

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

COUNTY REVENUE FUND

FOR THE YEAR ENDED
30 JUNE, 2023

COUNTY GOVERNMENT OF
WAJIR

PAPERS LAID	
DATE	29/02/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	POLYCARP



OFFICE OF THE ATTORNEY GENERAL
NORTH EAST DISTRICT GOVERNMENT
05 DEC 2023
P.O. BOX 13-70100

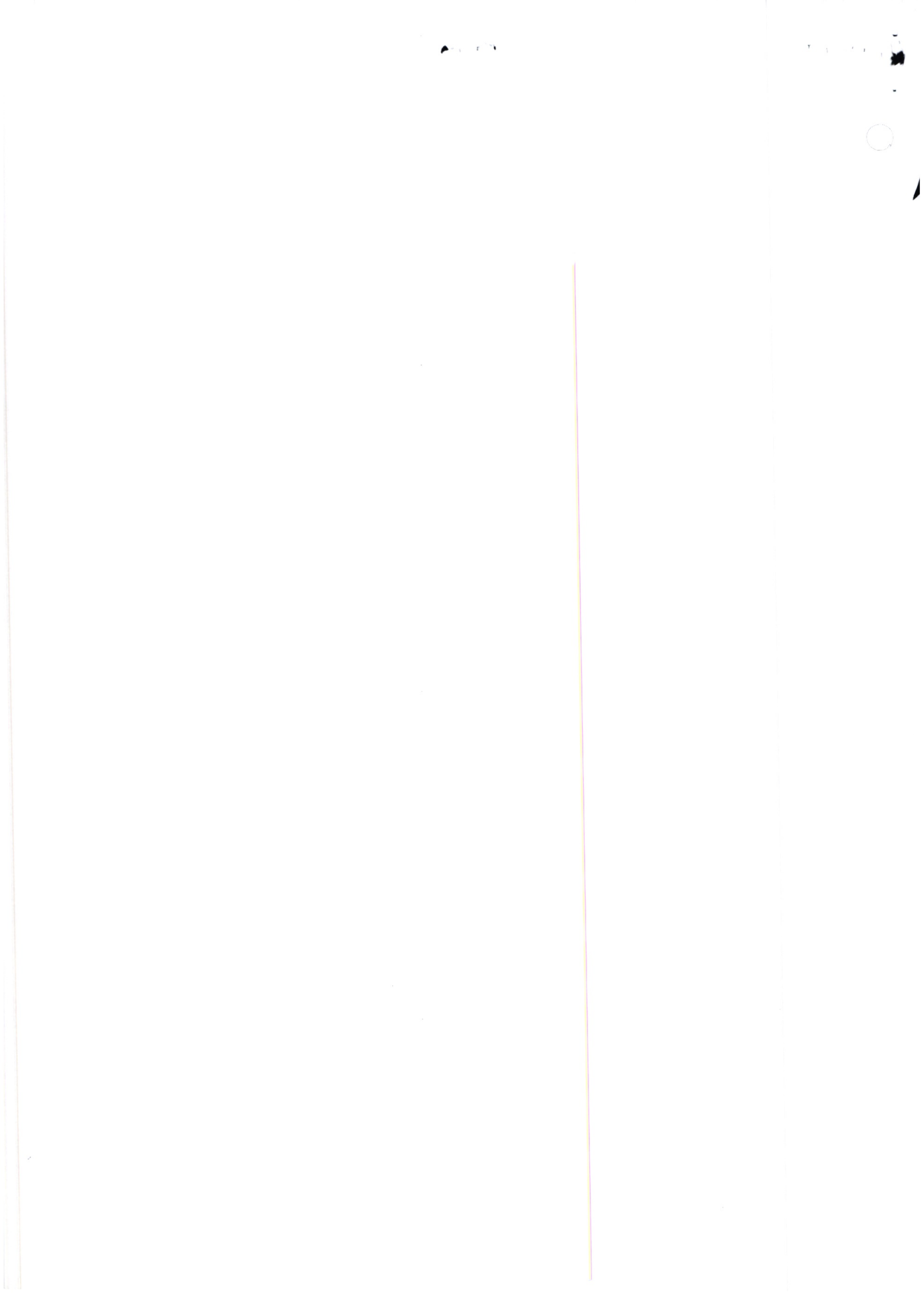


COUNTY REVENUE FUND

COUNTY GOVERNMENT OF WAJIR

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

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



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	Hon. Mohamed Hassan Hussein
2.	C.O Finance	Farah Ahmed Osman
3.	Director Accounting Services/Finance	Hussein Hassan Ali

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 and Economic Planning	Hon Mohamed Hassan Hussein
2.	Accounting Officer in charge of Finance	Farah Ahmed Osman
3.	Director Accounting Services/Finance	Hussein Hassan Ali

d) Fiduciary Oversight Arrangements

During the year under review, the County's management and operations were supported by a number of institutions which are established to provide oversight role and ensure prudent management.

