

Handwritten signatures and initials in blue ink.

REPUBLIC OF KENYA



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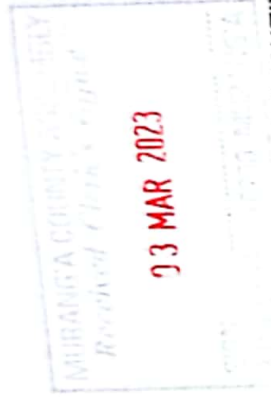
HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

Enhancing Accountability

27 February, 2023

OAG/CRO/MURANG'A CE//2021/2022/(27)

Mr. Wilson K. Thuita
The Clerk
County Assembly of Murang'a
P.O. Box 731 - 10200
MURANG'A



Dear Mr. Thuita,

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MURANG'A FOR THE YEAR ENDED 30 JUNE 2022

I transmit the report on the examination and audit of County Executive of Murang'a for the year ended 30 June 2022 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

Handwritten signature of Sylvester N. Kiini
Sylvester N. Kiini
For: AUDITOR-GENERAL

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

Handwritten notes:
CA HORC
List in the OP
6/3/2023

Mr. Jeremiah Nyengeny, CBS
Clerk to the Senate
P.O. Box 41842-00100
NAIROBI

H.E Dr. Francis Irungu Kang'ata
Governor of Murang'a
P.O. Box 52-10200
MURANG'A

Prof. Joseph K. Mwaura
C.E.C.M. – Finance and Economic Planning
P.O. Box 52-10200
MURANGA

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**COUNTY EXECUTIVE OF
MURANG'A**

**FOR THE YEAR ENDED
30 JUNE, 2022**

Revised Template: 30th June 2022



COUNTY GOVERNMENT OF MURANGA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022



MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

MURANGA COUNTY GOVERNMENT
Annual Report and Financial Statements
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3. Financial Statements

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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Annual Report
County
P.O. Box
MURANGA

**MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.**

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

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

- 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

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022. -

2. Foreword by the CECM Finance and Economic Planning

The Fourth Schedule of the Constitution contains information on the devolved services and provides for the division of functions between the national and the county governments. The functions performed by county governments include; Agriculture, Health services, Control of pollution, and other public nuisances, outdoor advertising, Cultural activities, public entertainment and public amenities, County transport, including – County roads, street lighting, traffic and parking, Animal control and welfare, Trade development and regulation, County planning and development, Education –pre-primary education (ECD), village polytechnics, home craft centres and childcare facilities, Implementation of specific national government policies on natural resources and environmental conservation, County public works and services, including – stormwater management systems in built-up areas, and water and sanitation services, Firefighting services and disaster management, Control of drugs and pornography and Ensuring and coordinating the participation of communities and locations in governance at the community level.

The County Government's functions are achieved through projects and programmes. The financial year 2021-2022 marks the 4th 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. Avocado has planned target of seedlings were procured and distributed to 100,000 farmers.

Under livestock production and management programme, 45,000 animals were vaccinated against a target of 30,000 with 2900 inseminations achieved against a target of 3000. To enhance domestic water supply, Under expansion of water supply and distribution, 7 households were connected against the target of 10. Under infrastructure development, 1 dispensary and 1 ablution block were improved.

In the management of the urban centres, Murang'a municipality enhanced management infrastructure within the urban metropolis and upgraded 1 km of road to bitumen standards. It also constructed 2.4 kms of drainage system

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CECM Finance and Economic Planning

County Government of Muranga

Statement of Performance against County Predetermined Objectives

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.

A. Economic Planning

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Economic policy formulation and review	County economic policy formulation, modelling, and management	Economic Planning	AWP, ADP 2022/2023, CBROP, CFSP 2022.	Timely and quality policy documents formulated.	ADP 2022/2023, CFSP 2022, AWP.	AWP 2021/2022, developed ADP 2022/2023 developed, CFSP 2022 developed.	CFSP 2022 Prepared in the month of November 2021 due to change in budget calendar.	Targets achieved as planned
County Monitoring and Evaluation Framework	Monitoring & evaluation of projects and programmes	Economic Planning	County Annual Progress Report (CAPR)	Timely and quality Annual progress report prepared	3 rd Quarter County Progress Report	3 rd Quarter County Progress Report	Nil	Targets achieved as planned

MURANGA COUNTY GOVERNMENT- EXECUTIVE

Annual Report and Financial Statements for the year ended June 30, 2022.

MURANGA COUNTY GOVERNMENT
Annual Report
ICT Infrastructure

Technical backstopping on project cycle management		Economic Planning	Health strategic plan	Timely and quality policy documents formulated.	1 no. draft health strategic plan prepared	1 no. draft health strategic plan prepared	Nil	Target achieved
		Muranga Municipality/ Economic Planning Department	County urban institutional development strategy (CUIDS) for Muranga Municipality	Timely and quality policy documents formulated	1 no. County Urban institutional development strategy	1 no. County Urban institutional development strategy	Nil	Target achieved
County Fact Sheet	Review of the geographical, human and social demographics in the County.	Economic Planning	County Fact sheet	Updated county data	1 no county fact sheet prepared	1 no county fact sheet prepared	Nil	Target achieved

B. Information Communication Technology (ICT)

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022	
					Target (s)	Actual

ICT infrastructure	ICT infrastructure	ICT	Offices connected to ICT infrastructure	No. of offices with installed ICT infrastructure	10 Departments	10 Departments
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1. EDUCATION, YOUTH, SPORTS, CULTURE AND SOCIAL SERVICES

A. Sports

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Sports development	Sports facilities development and equipment	Sports	Sports equipment	Number of equipment provided	2 teams per ward provided with sports items	2 teams per ward provided with sports items	Nil	
	Sports facilities development and equipment	Sports	Installation of floodlights at Ihura stadium	Number of floodlights installed	10 floodlights masts	6 floodlights	4	

B. Education

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Early Childhood Development	Infrastructural development	Education	Constructed classes ECDE	No of ECDE Classrooms constructed	12	10	2	Ongoing

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

			Toilets constructed	12	3	9
Social Service	Social infrastructure development	Social Service	Construction of toilets Construction of Koimbi children's home latrines and twin workshop	1	1	0
						6

2. HEALTH

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Nc Financial)

Program me	Sub-Program me	Deliv ery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Ris ks
					Target (s)	Actual	Variance	
Curative Health Services	Infrastructure Development	Health	Facilities improved	Number of facilities improved	5 health centres and dispensaries 3 Generators 2 incinerators	1 dispensaries 1 ablution block	3 Generators 2 incinerators 4 health centres	
Medical Equipment	Medical Equipment	Health	Icu equipment's	No. of instruments and equipment procured	Equipped icu	Fully operational ICU	Nil	

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)								
Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Pharmaceutical services	Pharmaceutical services	Health	Lab commodities	% reduction of Pharmaceuticals stock outs	80% reduction of Pharmaceuticals stock outs	70% reduction of Pharmaceuticals stock outs	10%	

3. ROADS TRANSPORT ENERGY AND PUBLIC WORKS

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)						
Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 202	
					Target (s)	Actual
Road Development	Gravelling/Maintenance of access roads	Roads and Infrastructure	Graded and graveled roads <ul style="list-style-type: none"> • Nginda Ward, • JCT MukuriaRuchu Ward, • Kimorori Wempa Ward, • Gitugi Ward, • Mugumoini Ward, • Township Ward, • KairichiMurarandi a Ward, • GatuyaKigumo Ward • KiamuingiGithiru Access Road • GituyaGaichanjiru Ward • Ack Ngutu • Jct Santamore Wempa 	No. of Kms of road graded and graveled.	60	84

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

MURANGA COUNTY
Annual Report and Financial
Statements for the year ended
June 30, 2022
2021/2022 FY Programme
Performance Report (Financial)

			<ul style="list-style-type: none"> Mbiri Ward Methi Wempa Ichagaki ward 		
Market & Urban Development	Cabros.	Roads and Infrastructure	Cabroparkings and markets; Kangari ward	Sq. metres of cabros installed	15,000
Road Development	Opening of Access Roads	Roads and Infrastructure	Opened access roads	Kms of access roads opened	70 Km
	Gravelling /Maintenance of access roads.	Roads and Infrastructure	Spot patched access roads	Kms of roads patched	105 Km.

4. AGRICULTURE CROPS, LIVESTOCK, FISHERIES, VETERINARY
A. Agriculture (Crops)

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Crop Development and Management	Food Security and nutrition Programme	Agriculture	Manure supplied	No. of Farmers accessing manure	100,000 farmers	120,000	+20,000 farmers	Ongoing
Crop Development and Management	Food Security and nutrition Programme	Agriculture	Fertilizer supplied	No. of Farmers accessing manure	100,000 farmers	120,000	+20,000 farmers	Ongoing

MURANGA COUNTY GOVERNMENT- EXECUTIVE

Annual Report and Financial Statements for the year ended June 30, 2022.

