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1st Sep 2022
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REPUBLIC OF KENYA



15 SEP 2022

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

30 May, 2022

CEN/HUB/MRU.C/EX/2020/2021/ (26)

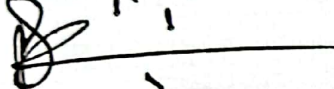
Mr. Wilson Kuria Thuita
Clerk to the County Assembly of Murang'a
P. O Box 52 - 10200
MURANG'A.

Dear Mr. Thuita,

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF MURANG'A FOR THE YEAR ENDED 30 JUNE 2021

I transmit the report on the examination and audit of the financial statements of County Executive of Murang'a for the year ended 30 June 2021 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for your necessary action as required by Article 229(8) of the Constitution.

Yours sincerely


Sylvester K. Kimani
For: **AUDITOR-GENERAL**

Copy to: **The Principal Secretary**
National Treasury
P.O. Box 30007 - 00100
NAIROBI.

Mr. Jeremiah Nyengenyé, CBS
Clerk to the Senate
P. O. Box 41842 – 00100
NAIROBI.

H. E. Mwangi Wairia
Governor Murang'a County
P. O. Box 52 - 10200
MURANG'A.

Mr. David Wakaba
C. E. C. M – Finance, Economic and Planning
P. O. Box 5271 - 10200
MURANG'A.

DOCA
Per
17 Jul 2021

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MURANG'A

**FOR THE YEAR ENDED
30 JUNE, 2021**



**COUNTY GOVERNMENT OF MURANGA
EXECUTIVE**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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For the year ended June 30, 2021.

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the Constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

The County Executive's day-to-day management is under the following key organs:

- i. Murang'a County Executive
- ii. Murang'a County Assembly
- iii. Murang'a County Public Service Board

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	C.O. Finance And Planning	Mr. Peter G. Kahora
2.	Ag. C.O. Revenue And Financial Operation	Mr. Edwin K. Kimuyu
3.	A.g C.O. Health	Mr James Gitau
4.	C.O. Irrigation	Mr. Josphat M. Rukenya
5.	A.g C.O. Physical Planning	Mr. Josphat Nduati
6.	C.O. Water	Mr. Antony Maina
7.	C.O. Fisheries	Mr. George Ndungu
8.	C.O. Co Operatives	Mr. Bernard Wanyoike K.
10	C.O. Agriculture	Mr. Peter Njangi
11	C.O. Resource Mobilization	Mr. Moses Waiharo
12	C.O. Education	Mr. Isaac Njai Mwangi
13	Ag C.O. Procurement	Mr. Jackson Kinuthia
14	C.O. Agribusiness	Mr. Peter Mburu
15	C.O. Housing	Mr. Gabriel Kamau
16	C.O. Coffee	Mr. Paul M. Nyanjui
17	C.O. Human Resources	Mr. Titus Waweru

d) Fiduciary Oversight Arrangements

- Muranga County Assembly
- Muranga County Internal Audit Department
- Controller of Budget
- Audit Committee

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e) County Executive Headquarters
P.O. Box 52-10200
County hall

Muranga ,kenya

f) County Executive Contacts
Telephone: (254) 2030271
E-mail: info@muranga.go.ke
Website: muranga.go.ke

g) County Executive Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Other Commercial Banks

- i. Kenya Commercial Bank-Muranga
- ii. Equity Bank –Muranga
- iii. Family Bank-Muranga
- iv. Co-Operative Bank Muranga

h) Independent Auditors

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
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

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2. FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING

I hereby forward the financial statements for the financial year ended 30th June 2021. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the Public Finance Management Act 2012

The promulgation of the Constitution of Kenya 2010 ushered the two-tier government; The National Government and the 47 County Governments. The Fourth Schedule of the Constitution distributes the functions between the National Government and the County Government. The Constitution of Kenya requires County Governments to discharge their mandate through implementation of projects and programmes which are funded through county budgeting. In the FY 2020/2021 the county had a Budget of Kshs. 8,884,912,813 of which Kshs. 5,805,858,283 (65%) was allocated for recurrent expenditure and Kshs. 3,079,054,530 (35%) was allocated for Development expenditure. The county government therefore met the minimum requirements of the PFM Act sec.107(2) which requires that at least 30% of the county budget to be for development projects.

The Constitution mandates the County Governments to perform their functions through implementation of projects and programmes which are funded through county budgeting. The financial year 2020-2021 marks the 3rd year of the implementation of the 2nd generation CIDP 2018-2022. During the period under review, the County registered substantial progress in attaining the development targets as contained in the plan. During the period under review, 200,000 avocado hass seedlings were procured and distributed to 40,000 farmers against a target of 1 million seedlings. 540,000 MT of hybrid maize were also procured and distributed to 278,846 farmers. Under food security and nutrition programme, 35,945 farmers were reached through extension services. Through NARIGP, 1023 CIGs/VMGs were mobilized, 20 CDDCs formed with MOUs and 1023 micro-projects prepared and screened. Further, 4 PPPs were established with POs, 1,823 Ha of land put under TIMPs/SLM practices, 404 micro-projects funded with 359 micro-projects completed. Through ASDSP, 3 strategic Integrated value chain action plans (SIVCAP) developed and implemented.

Under livestock production and management programme, 110 high yielding cows distributed to poor and vulnerable, 8 hatching units installed and 32 ponds stocked. To empower farmers and entrench adoption of relevant agricultural technologies, 2,907 farmers were trained during 10 with 312 demos also organized. In Education sector, 7 toilets and 2 classrooms were constructed in addition to transmission of Standard One transmission tools. In order to ensure quality health services in the county, 80% of the planned distribution of pharmaceutical and non-pharmaceutical supplies to the 144 County Health Facilities and the Murang'a Level V hospital were achieved. Through the support of THS-UHC, the County has been able to procure assorted equipments to improve on Maternal and Child Care (MCH). Renovations and improvements were carried out within Murang'a County Referral Hospital, Kirwara, Gikoe and Kaharo and Kahuro health centres, Kangema mortuary and Kigumo health centre waiting bay. ICU ventilators were supplied to the targeted health facilities.

In trade, tourism and cooperatives, milk productions increased to 250,000 litres against the target of 300,000 litres. 100 groups for Wachuuzi Union and primary cooperatives were registered. Jua Kali sites were developed/ugraded through construction of toilet blocks at Kahatia market and Kiria shopping centre. To enhance security, CCTV was at Murang'a Cooperative Creameries. In the roads sector, 131.6 Kms of road were gravelled against a target of 175 Kms. 4 Kms of streetlights were installed against the planned target of 6 Kms. Water connections for households increased by 3,852 against a target of 5,000. 2 boreholes were also rehabilitated against a target of 35 boreholes. Under water access and resource management programme, 6 boreholes and 13 tanks were drilled and distributed against a target of 40 boreholes and 40 tanks respectively. 41 Km piping was laid against a target of 78 Km under irrigation development and management programme.

In the management of the urban centres, Murang'a municipality enhanced management infrastructure within the urban metropolis and upgraded 1.8 kms of road to bitumen standards. It also constructed 2.4 kms of drainage system and further renovated Mukuyu social hall and ECDE Centre.

The overall implementation status of the planned projects for the year 2020/2021 indicate that a substantial percentage of the planned projects/programmes were severely affected by the Covid-19 pandemic. Most of the departments reported delayed and constrained disbursement of funds which also affected absorption. The review also showed instances of re-allocation of funds especially to cushion the impacts of covid 19



DAVID WAKABA WAWERU
CEC-FINANCE, IT AND ECONOMIC PLANNING

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

3.1. Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

3.2. Murang'a County Strategic development objectives

Murang'a County Integrated Development Plan (CIDP) 2018-2022 has identified key sectoral strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the various County Sectoral Development Policies and Plans, Murang'a Municipality Integrated Development Plan (IDeP), the Governor's Manifesto, the MTP III National Government's "Big Four", NIUPLAN and the SDGs.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks. The key Sectoral development objectives for the County during the Medium Term 2018-2022 are summarized below:

The progress of attaining the key sectoral development objectives of Murang'a CIDP 2018 during the financial year 2020/2021 are summarized in the table below:

Ref	Objective as per CIDP	Performance/Progress	Remarks (Explain the reasons underperformance/ Overperformance)
1.	Promote social and economic development through the provision of proximate, easily accessible disaster control and management services throughout the County.	Disaster response, management and mitigation enhanced throughout the County. However, more ground needed to be covered	Hampered by lack of legal framework and inadequate budgetary allocation
2.	Enhance coordination and administration of county departments	<ul style="list-style-type: none"> • Operationalization of the office of the County Attorney • Provision of internet connectivity and communication gadgets to sub county offices • Development of 4 Human Resource Policies 	progress hampered by budget constraint and impacts of Covid 19 pandemic

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		currently at Draft stage	
3.	To operationalize Results based performance	Performance enhanced through PAS with 3105 staff appraised against the target of 3770 staff	Cooperation from the county departments was very key in attaining the set target
4.	Provide enhanced Information communication technology	County communication services (bulk sms) Planned targets of 1,000 sms per month surpassed	Achievement attributed to cooperation from all departments of the County
5.	Provide a well-coordinated development planning in the county	All the constitutional policy documents prepared and reviewed on time and to acceptable quality ADP, CFSP, CBROP, CUIDS	Public participation affected by Covid 19 pandemic
6.	Enhance production, productivity, quality and profitability of cash crops	-200,000 Hass avocado seedlings against a target of 1 million procured and issued to 40,000 farmers -980 Ha of avocado established.	There was a general cash flow challenges to the County government and her partners which hindered procurement
7.		-540 MT of hybrid maize procured against a target of 500 MT and issued to 278,846 farmers during long rains season	Target surpassed
8.	Enhance effectiveness and efficiency in Agricultural extension service delivery	35,945 farmers reached with extension services against a target of 48,450 during the year	Targets revised downwards due to Covid-19 containment measures
9.	Increase agricultural productivity and profitability of targeted rural communities	Through NARIGP, 1023 CIGs/VMGs mobilized, 20 CDDCs formed with MOUs and 1023 micro-projects prepared and screened. Further, 4 PPPs were established with POs, 1,823 Ha of land put under TIMPs/SLM practices, 404 micro-projects funded with 359 micro-projects completed	Hampered by delay in exchequer releases and covid-19 pandemic
10.	Transform Cow milk, French beans and banana production into commercially oriented enterprises that ensure sustainable income, food and nutrition security	Through ASDSP, 3 strategic Integrated value chain action plans (SIVCAP) developed and implemented,	Affected by irregular exchequer releases
11.	Profitable livestock enterprises	110 high yielding cows distributed to poor and vulnerable, 8 hatching units installed, 32 ponds stocked	Progress realized through close collaboration with the target communities and beneficiaries

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12.	Value development, and provision of facilitative environment for agriculture growth	416M of river Maragua conserved, 280,650 seedlings 4 No policy drafts supported for upper Tana catchment 60 water pans 50 soil samples	Progress realized through close collaboration with the target communities and beneficiaries
13.	Enhance adoption of relevant agricultural technologies along crops and livestock value chains.	Trained 2,907 farmers during 10 trainings held and held 312 demos	Variations were caused by lockdown and ban of public gatherings due to covid-19.
14.	Breed improvement and control of breeding diseases	9,474 inseminations with 4,595 inseminations through public private partnership 29,432 animals were vaccinated	Target not met due to scarcity of funds and regulations due to covid 19 pandemic
15.	Optimize Livestock production and productivity	29,432 animals vaccinated	Impacted by scarcity of resources
16.	Quality assurance of meat products, hygiene of slaughter facilities and meat carriers.	Quality hides and skins produced: 39,063 hides, 3,832 goat skins, 4,913 sheep skins	Target achieved
17.	Ensure all shopping centres, Markets and major towns are lighted.	2 kms of street lighting and 15 No. floodlights rehabilitated	Target not achieved due to inadequate funding
18.	To provide clean, safe and convenient business environment and to improve aesthetics of our major towns and increased revenue.	2 kms of urban drainage constructed/rehabilitated, 2 No. markets sheds constructed and 3,000 sqms of urban areas installed with cabros for improved aesthetics	Impacted by scarcity of resources
19.	Build resilient roads within the county	2 NO. footbridges/box culverts constructed	Target to achieved due to inadequate funding
20.	Improve efficiency and effectiveness in health care services by ensuring compliance with set standards and norms, and also improving the staffing level to be able to achieve the recommended HCW/patient ratio	The recommended HCW/Patient ratio in the county has not yet been met.	Hampered by inadequate funding
21.	Increase awareness and prevention of diseases	The county has engaged 1000 community health workers with a monthly stipend and intends to increase the number as well as engage community health volunteer nurses	Hampered by inadequate funding