The key fiduciary oversight of Wajir County Government for the year under review was under the following organs;

- Wajir County Assembly.
- Controller of Budget.
- County Assembly Public Accounts Committee.
- County Assembly Budget and Appropriations Committee.
- County Assembly Finance Committee.
- Audit Committee.
- Office of the Auditor General.
- Senate County Public Accounts Committee.
- Senate County Public Investments Committee.

e) County Headquarters

P.O. Box 9-70200

County Government Headquarters

Airport Road

WAJIR, KENYA

f) County Contacts

Telephone: (+254) 722466499

E-mail: info@wajir.go.ke

Website: [www.wajir go.ke](http://www.wajir.go.ke)

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

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

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1. Acronyms and glossary of terms

a) Acronyms

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

b) glossary of terms

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

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

j) County Attorney

The County Attorney
County Government of Wajir
Airport Road
P.O. Box 9-70200
WAJIR, KENYA

4. Management Discussion and Analysis

Introduction

This Management's Discussion and Analysis discusses the Wajir County Revenue Fund's financial and operating performance, risks facing the fund's performance and outlook from management's viewpoint.

Overview

The Wajir County Revenue Fund is established in compliance with the requirement of Article 207 of the Kenyan Constitution. The Fund exists to receive all money raised or received on behalf of the County Government of Wajir. However, this excludes any money that an Act of Parliament may exclude from being paid reasonably to the Fund.

The Wajir County Treasury is in charge of the Fund and ensures that all money raised or received by or on behalf of the county government of Wajir is paid into the Fund, except money that—

- Is excluded front payment into that Fund because of a provision of the Public Finance Management Act or another Act of Parliament, and is payable into another county public fund established for a specific purpose;
- May, according to other legislation, the PFM Act or County legislation, be retained by the county government entity which received it for the purposes of defraying its expenses; or
- Is reasonably excluded by an Act of Parliament as provided in Article 207 of the Constitution.

All the sources of county government revenue in Kenya should be deposited in the County Revenue Fund. Funds excluded from the Fund include the appropriation in aid (AIA). AIA is received by county departments when they offer services and they can retain that money to cover their expenses.

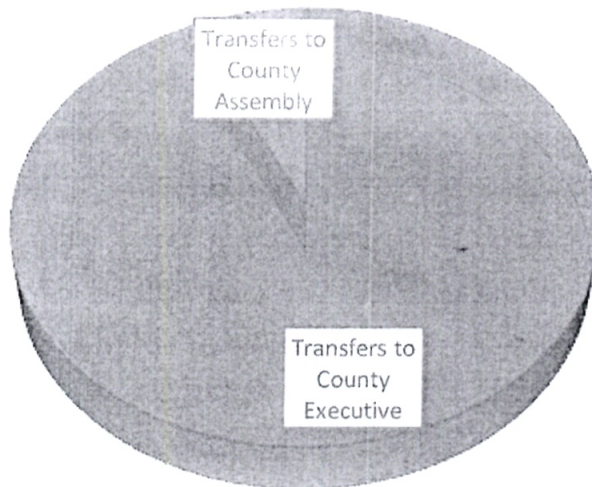
The CECM in charge of Finance in the County reports to the Commission on Revenue Allocation and the Controller of Budget on the performance of the County Revenue Fund which is kept in the County Exchequer Account. Any withdrawal from the revenue fund has to be approved by the Controller of Budget. The controller of Budget checks whether the money requested is for a project contained in the work plans prepared by sectors every month. The project has to be contained in the budget.

Financial and Operational Performance Analysis

The CRF's financial performance for the year 2022/2023 remained strong despite a few hindrances such as delay in disbursement of the equitable share by the National Treasury and related challenges that threatened to obstruct the Fund's performance.

During the 2022/2023 financial year, the main revenue sources encompassed exchequer releases, Transfers from other government agencies and the County's Own Source Revenue. The total revenue received in the CRF was Kshs. 10,294,354,041.

The County Revenue Fund had an opening balance of Ksh 763,599,389 from the FY 2021/2022. Together with the revenue raised during the reporting period, the total funds available for disbursement from the CRF was Kshs 11,057,953,430. The funds were expended as highlighted in the figure below:



As indicated by the above diagram, the biggest portion of revenue from the CRF was disbursed to Wajir County executive to support the implementation of the County's budgeted programmes (both recurrent and development activities) and facilitate effective and efficient service delivery while the rest of the transfer was made to fund Wajir County Assembly's operational undertakings. During the financial year, the Fund satisfactorily met all its statutory requirements.