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Crop Development and Management	Land and Crop Productivity Enhancement and Management	Agriculture	Hass avocados Seedlings issued to farmers avocados grading rings	No of seedlings issued to farmers -No of Avocado rings	Procure and distribute Hass avocados 500,000 seedlings and supply to 100,000 farmers	100,000 farmers	0	Ongoing

B. Veterinary

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-Financial)

Programme	Sub-Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Control of livestock disease and pests	Animal disease prevention and control	Agriculture/veterinary	Animals vaccinated	No of animals vaccinated	Vaccinate 30,000 animals	45,000 animals vaccinated	+15000 animals	Ongoing
livestock feedi	County AI services	Veterinary	Animal inseminations	No of inseminations	3000 inseminations	2900 inseminations	100 inseminations	

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

5. WATER AND IRRIGATION

A. Water

2021/2022 FY Programme Performance Report for the Period Ending 30th June 2022(Non-

Financial)

Program me	Sub-Program me	Delivery Unit	Key Outputs	Key Performance Indicators	FY 2021/2022			Remarks
					Target (s)	Actual	Variance	
Water developm ent programme	Borehole drilling program	Water services Departm ent	No. of Boreholes drilled, equipped and operating	1 Boreholes Gikindu Comm Borehole	1	1	1	
		Water services Departm ent	No. of Boreholes rehabilitat ed.	No. of Boreholes rehabilitate d	4	1	3	
Expansion of water supply distributio n network	Water services Departme nt	Pipes laid	Number of households connected in various wards	Kabuta WahukoM biri Ward Ithanga Mumbi, Githuri areas, Gakonya, Kahariro-Githembe, Station Road-Kabuta	10	7	3	

4. Environmental and Sustainability Reporting

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.

Accounting Officer should ensure sustainability strategy and its application, making sense of the need to prioritize the issues that really matter and setting out commitments and a plan for the efficient and effective service delivery to adapt over the long-term.

If the strategy is fit for purpose, focused, relevant, practical, ambitious, inclusive and outward-looking it will enable sustainability to be embedded into proper model of service delivery, and ensure greater satisfaction to the people seeking services. Appropriate sustainability strategy should be able to support long-term growth and development in the service delivery.

2. Environmental performance

1. National Climate Change Policy
2. County Climate Change Act.
3. National Environment Policy
4. EMCA
5. Mining and quarrying policy

Evidence available in the website

Successes, shortcomings in managements of environment impacts of the organization;

Successes

- ✓ Conducting environment impact assessment.
- ✓ Conducting environment audits of the project.
- ✓ Preparation of project summary reports of environment.
- ✓ Well defined organization structure.

Shortcomings

- ✓ County has not been able to domesticate most of National Policies related to environment
- ✓ Inadequate skilled staff.

3. Employee welfare

Policy guiding hiring process

The County Government has an existing framework enjoined in the public service, under Human Resource Policies and procedure manual for the Public Service.

Gender Ratio

Most of the cadre are need based and therefore at times fail to consider gender ratio since some technical aspects hinder the same. However, gender ratio exercised during recruitments and it is work in progress to maintain the threshold as required.

Stakeholders engagements

The positions are advertised in the daily papers (the mainstream print media) for the stakeholder's involvement while making their decision in terms of making choice and expressing interests.

Improvement of policies

The policies are improved from time to time by way of circulars. The changes are factored as guided by circulars, memos etc most of the circulars are issued by the County Public Service

MURANGA COUNTY GOVERNMENT- EXECUTIVE Annual Report and Financial Statements for the year ended June 30, 2022.

Board and in the absence of the County Public Service Board circulars and Public Service Commission circulars are adopted.

Efforts to improved skills

Retraining and reskilling of employees is done through training of employee according to departmental needs. All departments present to the Public Service their annual training needs assessments for pooling to enable training of employees depending on the gaps identified.

Managing careers

Succession planning in adhered to since the County has a pool of employees in a data base showing the retirements dates, first date of appointment etc which enable the managing of careers. At the same time refresher courses are encouraged through Kenya School of Government to get employees acquire new challenges and contemporary career requirements.

Appraisal

There in an annual appraisal system done by all departments through directorate of performance management. This is aimed at maximizing productivity and management. At the same time performance contracting in also done at the level of Chief Officers and County Executive Committee Members in a cycle.

Renewal systems

The renewal systems in done through the annual appraisal cycle where good performances are awarded with marks, promotions and reconfirmation are also done. However, monetary rewards are not done due to inadequate funding. Appeals are also listed to in case dispute arising from rewards are solved.

Occupation safety and Health Act 2007

Currently the County Government has developed a draft policy on occupation safety and health at work place. The drat policies is at departmental level development awaiting ratification by the departments concerned to be scaled up for involvement other departments before being subjected to internal mechanism in the County Government for cross level deliberations

4. Market place practices-

- i. Use of prequalified lists of suppliers by ensuring fairness and transparency.
- ii. Use of appropriate procurement methods as guided by the PPAD Act 2015 and regulations thereof.
- iii. Corruption free zone
Working with government authorities/agencies mandated to deal with Corruption and integrity issues in government organizations such as EACC, DCI, PPRA and other SCM professional institutions.
- iv. Through public participation to ensure projects to be implemented are viable and owned by the community.
- v. Ensuring procurement considers whole project life cycle in order to consider decommissioning and disposal putting in mind green procurement and sustainability.

5. Community Engagements

- We are able to empower women groups through capacity building on self-reliance
- Empower parent in knowledge on how to bond with their children and help them to understand the danger of early pregnancy.
- We support children's homes with food stuff, sanitary pad etc.
- We have supported community through construction of house for the needy after their houses collapse.
- We support the elderly through providing food stuff and blanket once per year.
- We have also provided 282 wheelchairs in 2021/22 to support the abled differently persons in our community.
- We have supported the community through registration of self-help groups and trained group member on how the groups can be beneficial to them.
- We also mobilize the community to participate on the County budget so they can prioritize the projects that benefit them directly.

MURANGA COUNTY GOVERNMENT- EXECUTIVE

Annual Report and Financial Statements for the year ended June 30, 2022.

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, 2022. 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
- (vi) 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, 2022, and of its financial position as at that date.

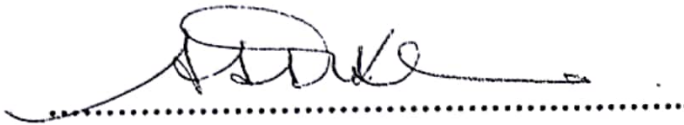
The CEC member for finance further confirms the completeness of the accounting records maintained for the County Executive which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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 _____ 2022.



.....
**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, 2022

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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Murang'a set out on pages 1 to 43, which comprise of the statement of assets and liabilities as at

30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 5 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Murang'a as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Exchequer Releases Received After Year End

The statement of receipts and payments reflects exchequer releases amount of Kshs.7,268,749,501 as disclosed in Note 1 to the financial statements. Included in the amount is late exchequer release amounting to Kshs.60,000,000 received on 12 July, 2022 and backdated to 30 June, 2022 in the records of the County Executive. This is contrary to the International Public Sector Accounting Standards (IPSAS) - Cash Basis reporting framework and Regulation 97(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the accounts of the County Executive entities shall record transactions which take place during a financial year running from the 1 July to 30 June.

In addition, Regulation 97(4) of the Public Finance Management (County Governments) Regulations, 2015, requires that an actual cash transaction taking place after the 30 June, shall not, however, be treated as pertaining to the previous financial year even though the accounts for that year may be open for the purposes referred to in paragraphs (2) and (3) of this Regulation.

In the circumstances, the cut-off, presentation and disclosure of the exchequer releases amounting to Kshs.60,000,000 could not be confirmed. In addition, the Management was in breach of the law.

2. Variances Between the Financial Statements and Payroll

The statement of receipts and payments reflects an amount of Kshs.3,986,752,071 in respect of compensation of employees as disclosed in Note 4 to the financial statements. However, the payroll reflects a total expenditure of Kshs.3,584,190,190 resulting to an unexplained and unreconciled variance of Kshs.402,561,881.

In the circumstances, the accuracy and completeness of compensation of employee amounting to Kshs.3,986,752,071 could not be confirmed.

3. Unsupported Other Grants and Transfers

The statement of receipts and payments reflects an amount of Kshs.416,893,861 in respect of other grants and transfers as disclosed in Note 8 to the financial statements, which includes an amount of Kshs.116,429,456 in respect of capital grants to Government agencies. Included in the transfers is an amount of Kshs.106,995,737 made to National Agricultural and Rural Inclusive Growth Project (NARIGP). However, the Management did not provide for audit the expenditure returns and payment details to support the expenditure.

In the circumstances, the occurrence, completeness and accuracy of NARIGP expenditure amounting to Kshs.106,995,737 could not be confirmed.

4. Misclassification on Finance Cost

The statement of receipts and payments reflects an amount of Kshs.310,104,066 in respect of finance costs, including loan interest as disclosed in Note 11 to the financial statements, which includes other creditors' expenditure of Kshs.306,869,231. However, a review of the supporting schedules reflects that the payments were for supply of goods and services which should not have been charged under the finance costs. No explanation was provided for the anomaly.

In the circumstances, the completeness, accuracy, presentation and disclosure of finance costs amounting to Kshs.310,104,066 could not be confirmed.

5. Unsupported Pending Bills

Note 1 of other important disclosures to the financial statements reflects pending bills balance of Kshs.2,458,413,565, consisting of construction of building, construction of civil works, supply of goods and supply of services amounts of Kshs.7,423,871, Kshs.521,536,547, Kshs.1,257,449,093 and Kshs.672,004,054, respectively. However, recast of analysis of pending accounts payables disclosed under Annex 2 reflects a balance of Kshs.2,464,026,459, resulting to an unexplained and unreconciled variance of Kshs.5,612,894.

