

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

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OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF WAJIR

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

OFFICE OF THE AUDITOR GENERAL
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COUNTY GOVERNMENT OF WAJIR

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

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

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1. Key Entity Information And Management

a) Background information

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

b) Key Management

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

| Ref | Name | Designation |
|------------|------------------------------|--|
| 1. | H.E Mohamed Abdi Mohamud | Governor |
| 2. | H.E Ahmed Ali Muktar | Deputy Governor |
| 3. | NaimaSomow | CEC Lands, Physical planning and housing |
| 4. | Ahmed Sharif Bulle | CEC Trade & ICT (E government, Cooperative, Tourism & Wildlife) |
| 5. | Ms Ebla Bashir Hassan | CEC Office Of the Governor |
| 6. | Ms RoneyMayowYussuf | CEC Energy, Environment & Natural Resources |
| 7. | Hussein SugowGedi | CEC Education, Gender, Sports Culture & Social service |
| 8 | Abdihakim Billow Noor | CEC Finance & Economic planning |
| 8. | AbdihafidAbdullahi Yarrow | CEC Roads and Transport |
| 9. | Ibrahim Mohamed Abdi | CEC Heath |
| 10. | Yussuf Abdi Gedi | CEC Agriculture, Livestock Development, fisheries and Alternative livelihood |
| 11. | DiyadMowlidHujale | CEC Water Development |

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c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

| No. | Name | Designation |
|-----|-------------------------|---|
| 1 | Abdihakim Billow Noor | CEC, Finance and Economic Planning |
| 2 | RahmaDekow Omar | CCO Economic Planning |
| 3 | Mohamud Sokor | CCO Finance & Audit |
| 4. | Osman Sheikh | CCO Decentralized units & Town Administration |
| 5. | Mohamed salat Osman | CCO Fisheries& other alternative livelihood |
| 7. | Abdirahman Adan Edow | CCO Revenue |
| 8. | Abdullahi Ibrahim Abdi | CCO Public works |
| 9. | Farhiya Ibrahim Hanshi | CCO Special programme |
| 10. | Abdullahi M Hassan | CCO Roads |
| 11. | Fatuma Mohamed Hussein | CCO Trade& ICT |
| 12. | Bishar Adan Eymoy | CCO Education & polytechnic |
| 13. | KhalifAbdi Ali | CCO Irrigation |
| 15. | Abdirahman Omar Osman | CCO Livestock |
| 16. | Abdi Adan | CCO Agriculture |
| 17. | Muhuba Hassan Arte | CCO Gender& social service |
| 18. | Ahmed Mohamed Noor | CCO Environment, Natural Resources& Energy |
| 19. | Ahmed Mohamed Adan | CCO Lands |
| 20. | AbdirahmanMadhowAbdille | CCO Public Health |
| 21. | Ahmed Guhad Omar | CCO Water Resource Development |
| 22. | Mohamud Sokor | CCO Medical services |
| 23. | Adan Kalmoy | Ag. Director Accounting Services |
| 24. | Abdi Abdullahi Hassan | Director supply chain managements |
| 25 | Abdullahi Hassan Maalim | County Secretary |
| 26. | AbdisalanYarow | Director Revenue |
| 27. | Ahmed Maalim Omar | Director Planning |
| 28. | Abdi G Omar | Director Audit |
| 29. | Sahara Kunow | Director Budget |

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d) Fiduciary Oversight Arrangements

During the year under review, the County's management and operations were supported by a number of institutions which were established within the county to provide oversight role and ensure prudent management. These key fiduciary oversight bodies at the County for the year ended 30th June 2022 were:

1. Public Accounts Committee
2. Budget and Appropriations Committee

External Institutions

3. Office of the Controller of Budget.
4. Public Sector Accounting Standards Board
5. Commission on Revenue Allocation
6. The National Treasury
7. Office of the Auditor - General

The Committee also follows up on the audit report from the auditor general.

The County has no audit committees; however, there is 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 County Controller of Budget also monitors and controls on the budget limits.

e) County Executive Headquarters

County Government of Wajir
P.O. Box 11-30500
County Headquarters.
Wajir
KENYA

f) County Executive Contacts

E-mail: info@wajir.go.ke

Twitter [@WajirCountyKE](https://twitter.com/WajirCountyKE)

Website: www.wajir.go.ke

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

2. Kenya Commercial Bank
Wajir Branch
P.O. Box 201
Wajir, Kenya

3. First Community Bank
Wajir Branch
P.O. Box 426
Wajir, Kenya

g) Independent Auditors

Auditor-General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

h) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI, KENYA

2. Foreword by the CECM Finance and Economic Planning

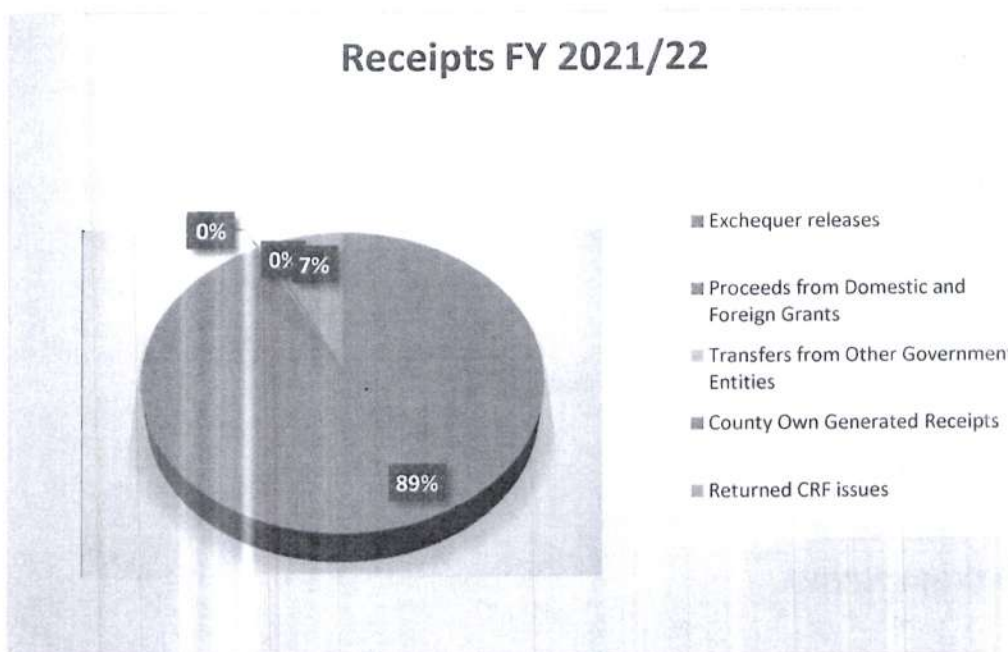
Section 164 of the Public Finance Management Act, 2012 requires that, County Governments prepare financial statements with respect to the entity by 30th September each year and submit the same to the auditor general with copies to the County Treasury, COB, and CRA and The National Treasury.

In view of the above, it is my pleasure to present the Wajir County Government financial statements for the period ending 30th June 2022. The financial statements present the financial performance of the County Government over the past year. The statements are prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

Statements presented include a statement of Receipts and Payments, a statement of Assets and Liabilities, Cash flow Statement, a statement of Comparative budget and actual amount and the Notes to the Financial Statements. The Financial Year 2021/2022 was the ninth full financial year under the devolved governance structure after the County government came into office in March 2013.

Analysis of Receipts

In this financial year, the County government started with a budget estimate of Kshs 10,690,244,514. The county had a budget funded by Kshs 9,474,746,156 being exchequer releases share of the revenue allocated by Commission on Revenue Allocation (CRA), Kshs 52,415,625 being the local revenue collection in the county and Kshs 392,950,072.05 being Donor Grants disbursed through CARA.



Analysis of Expenditure

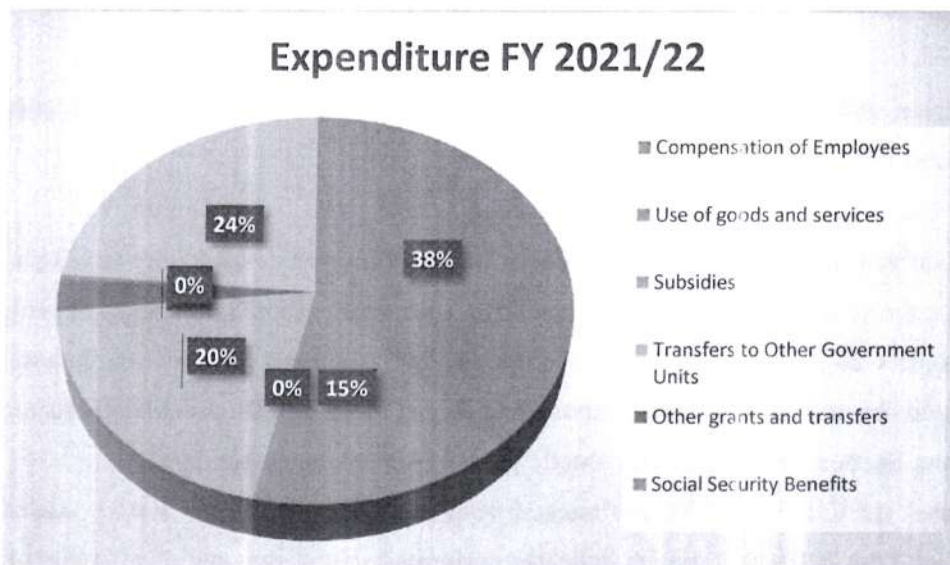
62% of the budget was allocated to Recurrent Expenditure while 38% went to Development Expenditure. This compares well with 2020/2021 where 46% and 54% were allocated to

WAJIR COUNTY EXECUTIVE
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Recurrent Expenditure and Development Expenditure respectively. Below is graphical representation

| PAYMENTS | |
|-------------------------------------|----------------------|
| Compensation of Employees | 3,853,818,922 |
| Use of goods and services | 1,658,100,886 |
| Transfers to Other Government Units | 544,105,443 |
| Other grants and transfers | 620,548,820 |
| Social Security Benefits | 36,638,150 |
| Acquisition of Assets | 2,279,959,175 |
| TOTAL | 8,993,171,397 |

The diagram shows a pie chart summarizing the expenditure for the fiscal year 21/22



.....
CECM Finance and Economic Planning
County Government of Wajir

3. 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

Wajir County has a vision to be

'A Secure, Resilient and Globally Competitive First Class County in Service Delivery for All'

This vision will be achieved through the county's strategic objectives in the various sectors listed here after

The County Government prepared the CIDP 2018-2022 which is the county development blue print for the five years plan period from 2018-2019 to 2022-2023. Tracking of programmes and projects implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2) (f) of the Public Finance Management Act, 2012.

Moreover, the CIDP 2018-2022 is tracked through a CIDP Mid Term Review slated for the Financial Year 2020-2021, which indicates performance after two and a half years of the 2nd Generation County Government. The County Government of Wajir plans to undertake a CIDP Mid-Term Review during the current Financial Year. Similarly, we also prepare County Annual Progress Reports (C-APR) on Yearly basis from the data collected during the M & E exercise. Yet, the County has developed a Counter Indicator Handbook from the Wajir CIDP 2018 – 2022 Indicator that is used to review performance outcomes against the CIDP target outcomes.