Risks

The major risks facing the Fund include the following:

Technology risks: Emerging possible risk of cyber-attacks and slow connectivity to core IT systems.

Reputational risks: Delayed disbursement of funds.

Operational risks: Highlighted internal audit/regulatory issues.

Compliance risks: Litigation by stakeholders.

Financial risks: Delay in funding

Outlook

Despite excellent performance in 2022/2023, the performance of the County Revenue Fund could be negatively affected by many factors in the forthcoming financial period. These includes changes in the allocation of revenue to counties, the country's economic conditions, availability of funds and adherence to disbursement timelines by the National Treasury, political related challenges amongst other issues. It's envisioned, however, that cordial relations and collaboration with the National Treasury and other stakeholders will keep boosting performance. Further, the Fund will continue complying with the existing legal frameworks in place as required by law.

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, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

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



**CEC Member – Finance and Economic Planning,
COUNTY GOVERNMENT OF WAJIR.**

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
- (vi) 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. 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



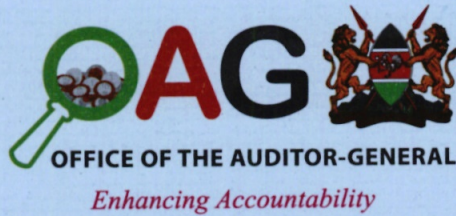
Name: Farah Ahmed Osman

Chief Officer Finance

County Government of Wajir.

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

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

Adverse Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Wajir set out on pages 1 to 9, which comprise of the statement of receipts and payments and statement of comparison of budget and actual amounts for the year

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

In my opinion, because of the significance of the matter discussed in the basis for Adverse opinion section of my report the financial statements do not present fairly, in all material respects, the financial position of the County Revenue Fund - County Government of Wajir as at 30 June, 2022 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 do not comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Adverse Opinion

1. Unsupported Fund Balance

The statement of receipts and payments for the year ended 30 June, 2023 reflects a fund balance of Kshs.1,000,328,595 as at the close of the year. However, there were no details to support the fund balance, neither is it represented by any bank balance. The fund balance as reported under the County Government financial statement was nil and the funds not transferred to the County Executive and the County Assembly of Kshs.763,589,637 were not accounted in any bank balance.

In the circumstances, the accuracy, completeness and validity of Fund's balance of Kshs.1,000,328,595 for the year ended 30 June, 2023 could not be confirmed.

2. Own Source Revenue

The statement of receipts and payments reflects own source revenue of Kshs.46,789,602. However, the receiver of revenue statement reflected disbursements to County Revenue Fund of Kshs.55,785,107 resulting in a difference of Kshs.14,245,125. The financial statements are prepared based on cash basis of accounting and therefore any disbursements by the Receiver of Revenue should be accounted when received.

In the circumstances, the accuracy and completeness of own source revenue amount of Kshs.46,789,602 could not be confirmed.

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

Emphasis of Matter

Non-Realized Revenue Targets

Total approved County own generated revenue budget for the year was Kshs.100,000,000 against actual collection of Kshs.46,789,602 resulting to revenue shortfall of Kshs.53,210,398. Similarly, total approved other conditional grants for the year was Kshs.896,257,722 against actual receipts of Kshs.772,838,286 resulting to revenue shortfall of Kshs.123,419,436. The shortfall on targeted annual revenue may have negatively affected service delivery to the public during the year.

My opinion is however, 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

Late Exchequer Issues

The statement of comparison of budget and actual amounts reflects total actual receipts of Kshs.11,058,050,793. It was however noted that exchequer receipts and proceeds from domestic and foreign grants amounting to Kshs.2,391,731,907 representing 22% of the total receipts were received in the month of June, 2022.

Due to late remittances by the National Treasury, the County Government could not undertake all the planned and budgeted programs in time and thereby impacting negatively on service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

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

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

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

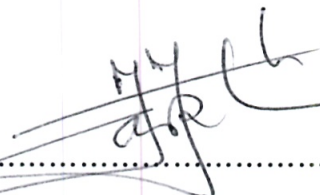

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 January, 2024

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

		2022/2023	2021/2022
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	9,474,726,153	9,474,726,156
Transfers from other government agencies	2	-	19,908,166
Other grants	3	772,838,286	392,950,072
Own Source Revenue	4	46,789,602	52,000,000
Return to CRF issues	5	97,363	605,799
Total Receipts		10,294,451,404	9,941,190,193
Payments			
Transfers to County Executive	6	9,210,996,245	9,056,500,335
Transfers to County Assembly	7	846,725,953	843,071,694
Total Payments		(10,057,722,198)	(9,899,752,029)
Net increase/ (decrease) in cash for the year		236,729,206	41,618,164
Add Opening fund balance b/f	8	763,589,637	721,971,473
Prior year adjustment	9	9,752	-
Closing Fund balance for the year		1,000,328,595	763,589,637



Name: Farah Ahmed Osman
 County Chief Officer- Finance

Date.....



Name: Hussein Hassan Ali
 Director Accounting Services

ICPAK Member No: 7800

Date.....

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

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

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						
Exchequer releases	9,474,726,151	-	9,474,726,151	9,474,726,153	-	100%
Other conditional grants	1,323,773,410	-427,515,688	896,257,722	772,838,286	124,664,805	86%
Own Source Revenue	100,000,000	-	100,000,000	46,789,602	53,210,398	47%
Return to CRF issues	763,696,752		763,696,752	763,696,752	-	100%
Total Receipts	11,662,196,313	-427,515,688	11,234,680,625	11,058,050,793	177,873,632	98%
Payments						
Transfers to County Executive	10,808,854,720	-427,515,688	10,381,339,032	9,210,996,245	1,170,342,787	89%
Transfers to County Assembly	853,341,593	-	853,341,593	846,725,953	6,615,640	99%
Total Payments	11,662,196,313	-427,515,688	11,234,680,625	10,057,722,198	1,176,958,427	90%
Balance				1,000,328,595		

- (a) The local revenue collection underperformed during the 2021/2022 financial period due to: Prolonged drought that reduced livestock sales, Insecurity problem such as the threats from terror group and General economic slump. Adequate measures will be put in place to improve the own source revenue collection efforts and ultimately achieve the annual revenue targets.
- (b) The adjustments between the original and final budget are as a result of supplementary budget and correction of the CRF Returned issues.

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 is 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 or *There were no restrictions on cash during the year. (Entity to indicate the amount of funds restricted for use or relating to conditional allocations.)*

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)	9,474,726,153	9,474,726,156
Total	9,474,726,153	9,474,726,156

2. Transfers from other government agencies

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Instruments for devolution support and advice	-	19,908,166
Total	-	19,908,166

3. Other Grants

Description	2022/2023	2021/2022
	Kshs.	Kshs.
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	33,465,212
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	40,101,121	157,520,261
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	28,295,407	7,893,875
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	495,928,257	172,839,943
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	35,110,369	2,500,000
Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	87,361,271	18,730,781
Word 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	11,701,946	-

County Government of Wajir
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Description	2022/2023	2021/2022
IDA World Bank Kenya Urban Support Program (KUSP II).	2,339,915	-
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant.	22,000,000	-
Total	772,838,286	392,950,072

4. Own Source Revenue

Description	2022/2023 Kshs.	2021/2022 Kshs.
Cess	24,121,800	30,643,610
Land rent	1,617,736	-
Business permits	7,850,400	8,969,900
House rent	962,300	3,249,875
Market/Trade centre fees	273,100	468,900
Conservancy Administration	543,050	-
Public health services	470,600	262,870
Public health facilities operations	9,207,930	8,007,545
Physical planning and development	849,086	-
Slaughter house administration	733,000	1,397,300
Hire of County assets	39,000	-
Veterinary services	121,600	-
Total	46,789,602	53,000,000

5. Return to CRF Issues

Description	2022/2023 Kshs.	2021/2022 Kshs.
Recurrent Account (<i>County Executive</i>)	-	13,312
Development Account (<i>County Executive</i>)	-	465,572
Recurrent Account (<i>County Assembly</i>)	97,362	127,015
Total	97,362	605,799

County Government of Wajir
 County Revenue Fund
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6. Transfers to County Executive

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Recurrent Account	6,945,798,119	6,036,352,645
Development Account	1,362,891,044	2,331,238,669
Special Purpose Accounts	902,307,082	688,909,021
Total	9,210,996,245	9,056,500,335

7. Transfers to County Assembly

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Recurrent Account	846,725,953	843,071,694
Total	846,725,953	843,071,694

8. Fund balance

Description	2022/2023	2021/2022
	Kshs.	Kshs.
County Exchequer Account - 1000171448	1,000,328,595	763,589,637
Total	1,000,328,595	763,589,637

9. Prior Year Adjustment

Description Of the Error	Balance b/f from 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous
	Kshs	Kshs	Kshs
Bank Account Balances	763,589,637	9,752	763,599,389
Total	763,589,637	9,752	763,599,389

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

10. 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.

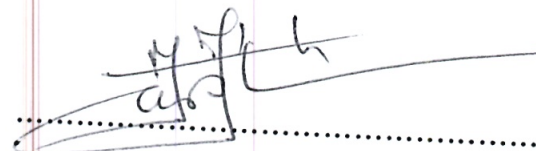
Name Of Bank, Account No. & Currency	Amount in bank account currency*	2022/2023	2021/2022
		Kshs	Kshs
Kenya Commercial Bank-1140752820.	Ksh.	-	14,245,125
Total		-	14,245,125

11. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	In accuracy of the financial statement	The inaccuracy has since been adjusted to reflect the accurate position of the financial statement.	Not Resolved	3 Months.



Farah Ahmed Osman

County Chief Officer- Finance

Date.....

County Government of Wajir
 County Revenue Fund
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Annex 2: Analysis of Receipts from the National Treasury Exchequer Releases

Period 20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	-	2,368,681,537	2,321,307,907	4,784,736,709	9,474,726,153
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	28,295,407.00	28,295,407
World Bank – THUSCP	-	-	-	-	-
Kenya Urban Support Program (KUSP II).	-	-	-	2,339,915	2,339,915
Kenya Devolution Support Programme	-	-	-	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-	-	50,000,000	50,000,000
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development.	-	-	35,168,734	52,192,537	87,361,271
(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.	-	11,701,945	-	-	11,701,945
Agriculture Sector Development Support Project (ASDSP)	-	-	31,495,357	3,615,012	35,110,369
Kenya Climate Smart Agriculture Project (KCSAP).	-	-	-	40,101,121	40,101,121
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation.	-	-	300,333,644	195,594,613	495,928,257
Total	-	2,380,383,482	2,699,305,642	5,167,875,314	10,247,564,438

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

Period 20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	6,214,580	5,629,740	5,658,780	6,618,700	24,121,800
Land rent	590,720	511,151	191,911	323,954.00	1,617,736
Business permits	1,253,900	478,400	4,432,700	1,685,400.00	7,850,400
House rent	98,000	393,100	144,600	326,600.00	962,300
Market/Trade centre fees	80,100	39,700	62,300	91,000.00	273,100
Conservancy Administration	51,650	50,650	226,500	214,250.00	543,050
Public health services	-	-	235,500	235,100.00	470,600
Public health facilities operations	1,658,450	2,649,000	2,590,740	2,309,740.00	9,207,930
Physical planning and development	-	475,901	358,631	14,554	849,086
Slaughter house administration	257,100	180,800	143,700	151,400.00	733,000
Hire of County assets	-	39,000	-	-	39,000
Veterinary services	34,400	5,000	-	82,200.00	121,600
Total	10,238,900	10,452,442	14,045,362	12,052,898	46,789,602

County Government of Wajir
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Annex 4: Analysis of Transfers from the County Revenue Fund

Period -2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Recurrent	-	2,745,552,442	1,349,273,587	2,850,972,090	6,945,798,119
County Executive -Development	-	-	196,617,381	1,166,273,663	1,362,891,044
County Assembly -Recurrent	-	260,068,876	126,234,496	460,422,581	846,725,953
Special Purpose A/c- Agriculture Sector Development Support Project (ASDSP).	-	-	5,500,000	35,110,369	40,610,369
Special Purpose A/c- Instruments for Devolution Advice and Support- (IDEAS)-	-	-	-	12,486,327	12,486,327
Special Purpose A/c- Credit-Financing locally Led climate programme (FFLoCA)	-	-	-	11,000,000	11,000,000
Special Purpose A/c- Kenya Climate Smart Agriculture Project (KCSAP).	-	-	48,491,914	78,912,911	127,404,825
Special Purpose A/c- Informal settlement improvement project (KISIP 11)-	-	-	-	50,000,000	50,000,000
Special Purpose A/c- Kenya Urban Support Program (KUSP II).	-	-	-	2,339,915	2,339,915
Special Purpose A/c- Emergency Locust Response Project (ILRP).	-	-	18,730,781	87,361,271	106,092,052
Special Purpose A/c- DANIDA - Universal Healthcare in Devolved Units Programme	-	13,260,125	-	9,720,000	22,980,125
Special Purpose A/c- THUSCP	-	33,465,212	-	-	33,465,212
Special Purpose A/c- Water & Sanitation Development Project.	-	-	300,333,644	195,594,613	495,928,257
Total	-	3,052,346,655	2,045,181,803	4,960,193,740	10,057,722,198