Further, as reported in the previous period, the Management did not provide for audit documentary evidence inform of payment vouchers, Local Purchase Orders (LPOs)/Local Service Orders (LSOs), contracts, invoices, contract documents, certificate of completion, or inspection and acceptance certificates to support the balance.

In the circumstances, the existence, completeness, accuracy and disclosure of pending bills balance of Kshs.2,458,413,565 could not be confirmed.

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 qualified 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. Unresolved Prior Year Issues

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues nor given any explanation for the failure to implement the recommendations.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.9,697,257,256 and Kshs.7,268,880,932, respectively resulting to an underfunding of Kshs.2,428,376,324 or 25% of the budget. Similarly, the County Executive expended Kshs.7,343,397,458 against an approved budget of Kshs.9,697,257,256 resulting in under expenditure of Kshs.2,353,859,798 or 24% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Compensation of Employees

1.1 Non-Compliance with the Law on Fiscal Responsibility - Wage Bill

The statements of receipts and payments reflects an expenditure of Kshs.3,986,752,071 on compensation of employees representing 55% of the total receipts of

Kshs.7,268,749,501. This is contrary to the provisions of Regulation 25(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the County Executive's expenditure wages and benefits shall not exceed 35% of total County Executive revenue for the year.

1.2 Non-Remittance of Statutory and Non-Statutory Deductions

Note 2 of other important disclosures to the financial statements reflects pending staff payables balance of Kshs.296,424,773. Review of the supporting schedule and related documents to the financial statements revealed the following anomalies;

1.2.1 Non-Remittance of Pension Deduction

Pension deductions due to GOK-Public Service Superannuation Scheme, Local Authority Pension Fund, National Social Security Fund and Local Authority Pension Trust deductions amounting to Kshs.238,497,065 have remained outstanding for a long time and have not been remitted to various receiving institutions contrary to Section 19(4) of the Employment Act, 2007 which states that; An employer who deducts an amount from an employee's remuneration in accordance with Sub-section (1)(a),(f),(g) and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement court order or arbitration as the case may be.

1.2.2 Non-Remittance of Non-Statutory Deductions

The County Executive deducted an amount of Kshs.57,927,708 in respect of insurance, Savings and Credit Co-operative Society (Sacco), welfare, mortgage, house rent, hire purchase, commissions and union dues. However, the amounts were not remitted as required by the receiving institutions contrary to Regulation 22(2) of the Public Finance Management (County Governments) Regulations, 2015, which provides that in addition to the responsibilities of Accounting Officers provided in the Act, an Accounting Officer designated under the Act or any other Act, shall - (a) comply with any tax, levy, duty, pension, commitments as may be provided for by legislation.

The non-remittance of pending staff payables deductions amounting to Kshs.296,424,773 may attract penalties and interest from the receiving institutions and deny the staff of Murang'a County respective services and benefits.

1.3 Non-Compliance with Law on Ethnic Composition

Review of staff recruited during the year revealed that one hundred and ninety-five (195) staff out of the total number of two hundred and nineteen (219) or 89% recruited were from one dominant ethnic community contrary to Section 65(1)(e) of the County Governments Act, 2012 which require that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.

1.4 Failure to Maintain Proper Records for Casual Staff

The statements of receipts and payments reflects an expenditure of Kshs.3,986,752,071 in respect of compensation of employees as disclosed in Note 4 to the financial

statements. Included in the expenditure is an amount of Kshs.108,662,679 paid wages of temporary employees. However, the County Executive did not maintain individual staff files for casual workers engaged including engagement letters, personal letters, copies of NSSF Cards, NHIF cards, KRA PIN certificates and ID cards contrary to Section 68 of County Governments Act, 2012 which require that subject to the relevant legislation, the County Public Service Board shall, for a specified period, maintain a record of all applications received in response to advertisements inviting applications and such record may be inspected by any person. Value for money on payment of casual workers amounting to Kshs.108,662,679 may not have been realized

In the circumstances, the appointment and existence of casual workers in the County Executive of Murang'a could not be confirmed.

1.5 Staff Emoluments Paid Outside IPPD Payroll System

The statement of receipts and payment reflects an amount of Kshs.3,986,752,071 in respect of compensation of employees as disclosed in Note 4 to the financial statements. Included in the amount is Kshs.261,929,942 in respect of salaries paid to two hundred and twenty-two (222) staff through the manual payroll. However, as reported in the previous period, the Management explained that the staff were not in the database and had no personal numbers hence had their salaries paid outside the Integrated Personnel Payroll Data (IPPD) system contrary to The National Treasury Circular No.16/2020 which require that the allocation to personnel emoluments must be supported by Integrated Personnel Payroll Data (IPPD).

In the circumstances, the County Executive was in breach of The National Treasury Circular on staff emoluments.

1.6 Non-Compliance with the One Third of Basic Salary Rule

Review of June, 2022 payroll reflects that sixty-four (64) members of staff were paid net salaries below a third of their basic pay contrary to Section 19(3) of the Employment Act, 2007 which stipulates that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

1.7 Staff in Service after Attaining Mandatory Retirement Age

Review of the payroll revealed that thirty-eight (38) officers aged sixty(60) years and above with emoluments totalling Kshs.29,686,421 were still in service contrary to Section D.21 Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires that all officers shall retire from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities and/or as may be prescribed by the Government from time to time.

1.8 Excess Payment of House Allowances

Review of monthly payrolls reflects house allowances amounting to Kshs.279,184,112 were paid to employees out of which Kshs.36,066,551 was paid to three hundred and ten

... is contrary to SRC circular Ref. No: SRC/TS/MDP/3/1/2(2) dated 11 August, 2015 which provides for the rates upon which house allowances are paid to various officers depending on their cadre.

In the circumstances, the County Executive was in breach of the law.

2. Use of Goods and Services

The statement of receipts and payment reflects an amount of Kshs.1,752,873,170 in respect of use of goods and services as disclosed in Note 5 to the financial statements. However, the following anomalies were noted:

2.1 Unconfirmed Water Tank at Kihiumwiri Community Borehole

Note 5 to the financial statements reflects use of goods and services amount of Kshs.1,752,873,170 which includes utility, supplies and services expenditure of Kshs.87,319,911. Included in the expenditure is an amount of Kshs.3,207,177 paid to a firm for the extension of water pipes at Kihiumwiri Community Borehole and rehabilitation of elevated tank. However, review of the Bill of Quantities revealed that a 24,000 litres water tank was provided at a cost of Kshs.1,500,000 which was above the market price of Kshs.300,000 (as per the consumer price index). This is contrary to Section 106(4) of the Public Procurement and Asset Disposal Act, 2015 which requires that where the lowest price is above the prevailing market rates, the request for quotations shall be cancelled or terminated in accordance with the cancellation and termination procedures set out in this Act. Further audit inspection carried out in the month of July, 2022 revealed that the 24,000 litres tank was not at the site.

In the circumstances, public funds may not have been utilized for the intended purpose.

2.2 Irregularities in Pipe Replacement

Note 5 to the financial statements reflects use of goods and services amount of Kshs.1,752,873,170 which includes utility, supplies and services expenditure of Kshs.87,319,911. Included in the expenditure is an amount of Kshs.14,701,840 paid to three firms for replacement of water pipes from Mjini to Kabuta area through Mumbai. However, the procurement of works was split in to smaller lots to circumvent open tender procurement method. This is contrary to Section 54(1) of the Public Procurement and Asset Disposal Act, 2015 which require that no procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed. In the circumstances, Management was in breach of the law.

2.3 Over-Payment of Rent for Governor's Residence

Note 5 to the financial statements reflects use of goods and services amount of Kshs.1,752,873,170 which includes rental of produced asset expenditure of Kshs.18,521,468. Included in the expenditure is rent amounting to Kshs.3,338,148 for the

official residential house of the Governor for the period between July, 2021 and August, 2022. However, an amount of Kshs.1,938,148 was paid above the Kshs.100,000 maximum monthly rent limit set by the Salaries and Remuneration Commission (SRC) stipulated in letter Ref No. SRC/TS/CGOVT/3/61 dated 24 October, 2016 as detailed below;

No.	Period	Rent Paid Kshs.	SRC Rent Limit	Excess During the Year Kshs.
1	July - August, 2021 (Kshs.219,615 each for 2 monthly)	439,230	200,000	239,230
2	September, 2021 to August, 2022 (Kshs.241,576.5 each for 12 monthly)	2,898,918	1,200,000	1,698,918
Total		3,338,148	1,400,000	1,938,148

Further, house rent totalling Kshs.483,153 (Kshs.241,576.5 each for 2 monthly) relating to July and August, 2022 was paid for the official Governor's residence against the SRC advice vide letter Ref No: SRC/ADM/11 of 27 June, 2022; that the last date the Counties were authorized to pay rent for the official residence of the Governor was on 30 June, 2022.

In the circumstances, the County Executive of Murang'a may have lost money amounting to Kshs.1,938,148 that would have been utilized to other uses for the benefit of its residents.

