

REPUBLIC OF KENYA



*Enhancing Accountability*

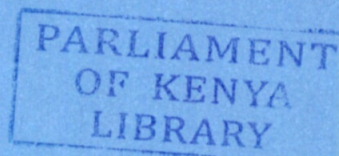
**REPORT**

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|--------------------|-------------|
|                    | PAPERS LAID |
| DATE               | 6/3/2024    |
| TABLED BY          | Maj. Leader |
| COMMITTEE          | —           |
| CLERK AT THE TABLE | Angel G.    |

**OF**

**THE AUDITOR-GENERAL**

**ON**



**COUNTY REVENUE FUND**

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

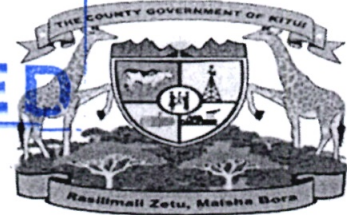
**COUNTY GOVERNMENT OF KITUI**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**MACHAKOS HUB.**

*Revised on 30<sup>th</sup> June, 2023.*

01 DEC 2023

**RECEIVED**



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## COUNTY REVENUE FUND

*County Government of Kitui*

## 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)

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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 |

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## 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, Economic Planning and Revenue Management | Peter Mwikya Kilonzo    |
| 2.  | C.O Finance and Revenue Management                     | CPA John Kimwele Makau  |
| 3.  | Director Accounting Services/Finance                   | CPA Joel Mwinzi Muyanga |

### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20xx and who had direct fiduciary responsibility were:

| No. | Designation  | Name                    |
|-----|--|-------------------------|
| 1.  | CECM Finance, Economic Planning and Revenue Management | Peter Mwikya Kilonzo    |
| 2.  | Accounting Officer in charge of Finance                | CPA John Kimwele Makau  |
| 3.  | Director Accounting Services/Finance                   | CPA Joel Mwinzi Muyanga |

### d) Fiduciary Oversight Arrangements

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

- a. **County Assembly of Kitui** - the Constitution confers the county's legislative authority to the County Assembly. The County Assembly make laws that are necessary to ensure county governments perform their functions under the Fourth Schedule of the constitution. A County Assembly exercises oversight on the county executive committee. County Assembly receives and approves plans and policies that affect the management and exploitation of the county's resources. County Assembly approves development and management of county infrastructure, resources and institutions.

- b. **Kitui County Assembly Public Investment and Accounts Committee** - Examine accounts showing appropriations by the County assembly to meet public expenditure and reports on the workings of the County public investments.
- c. **Kitui County Assembly Budget and Appropriation Committee** - Investigate inquire into and report on all matters related to the budget and county budget policy statement. The committee also review the county budget estimates and make recommendations to the County Assembly.
- d. **Kitui County Assembly Finance and Economic Planning Committee** – investigate reports on the implementation of County budget.
- e. **Kitui County Budget and Economic Forum** - coordinate and collect views from the public during the budgeting process and the forum act as a think-tank for the County government in terms of financial and economic management. Assist the county to analyses and identify its priorities as they budget for programs. The forum improves coordination between the citizens and government as they bring about harmonisation of project implementation and funding.
- f. **Audit Committee** - promote the integrity and quality of internal and external reports by providing a high level of assurance and check. The audit committee also foster and promotes a more effective and efficient audit process by providing an independent review of the internal audit annual work plan and reports.
- g. **Controller of Budget** - oversees the implementation of the budgets of both national and county governments. The Controller of budget monitors the use of public funds in-year and reports to Parliament on how the funds have been utilised. The office authorises withdrawals from county revenue fund as per the County Appropriation Act.
- h. **National Treasury** - Formulate, implement, and monitor macroeconomic policies involving expenditure and revenue. National treasury also assists county governments to develop their capacity for efficient, effective, and transparent financial management.
- i. **The Senate Committee on Public Investments and Accounts** - investigate on the reports and accounts of the public investments. They also examine the reports, if any, of the Auditor General on the public investments; and check the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial practices.
- j. **Donor Appointed Auditors for the various grants** - promote the integrity and quality of internal and external reports by providing a high level of assurance and check. They ensure the county spending is in agreement with donor conditions and guidelines.