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22.	Improve reproductive health services	The programme has several sub programmes including Family Planning Services, Maternity and Child Health Services, Immunization Services and nutrition services. The subprogram aims at increasing family planning services, increase skilled delivery, increase 4 th ANC uptake and increase immunization coverage.	Hampered by inadequate funding
23.	Provide quality medical services and therefore reduce morbidity and mortality through early diagnosis and prompt treatment	Some of the targets in this program increasing access to treatment and rehabilitation of mental health patients through conducting mental health outreaches. The renal unit established in this program is a success story being able to cater for renal patient services.	Hampered by inadequate facilitation
24.	Ensure the entire population of Murang'a County achieve optimal nutrition for a healthier and better quality of life	The County launched the County Nutrition Action Plan which forms the blueprint to guide the roadmap for the implementation of nutrition services in the County for the next 5 years. When fully implemented, it will result in significant reductions of all forms of malnutrition.	Major concern is the emerging triple burden of malnutrition, where under nutrition is declining, but overweight, obesity and Diet Related Non-Communicable Diseases (DRNCDs) is increasing at a fast pace (KDHS, 2014).
25.	Enhance succession of ancestral land within Murang'a County	Through the ongoing succession programme, 1000 successions were accomplished against the target of 3000	Hampered by inadequate resources
26.	Improve/equip vocational training centres	During the period, 34 workshops were renovated and 4200 youth trained and certified on technical skills	Targets fairly achieved
27.	Establish social/cultural infrastructure	The planned construction of studio producing works performing artists not achieved	Hampered by lack of funds
28.	Attain clean and healthy environment	50 waste collection chambers constructed by	Most of the planned targets not attained due

		private sector. Construction of sanitary landfill funded by World Bank through NAMSIP ongoing	to lack of funds
29.	Increase the tree cover, conserve resources and rehabilitate degraded eco systems	20 kms of rivers rehabilitated and 200,000 tree seedlings planted	
30.	Provide increased access to safe and clean domestic water.	During the period, 1800 HH supplied with drilled boreholes, 180 HH connected to piped water and 950 HH reconnected to rehabilitated boreholes	Ongoing but hampered by inadequate funding
31.	Improve, maintain and sustain municipal infrastructure	Renovated Mukuyu social hall and Mukuyu ECDE School	Funded through Kenya Urban Support Programme (KUSP - UDG)
32.	Enhance management and infrastructure in urban areas	Upgraded 1.8 kms of roads to bitumen standards and constructed 2.4 kms of drainage system	Funded through Kenya Urban Support Programme (KUSP - UDG)

3.3. Progress on Attainment of Development Objectives from Murang'a County Annual Development Plan

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Department	Objective	Outcome	Indicator	Performance
Public Service and Administration	Promote social and economic development through the provision of proximate, easily accessible disaster control and management services throughout the County.	Improved disaster response and capacity and reduced vulnerability to incidences of disaster occurrences.	% of incidences responded to on time and managed	Disaster response, management and mitigation enhanced throughout the County with more than 95% success. However, more ground needs to be covered
	Enhance coordination and administration of county departments	Enhanced coordination and administration of county departments	No. of conflicts/ incidences reported and solved	Target of 100% conflict resolution attained. Other achievements included <ul style="list-style-type: none"> Operationalization of the office of the County Attorney Provision of internet

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For the

				connectivity and communication gadgets to sub county offices
	To operationalize Results based performance	Improved service delivery	No. of staff put under PAS	Performance enhanced through PAS with 3105 staff appraised against the target of 3770 staff
Finance, IT and Economic Planning	Provide enhanced Information communication technology	Improved communication and timely response	No. of bulk SMS SENT	County communication services (bulk sms) Planned targets of 1,000 sms per month surpassed
	Provide a well-coordinated development planning in the county	Participatory budget making process and priority rankings	Copies of Timely and quality prepared planning documents	All the constitutional policy documents prepared and reviewed on time and to acceptable quality ADP, CFSP, CBROP, CUIDS
Agriculture, Livestock and Fisheries	Enhance production, productivity, quality and profitability of cash crops	Improved yields and income from crops	Tonnage of crops established No. of seedlings distributed	-200,000 Hass avocado seedlings against a target of 1 million procured and issued to 40,000 farmers -980 Ha of avocado established.
				-540 MT of hybrid maize procured against a target of 500 MT and issued to 278,846 farmers during long rains season
	Enhance effectiveness and efficiency in Agricultural extension service delivery	Enhanced extension service delivery to Agriculture clients	No. of farmers reached with extension services	35,945 farmers reached with extension services against a target of 48,450 during the year
	Increase agricultural productivity and profitability of targeted rural communities	Enhanced productivity and profitability of Banana, coffee, Avocado, Dairy Cows and Chicken.	No. of CIGs/VMGs mobilized No. of CDDCs formed No. of PPPs established No. of TIMPs/SLM completed	Through NARIGP, 1023 CIGs/VMGs mobilized, 20 CDDCs formed with MOUs and 1023 micro-projects prepared and screened. Further, 4 PPPs were established with POs, 1,823 Ha of land put under TIMPs/SLM practices, 404 micro-projects

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				funded with 359 micro-projects completed
	Transform Cow milk, French beans and banana production into commercially oriented enterprises that ensure sustainable income, food and nutrition security	Enhanced Productivity ,Entrepreneurial skills,, Access to markets and Strong structures of Cow milk, French beans and banana value chains	No. of SIVCAP developed -No of SIVCAPs implemented No. of cows distributed Hatching Units installed	Through ASDSP, 3 strategic Integrated value chain action plans (SIVCAP) developed and implemented,
	Profitable livestock enterprises	-Increase population of high yielding cows -Empower poor and vulnerable	No. of cows distributed	110 high yielding cows distributed to poor and vulnerable, 8 hatching units installed, 32 ponds stocked
	Value development, and provision of facilitative environment for agriculture growth	Strategic and policy environment facilitation for value chain development	Kms conserved for river Maragua, seedlings acquired through partnership, water pans & pans & other catchments	416M of river Maragua conserved, 280,650 seedlings 4 No policy drafts supported for upper Tana catchment 60 water pans 50 soil samples
	Enhance adoption of relevant agricultural technologies along crops and livestock value chains.	Increased adoption of relevant technologies by 5% annually	No. of trainings No. of people trained Acreage of demo plot. No. of demonstrations	Trained 2,907 farmers during 10 trainings held and held 312 demos
	Breed improvement and control of breeding diseases	Increased milk production	Number of cows inseminated. Number of cows vaccinated	9,474 inseminations with 4,595 inseminations through public private partnership 29,432 animals were vaccinated
	Optimize Livestock production and productivity	increased livestock production and productivity	No. of animals vaccinated	29,432 animals vaccinated
	Quality assurance of meat products, hygiene of slaughter facilities and meat carriers.	Provision of animal products that are safe for human consumption.	Quality hides and skins production figures	Quality hides and skins produced: 39,063 hides, 3,832 goat skins, 4,913 sheep skins
Roads, Transport, Energy and Public Works	Ensure all shopping centers, Markets and	Increased safety & prolonged business hours.	No. of kms of streetlight done No. of poles installed.	2 kms of streetlighting and 15 No. floodlights rehabilitated

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	major towns are lighted.			
	To provide clean, safe and convenient business environment and to improve aesthetics of our major towns and increased revenue.	Improved business, increased revenue and aesthetic beauty of major towns.	Length of drains constructed/rehabilitated No. of market sheds constructed. Square metres of cabros supplied & installed.	2 kms of urban drains constructed/rehabilitated 2 No. markets sheds constructed and 3,000 sqms of urban areas installed with cabros for improved aesthetics
	Build resilient roads within the county	Improved mobility & Accessibility.	No. of footbridges/box culverts constructed	2 NO. footbridges/box culverts constructed
Trade, Tourism, Investment, Agribusiness and Cooperatives	Promote, enhance and facilitate trade and investment in Murang'a County	Increased trade, investment and industry in the county	No. of markets improved	1 Open air market, 80% complete
	Increase access to affordable, accessible credit to vendors: youths, women and vulnerable groups.	Increased access to affordable, accessible credit to vendors: youths, women and vulnerable groups.	Number of loans disbursed. % of implementation	80% implementation plan to enable disbursement 100% Registration of traders Developed and approved documentations necessary to enable issuing of loan.
Health	Provide accessible essential health services	Reduced morbidity and mortality	% Increase in family planning coverage/uptake % of deliveries conducted by skilled attendants in health facilities % Increase in 4 th ANC completion	Attained 45.8% Attained 70.3%
			% reduction in medical supplies stock out	Procured and distributed Pharmaceuticals and non -Pharmaceuticals for 147 County Health Facilities
			No. of operational labs equipped with chemistry and haematology analyzers	9 achieved against the target of 8
	Increase awareness and prevention	Reduced burden of Diseases	Proportion HIV+ pregnant mothers receiving preventive	15930(52.4%)

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	of diseases		ARV's to reduce risk of mother to child transmission (PMTCT) % of eligible HIV clients on ARVs	
			Number screened for Cervical cancer	78355(7.8%)
			Number of people screened for mental health conditions	5034(1.9%)
			Proportion of fully immunized children	23210(87%)
			No of CHVs and CHVNs recruited and trained	500 – Target surpassed
	Improve efficiency and effectiveness in Health Care Services	Quality Health Service delivery	No of technical and casual staff recruited	Achievement accelerated due to requirement of personnel to handle COVID 19 cases. <ul style="list-style-type: none"> - Medical officers -21 - Dentists- 1 - Pharmacists-6 - Pharm. Technologist-2 - Lab. Technologist-6 - Nutritionists- 5 - Radiographers-3 - Physiotherapists-1 - Occupational Therapists-4 - Plaster Technicians-4 - HRIO – 10 - Mortuary Attendants - 6 - Administrators – 1 - Clinical Officers (specialists) - 1 - Clinical Officers (general)-15 - Nursing staff

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				(KRCHNs)- 123 - Nursing staff (KECHN)-123 - Laboratory technologists-31
Lands, Housing and Urban Development	Enhance urban integrated development planning	Well planned urban-setup	No. of development plans prepared	7 development plans prepared
	Enhance succession of ancestral land within Murang'a County	Reduced conflicts/reported succession cases	No. of succession cases succeeded	Through the ongoing succession programme, 1000 successions were accomplished against the target of 3000
Education, Youth, Sports, Culture, Social Services and Vocational Training	Improve/equip vocational training centres	Improved technical/vocational learning infrastructure	No. of workshops renovated No. of youths trained	During the period, 34 workshops were renovated and 4200 youth trained and certified on technical skills
	Establish social/cultural infrastructure	Established and functional social/cultural infrastructure	Complete studio producing works of performing artists	The planned construction of studio producing works performing artists not achieved to lack of funding
Environment and Natural Resources	Attain clean and healthy environment	An improved and sustainably managed environment	No. of waste collection chambers constructed	50 waste collection chambers constructed by private sector. Construction of sanitary landfill funded by World Bank through NAMSIP ongoing
	Increase the tree cover, conserve resources and rehabilitate degraded eco systems	Increased acreage of land under tree cover	Kms of river bank rehabilitated No. of seedlings planted	20 kms of rivers rehabilitated and 200,000 tree seedlings planted
Water and Irrigation	Provide increased access to safe and clean domestic water.	Increased access to safe and clean domestic water	No. of HHs connected to drilled boreholes/piped water	During the period, 1800 HH supplied with drilled boreholes, 180 HH connected to piped water and 950 HH reconnected to rehabilitated boreholes
Murang'a Municipality	Enhance administration, coordination	Coordinated service provision at the municipality	No. of office units renovated	4 offices renovated

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	and management of Municipal functions			
		Established new urban systems	No. of urban areas delineated and conferred	Delineation exercise ongoing with two new Municipalities awaiting gazettelement of committee by the Cabinet Secretary in charge of urban Delineation of 6 town administrations ongoing
	Improve, maintain and sustain municipal infrastructure	Well maintained public social amenities	No. of social halls/ECDE infrastructure rehabilitated	Renovated Mukuyu social hall and Mukuyu ECDE School
	Enhance management and infrastructure in urban areas	Well managed urban infrastructure services	Kms of roads upgraded to bitumen standards Kms of drainage system constructed	Upgraded 1.8 kms of roads to bitumen standards and constructed 2.4 kms of drainage system

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING

(Two-to-three pages)

0 exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver on our development plan(s): putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence to ensure the County's sustainability.