2.4 Irregular Procurement of Legal Services

The statement of receipts and payment reflects an amount of Kshs.1,752,873,170 in respect of use of goods and services as disclosed in Note 5 to the financial statements which includes other operating expenses of Kshs.119,245,888. Included in the expenditure is an amount of Kshs.46,224,228 paid to various firms in respect of legal fees. However, the law firms were procured directly, 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 use of direct procurement method.

In the circumstances, the County Executive was in breach of the law.

3. Acquisition of Goods and Services

3.1 Un-accounted for ICU Equipment

Note 10 to the financial statements reflects acquisition of assets amount Kshs.115,186,954, which includes purchase of specialized plant, equipment a

machinery expenditure of Kshs.53,647,995. Included in the expenditure is an amount of Kshs.26,600,000 paid for supply and delivery of forty (40) syringe pumps and sixteen (16) feeding pumps. The items were delivered and issued to ICU as per store ledger cards records. An audit carried out at ICU in the month of July, 2022, revealed that twenty syringe pumps and one feeding pumps costing Kshs.9,975,000 were not recorded in the ICU unit inventory contrary to Section 162.(1)(4) of Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer to ensure that all inventory, stores, and assets purchased are received, not used until taken on charge in the stores so that they are properly accounted for and used as intended.

In the circumstances, proper usage of ICU equipment costing Kshs.9,975,000 could not be confirmed.

3.2 Stalled Construction of Cancer Centre

Note 10 to the financial statements reflects an amount of Kshs.115,186,954 in respect of acquisition of assets, which includes construction and civil works expenditure of Kshs.52,939,216. Included in the expenditure is an amount of Kshs.5,026,000 paid for supply of construction material for the construction of a cancer center in the financial year 2021/2022 through a labor contract at an estimated cost of Kshs.469,599,470 as per Bills of Quantities. However, labor contracts, project files, store records, site minutes, and inspection certificates in respect of the materials received were not provided for audit. In addition, physical verification carried out at the site in the month of July, 2022, seven (7) months after the materials were paid for revealed that no construction was ongoing at the site and that the project had stalled at foundation slab level with metal columns surrounded with overgrown bushes.

In the circumstances, the project was not properly managed and public funds may not have been utilized for the intended purpose thereby denying the public the intended benefits.

3.3 Project Completed but Not in Use

Note 10 to the financial statements reflects acquisition of assets amount of Kshs.115,186,954, which includes construction and civil works expenditure of Kshs.52,939,216. The amount includes Kshs.3,451,579 paid to a firm for the Construction of Kibutha Dispensary. Physical verification of the site in the month of July, 2022, nine months after the works were paid for, revealed that the construction was complete but the hospital was not equipped and not in use.

In the circumstances, the residents of Murang'a County may have been denied benefits that could have accrued from usage of the dispensary.

4. Irregular Payments to Murang'a Cooperative Creameries (MCC)

Review of payment vouchers and related supporting documentation revealed that the County Executive made payments totalling Kshs.63,171,596 to Murang'a Cooperative Creameries in respect of the creameries motor vehicle insurance, hospitality, water tanks,

electricity expenses, supply of building materials, milk support, and cash transactions. However, the County Executive did not provide for audit the enabling legislation establishing the Murang'a Cooperative Creameries as a County Executive entity. This is contrary to Section 196(1) of the Public Finance Management Act, 2012 that requires that a Public Officer not to spend public money otherwise than authorized by the Constitution, an Act of Parliament or County legislation.

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

5. Misapplication of County Funds to a National Government Function

Review of payment vouchers revealed that the County Executive paid an amount of Kshs.2,717,750 to a firm for the construction of two classrooms at Kiganda Secondary School in Kahuro Sub-County at a contract price of Kshs.2,717,750. In addition, Kshs.1,746,106 was paid to a firm in relation to the supply of success cards within the County. However, it was noted that Primary and Secondary Education Institutions are National Government functions contrary to Article 187(2)(b) of the Constitution of Kenya, 2010 which requires that constitutional responsibility for the performance of the function or exercise of the power shall remain with the Government to which it is assigned by the Fourth Schedule.

In the circumstances, the County Executive was in breach of the law.

6. Irregular Payments to Council of Governors

As reported in the previous year, the County Executive paid an amount of Kshs.1,780,000 to Council of Governors. This was contrary to Section 37(b) of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the Council of Governors should be provided for in the annual estimates of the revenue and expenditure of the National Government.

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

7. Irregular Payments to County Public Service Board National Consultative Forum

During the year under review, payments totalling Kshs.600,000 were made to the County Public Service Board National Consultative Forum. However, the enabling legislation establishing the consultative forum or policies and other guidelines for such payments were not provided for audit.

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

8. Over Expenditure in Other Payments and Legal Services

The County Executive expended Kshs.709,970,474 under Other Payments against approved budget allocation of Kshs.8,500,000 resulting in an over-expenditure of Kshs.701,470,474 or 8253% of the budget. Further, Note 5 to the financial statements

reflects use of goods and services expenditure of Kshs.1,752,873,170, which includes other operating expenses of Kshs.119,245,888. Included in the expenditure is an amount of Kshs.25,292,295 paid to two firms in respect of legal fees. However, it was noted that the expenditure was charged on vote head classified as cash which the Management indicated as relating to overcharged payments on the budgeted votes for legal fees.

This is contrary to Regulation 53(1) of the Public Financial Management (County Governments) Regulations, 2015 which provides that, except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

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

9. Excessive Budgetary Allocation to the County Assembly

Review of the County Executive's budget revealed that Kshs.971,307,014 was allocated to Murang'a County Assembly. This allocation was equivalent to 10% of the total County Revenue budget for the year amounting to Kshs.9,697,257,256. However, the ratio was in excess of the set threshold of 7% contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015; which provides that the approved expenditures of a County Assembly shall not exceed seven percent (7%) of the total revenues of the County Executive or twice the personnel emoluments of that County Assembly, whichever is lower.

The excess budgetary provisions led to less allocation to the development vote hence denying the public benefit that would have accrued if the money was allocated to projects.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Inadequate Documentation on Fuel Consumption

The statement of receipts and payments reflects an amount of Kshs.1,752,873,170 in respect of use of goods and services as disclosed in Note 5 to the financial statements, which includes fuel, oil and lubricants amount of Kshs.31,106,818. Included in the expenditure is an amount of Kshs.15,183,367 paid for bulk purchase of fuel by the County Executive. However, the Management did not provide for audit the fuel register, work tickets detailed orders, receipts, and invoices to confirm how the bulk fuel purchases were utilized.

In the circumstances, the effectiveness of the internal control mechanisms by the County Executive in the utilization of bulk fuel purchases for year under review could not be confirmed.

2. Summary of Non-Current Assets Register

As disclosed in Annex 6 to the financial statements, the summary of non-current assets register reflects summary of noncurrent assets with historical cost balance of Kshs.5,255,022,972 as at 30 June, 2022. However, as previously reported the County Executive Management did not provide for audit an updated non-current asset register. In addition, these assets were not tagged and properly recorded in both manual and automated registers and were therefore prone to misplacement and loss.

In the circumstances, the effectiveness of the asset management by the County Executive during the year under review could not be confirmed.

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 terminate 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:

- 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.

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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 Gatundu, CBS
AUDITOR-GENERAL

Nairobi

18 January, 2023

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

7. Statement of Receipts and Payments for the year ended 30th June 2022.

	Notes	2021-2022 Kshs	2020-2021 Kshs
Receipts			
Exchequer releases (Transfers from the CRF)	1	7,268,749,501	7,413,339,317
Proceeds from sale of assets	2	0	0
Other receipts	3	131,431	1,051,963,424
Total receipts		<u>7,268,880,932</u>	<u>8,465,302,741</u>
Payments			
Compensation of employees	4	3,986,752,071	3,375,755,299
Use of goods and services	5	1,752,873,170	1,527,997,686
Subsidies	6	2,265,862	71,569,229
Transfers to other government entities	7	0	822,577,185
Other grants and transfers	8	416,893,861	660,653,246
Social security benefits	9	49,351,000	4,808,646
Acquisition of assets	10	115,186,954	377,255,951
Finance costs, including loan interest	11	310,104,066	2,000,000
Repayment of principal on domestic & foreign Borrowing	12	0	0
Other payments	13	709,970,474	1,011,892,157
Total payments		<u>7,343,397,458</u>	<u>7,854,509,399</u>
Surplus/deficit		(74,516,526)	610,793,342

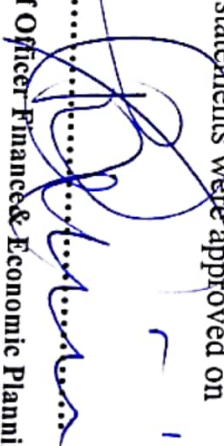
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on _____ 2022 and signed by:

.....


Chief Officer Revenue & County Financial
 Operation

Name: Edwin K. Kimuyu

Icpak Member Number: 8181

.....