**e) County Headquarters**

P. O. Box 33 90200

Kitui County Headquarters Building

KITUI, KENYA

**f) County Contacts**

Telephone: 044-4422041, 044-4422304

E-mail: [info@kituicounty.go.ke](mailto:info@kituicounty.go.ke)

Website: [www.kitui.go.ke](http://www.kitui.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 Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

### 3. Statement by the CECM Finance

#### Performance of the County Revenue Fund

##### Analysis of Revenues

During the Financial year under review July 2022 to June 2023, the County Government of Kitui had a total of budget of **Kshs 12.305 billion**, comprising of **Kshs 10.393 billion** being equitable share; **Kshs 374.080 million** from conditional grants, **Kshs 420 million** local revenues and a revote of **Kshs 1.118 billion**.

The County received a total of **Kshs 12.374 billion** comprising of Equitable share amounting to **10.393 billion**, grants and donor funds **Kshs 369.573 million** while local revenues amounted to **Kshs 462.593 million** and **Kshs 1.118 billion** being amount brought forward as revote, total receipts amounted to **Kshs 12.057 billion**. Donor funds were received as per budget apart from National Agricultural Value Chain Development Project and Emergency Locust Response Project which recorded **96%** and **98%** respectively. The amount revoted during the period included Kshs 831,517,634 equitable share for the June 2022, which was not disbursed during 2021-22 financial year.

**Table 1: Budget Analysis by Revenue Streams (Kshs. Millions)**

| Revenue Streams    | FY 2018/19    | FY 2019/20    | FY 2020/21    | FY 2021/22    | FY 2022/23    |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| Equitable share    | 8,729         | 8,830         | 9,589         | 10,393        | 10,393        |
| Local Revenue      | 760           | 600           | 600           | 800           | 420           |
| Conditional grants | 1,005         | 1,599         | 831           | 967           | 374           |
| Revote             | 1,193         | 765           | 818           | 307           | 1118          |
| <b>Total</b>       | <b>11,688</b> | <b>11,795</b> | <b>11,839</b> | <b>12,468</b> | <b>12,305</b> |

Source: Kitui County Treasury

An analysis of the composition of County revenue reveals that the equitable share accounts for about 83.96% of total revenue while grants accounted for 3.04%, local revenues accounted for 3.41% and revote brought forward accounted for 9.03% of the Budget. Both local and foreign grants have grown over time to replace a portion of equitable share, reducing its percentage from over 90% at the inception of devolution in 2013 to about 84.96% in 2022-2023 financial years. Over the years conditional grants from National Government and National Government entities have also grown in numerical terms as well as a percentage of the overall budget.



**Disbursement of County Revenue Fund for the Year**

The table below shows how the total CRF receipts for the financial year ended 30 June 2023 were disbursed.

| Period (2021/22)   | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)      |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| County Executive - Recurrent                                     | 1,312,750,609        | 1,833,190,697        | 1,856,202,936        | 2,338,382,708        | 7,340,526,950         |
| County Executive - Development                                   | 9,335,105            | 69,114,285           | 164,100,173          | 1,400,751,071        | 1,643,300,834         |
| County Assembly - Recurrent                                      | 97,245,530           | 174,816,111          | 325,688,970          | 432,186,087          | 1,029,936,698         |
| County Assembly - Development                                    | -                    | -                    | -                    | -                    | -                     |
| <b>Urban Development Grant (UDG)</b>                             | -                    | -                    | -                    | 2,339,914,85         | 2,339,914.85          |
| Agricultural Sector Development Support Program (ASDSP)          |                      | 5,500,000            | 11,636,683           | 5,500,000            | 22,636,683            |
| Primary Health Care  | -                    | -                    | 10,044,000           | 28,405,688           | 38,449,688            |
| Climate Change   | -                    | -                    | -                    | 22,000,000           | 22,000,000            |
| Emergency Locust Response Program                                |                      |                      | 27,584,884.60        | 40,937,643.00        | 68,522,528            |
| Value Chain  |                      |                      |                      | 67,192,729           | 67,192,729            |
| National Agriculture and Rural Inclusive Growth Project (NARIGP) | 57,625,486           | 27,997,816           | 158, 923,008         | 17,052,215           | 261,598,525           |
| <b>Total</b>   | <b>1,476,956,730</b> | <b>2,110,618,909</b> | <b>2,395,257,647</b> | <b>4,352,408,141</b> | <b>10,496,504,550</b> |



..... (Sign)