1. **Sustainability strategy and profile**

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. **Environmental performance**

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. **Employee welfare**

Give account of the policies guiding the hiring process and whether they consider the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. **Market place practices-**

The organisation should outline its efforts to:

a) **Responsible competition practice.**

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) **Responsible Supply chain and supplier relations-**

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) **Responsible marketing and advertisement-**

Outline efforts to maintain ethical marketing practices.

d) **Product stewardship-**

Outline efforts to safeguard consumer rights and interests.

5. **Community Engagements**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community.

6. **Others**

(The organisation gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

**MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.**

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2021. 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 Executive; (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 Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive'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 CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2021, and of its financial position as at that date.


The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive 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 CEC member for finance confirms that the County Executive has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Executive's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the CEC member for finance confirms that the County Executive'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 Executive's financial statements were approved and signed by the CEC member for finance on _____ 2021.



**County Executive Committee Member –
Finance and Economic Planning**

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MURANG'A FOR THE YEAR ENDED 30 JUNE, 2021

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 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 control, 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 Murang'a County Executive set out on pages 1 to 52, which comprise the statement of assets and liabilities as at

Report of the Auditor-General on County Executive of Murang'a for the year ended 30 June, 2021

30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined 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 matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of County Executive of Murang'a as at 30 June, 2021, 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 County Governments Act, 2012.

Basis for Adverse Opinion

1.0 Variances Between the Financial Statement Balances and Supporting Documents

The statement of receipts and payments for the year ended 30 June, 2021 reflects total payments amounting to Kshs.7,854,509,399 which includes payments totalling Kshs.2,211,085,248 in respect to twelve (12) expenditure items out of which payments amounting to Kshs.1,410,729,496 were not supported with relevant documents as shown below. Further, the schedules provided did not specify the nature of each payment.

	Item	Note	Balances as per Financial Statements (Kshs.)	Balances Supported (Kshs.)	Unsupported Balances (Kshs.)
1.	Hospitality Supplies and Services	12	22,678,501	2,952,705	19,725,796
2.	Routine Maintenance - Other Assets	12	402,256,787	66,847,872	335,408,915
3.	Training Expense				
4.	Foreign Travel and Subsistence	12	46,073,374	14,175,585	31,897,789
5.	Domestic Travel and Subsistence	12	2,691,867	-	2,691,867
6.	Subsidies	13	73,139,377	3,951,065	69,188,312
7.	Other Capital Grants and Transfers	15	71,569,229	-	71,569,229
8.	Social Security Benefits	16	312,355,924	125,463,177	186,892,747
9.	Acquisition of Strategic Stocks and Commodities	17	4,808,646	-	4,808,646
			3,296,000	-	3,296,000
10.	Rehabilitation of Civil Works	17	2,888,071	-	2,888,071
11.	Construction and Civil Works	17	258,675,715	240,816,128	17,859,587
12.	Other Payments	20	1,010,651,757	346,149,220	664,502,537
	Total		2,211,085,248	800,355,752	1,410,729,496

In addition, the expenditure schedule provided for domestic travel and subsistence of Kshs.74,615,602 is at variance with the balance reflected in Note 12 of Kshs.73,139,377 resulting in an unreconciled variance of Kshs.1,476,225.

In the circumstances, the accuracy and completeness of the respective expenditure items as at 30 June, 2021 could not be ascertained.

2.0 Inaccuracy of Summary Statement of Appropriation

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2021 reflects total actual expenditure of Kshs.7,854,509,399 whereas the statement of budget execution by programmes and sub-programmes reflects total actual expenditure of Kshs.6,733,370,397, resulting in an unexplained variance of Kshs.1,121,139,002. Further, the statement of budget execution by programmes and sub-programmes includes an actual expenditure amount of Kshs.1,163,300 whose programme, sub-programme and budget amount were not disclosed.

In the circumstances, the accuracy of the summary statement of appropriation - recurrent and development combined and the statement of budget execution by programmes and sub-programmes for the year ended 30 June, 2021 could not be confirmed.

3.0 Unsupported Revenue Collection through Direct Banking and M-pesa Paybill

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects County own-generated revenue amounting to Kshs.620,011,720 which includes revenue of Kshs.104,427,094 generated from hospitals and health centres and Kshs.24,866,755 collected by Public Health Department through M-pesa and direct banking to specific accounts. However, the County Executive Management did not provide for audit review, the bank statements for the KCB-Muranga Level 4 Hospital Revenue Collection Account and the Gatanga Sub-County and Kirwara Hospital M-pesa Paybill statements.

Consequently, the completeness and accuracy of Kshs.104,427,094 generated from hospitals and health Centres and Kshs.24,866,755 collected by Public Health Department reflected in the financial statements for the year ended 30 June, 2021 could not be ascertained.

4.0 Compensation of Employees

The statement of receipts and payments for the year ended 30 June, 2021 and Note 11 to the financial statements reflects compensation of employees expenditure totalling Kshs.3,376,207,299. However, the County Executive of Muranga payroll reflects a total expenditure of Kshs.3,592,079,003 resulting in an unreconciled variance of Kshs.215,871,704. Further, the respective payment vouchers were not provided for audit.

Consequently, the accuracy and validity of compensation of employees amounting to Kshs.3,376,207,299 for the year ended 30 June, 2021 could not be confirmed.

5.0 Covid-19 Funds

Disclosed under other important disclosures to the financial statements is Covid-19 Funds balance of Kshs.84,994,102 as at 30 June, 2021 comprising of balance brought forward of Kshs.88,948,436, amount received during the year of Kshs.63,510,000 and payments made during the year of Kshs.67,464,334. However, supporting documents provided in

respect of payments made during the year amounted to Kshs.79,700,550, resulting in an unexplained difference of Kshs.12,236,216.

Consequently, the accuracy and validity of Covid-19 funds balance of Kshs.84,994,102 as at 30 June, 2021 could not be confirmed.

6.0 Unsupported Pending Bills

Note 1 and 2 of other important disclosures to the financial statements reflect pending bills totalling Kshs.1,918,400,872 consisting of Kshs.1,657,054,151 and Kshs.261,346,721 as pending accounts payable and pending staff payables respectively as at 30 June, 2021. However, documentary evidence in form of vouchers, LPOs/LSOs, contracts and invoices were not availed for audit verification to support the balance.

Further, the disclosure note reflects opening pending accounts payable balance of Kshs.1,258,944,867 while the supporting schedule provided for audit review reflects a balance of Kshs.409,505,838 resulting to unexplained difference of Kshs.849,439,008.

In view of the above, the disclosures made on the pending bills balance are insufficient and do not comply with the reporting requirements prescribed by the Public Sector Accounting Standards Board.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Murang'a 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 Adverse opinion.

Key Audit Matters

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

Other Matter

1.0 Unresolved Prior Year Issues

The audit report for 2019/2020 financial year highlighted several unsatisfactory issues on financial statements balances and lawfulness and effectiveness in use of public resources. However, the progress made in resolving the issues, as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board has not been included in the financial statements. As a result, the matters are considered unresolved.

2.0 Budgetary Performance

2.1 Budget Under Expenditure

During the year under review, the final approved expenditure budget for County Executive of Murang'a amounted to Kshs.8,884,912,813 comprising Kshs.5,805,858,283 for recurrent vote and Kshs.3,079,054,530 for development vote. However, the County

Executive incurred expenditures totalling Kshs.5,495,191,783 and Kshs.2,359,317,616 on recurrent and development votes respectively resulting in an aggregate under absorption of Kshs.1,030,403,414 or 11.6 %. The under absorption adversely affected the implementation of the planned development projects.

Consequently, the under expenditure may have adversely affected service delivery and execution of development programmes to the residents of Murang'a County.

2.2 Revenue Targets on County Own-Generated Receipts

Review of summary statement of appropriation - recurrent and development combined indicates that the County Government had budgeted to raise Kshs.900,000,000 in own-generated receipts from local sources in the financial year ended 30 June, 2021. However, actual amount collected was Kshs.620,011,720 representing 69% of projected own-generated receipts, resulting in a revenue shortfall of Kshs.279,988,280.

Further a trend analysis on county own revenue collection for the past 5 years between 2016/17 and 2020/2021 financial year's revealed continuous failure to meet budget targets as detailed in the table below:

Year	Revenue Target/ Budget (Kshs.)	Actual Receipts (Kshs.)	Revenue Shortfall (Kshs.)	% of Actual to Budget
2016/2017	880,000,000	535,583,977	351,118,925	61
2017/2018	850,000,000	423,996,982	426,003,018	50
2018/2019	1,000,000,000	699,007,969	300,992,031	70
2019/2020	960,000,000	551,677,223	408,322,777	57
2020/2021	900,000,000	620,011,720	279,988,280	69

Failure to realize budgeted revenue affected the planned activities and may have affected negatively on service delivery to the public.

2.3 Late Exchequer Release

Note 1 to the financial statements shows total exchequer releases of Kshs.7,413,339,317, out of which an amount of Kshs.2,260,774,873 or 30% of the exchequer releases were received during the months of June and July, 2021 an indication of delayed disbursements of funds by the National Treasury as detailed below:

Date	Details	Amount Received (Kshs.)
23 June, 2021	Exchequer Release	20,138,691
23 June, 2021	Exchequer Release	48,999,947
23 June, 2021	Exchequer Release	503,868,000
23 June, 2021	Exchequer Release	566,851,500
30 June, 2021	Exchequer Release	503,868,000
01 July, 2021	Exchequer Release	56,190,501
02 July, 2021	Exchequer Release	535,359,750
06 July, 2021	Exchequer Release	25,498,484
	Total	2,260,774,873

Late disbursement of exchequer releases by the National Treasury impacted negatively on service delivery to the citizens of Murang'a County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Compensation of Employees

1.1 Excessive Wage Bill

During the year under review, the County Executive incurred a total of Kshs.3,376,207,299 on compensation of employees which is 39.9 % of the total county revenue of Kshs.8,465,302,741. This is contrary to Section 107(2)(c) of the Public Finance Management Act, 2012 and Regulation 25(a&b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that county government wages and benefits shall not exceed 35 % of total county government revenue for the year.

In the circumstances, Management was in breach of the law.

1.2 Lack of Approved Staff Establishment

The statement of receipts and payments for the year ended 30 June, 2021 reflects compensation of employees' expenditure of Kshs.3,376,207,299 against a budget of Kshs.3,888,925,823. However, the County Executive did not have an approved staff establishment contrary to the provisions of Regulation 119(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that the budget on remuneration should be based on an approved human resource plan.

Consequently, Management was in breach of the law.

1.3 Payment of Permanent Staff Outside IPPD Payroll

County Executive of Murang'a has an automated Integrated Payroll and Personnel Database (IPPD) system in place. A review of the monthly payrolls revealed that two hundred and fifty-two (252) staff had not been included in the database and were paid salaries outside the IPPD payroll accumulating to Kshs.221,525,158. Explanation given by Management was that these officers did not have personal numbers. However, there is a risk of unauthorized payments as the off-shelf payroll is not integrated and centrally managed and controlled in the public personnel database contrary to the Treasury Circular No.9/2017 that requires Personnel emolument to be supported by IPPD.

In the circumstances, Management was in breach of the law.

2.0 Use of Goods and Services

2.1 Irregular Procurement of Fertilizer Transportation

Note 12 to the financial statements reflects use of goods and services expenditure of Kshs.1,528,995,686, which further includes specialized materials and services amount of Kshs.661,124,947 for the year ended 30 June, 2021. The amount further includes Kshs.7,168,241 paid to two firms of Kshs.3,875,017 and Kshs.3,293,224 in respect of transportation of fertilizer from the National Cereals and Produce Board depots to the eight sub-counties within Muranga County.