Chief Officer Finance & Economic Planning

Name: Peter G. Kahora

Icpak Member Number: 7444

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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Annual Report
9. State

8. Statement of Assets and Liabilities as at 30th June 2022

	Notes	2021-2022 Kshs	2020-2021 Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	14A	18,064,672	994,756,234
Cash balances	14B	0	0
Total cash and cash equivalent		<u>18,064,672</u>	<u>994,756,234</u>
Outstanding imprests and advances	15	0	0
Total financial assets		<u>18,064,672</u>	<u>994,756,234</u>
Financial liabilities			
Deposits and retentions	16	0	0
Net financial assets		<u>18,064,672</u>	<u>994,756,234</u>
Represented by			
Fund balance b/fwd.	17	<u>994,756,234</u>	389,216,290
Prior year adjustments	18	(902,175,036)	(5,253,398)
Surplus/deficit for the year		(74,516,526)	610,793,342
Net financial position		<u>18,064,62</u>	<u>994,756,234</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 & Economic Planning

Name: Peter G. Kahora

Icpak Member Number: 7444

9. Statement of Cash Flows for the period ended 30th June 2022.

	Notes	2021-2022 Kshs	2020-2021 Kshs
Receipts from operating income			
Exchequer releases (Transfers from the CRF)			
Other receipts	1	7,268,749,501	7,413,339,317
Payments for operating expenses	3	131,431	1,051,963,424
Compensation of employees	4	(3,986,752,071)	(3,375,755,299)
Use of goods and services	5	(1,752,873,170)	(1,527,997,686)
Subsidies	6	(2,265,862)	(71,569,229)
Transfers to other government units	7	-	(822,577,185)
Other grants and transfers	8	(416,893,861)	(660,653,246)
Social security benefits	9	(49,351,000)	(4,808,646)
Finance costs, including loan interest	11	(310,104,066)	(2,000,000)
Other payments	13	(709,970,474)	1,011,892,157)
Adjusted for:			
Other adjustments Prior year adjustments	18	(902,175,036)	(5,253,398)
Decrease/(increase) in outstanding imprests & advances	19		
Increase/(decrease) in deposits and retentions	20		
Net cash flow from operating activities		(861,504,608)	(982,795,895)
Cash flow from investing activities			
Proceeds from sale of assets	2	0	0
Acquisition of assets	10	(115,186,954)	(377,255,951)
Net cash flows from investing activities		(115,186,954)	(377,255,951)
Cash flow from borrowing activities			
Repayment of principal on domestic and foreign Borrowing	12	0	0
Net cash flow from financing activities			
Net increase in cash and cash equivalents		(976,691,562)	609,539,944
Cash and cash equivalents at beginning of the year		994,756,234	389,216,290
Cash and cash equivalents at end of the year		18,064,672	994,756,234

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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

Chief Officer Finance

Name: Edwin K. Kimuyu

Name: Peter G. Kahora

ICPAK Member Number: 8181

ICPAK Member Number: 7444

10. Statement of Comparison of Budget & Actual Amounts

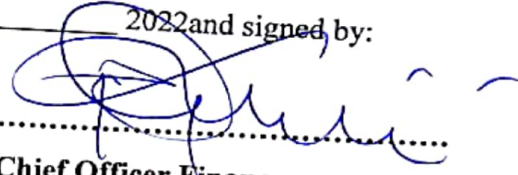
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases (Transfers from the CRF)	9,585,364,231	111,893,025	9,697,257,256	7,268,749,501	2,428,507,755	77%
Proceeds from sale of assets				0	0	
Other receipts				131,431	(131,431)	
Total	9,585,364,231	111,893,025	9,697,257,256	7,268,880,932	2,428,376,324	
Payments						
Compensation of employees	4,096,493,480	81,468,167	4,177,961,647	3,986,752,071	191,209,576	95%
Use of goods and services	3,091,079,444	32,277,690	3,123,357,134	1,752,873,170	1,370,483,964	56%
Subsidies	28,000,000	(21,550,000)	6,450,000	2,265,862	4,184,138	35%
Transfers to other government units	0	0	0	0	-	
Other grants and transfers	1,204,189,670	50,684,632	1,254,874,302	416,893,861	837,980,441	33%
Social security benefits	93,896,180	12,000,000	105,896,180	49,351,000	56,545,180	47%
Acquisition of assets	638,215,188	(13,587,464)	624,627,724	115,186,954	509,440,770	18%
Finance costs, including loan interest	395,990,269	(400,000)	395,590,269	310,104,066	85,486,203	78%
Repayment of principal on borrowings	0		0	0	-	
Other payments	37,500,000	(29,000,000)	8,500,000	709,970,474	(701,470,474)	835%
Total	9,585,364,231	111,893,025	9,697,257,256	7,343,397,458	2,353,859,798	
Surplus/(Deficit)				(74,516,526)	74,516,526	

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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

11. Statement of Comparison of Budget & Actual Amounts: Recurrent

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 (Transfers from the CRF)	6,264,078,854	167,549,167	6,431,628,021	5,944,955,973	486,672,048	92%
Proceeds from sale of assets	0	0	0	0		
Other receipts	0	0	0	131,431	(131,431)	
Total	6,199,975,965	167,549,167	6,431,628,021	5,945,087,404	486,540,617	92%
Payments						
Compensation of employees	4,096,493,480	81,468,167	4,177,961,647	3,986,752,071	191,209,576	95%
Use of goods and services	1,742,379,444	29,681,000	1,772,060,444	1,206,622,573	565,437,871	68%
Subsidies	28,000,000	(21,550,000)	6,450,000	2,265,862	4,184,138	35%
Transfers to other government units	0	0	0	-	-	
Other grants and transfers	234,909,750	110,000,000	344,909,750	190,487,000	154,422,750	55%
Social security benefits	93,896,180	12,000,000	105,896,180	49,351,000	56,545,180	47%
Acquisition of assets	58,400,000	(42,650,000)	15,750,000	3,212,262	12,537,738	20%
Finance costs, including loan interest	8,500,000	(400,000)	8,100,000	7,184,023	915,977	89%
Repayment of principal on borrowings	0	0	0	-	-	
Other payments	1,500,000	(1,000,000)	500,000	486,265,760	(485,765,760)	972%
Total	6,264,078,854	167,549,167	6,431,628,021	5,932,140,551	499,487,470	
Surplus/(deficit)				12,946,853	(12,946,853)	

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

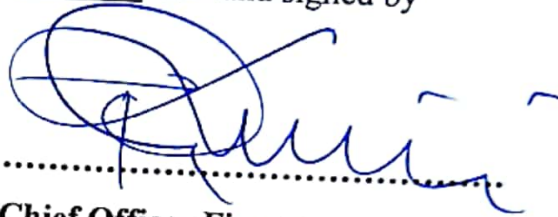
The County Executive's financial statements were approved on _____ 2022 and signed by



.....
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

:

12. Statement of Comparison of Budget & Actual Amounts: Development

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 (Transfers from the CRF)	3,321,285,377	(55,656,142)	3,265,629,235	1,323,793,528	1,941,835,707	41%
Proceeds from sale of assets						
Other receipts						
Total	3,321,285,377	(55,656,142)	3,265,629,235	1,323,793,528	1,941,835,707	41%
Payments						
Compensation of employees						
Use of goods and services	1,348,700,000	2,596,690	1,351,296,690	546,250,597	805,046,093	40%
Subsidies	0	0	0	0		
Transfers to other government units	0	0	0	0		
Other grants and transfers	966,279,920	(59,315,368)	909,964,552	226,406,861	683,557,691	25%
Social security benefits	0	0	0	0		
Acquisition of assets	579,815,188	29,062,536	608,877,724	111,974,692	496,903,032	18%
Finance costs, including loan interest	387,490,269	0	387,490,269	302,920,043	84,570,226	78%
Repayment of principal on borrowings	0	0	0	0		
Other payments	36,000,000	(28,000,000)	8,000,000	223,704,714	(215,704,714)	279%
Totals	3,318,285,377	(55,565,142)	3,265,629,235	1,411,256,907	1,854,372,328	
Surplus/(deficit)				(87,463,379)	87,463,379	

**MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.**

The County Executive's financial statements were approved on _____

.....


Chief Officer Revenue & County Financial Operation

Name: Edwin K. Kimuyu

ICPAK Member Number: 8181

.....
2022 and signed by:



Chief Officer Finance

Name: Peter G. Kahora

ICPAK Member Number: 7444

13. Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
4010			KShs	KShs	KShs	KShs	KShs
	0	Default - Non Programmatic	-	-	-	460,192	(460,192)
101004010		Cash Crop Development and Management	1,120,294,525	(83,768,441)	1,036,526,084	578,756,320	457,769,764
	101014010	Land and Crops Development	250,186,766	-	250,186,766	240,048,871	10,137,895
	101024010	Promotion Food Security	864,607,759	(83,768,441)	780,839,318	337,389,249	443,450,069
	101114010	Policy Planning and General Administration Services	2,000,000	-	2,000,000	-	2,000,000
	101124010	Capacity development, Mechanization and Innovation	3,500,000	-	3,500,000	1,318,200	2,181,800
102004010		Livestock and fisheries Development	148,417,406	31,718,678	180,136,084	3,497,616	176,638,468
	102014010	Promotion Food Security	6,000,000	-	6,000,000	2,103,680	3,896,320
	102034010	Value addition and marketing of fish products	2,700,000	-	2,700,000	1,393,936	1,306,064
	102074010	Urban Development and Support	139,717,406	31,718,678	171,436,084	-	171,436,084

MURANGA COUNTY GOVERNMENT- EXECUTIVE

Annual Report and Financial Statements for the year ended June 30, 2022.