**CECM- Finance, Economic Planning and Revenue Management**

**County Government of Kitui**

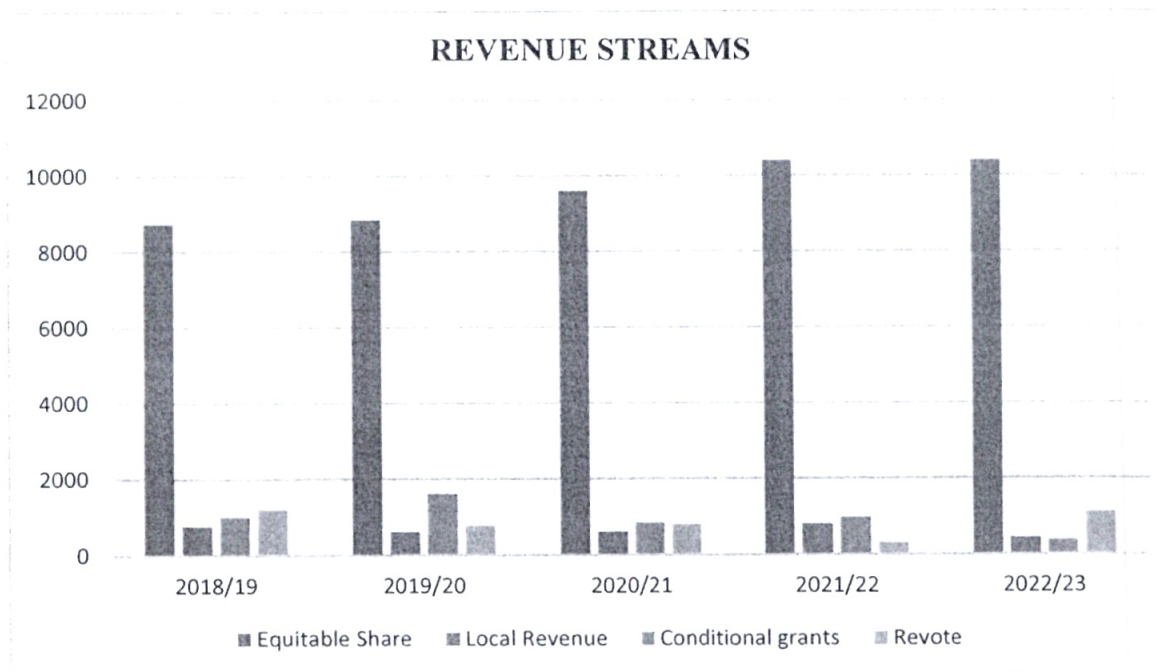
**4. Management Discussion and Analysis**

A trend wise analysis of the County Revenue Fund (CRF) per item classification as a proportion of the total revenue over the last five years reveals that of all the major sources, equitable share has increased by 11% through the FY 2022/23, own source revenue has remained at an average of 636 million per year while conditional grants decreased between the FY 2018/19 and 2022/23.

A comparison of revenue streams to the CRF account over a period of five years in **Millions**

| Revenue Streams    | FY 2018/19    | FY 2019/20    | FY 2020/21    | FY 2021/22    | FY 2022/23    |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| Equitable share    | 8,729         | 8,830         | 9,589         | 10,393        | 10,393        |
| Local Revenue      | 760           | 600           | 600           | 800           | 420           |
| Conditional grants | 1,005         | 1,599         | 831           | 967           | 374           |
| Revote             | 1,193         | 765           | 818           | 307           | 1,118         |
| <b>Total</b>       | <b>11,687</b> | <b>11,794</b> | <b>11,838</b> | <b>12,467</b> | <b>12,305</b> |

Source; Kitui County Treasury 2023



The revote has reduced between the financial year 2018/19 and 2021/22 but increased in the current Financial Year (2022/23) up to Kshs 1.118B. This indicates that the absorption rate for the current year has reduced as compared to previous years. The revote amount has remained significant only for a period when equitable share for the month of June is delayed and disbursed in the following financial year.