Strategic development objectives

The County's 2018-2022 CIDP has identified Twenty-three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that

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reviewed the development priorities of the Governor’s Manifesto, Vision 2030 & the National Government’s “Big Four” Agenda, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks and plans, and are summarised here-in-under;

| Department | Objective | Outcome | Indicator | Performance |
|---|--|-------------------------------|--|--|
| Agriculture, Livestock and Alternative livelihoods | Increase production and productivity in agricultural sector | Increased production | Annual production for key products in tons Onions Melon Spinach and Kales | 50 from 40 507 from 230 125 from 120 |
| | | Increased productivity | Grafted fruit seedlings Certified seeds distributed | 8,000 seedlings 5 tons |
| | Provision of alternative livelihoods for pastoralists and agro-pastoralists | Increased production of honey | Beehives installed | 500 |
| | Provision of effective and efficient veterinary services to significantly reduce disease and pest burden | Improved animal health | No of animals vaccinated | 3,500,000 |
| | Increased | Improved | No of farmers trained | 30,000 |

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| | | | | |
|--|--|--------------------------------|---|--------|
| | livestock productivity, marketing of livestock and livestock products and value addition | farming methods among farmers | | |
| | Increase in food and fodder production through irrigation | Increase area under irrigation | No of Ha under irrigation | 1,200 |
| | | Improved rangeland management | Grazing committees operationalized | 12 |
| | | | Rangelands reseeded | 1200Ha |
| Lands, Public Works and Housing | Use spatial resources sustainably for the benefit of the county residents | Urban development plans | % of towns planned (Wajir, Habaswein, Hadado, Griftu, Tarbaj, Eldas and Bute) | 50% |

| | | | | |
|---------------|--|--|-------------------------------|--|
| Health | Enhance access to affordable and quality health care for all | Reduced maternal and infant mortality rates Other social determinants | Maternal Mortality Rate (MMR) | These are analysed through National Statistics and Surveys (KDHS 2019 not done due to National Census) |
| | | | Infant Mortality Rate | |
| | | | Skilled deliveries | Improved from 18% |

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| | | | | |
|--|--|---------------|------------------------|------------------|
| | | of health | | to 46% |
| | | have been | | |
| | | improved | ANC Services | Improved from |
| | | courtesy of | | 26% to 67% |
| | | County | Family Planning | Improved from |
| | | Government | Services | 2% to 9% |
| | | of Wajir | | |
| | | interventions | Number of facilities | From 1 to 4 |
| | | in Water, | offering | |
| | | Food | comprehensive | |
| | | Security, | emergency obstetric | |
| | | Education, | neonatal care services | |
| | | Roads, | (facilities that can | |
| | | Environment | offer caesarean | |
| | | and Energy | section) | |
| | | which have | Facilities offering | Increased from |
| | | all indirect | basic obstetric | 55 in 2013 to |
| | | maternal | services | 118 in 2022 |
| | | health | | |
| | | outcomes. | Ambulances placed in | 20 (6 Sub- |
| | | | strategic areas for | counties and 30 |
| | | | ease of referral for | Wards) |
| | | | obstetric cases | |
| | | | | |
| | | | Number of nurses | Increased from |
| | | | employed | 182 in 2013 to |
| | | | | 367 in 2022 |
| | | | Number of medical | Increased from 2 |
| | | | officers | in 2013 to 38 in |
| | | | | 2020 |

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| | | | | |
|--|--|--|--|---|
| | | | | |
| | | | Number of health staff | Increased from 300 in 2013 to 1300 in 2022 |
| | | | Number of Maternity wings established | Increased from 45 to 91 |
| | | | Obstetric referrals (Operationalization of Habaswein, Griftu and Bute Sub-County Theatres) | Reduced by 50 % |
| | | | Investment in health care financing | Increased from 18% in 2020/2021 to 30 % in 2021/2022 Budget |

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| | | | | |
|------------------|--|---|---|--|
| | | | | |
| | | Immunization coverage | Children under 1 fully immunized | 57% |
| | | Reduced Malnutrition rate of under 5 children | Malnutrition rate of under 5 children | 12 |
| | Efficient rehabilitative, emergency referral and curative services | Improved access to affordable and quality health services | Average distance to nearest health facilities | Approximately 35 KM against 5 KM (WHO) |
| | | | Nurse : Population Ratio | 1:2016 |
| | | | Doctor : Patient Ratio | 1:16,125 |
| | | | Patient : Bed Ratio | 1:3342 |
| Education | Attain universal preprimary education | Increased enrolment in ECDE | Net enrolment rate % | 60 |
| | | | Gross enrolment rate % | 65 |
| | | Increased transition rates | Transition rates to Class one Girls (%) | 95 |
| | | Increased teacher pupil ratio | No of ECD care givers | 683 |
| | | Increased retention in ECDE centres. | ECDE Completion rates % | 95 |
| | Improved nutrition of | Proportion ECDE students benefiting | 100 | |

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| | | | | |
|-----------------------------|---|---|--|-------|
| | | Children in ECDE | from SFP % | |
| | Enhance vocational skills to reduce unemployment | Increased enrolment in VTCs | Gross enrolment (NO) | 671 |
| | | Improved access to VTC education | No of Polytechnics operationalized | 9 |
| | Provision of quality social services to the vulnerable members of the community | Improved social protection and livelihoods of vulnerable groups | Eligible households with OVCs receiving cash transfers | 8616 |
| | | | Number of PWDs accessing cash transfer | 5973 |
| | | | Number of Older persons accessing cash transfer | 4674 |
| | | | Number of HH receiving HSNP | 10000 |
| | | | Reduced rate of adolescence pregnancy % | 14.4 |
| Water and Sanitation | Sustainable development of water resources for domestic and livestock use. | Improved access to clean and safe drinking water for all | % of households with access to clean water | 20 |

WAJIR COUNTY EXECUTIVE

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| | | | | |
|--|---|---|---|--------|
| | | | No of Households with access to clean and safe water-during wet season, | 39,000 |
| | | | Average distance to nearest protected safe water source (KM) | 9 |
| | | | No of boreholes drilled, equipped and operational. | 30 |
| | | | Proportion of water source that meet WHO standard. | 8 |
| | | | No. Households with metered Water | 10,000 |
| Trade, Cooperatives Development and ICT | Mobilise capital through cooperatives for investment in value chains with competitive advantage for wealth creation | Improved investment in various value chains | Gross capital holdings by cooperatives | |
| | To Promote Trade, Investment and Industrial | Improved Business Infrastructure | -No. of Stalls Constructed | 120 |

WAJIR COUNTY EXECUTIVE
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| | | | | |
|--|---|--|-------------------------------------|---|
| | Development | | | |
| Finance and Economic planning | Strengthen financial management systems | Prudent resource utilization | Audit rating | Qualified Opinion for the FY 2020-2021 |
| | Improve domestic revenue generation capacity | Increased own source revenue | Internal revenue | OSR decreased from KSH. 62M in the FY 2020-2021 to KSH. 52.4M in the FY 2021-2022 |
| Roads & Transport | Improve road network for better access in all parts of the county | Efficient transportation of people, goods and services | % of roads in all-weather standards | 30 |
| | | | Length of Roads Tarmacked (KMs) | 5 |
| | | Reliable road network | Length of Gravelled Roads. (KMs) | 57 |
| | | | Length of roads Graded (km) | 1,471 |
| | | | | |
| Energy, Environment and Natural Resources | Harness the renewable energy resources like solar and wind | Increased street lighting using solar power | % of towns with solar street lights | 25 |
| | | | | |
| | | | % of HH Connected to electricity | 30 |
| | Conserve biological, environmental and wildlife resources for | Improved conservation | Conservancies operational | - |

WAJIR COUNTY EXECUTIVE

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| | | | | |
|--|---|--|--|-----|
| | the benefit of the residents | | | |
| | Increase forest cover through afforestation and agroforestry | Increased forest cover | Proportion (Ha) of land under forest cover | 3.5 |
| Public Service, Town Administration and Decentralised Units | Enhance resilience and disaster management | Reduction in disasters | %reduction in households affected by disasters | 50 |
| | Strengthen cohesion through peace building and conflict resolution | Reduced conflicts | %reduction in reported conflicts | 70 |
| | Increase citizen participation for better governance and accountability | Increased project ownership and civic responsibilities | % of projects managed by PMCs | 30 |

Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The Wajir County Development Agenda is informed by the need to increase and expand sustainable development opportunities and build people's capacities to enable them create wealth and transform their lives for growth and prosperity. The County Envisions being a competitive, industrialized and socio-economically self-sustaining and securing county. This will be attained by providing quality and efficient services through innovative and sustainable utilization of resources for a better quality of life of all citizens of Wajir County. This the county intends to attain and sustain it through creation of a county culture anchored on; Transparency; Inclusiveness and Equity; Empowerment; Quality and result oriented in provision of the county services. The County has projects implementation was greatly affected by the Covid-19 Pandemic in the second half of the year. Most of the County programs and projects were deferred and great focus given to fighting the pandemic

2. Environmental performance

As outlined in the County 2018-2022 CIDP, Environment is one of the key thematic areas that the county has put a lot of focus in its developments agendas. Land is a natural resource which can be sustainably used to satisfy man's unlimited needs and wants as long as the concept of scarcity is recognized. Cognizant of the need for responsible land use for environmental sustainability, The County has developed a number of policies, programmes and structures guiding environmental matters within the County.

3. Employee welfare

Wajir County Recognises the value of its employees in the implementation and long term sustainability of its development strategy. As a result, it has always ensured a fair recruitment process where competences and qualification has been key in hiring of its employees to ensure value from its human resource. All recruitments observe the one third Gender rule and the inclusivity. All senior management staff from the level of county directors and above are placed under performance Contract while the junior staff are under performance Appraisal system.

This is aimed at inculcating a results culture and also helps to identify skills Gap for capacity building and future development the County staff as they inform approvals for Promotion and

training for career growth. For a better and health work force, the county has also placed all staff under a medical cover which on terms as provided by the Salaries and Remuneration Commission's guideline of Employee Medical benefits.

4. Market place practices

The County embraces diversity and offers services to all county residents without discrimination. All county fees and charges are levied after wide consultation with the citizens through public participation.

a) Responsible Supply chain and supplier relations-

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

b) Responsible ethical practices

Corruption free environment

c) Stewardship of goods and service

the rights and interests of its citizens

5. Community Engagements

The County has been engaging its citizens in all its development programmes through public participation in all the county plans, Budget and legislations. This participation ensures that the views of the citizen are included from planning to implementation stages. Participation is done by the county through its established participation structures such as, the County Budget and Economic Forum, The County Citizen education and Civic Education Unit etc.

4. Statement of Management Responsibilities

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

The County Executive Committee (CEC) member for Finance and Economic planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (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, 2022, and of its financial position as at that date.

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

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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

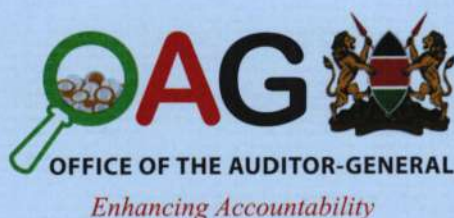
The County Executive's financial statements were approved and signed by the CEC member for finance on 01/03 2023.