103004010		Land survey, housing and administration	182,840,871	(200,000)	182,640,871	144,260,052	38,380,819
	103014010	Land Policy and Planning	43,740,871	(6,200,000)	37,540,871	16,371,620	21,169,251
	103084010	Veterinary Services	139,100,000	6,000,000	145,100,000	127,888,432	17,211,568
104004010			5,000,000	(1,000,000)	4,000,000	1,814,558	2,185,442
	104014010	Information Communication and Technology	5,000,000	(1,000,000)	4,000,000	1,814,558	2,185,442
106004010			11,000,000	(2,000,000)	9,000,000	4,080,250	4,919,750
	106014010	Digital Mapping	11,000,000	(2,000,000)	9,000,000	4,080,250	4,919,750
107004010			1,550,000	(50,000)	1,500,000	790,500	709,500
	107024010	Livestock and Fisheries Development	1,550,000	(50,000)	1,500,000	790,500	709,500
108004010			32,900,000	-	32,900,000	21,577,964	11,322,036
	108014010	Local Revenue Mobilisation	32,900,000	-	32,900,000	21,577,964	11,322,036
201004010		Road Transport	27,418,911	(819,000)	26,599,911	20,292,794	6,307,117
	201014010	Construction of Roads and Bridges	27,418,911	(819,000)	26,599,911	20,292,794	6,307,117
202004010		ICT Infrastructure Development	873,000,000	(315,000,000)	558,000,000	293,195,310	264,804,690
	202064010	Infrastructure Devt	873,000,000	(315,000,000)	558,000,000	293,195,310	264,804,690
302004010		Trade Promotion and marketing	533,151,269	(20,000,000)	513,151,269	227,947,263	285,204,006
	302014010	Domestic Trade Development	533,151,269	(20,000,000)	513,151,269	227,947,263	285,204,006
402004010		Treatment and rehabilitation	4,178,360,471	417,017,983	4,595,378,454	4,034,360,199	561,018,255
	402014010	Prevention Curriculum Development	2,708,890,528	37,468,167	2,746,358,695	2,665,987,760	80,370,935
	402024010	Treatment Protocols	3,300,000	-	3,300,000	1,792,996	1,507,004

		and Service Provider					
	402034010	Community Screening, Early Identification and Interventions	3,300,000	-	3,300,000	2,503,438	796,562
	402054010	Free Primary HealthCare	1,462,869,943	379,549,816	1,842,419,759	1,364,076,005	478,343,754
501004010		Education	-	-	-	465,000	(465,000)
	501034010	Early Childhood Development Education	-	-	-	465,000	(465,000)
503004010		Youth Training and Development	11,000,000	(2,500,000)	8,500,000	2,755,933	5,744,067
	503044010	Curriculum Implementation	11,000,000	(2,500,000)	8,500,000	2,755,933	5,744,067
507004010			63,000,000	25,249,947	88,249,947	68,495,162	19,754,785
	507014010	Revitalisation of Youth Polytechnics	63,000,000	25,249,947	88,249,947	68,495,162	19,754,785
508000000		General Administration, Planning and Support Services	-	-	-	(50,000)	50,000
	508029999	County Administrative Services	-	-	-	(50,000)	50,000
509004010			462,756,877	87,000,000	549,756,877	348,210,351	201,546,526
	509014010	Early Child Development and Education	313,756,877	(36,000,000)	277,756,877	210,400,781	67,356,096
	509024010	Motivation of Primary and Secondary Schools	149,000,000	123,000,000	272,000,000	137,809,570	134,190,430
703004010			14,500,000	-	14,500,000	10,345,858	4,154,142
	703034010	Economic Planning and CIDP Review	14,500,000	-	14,500,000	10,345,858	4,154,142
705004010			20,660,000	(1,100,000)	19,560,000	12,991,153	6,568,847
	705024010	Office Administration	9,160,000	(1,100,000)	8,060,000	3,469,745	4,590,255

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

		and support Services					
	705034010	Public Participation	11,500,000	-	11,500,000	9,521,408	1,978,592
706004010			1,479,014,693	(7,306,142)	1,471,708,551	1,314,319,788	157,388,763
	706014010	General Administration Planning and support Services	1,479,014,693	(7,306,142)	1,471,708,551	1,314,319,788	157,388,763
718004010			15,946,700	(700,000)	15,246,700	5,785,650	9,461,050
	718014010	Audit Services	11,046,700	(600,000)	10,446,700	3,219,010	7,227,690
	718024010	Corporate Governance	4,900,000	(100,000)	4,800,000	2,566,640	2,233,360
730004010			8,100,000	-	8,100,000	5,388,252	2,711,748
	730014010	Budget Implementation and Monitoring	8,100,000	-	8,100,000	5,388,252	2,711,748
901004010			78,699,377	4,000,000	82,699,377	74,863,559	7,835,818
	901014010	Social Welfare and Vocational Rehabilitation	78,699,377	4,000,000	82,699,377	74,863,559	7,835,818
902004010			17,055,000	(1,000,000)	16,055,000	5,906,875	10,148,125
	902044010	Disaster Fund Management	17,055,000	(1,000,000)	16,055,000	5,906,875	10,148,125
904004010			128,738,652	(25,000,000)	103,738,652	36,244,437	67,494,215
	904014010	Development And Promotion of Culture	128,738,652	(25,000,000)	103,738,652	36,244,437	67,494,215
1001004010			13,840,793	(1,100,000)	12,740,793	4,392,580	8,348,213
	1001054010	Enviromental Leadership and Governance	13,840,793	(1,100,000)	12,740,793	4,392,580	8,348,213
1002004010			38,400,000	(6,550,000)	31,850,000	5,895,230	25,954,770
	1002024010	Hazardous Waste	5,400,000	(50,000)	5,350,000	3,845,000	1,505,000
	1002044010	Enviromental Management	33,000,000	(6,500,000)	26,500,000	2,050,230	24,449,770

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Consolidated Reports and Financial Statements
For the year ended June 30, 2022

14. Significant Accounting Policies

The key 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) Transfers from the County Revenue Fund (CRF)

Transfer from CRF 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 a notification received by the entity.

ii) Proceeds from sale of assets

Proceeds from the sale of assets are recognised in the statement of receipts and payments when the related monies from the sale are received by the entity.

b) Recognition of payments

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

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.

Significant Accounting Policies (Continued)

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.

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.

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county Executives 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.

6. 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.

Significant Accounting Policies (Continued)

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 2022, this amounted to KShs 0 compared to KShs 0 in prior period as indicated on note 0.

(There were no other restrictions on cash during the year)

7. Imprests and Advances

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.

8. Third Party Deposits and Retention

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.

9. 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.

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Significant Accounting Policies (Continued)

10. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracts for 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. 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.

11. 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 benefit 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)

12. 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.

13. 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 2021 to 30 June 2022 as required by law. There was 0 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.

14. Comparative figures

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

15. 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)

16. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

17. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Relates party transaction is a transfer of resources of obligations between related parties regardless of whether a price is charged.

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

15. Notes to the Financial Statements

1. Exchequer Releases(Transfer from the CRF)

	2021-2022	2020-2021
	Kshs	Kshs
Total exchequer releases for quarter 1	1,284,149,640	541,658,100
Total exchequer releases for quarter 2	1,863,062,670	1,758,199,879
Total exchequer releases for quarter 3	1,569,818,007	1,739,810,047
Total exchequer releases for quarter 4	2,551,719,184	3,373,671,290
Total	7,268,749,501	7,413,339,317

2. Proceeds from Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from Sale of Buildings	0	0
Total	0	0

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Reversed payment recurrent account.	131,431	
Transfer from other government entities		255,948,619
Return to CRF		176,003,085
County own generated receipts		620,011,720
Total	131,431	1,051,963,424

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	3,878,089,392	3,350,156,966
Basic wages of temporary employees	108,662,679	1,855,799
Personal allowances paid as part of salary	0	2,208,625
Employer contribution to compulsory national health insurance schemes	0	0
Total	3,986,752,071	3,375,755,299

WUNDURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

	2021-2022	2020-2021
	Kshs	Kshs
5. Use of Goods and Services		
Utilities, supplies and services	87,319,911	58,758,833
Communication, supplies and services	1,214,992	2,143,668
Domestic travel and subsistence	54,405,951	74,615,602
Foreign travel and subsistence	11,961,741	2,691,867
Printing, advertising and information supplies & services	16,461,945	17,671,775
Rentals of produced assets	18,521,468	17,240,434
Training expenses	57,351,791	46,073,374
Hospitality supplies and services	22,861,574	22,678,501
Insurance costs	5,448,965	79,168,788
Specialized materials and services	1,134,935,015	661,124,947
Office and general supplies and services	19,222,552	15,732,322
Fuel, oil and lubricants	31,106,818	35,373,759
Other operating expenses	119,245,888	76,907,114
Routine maintenance – vehicles and other transport equipment	7,558,106	15,559,915
Routine maintenance – other assets	165,256,453	402,256,787
Total	1,752,873,170	1,527,997,686

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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 Annual Report
 Notes to the
 8. Other

Notes to the Financial Statements (Continued)

6. Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Subsidies to Public Corporations		400,000
Grant to youth polytechnic	2,265,862	71,169,229
Total	2,265,862	71,569,229

7. Transfer to Other Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to county government entities		
MURANGA ASSEMBLY		730,399,997
Muranga municipal		92,177,188
Total		822,577,185

Notes to the Financial Statements (Continued)

