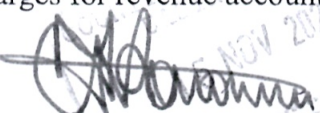
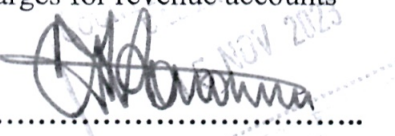
**8. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2023**

		2022/2023	2021/2022
	Notes	Kshs.	Kshs.
<b>Receipts</b>			
Exchequer releases	1	8,714,366,985	7,423,349,652
Transfers from other government agencies	2	260,599,531	312,623,229
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	979,779,764	858,349,786
Return to CRF issues	7	2,836,514	6,661,863
<b>Total Receipts</b>		<b>9,957,582,794</b>	<b>8,600,984,530</b>
<b>Payments</b>			
Transfers to County Executive	8	9,302,865,639	8,476,356,249
Transfers to County Assembly	9	942,000,494	788,910,868
Other Transfers	10		0
<b>Total Payments</b>		<b>10,244,866,133</b>	<b>9,265,267,117</b>
Net increase/ (decrease) in cash for the year		(287,283,339)	(664,282,587)
Add Opening fund balance b/f	11	818,639,291	<b>1,402,319,123</b>
<b>Closing Fund balance for the year</b>	<b>11</b>	<b>531,355,952</b>	<b>738,036,536</b>

**Note:** The difference in Fund balance of **Kshs 531,355,952** and **kshs 533,091,927** in note 11 is due to the following:

- Kshs 2,696,241.34 closing balances for revenue accounts for financial year 2021/2022
- Kshs (681,262.87) closing balance for revenue accounts fy 2022/2023
- Kshs (176,994) cash in transit
- Kshs (102,009.38) Bank charges for revenue accounts

  
  
 Name; Eliud Chemaget  
 Chief Officer - Finance

  
  
 Name; Silas K Ronoh  
 Director Accounting Services  
 ICPAK Member No.8151

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

9. Statement of Comparison of Budget Vs Actual Amounts for the Year Ended 30<sup>th</sup> June, 2023

Receipt/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 %
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Exchequer releases	8,068,858,318	0	8,068,858,318	8,714,366,985	(645,508,667)	108%
Transfers from other government agencies	258,281,181	0	258,281,181	260,599,531	(2,318,350)	101%
Other conditional grants	0	0	0	0	0	
Proceeds from Domestic Borrowing	0	0	0	0	0	
Proceeds from Foreign Borrowing	0	0	0	0	0	
Own Source Revenue	1,400,471,851	0	1,400,471,851	979,779,764	420,692,087	70%
Return to CRF issues	2,096,047,219	0	2,096,047,219	2,836,514	2,093,210,705	0%
<b>Total Receipts</b>	<b>11,823,658,569</b>	<b>0</b>	<b>11,823,658,569</b>	<b>9,957,582,794</b>	<b>1,866,075,775</b>	<b>84%</b>
<b>Payments</b>						
Transfers to County Executive	10,881,658,075	0	10,881,658,075	9,302,865,639	1,578,792,436	85%
Transfers to County Assembly	942,000,494	0	942,000,494	942,000,494	0	100%
Others	0	0	0	0	0	
<b>Total Payments</b>	<b>11,823,658,569</b>	<b>0</b>	<b>11,823,658,569</b>	<b>10,244,866,133</b>	<b>1,578,792,436</b>	<b>87%</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(287,283,339)</b>	<b>287,283,339</b>	

**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.

**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.

County Government of Uasin Gishu  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2023

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)	8,714,366,985	7,423,349,652
Level 5 hospitals (b)	-	-
Others (Specify) (c)	-	-
<b>Total (d=a+b+c)</b>	<b>8,714,366,985</b>	<b>7,423,349,652</b>