However, a review of the procurement process revealed that the contracts were awarded through restricted tendering and no justification was provided for the use this method instead of open national tender. In addition, the contracts for the two firms and the mandatory bidding documents for one of the firms were not provided for audit review while the tax compliance certificate for the other firm had expired.

Consequently, it was not possible to confirm if the contracts were awarded in accordance with the law.

2.2 Unsupported Payment to Council of Governors

Note 12 to the financial statements reflects other operating expenses expenditure of Kshs.79,381,339 for the year ended 30 June, 2021, which includes Kshs.2,000,000 paid to Council of Governors. However, this payment was not supported by relevant supportive documents to warrant the payment.

In the circumstances, the propriety of the expenditure amounting to Kshs.2,000,000 could not be confirmed.

3.0 County Municipal Board not Fully Constituted

A review of the composition of the County Municipal Board revealed that the board had eight (8) members instead of nine (9) and no representative of the registered associations of the informal sector in the County had been nominated. This is contrary to Section 14 of the Urban Areas and Cities Act, 2019 which requires that a Board of Municipality shall consist of nine members.

The County Executive was in breach of the law.

4.0 Acquisition of Assets

4.1 Drilling and Equipping of Kiambamba Borehole in Kambiti Ward

Note 17 to the financial statements reflects acquisition of assets balance of Kshs.377,805,951 which includes construction and civil works expenditure of Kshs.258,675,715. This balance also includes Kshs.4,909,702 paid to a firm for drilling and equipping of Kiambamba borehole at Muranjao Secondary School, Kambiti ward. According to a water quality analysis report, the water had colour and iron minerals were at a level which exceeded those allowed for domestic use. The report recommended

treatment of the water to reduce the impurities. During project verification, it was observed that the community was using the water from the project. However, there was no evidence provided for audit review to show that the County Government had installed a water treatment plant for the water. In the circumstances, the community is exposed to health risks associated with consumption of untreated water.

4.2 Unsupported Supply of Water Tanks

Note 17 to the financial statements reflects acquisition of assets balance of Kshs.377,805,951, which includes construction and civil works balance of Kshs.258,675,715. Included in the figure is Kshs.3,300,000, Kshs.1,080,000 and Kshs.1,440,000 paid for the supply of three hundred (300) plastic tanks to ECDE centres, two hundred (200) water tanks to mitigate the effects of Covid-19 pandemic and three (3), 24,000 litres water tanks respectively. However, no stores records maintained by the County Executive Management indicating the quantities received and the distribution list indicating where the tanks were delivered were provided for audit review.

Consequently, the authenticity of the expenditure totaling Kshs.6,820,000 on supply of plastic water tanks could not be confirmed.

4.3 Supply and Delivery of Sports Uniform and Equipment

Note 17 to the financial statements reflects acquisition of assets balance of Kshs.377,805,951, which includes construction and civil works balance of Kshs.258,675,715. This amount further includes Kshs.2,476,557 paid to a firm in respect to the supply of sports uniform and equipment, irregularly charged under acquisition of assets (construction and civil works) instead of use of goods and services.

A review of the procurement records for this contract revealed that management engaged a firm for the supply and delivery of sports uniform and equipment yet the firm was not among the bidders for the contract. This is contrary to Section 91 of the Public Procurement and Asset Disposal Act, 2015 which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services and the procuring entity may use an alternative procurement procedure only if that procedure is allowed and satisfies the conditions under this Act for use of that method.

Further, it was not possible to establish how the goods were received and issued since only an unsigned delivery note was provided for audit review. Consequently, the authenticity of the expenditure of Kshs.2,476,557 on supply of sports uniform and equipment could not be confirmed.

4.4 Irregular Procurement of Consultancy Services

Note 17 to the financial statements reflects acquisition of assets balance of Kshs.377,805,951, which includes construction and civil works balance of Kshs.258,675,715. This amount further includes Kshs.1,200,000 paid to a firm in respect of consultancy services for nurses training on Covid-19 pandemic and charged under acquisition of assets (construction and civil works) instead of use of goods and services.

Further, the firm was directly procured at a cost of Kshs.1,200,000 contrary to Section 91 of the Public Procurement and Asset Disposal Act, 2015 which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services and the procuring entity may use an alternative procurement procedure only if that procedure is allowed and satisfies the conditions under this Act for use of that method. No justification was given for the direct procurement. In addition, the signed attendance list for the training was not provided for audit review.

Consequently, the authenticity of the expenditure on nurses training of Kshs.1,200,000 could not be confirmed.

4.5 Unexplained Payment of Consultancy Services

Note 17 to the financial statements includes construction and civil works amount of Kshs.258,675,715, which further includes Kshs.2,255,500 paid to a firm on 26 February, 2021 in respect of architectural consultancy services for renovation and remodeling of Gakoigo Show Ground and Sports Stadium. The consultancy service was procured in the financial year 2015/2016 at a contract sum of Kshs.11,699,000. However, the consultancy contract was not provided for audit review and management has not provided for audit review an analysis of payments detailing total amounts paid to date to the contractor

In addition, the final consultancy report to confirm outcome of the consultancy was not provided.

Consequently, the validity of the expenditure of Kshs.2,255,500 on consultancy services could not be confirmed.

4.6 Procurement of Water Pipes for Water Extension Project

Note 17 to the financial statements includes construction and civil works amount of Kshs.258,675,715, which further includes Kshs.2,890,604 paid to firm for the supply of water pipes for water extension project at Kaharo Dispensary area. A review of the procurement process revealed that quotations were floated and three bidders evaluated. However, the evaluation committee did not consider the validity of the mandatory documents submitted by the bidders as the winning bidder had a tax registration certificate dated 31 December, 2012 while the firm was incorporated on 10 September, 2013. It is not clear how the firm obtained a tax registration certificate before its incorporation.

In the circumstances, the regularity of the expenditure of Kshs.2,890,604 for the supply of water pipes could not be confirmed.

4.7 Unsupported Procurement of Intensive Care Unit (ICU) Equipment

Note 17 to the financial statements reflects purchase of specialized plant, equipment and machinery amount of Kshs.45,527,831, which includes Kshs.16,100,000 paid to a firm for supply of various ICU Equipment on 14 February, 2021. However, the tender opening minutes and tender evaluation minutes were not provided for audit review. Therefore, there was no evidence of compliance with Section 80(1) of the Public Procurement and

Asset Disposal Act, 2015 that requires the evaluation committee to evaluate and compare the responsive tenders.

In the circumstances, the regularity of the purchase of ICT equipment worth Kshs.16,100,000 could not be confirmed.

5.0 Unsupported Procurement for Purchase of ICT Equipment

Note 20 to the financial statements reflects other payments amount of Kshs.1,011,892,157, which further includes Kshs.1,603,862 paid to a firm in respect of supply of ICT equipment to Murang'a County Referral Hospital ICU unit. However, procurement documents including tender opening minutes, evaluation committee minutes and inspection and acceptance committee minutes were not provided for audit review.

In the circumstances, the validity of procurement process on purchase of ICT equipment worth Kshs.1,603,862 could not be confirmed.

6.0 Unsupported Purchase of Tree Seedlings

Note 20 to the financial statements reflects other payments amount of Kshs.1,011,892,157 which further includes an amount of Kshs.2,000,000 paid to a firm for the supply of eighty thousand gravelia robusta tree seedlings. However, the procurement records relating to the purchase of seedlings were not availed for audit review.

In the circumstances, the validity of expenditure of Kshs.2,000,000 on tree seedlings could not be ascertained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Receipt Books

Note 9 to the financial statements reflects is Kshs.620,011,720 County own- generated receipts under, that includes revenue of Kshs.43,557,000 attributable to un-surrendered



receipts books held by different sub counties, some issued way back in the year 2018. No effort has been made by Management to establish reasons for not surrendering the receipt books. Further, the internal control system on issue of receipt books was weak, as officers are issued with additional receipt books before surrendering or accounting for the previously issued receipt books.

In the circumstances, there is a likelihood of revenue leakages.

2.0 Summary of Non-Current Assets Register

Disclosed under Annex 6 to the financial statements is a summary of non-current assets register with a historical cost balance of Kshs.4,847,208,459 as at 30 June, 2021. However, the County Executive Management did not provide for audit review an updated non-current asset register. In addition, these assets were not tagged and properly recorded in both manual and automated registers. In addition, audit verification revealed that the county government owns biological assets at its Mariira Farm and which have not been valued and included in the assets register. There is no evidence also indicating that opening balances include assets and liabilities inherited from the defunct Local authorities in Muranga County.

As a result, the assets of the County Government are prone to misplacement and loss.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 assessment and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive'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 dissolve the County Executive or 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 Executive'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

Report of the Auditor-General on County Executive of Murang'a for the year ended 30 June, 2021

- County Executive's
Management
Ensuring
and
ring
- 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 County Executive'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 County Executive 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 County Executive to express an opinion on the financial statements.
 - Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 May, 2022

Report of the Auditor-General on County Executive of Murang'a for the year ended 30 June, 2021

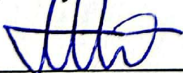
MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

7. FINANCIAL STATEMENTS

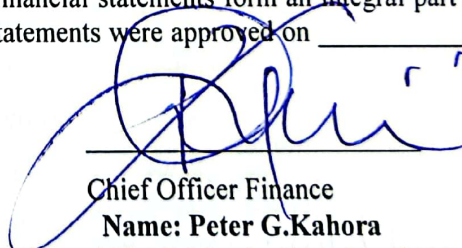
7.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

RECEIPTS	Notes	2020-2021	2019-2020
		KShs	KShs
Exchequer releases	1	7,413,339,317	6,254,948,060
Proceeds from Domestic and Foreign Grants	2	-	-
Transfers from Other Government Entities	3	255,948,619	291,723,844
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	620,011,720	551,677,223
Returned CRF issues	10	176,003,085	92,665,484
TOTAL RECEIPTS		<u>8,465,302,741</u>	<u>7,191,014,611</u>
PAYMENTS			
Compensation of Employees	11	3,376,207,299	2,984,713,835
Use of goods and services	12	1,528,995,686	2,786,208,055
Subsidies	13	71,569,229	800,000
Transfers to Other Government Units	14	822,577,185	626,559,265
Other grants and transfers	15	660,653,246	443,059,213
Social Security Benefits	16	4,808,646	-
Acquisition of Assets	17	377,805,951	200,785,510
Finance Costs, including Loan Interest	18	-	459,200
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	1,011,892,157	320,554,032
TOTAL PAYMENTS		<u>7,854,509,399</u>	<u>7,363,139,110</u>
SURPLUS/DEFICIT		<u>610,793,342</u>	<u>(172,124,499)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on _____ 2022 and signed by:



 Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
 ICPAK Member Number: 8181



 Chief Officer Finance
Name: Peter G. Kahora
 ICPAK Member Number: 7444

COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

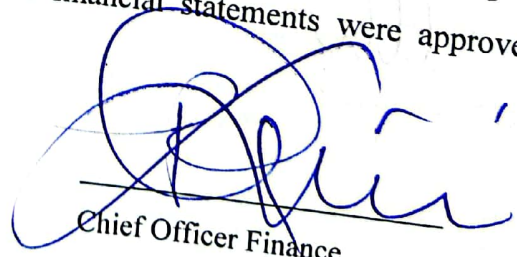
7.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

FINANCIAL ASSETS	Notes	2020-2021	2019-2020
		KShs	KShs
Cash and Cash Equivalents			
Bank Balances			
Cash Balances	21A	994,756,234	389,216,290
	21B	-	-
Total Cash and cash equivalent		994,756,234	389,216,290
Accounts Receivables			
	22	-	-
TOTAL FINANCIAL ASSETS		994,756,234	389,216,290
FINANCIAL LIABILITIES			
Accounts Payables			
	23	-	-
NET FINANCIAL ASSETS		994,756,234	389,216,290
REPRESENTED BY			
Fund balance b/fwd			
Prior year adjustments	24	389,216,290	561,340,788
Surplus/Deficit for the year	25	(5,253,398)	-
		610,793,342	(172,124,499)
NET FINANCIAL POSITION		994,756,234	389,216,290

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on _____ 2022 and signed by:



Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
ICPAK Member Number: 8181



Chief Officer Finance
Name: Peter G. Kahora
ICPAK Member Number: 7444

7.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021.

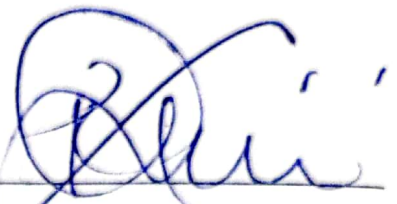
	Notes	2020-2021	2019-2020
		KSh	KShs
Receipts from operating income			
Exchequer Releases	1	7,413,339,317	6,254,948,060
Proceeds from Domestic and Foreign Grants	2	-	-
Transfers from Other Government Entities	3	255,948,619	291,723,844
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	620,011,720	551,677,223
Returned CRF issues	10	176,003,085	92,665,484
Payments for operating expenses			
Compensation of Employees	11	(3,376,207,299)	(2,984,713,835)
Use of goods and services	12	(1,528,995,686)	(2,786,208,055)
Subsidies	13	(71,569,229)	(800,000)
Transfers to Other Government Units	14	(822,577,185)	(626,559,265)
Other grants and transfers	15	(660,653,246)	(443,059,213)
Social Security Benefits	16	(4,808,646)	-
Finance Costs, including Loan Interest	18	-	(459,200)
Other Payments	20	(1,011,892,157)	(320,554,032)
Adjusted for:			
Decrease/(Increase) in Accounts Receivables	26	-	-
Increase/(Decrease) in Accounts Payables	27	-	-
Other Adjustments-Prior year Adjustments	25	(5,253,398)	-
Net cash flow from operating activities		982,795,895	28,661,011
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(377,805,951)	(200,785,510)
Net cash flows from Investing Activities		(377,805,951)	(200,785,510)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		605,539,944	(172,124,499)
Cash and cash equivalents at BEGINNING of the year	21	389,216,290	561,340,788
Cash and cash equivalents at END of the year	24	994,756,234	389,216,290

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on _____ 2022 and signed by:



Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
ICPAK Member Number: 8181



Chief Officer Finance
Name: Peter G. Kahora
ICPAK Member Number: 7444

Consolidated Reports and Financial Statements
For the year ended June 30, 2021

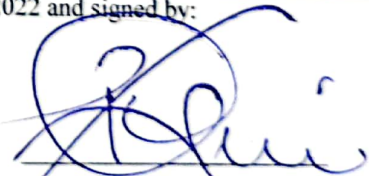
7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d	% of Utilisation f=d/c%
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants	7,251,958,316	(43,285,000)	7,208,673,316	7,413,339,317	204,666,001	103%
Transfers from Other Government Entities	-	-	-	-	-	-
County Own Generated receipts	192,438,619	43,142,778	235,581,397	255,948,619	20,367,222	109%
Return issues to CRF	900,000,000	-	900,000,000	620,011,720	(279,988,280)	69%
TOTAL	8,885,055,035	(142,222)	8,884,912,813	8,465,302,741	(419,610,072)	33%
PAYMENTS						
Compensation of Employees	3,820,925,823	68,000,000	3,888,925,823	3,376,207,299	(513,170,524)	87%
Use of goods and services	2,210,549,984	121,142,778	2,331,692,762	1,528,995,686	(803,695,076)	66%
Subsidies	118,147,008	-	118,147,008	71,569,229	(46,577,779)	61%
Transfers to Other Government Units	835,143,240	-	835,143,240	822,577,185	(12,566,055)	98%
Other grants and transfers	901,408,980	(43,035,000)	858,373,980	660,653,246	(197,720,734)	77%
Social Security Benefits	85,000,000	-	85,000,000	4,808,646	(80,191,354)	6%
Acquisition of Assets	870,380,000	(161,250,000)	709,130,000	377,805,951	(331,874,049)	53%
Finance Costs, including Loan Interest	2,000,000	-	2,000,000	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	-
Other Payments	41,500,000	15,000,000	56,500,000	1,011,892,157	955,392,157	1791%
TOTAL	8,885,055,035	(142,222)	8,884,912,813	7,854,509,399	(1,030,403,414)	
SURPLUS/(DEFICIT)				610,793,342	610,793,342	

The County Executive's financial statements were approved on _____ 2022 and signed by:



Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
ICPAK Member Number: 8181




Chief Officer Finance
Name: Peter G. Kahora
ICPAK Member Number: 7444

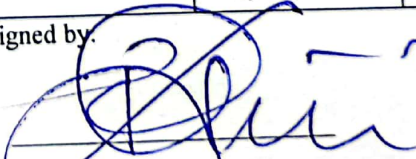
Annual Report and Financial Statements
For the year ended June 30, 2021.

7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,290,235,183	74,965,000	4,365,200,183	5,043,405,906	678,205,723	116%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Transfers from Other Government Entities	-	-	-	63,510,000	63,510,000	
Returns of Equity Holdings	-	-	-	-	-	
County Own Generated receipts	900,000,000	-	900,000,000	620,011,720	(279,988,280)	69%
Return CRF issues	540,658,100	-	540,658,100	176,003,085	(364,655,015)	33%
TOTAL	5,730,893,283	74,965,000	5,805,858,283	5,902,930,711	97,072,428	
PAYMENTS						
Compensation of Employees	3,820,925,823	68,000,000	3,888,925,823	3,376,207,299	(513,222,573)	87%
Use of goods and services	861,914,220	15,000,000	876,914,220	461,610,416	(416,301,804)	53%
Subsidies	1,000,000	-	1,000,000	400,000	(600,000)	40%
Transfers to Other Government Units	785,143,240	-	785,143,240	743,199,997	(41,943,243)	95%
Other grants and transfers	129,410,000	6,965,000	136,375,000	246,762,801	110,387,801	181%
Social Security Benefits	85,000,000	-	85,000,000	4,808,646	(80,191,354)	6%
Acquisition of Assets	44,500,000	(15,000,000)	29,500,000	7,658,500	(22,391,500)	26%
Finance Costs, including Loan Interest	2,000,000	-	2,000,000	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	
Other Payments	1,000,000	-	1,000,000	654,544,124	653,544,124	
TOTAL	5,730,893,283	74,965,000	5,805,858,283	5,495,191,783	(310,718,549)	
SURPLUS/(DEFICIT)				407,738,928	407,738,928	

The County Executive's financial statements were approved on _____ 2022 and signed by _____


Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
ICPAK Member Number: 8181


Chief Officer Finance
Name: Peter G. Kahora
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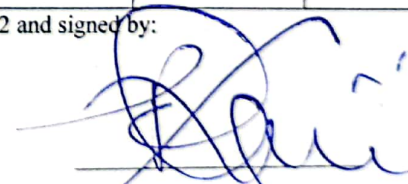
7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c%
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants	2,961,723,133	(118,250,000)	2,843,473,133	2,369,933,411	(473,539,722)	83%
Transfers from Other Government Entities	-	-	-	-	-	
Fuel levy allocation						
County Own Generated receipts	192,438,619	43,142,778	235,581,397	192,438,619	(43,142,778)	82%
TOTAL	3,154,161,752	(75,107,222)	3,079,054,530	2,562,372,030	(516,682,500)	
PAYMENTS						
Compensation of Employees						
Use of goods and services	1,348,635,764	106,142,778	1,454,778,542	1,067,385,270	(387,393,272)	73%
Subsidies	117,147,008	-	117,147,008	71,169,229	(45,977,779)	61%
Transfers to Other Government Units	50,000,000	-	50,000,000	79,377,188	29,377,188	159%
Other grants and transfers	771,998,980	(50,000,000)	721,998,980	413,890,445	(308,108,535)	57%
Social Security Benefits	-	-	-	-	-	0
Acquisition of Assets	825,880,000	(146,250,000)	679,630,000	370,147,451	(309,482,549)	54%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on borrowings	-	-	-	-	-	
Other Payments	40,500,000	-	55,500,000	357,348,033	301,848,033	644%
TOTALS	3,154,161,752	(75,107,222)	3,079,054,530	2,359,317,616	(719,736,914)	
SURPLUS/(DEFICIT)				203,054,414	203,054,414	

The County Executive's financial statements were approved on _____ 2022 and signed by:



Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
ICPAK Member Number: 8181



Chief Officer Finance
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MURANGA COUNTY GOVERNMENT - EXECUTIVE
Consolidated Reports and Financial Statements
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7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme	Sub-programme	Description	Original Budget 2020/2021 KShs	Adjustments KShs	Final Budget 2020/2021 KShs	Actual on comparable basis Date, 2020/2021 KShs	Budget utilization difference KShs
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			-	-	-	1,163,300	(1,163,300)
	0	Default - Non Programmatic	-	-	-	1,163,300	(1,163,300)
101004010		Cash Crop Development and Management	572,611,735	(50,000,000)	522,611,735	394,428,685	128,183,050
	101014010	Land and Crops Development	2,700,000	-	2,700,000	1,858,100	841,900
	101024010	Promotion Food Security	569,911,735	(50,000,000)	519,911,735	392,570,585	127,341,150
102004010		Livestock and fisheries Development	108,499,487		108,499,487	107,094,748	1,404,739
	102034010	Value addition and marketing of fish products	108,499,487	-	108,499,487	107,094,748	1,404,739
103000000			33,000,000	(20,000,000)	13,000,000	4,350,000	8,650,000
	103019999	Stalled and new Government buildings	33,000,000	(20,000,000)	13,000,000	4,350,000	22,300,000
103004010		Land survey, housing and administration	25,000,000	(2,000,000)	23,000,000	700,000	10,300,000
	103014010	Land Policy and Planning	11,000,000	-	11,000,000	700,000	12,000,000
	103044010	Land Survey	14,000,000	(2,000,000)	12,000,000	-	(105,017)
108000000		Crop Development					

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Programme	Sub-programme	Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis		
			2020/2021		2020/2021	Date, 2020/2021		
		and Management	4,300,000		4,300,000		4,405,017	
	108039999	Quality Assurance and Monitoring of Outreach Services	4,300,000		4,300,000		4,405,017	
109000000		Agribusiness and Information Management	4,200,000	-	4,200,000		2,811,184	(105,017)
	109019999	Agribusiness and Market Development	4,200,000		4,200,000		2,811,184	1,388,816
112000000		Livestock Resources Management and Development	8,500,000	-	8,500,000		4,986,320	1,388,816
	112019999	Livestock Policy Development and capacity building Programme	3,500,000		3,500,000		1,607,999	1,892,001
	112059999	Livestock Diseases Management and Control	5,000,000		5,000,000		3,378,321	1,621,679
113000000		Land Administration and Management	4,319,000	-	4,319,000		870,290	3,448,710
	113019999	Land Administration and Management	4,319,000		4,319,000		870,290	3,448,710
202000000		Road Transport	539,761,679	43,142,778	582,904,457		489,893,627	93,010,830
	202019999	Construction of Roads and Bridges	27,823,060		27,823,060		9,323,919	18,499,141
	202069999	General Administration, Planning and Support Services	511,938,619	43,142,778	555,081,397		480,569,708	74,511,689
202004010		ICT Infrastructure Development	13,000,000	(10,000,000)	3,000,000		550,000	2,450,000

EXECUTIVE

Annual Report and Financial Statements
For the year ended June 30, 2021.

Programme	Sub-programme	Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
			2020/2021		2020/2021	Date, 2020/2021	
	202014010	ICT Infrastructure Connectivity	13,000,000	(10,000,000)	3,000,000	550,000	2,450,000
301004010		Tourism Development and Promotion	2,000,000	-	2,000,000	1,749,270	250,730
	301014010	Tourism Promotion and Marketing	2,000,000	-	2,000,000	1,749,270	250,730
302004010		Trade Promotion and marketing	266,000,000	(20,000,000)	246,000,000	212,546,488	33,453,512
	302014010	Domestic Trade Development	266,000,000	(20,000,000)	246,000,000	212,546,488	33,453,512
304000000		Cooperative Development and Management	19,399,950	-	19,399,950	10,104,972	9,294,978
	304019999	Governance and Accountability	3,100,000	-	3,100,000	30,000	3,070,000
	304029999	Co-operative Advisory Services	16,299,950	-	16,299,950	10,074,972	6,224,978
307000000		Trade Development and Promotion	6,600,000	-	6,600,000	6,024,360	575,640
	307019999	Domestic Trade Development	3,500,000	-	3,500,000	3,477,360	22,640
	307029999	Fair Trade and Consumer Protection	3,100,000	-	3,100,000	2,547,000	553,000
402000000		Curative Health Services	554,706,290	(60,000,000)	494,706,290	478,105,319	16,600,971
	402049999	Forensic and Diagnostics	3,000,000	-	3,000,000	1,500,000	1,500,000
	402059999	Free Primary Healthcare	551,706,290	(60,000,000)	491,706,290	476,605,319	15,100,971
501004010		Education	186,158,100	(30,000,000)	156,158,100	123,658,327	32,499,773
	501034010	Early Childhood Development	92,158,100	(30,000,000)	62,158,100	12,008,780	50,149,320

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30,149,320

Programme	Sub-programme	Description	Original Budget	Adjustments	Final Budget	Actuals		
			2020/2021		2020/2021	comparable base	Date: 2020/2021	
		Education						
	501054010	Motivation of Primary and Secondary School	94,000,000	-	94,000,000	111,649,547	(17,649,547)	
502004010		Technical Vocational Education and Training	51,920,000		51,920,000	25,678,704		26,241,296
	502034010	Infrastructure Development and Expansion	51,920,000	-	51,920,000	25,678,704		26,241,296
507000000		Youth Training and Development	123,147,008		123,147,008	73,665,980		49,481,028
	507019999	Revitalization of Youth Polytechnics	123,147,008	-	123,147,008	73,665,980		49,481,028
508000000		General Administration, Planning and Support Services	194,172,371	(5,000,000)	189,172,371	116,618,751		72,553,620
	508029999	County Administrative Services	194,172,371	(5,000,000)	189,172,371	116,618,751		72,553,620
701004010			11,000,000	(11,000,000)				
	701034010	Public Trusts and Estates Management	11,000,000	(11,000,000)				8,359,236
702004010			13,800,000		13,800,000	5,440,764		8,359,236
	702014010	Human Resource Management	13,800,000	-	13,800,000	5,440,764		10,093,987
703004010			44,200,000		44,200,000	34,106,014		9,232,905
	703014010	Default - Non Programmatic	33,300,000	-	33,300,000	24,067,096		337,065
	703024010	Budget Formulation						

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Programme	Sub-programme	Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
			2020/2021		2020/2021	Date, 2020/2021	
		Coordination and Management	3,900,000		3,900,000	3,562,935	
	703034010	Economic Planning and CIDP Review	7,000,000	-	7,000,000	6,475,983	524,017
705004010			163,000,129	60,000,000	223,000,129	209,684,655	13,315,474
	705034010	Public Participation	163,000,129	60,000,000	223,000,129	209,684,655	13,315,474
706004010			4,665,058,180	139,965,000	4,805,023,180	4,193,374,244	611,648,936
	706014010	General Administration Planning and support Services	4,665,058,180	139,965,000	4,805,023,180	4,193,374,244	611,648,936
711000000		Gender & Youth Empowerment	4,200,000	-	4,200,000	2,071,275	2,128,725
	711039999	Youth Development Services	4,200,000	-	4,200,000	2,071,275	2,128,725
718000000		Public Financial Management	14,900,000	-	14,900,000	10,610,415	4,289,585
	718039999	Audit Services	5,000,000	-	5,000,000	3,903,600	1,096,400
	718069999	Public Financial Management Reforms	9,900,000	-	9,900,000	6,706,815	3,193,185
729000000		Audit Services	4,999,999	-	4,999,999	4,920,657	79,342
	729029999	County Governments Audit	4,999,999	-	4,999,999	4,920,657	79,342
730000000		Control and Management of Public finances	3,200,000	-	3,200,000	3,112,840	87,160
	730029999	Budget implementation and Monitoring	3,200,000	-	3,200,000	3,112,840	87,160

87,160

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87,160

Programme	Sub-programme	Description	Original Budget	Adjustments	Final Budget	Comparative Data	
			2020/2021		2020/2021	Date, 2020/2021	
902004010			97,753,038	-	97,753,038	85,078,071	12,674,967
	902014010	Social Assistance to vulnerable groups	66,253,038	-	66,253,038	55,489,609	10,763,429
	902024010	Persons Living With Disabilities	22,000,000	-	22,000,000	20,828,072	1,171,928
	902044010	Disaster Fund Management	9,500,000	-	9,500,000	8,760,390	739,610
903004010			9,902,096	-	9,902,096	10,106,599	(204,503)
	903034010	Development and Management of Sports Facilities	9,902,096	-	9,902,096	10,106,599	(204,503)
904004010			3,251,520	-	3,251,520	1,607,550	1,643,970
	904014010	Development And Promotion of Culture	3,251,520	-	3,251,520	1,607,550	1,643,970
1001004010			18,600,000	-	18,600,000	3,039,121	15,560,879
	1001054010	Environmental Leadership and Governance	18,600,000	-	18,600,000	3,039,121	15,560,879
1002004010			21,400,000	-	21,400,000	4,979,105	16,420,895
	1002024010	Hazardous Waste	21,400,000	-	21,400,000	4,979,105	16,420,895
1004000000		Water Resources Management	257,351,213	(35,250,000)	222,101,213	105,833,745	116,267,468
	1004039999	Water Supply Infrastructure	257,351,213	(35,250,000)	222,101,213	105,833,745	116,267,468
		Grand Total	8,049,911,795	(142,222)	8,049,769,573	6,733,370,397	1,316,399,176

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7.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. 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 set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Muranga County Executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Executive recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Executive.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

ii) Transfers from the Exchequer

Transfer from Exchequer 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 Executive

iii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the Executive or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the County Executive or any other debt the County Executive may take on will be treated on cash basis and recognized as receipts during the year of receipt.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes to the financial statements.

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iv) County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

v) Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

The County Executive recognises all expenses when the event occurs and the related cash has actually been paid out.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

MURANGA COUNTY GOVERNMENT- EXECUTIVE

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the County Executive in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County Executive includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

a) Third Party Payments

This relates to payments done directly to supplier on behalf of the county Executive s such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county Executive is detailed in the notes to this financial statement.

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

a) 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. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to KShs 0 compared to KShs 0 in prior period as indicated on note 0x.
(There were no other restrictions on cash during the year)

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

8. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the County Executive's fixed asset register a summary of which is provided as a memorandum to these financial statements.

9. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Executive at the end of the year.

MURANGA COUNTY GOVERNMENT- EXECUTIVE

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Contingent Liabilities

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note 0 and Annex 7 of this financial statement is a register of the contingent liabilities in the year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Contingent Assets

The County Executive does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Executive in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

12. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 0 for the period 1st July 2020 to 30 June 2021 as required by law. There was 1 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

13. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

14. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

16. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

MURANGA COUNTY GOVERNMENT- EXECUTIVE

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7.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2020-2021	2019-2020
	KShs	KShs
Total Exchequer Releases for quarter 1	541,658,100	1,095,912,900
Total Exchequer Releases for quarter 2	1,758,199,879	1,209,512,240
Total Exchequer Releases for quarter 3	1,739,810,047	1,975,642,869
Total Exchequer Releases for quarter 4	3,379,276,671	1,973,880,051
Recovery of exchequer over issued 14-07-21	(5,605,381)	-
Total	7,413,339,317	6,254,948,060

The above comprises transfers from the Exchequer comprising of equitable share and Level 5 Hospitals. (Provide a brief explanation and explain significant change from prior period)

1A. Equitable Share

	2020-2021	2019-2020
	KShs	KShs
Total Equitable Share for quarter 1	541,658,100	1,095,912,900
Total Equitable Share for quarter 2	1,574,587,500	1,133,703,000
Total Equitable Share for quarter 3	1,543,095,750	1,795,029,750
Total Equitable Share for quarter 4	3,180,666,750	1,732,046,250
Recovery of exchequer over issued 14-07-21	(5,605,381)	-
Total	6,834,402,719	5,756,691,900

(Provide a brief explanation and explain significant change from prior period)

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1B: Level 5 Hospitals Allocation

Description	2020-2021	2019-2020
	KShs	KShs
Transfers for level 5 hospitals	-	-
Total	-	-

(Provide a brief explanation and explain significant change from prior period)

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2019 - 2020	2019-2020
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	17,910,000	18,656,250
DANIDA- COVID- 19 grant for f/y 2019/2020	-	6,965,000
World Bank – THUSCP	148,831,268	77,074,190
National Agricultural & Rural Inclusive Growth Project (NARIGP)	204,090,520	208,695,938
Kenya Devolution Support Programme(KDSP)CODIV -19 GRANT	-	30,000,000
Kenya Devolution Support Programme(KDSP)	45,000,000	-
Youth Polytechnic support grant	97,999,894	83,268,298
Abolishment of user fees in health centres and dispensaries	20,138,691	20,138,691
Kenya Urban Support Programme(KUSP) UIG	25,498,484	8,800,000
Agriculture Sector Development Support Project (ASDSP II)	10,246,830	-
Kenya Urban Support Project (KUSP) -Urban Development Grants (UDG) Released	9,220,910	44,657,794
Total	578,936,597	498,256,161

DANIDA and THUSCP support health sector in their program implementation through dispensaries and health centres operation finding , KDSP supports training in building capacities at the county level at its level one stage, at level two, other investment other than training are included. NARIGP-support agriculture production in the county
 Youth polytechnic grant are intended for support of vocational training centres and village polytechnics

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Proceeds from Domestic and foreign grants received through exchequer		
DANIDA - Universal Healthcare in Devolved Units Programme	-	-
World Bank – THUSCP	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-
Kenya Devolution Support Programme(KDSP)	-	-
Youth Polytechnic support grant	-	-
Abolishment of user fees in health centres and dispensaries	-	-
Kenya Urban Support Programme(KUSP) UIG	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-
Kenya Urban Support Project (KUSP) -Urban Development Grants (UDG) Released	-	-
Sub total	-	-
Proceeds from domestic and foreign grants received directly by the county		
Covid-19 Donations	-	-
Others	-	-
Sub total	-	-
Grand Total		

*Note: These are grants received through Exchequer
(Provide a brief explanation and explain significant change from prior period)*

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	KShs	KShs
Transfers from Central Government entities		
Ministry of Health(covid-19)		
HEALTH WORKER ALLOWANCE (COVID -19)	-	112,941,000
Road Maintenance Fuel Levy	63,510,000	-
TOTAL	192,438,619	178,782,844
	255,948,619	291,723,844

Transfer from ministry of health (covid-19) was meant to assist the county government from the severely affected by the Covid-19 pandemic.

Transfer from ministry of roads through KRB is meant to support the development and maintenance of roads in the county

4. PROCEEDS FROM DOMESTIC BORROWINGS

Description	2020-2021	2019-2020
	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	-	-
Total	-	-

MURANGA COUNTY GOVERNMENT- EXECUTIVE

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

	2020-2021	2019-2020
	KShs	KShs
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2020-2021	2019-2020
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2020-2021	2019-2020
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

9. COUNTY OWN GENERATED RECEIPTS

	2020-2021	2019-2020
	KShs	KShs
Fines, Penalties and Forfeitures	3,176,832	1,938,779
Business permits	137,683,456	98,535,344
Other Cess revenues	34,119,130	6,918,950
Plot rents	64,442,748	53,226,461
Building materials other cess	29,827,952	44,979,407
Administrative services fees/Sale of forms	7,884,076	3,126,133
Various fees/other land based revenue	2,749,224	3,781,063
Plan approvals	2,848,192	9,738,904
Lease / rental of council's Infrastructure assets	6,088,784	5,423,449
Market/trade Centre fee	45,390,801	42,109,539
Bus parking fees	24,631,551	18,962,828
Parking Fess	26,056,136	21,238,709
Self Help Group	1,471,325	1,335,808
Other education-related receipts/poly	139,776	166,189
Environment & conservancy Administration	16,085,549	10,244,978
Slaughter houses administration	1,068,984	1,925,602
Morgue & sanitation receipts	1,545,454	1,784,566
Sub Division/Transfer	8,692,414	6,285,858

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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	2020-2021	2019-2020
Liquor	22,056,184	36,924,059
Motor Bike	2,651,387	2,216,046
Advertisement	10,463,947	7,848,196
Fire fighting	17,373,124	11,692,551
Land Hsg And Phy. Planning	8,421,631	1,266,920
Mariira Farm	195,835	216,773
Co Operative Audit	495,988	651,506
Livestock (A.I)	1,357,474	2,188,223
Meat Inspection	10,920,614	8,861,763
Vet. Clinical Services	-	1,489,553
Hospitals/H.C	104,427,094	126,185,813
Public Health	24,866,755	19,469,831
Weight And Measures	2,879,303	943,422
Total	620,011,720	551,677,223

(This section should include all classes of revenues raised by the County Executive. The section may be tailored to reflect the classes of revenue for each County. In addition, the preparers of the financial statements should endeavour to classify all revenues and avoid lumping up revenues under the class of other miscellaneous receipts. Miscellaneous income should only include incidental incomes such as; insurance claims recovered and sale of assets. Comment on the performance of the own generated funds between the two years)

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10. RETURNED CRF ISSUES

	2020-2021	2019-2020
	KShs	KShs
Transfer Of Unspent Balances-Assembly	-	9,187,275
Transfer Of Unspent Balances-Assembly	-	308
Transfer Of Unspent Balances-Recurrent	242	167
Transfer Of Unspent Balances-Development	1,860	17,672
Transfer Of Unspent Balances-ASDP Prog II	-	-
Transfer Of Unspent Balances-Spa	34,044,911	3,449,722
Transfer Of Unspent Balances-Youth Poly	580,730	11,662,050
Transfer Of Unspent Balances=Rmfl	344,298	17,371,577
Transfer Of Unspent Balances-Kdsp	72	-
Transfer Of Unspent Balances-Nargip	34,049,330	50,609,855
Reverse To Recurrent	24,000	118,709
Transfer Of Funds To Special Purpose Account	106,957,642	-
	176,003,085	92,665,485
Total		

(State what the refunds relate to and when they were appropriated for use) Note: The amount swept back to CRF from the County Executive will form part of balance brought forward from the previous financial year

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2020 - 2021	2019 - 2020
	KShs	KShs
Basic salaries of permanent employees	3,350,156,966	2,927,440,961
Basic wages of temporary employees	2,307,799	20,800,170
Personal allowances paid as part of salary	2,208,625	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer Contribution to compulsory National Social Schemes	-	-
Employer Contribution to Compulsory National health Insurance Schemes	21,533,909	30,199,509
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	6,273,195
Total	3,376,207,299	2,984,713,835

12. USE OF GOODS AND SERVICES

	2020 - 2021	2019 - 2020
	KShs	KShs
Utilities, supplies and services	58,758,833	44,880,363
Communication, supplies and services	2,143,668	2,216,395
Domestic travel and subsistence	73,139,377	150,906,819
Foreign travel and subsistence	2,691,867	21,215,037
Printing, advertising and information supplies & services	17,671,775	21,633,893
Rentals of produced assets	17,240,434	16,258,651
Training expenses	46,073,374	490,965,976
Hospitality supplies and services	22,678,501	43,187,041
Insurance costs	79,168,788	9,054,825

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Specialized materials and services	661,124,947	1,139,835,313
Office and general supplies and services	15,732,322	24,802,649
Fuel, oil and lubricants	35,373,759	35,555,932
Other operating expenses	79,381,339	180,374,951
Routine maintenance – vehicles and other transport equipment	15,559,915	15,072,284
Routine maintenance – other assets	402,256,787	590,247,926
Total	1,528,995,686	2,786,208,055

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Subsidies to Public Corporations	400,000	800,000
Grant to youth polytechnics	71,169,229	-
Subsidies to Private Enterprises	-	-
TOTAL	71,569,229	800,000

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Transfers to County Government entities		
Muranga County Assembly	730,399,997	581,359,265
Muranga Municipal Board	92,177,188	45,200,000
TOTAL	822,577,185	626,559,265

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER GRANTS AND PAYMENTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Scholarships and other educational benefits	107,072,000	60,939,344
Subsidies to small businesses, cooperatives, and self employed	216,349,679	333,152,219
Other Current transfers, grants	24,875,643	48,247,263
Other Capital Grants and Transfers	312,355,924	720,387
Total	660,653,246	443,059,213

(Provide explanation as to what other grants and payments relate to and who is the beneficiary explain significant change from prior period)

16. SOCIAL SECURITY BENEFITS

	2020 - 2021	2019 - 2020
	KShs	KShs
Government pension and retirement benefits	4,808,646	-
Social security benefits	-	-
Employer Social Benefits	-	-
Total	4,808,646	-

(Explain where the benefits are remitted and who the beneficiaries are, explain significant change from prior period)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2020 - 2021	2019 - 2020
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	1,045,094	-
Overhaul and Refurbishment of Construction and Civil Works	258,675,715	102,224,112
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	3,434,000	14,870,756
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	45,527,831	28,965
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	62,560,740	338,879
Rehabilitation of Civil Works	378,500	-
Acquisition of Strategic Stocks and commodities	2,888,071	3,878,414
Acquisition of Land	3,296,000	79,444,384
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets	377,805,951	200,785,510
<u>Financial Assets</u>		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	377,805,951	200,785,510

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NOTES TO THE FINANCIAL STATEMENTS (continued)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2020 - 2021	2019 - 2020
	KShs	KShs
Bank Charges	-	-
Public Enterprises	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	459,200
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total		459,200

(Explain significant change from prior period)

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2020 - 2021	2019 - 2020
	KShs	KShs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On - Lending	-	-
Total		

(Explain significant change from prior period)

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20. OTHER PAYMENTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Budget Reserves	-	900,000
Civil Contingency Reserves	-	-
Other payments	1,240,400	-
Total	1,010,651,757	319,654,032
	1,011,892,157	320,554,032

(Provide explanation as to what each component of other expenses relate to, explain significant change from prior period)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account Name & currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2020 - 2021	2019 - 2020
			KShs	KShs
County Revenue Fund A/C No.1000171553	Kshs.	CRF	902,175,036	262,040,478
CBK-County Development A/C No.1000170988	Kshs.	Development	11,295	1,860
CBK-County recurrent A/C No. 1000171073	Kshs.	Recurrent	142	242
CBK-County RMLF A/C No.1000252798	Kshs.	development	2,041,824	344,298
KCB –Revenue A/C No. 1140745859	Kshs.		-	3,579,470
Muranga County Kenya Devol Sup Prog-Kes A/C 1000439181(KDSP)	Kshs.		234,135	71
Family Bank-Muranga County Govt. bursary a/c no.006000024352	Kshs.		-	232,885
Equity-Muranga C. Revenue A/C 0220273464893	Kshs.		-	1,441,044
NARGIP A/C NO.1000368845	Kshs.		5,100,411	34,049,330
Special Purpose a/c no.1000346485	Kshs.		26,758,918	84,445,883
AGRI SECTOR DEV PROG. II-A/C NO.1000368877	Kshs.		9,434,526	2,500,000
CBK-YOUTH POLY-A/C NO.1000368853	Kshs.		48,999,947	580,730
Total			994,756,234	389,216,290

Note: Amount should be as per amount in the cash book and bank reconciliation statements prepared for each account held. These balances do not include bank balances for self-reporting entities and revenue collection accounts as at reporting date.

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21B. CASH IN HAND

	2020 - 2021	2019 - 2020
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Cash in hand should also be analysed as follows:

	2020 - 2021	2019 - 2020
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

[Provide cash count certificates for each]

22. ACCOUNTS RECEIVABLE

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
Total	-	-

[Include a breakdown of the outstanding receivables above or as an annex to the notes if the list is longer than 1 page.]

Breakdown of imprest and salary advance per department	2020 - 2021	2019 - 2020
	KShs	KShs
Imprest	-	-
Department	-	-
Sub-Total	-	-
Salary advance	-	-
Department	-	-
Sub-Total	-	-
Grand Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. ACCOUNTS PAYABLE

	2020 - 2021	2019 - 2020
	KShs	KShs
	-	-
Deposits	-	-
Retention monies	-	-
Total		

[Provide short appropriate explanations as necessary]

24. FUND BALANCE BROUGHT FORWARD

	2020 - 2021	2019 - 2020
	KShs	KShs
	389,216,290	558,102,423
Bank accounts	-	3,238,365
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	389,216,290	561,340,788
Total		

[Provide short appropriate explanations, as necessary. The fund balances brought forward refers to the previous financial year's closing balances]

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25. PRIOR YEAR ADJUSTMENTS

A prior period adjustment really applies to the correction of an error in the financial statements of a prior period.

Description of the error	Balance b/f FY 2019/2020 as per audited financial statements Kshs	Adjustments during the year relating to prior periods Kshs	Adjusted ** Balance b/f FY 2019/2020 Kshs
Bank account Balances	389,216,290	(5,253,398)	383,962,892
Receivables	-	-	-
Total	389,216,290	(5,253,398)	383,962,892

The figure of ksh, 5,253,398 is prior year adjustment due to inclusion of revenue account balances in the fund balances; whereas the figure should be shown in notes number 8 under other important disclosures as stipulated below

KCB –Revenue A/C No. 1140745859	Kshs.	3,579,470
Family Bank-Muranga County Govt. bursary a/c no.006000024352	Kshs.	232,885
Equity-Muranga C. Revenue A/C 0220273464893	Kshs.	1,441,044
	TOTAL	5,253,398

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INCREASE/ (DECREASE) IN ACCOUNT RECEIVABLES

Description	2020-2021	2019-2020
	KShs	KShs
Receivables as at 1 st July (a)	-	-
Receivables as at 30 th June (b)	-	-
Increase/ Decrease in Receivables (c=(b-a))	-	-

(Receivable as at 1st July for FY 2020/21 should be the same as receivable as at 30th June for FY 2019/20)

27. INCREASE/ (DECREASE) IN ACCOUNTS PAYABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July (a)	-	-
Payables as at 30 th June (b)	-	-
Increase/ (Decrease) in payables c= b-a	-	-

(Payables as at 1st July for FY 2020/21 should be the same as Payable as at 30th June for FY 2019/20) **OTHER IMPORTANT DISCLOSURES**

1. Pending Accounts Payable (See Annex 2)

Description	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	10,951,581	13,175,526	3,752,409	20,374,698
Construction of civil works	281,954,949	437,484,286	360,939,644	358,499,591
Supply of goods	189,003,499	1,291,554,175	936,261,993	1,132,327,020
Supply of services	777,034,838	26,346,721	46,966,290	49,172,393
KRA	0	171,680,449	75,000,000	96,680,449
Total	1,258,944,867	1,940,241,157	1,422,920,336	1,657,054,151

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2. Pending Staff Payables (See Annex 3)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Staff statutory- Deductions	118,926,856	261,346,721	118,926,856	261,346,721
Total	118,926,856	261,346,721	118,926,856	261,346,721

OTHER IMPORTANT DISCLOSURES (Continued)

3. Other Pending Payables (See Annex 4)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

4. External Assistance

Description	FY 2020/2021 Kshs	FY 2019/2020 Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

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OTHER IMPORTANT DISCLOSURES (Continued)

a) External assistance relating to loans and grants

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		-	-
Total		-	-

c). Classes of providers of external assistance

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Provide details for external assistance e, g. Economic development or welfare objective, Emergency relief, Trading activities etc.)

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OTHER IMPORTANT DISCLOSURES (Continued)

d. Non-monetary external assistance

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc.

N/B: Disclose the basis on which the value of goods and services were determined (This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.

e. Purpose and use of external assistance.

PAYMENTS MADE BY THIRD PARTIES		
	FY 2020/2021	FY 2019/2020
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
TOTAL		

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OTHER IMPORTANT DISCLOSURES (Continued)

f. External Assistance paid by Third Parties on behalf of the County Executive by Source
This relates to external assistance paid directly by third parties to settle obligations on behalf of the County Executive.

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

5. Payments by Third Party on Behalf of the County Executive
 This relates to payments done directly to supplier on behalf of the county Executive such as national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc.

5.1 Classification by Source

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

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OTHER IMPORTANT DISCLOSURES (Continued)

5.2 Classification of payments made by Third Parties by Nature of expenses

PAYMENTS MADE BY THIRD PARTIES	FY 2020/2021	FY 2019/2020
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
TOTAL		

N/B The above sub classification will be adopted based on the appropriate county's operations

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Executive:

- i) Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments.
- ii) County Ministries and Departments.
- iii) The National Government.
- iv) Other County Governments Entities and
- v) State Corporations and Semi-Autonomous Government Agencies.

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OTHER IMPORTANT DISCLOSURES (Continued)

Related party transactions

	2020- 2021	2019- 2020
	Kshs	Kshs
Key Management Compensation (Governors, CEC Members and COs)	-	-
Transfers to related parties		
Transfer to the County Assembly	730,399,997	581,359,265
Muranga Municipal Board	92,177,188	45,200,000
Transfers to Development Projects	-	-
Transfers to non-reporting entities e.g schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	822,577,185	626,559,265
Transfers from related parties		
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	822,577,185	626,559,265

7. Establishment of other County Government Entities

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established	Location	Accounting Officer responsible
Muranga Municipal Board	February 2019	Muranga Town	Eng.Gabriel Kamau

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8. 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 need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

Name of Bank, Account No. & currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2020 - 2021	2019 - 2020
			KShs	KShs
KCB –Revenue A/C No. 1140745859/ Kcb-Muranga Municipal Revenue Collection A/C 1140745859	Kshs.		23,176,255	3,579,470
Equity-Muranga C. Revenue A/C 0220273464893	Kshs.		79,620	1,441,044
Family Bank-Muranga County Govt. bursary a/c no.006000024352	Kshs.		-	232,885
KCB-Muranga Level 4 Gen. Hosp. Revenue Collection A/C 1183371071	Kshs.		1,529,289	-
Family-Muranga County Revenue Collection A/C 006000031309	Kshs.		96,150	-
Co-Op Bank- Muranga County Revenue Collection A/C 01141574897400	Kshs.		205.69	-
Total			48,057,774.64	5,253,399

Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments for the year 2020/21 amounts relating to leased medical equipment was Kshs 0 (2019/2020 Kshs 0)

10. Contingent Liabilities

Contingent liabilities		
	2020-2021	2019-2020
	Kshs	Kshs
Court case 0 against the entity	-	-
Total	-	-

(Give details- Update ANNEX 8 Contingent liabilities register)

11. Covid- 19 Funds

Covid-19 Funds		
	2020-2021	2019-2020
	Kshs	Kshs
Receipts		
Receipts from the National Government to fight (Note 3)	63,510,000	112,941,000
Other donations for Covid-19 received directly (Note 2)	-	-
Others: KDSP & DANIDA COVID 19 GRANT	-	36,965,000
Total Receipts	63,510,000	149,906,000
Payments		
Purchase of Covid 19 materials- masks, sanitizers etc	16,194,743	5,870,800
Purchase of beds and ICU units	15,811,590	5,280,000
Subsidies to the community	5,132,850	868,500
Donations to schools and other institutions	-	810,000
Other Expenses: laundry machine, isolation wards, ICU materials, fumigations Accommodation health workers, ppes, Allowances, bank charges.	30,325,151	48,128,264
Total payments	67,464,334	60,957,564
Balance in the covid 19 Fund	84,994,102	88,948,436

MURANGA COUNTY GOVERNMENT- EXECUTIVE

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7.10. PROGRESS ON FOLLOW UP ON PRIOR YEAR 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)
	The reports are filed separately.			

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) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your County Executive responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

CEC, County Treasury

Sign.....

Date.....

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For the year ended June 30, 2021.

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period (2020/21)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Equitable Share	541,658,100	1,574,587,500	1,543,095,750	3,180,666,750	6,840,008,100
DANIDA - Universal Healthcare in Devolved Units Programme	-	8,955,000	-	8,955,000	17,910,000
World Bank – THUSCP	-	-	92,640,767	56,190,501	148,831,268
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	174,657,379	-	29,433,141	204,090,520
Kenya Devolution Support Programme	-	-	45,000,000	-	45,000,000
Youth Polytechnic support grant	-	-	48,999,947	48,999,947	97,999,894
Abolishment of user fees in health centres and dispensaries	-	-	-	20,138,691	20,138,691
Kenya Urban Support Programme UDG	-	-	-	9,220,910	9,220,910
Agriculture Sector Development Support Project (ASDSP)II	-	-	10,073,583	173,247	10,246,830
Kenya Urban Support Programme UIG	-	-	-	25,498,484	25,498,484
RECOVERY OF EXCHEQUER OVER ISSUE D 14-07-21	-	-	-	(5,605,381)	(5,605,381)
Total	541,658,100	1,758,199,879	1,739,810,047	3,373,671,290	7,413,339,316

Note: The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer.

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction of buildings							
1. Assorted suppliers			10,951,581	13,175,526	3,752,409	20,374,698	
2.			-	-	-	-	
Sub-Total			10,951,581	13,175,526	3,752,409	20,374,698	
Construction of civil works							
3. Assorted suppliers			281,954,949	437,484,286	360,939,644	358,499,591	
4.			-	-	-	-	
Sub-Total			281,954,949	437,484,286	360,939,644	358,499,591	
Supply of goods							
5. Assorted suppliers			189,003,499	1,291,554,175	936,261,993	1,132,327,020	
6.			-	-	-	-	
Sub-Total			189,003,499	1,291,554,175	936,261,993	1,132,327,020	
Supply of services							
7. Assorted suppliers			777,034,838	26,346,721	46,966,290	49,172,393	
8.KRA			-	171,680,449	75,000,000	96,680,449	
Sub-Total			777,034,838	198,027,170	121,966,290	145,852,842	
Grand Total			1,258,944,867	1,940,241,157	1,422,920,336	1,657,054,151	

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Consolidated Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Date Contracted	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c=a-b		
Senior Management							
			118,926,856	261,346,721	118,926,856	261,346,721	
1. Staff statutory- deductions							
Sub-Total							
Middle Management							
2.							
3.							
Sub-Total							
Unionisable Employees							
4.							
5.							
Sub-Total							
Others (specify)							
6.							
7.			118,926,856	261,346,721	118,926,856	261,346,721	
Sub-Total							
Grand Total							

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Consolidated Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
			a	b	c=a-b		
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
Sub-Total							
Others (specify)							
6.							
Sub-Total							
Grand Total							

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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For the year ended June 30, 2021.

ANNEX 5 -ANALYSIS OF ACCOUNTS RECEIVABLES

(a) Government Imprest

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i> KShs	<i>Amount Surrendered</i> KShs	<i>Balance</i> KShs
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Total				

(b) Salary Advance

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i> KShs	<i>Amount Recovered</i> KShs	<i>Balance</i> KShs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total				

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

ANNEX 6 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset Class	Historical Cost b/f (KShs) 2019/2020	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost e/f (KShs) 2019/2020
Land	541,934,014	-	-	-	541,934,014
Buildings and structures	1,382,952,997	-	-	-	1,382,952,997
Transport equipment	629,630,144	3,434,000	-	-	1,924,887,011
Office equipment, furniture and fittings	69,266,240	-	-	-	3,849,774,022
ICT Equipment	27,539,155	-	-	-	7,699,548,044
Machinery and Equipment	456,236,529	45,527,831	-	-	15,399,096,088
Heritage and cultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	42,454,701	-	-	-	42,454,701
Infrastructure assets- Roads, Rails	651,152,371	259,170,809	-	-	910,323,180
Work in progress	-	-	-	-	-
Others	668,786,357	69,123,311	-	-	737,909,668
Total	4,469,952,508	377,255,951	-	-	4,847,208,459

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Executive. Additions during the year should tie to note 17 on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

ANNEX 7 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred KShs	Amount Confirmed as received KShs	Difference	Explanation
1	Muranga County Assembly	40,000,000	169,999,997	185,000,000	335,400,000	730,399,997	730,399,997		
	Total	40,000,000	169,999,997	185,000,000	335,400,000	730,399,997	730,399,997		

Chief officer Finance
County Executive

Director of Finance
County Assembly

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

ANNEX 7 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	Muranga Municipal Board	55,457,794	-	-	36,719,394	92,177,188	92,177,188		
	Total	55,457,794	-	-	36,719,394	92,177,188	92,177,188		

Chief officer Finance

Muranga County Executive

Chief Officer Housing, Urban &
 Physical Planning
 Muranga Municipal Board

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Consolidated Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 8 Contingent liabilities register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

ANNEX9 – BANK RECONCILIATION/FO 30 REPORT

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUL-20 to: 30-JUN-21

MURANGA COUNTY REVENUE FUND-KES

Bank: Central Bank of Kenya, Branch: Head Office, Account Number: 1000171553

Balance as per bank certificate.....kshs. 1,670,611,796

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques) 1,420,529.511

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement 652,092,750

Bank Balance as per Cash Bookkshs. 902,175,036

Reconciled by: Signature: Date:

Reviewed by: Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21 DEVELOPMENT BANK-MURANGA

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000170988

Balance as per bank certificate:.....kshs.3,026

Less --

- | | |
|---|-------------|
| 1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques) | 212,528,547 |
| 2. Receipts in Bank Statement not yet recorded in Cash Book | - |

Add --

- | | |
|---|-------------|
| 3. Payment in Bank Statement not yet recorded in Cash Book | |
| 4. Receipts in Cash Book not yet Recorded in Bank Statement | 212,536,816 |

Bank Balance as per Cash Book kshs. 11,295

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21 RECURRENT BANK-MURANGA

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000171073

Balance as per bank certificate:.....Kshs. 1,965,641

Less --

1. Payment in Cash Book not yet recorded in Bank Statement 855,428,205
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement 853,462,706

Bank Balance as per Cash Book Kshs.142

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21

MURANGA COUNTY ROADS MAINTENANCE LEVY FUND

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000252798

Balance as per bank certificate:.....Kshs.2,532,011

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques) 42,204,378

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement 41,714,191

Bank Balance as per Cash Book Kshs. 2,041,824

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21 KENYA DEVOLUTION SUP PROG

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000439181

Balance as per bank certificate:.....Kshs.85,539

1. Less --		
i. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	12,173,864	
ii. Receipts in Bank Statement not yet recorded in Cash Book	-	
2. Add --		
i. Payment in Bank Statement not yet recorded in Cash Book	-	
ii. Receipts in Cash Book not yet Recorded in Bank Statement	12,322,460	

Bank Balance as per Cash Book **kshs.234, 135**

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21 NARGIP A/C

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000368845

Balance as per bank certificate.....Kshs.34, 533,552

Less --

1. Payment in Cash Book not yet recorded in Bank Statement 29,433,141
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement -

Bank Balance as per Cash Book Kshs.5,100,411

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUL-20 to: 30-JUN-21

MURANGA COUNTY SPECIAL PURPOSE ACCOUNT

Bank: Central Bank of Kenya, Branch: Head Office, Account Number: 1000346485

Balance as per bank certificate:.....kshs. 31,165,586

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques) 35,361,668

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement 30,955,000

Bank Balance as per Cash Book Kshs. 26,758,918

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21 MURANGA COUNTY AGRICULTURE SECTOR DEVELOPMENT

PROG. II

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000368877

Balance as per bank certificate:.....kshs.0

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement

9,434,526

kshs. 9,434,526

Bank Balance as per Cash Book

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
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For the year ended June 30, 2021.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-20 To : 30-JUN-21

MURANGA COUNTY VILLAGE POLYTECHNIC ACCOUNT

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000368853

Balance as per bank certificate:.....Kshs.23,199,975

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques) 23,199,975

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement 48,999,947

Bank Balance as per Cash Book

Kshs.48, 999,947

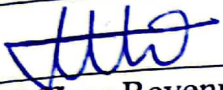
Reconciled by: Signature: Date:


Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30, 2021.
JOURNAL

	DR	CR
Domestic travel Being amount overstated in domestic travel expenditure.	550,000	
Acquisition of asset (construction and civil works) Being recognition of expenditure misclassified.		550,000
Domestic travel Being amount overstated in domestic travel expenditure.	474,225	
Other operating expenses Being recognition of understated expenditure wrongly voted.		474,225
Domestic travel Being amount overstated in domestic travel expenditure.	452,000	
Compensation of employee Being recognition of understated expenditure wrongly voted.		452,000
Finance costs, including loan interest (public enterprise) Being amount overstated expenditure under finance cost.	2,000,000	
Other operating activities Being recognition of under stated expenditure on other operating activities expenditure		2,000,000
TOTAL	3,476,225	3,476,225


 Chief Officer Revenue & County Financial Operation
Name: Edwin K. Kimuyu
 ICPAK Member Number: 8181


 Chief Officer Finance
Name: Peter G. Kahora
 ICPAK Member Number 7444