8. Other Grants and Payments

	2021-2022	2020-2021
	Kshs	Kshs
Scholarships and other educational benefits	182,652,000	107,072,000
Emergency relief and refugee assistance	0	0
Subsidies to small businesses, cooperatives, and self employed	0	216,349,679
current grant to semi autonomous government agencies	33,769,526	24,875,643
Capital grant to government agencies	116,429,456	312,355,924
Other Capital Grants and Trans	84,042,879	0
Total	416,893,861	660,653,246

9. Social Security Benefits

	2021-2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits	0	0
Social Security Benefits	49,351,000	4,808,646
Employer Social Benefits	0	0
Total	49,351,000	4,808,646

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

10. Acquisition of Assets

<u>Non- financial assets</u>	2021-2022	2020-2021
	Kshs	Kshs
Purchase of buildings	0	0
Construction of buildings	0	0
Refurbishment of buildings	0	0
Construction of roads	1,579,292	1,045,094
Construction and civil works	52,939,216	258,125,715
Overhaul and refurbishment of construction & civil works	0	0
Purchase of vehicles and other transport equipment	0	0
Overhaul of vehicles and other transport equipment	970,000	3,434,000
Purchase of household furniture and institutional equipment	0	0
Purchase of office furniture and general equipment	0	0
Purchase of specialized plant, equipment and machinery	53,647,995	45,527,831
Rehabilitation and renovation of plant, machinery and equip.	0	0
Purchase of certified seeds, breeding stock and live animals	3,808,189	62,560,740
Research, studies, project preparation, design & supervision	2,242,262	378,500
Rehabilitation of civil works	0	2,888,071
Acquisition of strategic stocks and commodities	0	3,296,000
Acquisition of land	0	0
Acquisition of intangible assets	0	0
Total acquisition of non- financial assets	115,186,954	377,255,951
<u>Financial assets</u>		
Domestic public non-financial enterprises	0	0
Domestic public financial institutions	0	0
Total acquisition of financial assets	0	0
Total acquisition of assets	115,186,954	377,255,951

ANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

11. Finance Costs, including Loan Interest

	2021-2022	2020-2021
	Kshs	Kshs
Bank charges	0	0
public enterprises	3,234,835	2,000,000
other creditors	306,869,231	0
Interest on domestic borrowings (non-govt)	0	0
Interest on borrowings from other government units	310,104,066	2,000,000
Total		

12. Repayment of Principal on Domestic Lending and On-Lending

	2021-2022	2020-2021
	Kshs	Kshs
Repayments on borrowings from domestic	0	0
Total	0	0

13. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Budget Reserves	2,064,567	1,240,400
Civil Contingency Reserves	707,650,907	1,010,651,757
Other payments	709,970,474	1,011,892,157

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

14. Cash and Bank Balances
14A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc	2021-2022 Kshs	2020-2021 Kshs
County Revenue Fund A/C	No.1000171553		0	902,175,036
CBK-COUNTY RECURRENENT A/C	NO. 1000171073		26,451	142
CBK-COUNTY DEVELOPMENT A/C	NO.1000170988		6,273	11,295
CBK-COUNTY RMLF A/C	NO.1000252798		0	2,041,824
CBK- SPECIAL PURPOSE A/C	NO.1000346485		8,963,898	26,758,918
CBK-MURANGA COUNTY KENYA DEVOL SUP PROG- KSH.A/C				
CBK-AGRI SECTOR DEV PROG. II A/C	NO:1000439181 NO.1000368877		234,135	234,135
CBK-VILLAGE POLYTECHNIC A/C	NO.1000368853		0	9,434,526
CBK-NARGIP A/C	NO.1000368845		0	48,999,947
CBK-MURANGA COUNTY NUTRITION PROJECT AC-KES	NO: 1000508687		0	5,100,411
CBK-MURANGA COUNTY COVID-19 SPEC AC			8,833,915	0
CBK-MURANGA COUNTY DEPOSITE ACCOUNT	NO.1000456132		0	0
CBK-MURANGA COUNTY CLIMATE CHAGE FUND AC/	NO:1000380179		0	0
CBK- MURANGA COUNTY PRIMARY HEALTH CARE	NO:1000544279 NO.1000563419		0	0
Total			18,064,672	994,756,234

14 B Cash in Hand

	2021-2022 Kshs	2020-2021 Kshs
Cash in hand – Held in Domestic Currency	0	0
Total	0	0

URANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

	2021-2022	2020-2021
	Kshs	Kshs
Total	0	0

15. Outstanding imprests and advances		
<i>Description</i>	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	0	0
Salary Advance	0	0
Clearance accounts	0	0
Total	0	0

Breakdown of Imprest and Salary Advance per Department		
	2021-2022	2020-2021
	Kshs	Kshs
<i>Imprest</i>	0	0
<i>Sub-Total</i>	0	0
Grand Total	0	0

Notes to the Financial Statements (Continued)

16. Deposits and Retention		
	2021-2022	2020-2021
	Kshs	Kshs
Deposits	0	0
Retention Monies	0	0
Total	0	0

17. Fund Balance Brought Forward		
	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	994,756,234	389,216,290
Cash in Hand	0	0
Accounts Receivables	0	0
Accounts Payables	(0)	(0)
Total	994,756,234	389,216,290

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

18. 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 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted -- Balance b/f FY 2021-2022
	Kshs	Kshs	Kshs
Bank Account Balances	994,756,234	(902,175,036)	92,581,198
Total	994,756,234	(902,175,036)	92,581,198

The adjustment occurred due to, changes in accounting policy where the CRF account is now accounted separately.

WANGARUA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

19. Increase/ (Decrease) in Outstanding Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Imprest and Advances As At 1 st July (A)	0	0
Imprest and Advances As At 30 th June (B)	0	0
Increase)/ Decrease In Imprest and Advances (C=(B-A))	0	0

20. Increase/ (Decrease) in Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	0	0
Deposits and Retention as at 30 th June (B)	0	0
Increase/ (Decrease) in Deposits and Retentions C= B-A	0	0

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

Description	Balance b/f FY 2020-2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021-2022 Kshs
Construction of Buildings	20,374,698	4,527,909	17,478,736	7,423,871
Construction of Civil Works	358,499,591	417,429,542	254,392,586	521,536,547
Supply of Goods	1,132,327,020	961,057,451	830,322,484	1,257,449,093
Supply of Services	49,172,393	682,024,107	59,192,446	672,004,054
KRA	96,680,448	0	96,680,448	0
Total	1,657,054,150	2,065,039,009	1,258,066,700	2,458,413,565

2. Pending Staff Payables (See Annex 3)

Description	Balance b/f FY 2020-2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021-2022 Kshs
1. STAFF DEDUCTIONS	261,346,721	213,320,899	178,242,848	296,424,773
Total	261,346,721	213,320,899	178,242,848	296,424,773

LANGA COUNTY GOVERNMENT- EXECUTIVE

Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures (Continued)

3. Other Pending Payables (See Annex 4)

Description	Balance b/f	Amounts due	Amounts due
	FY 2020-2021	(the period	(the period
	Kshs	Kshs	Kshs
Amounts due to National Government Entities	0	0	(0)
Amounts due to County Government Entities	0	0	(0)
Amounts due to Third Parties	0	0	(0)
Total	0	0	(0)

4. External Assistance

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
External Assistance received in Cash	0	0
External Assistance received as Loans and Grants	0	0
External Assistance received In Kind- as Payment by Third Parties	0	0
Total	0	0

MURANGA COUNTY GOVERNMENT - EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures (Continued)

a) External assistance relating to loans and grants

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
External Assistance received as Loans	0	0
External Assistance received as Grants	0	0
Total	0	0

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2021-2022	FY 2020-2021
Description		Kshs	Kshs
Undrawn External Assistance - Loans		0	0
Undrawn External Assistance - Grants		0	0
Total		0	0

c). Classes of providers of external assistance

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
Multilateral Donors	0	0
Bilateral Donors	0	0
International Assistance Organization	0	0
Ngos	0	0
National Assistance Organization	0	0
Total	0	0

Other Important Disclosures (Continued)
 d. Non-monetary external assistance

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Goods	0	0
Services	0	0
Total	0	0

e. Purpose and use of external assistance.

Payments made by Third Parties	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Compensation of Employees	0	0
Use of Goods and Services	0	0
Subsidies	0	0
Transfers to Other Government Entities	0	0
Other Grants and Transfers	0	0
Social Security Benefits	0	0
Acquisition of Assets	0	0
Finance Costs, including Loan Interest	0	0
Repayment of Principal on Domestic & Foreign Borrowing	0	0
Other Payments	0	0
Total	0	0

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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 2021-2022	FY 2020-2021
	Kshs	Kshs
National Government	0	0
Multilateral Donors	0	0
Bilateral Donors	0	0
International Assistance Organization	0	0
Ngos	0	0
National Assistance Organization	0	0
Total	0	0

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 2021-2022	FY 2020-2021
	Kshs	Kshs
National Government	0	0
Multilateral Donors	0	0
Bilateral Donors	0	0
International Assistance Organization	0	0
Ngos	0	0
National Assistance Organization	0	0
Total	0	0

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

Payments made by third parties	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Compensation of employees	0	0
Use of goods and services	0	0
Subsidies	0	0
Transfers to other government units	0	0
Other grants and transfers	0	0
Social security benefits	0	0
Acquisition of assets	0	0
Finance costs, including loan interest	0	0
Repayment of principal on domestic & foreign borrowing	0	0
Other payments	0	0
Total	0	0

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.