.....
County Executive Committee Member,
Finance and Economic Planning

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF WAJIR FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Wajir County Executive set out on pages 1 to 40, which comprise the statement of financial assets and liabilities as at

30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Wajir County Executive as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Adverse Opinion

1.0 Lack of Description in Expenditure Schedules

The ledger schedules provided by Management to support balances in the financial statements did not disclose details including the nature and purpose of the payments for the transactions reflected in the schedules. Instead, the schedules reflected default description including communication, supplies and services, Wajir County Government Standing Imprest and construction of buildings while some schedules did not have any description. It was therefore not possible to confirm the nature of payments in the ledger transactions and whether expenditure was incurred in accordance with the chart of accounts in the approved budget.

In the circumstances, the accuracy, validity and completeness of balances reflected in the financial statements could not be confirmed.

2.0 Use of Goods and Services

2.1 Unsupported Expenditure

The statement of receipts and payments reflects expenditure on use of goods and services of Kshs.1,658,100,886. However, payments summarised below totalling to Kshs.92,018,288 were not supported with the relevant documents including imprest warrants, approvals, stores records, deployment letters, motor vehicle logbooks (GP55) and register of repairs.

| Details | Amount (Kshs.) |
|---|---------------------------|
| Office and General Supplies | 12,556,360 |
| Domestic Travel and Subsistence | 6,701,100 |
| Specialised Materials | 32,551,810 |
| Fuel, Oil and Lubricants | 20,111,736 |
| Routine Maintenance of Motor Vehicles | 10,020,492 |
| Other Operating Expenses- Security Operations | 29,334,250 |
| Total | 92,018,288 |

In the circumstances, the accuracy and completeness of expenditure of Kshs.92,018,288 incurred on use of goods and services could not be confirmed.

2.2 Unaccounted for Medical Supplies

The statement of receipts and payments reflects use of goods and services as disclosed under Note 7 to the financial statements of Kshs.1,658,100,886 which includes Kshs.272,690,656 in respect of specialized materials and services. Included in the specialized materials and services expenditure is an amount of Kshs.124,019,214 paid to Kenya Medical Supplies Authority for supply and delivery medical drugs. However, the expenditure was not supported with stores records contrary to Section 162 of Public Procurement and Disposal Act, 2015. Further, review of the expenditure revealed that Kshs.48,903,387 was paid as a pending bill relating to 2020/2021 financial year. The pending bill was however not disclosed in the previous year's financial statement. In addition, the Executive incurred actual expenditure of Kshs.127,119,014 on supply of medical drugs against a budget of Kshs.125,000,000 resulting to an over-expenditure of Kshs.2,119,014.

In the circumstances, the accuracy and occurrence of expenditure on specialised materials and services of Kshs.272,690,656 could not be confirmed.

2.3 Unsupported Insurance Costs

The statement of receipts and payments reflects use of goods and services as disclosed under Note 7 to the financial statements of Kshs.1,658,100,886 which includes Kshs.337,332,736 in respect of insurance costs. Included in this expenditure is Kshs.200,966,936 paid as part payment for premiums in respect of three thousand seven hundred and forty-five (3,745) employees' medical Insurance cover. However, the medical cover agreement between the Executive and the Insurer was not provided for audit review. Further, the list of employees covered by the scheme was not provided for audit to confirm whether the medical cover was as per the rates approved by the Salaries and Remuneration Commission. In addition, the County Executive recruited additional employees during the year under review and there was no evidence provided to confirm that the new employees were included in the cover.

In the circumstances, the accuracy and completeness of Kshs.337,332,736 in respect of insurance costs could not be confirmed.

2.4 Rentals of Produce Assets

The statement of receipts and payments reflects use of goods and services as disclosed under Note 7 to the financial statements of Kshs.1,658,100,886 which includes Kshs.25,772,147 in respect of rentals of produced of assets. Included in the rentals of produced assets amount is Kshs.15,383,000 on hire of transport services. Review of records provided for audit revealed that the Executive did not have a transport policy guideline on management of transport. Further, there was no documentary evidence to confirm that the transport officer certified and confirmed that the departments did not have enough vehicles to justify hiring of the vehicles.

In the circumstances, the propriety of Kshs.15,383,000 spent on hire of transport services could not be confirmed.

2.5 Consultancy Services for Preparation of Integrated Strategic Urban Spatial Development Plans

The Executive undertook consultancy services for preparation of Integrated Strategic Urban Spatial Development Plans for Bute, Eldas, Griftu, Hadado, Habaswein Khorofhara and Tarbaj towns in 2017/2018 financial year at a contract sum of Kshs.60,926,893. The Executive paid Kshs.13,130,796, being 25% of the contract sum which was to be paid upon submission of the interim report as required by part 6.4 of the payment schedule.

However, Management did not provide for audit review the interim report of the work done to support the payment of the 25% of the contract price. In addition, the amount was not listed as a pending bill in the 2020/2021 financial statements.

In the circumstances, the propriety and completeness of consultancy services payment of Kshs.13,130,796 could not be confirmed.

2.6 Consultancy Services for Cadastral Survey Registration within Three Neighbourhood of Wajir Township

The Executive entered into a contract for consultancy services for Cadastral Survey Registration within three neighbourhood of Wajir township at a contract sum of Kshs.46,745,960 and contract period of 12 months. During the year under review, an amount of Kshs.14,023,788, being 30% payment after completion of re-planning of Halane and Got Caate areas and completion of surveying and beaconing 1,100 plots was paid. However, the survey report that was prepared and which was required to be approved by relevant government agency as required by part 6.4 of the contract was not provided for audit confirmation.

In the circumstances, the propriety and accuracy of payment of Kshs.14,023,788 for consultancy services could not be confirmed.

3.0 Acquisition of Assets

3.1 Purchase of Office Furniture and General Equipment

The statement of receipts and payments reflects expenditure on acquisition of assets as disclosed under Note 11 to the financial statements of Kshs.2,279,959,175 which includes expenditure of Kshs.39,794,229 incurred on purchase of office furniture and general equipment. However, review of the payment documents revealed that payments amounting to Kshs.5,330,500 were not supported with requisition from the relevant departments, invoices, delivery notes and Local Purchase Orders. The furniture acquired was not inspected by the inspection and acceptance committee and recorded in the asset register. This was contrary to Section 48(3)(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.

In the circumstances, the accuracy, propriety and completeness of purchase of office furniture and general equipment of Kshs.5,330,500 could not be confirmed.

3.2 Construction, Completion and Operationalization of Model Health Centre at Sabuli Health Centre

During the year under review, an amount of Kshs.11,085,862 was paid for construction, completion and operationalization of a model health centre at Sabuli Health Centre as part payment of an outstanding debt of Kshs.26,802,132. However, the contract was awarded on 18 December, 2009 at contract sum of Kshs.47,993,132 by Wajir South Constituency Development Fund in collaboration with District Medical officer of Health Wajir South under Economic Stimulus Program. Certificate of practical completion indicated that the contractor completed the works on 20 May, 2014. A letter from the Ministry of Health Ref. MOH/MI/4/12/46 dated 3 October, 2019 indicated that the construction of Sabuli Health Centre under Economic Stimulus Program was on specified budget targeting construction of 201 model Health centres at a cost of Kshs.21,190,000 each across the Country and the contractor had been paid the full amount. Further, the amount was not disclosed as a pending bill in the 2020/2021 financial statements.

In the circumstances, the propriety and regularity of the payment of Kshs.11,085,862 in respect of the construction of the health centre could not be confirmed.

4.0 Transfers to Other Government Entities

4.1 Transfers to Health Facilities

The statement of receipts and payments reflects transfers to other government entities of Kshs.544,105,443 which includes Kshs.29,265,500 in respect of current grants to government and other levels of government. However, expenditure totalling to Kshs.2,470,000 was not supported by professional opinion, stores records while payment vouchers were not authorised. In addition, an amount of Kshs.2,750,000 spent on fuel was not recorded in the fuel register and supported by work tickets and detail orders.

In the circumstances, the validity of expenditure of Kshs.5,220,000 on current grants to government and other levels of government could not be confirmed.

5.0 Other Grants and Transfers

5.1 Unaccounted Reallocation

The statement of receipts and payments reflects other grants and transfers of Kshs.620,548,820 which includes Kshs.408,750,796 in respect of other grants and payments. Review of the expenditure, vote book and the supporting schedules provided for audit revealed that expenditure totalling to Kshs.104,313,660 was charged under this account instead of other operating expenses item. Management did not provide authority for reallocation of the expense.

In the circumstances, the accuracy and propriety of other grants and transfers of Kshs.104,313,660 could not be confirmed.

5.2 Emergency Relief and Refugee Assistance

The statement of receipts and payments reflects other grants and transfers of Kshs.620,548,820 which includes Kshs.211,798,024 in respect of emergency relief and refugee assistance. However, review of the expenditure revealed that there was no documentary evidence to prove that expenditure on drugs and borehole spare parts totalling to Kshs.23,945,000 was of emergency nature. No satisfactory explanation for the failure to incur the expenditure from the relevant budgetary allocations was provided.

In the circumstances, the validity of Kshs.23,945,000 spent on emergency relief and refuge assistance could not be confirmed.

5.3 Unsupported Expenditure

Other grants and transfers include a payment of Kshs.31,470,000 paid to a motor vehicle supplies company for supply of three (3) ambulances. As at the time of audit in November, 2022 the ambulances had not been delivered. In addition, the supplier was sourced through direct procurement. Further, the Management did not provide an explanation for not including the expenditure under acquisition of assets.

In the circumstance, the accuracy of other grants and transfers of Kshs.31,470,000 could not be confirmed. In addition, the existence of motor vehicles acquired at a cost of Kshs.31,470,000 could not be confirmed.

6.0 Cash and Cash Equivalents

6.1 Accuracy of Cash and Cash Equivalents

The statement of financial assets and liabilities as disclosed under Note 12 to the financial statements reflects cash and cash equivalents balance of Kshs.90,996,169 comprising of bank balances for eighteen (18) bank accounts. However, the supporting documents including cashbook, monthly bank reconciliation statements for nine (9) bank accounts were not provided for audit. Further, bank balance certificates for the eighteen (18) bank accounts were not provided for audit review.

In the circumstance, the existence and accuracy of bank balance of Kshs.90,996,169 reflected in the statement of financial assets could not be confirmed.

6.2 Irregular Payments from the Imprest Standing Account

The statement of financial assets and liabilities as disclosed under Note 12 to the financial statements reflects bank balance of Kshs.90,996,169. Included in the balance is bank balance of Kshs.845,439 for the standing imprest account. During the year under review, an amount of Kshs.84,600,000 was transferred from the recurrent account held at Central Bank of Kenya to the Wajir Government Standing Imprest account. The County Executive made payments totalling to Kshs.84,165,546 from the account. However, the Management provided payment documents for an expenditure amounting to Kshs.73,632,914 resulting to unsupported expenditure of Kshs.10,532,632.

The payments were in respect of normal operations including payment for utilities, domestic travel and subsistence allowance instead of operating the account for petty cash transactions in accordance with Regulation 82(1)(a) of the Public Finance Management

(County Governments) Regulations, 2015 which provides that for, all county government bank accounts shall be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash. Payments from the account were not processed through IFMIS as required.

In the circumstances the accuracy, validity and completeness of payments amounting to Kshs.84,165,546 processed through the standing imprest account and outside IFMIS could not be confirmed.

7.0 Expenditure for Non-Existing Budgetary Allocation

Review of the payments generated from the Integrated Financial Management Information (IFMIS) System revealed that payments amounting to Kshs.403,813,202 were made from an account referred to as provision of encumbrance under expenditure code 9910101. However, a review of the approved budget established that there was no expenditure budgeted for under this account. It was therefore not possible to confirm the legality and validity of expenditure amounting to Kshs.403,813,202.

In the circumstances, the accuracy of other grants and payments of Kshs.408,750,796 could not be confirmed.

8.0 Pending Bill

8.1 Pending Accounts Payable

The financial statements as disclosed under other important disclosures 1 reflects pending accounts payable balance of Kshs.759,291,011 while Annex 2 to the financial statements reflects pending accounts payable of Kshs.606,749,349 resulting to a variance of Kshs.152,541,062 which was not explained or reconciled. Further review of the supporting schedule revealed that pending bills amounting to Kshs.477,726,413 were outstanding more than three years and pending bills amounting to Kshs.372,686,236 for suppliers contracted between 2014/2015 to 2020/2021 disclosed at annex 2 as outstanding, were not disclosed in the audited financial statement for 2020/2021.

In addition, ledgers and other supporting documents were not provided to support the movement from Kshs.1,461,334,372 reported as at 30 June, 2021 to Kshs.606,749,349 as at 30 June, 2022. The Executive set aside in the approved budget an amount of Kshs.931,757,724 towards settlement of pending bills. However, the amount budgeted was not supported with a breakdown of the pending bills to be paid as first charge.

No justifiable explanation was provided for the failure to settle the pending bills as first charge during the 2020/2022 financial year.

In the circumstances, the accuracy, propriety and completeness of pending accounts payable of Kshs.759,291,011 could not be confirmed.

8.2 Other Pending Payables

Disclosure 2 under other important disclosures reflects other pending payables of Kshs.711,796,110 as at 30 June, 2022 while annex 4 reflects other pending payables balance of Kshs.678,577,574 resulting to a variance of Kshs.33,218,536 which was not explained or reconciled.

Further an amount of Kshs.372,915,420 was disclosed as additions during the year. However, records provided for audit supported additions totalling to Kshs.253,969,855 resulting to overstatement of additions by Kshs.118,945,565.

In the circumstances, the accuracy of other pending payables of Kshs.711,796,110 as at 30 June, 2022 as disclosed in the financial statements could not be confirmed.

9.0 Payment of Expenditures for Wajir Water and Sewerage Company

Included in the total expenditure of Kshs.8,993,171,397 reported in the statement of receipts and payments is Kshs.184,336,104 paid on behalf of Wajir Water and Sewerage Company Limited. However, the Company is a distinct legal entity of the County that is supposed to carry out its operations separately and prepare its own financial statements in accordance with the Public Sector Accounting Standards Boards requirements.

In the circumstances, the validity of Kshs.184,336,104 paid on behalf of Wajir Water and Sewerage company could not be confirmed.

10.0 Legal Fees

The financial statements and as disclosed under Note 7 to the financial statements reflects other operating expenses of Kshs.385,866,927 which includes an amount of Kshs.37,420,000 paid to three law firms. The details of the court cases, the status of the cases including date of commencement, appearances from commencement to 30 June, 2022, the procurement details, date of judgment and the verdict if any and the instructions to act on behalf of the County were not provided for audit review.

In the circumstances, the accuracy of operating expenses of Kshs.385,866,927 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

1.1 Budget Analysis

During the year under review, the County Executive had an approved expenditure budget of Kshs.10,692,214,192 comprising of Kshs.6,488,514,507 for recurrent expenditure and Kshs.4,203,699,685 for development expenditure as analyzed below:

| Items | Approved Budgeted (Kshs.) | Actual Expenditure (Kshs.) | Absorption Rate |
|-------------------------|---------------------------|----------------------------|-----------------|
| Recurrent Expenditure | 6,488,514,507 | 5,992,663,403 | 92% |
| Development Expenditure | 4,203,699,685 | 3,000,507,995 | 71% |
| Total | 10,692,214,192 | 8,993,171,397 | 84% |

Out of the approved budget of Kshs.10,692,214,192, the actual expenditure incurred during the year was Kshs.8,993,171,397, resulting to under absorption of Kshs.1,699,042,795 or 16%.

The under absorption is an indication of non-implementation of activities and projects in the annual work plan which may have negatively impacted on delivery of services to the residents.

1.2 Late Exchequer Receipts

The statement of comparison of budget and actual amounts reflects total actual receipts of Kshs.9,474,726,151. However, review of the bank statements revealed that the Executive received Kshs.9,056,500,328 as exchequer transfers from County Revenue Fund. Further, included in the funds received from County Revenue Fund were funds amounting to Kshs.1,193,390,776 received in July, 2022 after the end of the financial year.

Due to late remittances by The National Treasury, the County Executive could not undertake all the planned and budgeted programmes which may have negatively impacted on service delivery.

1.3 Unresolved Prior Year Matters

During previous financial years, various audit issues were raised by the Auditor- General. The reports were discussed by County Public Accounts and Investment Committee of the Senate and recommendations made. However, the Management did not provide evidence of any efforts made to implement the recommendations and resolve the issues. Further, no report was provided by the Management indicating how it had addressed the audit recommendations and findings of the previous years' audits as required by Section 31(1)(a) of the Public Audit Act, 2015, which provides that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on

the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Compensation of Employees

1.1 Non-Remittance of Statutory Deductions

During the year under review, the Executive deducted from employees' salaries an amount of Kshs.484,950,373 for National Social Security Fund, National Hospital Insurance Fund, loans and pension deductions. Out of these deductions, the Executive remitted a total of Kshs.269,479,145 to the respective organizations. However, the balance of Kshs.215,471,228 as analysed below was not remitted to the respective organisations.

| Scheme | Deductions as per Payroll (Kshs.) | Amount Paid (Kshs.) | Unremitted Statutory Deductions (Kshs.) |
|--------------|-----------------------------------|---------------------|---|
| LAPTRUST | 351,056,548 | 202,382,086 | 148,674,461 |
| LAPFUND | 34,009,691 | 17,006,886 | 17,002,805 |
| GRATUITY | 76,555,521 | 45,111,573 | 31,443,948 |
| GOK | 15,668,934 | - | 15,668,934 |
| NSSF | 7,659,680 | 4,978,600 | 2,681,080 |
| Total | 484,950,373 | 269,479,145 | 215,471,228 |

Further, the Executive did not pay outstanding pension dues from previous years of Kshs.437,781,758 detailed below as reported in the previous year's audit report.

| Scheme | (Kshs.) |
|----------------------|--------------------|
| LAPTRUST | 175,930,287 |
| LAPFUND | 13,452,989 |
| CPF | 246,276,850 |
| LAPTRUST – Actuarial | 2,121,632 |
| Total | 437,781,758 |

As a result, the total outstanding statutory pension dues as at 30 June, 2022 amounted to Kshs.653,252,986. However, annex 4 to the financial statements reflects a balance of Kshs.678,577,574 resulting in unreconciled difference of Kshs.25,324,588. In addition, Pay As You Earn (PAYE) totalling Kshs.631,843,306 was directly debited from recurrent account through Kenya Revenue Authority agency notices to settle PAYE tax payable. Review of the of the payroll data revealed that an amount totalling to Kshs.651,203,964 was deducted as PAYE from employees resulting into unremitted deductions totalling Kshs.19,360,658. Further, the unremitted amount was not disclosed in the financial statements as pending bills. This was contrary to the Section 19(4) of the employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) shall pay the amount

so deducted in accordance with the time period and other requirements specified in the law, agreement court order or arbitration as the case may be.

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

1.2 Engagement of Unjustified Number of Advisors

Review of Manual and Integrated Personnel and Payroll Database revealed that the Executive had engaged fifty-one (51) advisors to the Governor at job group R. This exceeded the maximum of three (3) advisors envisaged in the Transitional Authority Circular No. TA/7/8/48 dated 6 September, 2013. Review of the personnel files for the advisors revealed that there was no documentary evidence to confirm that forty-three (43) advisors who earned a total of Kshs.93,105,170 during the year under review had the relevant qualifications. In addition, there was no documentary evidence provided to confirm whether the positions of the advisors were regularized by the County Public Service Board contrary to advisory issued by the Transition Authority.

In the circumstances, it was not possible to confirm whether salaries paid to the advisors was proper charge to public funds.

1.3 Employees Retained in the Payroll Beyond the Retirement Age

Review of the Integrated Personnel and Payroll Database (IPPD) revealed that thirty-nine (39) employees who had attained the mandatory retirement age of sixty (60) years were still in the payroll as at 30 June, 2022. The employees were paid emoluments totalling to Kshs.26,309,723 in the year under review. No records were provided for audit to confirm that the officers were entitled to prolonged stay in the service as provided for by Regulation 70(1)(a) of the Public Service Commission Regulations, 2020 which provides that subject to the Constitution and Section 80 of the Act, any other relevant written law or a specific government policy, the mandatory retirement age in the public service shall be sixty years.

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

2.0 Budget Process

2.1 Non-Compliance with Budget Procedures

Audit review of the Budget process of the County revealed that the Management did not prepare County Budget Review and Outlook Paper for the year ending 30 June, 2021 as required by Section 118 of Public Finance Management Act, 2012. It was further observed that the Executive did not publish the County Fiscal Strategy Paper, the County Budget Review and Outlook Paper, and the County Annual Development Plan as required by Sections 117(8), 118(4)(b) and 126(4) of the Public Finance Management Act, 2012. In addition, although the Management prepared a fiscal strategy paper, there was no documentary evidence that the County Fiscal Strategy Paper was submitted to the County Assembly by 28 February, 2022 as required by Section 117 of the Public Finance Management Act, 2015. Further, the Circular required to be issued by the County Executive Committee Member for Finance setting out guidelines to be followed by all of the county government's entities in the budget process as per Section 128(2) of the Public

Finance Management Act, 2012 was not provided for Audit. No proper explanation was provided for the failure to comply with the legal requirements.

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

2.2 Late Submission of Budget

The County Assembly of Wajir approved the County budget on 30 August, 2021. This was as a result of late submission of the budget to the Assembly by the County Executive on 3 August, 2022 for approval which was three (3) months after the date set by Section 129 of the Public Finance Management Act, 2012 that requires the budget estimate to be submitted to the County Assembly by the 30th of April in that year. This was contrary to Section 133 of the Public Finance Management Act, 2012 which requires the budget to be approved by 30 June in each year.

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

2.3 County Budget and Economic Forum

Section 137(1) of the Public Finance Management Act, 2012 requires the Executive to establish a forum to be known as the County Budget and Economic Forum. The forum shall consist of members identified in Section 137(2) of the Public Finance Management Act, 2012. However, the Executive did not provide documentary evidence to confirm that it constituted a County Budget and Economic Forum.