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	7,950,000	-
World Bank-NARIGP-State Department of Crop Development	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	84,379,280	178,576,410
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	12,412,500	7,012,500
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	7,661,223	14,219,271
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	50,000,000	-
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	6,663,885	-
Kenya Urban Support Programme	2,339,914	-
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	-
Kenya DEVOLUTION Support Programme	-	112,815,048
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of .....	22,000,000	-
<b>Total</b>	<b>260,599,531</b>	<b>312,623,229</b>



County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

3. Other grants

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Donor 1 <i>(Specify)</i>	-	-
Donor 2 <i>(Specify)</i>	-	-
Donor 3 <i>(Specify)</i>	-	-
Others <i>(Specify)</i>	-	-
	-	-

\*\* These are funds received from development partners directly to the CRF.

4. Proceeds from Domestic borrowing.

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

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 <i>(Specify)</i>	-	-
<b>Total</b>	-	-

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

6. Own Source Revenue

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Cess	124,171,718.83	59,877,215
Land rate	104,760,334.40	139,945,034
Single/Business permits	215,321,972.15	161,398,381
Property rent	30,346,955.75	21,096,038
Parking fees	260,577,195.63	272,337,078
Market fees	19,251,535.00	17,257,061
Advertising	80,079,400.24	58,796,110
Hospital fees	37,472,079.00	38,398,830
Public health service fees	15,007,412.00	15,930,169
Physical planning and development	21,805,680.20	32,115,911
Hire of County Assets	2,902,604.15	2,275,071
Conservancy administration	27,871,902.36	16,974,710
Administration control fees and charges	18,379,299.35	9,516,979
Park fees	0	0
Proceeds from sale of assets	0	0
Other fines, penalties, and forfeiture fees	18,161,687.35	12,226,574
Miscellaneous	3,669,987.77	204,625
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>979,779,763.88</b>	<b>858,349,786</b>

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Recurrent Account (County Executive)	72,539	527,130
Development Account (County Executive)	2,693,964	6,134,733
Imprest Account (County Executive)	70,011	-
Development Account (County Assembly)	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>2,836,514</b>	<b>6,661,863</b>

These are UN-utilized funds at the close of financial year 2021/2022 that was returned to CRF account

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

8. Transfers to County Executive

Description	2022/2023	2021/2023
	Kshs.	Kshs.
Recurrent Account	6,065,173,558	5,664,986,569
Development Account	3,237,692,080	2,811,369,680
Special Purpose Accounts	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>9,302,865,638</b>	<b>8,476,356,249</b>

9. Transfers to County Assembly

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Recurrent Account	903,023,777	707,782,222
Development Account	38,976,717	81,128,646
Special purpose accounts	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>942,000,494</b>	<b>788,910,868</b>

10. Other Transfers

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Agency Notices	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

11. Fund balance

Description	2022/2023	2021/2022
	Kshs.	Kshs.
County Exchequer Account - (CBK 1000171685 )	533,091,927	818,639,291
<b>Total</b>	<b>533,091,927</b>	<b>818,639,291</b>

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

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	Amount in bank account currency*	Ex. rate (if in foreign currency)	2022/2023	2021/2022
			Kshs	Kshs
National bank-1001111955700			-	15,101.50
Equity bank-109026411251			151,939.85	635,270
Kcb bank A/c 1141856689			127,442.38	31,000
Co-operative's bank-1141672927900			85.83	(599.96)
Family bank-8200011728			278.82	0.55
Spire bank-405448501			0	43,203.25
MPESA-646464			401,516	1,972,266
<b>Total</b>			<b>681,262.87</b>	<b>2,696,241.34</b>

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

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)
	Own Source Revenue	County has taken seriously the auditor's recommendation.	Ongoing	June 2024
1.	Disbursements from Receiver of Revenue	The County management has noted this for compliance on the lawfulness and effectiveness measures.	Ongoing	June 2024
2.	Late Disbursements of Transfers from Other Government Agencies	Late disbursements is due to late transfers from National Treasury.	Not Resolved	Depend on National Treasury

.....  
 Name **Eliud Chemaget**  
 Chief Officer Finance  
 Date



County Government of Uasin Gishu

County Revenue Fund

For the financial year ended 30<sup>th</sup> 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	1,331,361,624	1,331,361,621	1,976,870,289	4,074,773,451	8,714,366,985
Level 5 Hospitals	-	-	-		
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	-	-	7,950,000	7,950,000
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	-	-	-	12,412,500	12,412,500
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	-	-
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	2,339,914	2,339,914
Agriculture Sector Development Support Project (ASDSP)	-	-	5,111,223	2,550,000	7,661,223
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	84,379,280	-	84,379,280
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development				50,000,000	50,000,000
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant	-	-	11,000,000	11,000,000	22,000,000
EU Grant (Instruments for Devolution Advice and Support-(IDEAS)-State Department of Devolution			6,663,885	-	6,663,885
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development				67,192,729	67,192,729
Others (Specify)	-	-			
<b>Total</b>	<b>1,331,361,624</b>	<b>1,331,361,621</b>	<b>2,084,024,677</b>	<b>4,228,218,594</b>	<b>8,974,966,516</b>

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

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

Period Ended 30 <sup>th</sup> June 2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	9,390,050.35	36,455,621.10	52,106,355.05	26,119,423.03	124,071,449.53
Land rate	8,631,711.69	7,767,287.58	63,867,422.62	24,493,912.51	104,760,334.40
Single/Business permits	8,977,895.00	4,830,391.00	142,347,822.99	59,165,863.16	215,321,972.15
Property rent	5,116,543.75	6,257,592.00	3,837,665.00	15,135,155.00	30,346,955.75
Parking fees	51,069,267.50	61,421,876.57	83,399,782.56	64,686,269.00	260,577,195.63
Market fees	2,911,075.00	5,329,332.00	5,258,875.00	5,752,253.00	19,251,535.00
Advertising	5,850,670.00	9,551,294.00	51,143,356.24	13,534,080.00	80,079,400.24
Hospital fees	6,977,076.00	7,833,206.00	11,247,301.00	11,414,496.00	37,472,079.00
Public health service fees	1,559,740.00	5,082,862.00	5,012,881.00	3,351,929.00	15,007,412.00
Physical planning and development	4,167,139.00	6,966,940.70	5,359,474.00	5,312,126.50	21,805,680.20
Hire of County Assets	408,025.00	965,519.70	992,066.00	536,993.45	2,902,604.15
Conservancy administration	1,289,520.00	774,040.00	17,525,811.00	8,282,531.36	27,871,902.36
Administration control fees and charges	1,935,100.00	1,800,355.00	8,244,825.22	6,399,019.13	18,379,299.35
Park fees	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Other fines, penalties, and forfeiture fees	1,918,083.55	4,722,168.80	5,217,734.00	6,403,970.00	18,261,956.35
Miscellaneous	657,799.35	697,713.55	2,314,134.00	340.87	3,669,987.77
Others ( <i>Specify</i> )	-	-	-	-	-
<b>Total</b>	<b>110,859,696.19</b>	<b>160,456,200.00</b>	<b>457,875,505.68</b>	<b>250,588,362.01</b>	<b>979,779,763.88</b>

County Government of Uasin Gishu  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2023

Annex 4: Analysis of Transfers from the County Revenue Fund

Period -2022-2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	993,975,819	1,587,669,478	1,763,795,544	1,719,732,717	6,065,173,558
County Executive -Dev	-	472,529,815	418,457,063	2,346,705,202	3,237,692,080
County Assembly -Rec	175,756,327	411,491,584	133,421,235	182,354,631	903,023,777
County Assembly -Dev	-	21,110,773	-	17,865,944	38,976,717
Special Purpose A/c (Specify)	-	-	-	-	-
<b>Total</b>	<b>1,169,732,146</b>	<b>2,492,801,650</b>	<b>2,315,673,842</b>	<b>4,266,658,494</b>	<b>10,244,866,132</b>