## **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.

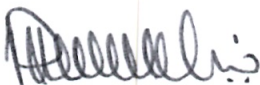
### **Transfers from the County Revenue Fund**

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



.....  
**CEC Member – Finance, Economic Planning and Revenue Management**  
**County Government of Kitui**

## 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 30/11/2023 2023.

Signature 

Name John Makau

**Chief Officer Finance /Accounting Officer**  
**County Government of Kitui**

**7. Report of the Independent Auditor on the County Revenue Fund of County Government of Kitui for the Year ended 30<sup>th</sup> June 2023**

| 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). |
|--|--|---|-----------------------------------|---|
| 1.1  | Discrepancies Between the Financial Statements and the Notes Amounts | Corrections were made in the revised financial statement  | Resolved                          |   |
| 1.2  | Misstatements in the Statement of Receipts and Payments              | Adjustments were made in the revised financial statements   | Resolved                          |   |
| 2  | Inaccuracies in Own Generated Revenue                                | The variances in figures occurred due to differences in the final date for revenue swipes to the CRF Account and the actual financial reporting date. | Resolved                          |   |

# REPUBLIC OF KENYA

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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 KITUI**

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Revenue Fund - County Government of Kitui set out on pages 12 to 23, which comprise of the statement of receipts and payments and statement of comparison of budget and actual amounts for the year ended 30 June, 2023, and a summary of significant accounting policies and other

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial performance of County Revenue Fund - County Government of Kitui for the year ended 30 June, 2023, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Financial Management Act, 2012 and the County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following inaccuracies in the financial statements:

- i. The statement of receipts and payments reflects a closing fund balance of Kshs.2,209,387,481 while the corresponding Note 11 to the financial statements reflects an amount of Kshs.1,574,824,601 resulting to an unexplained and an unreconciled variance of Kshs.634,562,880.
- ii. The statement of receipts and payments reflects balances of Kshs.372,987,443 and Kshs.487,027,810 in respect of comparative closing fund balance and net decrease in cash for the year, respectively which are at variance with the previous year's audited balances of Kshs.1,347,043,064 and Kshs.487,027,810 respectively, each resulting to an unexplained and an unexplained variance of Kshs.974,055,620.
- iii. The statement of receipts and payments and, as disclosed in Note 6 to the financial statements, reflects own source revenue amount of Kshs.462,592,621. Review of the County Revenue Fund bank statements and schedule for disbursements revealed that an amount of Kshs.467,089,152 was transferred from the Kitui County Executive to County Revenue Fund during the year under review, resulting in an unexplained variance of Kshs.4,496,531.
- iv. The statement of receipts and payments and, as disclosed in Note 8 to the financial statements, reflects an amount of Kshs.9,466,567,852 in respect of transfers to the County Executive. However, the statement of receipts and payments included in the County Executive's financial statements reflects an amount of Kshs.11,225,488,047 as being transfers from County Revenue Fund. The resulting variance of Kshs.1,758,920,195 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the highlighted balances could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of Kitui Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance

with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.12,306,052,565 and Kshs.10,496,504,550 respectively, resulting to an under-expenditure of Kshs.1,809,548,015 or 15% of the budget.

The underperformance affected implementation of planned activities and programs 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report for the previous year several issues were raised under the Report on Financial Statements. However, Management has not resolved the prior year audit issues or provided an explanation for the delay in resolving them.

## **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, except for the matter described in the Basis for Conclusion, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Failure to Comply with the Financial Reporting Template**

Review of the financial statements revealed the following non-compliance issues:

- i. The section on the financial statements and Notes to the financial statements has been paginated from page 12 instead of page 1.
- ii. The details of County Attorney have been omitted from key entity information and management.



- iii. The report on progress on follow up of the auditor's recommendations has been included in the wrong section of the report.

In the circumstances, the Fund's Management did not comply with the financial reporting template prescribed by the Public Sector Accounting Standards Board (PSASB).

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 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 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 ability to continue to sustain services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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, 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 financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

15 February, 2024

County Government of Kitui  
 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         | 11,225,488,047        | 9,562,452,779        |
| Transfers from other government agencies      | 2         | 369,572,765.8         | 205,296,005          |
| Other grants                                  | 3         | -                     | -                    |
| Proceeds from Domestic Borrowing              | 4         | -                     | -                    |
| Proceeds from Foreign Borrowing               | 5         | -                     | -                    |
| Own Source Revenue                            | 6         | 462,592,621           | 359,219,242          |
| Return to CRF issues                          | 7         | 317,281,440           | (846,247,052)        |
| <b>Total Receipts</b>                         |           | <b>12,374,934,874</b> | <b>9,280,720,974</b> |
| <b>Payments</b>                               |           |                       |                      |
| Transfers to County Executive                 | 8         | 9,466,567,852         | 8,851,200,323        |
| Transfers to County Assembly                  | 9         | 1,029,936,698         | 916,548,462          |
| Other Transfers                               | 10        | -                     | -                    |
| <b>Total Payments</b>                         |           | <b>10,496,504,550</b> | <b>9,767,748,785</b> |
| Net increase/ (decrease) in cash for the year |           | 1,878,430,324         | (487,027,810)        |
| Add Opening fund balance b/f                  | 11        | 330,957,157           | 860,015,254          |
| <b>Closing Fund balance for the year</b>      | <b>11</b> | <b>2,209,387,481</b>  | <b>372,987,443</b>   |