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures (Continued)

Related party transactions

	2021- 2022	2020- 2021
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)	0	0
Transfers To Related Parties		
Transfer to the County Assembly	0	730,399,997
Muranga municipal Board	0	92,177,188
Transfers to Development Projects	0	0
Transfers to Non-Reporting Entities E.G Schools And Welfare	0	0
Transfers to County Water Service Providers	0	0
Expenses paid on Behalf Of County Water Service Providers	0	0
Total Transfers To Related Parties	0	822,577,185
Transfers From Related Parties		
Transfers From The Exchequer	0	0
Transfers From MDAs	0	0
Transfers From SCs And SAGAs - National Government	0	0
(Insert Any Other Transfers Received)	0	0
Total Transfers From Related Parties	0	822,577,185

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.

Other Important Disclosures (Continued)

Entity	Date		Location	Amount
	Established/Date taken over			
0 Corporation		0		0
0 Water And Sewerage Company		0		0
0 Fund		0		0
0 Board		0		0
0 Project		0		0
0 Scheme		0		0

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)	2021-2022		2020-2021	
			Kshs		Kshs	
Keb-Muranga Municipal Revenue Collection			31,863		23,176,255	
A/C No.1140745859			2,231,350		79,620	
Equity-Muranga C. Revenue A/C 0220273464893			1,523,904		1,529,289	
KCB-Muranga Level 4 Gen. Hosp. Revenue			0		96,150	
Collection A/C 1183371071.			0			
Family-Muranga County Revenue Collection A/C			0		206	
006000031309						
Co-Op Bank- Muranga County Revenue			3,787,117		24,881,520	
Collection A/C 01141574897400						
Total						

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

Other Important Disclosures (Continued)

9. 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 In the year 2021/22 amounts relating to leased medical equipment was Kshs 0 (2021-2022 Kshs 0)

10. Contingent Liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case 0 Against The Entity	0	0
Bank Guarantees In Favour Of Subsidiary	0	0
Contingent Liabilities Arising From Ppps	0	0
Total	0	0

11. Covid- 19 Funds

Covid -19 Funds	2021-2022	2020-2021
	Kshs	Kshs
Receipts		
Receipts From The National Government (Note 3)	0	63,510,000
Other Donations For Covid-19 Received Directly (Note 2)	0	0
Others (Specify)	0	0
Total Receipts	0	63,510,000
Payments		
Purchase Of Covid 19 Materials- Masks, Sanitizers Etc	0	16,194,743
Purchase Of Beds And ICU Units		15,811,590
Subsidies To The Community	0	5,132,850
Payment Of Hospital Bills	0	0
Donations To Schools And Other Institutions	0	0
Other Expenses: laundry machine, isolation wards, ICU materials, fumigations Accommodation health workers, ppes, Allowances, bank charges.	0	30,325,151
Total Payments	(0)	67,464,334
Balance In The Covid 19 Fund	0	84,994,102

6. 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)

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

Date

MURANGA COUNT GOVERNMENT- EXECUTIVE
Consolidated Reports and Financial Statements
For the year ended June 30, 2022

17. Annexes

Annex 1 – Analysis Of Transfers From the CRF

Period (2021-2022)	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
RECURRENT	1,036,206,335	1,514,057,807	1,369,146,541	1,987,399,664	5,906,810,347
Special Purpose Account	0	0	34,190,501	3,955,125	38,145,626
DEVELOPMENT	247,943,305	349,004,863	152,046,439	370,918,658	1,119,913,265
NUTRITION	0	0	5,000,000	17,000,000	22,000,000
ASDP II	0	0	9,434,526	16,500,000	25,934,526
NARIGP	0	0	0	106,995,737	106,995,737
Village polytechnic	0	0	0	48,950,000	48,950,000
Total	1,284,149,640	1,863,062,670	1,569,818,007	2,551,719,184	7,268,749,501

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							
2.			20,374,698	4,527,909	17,478,736	7,423,871	
Sub-Total			0	0	0	0	
Construction Of Civil Works			20,374,698	4,527,909	24,902,607	7,423,871	
3. Assorted suppliers							
4.			358,499,591	417,429,542	254,392,586	521,536,547	
Sub-Total			0	0	0	0	
Supply Of Goods			358,499,591	417,429,542	254,392,586	521,536,547	
5. Assorted suppliers							
6.			1,132,327,020	961,057,451	830,322,484	1,257,449,093	
Sub-Total			0				
Supply Of Services			1,132,327,020	961,057,451	830,322,484	1,257,449,093	
7. Assorted suppliers							
8. KRA			49,172,393	682,024,107	59,192,446	672,004,054	
Sub-Total			96,680,449	0	96,680,448	0	
Grand Total			145,852,842	682,024,107	155,872,894	672,004,054	
			1,657,054,150	2,065,039,009	1,258,066,700	2,458,413,565	

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

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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 2021-2022	Comments
			a	b	c=a-b		
Senior Management							
2. STAFF DEDUCTIONS			216,346,721	213,320,899	178,242,848	296,424,773	
Sub-Total							
Middle Management							
3.							
4.							
Sub-Total							
Unionisable Employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total			216,346,721	213,320,899	178,242,848	296,424,773	

**Annex 5 – Analysis Of imprests and Advances
 (a) Government Imprest**

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
Name Of Officer Or Institution	dd/mm/yy	0	0	0
Name Of Officer Or Institution	dd/mm/yy	0	0	0
Name Of Officer Or Institution	dd/mm/yy	0	0	0
Name Of Officer Or Institution	dd/mm/yy	0	0	0
Total		0	0	0

(b) Salary Advance

Name Of Officer	Date Advanced	Amount Advanced Kshs	Amount Recovered Kshs	Balance Kshs
Name Of Officer	dd/mm/yy	0	0	0
Name Of Officer	dd/mm/yy	0	0	0
Name Of Officer	dd/mm/yy	0	0	0
Name Of Officer	dd/mm/yy	0	0	0
Total		0	0	0

Annex 6 – Summary Of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost e/f 2021-2022 (Kshs)
Land	2,135,192,500	0	0	0	2,135,192,500
Buildings And Structures	2,599,568,898	0	0	0	2,599,568,898
Transport Equipment	309,790,000	970,000	0	0	310,760,000
Office Equipment, Furniture And Fittings	30,467,103	0	0	0	30,467,103
ICT Equipment	19,998,900	0	0	0	19,998,900
Machinery And Equipment	12,129,417	53,647,995	0	0	65,777,412
Heritage And Cultural Assets	0	0	0	0	0
Biological Assets	32,689,200	0	0	0	32,689,200
Intangible Assets	0	0	0	0	0
Infrastructure Assets- Roads, Rails Work In Progress	0	54,518,508	0	0	54,518,508
others	0	6,050,451	0	0	6,050,451
Total	5,139,836,018	115,186,954	0	0	5,255,022,972

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Annex8: Contingent liabilities register

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

MURANGA COUNTY GOVERNMENT EXECUTIVE
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Annex: 9 Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Annex 10 Disaster Expenditure Reporting Template

Date:						
Entity:						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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Annex II: – Bank Reconciliation/FO 30 Reports

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-21 To : 30-JUN-22

DEVELOPMENT BANK-MURANGA

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

Balance as per bank certificate:.....kshs.6,273.30

Less --

1. Payment in Cash Book not yet recorded in Bank Statement 0
(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 0

Bank Balance as per Cash Book kshs. 6,273.30

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, 2022.

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. 234, 135

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

Bank Balance as per Cash Book

kshs.234, 135

Reconciled by: Signature: Date:

Reviewed by: Signature: Date:

Approved by: Signature: Date:

F.O.30

REPUBLIC OF KENYA
BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-21 To : 30-JUN-22 NARGIP A/C

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

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 -

Bank Balance as per Cash Book Kshs.0

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, 2022.

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUL-21 to: 30-JUN-22 MURANGA COUNTY NUTRITION PROJECT

Bank: Central Bank of Kenya, Branch: Head Office, Account Number: 1000508687

Balance as per bank certificate:.....kshs. 12,582,914

Less --

1. Payment in Cash Book not yet recorded in Bank Statement 3,748,999
(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. 8,833,915

Reconciled by: Signature: Date:

Reviewed by: Signature: Date:

Approved by: Signature: Date:

Annual Report and Financial Statements for the year ended June 30, 2022.

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-21 To : 30-JUN-22

RECURRENT BANK-MURANGA

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

Balance as per bank certificate:.....Kshs. 446,482,284

Less --

1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) 446,455,833

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 0

Bank Balance as per Cash Book Kshs.26,451

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

MURANGA

MURANGA COUNTY GOVERNMENT- EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date : 01-JUL-21 To : 30-JUN-22 MURANGA COUNTY ROADS MAINTENANCE LEVY FUND

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

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 -

Bank Balance as per Cash Book **Kshs. 0**

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUL-21 to: 30-JUN-22 MURANGA COUNTY SPECIAL PURPOSE ACCOUNT

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

Balance as per bank certificate: Kshs. 8,963,897.75

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

Bank Balance as per Cash Book

Kshs. 8,963,897.75

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date: