REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF GARISSA

FOR THE YEAR ENDED 30 JUNE, 2023

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Revised 30th June 2023

COUNTY EXECUTIVE OF GARISSA
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

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1. ACRONYMS AND GLOSSARY OF TERMS

a) *Acronyms*

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) *Glossary of Terms*

Fiduciary Management	The key management personnel who had financial responsibility

2. 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. The County Executive is comprised of the following departments:

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Agriculture and Livestock and Pastoral Economy.	Overseeing County Agriculture, Livestock and Pastoral Economy
3.	Water, Environment, Climate change and Natural Resource	Overseeing Provision of Water and Management of Environment and Natural Resources
4.	Roads, Transport and Public Works	Overseeing County Transport and Roads Network
5.	Gender, Social Services and Sports	Dealing with Gender, Sports and Youth Affairs
6.	Education and Labour	Overseeing ECD and Vocational Education
7.	Health and Sanitation Services	Overseeing Health Function of the County
8.	County Affairs, Public services and Intergovernmental relation	Overseeing County Executive Offices and Intergovernmental relations
9.	Lands, Housing and Urban Devt	Overseeing Housing and Urban Devt
10.	Trade, Enterprise Devt and Tourism	Overseeing Trade and Enterprise Devt

b) Key Management team

The County Executive of Garissa day-to-day management is under the following key organs:

1.	Governor	H.E Nathif Jama Adam
2.	Deputy Governor	H.E Abdi Dagane Muhumed
3.	County Secretary	Mohamud Hassan Mursal
4.	C.E.C Finance and Economic Planning	Abass Ismail Khaar
5.	C.E.C Water, Environment, Climate change and Natural Resource	Ahmed Mohamed Ibrahim
6.	C.E.C Roads, Transport and Public Works	Nasir Mohamed
7.	C.E.C Gender, Social Services and Sports	Hawa Ahmed
8.	C.E.C Education and Labour	Ebla Minhaj
9.	C.E.C Agriculture, Livestock and Cooperatives	Hassan Abdirizack
10.	C.E.C Health and Sanitation Services	Ahmednadhir Omar

11.	C.E.C County Affairs, Public services and Intergovernmental relation	Zahra Musa
12.	C.E.C Lands, Housing and Urban Devt	Mohamed Hussein
13.	C.E.C Trade, Enterprise Devt and Tourism	Mohamed Suleiman

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

1.	Chief Officer-Finance, Revenue and Economic planning	Adan Harun Abdi
2.	Head of Budget	Abdirahman Noor Hassan
3.	Head of Treasury (Accounts)	CPA Abdi Ali Nuriye
4.	Chief Finance Officer	Mohamednoor Daud Korow
5.	Chief Officer- Gender, culture social services ,Youth and Sports	Bilal Osman
6.	Chief Officer-Trade, Tourism and Enterprise Devt	Mohamed Hussein Nur
7.	Chief Officer -Urban Planning lands	Abdinassir Sheikh
8.	Chief Officer- Livestock Devt Agriculture And	Bashir Mohamud
9.	Chief Officer – Health and Sanitation	Aden Hussein
10.	Chief Officer – Water,Enviroment and Natural resource	Abdihakim Sheikh
11.	Chief Officer- Education, Ecd And Vocational Training	Ahmed Bashir Abdullahi
12.	Chief Officer-Roads and Transport	Nathir Ahmed
13.	Chief Officer- County Affairs	Abdullahi Diis Hussein

d) Fiduciary Oversight Arrangements

The County Assembly Accounts and Investment Committee has the responsibility of examining the county government accounts particularly those reporting on appropriation granted by the County Assembly to meet public expenditure. The Committee also follows up on the audit report from the Office of the Auditor General.

The County Has Audit Committees and Head of Internal Audit who reports on:

1. Adequacy and effectiveness of CGE's internal control system
2. Adequacy and effectiveness of the entity's risk management
3. Likely causes of any weaknesses observed, implications and agreed remedies

The Controller of Budget also monitors and controls on the budget limits

e) Entity Headquarters

Telephone: (254) 0462102604
E-mail: garissacounty@gmail.com
Website: www.garissa.go.ke

f) Entity Contacts

Telephone: (254) 0462102604
E-mail: garissacounty@gmail.com
Website: www.garissa.go.ke

g) Entity Bankers

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

2. Kenya Commercial Bank
   Garissa Branch
   P.O. Box 143
   Garissa, Kenya

3. Equity Bank
   Garissa Branch
   P.O. Box 700
   Garissa, Kenya

4. First Community Bank
   Garissa Branch
   Garissa

5. Gulf African Bank
   Garissa Branch
   Garissa

6. Cooperative Bank
   Garissa Branch
   Garissa

7. National Bank Of Kenya
   Garissa Branch
   Garissa

h) Independent Auditors

Auditor General
Office of the Auditor-General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

County Attorney

Garissa County Head quarters

P O.BOX 563-70100

Garissa, Kenya.

KEY MANAGEMENT

The county executive team during the end of the financial year:

H.E NATHIF JAMA ADAM GOVERNOR GARISSA COUNTY

- Nathif Jama Adam, EGH, (Nadiif Jaamac Aadan, Arabic: نظيف جامع آدم) is a Kenyan banker, writer and politician.
- Adam has served as the Governor of Garissa County since August 2022. He was initially elected to the position in March 2013 to become the pioneer Governor of Garissa County and served until 2017. He was elected once again in August 2022.
- Prior to joining politics, he was the Managing Director of First Community Bank. He was also previously a Senior Vice President and the Head of Sharjah Islamic Bank's Investments & International Banking Division. He co-authored the first book on sukuk investments.



Honours

At the Jamhuri Day of 2022, Adam was awarded by President William Ruto the Elder of the Order of the Golden Heart (E.G.H.) which is the second highest honour awarded by the Kenyan government.

H.E ABDI DAGANE ISMAIL DEPUTY GOVERNOR GARISSA COUNTY



- His Excellency Abdi Dagane is the Deputy Governor of Garissa County, a position of great responsibility and leadership in the county government. With a strong commitment to serving the people of Garissa and a vision for positive change, H.E Abdi Dagane plays a vital role in shaping the future of the county.
- **Responsibilities:**

Support to the Governor: As the Deputy Governor, H.E Abdi Dagane works closely with the County Governor to implement the county's vision and policies. Together, they lead the county government in its mission to improve the lives of Garissa County residents.

- **Public Engagement:** H.E Abdi Dagane is dedicated to engaging with the public, listening to their concerns, and working to address the needs of the people. He is a voice for the community, helping to bridge the gap between the government and the citizens.
- **Policy Advocacy:** The Deputy Governor advocates for policies and initiatives that promote development, inclusivity, and the well-being of the county's residents. He collaborates with other county officials to ensure these policies are effectively implemented.
- **Community Development:** H.E Abdi Dagane is committed to community development projects, which include initiatives to improve healthcare, education, infrastructure, and more. His efforts are focused on making Garissa County a better place for all.

HON. MOHAMUD HASSAN MURSAL **COUNTY SECRETARY**



- BA Public Administration from Moi University
- MSc Information Security – Royal Holloway University of London
- Before he joined the county, he worked in various Tech and data security firms and consultancy services to the public and private institutions
- Vast experience in public administration and governance
- He was a pioneer county secretary who served Governor Nathif Jama first administration diligently and with dedication.
- As the first county secretary of Garissa, he is remembered for establishing internal structures and policies that helped cap the county wage bill to below the controller of budget's authorized limit. This subsequently led to increase in the budgetary allocation to other sectors such as health and water.
- He introduced and spearheaded the county capacity assessment and rationalization of public service (carps), in 2014

HON. ABASS ISMAIL

CECM FINANCE & ECONOMY PLANNING



- Bachelor of Business Management
- MBA from Kenya Methodist University
- Diverse experience in financial sectors
- Participated in drafting and designing numerous financial policies and accounting procedures
- Worked wit various International NGOs in Kenya and Somalia in Finance and grant Management
- From 2020 to 2022, working with National Drought Management Authority as Program Manager for the Hunger Safety Net Programme
- Trained as Senior Management course in Kenya School of Government

HON. ZAHRA MUSA

CECM COUNTY AFFAIRS, PUBLIC SERVICES & INTERGOVERNMENTAL RELATIONS



- Served as CECM County Affairs, Public Services & Intergovernmental Relations from 2022 to date

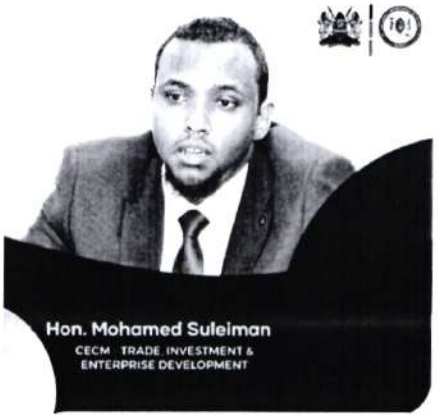
HON. HAWA ABDI

CECM CULTURE, GENDER, YOUTH & SPORTS



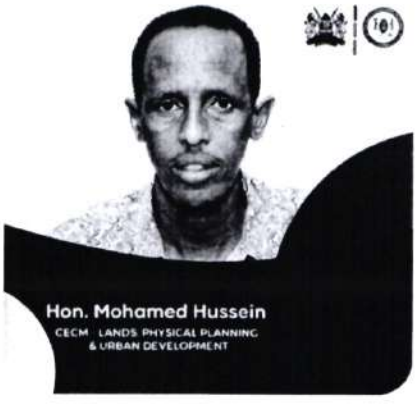
- B.A in Business management from East Africa University
- Diploma in sales and marketing from Mombasa Polytechnic University College
- Before her appointment, Hawa was serving as Deputy Sub-County Administrator in Ijara, Garissa County, from June, 2015.
- Before joining the county government of Garissa, Hawa worked for different Humanitarian Organizations in Dadaab Refugee Camp (Care Kenya, Oxfam GB, Care International and Kenya Red Cross.
- Worked for Baclays Bank (now Absa Bank) in

HON. MOHAMED SULEIMAN **CECM TRADE, INVESTMENTS & ENTERPRISE DEVELOPMENT**



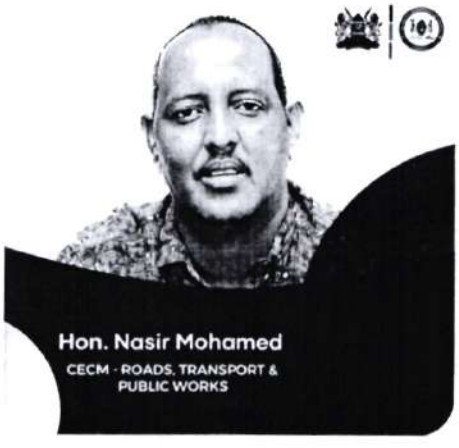
- Bachelors of Commerce (B.Com)
- Currently pursuing Bachelors of Law
- Previously served as Head of Accounts in the County department of Health from 2018 to 2022
- Served as CECM Trade, Investments & Enterprise Development from 2022 to date

HON. MOHAMED HUSSEIN **CECM LANDS, PHYSICAL PLANNING & URBAN DEVELOPMENT**



- B. Com from Egerton university
- Vast experience in management, finance and implementation of projects and programs.
- Over 12 years in senior positions, both private, public and other organizations.
- Believe in teamwork, leadership and well-coordinated activities.
- Recognized for exceptional skills in fast paced, multitask environment, strong analytical and problem-solving skills.

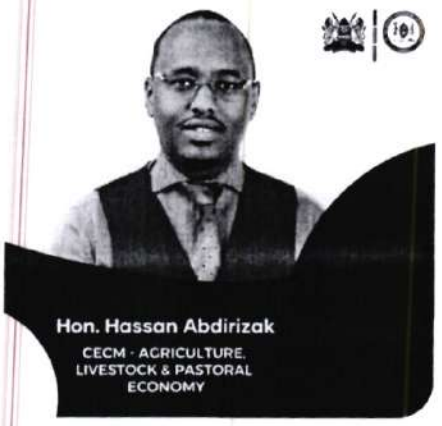
HON NASIR MOHAMED **CECM ROADS, TRANSPORT & PUBLIC WORKS**



- Mount Kenya University Masters in Diplomacy and International Relations.
- University Of Nairobi Bachelors of Arts (Education)
- Diploma in education management (Kenya Institute of Education Management)
- Ministry of education (MOEST) certificate in schools-based teacher
- Development course 1996-1998: Narok TTC P1 Certificate
- Member of county assembly for Nanighi Ward 2013-2017
- Served as minority leader of Garissa County assembly 2013-2017
- Secondary teacher in Sankuri Secondary School 2001-2011

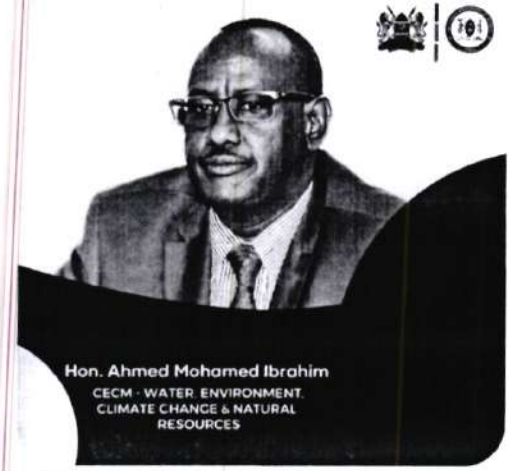
- Primary teacher in various schools in Fafi Sub-County.

HON. HASSAN ABDIRIZAK **CECM AGRICULTURE, LIVESTOCK & PASTORAL ECONOMY**



- M.A Business Administration
- B. com Egerton University.
- Skilled professional with over ten years' experience in logistics, finance administrative and program.
- Diverse experience in program implementation, donor relation, financial management and grant oversight.
- Believe in accountability. He has received several accolades based on his strict practice of providing comprehensive financial expenditure reports to both donors and project beneficiaries.
- He works in strict adherence to process as he carries the mantra, the process is as important as the product.

HON. AHMED MOHAMED IBRAHIM **CECM WATER, ENVIRONMENT, CLIMATE CHANGE & NATURAL REOURCES**



- M.A International Relations-Brunel University U.K
- B.A International Development-University of East London
- Certificate Teacher Education-Shanzu Teachers College Mombasa
- Expert in Public Policy and Good Governance.
- Over 20 years in leadership positions both in public, private and humanitarian sectors.
- Taught many schools in Garissa as a teacher /Headteacher.

HON. AHMEDNADHIR OMAR **CECM HEALTH**



- Ahmed Nadhir Omar is an alumna of Jomo Kenyatta University of Agriculture and Technology (JKUAT) and holds a Bachelor of Science (BSc) I.T Degree.
- Health & sanitation services-OCT 2017 -JAN 2021.
- Jan 2021 to date: County Executive Committee Member Education, ICT and Labour-County Government of Garissa.
- During his tenure in the health docket, he led the Garissa health team to scoop prestigious national award Kenya health forum 2018 and at the Inter-Governmental Immunization Consultative Forum 2019.
- Represented the 47 County Governments in the Sub-Technical Working group of world bank's transforming health systems for universal care project and DANIDA's universal health care projects.
- Garissa County was selected as the sole County in Kenya for Primary Health Care (PHC) piloting, an MOH/UNICEF project during his tenure as health CECM.

HON. EBLA MINHAJ **CECM EDUCATION, INFORMATION & ICT**



- B.A degree in development studies kampala university
- Diploma in special education kenya isntitute of special education
- Certificate of teacher education highbidge teachers college-p1 certificate
- Worked with NDMA as sustainable livelihood advisor-on technical issues related to resilience and building strategies.
- County food for asset coordinator-link between NDMA,WFP,RRDO & KRCS.
- Worked with aridlands project 2 as mobile extension team leader. Trained communities on participatory methodologies.
- Taught in different schools both ordinary and special schools in Garissa County.
- Participated in study tours-Kenyans on good governance in Washington DC 2007.

3. GOVERNANCE STATEMENT

The County Executive of Garissa is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly, County Executive and a number of County Government Entities. The County Executive is structured in terms of departments, headed by a County Executive Committee Member (CECMs). The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution. The County Secretary heads county public service and is responsible for arranging the business of county executive committee.

The County Executive

a) Indicate the membership of the cabinet/County Executive Governance Structures *(entity **to** tabulate and include photos of the Governor, Deputy Governor, the CECMs and County Secretary).*

b) Brief discussions of how the County deals with its stakeholders especially on matters that require public participation, whether there are policies on communication, stakeholder engagement and whistle blowing.

c) Safeguards against unethical conduct and corruption.

d) Indicate your engagement with the County Assembly through its committees and the Senate including number of bills sponsored by the executive and any other matters presented for deliberations.

e) Risk management

- Are there effective arrangements for risk management and internal control?
- Are there formal processes to identify and assess risks?
- Are there formal processed to analyse risks as a basis for how they should be managed?
- Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
- Are risks identified and analysed in the period and how they were managed?

f) Brief descriptions of appointment operation and membership of the audit committee and its charter.

g) Compliance

The entity should identify the laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

h) Any other Governance issue include committees that the county may need to disclose.

4. FOREWORD BY THE CECM FINANCE AND ECONOMIC PLANNING

In our pursuit to improve on transparency and accountability in Public Financial Management, I present the financial statements for the financial year 2022/2023 of the County Executive of Garissa. The County Executive of Garissa has and will continue to manage its finances in accordance with the principles of fiscal responsibilities as spelt out in the Public Finance Management Act, 2012.

The report compares actual performance against budgeted revenues and expenditure and also provides the recommendation to the County Executive for improvement of budget execution. The County Executive of Garissa has developed strategic partnership with the public by involving them in development of the County Integrated Development Plan (CIDP) which highlights the programmes and projects to be implemented in successive county budgets. In this regard the County Executive of Garissa has been able and continues to put more emphasis into development activities which are responsive to the citizens' needs.

FINANCING OF THE COUNTY GOVERNMENTS

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation (CRA) and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for County Government of Garissa included business permits, land rates, advertising fees, livestock cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

Automation of revenue collection system at Garissa County Referral Hospital. The County has also procured a land management system which will boost collection of land and buildings related taxes.

FINANCIAL PERFORMANCE

Revenue

In **FY 2022/2023** the County Executive approved supplementary budget amounted to **Kshs 8,383,468,720** Comprising of **Kshs 5,702,849,131** and **Kshs. 2,680,619,589** for Recurrent and Development expenditure respectively.

To Finance the budget, the county expected to receive **Kshs 8,561,389,232** as equitable share of revenue raised nationally including Balance of June Allocation for FY 21-22, **Kshs 651,226,989** as Conditional Grants from National Government Revenue and Donors, **Kshs 130,000,000** as Own Source Revenue and **Kshs 27,563,139** being cash balances from previous FY (2021/22).

Table 1 Summary of County Fiscal Performance

REVENUE CLASSIFICATION	REVENUE BUDGET	ACTUAL	REALISATION %
TRANSFERS FROM CRF	8,383,468,720	7,279,605,452	87%
TOTAL	**8,383,468,720**	**7,279,605,452**	**87%**

Source: Garissa County Treasury

Budget Performance

The total expenditure for the year amounted to **Kshs 7,246,276,620** against the budget of **Kshs 8,383,468,720** translating to utilisation level of **86%**. Kshs **5,596,267,713** was spent on recurrent expenditure against the budget of **Kshs 5,702,849,131** translating to utilisation level of **98%** while **Kshs 1,650,008,908** was spent on development expenditure against the budget of **Kshs 2,680,619,589** translating to utilisation level of **62%**.

Flagship Projects

The County Government of Garissa implemented a number of development projects in the financial year 2022/2023. The following is an outlay of the flagship project prioritized by the county.

Flagship	Strategic Objectives	Achievements
Universal Health Care	Improved health care to the Residents of Garissa County	Prefeasibility, engineering plan and design (Mother and child Hospital in GCRH. Construction And Complete Face Lift of GCRH Main Gate, Parking Lots, Underground Tank And Perimeter Fence. Refurbishment of 7 sub county hospitals.

		Provision of adequate medical supplies to the all sub county and county hospitals.
Urban Development	To Provide high standard of social services and provision of civic amenities in a cost effective manner to the inhabitants of Garissa County.	Purchase Garbage Collection Trucks Completion of Garissa planning and survey program Renovation of sub county , county council offices Refurbishment of Garissa children's park Purchase Of Enforcement Truck For Township Street Lighting Works Purchase Of Firefighting Engines Refurbishment Of Fire Station Purchase Of Firefighting Equipment's Construction Of County Ward Offices For Ward Admin, Revenue Officer And Other County Officials Establish Additional Service Bay, Parking Lots For New Qorahey Market Creation Of Garissa Bus Station And Garage Center
Improving productivity and output in the agricultural sector	Promote food security	Supply Of Agricultural Inputs, Supplies Material And Fertilizers to all farmers in the county. Fencing And Repair Of Masalani Agriculture Offices. Opening Of Access Roads And Bush Clearing Works in Sankuri Ward, Galbet, Iftin And Nanigi Ward Each. Supply Of Pump Set To 10 Farms in10 farms Balambala, Township And Bura. Grant On Locust Response to all Sub Counties.

		Climate Smart Agriculture Program -Conditional Grant to Support To Groups In All Sub Counties. Veterinarian Supplies And Materials to all Sub Counties.
Access to Clean Water	Promote access to clean water	Water System -Piping Systems Co Funding With GOK Water Trust Fund in Hulugho Sub County. Equipping of boreholes Within the various Sub Counties. Constructions Of New Water Pans In Moit In Ijara And Quranhidi In Hulugho. Support GAWASCO To Infrastructure Projects New Intake, Repair Of Existing Water Systems.
Improved Road Connectivity	Increased Accessibility And Improved Road Mobility	Opening and repairing of culverts and Access roads Establishment Of County Garage Construction of Bulla Madina Bulla Rig Road to Bitumen Standard.

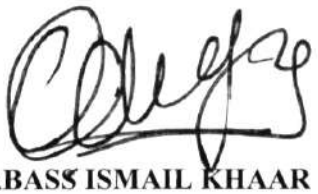
Value for Money

As at the closure of the financial year 2022/2023, the county was also able to conduct Prefeasibility, Engineering Plan and Design of Mother and child Hospital in Garissa County Referral Hospital, Construction And Complete Face Lift of Garissa County Referral Hospital Main Gate, Parking Lots, Underground Tank And Perimeter Fence, Construction of Bulla Medina Bulla Rig Road to Bitumen Standard, Refurbishment of 7 sub county hospitals and Provision of adequate medical supplies to the all sub county and county hospitals among other project that have enhance service delivery with positive impact to the citizens of Garissa County. These projects have enhanced value for money by bringing services closer to the citizens.

Since the inception of County, Garissa County Government has managed to implement various developmental projects across the county. The following is an outlay of major projects in FY 2022-2023 and their output and resultant impacts.

Sector	Outputs	Outcome
Agriculture, Livestock	Supply Of Agricultural Inputs, Supplies Material And Fertilizers to all farmers in the county. Fencing And Repair Of Masalani Agriculture Offices. Opening Of Access Roads And Bush Clearing Works in Sankuri Ward, Galbet, Iftin And Nanigi Ward Each. Supply Of Pump Set To 10 Farms in10 farms Balambala, Township And Bura. Grant On Locust Response to all Sub Counties. Climate Smart Agriculture Program -Conditional Grant to Support To Groups In All Sub Counties. Veterinarian Supplies And Materials to all Sub Counties.	Increased Agriculture Productivity
Water	Water System -Piping Systems Co Funding With GOK Water Trust Fund in Hulugho Sub County. Equipping of boreholes within the various Sub Counties. Constructions of New Water Pans in Moit in Ijara and Quranhidi In Hulugho. Support GAWASCO to Infrastructure Projects New Intake, Repair of Existing Water Systems.	Improved access to water.
Health	Prefeasibility, engineering plan and design (Mother and child Hospital in GCRH. Construction And Complete Face Lift of GCRH Main Gate, Parking Lots, Underground Tank And Perimeter Fence. Refurbishment of 7 sub county hospitals.	Improved Healthcare Services.

	Provision of adequate medical supplies to the all sub county and county hospitals.	



ABASS ISMAIL KHAAR

COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE

COUNTY GOVERNMENT OF GARISSA

5. 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.

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

Agriculture

Strategic Priorities	Achievements
Strengthening institutional capacity	Developed Enterprise Development Plans. Developed community action plans. Development of SIVCAP. Development of Climate smart Agricultural Investment plan CSAIP.
Improving productivity and output in the agricultural sector	1500 acres under tomato production producing1.4 million kgs of tomato for sale. 100 hectors of fodder produced under range. 700,600 litres of camel valued at 60 million value added milk sold. Over 1 million animals vaccinated under the county strategic vaccination by KCSAP.
Creating enabling environment for agricultural development	Capacity building of 43 extension staff in 4 sub counties by KCSAP and KALRO. Logistical support for 68 livestock and agriculture staff in terms of transport and lunch allowanced for six months – KCSAP. Provided training for 24 lead farmers in six wards on modern agricultural practices by KCSAP and KALRO.

Strategic Priorities	Achievements
Mainstreaming climate change and other cross cutting issues in agriculture and rural development.	26 Vulnerable and marginalised groups supported under Diversification of livestock enterprises; beekeeping, poultry, grocery kiosks and local butcheries. By KCSAP.

Lands, Housing and Urban Developments.

Strategic Priorities	Achievements
To Promote and Regulate the provision of refuse collection and solid waste management services.	Repair and Maintenance of Six Waste collection trucks to ensure proper garbage collection. Hire of extra Waste Collection trucks to supplement the existing ones.
Construction and Maintenance of Urban Roads and associated infrastructure.	Re-carpeting and Upgrading of Garissa CBD Roads. Construction and Upgrading Of Bulla Medina Road to Bitumen Standards. Construction of Qoraxey Market in Garissa Township
Construction and maintenance of walkways and other non-motorized transport infrastructure.	Construction of Storm water Drainage and Pedestrian walkways within Garissa Township.

Education

Strategic Priorities	Achievements
To provide quality and effective systems for ECD.	Construction of new ECD Centre and Renovation of existing ECD centres. Provisional of learning and teaching materials.
To provide quality and effective systems for Vocational Training.	Provision of learning and teaching materials. Employment of teachers.

Health

Strategic Priorities	Achievements
To Promote Disease Surveillance and Control.	Conduct active case search using ODK for AFP surveillance at all health facilities on a monthly basis. Capacity building of 100 workers on new guidelines and HIV 90-90-90 strategy Carryout local radio awareness spots in each quarter. For TB Control Interventions we have carried out monthly active case finding in 30 high volume facilities.
Increased Environmental Health, Water and Sanitation Interventions.	Procurement and distribution of 10 set of waste segregation Bins. Quarterly purchase of chemicals and treatment of water. Carry out water sample testing.
Promote Curative and Rehabilitative Health Services.	Renovation of 10 health centres and 20 Dispensaries. Quarterly Purchase of Pharm and Non Pharm for 72 health facilities. Purchase and distribution of lab reagents to 74 health facilities.
Increased Preventive and Promotive Health care Services.	Provide 7000 MAMA Kits. Conduct 160 integrated outreaches in the county. Train 25 HCWs (Nurses, Clinical officers, Nutritionist) on MIYCN

Water

Strategic Priorities	Achievements
Development of surface water storage and groundwater source for multi-purpose water uses	Constructions of New Water Pans in Moit in Ijara and Quranhidi In Hulugho
Expansion of water supply services	Extension of pipeline various sub counties in the County
Rehabilitation, maintenance and operation of water supplies	Rehabilitation of 15 boreholes across the county.
strengthening institutional capacity and accountability	Capacity building of technical staff on solarisation at Strathmore university Capacity building of managerial staff on water governance and leadership at JKUAT university

6. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Introduction

The main intention of Environmental and Sustainability Reporting is to improve the transparency of the Organizations' activities. The goal is twofold:

On one hand, Environmental and Sustainability Reporting aim to enable the organization to measure the impact of their activities on the environment, on society and on the economy. In this way, the organization can get accurate and insightful data which will help them improve their processes and have a more positive impact in society and in the world.

On the other hand, a Corporate Social Responsibility or Sustainability Reporting also allows the organization to externally communicate with their goals regarding sustainability development and Corporate Social Responsibility. This allows stakeholders such as Employees, Investors, and Donors among other interested parties, to get to know better what are the short, medium and long-term goals of the organization and make more informed decisions.

County Government of Garissa exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability Strategy and Profile

A Sustainability or Corporate Responsibility Strategy is a prioritised set of actions. It provides an agreed framework to focus investment and external stakeholders, some of these are:

- Routine maintenance of access roads in different part of the county which eases movement of people, good etc. Hence increase economy of the region.
- All the county staffs benefited from the Comprehensive Health Care cover which helps the staff's access medical services for free.

2. Environmental Performance

The environmental performance consideration includes the use of renewable resources, improved energy and water efficiency, increase reuse and recycling, and reduction of hazardous waste and toxic pollutants:

- Improve water safety through providing enough aluminium sulphate which was procured for treatment of wells and other water reservoirs.
- Increase efficiency in waste management services through Maintaining garbage transportation vehicles and trailers for waste disposal.

3. Employee Welfare

The main objectives of employee welfare are to improve the life of the staff members, to bring about holistic development of the worker's personality and so on. It enables workers to perform their work in a healthy and favourable environment, it entails everything from services, facilities and benefits that are provided or done by an employer for the advantage of comfort of an employee. It is undertaken in order to motivate employees and raise the productivity levels. The employees of the county government are well paid, trained and enjoy benefits related to career progression and Medical cover.

4. Market Place Practices

Successfully launching and operating market places cannot be achieved without planning, strong strategy vision and commitment, as a county we have considered the following:

- Bring on board enough vendors through prequalification of suppliers of all traders and also considered special groups like youth, women and person with disability.
- Track and target right performed vendor, reliable vendors are a coveted resource, as county we make sure we engage vendor whose performance are good by analysing previous works.
- Building trusts and transparency through E-procurement. The County does procurement process through the IFMIS system hence encouraging transparency in the procurement process.

5. Community Engagements

It's the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest or similar situation to address issues affecting the well-being of those people. The County Government of Garissa engage community through public participation whereby engage one on one, Civil Education and customer relation.

7. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section164 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 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, 2023. This responsibility includes: (i)Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii)Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv)Safeguarding the assets of the county Executive; (v)Selecting and applying appropriate accounting policies; and (iv)Making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Executive's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Executive's financial statements give a true and fair view of the state of the County Executive's transactions during the financial year ended June 30, 2023, 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 29/9/ 2023.

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County Executive Committee Member – Finance and Economic Planning

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF GARISSA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Garissa set out on pages 1 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows, and statement of comparison of budget and actual amounts (recurrent and development combined) for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

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

In my opinion, 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 the County Executive of Garissa as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.Unconfirmed ICT Equipment

The statement of receipts and payments reflects acquisition of assets expenditure of Kshs.1,475,930,588, and as disclosed in Note 8 to the financial statements which also includes purchase of office furniture and general equipment amounting to Kshs.32,267,363. Review of documents provided for audit revealed that Kshs.2,965,000 was paid to the contracted company for supply of desktops, laptops and printers for Technical and Vocational Training (TVET) institutions. However, physical inspection conducted in the month of August, 2023 revealed that the acquired laptops, desktops and printers were not recorded in stores ledgers, not tagged and were excluded in the assets register. Four (4) laptops, six (6) desktops and three (3) printers were still in the store seven months after the purchase instead of being issued to the TVET institutions.

In the circumstances, accuracy and completeness of the expenditure on office furniture and general equipment amounting to Kshs.2,965,000 could not be confirmed.

2. Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.845,318,125 as disclosed in Note 4 to the financial statements. Review of available records revealed the following anomalies:

2.1 Unsupported Expenditure on Domestic Travel and Subsistence Allowances

Included in the use of goods and services expenditure of Kshs.845,318,125 is Kshs.85,924,196 relating to domestic travel and subsistence allowances . Review of payment vouchers and other supporting documents relating to domestic travel and subsistence allowances revealed that an amount of Kshs.1,232,000 was paid to officers who were on official duties relating to drought assessment outside the County Headquarters. However, the payments were not supported with pre-travel approval by the Management, programme of activities (drought assessment), meeting attendance registers and back to office report.

In the circumstances, the occurrence, accuracy and completeness of the expenditure of Kshs.1,232,000 incurred on domestic travel and subsistence allowances could not be confirmed.

2.2 Unsupported Payment on Office and General Supplies

The financial statements reflects use of goods and services expenditure of Kshs.845,318,125. Included in this expenditure is office and general supplies expenditure amounting to Kshs.33,288,247. Review of procurement and payment documents provided for audit revealed the following anomalies:

i. Counter receipts notes (S13) and counter issue notes (SII) for supplies amounting to Kshs.416,850 were not provided for audit .

ii. Payment for supplies valued at Kshs.2,760,000 were not supported with inspection and acceptance documents to show that goods were inspected to confirm the condition of the goods supplied; and

iii. Payments for supplies amounting to Kshs.5,923,460 for low value items were not supported with Electronic Tax Receipts (ETR) from the Kenya Revenue Authority as required by Regulation 93(2) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the completeness and accuracy of office and general supplies expenses amounting to Kshs.9,100,310 could not be confirmed.

2.3 Unsupported Payments on Repair of Motor Vehicles

The financial statements reflects use of goods and services expenditure of Kshs.845,318,125, which includes expenditure on routine maintenance of vehicles and other transport equipment amounting to Kshs.3,811,180. Review of transport records revealed that payments amounting to Kshs.2,828,904 were not recorded in the respective vehicle log books (GP55). Further motor vehicle work tickets indicating the period when the motor vehicles were under repair were not attached to the payment vouchers. In addition, certificate of pre and post mechanical inspection from the department of transport was not attached to support payment vouchers.

In the circumstances, accuracy and completeness of the expenditure on repair of motor vehicles amounting to Kshs.2,828,904 could not be confirmed.

3. Unsupported Payment of Casual Wages

The statement of receipts and payments reflects compensation of employees amount of Kshs.4,284,841,581 and as disclosed in Note 3 to the financial statements which includes basic wages of temporary employees' expenditure amounting to Kshs.410,062,610. Review of records and ledgers on compensation of employees revealed that during the year under review, Kshs.352,204,386 was incurred on casual wages and salaries which was not included in the IPPD data provided. In addition,

payment vouchers and supporting schedules extracted from excel records for payments amounting to Kshs.104,922,280 were not provided for audit.

In the circumstances, the accuracy and completeness of basic wages of temporary employees of Kshs.410,062,610 could not be confirmed.

4. Unconfirmed Transfer to Other Government Entities

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.154,729,423 which, as disclosed in Note 5 to the financial statements includes an amount of Kshs.35,000,000 being transfer to Garissa County Referral Hospital and Ministry of Health. However, the hospital and the ministry did not prepare financial statements to account for the receipt and use of the funds.

In the circumstances, the accuracy and completeness of transfer to other Government entities amounting to Kshs.35,000,000 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 Garissa 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.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.8,383,468,720 and Kshs.7,279,605,268 respectively, resulting to an under-funding of Kshs.1,103,863,268 or 2% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.8,383,468,720 and Kshs.7,246,276,620 respectively, resulting in under-performance of Kshs.1,137,191,100 or 14% of the budget.

The under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Pending Bills

Annex 2-analysis of pending accounts payables reflects pending accounts payables totalling to Kshs.570,170,549 as at 30 June, 2024. Management has not explained why the bills were not settled during the year when they occurred. Failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not however, modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues 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 has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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. Irregular Payments to Council of Governors and Frontier Counties Development Council

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.845,318,125 as disclosed in Note 4 to the financial statements which includes other operating expenditure amounting to Kshs.118,307,874 out of which Kshs.5,000,000 and Kshs.6,000,000 is in respect to payments to Council of Governors and the Frontier Counties Development Council respectively. However, these payments were contrary to Section 37 of the Intergovernmental Relations Act, 2012 which requires operational expenses of the Council affiliated to county governments to be catered by the National Government. The regularity of payments made to the Council of Governors and Frontier Counties Development Council during the year under review could not be confirmed.

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

2.0. Human Resources

2.1. Irregular Payment of Special House Allowance

Analysis of June, 2023 Integrated Payroll and Personnel Database revealed that sixteen (16) employees whose date of current post is after the effective date of Salaries and Remuneration Commission Circular Ref. No SRC/ADM/1/13 Vol. III (126) of 10 December, 2014 were earning special house allowance in addition to the normal house allowance. According to payroll for June, 2023, a total of Kshs.128,668 was paid as special house allowance during the year under review contrary to SRC Circular on payment of house allowances.

2.2. Over Age Employees Retained in the Payroll

Review of the Integrated Payroll and Personnel Database (IPPD) revealed that one hundred and forty (140) officers who had attained the mandatory retirement age of sixty (60) years were still in office as at 30 June, 2023. This was contrary to Regulation 70(1)(a) of the Public Service Commission Regulations, 2020 which states that the mandatory retirement age in the public sector shall be sixty (60) years. The officers were paid emoluments totalling to Kshs.14,361,090 in the year under review. However, no records were provided for audit to demonstrate that the officers were entitled to prolonged stay in the service as provided for in Public Service staffing regulations.

2.3. Staff Paid Basic Pay Less than Approved Rates

Review of IPPD payroll for the financial year ended 30 June, 2023 revealed that there were twenty-eight (28) staff members in various job groups whose basic salary was below the minimum wage limit set by Salaries and Remuneration (SRC) Circular No. SRC/TS/JE/CG/3/33/6 VOL.III (30) dated 8 July, 2020 which categorizes job groups and their basic pay bands to be adopted by the county governments resulting to an underpayment of Kshs.1,813,959.

2.4. Employees Earning Less than a Third (1/3) of Basic Salary

Review of the County Executive payrolls for the year revealed that thirty-five (35) employees were receiving net salaries that were less than one third (1/3) of their respective basic salaries contrary to Section 19(3) of the Employment Act, 2007 and Section C.1 (3) of Human Resource Policies and Procedures Manual for the Public Service (2016) which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary.

2.5. Lack of Comprehensive Staff Medical Cover

During the year under review, the County Executive had two payroll systems in operation, a manual payroll and Integrated Personnel and Payroll Database (IPPD) system. Review of the payrolls reflected two thousand six hundred and seventy-one (2,671) employees in the Integrated Personnel and Payroll Database (IPPD) system while five hundred and

eight (508) employees were in the manual payroll. However, the Executive failed to procure and implement group medical cover for the staff for the year under review. This was contrary to Salaries and Remuneration Commission Circular Ref No: SRC/TS/CGOVT/3/61 of 19 December, 2014 which provides that all County Governments should adopt and implement group medical scheme for all public officers serving in the County Governments.

2.6. Non-adherence to Law on Ethnic Balance

Review of the payroll for June, 2023 payroll reveals that the Executive had a total of two thousand, six hundred and seventy-one (2671) employees. However, analysis of the employees' data revealed that 77.5% of the employees were from the same ethnic community while the remaining 22.5% were from other ethnic communities. Further, since the manual payroll did not contain details on gender, ethnicity and persons with disability, it was not possible to determine the percentage of Ethnic Composition in the manual payroll. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 provides that: (1) All public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, (2) No public establishment shall have more than 30 % of its staff from the same ethnic community.

2.7. Wage Bill Above Threshold of 35%

During the year under review, the County Executive spent an amount of Kshs.4,284,841,581 on compensation of employees, which is approximately 58.9% of the total revenue of Kshs.7,279,605,452, and therefore exceeded the recommended ratio of 35% as stipulated in Regulation 25(1) of the Public Finance Management (County Governments) Regulations, 2015.

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

3.0. Non-Compliance with General Procurement Guidelines

3.1. Access to Government Procurement Opportunities Regulations

During the financial year under review, the County Executive procured goods and services valued at Kshs.2,312,817,292. Included in this amount is Kshs.455,514,320 allocated to women, youth and persons with disability. However, this allocation amounted to 19% of the total contracts, contrary to Regulation 149 of Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to allocate at least thirty (30%) per cent of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability.

3.2. Guidelines on Preparation of Procurement Plan

Review of the County Executive procurement plan for the financial year 2022/23 revealed that a total of Kshs.933,241,383 was allocated for the procurement of various works and goods by various departments. However, the allocation was not supported by a detailed

breakdown of the specific goods or works required, a schedule of the planned delivery, implementation or completion dates for all the goods or works required. In addition, the procurement plan did not indicate an estimate of the value of each package of goods or works required, budget availability and sources of funding as stipulated by the format specified in the third schedule of the Public Procurement and Asset Disposal Regulations, 2020.

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 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. Management of Temporary Imprest

During the year under review, review of the imprest warrants revealed various weaknesses regarding management of temporary imprest. Imprests issued were not recorded in an imprest register and imprest amounting to Kshs.4,954,500 was not surrendered within seven (7) working days after officers returned to their duty station. This was contrary to Regulation 93 of the Public Finance Management (County Governments) Regulations, 2015.

Management was therefore in breach of the law and effectiveness of internal controls in respect of imprest could not be confirmed.

2. Lack of an Approved Staff Establishment

During the year under review, the County Executive had two (2) payroll systems in operation – a manual payroll and Integrated Personnel and Payroll Database (IPPD) system. Review of the payrolls revealed two thousand six hundred and seventy-one (2,671) employees in the Integrated Personnel and Payroll Database (IPPD) system while five hundred and eight (508) employees were in the manual payroll. However, the County Executive is yet to prepare or approve its staff establishment and hence managed its

human resource without an approved staff establishment. In the absence of an approved establishment, the adequacy and appropriateness, existence and the necessity to fill vacancies or the possibility of staff progression could not be confirmed.

In the absence of an approved staff establishment, it was not possible to determine if the County Executive operated with an optimal number of staff.

3. Failure to Establish an Audit Committee

During the year under review, the County Executive had not established an audit committee. The audit committee would have performed various roles which include: understanding and assessing the overall risks the entity is facing, reviewing the adequacy of internal controls that Management has put in place regarding financial management controls, accounting systems, reporting and reviewing the entity's compliance with all relevant legislation and statutory requirements and conducting a follow up on the implementation of the recommendations of internal and external auditors.

In the circumstances, efficiency and adequacy of internal controls in place could not be confirmed.

4. Un-updated Non-Current Asset Register

The summary of non-current assets attached as annex 3 to the financial statements includes asset classes such as buildings and structures, intangible assets, transport equipment, office equipment, furniture and fittings, and infrastructure assets (roads). Review of the non-current asset register provided for audit revealed that the Management did not update the fixed asset register as required by Regulation 136 of the Public Finance Management (County Government) Regulations, 2015. The asset register did not contain columns for acquisition date, cost of acquisition, accumulated depreciation and net book value. Further, physical inspection of some of the assets owned by the County Executive revealed that some assets were not tagged with identification codes as required by law.

In the circumstances, completeness, safe custody and ownership of the fixed assets 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2024

9. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2023

	Notes	2022-2023 Kshs	2021-2022 Kshs
RECEIPTS			
Transfers from the CRF	1	7,279,605,452	7,748,750,749
Miscellaneous receipts	2	-	-
TOTAL RECEIPTS		**7,279,605,452**	**7,748,750,749**
PAYMENTS			
Compensation of employees	3	4,284,841,581	4,895,318,924
Use of goods and services	4	845,318,125	718,179,797
Transfers to other government entities	5	154,729,423	1,035,138,652
Other grants and transfers	6	450,973,034	986,711,029
Social security benefits	7	23,600,000	-
Acquisition of assets	8	1,475,930,588	1,174,954,705
Finance costs, including loan interest	9	10,883,869	23,157,242
TOTAL PAYMENTS		**7,246,276,620**	**8,833,460,349**
SURPLUS/DEFICIT		**33,328,832**	**(1,084,709,600)**

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 29/9/ 2023 and signed by:

.....

Chief Officer - Finance
Name: Adan Harun Abdi
ICPAK Member Number:

.....

Head of Accounting Services
Name: CPA Abdi Ali Nuriye
ICPAK Member Number: 29047

10. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE, 2023

	Note	2022-2023 KSh	2021-2022 KSh
FINANCIAL ASSETS			
Cash and cash equivalents			
Bank balances	**10A**	60,888,202	27,559,370
Cash balances	**10B**		-
Total cash and cash equivalents		**60,888,202**	**27,559,370**
Outstanding imprests and advances			
TOTAL FINANCIAL ASSETS		**60,888,202**	**27,559,370**
FINANCIAL LIABILITIES			
Deposits and retentions			
NET FINANCIAL ASSETS		**60,888,202**	**27,559,370**
REPRESENTED BY			
Fund balance b/fwd.	**11**	27,559,370	1,112,268,970
Prior year adjustments	**12**		
Surplus/deficit for the year		33,328,832	(1,084,709,600)
NET FINANCIAL POSITION		**60,888,202**	**27,559,370**

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 29/9/2023 and signed by:

Chief Officer - Finance
Name: Adan Harun Abdi
ICPAK Member Number:

Head of Accounting Services
Name: CPA Abdi Ali Nuriye
ICPAK Member Number: 29047

11. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE, 2023

	Notes	2022-2023 Kshs	2021-2022 Kshs
Receipts from operating income			
Transfers from the CRF	1	7,279,605,452	7,748,750,749
Miscellaneous receipts	2	-	-
Total receipts from operating income		**7,279,605,452**	**7,748,750,749**
Payments for operating expenses			
Compensation of employees	3	(4,284,841,581)	(4,895,318,924)
Use of goods and services	4	(845,318,125)	(718,179,797)
Transfers to other government entities	5	(154,729,423)	(1,035,138,652)
Other grants and transfers	6	(450,973,034)	(986,711,029)
Social security benefits	7	(23,600,000)	0
Finance costs, including loan interest	9	(10,883,869)	(23,157,242)
Total payments for operating expenses		**(5,770,346,032)**	**(7,658,505,645)**
Adjusted for:			
Prior year adjustments		-	-
Decrease/(increase) in outstanding imprests & advances		-	-
Increase/(decrease) in deposits and retentions		-	-
Net cash flow from operating activities		**1,509,259,420**	**90,245,104**
Cash flow from investing activities			
Acquisition of assets	8	(1,475,930,588)	(1,174,954,705)
Net cash flows from investing activities		**(1,475,930,588)**	**(1,174,954,705)**
Cash flow from Financing activities			
Net cash flow from financing activities		**-**	**-**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**33,328,832**	**(1,084,709,600)**
Cash and cash equivalents at beginning of the year		**27,559,370**	**1,112,268,970**
Cash and cash equivalents at end of the year		**60,888,202**	**27,559,370**

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 29/9/ 2023 and signed by:

Chief Officer - Finance
Name: Adan Harun Abdi
ICPAK Member Number:

Head of Accounting Services
Name: CPA Abdi Ali Nuriye
ICPAK Member Number: 29047

12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS (RECURRENT AND DEVELOPMENT COMBINED) FOR THE YEAR ENDED 30 JUNE, 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% Of Utilization f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	8,383,468,720	-	8,383,468,720	7,279,605,452	1,103,863,268	87%
TOTAL	**8,383,468,720**	-	**8,383,468,720**	**7,279,605,452**	**1,103,863,268**	**87%**
PAYMENTS						
Compensation of employees	4,209,771,348	102,020,878	4,311,792,226	4,284,841,581	26,950,645	99%
Use of goods and services	1,077,063,511	(171,982,069)	905,081,442	845,318,125	59,763,317	93%
Transfers to other government units	730,240,352	(272,139,062)	458,101,290	154,729,423	303,371,867	34%
Other grants and transfers	482,935,965	(30,000,000)	452,935,965	450,973,034	1,962,931	100%
Social security benefits	61,290,259	(10,000,000)	51,290,259	23,600,000	27,690,259	46%
Acquisition of assets	1,606,069,980	587,313,689	2,193,383,669	1,475,930,588	717,453,081	67%
Finance costs, including loan interest	10,883,869	-	10,883,869	10,883,869	-	100%
TOTAL	**8,178,255,284**	**205,213,436**	**8,383,468,720**	**7,246,276,620**	**1,137,192,100**	**86%**

(a) Social Security Benefits was at 46% due to part payment of gratuities to former county officers.

(b) Acquisition of Assets was at 67% due to delays in the releases of exchequer issues from the National Treasury and long procurement processes.

The County Executive's financial statements were approved on 29/9/ 2023 and signed by:

Chief Officer Finance

Name: Adan Harun Abdi

ICPAK Member Number:

Head of Accounting Services

Name: CPA Abdi Ali Nuriye

ICPAK Member Number: 29047

12.A STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS – RECURRENT FOR THE YEAR ENDED 30 JUNE, 2023

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% Of Utilization Rate %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	5,702,849,131		5,702,849,131	5,566,151,280	136,697,851	98%
TOTAL	**5,702,849,131**		**5,702,849,131**	**5,566,151,280**	**136,697,851**	**98%**
PAYMENTS						
Compensation of employees	4,209,771,348	102,020,878	4,311,792,226	4,284,841,581	26,950,645	99%
Use of goods and services	797,063,511	(45,982,069)	751,081,442	741,103,859	9,977,583	99%
Transfers to other government units	111,292,626	(20,374,256)	90,918,370	90,918,370	-	100%
Other grants and transfers	171,000,000	(30,000,000)	141,000,000	139,037,069	1,962,931	99%
Social security benefits	61,290,259	(10,000,000)	51,290,259	23,600,000	27,690,259	46%
Acquisition of assets	236,334,082	109,548,883	345,882,965	305,882,965	40,000,000	88%
Finance costs, including loan interest	10,883,869	-	10,883,869	10,883,869	-	100%
TOTAL	**5,597,635,695**	**105,213,436**	**5,702,849,131**	**5,596,267,713**	**106,581,418**	**98%**

(a) Social Security Benefits was at 46% due to part payment of gratuities to former county officers.

The County Executive's financial statements were approved on 29/9/ 2023 and signed by:

Chief Officer Finance
Name: Adan Harun Abdi
ICPAK Member Number:

Head of Accounting Services
Name: CPA Abdi Ali Nuriye
ICPAK Member Number: 29047

12.B STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE,2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from the CRF	2,680,619,589		2,680,619,589	1,713,454,172	967,165,417	64%
TOTAL	**2,680,619,589**		**2,680,619,589**	**1,713,454,172**	**967,165,417**	**64%**
PAYMENTS						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	280,000,000	(126,000,000)	154,000,000	104,214,266	49,785,734	68%
Transfers to other government units	618,947,726	(251,764,806)	367,182,920	63,811,053	303,371,867	17%
Other grants and transfers	311,935,965	-	311,935,965	311,935,965	-	100%
Social security benefits	-	-	-	-	-	-
Acquisition of assets	1,369,735,898	477,764,806	1,847,500,704	1,170,047,623	677,453,081	63%
Finance costs, including loan interest	-	-	-	-	-	-
TOTAL	**2,580,619,589**	**100,000,000**	**2,680,619,589**	**1,650,008,908**	**1,030,610,681**	**62%**

(a) Acquisition of Assets was at 63% due to delays in the releases of exchequer issues from the National Treasury and long procurement processes.

(b) Transfer to Other Government Units was at 17% due to non-release of Grant from World Bank budgeted under the department of Water and Sanitation.

The County Executive's financial statements were approved on 29/9/ 2023 and signed by:

Chief Officer Finance
Name: Adan Harun Abdi
ICPAK Member Number:

Head of Accounting Services
Name: CPA Abdi Ali Nuriye
ICPAK Member Number: 29047

12. C BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE, 2023

Program	Sub Program	Description	Final Budget	Actual	Variance
			Kshs	Kshs	Kshs
105003310		**Land Policy and Physical Planning Plans**	**33,000,000.00**	**3,300,000.00**	**29,700,000.00**
	105013310	Physical and spatial plans	33,000,000.00	3,300,000.00	29,700,000.00
106003310		**Administrative and support services**	**537,857,309.00**	**92,606,527.00**	**445,250,782.00**
	106063310	Administrative and Support Services	537,857,309.00	92,606,527.00	445,250,782.00
107003310		**Livestock production services**	**135,124,397.00**	**62,744,260.00**	**72,380,137.00**
	107023310	Veterinary support services	33,350,000.00	3,350,000.00	30,000,000.00
	107063310	Administration and Support Services	96,224,397.00	54,094,260.00	42,130,137.00
	107073310	Livestock Production	5,550,000.00	5,300,000.00	250,000.00
110003310		**Fisheries production services**	**200,000.00**	**200,000.00**	**0**
	110033310	Fishery Services	200,000.00	200,000.00	0
111003310		**Crop Production and Irrigation services**	**6,200,000.00**	**2,600,000.00**	**3,600,000.00**
	111013310	Extension Support Services and exhibition	1,200,000.00	1,200,000.00	0
	111023310	Irrigation Development	5,000,000.00	1,400,000.00	3,600,000.00
201003310		**Roads network and Transport services**	**2,417,200.00**	**2,017,200.00**	**400,000.00**
	201043310	Transport services	2,417,200.00	2,017,200.00	400,000.00
202003310		**General Administration and Support Services**	**35,906,400.00**	**31,922,116.00**	**3,984,284.00**
	202013310	Administration, personnel and operation of activities.	35,906,400.00	31,922,116.00	3,984,284.00
203003310		**Roads Development Program**	**214,000,000.00**	**0**	**214,000,000.00**
	203013310	Maintenance of Roads and Bridges	214,000,000.00	0	214,000,000.00

204003310		Public Works and Housing Program	15,574,997.00	4,910,000.00	10,664,997.00
	204023310	Housing Development	15,574,997.00	4,910,000.00	10,664,997.00
205003310		Lands And Physical Planning Program	112,625,978.00	0	112,625,978.00
	205013310	Planning and survey	112,625,978.00	0	112,625,978.00
301003310		Administrative and support Services	65,250,255.00	64,024,941.00	1,225,314.00
	301013310	Administration and policy formulation	65,250,255.00	64,024,941.00	1,225,314.00
302003310		Departmental service Programme	1,350,000.00	1,300,000.00	50,000.00
	302023310	Weight and Measures services	1,350,000.00	1,300,000.00	50,000.00
304003310		Trade And Co-Operative Development Program	2,400,000.00	2,390,000.00	10,000.00
	304023310	Trade Development and Weigh & Measures	2,400,000.00	2,390,000.00	10,000.00
401003310		Curative Services	598,550,512.00	120,000,000.00	478,550,512.00
	401043310	Medical Products, Appliances and Equipment	118,087,750.00	97,000,000.00	21,087,750.00
	401053310	Development of Health Services	453,027,277.00	0	453,027,277.00
	401073310	Referral Services	27,435,485.00	23,000,000.00	4,435,485.00
402003310		Preventive and Promotive Services	4,216,604.00	1,948,604.00	2,268,000.00
	402033310	Health Promotion and Campaign	1,075,645.00	975,645.00	100,000.00
	402043310	Public Health Services	1,618,450.00	450,450.00	1,168,000.00
	402083310	Nutrition	1,522,509.00	522,509.00	1,000,000.00
403003310		General Administration and Support Services	2,369,115,347.00	2,148,375,439.40	220,739,907.60
	403023310	Administration ,Planning and M&E Service	2,369,115,347.00	2,148,375,439.40	220,739,907.60
502003310		ECD Program	34,412,400.00	3,110,000.00	31,302,400.00
	502013310	ECD Training	4,412,400.00	3,110,000.00	1,302,400.00
	502043310	ECD,Polytechnic and Schools	30,000,000.00	0	30,000,000.00
503003310		Youth polytechnics	10,000,000.00	0	10,000,000.00

	503013310	Infrastructural development	10,000,000.00	0	10,000,000.00
504003310		**General Administration and Support Services**	**816,545,755.00**	**621,236,912.40**	**195,308,842.60**
	504033310	Administration Operations and Maintenance	536,254,463.00	472,962,006.40	63,292,456.60
	504043310	Public Service	280,291,292.00	148,274,906.00	132,016,386.00
703003310		**Administration and Support Services and Development works**	**79,300,000.00**	**0**	**79,300,000.00**
	703013310	Administration Services	79,300,000.00	0	79,300,000.00
704003310		**County Executive Services**	**97,020,000.00**	**78,600,000.00**	**18,420,000.00**
	704013310	Governor's Office	61,900,000.00	47,600,000.00	14,300,000.00
	704023310	Deputy governor's Office	35,120,000.00	31,000,000.00	4,120,000.00
705003310		**Departmental Programs**	**32,095,163.00**	**28,572,000.00**	**3,523,163.00**
	705023310	Intergovernmental Relations, Special Programs	17,812,430.00	16,072,000.00	1,740,430.00
	705033310	SP3: Information Research and statistics	14,282,733.00	12,500,000.00	1,782,733.00
707003310		**Administration and construction works**	**1,510,267,391.00**	**1,316,699,663.80**	**193,567,727.20**
	707013310	Administration and Planning Services	1,253,517,391.00	1,173,532,908.15	79,984,482.85
	707053310	Sub County Operations	120,810,000.00	114,800,000.00	6,010,000.00
	707063310	Special Program Services	135,940,000.00	28,366,755.65	107,573,244.35
709003310		**Departmental programs**	**251,000,120.00**	**232,574,132.70**	**18,425,987.30**
	709013310	Budget formulation and management program	6,780,000.00	3,950,000.00	2,830,000.00
	709023310	Resource mobilization program	199,927,781.00	194,420,024.50	5,507,756.50
	709033310	Finance and Accounting Program	3,713,739.00	2,550,000.00	1,163,739.00
	709043310	Supply Chain Management Program	5,630,000.00	3,000,000.00	2,630,000.00
	709053310	Economic Planning	31,086,000.00	26,654,108.20	4,431,891.80
	709063310	Internal Audit Services	3,862,600.00	2,000,000.00	1,862,600.00
710003310		**Town Management Services**	**1,093,884,951.00**	**1,067,040,993.50**	**26,843,957.50**
	710013310	Urban Sanitation and Development	900,000.00	300,000.00	600,000.00

	710023310	Urban Planning and Disaster Management	8,614,626.00	2,150,000.00	6,464,626.00
	710033310	Administration and Services	1,084,370,325.00	1,064,590,993.50	19,779,331.50
901003310		**Administration Support Services and construction works**	**91,411,832.00**	**42,381,200.00**	**49,030,632.00**
	901023310	Logistics and Maintenance Services	91,411,832.00	42,381,200.00	49,030,632.00
905003310			**1,025,000.00**	**0**	**1,025,000.00**
	905023310	Social Protection Cultural Promotion and Preservation	1,025,000.00	0	1,025,000.00
905003310		**Environment and Natural Resource Management**	**1,600,000.00**	**600,000.00**	**1,000,000.00**
	1001063310	Natural Resource Management	1,600,000.00	600,000.00	1,000,000.00
905003310		**Forest, Wildlife and Tourism**	**81,100,000.00**	**900,000.00**	**80,200,000.00**
	1002063310	Wildlife and Forest Conservation	81,100,000.00	900,000.00	80,200,000.00
905003310		**Energy and Mining**	**1,205,000.00**	**600,000.00**	**605,000.00**
	1003013310	Electrification of Rural and Other	1,205,000.00	600,000.00	605,000.00
905003310		**Administration and Support Services**	**59,243,025.00**	**56,109,000.00**	**3,134,025.00**
	1004013310	Administration and Operations	59,243,025.00	56,109,000.00	3,134,025.00
905003310		**Water Services**	**1,142,834,613.00**	**746,920,541.95**	**395,914,071.05**
	1005063310	Administration and Support Services	264,834,613.00	155,285,350.00	109,549,263.00
	1005083310	Water Infrastructure Development	878,000,000.00	591,635,191.95	286,364,808.05
		Grand Total	**8,383,468,720**	**7,246,276,620**	**1,137,192,100**

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic)

SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and 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.

b) Reporting entity

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

c) Recognition of receipts and payments

i) Recognition of receipts

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

ii) 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.

iii) Proceeds from sale of assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) 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, and statutory contributions 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. (if applicable).*

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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.

f) Third Party Payments

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. Details of payments by third parties on behalf of the county Executive is detailed in the notes to these financial statements.

g) 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.

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 2023, this amounted to zero.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) 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.

i) 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.

j) 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.

k) Pending bills

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Contingent Liabilities

A contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) A present obligation that arises from past events but is not recognised because:

   i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

   ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships.

The County Executive does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) 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 29th June 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was one 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.

o) Comparative figures

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

p) 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.

q) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

r) 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.

13. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFER FROM THE CRF

Description	2022-2023 Kshs	2021-2022 Kshs
Total exchequer releases for quarter 1	1,118,514,860	1,981,803,065
Total exchequer releases for quarter 2	1,702,464,904	1,942,167,002
Total exchequer releases for quarter 3	1,563,328,149	1,981,803,064
Total exchequer releases for quarter 4	2,895,297,539	1,387,262,145
Total	**7,279,605,452**	**7,293,035,276**

2. MISCELLANEOUS RECEIPTS

Description	2022-2023 Kshs	2021-2022 Kshs
Insurance Recoveries	-	-
Other Receipts *(Specify)*	-	-
Total	**-**	**-**

3. COMPENSATION OF EMPLOYEES

	2022-2023 Kshs	2021-2022 Kshs
Basic salaries of permanent employees	3,802,970,470	4,018,970,539
Basic wages of temporary employees	410,062,610	782,635,335
Compulsory national social security schemes	9,470,400	14,237,500
Compulsory national health insurance schemes	62,338,101	79,475,550
Total	**4,284,841,581**	**4,895,318,924**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. USE OF GOODS AND SERVICES

	2022-2023 KSh	2021-2022 KSh
Utilities, supplies and services	195,404,105	72,648,266
Communication, supplies and services	120,000	132,000
Domestic travel and subsistence	85,924,196	74,984,600
Foreign travel and subsistence	1,200,000	0
Printing, advertising and information supplies & services	2,743,740	26,397,666
Rentals of produced assets	50,575,917	50,220,578
Training expenses	3,370,488	1,560,116
Hospitality supplies and services	43,169,300	18,207,800
Insurance costs	0	0
Specialized materials and services	290,754,444	331,591,538
Office and general supplies and services	33,288,247	68,863,944
Other operating expenses	118,307,874	33,197,151
Routine maintenance – vehicles and other transport equipment	3,811,180	26,356,138
Fuel Oil and Lubricants	16,648,633	12,000,000
Routine maintenance – other assets	0	2,020,000
Total	**845,318,125**	**718,179,797**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2022-2023 Kshs	2021-2022 Kshs
Transfers to County Government entities		
Transfers to County Assembly of Garissa	-	944,999,912
Transfers to Garissa County Referral and MOH	35,000,000	0
Capital Grant to Semi-Autonomous Govt Agencies	103,338,791	63,913,906
Current Grant to Semi-Autonomous Govt Agencies (GIDA + DANIDA&THS)	10,390,632	16,024,834
Transfers to Garissa County Municipal Board	6,000,000	10,200,000
TOTAL	**154,729,423**	**1,035,138,652**

6. OTHER GRANTS AND TRANSFERS

	2022-2023 Kshs	2021-2022 Kshs
Scholarships and other educational benefits	30,000,000	40,000,000
Emergency relief and refugee assistance	60,308,000	60,403,634
Emergency Donations	48,729,069	176,046,225
Other Capital Grants And Transfers	311,935,965	710,261,170
Total	**450,973,034**	**986,711,029**

7. SOCIAL SECURITY BENEFITS

	2022-2023 Kshs	2021-2022 Kshs
Government pension and retirement benefits	23,600,000	0
Total	**23,600,000**	**0**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. ACQUISITION OF ASSETS

Non Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Construction of Buildings	295,924,863	0
Construction of Roads	74,325,053	0
Construction and Civil Works	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Office Furniture and General Equipment	32,267,364	49,061,897
Purchase of Specialized Plant, Equipment and Machinery	74,995,726	255,280,160
Purchase of Certified Seeds, Breeding Stock and Live Animals	7,056,000	9,289,784
Rehabilitation of Civil Works	148,869,664	53,765,204
Payables from Previous Financial Periods	842,491,918	807,557,660
Total acquisition of assets	**1,475,930,588**	**1,174,954,705**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. FINANCE COSTS, INCLUDING LOAN INTEREST

	2022-2023	2021-2022
	Kshs	Kshs
Interest on Borrowing & Bank Charges	10,883,869	23,157,242
Total	**10,883,869**	**23,157,242**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CASH AND BANK BALANCES

10A. BANK BALANCES

Account Name	Name of Bank	Account No	Indicate whether recurrent or development deposits, receipts etc	2022-2023	2021-2022
				Kshs	Kshs
Garissa County Revenue Fund (CRF) Account	Central Bank Of Kenya	1000171499	Revenue	-	7,839,087.30
Garissa County Recurrent Account	Central Bank Of Kenya	1000170972	Recurrent	78,869.65	1,427.80
Garissa County Development Account	Central Bank Of Kenya	1000170905	Development	14,494.20	3,769.05
Garissa County Payroll Account	Equity Bank	0580268032847	Recurrent	103,740.90	19,698,167.66
Garissa County Payroll Account	Cooperative Bank		Recurrent	1,710,677.40	
Garissa County Payroll Account	National Bank of Kenya	0198703000	Recurrent	48,578,087.20	
Garissa County Road Maintenance Levy Fund(R.M.L.F)	Central Bank Of Kenya	1000312599	Recurrent	0	0
Garissa County Special Purpose Account (SPA)	Central Bank Of Kenya	1000268228	Recurrent	1,991,336.00	0
Garissa County Referral Hospital (PGH) Account	Gulf African Bank	0340006101	Recurrent	14,075.60	110.20
Garissa County Department Of Health	First Community Bank	00095763	Recurrent	7,050.00	16,808.00
Garissa County Deposit Account	Central Bank Of Kenya	1000225677	Deposits	0	0
Garissa County Imprest Account-	Equity Bank	0580277628549	Recurrent	0	0
Garissa County Kenya Urban Support Program (KUSP) -UDG	Equity Bank	0580279018087	Development	0	0
Garissa County Kenya Urban Support Program (KUSP)-UIG	Equity Bank	0580279032289	Recurrent	0	0
Garissa County Village Polytechnic Project Account	Central Bank Of Kenya	1000369205	Recurrent	0	0
Garissa County Kenya Devolution Support Program (KDSP)	Central Bank Of Kenya	1000399732	Recurrent	0	0

Garissa County Agriculture Sector Development Support Programme (ASDSP II)	Central Bank Of Kenya	1000365738	Recurrent	0	
Garissa County Livestock Development Account	Central Bank Of Kenya	1000385634	Recurrent	0	0
Garissa County Water And Sanitation (WSDP)	Central Bank Of Kenya	1000385596	Development	0	0
Garissa County Kenya Climate Smart Agriculture Project (KCSAP)	Central Bank Of Kenya	1000365714	Development	0	0
Garissa County Kenya Urban Support Program (KUSP) -UDG	Central Bank Of Kenya	1000385618	Development	0	0
Garissa County Kenya Urban Support Program (KUSP)-UIG	Central Bank Of Kenya	1000411112	Recurrent	0	0
Garissa County Unicef Special Purpose Account	Central Bank Of Kenya	1000457279	Recurrent	0	0
Garissa County Danida PHC Supply Programme	Central Bank Of Kenya	1000592494	Recurrent	7,092,361.00	0
Garissa County Financing Locally Led Climate Action Account/ Climate Change Fund	Central Bank Of Kenya	1000513168	Development	1,297,510.05	0
Garissa County Emergency Locust Response (ELRP)	Central Bank Of Kenya	1000522259	Development	0.25	0
Total				**60,888,202.00**	**27,559,370.01**

11. FUND BALANCE BROUGHT FORWARD

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	27,559,370	1,112,268,970.16
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**27,559,370**	**1,112,268,970.16**

12. PRIOR YEAR ADJUSTMENTS

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

	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous FY
Description Of the Error	**Kshs**	**Kshs**	**Kshs**
Bank Account Balances	-	-	-
Cash in Hand	-	-	-
Outstanding Imprests and Advances	-	-	-
Third party deposits and Retention	-	-	-
Others (*Specify*)	-	-	-
Total	**-**	**-**	**-**

13. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (SEE ANNEX 2)

2. EXTERNAL ASSISTANCE

Description	2022-2023 Kshs	2021-2022 Kshs
External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	-	-
External Assistance received In Kind- as Payment by Third Parties	-	-
Total	-	-

a) EXTERNAL ASSISTANCE RELATING TO LOANS AND GRANTS

Description	2022-2023 Kshs	2021-2022 Kshs
External Assistance received as Loans	-	-
External Assistance received as Grants	-	-
Total	-	-

b) UNDRAWN EXTERNAL ASSISTANCE

Description	Purpose for which the undrawn external assistance may be used	2022-2023 Kshs	2021-2022 Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

OTHER IMPORTANT DISCLOSURES

c) Classes of providers of external assistance

Description	2022-2023 Kshs	2021-2022 Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	**-**	**-**

d) Non-monetary external assistance

Description	2022-2023 Kshs	2021-2022 Kshs
Goods	-	-
Services	-	-
Total	**-**	**-**

OTHER IMPORTANT DISCLOSURES

e) Purpose and use of external assistance.

Description	2022-2023 Kshs	2021-2022 Kshs
Compensation of Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to Other Government Entities	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

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	2022-2023 Kshs	2021-2022 Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

OTHER IMPORTANT DISCLOSURES

3. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY EXECUTIVE

This relates to payments made directly to supplier on behalf of the county Executive. For example, the national government may fund the operations of health or education program, a donor may pay directly for construction of a given market etc.

3.1 Classification by Source

Description	2022-2023 Kshs	2021-2022 Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Other County Entities	-	-
Others	-	-
Total	-	-

3.2 Classification of payments made by Third Parties by Nature of expenses.

Description	2022-2023 Kshs	2021-2022 Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Repayment of principal on domestic & foreign borrowing	-	-
Other payments	-	-
Total	-	-

OTHER IMPORTANT DISCLOSURES

4. 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.

Related party transactions

	2022-2023	2021-2022
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)	-	-
Transfers To Related Parties		
Transfers to Other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on Behalf Of County Water Service Providers	-	-
Total Transfers To Related Parties	-	-
Transfers From Related Parties		
Transfers From the CRF	7,279,605,452	-
Transfers From National Government MDAs	-	-
Transfers From SCs And SAGAs - National Government	-	-
(Insert Any Other Transfers Received)	-	-
Total Transfers From Related Parties	**7,279,605,452**	-

OTHER IMPORTANT DISCLOSURES

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Garissa County Bursary Fund		Garissa County	Chief Officer - Finance
Garissa County Revolving Fund		Garissa County	Chief Officer - Trade
Garissa County Emergency Fund		Garissa County	Chief Officer - Finance
Garissa County Investment And Development Authority		Garissa County	Chief Officer - Trade

6. 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 current financial year, no amounts relating to leased medical equipment was carried forward for the previous Financial year.

7. CONTINGENT LIABILITIES

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against the Entity	-	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising from PPPs	-	-
Total	**-**	**-**

14. 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**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timefra me:** ***(Put a date when you expect the issue to be resolved)***
1.0	Cash and cash equivalents	We take your advice to fully and. We have given stern instructions to all the accounting officers to adhere to PFM act and that they will take personal responsibilities for such issues in the next system audit	County Chief Officer-Agriculture and chief officer finance	Not Resolved	July 2024
2.0	Variance Between Financial statement and payrolls	The error was originating from the financial statements and has since been amended accordingly	Chief officer Finance	Not Resolved	July 2024
3.0	Unsupported payments of pending bills	We take your advice to fully support all payments as required and full disclosure, We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2023

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timefra me:** ***(Put a date when you expect the issue to be resolved)***
4.1	Unsupported Routine Maintenance-Motor vehicles and other Equipment	We take your advice to fully support all payments as required. We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024
4.2	Unsupported Routine Maintenance -Other Assets	We have warned all the accounting officers for non-provision of information to the auditors in every audit and that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024
4.3	Unsupported Rental of produced Assets.	We take your advice to fully support all payments as required. We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
4.4	Unsupported Training Expenses	We take your advice to provide payment vouchers. We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024
4.5	Unsupported pharmaceutical Drugs, Non-pharmaceuticals, Dressings and Lab Reagents Expenditure	We take your advice to fully support all payments as required. We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024
4.6	Unaccounted for Office and General supplies.	We take your advice to fully support all payments as required. We have warned all the accounting officers that they will take personal responsibilities for such issues in the next system audit.	County Chief Officer – Finance	Not Resolved	July 2024
4.7	Unsupported Domestic Travel and subsistence	We take your advice to fully support all	County Chief Officer – Finance	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
		payments as required. All the necessary documentation have so far been provided to the Auditor for their action.			
4.8	Unsupported Hospitality Supplies and Services	We take your advice to fully support all payments as required. All the necessary documentations have so far been provided to the Auditor for their action.	County Chief Officer-Finance	Not Resolved.	July 2024
OTHER MATTER 1.0	Budget Control and Performance.	The Under absorption of budget observed in both the recurrent and development expenditure was as a result of delays in the release of funds by the national treasury, making it difficult for the County Government entities to utilize funds on time leading to the under absorption	County Chief Officer-Finance	Not Resolved.	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
2.0	Late Exchequer Issues	This is beyond our control	National Treasury	Not Resolved	Resolutio n by NG
3.0	Unsupported pending bills	A detailed budget is available for audit review	Chief officer finance	Not resolved	July 2024
4.0	Unresolved Prior Year Matters.	The Prior year Audit Matters have so far been discussed in the senate and awaiting clearance.	County Chief Officer-Finance	Discussed by The Senate awaiting verdict	July 2024
1.0	Failure to Transfer Rental Deductions to the County Revenue Fund	We have taken your advice on the matter and we have issued stern warning to the relevant chief officer	Chief Officer -Finance	Not Resolved	July 2024
2.1	Unconfirmed Remittance of Payroll Deductions	The matter was noted and we have instructed the	Chief officer-finance	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
		concerned chief officer			
2.2	Payments of casual wages to a county officer on behalf of casuals	The casuals cannot be paid through the IFMIS system because they don't have personal numbers hence can't be defined in	County Chief Officer-Finance	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
		the system and that necessitated the transfer of funds from IFMIS to an officer who will in turn pay the casuals .			
2.3	Non-compliance with Limits of Expenditure On Wages and Benefits.	The major factor that contributed to the increase in compensation is that, the county government took on the services of locum health workers who were not budgeted for in the last financial year hence resulted in the hike of the wage bill. There were few recruitments by the county public service board of 29 employees in different departments to help them handle the shortages that came as a result of attrition from retirements and transfers to other counties. **Mitigation**			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
		Recruitment: No further recruitment of new employees unless there is dire need to fill gaps. The county public service has advised that in such a situation, a convincing explanation has to be forwarded to them for gap analysis and consideration and also forwarded to the county treasury for budgeting. The county government plans to cease the services of locum health workers			
2.4	Staff Recruitment for the year Under Review.	The staffs have so far been confirmed and necessary documents available for audit review.	County Chief Officer-Finance	Not Resolved	July 2024
2.5	Non-compliance with the law on Ethnic Diversity	We have noted and taken your advice on this matter	Director HR	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
2.6	Irregular of Staff Aged Over Sixty Years.	An analysis of the said officers showed that some of them are employees with disability and the mandatory retirement age for such employees is 65yrs. Others were state officers and the rest were technical and specialists engaged on either 3 or 5yrs contract. All the files are available for scrutiny.	Payroll Manager	Not Resolved.	July 2024
2.7	Non-compliance with the a Third of the Basic pay Requirement	We have taken your advice on the same and we wish to comply	Payroll Manger	Not Resolved.	July 2024
2.8	Irregular payment of Salary on Transfer of Services	We have this anomaly and we have taken stern warning to the payroll manager and instructed him to recovery the amount paid to the officer	Payroll manager	Not Resolved	July 2024

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timefra me:** ***(Put a date when you expect the issue to be resolved)***
3.0	Overpayment for Works	We have noted the matter and tasked the chief officer Roads to provide satisfactory answer on the same	Chief officer Roads	Not Resolved	July 2024
4.0	Irregular Variation of contracts	The board minutes on the variation of works is available for audit review	Chief officer-Finance	Not Resolved	July 2024
5.0	Non-compliance with Financing Agreement on Agriculture Sector Development Support Program II(ASDSPII)	We have noted and budgeted the same in the financial year 2023/2024 and the total amount will be contributed within this financial year	Chief Officer-Finance	Not Resolved	July 2024
6.0	Irregular procurement and supply of Non-pharmaceutical products	We have tasked the chief officer Health to provide the reason as to why they have used direct procurement	Chief officer-Health	Not Resolved	July 2024
7.0	Stalled Projects	We re-evaluating the projects with an intention to restarting them	Chief officer -Finance	Not Resolved	July 2024
8.0	Unapproved Inter account Borrowing.	The Inter Account borrowing was settled and the amount transferred to the respective bank accounts.	Chief Officer - Finance	Not Resolved	July 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timefra me: *(Put a date when you expect the issue to be resolved)*
9.0	Irregular Use of Emergency Fund	We have noted the anomaly and tasked the relevant chief officer to provide explanation on the same	Chief Officer -Finance	Not Resolved	July 2024
8.0	Failure to Maintain Fixed Asset Register.	The County Executive maintains a fixed asset register but it's true that the valuation was not done by the time of audit. The process of ascertaining the assets of the defunct local authorities and their valuation is still ongoing and will be included in the asset register once it's concluded	County Chief Officer-Finance	Not Resolved	July 2023
1.0	Lack of an Approved Staff Establishment.	The county is in the process of developing the approved staff establishment	County Secretary	Not Resolved	July 2024
2.0	Land and Property Rents and RATES	We have noted your advice and tasked the Director land together with the Director Revenue to come provide an updated register of land and properties and a ledger of	Director of Land and Director Revenue	Not Resolved	July 2024

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timefra me:** ***(Put a date when you expect the issue to be resolved)***
		billings, waivers and outstanding payment of defaulters			
3.0	Unconfirmed Existence County Motor Vehicles		Chief officer public works and Transport	Not Resolved	July 2024
4.0	Lack of Audit Committee and Audit Charter.	The County Government of Garissa has fully established and operational Internal Audit Department with Audit Charter as well as Audit Committee is in place.	Chief Officer-Finance	Not Resolved	July 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2.0	Land and Property Rents and RATES	We have noted your advice and tasked the Director land together with the Director Revenue to come provide an updated register of land and properties and a ledger of billings, waivers and outstanding payment of defaulters	Director of Land and Director Revenue	Not Resolved	July 2024
3.0	Unconfirmed Existence County Motor Vehicles		Chief officer public works and Transport	Not Resolved	July 2024
4.0	Lack of Audit Committee and Audit Charter.	The County Government of Garissa has fully established and operational Internal Audit Department with Audit Charter as well as Audit Committee is in place.	Chief Officer-Finance	Not Resolved	July 2023

Abass Ismail Khaar.

CECM-Finance and Economic Planning

Sign.....

Date.....29/9/2023.....

15. ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE CRF

Period 20xx	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
Transfers from CRF	1,118,514,860	1,702,464,904	1,563,328,149	2,895,297,539	7,279,605,452
Level 5 Hospitals					
DANIDA - Universal Healthcare in Devolved Units Programme					
World Bank – THUSCP					
National Agricultural & Rural Inclusive Growth Project (NARIGP)					
Kenya Devolution Support Programme					
Youth Polytechnic support grant					
Abolishment of user fees in health centres and dispensaries					
Kenya Urban Support Programme					
Agriculture Sector Development Support Project (ASDSP)					
Kenya Climate Smart Agriculture Project (KCSAP)					
Water and Sanitation Development Project					
Construction of County Headquarters					
Total	**1,118,514,860**	**1,702,464,904**	**1,563,328,149**	**2,895,297,539**	**7,279,605,452**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

NO	COMPANY NAME	PROJECT DESCRIPTION	TENDER NUMBER	AMOUNT
1	Ainushamsi Transport And Construction Colimited	Ward Administration Offices Dadaab Ward	CGG/PW/T/001/2022-2023	2,640,312.20
2	Ms Nasiye General Supplies	Ward Administration Offices Dertu Ward	CGG/PW/T/002/2022-2023	1,690,462.60
3	Ms. Lokast Investment Limited	Ward Administration Offices Libio Ward	CGG/PW/T/004/2022-2023	3,004,847.80
4	M/S Janalook General Traders	Ward Administration Offices Abakaile Ward	CGG/PW/T/003/2022-2023	9,946,976.80
5	M/S Jubalink Logistics & Transport Company Limited	Ward Administration Offices Labasigale Ward	CGG/PW/T/006/2022-2023	1,502,570.00
6	M/S Ore Investment And Supply Ltd	Ward Administration Offices Nanighi Ward	CGG/PW/T/008/2022-2023	3,260,528.00
7	M/S Nasib Company Limited,	Ward Administration Offices Dekaharia Ward	CGG/PW/T/009/2022-2023	5,726,874.00
8	M/S Nasib Company Limited,	Ward Administration Offices Fafi Ward	CGG/PW/T/010/2022-2023	3,654,542.00
9	M/S USW Investment Realtors Company Limited	Ward Administration Offices Jarajila Ward	CGG/PW/T/011/2022-2023	5,194,889.20
10	M/S Hadeed General Trading Company Ltd	Ward Administration Offices Hulugho Ward	CGG/PW/T/012/2022-2023	1,706,930.00
11	M/S Hagardera Construction Company Limited Ltd	Ward Administration Offices Sangailu Ward	CGG/PW/T/013/2022-2023	6,910,000.00
12	M/S Hagardera Construction Company Limited Ltd	Ward Administration Offices Ijara Ward	CGG/PW/T/015/2022-2023	6,660,000.00
14	M/S Saanag Investment Company Limited	Ward Administration Offices Modogashe Ward	CGG/PW/T/016/2022-2023	1,879,010.00
15	M/S Hayaan General Suppliers Ltd	Ward Administration Offices Maalimin Ward	CGG/PW/T/017/2022-2023	1,975,306.00
16	M/S Bishaam Construction Limited	Ward Administration Offices Bananeward	CGG/PW/T/018/2022-2023	1,829,472.00
17	M/S Silent Ocean Construction Company Limited	Ward Administration Offices Sabena Ward	CGG/PW/T/020/2022-2023	1,696,856.80
18	M/S Riig Company Limited	Ward Administration Offices Goreale Ward	CGG/PW/T/021/2022-2023	2,978,960.20
19	Abshemo Building & Civil	Ward Administration Offices Danyere	CGG/PW/T/022/2022-2023	3,274,856.76

	Engineering Company Ltd	Ward		
20	Abshemo Building & Civil Engineering Company Ltd	Ward Administration Offices Sankuri Ward	CGG/PW/T/024/2022-2023	3,771,920.76
21	M/S Albawadi Investment Company Limited	Ward Administration Offices Balambala Ward	CGG/PW/T/023/2022-2023	5,780,000.00
22	Samria Construction And Supply Company Limited	Ward Administration Offices Saka Ward	CGG/PW/T/025/2022-2023	6,350,306.00
23	M/S Fossils Agencies Limited	Proposed Construction Of New Access Roads At Soko Mugdi Market Center	CGG/ROADS/T/001/2022-2023	34,157,234.50
24	M/S Seife Construction And Suppliers Ltd	Construction Of Mansory Perimeter Fence	CGG/HEALTH/T/006/2022-2023	14,919,474.00
25	M/S Khulole Construction Company Limited	Construction Of 250,000 Litres Underground Water Storage	CGG/HEALTH/T/001/2022-2023	12,214,452.00
26	Kolartor Limited P.O.BOX 23-70100 Garissa	Renovation Of Balambala Hospital	CGG/HEALTH/T/003/2022-2023	4,496,120.60
27	Eagle Worldwide Limited	Renovation Of Daadab Hospital	CGG/HEALTH/T/004/2022-2023	3,921,995.00
28	Petmut Enterprise Limited	Renovation Of Madogashe Hospital	CGG/HEALTH/T/005/2022-2023	2,419,610.00
29	Emergency Plus Medical Services	Ambulance Services	CGG/HEALTH/T/007/2022-2023	11,000,000.00
30	Bishin Transport And Construction Co. Ltd	Proposed Of Power Upgrade	CGG/HEALTH/T/008/2022-2023	4,969,800.00
31	Tiin Logistics Limited	Supply And Delivery Of Pump Sets	CGG/ALFC/T/001/2022-2023	16,075,700.00
32	JN Networks Limited	Maintenance Of Iftin Ward Access Roads	CGG/ROADS/T/002/2022-2023	1,487,200.00
33	Sufi Investment Limited	Maintenance Of Galbet Ward Access Roads	CGG/ROADS/T/003/2022-2023	2,003,054.60
34	M/S Kibora Investment Ltd	Supply And Delivery Of Farm Inputs	CGG/ALFC/T/002/2022-2023	2,814,000.00
35	M/S Aram Investment Limited	Proposed Extension Of County Headquarters	CGG/CA/T/001/2022-2023	26,540,550.00
36	M/S Volquest Investment Ltd	Supply And Delivery Of Swing Machines	CGG/CULTURE/T/003/2022-2023	4,605,200.00
37	M/S Laghatogweine Investments Ltd	Supply And Delivery Of Wheelchairs	CGG/CULTURE/T/002/2022-2023	4,500,000.00
38	M/S Turji Trading Company Ltd	Supply And Delivery Of Assorted Food	CGG/CULTURE/T/005/2022-	196,416.00

		Stuff	2023	
39	M/S Alsalaam Agencies Limited	Supply And Delivery Of Car Wash Machines And Water Tanks	CGG/CULTURE/T/006/2022-2023	610,000.00
40	Mumms Farm And Holding Ltd	Supply And Delivery Of Ecd Learning Materials	CGG/EDU/T/001/2022-2023	498,972.00
41	M/S S &Amp; N Investment Company Limited	Supply And Delivery Of Office Equipment	CGG/EDU/T/002/2022-2023	1,170,900.00
42	M/S Liege Enterprise Limited	Proposed Facelift Of Administration Block And Renovation Of Accident And Emergency Unit At Garissa County Referral Hospital	CGG/HEALTH/T/002/2022-2023	34,578,484.60
43	M/S Hayan General Supplies	Proposed Construction Of Ward Administration Office At Baraki Ward	CGG/PW/T/019/2022-2023	9,962,120.60
44	M/S Al-Bayan Construction Company Ltd	Proposed Renovation Of 3 No. Ecd Classrooms At Iftin Primary School-Iftin Ward	CGG/PW/T/029/2022-2023	4,594,411.60
45	M/S Boru Building And Construction Works Ltd,	Proposed Construction Of 2 No. Ecd Classrooms At Bula Mzuri	CGG/PW/T/028/2022-2023	4,591,842.20
46	M/S Albayan Construction Company Ltd	Proposed Renovation Of 3 No. Ecd Classrooms, Construction Of 2stance Pit Latrines And Installation Of 10,000ltrs Water Tank At Goodwish Primary School-Garissa Township Ward	CGG/PW/T/027/2022-2023	4,619,264.60
47	M/S Qalaf Construction Company Ltd	Proposed Construction Of Ward Administration Office At Jarjara Ward	CGG/PW/T/026/2022-2023	6,959,500.00
48	M/S Nasiye General Supplies	Proposed Construction Of Ward Administration Office At Masalani Ward	CGG/PW/T/014/2022-2023	9,925,760.40
49	M/S Labeyk Investments Ltd	Proposed Renovation Of 3 No. Ecd Classrooms, Construction Of 2stance Pit Latrines And Installation Of 10,000ltrs Water Tank At Yathrib Primary School-Garissa Township Ward.	CGG/PW/T/030/2022-2023	2,714,833.20
50	M/S Hakmoh Enterprise Limited	Proposed Renovation Of Garissa Fire Station	CGG/UP/T/001/2022-2023	16,331,596.40

51	M/S Quadcore Communication	Supply And Delivery Of Personal Protection equipment	CGG/UP/T/002/2022-2023	17,694,640.00
52	M/S Nurki Construction Co. Ltd	Proposed Boreholes Development And Associated Works At Kone-Modogashe	CGG/WS/T/002/2022-2023	25,586,270.00
53	M/S Domaal Company Limited	Proposed Borehole Development And Assorted Works	CGG/WS/T/003/2022-2023	20,449,593.80
54	M/S Raib General Trading Co. Ltd,	Proposed Rehabilitation Works For Garissa water And Sewerage	CGG/WS/T/004/2022-2023	19,507,140.00
55	M/S Davis &Amp; Shirtliff Limited	Proposed Supply, Installation And Commissioning Of 4 No. Water Pumps	CGG/WS/T/005/2022-2023	26,678,840.00
56	M/S Macruf Investors Ltd	Proposed Rehabilitation Works For Garissa Water And Sewerage Company Pipe Works For Various Locations.	CGG/WS/T/006/2022-2023	5,415,705.20
57	M/S Wagtech Africa Limited	Proposed Supply Of Laboratory Items	CGG/WS/T/007/2022-2023	12,834,281.00
58	Yorkshire company limited,	Proposed Rehabilitation Works For Garissa Water And Sewerage Company Elevated Water Steel Tanks In Various Locations In Township Sub-County- Garissa County	cgg/ws/t/008/2022-2023	17,830,000.00
59	Hagardera Construction	Moit Water Pan		16,300,100.00
60	Bilmark Groub	Bula Madina Bitumen		83,559,866.00
	TOTAL			**570,170,549.42**

ANNEX 3– SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2021/2022	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2022/2023
Land					
Buildings and structures	12,145,209,313	1,287,286,445			13,432,495.758
Transport equipment	581,677,180	0			581,677,180
Office equipment, furniture and fittings	521,042,167	32,267,364			553,309,531
ICT Equipment	49,655,088	0			49,655,088
Machinery and Equipment	454,326,540	74,995,726			529,322,266
Heritage and cultural assets					
Biological assets	38,084,836	7,056,000			45,140,836
Intangible assets					
Infrastructure assets- Roads, Rails	245,887,246	74,325,053			320,212,299
Work in progress					
Total	**14,035,882,370**	**1,475,930,588**			**15,511,812,958**

ANNEX 4 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred. KShs	Amount Confirmed as received. KShs	difference	explanation
1.	Garissa County Emergency Fund			50,000,000		50,000,000	50,000,000		
2.	Garissa County Bursary Fund			30,000,000		30,000,000	30,000,000		
3.	**Total**			**80,000,000**		**80,000,000**	**80,000,000**		

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Director of Finance

County Executive

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Director of Finance

Fund/project/board/water company/hospital

ANNEX 5 – CONTINGENT LIABILITIES REGISTER

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

ANNEX: 6 REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
Garissa County Climate Change Fund	Financing Local Led Climate Action (FLLoCCA)	To deliver locally led climate resilience actions and strengthen county and national governments 'capacity to manage climate risks		0	0	0		World Bank	National Treasury
			Participatory Climate risk assessments (county wide and ward level)				3,020,100		
			Preparation of the County Climate Action Plan				3,549,000		
			Equipment and office furniture (for CCU)				2,090,490		

			Facilitation of activities by the CCU (operational costs				1,042,900[		

ANNEX 7 REPORTING ON DISASTER EXPENDITURE

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