.....  
 Name *John Makau*  
 Chief Officer - Finance  
 ICPAK Member No... *6571*.....  
 Date... *30/6/2023*.....

.....  
 Name *Joel Mnyanga*.....  
 Director Accounting Services  
 ICPAK Member No... *17969*.....  
 Date... *30/6/2023*.....

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

**9. Statement of Comparison of Budget 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 %          |
|  | Kshs                  | Kshs               | Kshs                  | Kshs                       | Kshs                          |                  |
| Receipts                                 |                       |                    |                       |                            |                               |                  |
| Cheque/leaves                            | 10,393,970,413        | -                  | 10,393,970,413        | 11,225,488,046             | (831,517,633)                 | 108.00           |
| Transfers from other government agencies | -                     | -                  | -                     | -                          | -                             |                  |
| Other conditional grants                 | 505,225,111           | (131,144,602)      | 374,080,509           | 369,572,766                | 4,507,743                     | 98.79            |
| Proceeds from domestic borrowing         | -                     | -                  | -                     | -                          | -                             |                  |
| Proceeds from foreign borrowing          | -                     | -                  | -                     | -                          | -                             |                  |
| Own Source Revenue                       | 600,000,000           | (180,000,000)      | 420,000,000           | 462,592,621                | (42,592,621)                  | 110.14           |
| Return to CRF dues                       | -                     | 1,118,001,643      | 1,118,001,643         | 317,281,440                | 800,720,203                   | 28.38            |
| <b>Total Receipts</b>                    | <b>11,499,195,524</b> | <b>806,857,041</b> | <b>12,306,052,565</b> | <b>12,374,934,873</b>      | <b>(68,882,308)</b>           | <b>100.56</b>    |
| Payments                                 |                       |                    |                       |                            |                               |                  |
| Transfers to County Executive            | 10,351,830,610        | 424,344,336        | 10,776,174,946        | 9,466,567,852              | 1,309,607,094                 | 87.85            |
| Transfers to County Assembly             | 1,147,364,914         | 382,512,705        | 1,529,877,619         | 1,029,936,698              | 499,940,921                   | 67.32            |
| Others                                   | -                     | -                  | -                     | -                          | -                             |                  |
| <b>Total Payments</b>                    | <b>11,499,195,524</b> | <b>806,857,041</b> | <b>12,306,052,565</b> | <b>10,496,504,550</b>      | <b>1,809,548,015</b>          | <b>85.30</b>     |
| <b>Balance</b>                           | -                     | -                  | -                     | 1,878,430,323              | 1,878,430,323                 | 15.26            |

- The difference between original budgets and final budget is a result of two supplementary budgets approved during the year, which introduced revote of **Kshs1,118,001,643** and

- adjusted own source revenue downward from Kshs 600,000,000 to Kshs 420,000,000. This resulted in an overall increase in budget from Kshs 11.499 billion to Kshs 12.306 billion.
- During the year the County received equitable share for the month of June 2022 amounting to Kshs 831,517,634 leading to over realization of 108% and revenue collection surpassed targets.
- Overall budget realization was 85% due to change in the government and new Cabinet members and chief officers were sworn in the month of February 2023 therefore there was delay in implementation of the budgets

## **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             | 2021/2022           |
|------------------------|-----------------------|---------------------|
|                        | Kshs.                 | Kshs.               |
| Equitable Share (a)    | 11,225,488,047        | 9,562,452,779       |
| Level 5 hospitals (b)  | -                     | -                   |
| Others (Specify) (c)   | -                     | -                   |
| <b>Total (d=a+b+c)</b> | <b>11,225,488,047</b> | <b>9,562,452,77</b> |

**2. Transfers from other government agencies\*\***

| Description   | 2022/2023   | 2021/2022   |
|---|-------------|-------------|
|   | Kshs.       | Kshs.       |
| Road Maintenance Levy   | -           | -           |
| Kenya Urban Support Programme   | 2,339,915   |             |
| 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                       | -           | 23,942,835  |
| World Bank-NARIGP-State Department of Crop Development  | 169,475,223 | 150,349,619 |
| World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development                           | -           | -           |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health   | 28,405,688  | -           |
| IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation       | -           | -           |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development           | 11,636,683  | 16,926,637  |
| World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development                            | 68,522,528  | 14,076,914  |
| 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- (IDEAS)-State Department of Devolution                     | -           | -           |

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

| Description  | 2022/2023             | 2021/2022          |
|--|-----------------------|--------------------|
| 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)1 CCIS Grant State Department of .....             | 22,000,000            | -                  |
| <b>Total</b>   | <b>369,572,766.00</b> | <b>205,296,005</b> |

(These include conditional grants from National government)

**3. Other grants\*\***

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

\*\* 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 (Specify)  | -         | -         |
| <b>Total</b>  | <b>-</b>  | <b>-</b>  |

(There was no Domestic borrowing during the year)

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

(There was no foreign borrowing during the year)

**6. Own Source Revenue**

| Description                                 | 2022/2023             | 2021/2022          |
|---|-----------------------|--------------------|
|   | Kshs.                 | Kshs.              |
| Cess  | 9,066,048.00          | 7,389,550          |
| Land rate                                   | 11,691,053.00         | 13,450,023         |
| Single/Business permits                     | 76,558,410.00         | 61,506,705         |
| Property rent                               | 12,526,060.00         | 1,999,800          |
| Parking fees                                | 15,017,314.00         | 10,347,962         |
| Market fees                                 | 14,853,052.00         | 10,941,907         |
| Advertising                                 | 23,026,225.00         | 16,063,191         |
| Hospital fees                               | 268,630,760.00        | 188,556,171        |
| Public health service fees                  | 15,200.00             | -                  |
| Physical planning and development           | -                     | -                  |
| Hire of County Assets                       | 1,857,155.00          | 1,788,290          |
| Conservancy administration                  | 47,300.00             | 4,866,727          |
| Administration control fees and charges     | 2,513,214.00          |                    |
| Park fees                                   | 547,487.00            | 1,044,537          |
| Proceeds from sale of assets                | 525,200.00            | -                  |
| Other fines, penalties, and forfeiture fees | 13,018,178.00         | -                  |
| Miscellaneous                               | 12,461,000.00         | 9,128,100          |
| Others ( <i>Specify</i> )                   | -                     | -                  |
| <b>Total</b>                                | <b>462,592,621.00</b> | <b>359,219,242</b> |

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

*(Excluded from own source revenues is an amount of Kshs 11,395,086 which is money collected but not surrendered by collectors to the receiver of revenue as at the closure of the financial year. Recovery process is ongoing to recover this amount).*

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

**7. Return to CRF Issues**

| <b>Description</b>                              | <b>2022/2023</b>   | <b>2021/2022</b>   |
|---|--------------------|--------------------|
|   | <b>Kshs.</b>       | <b>Kshs.</b>       |
| Recurrent Account ( <i>County Executive</i> )   | 317,281,440        | 846,247,052        |
| Development Account ( <i>County Executive</i> ) |                    | -                  |
| Recurrent Account ( <i>County Assembly</i> )    | -                  | -                  |
| Development Account ( <i>County Assembly</i> )  | -                  | -                  |
| Others ( <i>Specify</i> )                       | -                  | -                  |
| <b>Total</b>                                    | <b>317,281,440</b> | <b>846,247,052</b> |

*(Returned CRF issues are as a result of late disbursement of funds to the CRF account by the National Treasury leading to delays in payment especially at the closure of the financial year. As a result, the desired absorption rate of funds is not met. In addition, balances for donor accounted accounts are also included here).*

**8. Transfers to County Executive**

| <b>Description</b>        | <b>2022-2023</b>     | <b>2021-2022</b>     |
|---------------------------|----------------------|----------------------|
|                           | <b>Kshs.</b>         | <b>Kshs.</b>         |
| Recurrent Account         | 7,340,526,950        | 6,383,092,914        |
| Development Account       | 1,643,300,834        | 2,262,811,403        |
| Special Purpose Accounts  | 482,740,068          | 205,296,006          |
| Others ( <i>Specify</i> ) | -                    | -                    |
| <b>Total</b>              | <b>9,466,567,852</b> | <b>8,851,200,323</b> |

*(Withdrawal of the funds was authorised through the Kitui County appropriation Act, No. 3 of 2022. An Act of the County Assembly of Kitui to authorise the issue of a sum of money out of the County Revenue Fund and its application towards the service of the year ending the 30th of June 2023 and to appropriate the funds for certain public services and purposes.)*

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

**9. Transfers to County Assembly**

| Description               | 2022-2023            | 2021-2022          |
|---------------------------|----------------------|--------------------|
|                           | Kshs.                | Kshs.              |
| Recurrent Account         | 1,029,936,698        | 916,548,462        |
| Development Account       | -                    | -                  |
| Special purpose accounts  | -                    | -                  |
| Others ( <i>Specify</i> ) | -                    | -                  |
| <b>Total</b>              | <b>1,029,936,698</b> | <b>916,548,462</b> |

(As per the Kitui County appropriation Act, No. 4 of 2022, the amount required and authorized in the year ending 30 June 2022 for salaries and expenses of the County assembly including general administration, planning and support services amounted to **Kshs. 1,029,936,698**)

**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 - ( <i>CBK Account number 1000171111</i> ) | 1,574,824,601        | 860,015,254        |
| <b>Total</b>  | <b>1,574,824,601</b> | <b>860,015,254</b> |

**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.

| <b>Name Of Bank, Account No. &amp; Currency</b>             | <b>Amount in bank account currency*</b> | <b>Ex. rate (if in foreign currency)</b> | <b>2022-2023</b> | <b>2021-2022</b> |
|---|---|--|------------------|------------------|
|   |   |  | <b>Kshs</b>      | <b>Kshs</b>      |
| PAYBILL 815815-relates Co-operative Account (0114181063200) |   |  | 337,084          | -                |
| KCB Kitui County Revenue Collection (1140752855)            |   |  | 299,678          | 6,431,646        |
| CO-OP Kitui County Health Insurance Cover (01141810632200)  |   |  | 1,168,340        | 105              |
| <b>Total</b>  |   |  | <b>1,805,102</b> | <b>6,431,751</b> |

**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) |
|--|-----------------------------------|---------------------|-----------------------------------|--|
|  |                                   |                     |                                   |  |
|  |                                   |                     |                                   |  |

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National/ County Treasury.

.....  
 Name John MAKAV  
 Chief Officer Finance  
 ICPAK Member No 6571  
 Date

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

| Period 2022-2023  | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)      |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Equitable Share   | 1,715,005,119        | 1,715,005,119        | 2,546,522,751        | 5,248,955,058        | 11,225,488,047        |
| Level 5 Hospitals   | -                    | -                    | -                    | -                    | -                     |
| DANIDA - Universal Healthcare in Devolved Units Programme       | -                    | -                    | -                    | 28,405,688           | 28,405,688            |
| World Bank – THUSCP   | -                    | -                    | -                    | -                    | -                     |
| National Agricultural & Rural Inclusive Growth Project (NARIGP) | -                    | -                    | 152,423,008          | 17,052,216           | 169,475,223           |
| Kenya Devolution Support Programme                              | -                    | -                    | -                    | -                    | -                     |
| Youth Polytechnic support grant                                 | -                    | -                    | -                    | -                    | -                     |
| Abolishment of user fees in health centres and dispensaries     | -                    | -                    | -                    | -                    | -                     |
| Kenya Urban Support Programme                                   | -                    | -                    | -                    | 2,339,915            | 2,339,915             |
| Emergency Locust Response Program                               | -                    | -                    | 27,584,885           | 40,937,643           | 68,522,528            |
| Agriculture Sector Development Support Project (ASDSP)          | -                    | -                    | -                    | 11,636,683           | 11,636,683            |
| Kenya Climate Smart Agriculture Project (KCSAP)                 | -                    | -                    | 11,000,000           | 11,000,000           | 22,000,000            |
| Water and Sanitation Development Project                        | -                    | -                    | -                    | -                    | -                     |
| Value Chain   | -                    | -                    | -                    | 67,192,729           | 67,192,729            |
| Others (Specify)  | -                    | -                    | -                    | -                    | -                     |
| <b>Total</b>  | <b>1,715,005,119</b> | <b>1,715,005,119</b> | <b>2,737,530,644</b> | <b>5,427,519,932</b> | <b>11,595,060,813</b> |



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

| Period 2022-2023                            | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)      |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Cess  | 588,590              | 1,993,726            | 2,880,182            | 3,603,550            | 9,066,048.00          |
| Land rate                                   | 1,593,305            | 1,513,665            | 4,933,904            | 3,650,179            | 11,691,053.00         |
| Single/Business permits                     | 2,394,975            | 3,214,170            | 46,682,580           | 24,266,685           | 76,558,410.00         |
| Property rent                               | 2,101,408            | 2,942,360            | 3,482,578            | 3,999,714            | 12,526,060.00         |
| Parking fees                                | 2,219,839            | 3,616,489            | 7,204,131            | 1,976,855            | 15,017,314.00         |
| Market fees                                 | 3,098,322            | 4,170,314            | 4,013,254            | 3,571,162            | 14,853,052.00         |
| Advertising                                 | 297,400              | 919,580              | 14,667,400           | 7,141,845            | 23,026,225.00         |
| Hospital fees                               | 43,802,113           | 52,442,830           | 98,917,366           | 73,468,451           | 268,630,760.00        |
| Public health service fees                  | 2,500                | 3,000                | 5,400                | 4,300                | 15,200.00             |
| Slaughter house Administration              | 291,345              | 493,295              | 662,525              | 409,990              | 1,857,155.00          |
| Physical planning and development           | -                    | -                    | -                    | -                    | -                     |
| Technical Service Fees                      | -                    | 41,000               |                      | 6,300                | 47,300.00             |
| Sell of Agriculture Goods                   | 309,874              | 138,045              | 1,990,425            | 74,870               | 2,513,214.00          |
| Hire of County Assets                       | 222,114              | 312,373              | 13,000               | -                    | 547,487.00            |
| Conservancy administration                  | 15,200               | 27,500               | 435,200              | 47,300               | 525,200.00            |
| Administration control fees and charges     | 1,277,370            | 4,178,935            | 3,881,074            | 3,680,799            | 13,018,178.00         |
| Proceeds from sale of assets                | 122,705              | -                    | -                    | -                    | 122,705               |
| Other fines, penalties, and forfeiture fees | 2,000                | 3,700                | 17,100               | 93,460               | 116,260               |
| Miscellaneous                               | -                    | -                    | -                    | -                    | -                     |
| Others ( <i>Specify</i> )                   | -                    | -                    | -                    | -                    | -                     |
| <b>Total</b>                                | <b>61,599,535</b>    | <b>80,781,457</b>    | <b>196,165,094</b>   | <b>134,592,435</b>   | <b>462,592,621.00</b> |

**Annex 4: Analysis of Transfers from the County Revenue Fund**

| Period - 20xx  | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)      |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| County Executive -Rec  | 1,312,750,609        | 1,833,190,697        | 1,856,202,936        | 2,338,382,708        | 7,340,526,950         |
| County Executive -Dev  | 9,335,105            | 69,114,285           | 164,100,373          | 1,400,751,071        | 1,643,300,834         |
| County Assembly -Rec   | 97,245,530           | 174,816,111          | 325,688,970          | 432,186,087          | 1,029,936,698         |
| County Assembly -Dev   | -                    | -                    | -                    | -                    | -                     |
| Agricultural Sector Development Support Program (ASDSP)          | -                    | 5,500,000            | 11,636,683           | 5,500,000            | 22,636,683            |
| Primary HealthCare   | -                    | -                    | 10,044,000           | 28,405,688           | 38,449,688            |
| Emergency Locust Response Program                                |                      |                      | 27,584,885           | 40,937,643           | 68,522,528            |
| Climate Change Fund  |                      |                      |                      | 22,000,000           | 22,000,000            |
| National Agriculture and Rural Inclusive Growth Project (NARIGP) | 57,625,486           | 27,997,816           | 23,552,216           | 152,423,008          | 261,598,526           |
| Kenya Urban Development Grant (UDG)                              |                      |                      |                      | 2,339,915            | 2,339,915             |
| Value Chain  | -                    | -                    | -                    | 67,192,729           | 67,192,729            |
| <b>Total</b>   | <b>1,476,956,730</b> | <b>2,110,618,909</b> | <b>2,412,310,063</b> | <b>4,496,618,849</b> | <b>10,496,504,551</b> |