It was not clear how consultations by the County Government on preparation of County Development Plans, the County Fiscal Strategy Paper and the Budget Review and Outlook Paper for the County and matters relating to budgeting, the economy and financial management at the County level as required by Section 137 of the Public Finance Management Act, 2012 were executed without a County Budget and Economic Forum during the year under review.

The Management was therefore in breach of the law.

3.0 Use of Goods and Services

3.1 Other Operating Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.1,6580,100,886 which includes Kshs.385,866,927 in respect of other operating costs. Included in the other operating costs is Kshs.30,114,584 paid in respect of consultancy services. However, review of the expenditure revealed that the Executive procured consultancy services for Risk Management Strategy and Policy Framework at a cost of Kshs.2,960,000. Review of the expenditure established that the evaluation and technical analysis report was signed by one out of the four evaluation committee members. Professional opinion raised on the 6 October, 2021 was signed by the County Chief Officer Finance contrary to Section 84 of the Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement to sign the professional opinion.

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

4.0 Other Grants and Transfers

4.1 Kenya Climate Smart Agriculture Support Project

The statement of receipts and payments reflects transfers to other government entities payments of Kshs.620,548,820 which includes other capital and transfers of Kshs.408,750,796 out of which Kshs.109,028,347 was in respect of transfers to Kenya Climate Smart Agriculture Support Project. The project procured nine (9) motor cycles from a motor vehicle dealer at a cost of Kshs.4,066,851. Audit inspection carried out on 20 July, 2022 revealed that the nine motor cycles which were procured in the month of January, 2022 were not in use since delivery by the supplier. Further the logbook for one motor cycle was not provided for audit.

In the circumstances, it was not possible to confirm whether the Project got value for money spent of the acquisition of the motor cycles.

4.2 Kenya Devolution Support Program

The statement of receipts and payments reflects transfers to other government entities of Kshs.620,548,820 which includes other capital and transfers of Kshs.408,750,796 out of which Kshs.95,000,000 was in respect of transfers to Kenya Devolution Support Program. A motor vehicle dealer was contracted through direct procurement to supply three (3) ambulances at a total cost of Kshs.31,470,000. However, the procurement records for the supply were not provided for audit review. Further, the purchase amount was paid in advance as the ambulances were yet to be delivered as at the time of audit in August, 2022. This was in contravention of Section 146 of the Public Procurement and Asset Disposal Act, 2015 which provides that no works, goods or services contract shall be paid for before they are executed or delivered and accepted by the accounting officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement.

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

5.0 Acquisition of Assets

5.1 Purchase of Certified Seeds

The statement of receipts and payments reflects expenditure on acquisition of assets of Kshs.2,279,959,175 which includes expenditure of Kshs.2,993,000 on purchase of certified seeds, breeding stock and live animals. Review of the payment documents revealed that the expenditure was not supported with the stores records contrary to Regulation 166(3) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that when managing the inventory, stores and assets in accordance with Section 162 of the Act, the accounting officer shall ensure that the stores received under paragraph (2) are taken on charge.

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

5.2 Irregular Procurement - Construction of Buildings

The statement of receipts and payments reflects expenditure on acquisition of assets balance of Kshs.2,279,959,175 which includes expenditure of Kshs.214,872,952 on

construction of building. Review of the expenditure revealed that payments amounting to Kshs.7,794,660 made to the contractors were pending bills relating to 2019-2020 and 2020-2021 financial years. However, the amounts were not disclosed in the audited financial statements for 2020-2021 as pending bills. In addition, a contract worth Kshs.4,995,190 was awarded without the successful bidder filling and signing the certificate of independent quotation determination contrary to sub clause 2.2 of standard tender documents. Further, payments amounting to Kshs.5,258,500 were not supported with a signed contract agreement between the County Executive and the contractor contrary to Section 135(4) of the Public Procurement and Asset Disposal Act, 2015 which states that no contract is formed between the person submitting the successful tender and the accounting officer of a procuring entity until the written contract is signed by the parties.

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

5.3 Construction and Civil Works

The statement of receipts and payments reflects acquisition of assets of Kshs.2,279,959,175 which includes Kshs.1,131,802,399 in respect of construction and civil works which further includes Kshs.47,422,164 for afforestation and water reticulations programs in several locations of the County. Review of the payment documents revealed that the Executive did not undertake or provide evidence of conducting feasibility studies on the mapping and identification of the sites selected for the proposed afforestation programmes. The County Forest management plans and county forest records and databases were not provided for audit review. In addition, the payments were not supported by notification letters sent to the losing bidders contrary to Section 87(3) of Public Procurement and Asset Disposal Act, 2015 which provides that when a person submitting the successful tender is notified under subsection (1), the accounting officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.

Further, audit inspection conducted on 18 July, 2022 in Furaha Girls Secondary School and Wajir County Headquarter, revealed that branding of the project was not done as required by the Bills of Quantities while the fruit trees provided in the Bills of Quantities were not in existence.

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

5.4 Overhaul and Refurbishment of Construction and Civil Works

The statement of receipts and payments reflects acquisition of assets of Kshs.2,279,959,175 which includes Kshs.133,079,055 in respect of overhaul and refurbishment of construction and civil works. Review of the tender records revealed that tenders for all road works were evaluated by same committee members contrary to Section 46(4)(b) of the Public Procurement and Asset Disposal Act, 2015 which requires rotation of members for tender evaluation committee not to appear as a permanent committee. Unsuccessful bidders were not notified through regret letters. Further, audit inspection carried out on 19 July, 2022 on grading and gravelling of Wajir High Guguf

roads revealed that there was no signboard to identify the project as provided in the Bill of Quantities.

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

5.5 Purchase of Motor Vehicles

The statement of receipts and payments reflects acquisition of assets balance of Kshs.2,279,959,175 which includes an amount of Kshs.50,683,008 on purchase of motor vehicles. However, expenditure totalling to Kshs.49,990,800 in respect of acquisition of four water bowsers was not supported by procurement records as required by Section 68(1) of the Public Procurement and Asset Disposal Act, 2015, which provides that an accounting officer of a procuring entity shall keep records for each procurement for at least six years after the resulting contract has been completed or if no contract resulted, after the procurement proceedings were terminated.

In the circumstances, it was not possible to confirm whether laid down public procurement procedures were followed in the acquisition of motor vehicle worth Kshs.49,990,800.

5.6 Failure to Publish Financial Manual

The County Treasury did not publish financial manuals as required by Regulation 9(1) of the Public Finance Management (County Governments) Regulations, 2015, which provides that County Treasury shall publish financial manuals and forms which may be used by county government entities to support implementation of these Regulations.

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

6.0 Failure to Operate on E- Procurement Platform

Enquiry from the procurement department on the extent of utilization of the e-procurement module in IFMIS established that all procurement plans were developed in IFMIS. However, procurement of goods, works and services was done manually. As a result, the requisition, approval of the requisition, tendering, issue of purchase orders and invoicing were done manually contrary to Executive Order No.2 of 2018 Part IV (B) which required that by the 1 January, 2019 all public procuring entities undertake all their procurement through the e-procurement module.

In the circumstances, the Management was in breach of the Executive Order No.2 of 2018 Part IV (B).

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Compensation of Employees

1.1 Payment of Salaries through Manual Payroll

During the year under review, the Executive maintained both manual and electronic payrolls. One payroll was in the Integrated Payroll and Personnel Database system while the other was in excel spreadsheet. One thousand three hundred and sixty-seven (1,367) employees were paid a total of Kshs.43,381,302 through the manual payroll. No satisfactory reason was provided for maintaining a big number of employees in the manual payroll.

In the circumstances, it was not possible to confirm existence of strong internal controls on payroll management.

1.2 Lack of Staff Establishment

The County Executive did not have an approved staff establishment that indicates the optimal number of staffs for each category, the current number of staff in post and the variance.

In the absence of an approved staff establishment, it was not possible to ascertain whether the County Executive was operating within an optimal level of staff establishment.

2.0 Weaknesses in Information Technology (IT) Controls

During the year under review, the Management did not establish Information Technology (IT) strategy and IT steering committees, IT policy, disaster management and recovery policies and business continuity plan and IT continuity plan to ensure smooth running of its operations.

In the circumstances, IT internal control weaknesses, disaster management, business recovery and continuity of the operations may not be guaranteed.

3.0 Weaknesses in Management of Fixed Assets

Annex 6 of the financial statements reflects fixed assets balance of Kshs.16,683,271,108 as at 30 June, 2022. However, the County Executive did not maintain a fixed asset register. In addition, the County Executive did not have in place policies and procedures relating to asset management and fixed assets were not physically inspected on a regular

basis. Further, the County Executive did not maintain a register of land and buildings recording each parcel of land and the terms on which it was held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details as required by Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

In the absence of a fixed assets register and register of land and buildings the security of County assets may not be guaranteed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue sustaining 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 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 March, 2023

WAJIR COUNTY EXECUTIVE**Annual Report and Financial Statements for the year ended June 30, 2022.****6. Statement of Receipts and Payments for the year ended 30th June 2022.**

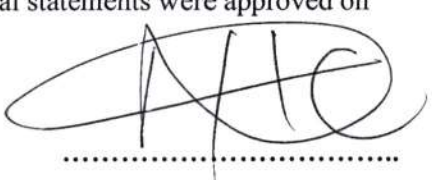
| | | 2021-2022 | 2020-2021 |
|---|-------|----------------------|-----------------------|
| | Notes | Kshs | Kshs |
| Receipts | | | |
| Exchequer releases (Transfers from the CRF) | 1 | 9,056,500,335 | 8,545,500,000 |
| Proceeds from domestic and foreign grants | 2 | - | 793,112,756 |
| Transfer from other government entities | 3 | - | 497,267,858 |
| County Own Generated Receipts | 4 | - | 66,264,717 |
| Returned CRF issues | 5 | - | 736,649,557 |
| Total receipts | | 9,056,500,335 | 10,638,794,888 |
| Payments | | | |
| Compensation of employees | 6 | 3,853,818,922 | 3,697,946,339 |
| Use of goods and services | 7 | 1,658,100,886 | 1,322,219,595 |
| Transfers to other government entities | 8 | 544,105,443 | 2,559,499,704 |
| Other grants and transfers | 9 | 620,548,820 | 439,906,521 |
| Social security benefits | 10 | 36,638,150 | 45,599,259 |
| Acquisition of assets | 11 | 2,279,959,175 | 1,823,378,974 |
| Total payments | | 8,993,171,397 | 9,888,550,392 |
| Surplus/deficit | | 63,328,938 | 750,244,496 |

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

01/03/2023 and signed by:


.....
Name: Farah Ahmed

Chief Officer -Finance


.....
Head of Accounting Unit:

Adan Kalmoy Khalif

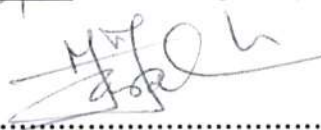
ICPAK M/No: 20038

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

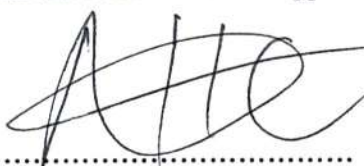
7. Statement of Assets and Liabilities as at 30th June 2022

| | | 2021-2022 | 2020-2021 |
|---------------------------------------|-------|-------------------|--------------------|
| | Notes | Kshs | Kshs |
| Financial assets | | | |
| Cash and cash equivalents | | | |
| Bank balances | 12 | 90,996,169 | 750,244,496 |
| Total cash and cash equivalent | | | |
| Outstanding imprests and advances | | - | - |
| Total financial assets | | 90,996,169 | 750,244,496 |
| Financial liabilities | | | |
| Deposits and retentions | | - | - |
| Net financial assets | | 90,996,169 | 750,244,496 |
| Represented by | | | |
| Fund balance b/fwd. | 13 | 750,244,496 | - |
| Prior year adjustments | 14 | (722,577,265) | - |
| Surplus/deficit for the year | | 63,328,938 | 750,244,496 |
| Net financial position | | 90,996,169 | 750,244,495 |

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 01/03/2023 and signed by:



Name: Farah Ahmed
Chief Officer - Finance



Name: Adan Kalmoy Khalif
Head of Accounting Services
ICPAK M/No 20038

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

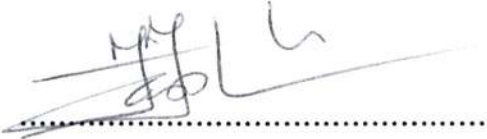
8. Statement of Cash Flows for the period ended 30th June 2022.

| | | 2021-2022 | 2020-2021 |
|---|-------|-------------------------|-----------------------|
| | Notes | Kshs | Kshs |
| Receipts from operating income | | | |
| Exchequer releases (Transfers from the CRF) | 1 | 9,056,500,335 | 8,545,500,000 |
| Proceeds from domestic and foreign grants | 2 | - | 793,112,756 |
| Transfer from other government entities | 3 | - | 497,267,858 |
| County Own Generated Receipts | 4 | - | 66,264,717 |
| Returned CRF issues | 5 | - | 736, 649,557 |
| Total | | 9,056,500,335 | 10,638,794,888 |
| Payments for operating expenses | | | |
| Compensation of employees | 6 | 3,853,818,922 | 3,697,946,339 |
| Use of goods and services | 7 | 1,658,100,886 | 1,322,219,595 |
| Transfers to other government entities | 8 | 544,105,443 | 2,559,499,704 |
| Other grants and transfers | 9 | 620,548,820 | 439,906,521 |
| Social security benefits | 10 | 36,638,150 | 45,599,259 |
| Total | | 6,713,212,221 | 8,065,171,418 |
| Adjusted for: | | | |
| Other adjustments Prior year adjustments | | | |
| Prior year adjustment | 14 | (722,577,265) | - |
| Net cash flow from operating activities | | 1,620,678,449 | 2,573,623,470 |
| Cash flow from investing activities | | | |
| Acquisition of assets | 11 | (2,279,959,175) | 1,823,378,974 |
| Net cash flows from investing activities | | (2,279,959,175) | 1,823,378,974 |
| Cash flow from borrowing activities | | | |
| Repayment of principal on domestic and foreign Borrowing | | - | - |
| Net cash flow from financing activities | | - | - |
| Net increase in cash and cash equivalents | | (659,247,826) | 750,244,496 |
| Cash and cash equivalents at beginning of the year | | 750,244,496 | - |
| Cash and cash equivalents at end of the year | 12 | 90,996,170 | 750,244,496 |

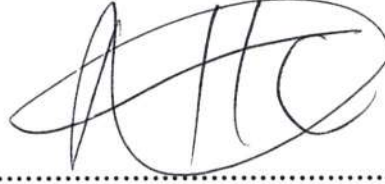
WAJIR COUNTY EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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

01/03 2023 and signed by:



Name: Farah Ahmed
Chief Officer Finance



Name: Adan KalmoyKhalif
Head Accounting Services
ICPAK Member Number 20038

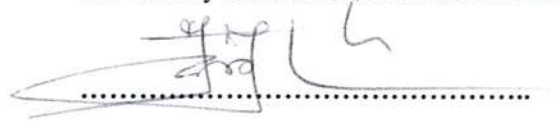
WAJIR COUNTY EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

9. Statement of Comparison of Budget & Actual Amounts

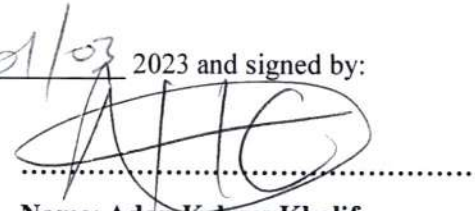
| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|------------------------|--------------------|-----------------------|-----------------------------------|--------------------------------------|-------------------------|
| | a | b | c=a+b | D | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | % |
| Receipts | | | | | | |
| Exchequer releases (Transfers from the CRF) | 10,692,214,192 | 0 | 10,692,214,192 | 9,056,500,335 | 1,635,713,857 | 85% |
| Total | | | | | | |
| Payments | | | | | | |
| Compensation of employees | 4,087,273,246 | | 4,087,273,246 | 3,853,818,922 | 233,454,324 | 94% |
| Use of goods and services | 1,903,260,876 | | 1,903,260,876 | 1,658,100,886 | 245,159,990 | 87% |
| Transfers to other government units | 553,182,383 | | 553,182,383 | 544,105,445 | 9,076,938 | 98% |
| Other grants and transfers | 1,661,727,161 | | 1,661,727,161 | 620,548,820 | 1,041,178,341 | 37% |
| Social security benefits | 156,114,031 | | 156,114,031 | 36,638,150 | 119,475,881 | 23% |
| Acquisition of assets | 2,330,656,495 | | 2,330,656,495 | 2,279,959,174 | 50,697,321 | 98% |
| Total | 10,692,214,192 | | 10,692,214,192 | 8,993,171,397 | 1,699,042,795 | 84% |
| Surplus/(Deficit) | 0 | | 0 | 63,328,938 | (63,328,938) | |

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

The County Executive's financial statements were approved on 01/03 2023 and signed by:



Name: Farah Ahmed
Chief Officer Finance




Name: Adan Kalmoy Khalif
Head of Accounting Services
ICPAK Member Number: 20038

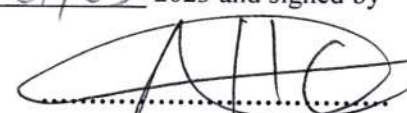
WAJIR COUNTY EXECUTIVE
Annual Report and Financial Statements for the year ended June 30, 2022.

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

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|----------------------|-------------|----------------------|----------------------------|-------------------------------|------------------|
| | A | b | c=a+b | D | e=c-d | f=d/c % |
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | % |
| Receipts | | | | | | |
| Exchequer releases (Transfers from the CRF) | 6,388,514,507 | 0 | 6,388,514,507 | 6,028,615,153 | 279,899,354 | 96% |
| Total | 6,388,514,507 | 0 | 6,308,514,507 | 6,028,615,153 | 279,899,354 | 96% |
| Payments | | | | | | |
| Compensation of employees | 4,087,273,246 | 0 | 4,087,273,246 | 3,853,818,922 | 233,454,324 | 94% |
| Use of goods and services | 1,691,944,847 | 0 | 1,691,944,847 | 1,658,100,886 | 33,843,961 | 98% |
| Transfers to other government units | 453,182,383 | 0 | 453,182,383 | 444,105,445 | 9,076,938 | 98% |
| Social security benefits | 156,114,031 | 0 | 156,114,031 | 36,638,150 | 119,475,881 | 23% |
| Total | 6,388,514,507 | 0 | 6,388,514,507 | 5,992,663,403 | 395,851,104 | 94% |
| Surplus/(deficit) | 0 | 0 | 0 | 35,951,750 | | |

The County Executive's financial statements were approved on 01/03 2023 and signed by


 Name: Farah Ahmed
 Chief Officer Finance

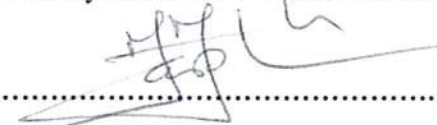

 Name: Adan Kalmoy Khalif
 Head of Accounting Services
 ICPAK Member Number:

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

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

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|----------------------|-------------|----------------------|----------------------------|-------------------------------|------------------|
| | A | b | c=a+b | D | e=c-d | f=d/c % |
| Receipts | | | | | | |
| Exchequer releases (Transfers from the CRF) | 4,303,699,685 | 0 | 4,303,699,685 | 3,027,885,182 | 1,175,814,503 | 72% |
| Total | 4,303,699,685 | 0 | 4,303,699,685 | 3,027,885,182 | 1,175,814,503 | 72% |
| Payments | | | | | | |
| Use of goods and services | 355,884,800 | 0 | 355,884,800 | 0 | 355,884,800 | 0% |
| Transfers to other government units | 100,000,000 | 0 | 100,000,000 | 100,000,000 | 0 | 100% |
| Other grants and transfers | 1,517,158,390 | 0 | 1,517,158,390 | 620,548,820 | 896,609,570 | 41% |
| Acquisition of assets | 2,330,656,495 | 0 | 2,330,656,495 | 2,279,959,175 | 50,697,320 | 96% |
| Totals | 4,303,699,685 | 0 | 4,303,699,685 | 3,000,507,995 | 1,303,191,690 | 70% |
| Surplus/(deficit) | 0 | 0 | 0 | 27,377,187 | | |

The County Executive's financial statements were approved on 01/03 2023 and signed by:



Name: Farah Ahmed
Chief Officer Finance



Name: Adan Kalmoy Khalif
Head of Accounting Services
ICPAK Member Number: 20038

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

12. Budget Execution by Programmes and Sub-Programmes

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|---------------------------------------|---|------------------------|------------------------|--------------------------------------|
| | | 2022 | 2022 | 2022 |
| | | Kshs | Kshs | Kshs |
| | Default Value (Non- Departmental) | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| | Curative Services | 0 | 0 | 0 |
| County Executive | | 492,168,510 | 488,447,320 | 3,721,190 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | County Executive Services | 492,168,510 | 488,447,320 | 3,721,190 |
| County Public Service Board | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| County Assembly Administration | | 0 | 0 | 0 |
| | County Executive Services | 0 | 0 | 0 |
| | | 20,000,000 | 19,661,089 | 338,911 |
| | County Executive Services | 20,000,000 | 19,661,089 | 338,911 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|------------------------------|---|------------------------|------------------------|--------------------------------------|
| Headquarters | | 10,320,000 | 10,612,500 | -292,500 |
| | County Executive Services | 10,320,000 | 10,612,500 | -292,500 |
| County Assembly | | 893,341,593 | 841,081,942 | 52,259,651 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Preventive and promotive services | 0 | -1,980,000 | 1,980,000 |
| | County Legislative Services | 893,341,593 | 843,061,942 | 50,279,651 |
| County Public Service | | 0 | 0 | 0 |
| | Curative Services | 0 | 0 | 0 |
| Treasury | | 643,190,612 | 635,215,704 | 7,974,908 |
| | Finance Services | 63,781,000 | 62,982,408 | 798,592 |
| | County Economic Planning Services | 0 | 0 | 0 |
| | | 579,409,612 | 572,233,296.20 | 7,176,315.80 |
| Economic Planning | | 32,452,200 | 36,542,416 | -4,090,216 |
| | County Economic Planning Services | 28,744,800 | 32,839,696 | -4,094,896 |
| | County Executive Services | 3,707,400 | 3,702,720 | 4,680 |
| | | | | |
| Revenue | | 29,813,792 | 31,578,308 | -1,764,516 |
| | Finance Services | 29,813,792 | 31,578,308 | -1,764,516 |
| Budget | | 14,796,700 | 33,115,560 | -18,318,860 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|-----------------------|--|------------------------|------------------------|--------------------------------------|
| | Finance Services | 14,796,700 | 33,115,560 | -18,318,860 |
| Internal Audit | | 9,520,725 | 9,447,280 | 73,445 |
| | Finance Services | 9,520,725 | 9,447,280 | 73,445 |
| Procurement | | 20,276,000 | 23,155,104 | -2,879,104 |
| | | 0 | 0 | 0 |
| | Finance Services | 20,276,000 | 23,155,104 | -2,879,104 |
| | | 0 | 1,990,000 | -1,990,000 |
| | County Executive Services | 0 | 1,990,000 | -1,990,000 |
| Roads | | 618,845,660 | 51,443,335 | 567,402,325 |
| | General Administration and Support Services | 102,364,574 | 96,483,515 | 5,881,059 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Improvement of roads network | 516,481,086 | -45,040,180 | 561,521,266 |
| Transport | | 8,280,000 | 11,370,938 | -3,090,938 |
| | Improvement of roads network | 0 | 0 | 0 |
| | Enhancement of public roads transport system | 8,280,000 | 11,370,938 | -3,090,937.65 |
| Water | | 999,561,124 | 1,448,206,231 | -448,645,107 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Water Services | 999,561,124 | 1,448,206,231 | -448,645,107 |
| Energy | | 35,215,724 | 66,706,298 | -31,490,574 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|--|---|------------------------|------------------------|--------------------------------------|
| | Environment & Natural Resource Services | 0 | 0 | 0 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Energy Services | 35,215,724 | 66,706,298 | -31,490,574 |
| Environment & Natural Resources | | 242,653,304 | 213,602,206 | 29,051,098 |
| | General Administration and Support Services | 65,131,704 | 47,112,669 | 18,019,035 |
| | Environment & Natural Resource Services | 177,521,600 | 166,489,537 | 11,032,063 |
| Natural Resources | | 7,954,800 | 11,438,640 | -3,483,840 |
| | | 954,800 | 891,000 | 63,800 |
| | Environment & Natural Resource Services | 7,000,000 | 10,547,640 | -3,547,640 |
| Public Health | | 151,787,000 | 218,971,263 | -67,184,263 |
| | Reproductive Health Services | 0 | 0 | 0 |
| | RMNCH | 0 | 0 | 0 |
| | Preventive and promotive services | 101,787,000 | 90,909,048 | 10,877,952 |
| | Curative Services | 50,000,000 | 126,906,306 | -76,906,306 |
| | General Administration and Support Services | 0 | 1,155,909 | -1,155,909 |
| Medical Services | | 727,448,000 | 716,390,921 | 11,057,079 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Curative Services | 727,448,000 | 716,390,921 | 11,057,079 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|---------------------------------------|---|------------------------|-------------------------|--------------------------------------|
| Sanitation | | 0 | 1,164,864 | -1,164,864 |
| | General Administration and Support Services | 0 | 1,164,864 | -1,164,864 |
| Kenya Medical Training College | | 0 | 0 | 0 |
| | Kenya Medical Training College (KMTC) | 0 | 0 | 0 |
| RMNCH | | 108,119,183 | 91,139,989 | 16,979,194 |
| | RMNCH | 108,119,183 | 91,139,988.60 | 16,979,194 |
| TB & HIV – AIDS | | 17,600,000 | 24,071,555 | -6,471,555 |
| | TB & HIV-AIDS | 17,600,000 | 24,071,555 | -6,471,555 |
| Health Research | | 13,256,000 | 13,241,671 | 14,329 |
| | Health Research Services | 13,256,000 | 13,241,671 | 14,329 |
| Emergency Referral Services | | 70,764,000 | 42,510,195 | 28,253,805 |
| | Curative Services | 70,764,000 | 42,510,195 | 28,253,805 |
| Specialised Services | | 33,600,000 | 33,083,333 | 516,667 |
| | Curative Services | 33,600,000 | 33,083,333 | 516,667 |
| Health Shared Services | | 2,008,254,734 | 1,935,937,529.30 | 72,317,204.70 |
| | Curative Services | 2,500,000 | 2,497,746 | 2,254 |
| | General Administration and Support Services | 2,005,754,734 | 1,933,439,783.30 | 72,314,950.70 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|---------------------------------------|---|------------------------|------------------------|--------------------------------------|
| Education | | 692,572,328 | 669,790,994.20 | 22,781,333.80 |
| | ECD | 674,919,328 | 649,347,174.20 | 25,572,153.80 |
| | School Support and Development Services | 0 | 0 | 0 |
| | Vocational Training Services | 0 | 2,957,200 | -2,957,200 |
| | Youth polytechnics | 17,653,000 | 17,486,620 | 166,380 |
| | General Administration and Support Services | 0 | 0 | 0 |
| | Sports promotion and development | 0 | 0 | 0 |
| | Gender, Culture and Social services | 0 | 0 | 0 |
| Social Services | | 56,604,400 | 57,949,340 | -1,344,940 |
| | Gender, Culture and Social services | 16,560,000 | 19,272,360 | -2,712,360 |
| | Sports promotion and development | 40,044,400 | 38,676,980 | 1,367,420 |
| Gender | | 27,924,100 | 23,671,612 | 4,252,488 |
| | Gender, Culture and Social services | 27,924,100 | 23,671,612 | 4,252,488 |
| Herritage and Library Services | | 14,667,800 | 14,254,448 | 413,352 |
| | Gender, Culture and Social services | 9,667,800 | 9,254,448 | 413,352 |
| | County Economic Planning Services | 5,000,000 | 5,000,000 | 0 |
| Agriculture | | 575,754,570 | 453,483,446 | 122,271,124 |
| | Administrative and support services | 177,072,580 | 145,052,039 | 32,020,541 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|-----------------------------------|---|------------------------|------------------------|--------------------------------------|
| | Kenya Climate Smart Agriculture | 357,281,090 | 248,871,164 | 108,409,926 |
| | Agricultural infrastructure development program | 41,400,900 | 59,560,243 | -18,159,343 |
| | Veterinary Support Services | 0 | 0 | 0 |
| Livestock & Veterinary | | 288,012,068 | 138,122,737 | 149,889,331 |
| | Livestock Infrastructure improvement program | 215,297,068 | 113,741,269 | 101,555,799 |
| | Veterinary Support Services | 72,715,000 | 24,381,468 | 48,333,532 |
| Fisheries | | 15,436,400 | 11,741,120 | 3,695,280 |
| | Aquaculture, Inland fisheries production and Extension services | 15,436,400 | 11,741,120 | 3,695,280 |
| Irrigation | | 50,734,400 | 60,921,338 | -10,186,938 |
| | Irrigation management services | 50,734,400 | 60,921,338 | -10,186,938 |
| | | 62,580,823 | 8,000,000 | 54,580,823 |
| | Agriculture Sector Development Support Programme | 62,580,823 | 8,000,000 | 54,580,823 |
| Trade | | 208,455,660 | 233,070,203 | -24,614,543 |
| | Co-operative Development | 0 | 0 | 0 |
| | Trade Services | 37,500,000 | 55,750,109 | -18,250,109 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|---------------------------------|--|------------------------|------------------------|--------------------------------------|
| | Tourism & Wildlife | 0 | 0 | 0 |
| | Administrative and support Services | 170,955,660 | 177,320,094 | -6,364,434 |
| | Industrial Development | 0 | 0 | 0 |
| Industrialization | | 6,142,260 | 6,342,000 | -199,740 |
| | Co-operative Development | 3,142,260 | 3,362,000 | -219,740 |
| | Industrial Development | 3,000,000 | 2,980,000 | 20,000 |
| Co-operative Development | | 19,735,260 | 26,720,538 | -6,985,278 |
| | Trade Services | 2,136,540 | 3,264,370 | -1,127,830 |
| | Co-operative Development | 17,598,720 | 23,456,168 | -5,857,448 |
| ICT Services | | 22,190,000 | 29,400,234 | -7,210,234 |
| | ICT Infrastructure Services | 22,190,000 | 29,400,234 | -7,210,234 |
| Tourism & Wildlife | | 0 | 0 | 0 |
| | Tourism & Wildlife | 0 | 0 | 0 |
| Lands | | 226,960,621 | 138,502,185 | 88,458,436 |
| | Enhancement of public roads transport system | 0 | 0 | 0 |
| | Government Building Services | 0 | -120,300 | 120,300 |
| | Administrative and support services | 69,960,621 | 41,420,060 | 28,540,561 |
| | Land Policy and Physical Planning | 157,000,000 | 97,202,425 | 59,797,575 |

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| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|----------------------------|---|------------------------|------------------------|--------------------------------------|
| | Housing development and Human Settlement | 0 | 0 | 0 |
| Housing | | 0 | 0 | 0 |
| | Government Building Services | 0 | 0 | 0 |
| | Housing development and Human Settlement | 0 | 0 | 0 |
| Physical Planning | | 4,408,600 | 3,225,390 | 1,183,210 |
| | Land Policy and Physical Planning | 4,408,600 | 3,225,390 | 1,183,210 |
| Public Works | | 96,559,900 | 28,214,339.15 | 68,345,560.85 |
| | Energy Services | 0 | 0 | 0 |
| | Housing development and Human Settlement | 1,646,500 | 1,520,825 | 125,675 |
| | Enhancement of public roads transport system | 94,111,000 | 23,691,188 | 70,419,812 |
| | Government Building Services | 802,400 | 3,002,326 | -2,199,926 |
| Public Service | | 499,448,217 | 505,170,935 | -5,722,718 |
| | Administration of Human Resources | 499,448,217 | 505,170,935 | -5,722,718 |
| Decentralised Unit | | 25,550,640 | 43,493,524 | -17,942,884 |
| | Administration of Human Resources | 25,550,640 | 43,493,524 | -17,942,884 |
| Town Administration | | 56,500,000 | 50,756,304 | 5,743,696 |
| | Engineering, Maintenance and Physical infrastructure services | 56,500,000 | 50,756,304 | 5,743,696 |
| | Environment, Beautification and Sanitation | 0 | 0 | 0 |

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| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|---|---------------------------|------------------------|------------------------|--------------------------------------|
| | services | | | |
| Special Programs | | 0 | 1,980,000 | -1,980,000 |
| | | 0 | 1,980,000 | -1,980,000 |
| Public Participation | | 14,614,000 | 15,854,708 | -1,240,708 |
| | Public Participation | 14,614,000 | 15,854,708 | -1,240,707.50 |
| Conflict Resolution | | 17,191,851 | 17,558,471 | -366,620 |
| | | 17,191,851 | 17,558,471 | -366,620 |
| Efficiency Monitoring Unit | | 0 | 0 | 0 |
| | County Executive Services | 0 | 0 | 0 |
| Intergovernmental Relations | | 8,636,624 | 8,449,100 | 187,524 |
| | County Executive Services | 8,636,624 | 8,449,100 | 187,524 |
| Disaster Management | | 75,519,800 | 74,668,201 | 851,599 |
| | | 75,519,800 | 74,668,201 | 851,599 |
| Municipality | | 0 | 0 | 0 |
| | | 0 | 0 | 0 |
| Service Delivery and Performance | | 14,808,000 | 12,225,064 | 2,582,936 |

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

| Programme | Sub-Programme | Approved Budget | Actual Payments | Budget utilization difference |
|------------------------------|----------------------|------------------------|------------------------|--------------------------------------|
| Contracting | | | | |
| | | 14,808,000 | 12,225,064 | 2,582,936 |
| Governance and Ethics | | 7,337,600 | 5,984,040 | 1,353,560 |
| | | 7,337,600 | 5,984,040 | 1,353,560 |
| | | 83,595,808 | 69,885,410 | 13,710,398 |
| | | 83,595,808 | 69,885,410 | 13,710,398 |
| | | 846,109,130 | 661,193,099 | 184,916,031 |
| | | 846,109,130 | 661,193,099 | 184,916,031 |
| | | 357,685,264 | 322,048,317 | 35,636,947 |
| | | 357,685,264 | 322,048,317 | 35,636,947 |
| | Grand Total | 11,584,955,785 | 10,702,803,288 | 882,152,497 |

13. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Significant Accounting Policies(Continued)

i) Transfers from the County Revenue Fund (CRF)

Transfer from CRF is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and a notification received by the entity.

ii) Proceeds from sale of assets

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

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (Continued)

v) Acquisition of fixed assets

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

4. In-kind contributions

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

5. Third Party Payments

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

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily

WAJIR COUNTY EXECUTIVE

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convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Significant Accounting Policies (Continued)

a) Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no other restrictions on cash during the year.

7. Imprests and Advances

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

8. Third Party Deposits and Retention

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

9. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the

County Executive's fixed asset register a summary of which is provided as a memorandum to these financial statements.

Significant Accounting Policies (Continued)

10. 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.

11. Contingent Liabilities

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

A contingent liability is:

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

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

Significant Accounting Policies (Continued)

12. Contingent Assets

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

13. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30 August 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was no supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

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

15. Subsequent events

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

Significant Accounting Policies (Continued)

16. Prior Period Adjustment

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

17. Related Party Transactions

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

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

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

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14. Notes to the Financial Statements

1. Exchequer Releases(Transfer from the CRF)

| | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Total exchequer releases for quarter 1 | 1,089,153,511 | 0 |
| Total exchequer releases for quarter 2 | 2,294,005,363 | 2,820,015,000 |
| Total exchequer releases for quarter 3 | 1,997,681,280 | 2,136,375,000 |
| Total exchequer releases for quarter 4 | 3,675,660,181 | 3,589,110,000 |
| Total | 9,056,500,328 | 8,545,500,000 |

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

2. Proceeds from Domestic and Foreign Grants

| | 2021-2022 | 2020-2021 |
|---|------------------|--------------------|
| | Kshs | Kshs |
| DANIDA - Universal Healthcare in Devolved Units Programme | 0 | 24,300,000 |
| World Bank – THUSCP | 0 | 36,152,244 |
| Kenya Devolution Support Programme | 0 | 45,000,000 |
| Youth Polytechnic support grant | 0 | 14,074,894 |
| Abolishment of user fees in health centers and dispensaries | 0 | 15,784,997 |
| Kenya Urban Support Programme | 0 | 90,844,014 |
| Agriculture Sector Development Support Project (ASDSP) | 0 | 15,101,628 |
| Kenya Climate Smart Agriculture Project (KCSAP) | 0 | 244,640,455 |
| Water and sanitation development project (WSDP) | 0 | 307,214,525 |
| | | 793,112,756 |
| Total | - | 793,112,756 |

3. Transfer from Other Government Entities

| | 2021-2022 | 2020-2021 |
|----------------------------|------------------|--------------------|
| | Kshs | Kshs |
| Road Maintenance Levy Fund | 0 | 254,698,173 |
| Road Maintenance Levy Fund | 0 | 242,569,685 |
| Total | 0 | 497,267,858 |

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Notes to the Financial Statements (Continued)

4. County Own Generated Receipts

| | 2021-2022 | 2020-2021 |
|-------------------------------------|------------------|-------------------|
| | Kshs | Kshs |
| Rent | 0 | 2,106,182 |
| Sales of Market | 0 | 4,551,385 |
| Business | 0 | 7,140,005 |
| Cess | 0 | 17,529,556 |
| Plot rents/Local levies | 0 | 7,746,782 |
| Market/trade Centre fee | 0 | 12,669,688 |
| Public health services | 0 | |
| Public health facilities operations | 0 | 7,860,733 |
| Slaughterhouses' administration | 0 | 3,361,176 |
| Sewerage administration | 0 | 3,299,209 |
| Total | 0 | 66,264,717 |

5. Returned CRF Issues

| | 2021-2022 | 2020-2021 |
|--|------------------|--------------------|
| | Kshs | Kshs |
| Return to CRF account | 0 | 736,583,281 |
| Kenya Commercial Bank- County Assembly | 0 | 65,940 |
| Total | 0 | 736,649,557 |

6. Compensation of Employees

| | 2021-2022 | 2020-2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 1,706,846,099 | 1,518,137,553 |
| Basic wages of temporary employees | 211,561,292 | 136,612,281 |
| Personal allowances paid as part of salary | 1,669,873,524 | 1,902,408,241 |
| Employer contribution to compulsory national social schemes | 265,538,007 | 140,788,264 |
| Total | 3,853,818,922 | 3,697,946,339 |

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Notes to the Financial Statements (Continued)

7. Use of Goods and Services

| | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 11,111,292 | 18,988,067 |
| Communication, supplies and services | 8,901,655 | 3,053,310 |
| Domestic travel and subsistence | 193,537,166 | 80,459,910 |
| Printing, advertising and information supplies & services | 33,723,390 | 24,060,649 |
| Rentals of produced assets | 25,772,147 | 47,896,178 |
| Training expenses | 11,099,440 | 5,947,264 |
| Hospitality supplies and services | 73,563,355 | 127,228,044 |
| Insurance costs | 337,332,736 | 272,047,346 |
| Specialized materials and services | 272,690,656 | 163,565,146 |
| Office and general supplies and services | 59,055,019 | 27,969,739 |
| Fuel, oil and lubricants | 73,216,291 | 86,496,835 |
| Other operating expenses | 385,866,927 | 266,550,674 |
| Routine maintenance – vehicles and other transport equipment | 49,733,213 | 86,451,896 |
| Routine maintenance – other assets | 122,497,600 | 111,504,537 |
| Total | 1,658,100,887 | 1,322,219,595 |

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Notes to the Financial Statements (Continued)

8. Transfer to Other Government entities

| Description | 2021-2022 | 2020-2021 |
|---|--------------------|----------------------|
| | Kshs | Kshs |
| Transfers to county government entities | | |
| Current Grants to Agencies | 514,839,944 | 164,653,526 |
| County Assembly | - | 932,194,403 |
| Current Grants to Government and Other levels of Government | 29,265,500 | 211,455,250 |
| Other Current Grants and Transfers | - | 1,251,196,526 |
| Total | 544,105,444 | 2,559,499,704 |

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Notes to the Financial Statements (Continued)

9. Other Grants and Payments

| | 2021-2022 | 2020-2021 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Emergency relief and refugee assistance | 211,798,024 | 439,906,521 |
| Other grants and payments | 408,750,796 | - |
| Total | 620,548,820 | 439,906,521 |

10. Social Security Benefits

| | 2021-2022 | 2020-2021 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Government Pension and Retirement Benefits | 36,638,150 | 45,599,259 |
| Total | 36,638,150 | 45,599,259 |

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Notes to the Financial Statements (Continued)

11. Acquisition of Assets

| Non- financial assets | 2021-2022 | 2020-2021 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Construction of buildings | 214,872,952 | 491,808,507 |
| Refurbishment of buildings | 87,682,391 | 15,049,954 |
| Construction of roads | 415,573,294 | 80,888,208 |
| Construction and civil works | 1,131,802,399 | 1,075,399,636 |
| Overhaul and refurbishment of construction & civil works | 133,079,055 | 50,931,723 |
| Purchase of vehicles and other transport equipment | 50,683,008 | 28,097,069 |
| Purchase of household furniture and institutional equipment | 8,777,950 | 29,440,277 |
| Purchase of office furniture and general equipment | 39,794,229 | 27,363,581 |
| Purchase of specialized plant, equipment and machinery | 62,432,442 | 15,368,700 |
| Purchase of certified seeds, breeding stock and live animals | 2,993,000 | 3,499,900 |
| Research, studies, project preparation, design & supervision | 6,409,605 | - |
| Rehabilitation of civil works | 125,858,850 | - |
| Total acquisition of assets | 2,279,959,175 | 1,823,378,974 |

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

Notes to the Financial Statements (Continued)

12. Cash and Bank Balances

| Name Of Bank, Account Name & Currency | Account Number | Indicate whether Rec, Dev, Depe.t.c | 2021-2022 | 2020-2021 |
|--|-----------------------|--|-------------------|--------------------|
| | | | Kshs | Kshs |
| Special Purpose Accounts | 1000259531 | | 9,070 | 9,071 |
| CRF Account | 1000171448 | | - | 722,066081 |
| Recurrent Bank Account | 1000170832 | | 76,757 | 13,212 |
| Development Bank Account | 1000170778 | | 11,535 | 465,572 |
| Livestock Sector Improvement | 1000389249 | | 1,247,800 | 1,247,800 |
| Kenya Urban Support Programme | 1000395346 | | 24,462,565 | 24,462,565 |
| Universal Health Account | 1000406194 | | 447,103 | 1,203,310 |
| Road Maintenance Levy Fund | 1000450808 | | 354,844 | 354,843 |
| Kenya Devolution Support Programme | 1000450819 | | 63,535,028 | 5,028 |
| KCB Imprest | 1141515873 | | 845,439 | 410,985 |
| KCB Deposit | 1150932147 | | 6,028 | 6,028 |
| Wajir County Deposit | 1000171448 | | 0 | 0 |
| Wajir County Climate Smart Agric | 1000368616 | | 0 | 0 |
| Wajir County Village poly | 1000368624 | | 0 | 0 |
| Wajir County Agric Sec DevProgra | 1000368667 | | 0 | 0 |
| Wajir Municipality Urban Grant | 1000450827 | | 0 | 0 |
| Wajir Emergency Locust ResposProj | 1000529016 | | 0 | 0 |
| Wajir County Primary Health Care | 1000578521 | | 0 | 0 |
| Wajir County Climate Change Fund | 1000592974 | | 0 | 0 |
| Total | | | 90,996,169 | 750,244,496 |

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

13. Fund Balance Brought Forward

| | 2021-2022 | 2020-2021 |
|---------------|--------------------|--------------------|
| | Kshs | Kshs |
| Bank Accounts | 750,244,495 | 767,501,817 |
| Total | 750,244,495 | 767,501,817 |

14. 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 FY 2020-2021 as per audited financial statements | Adjustments during the year relating to prior periods | Adjusted ** Balance b/f FY 2020-2021 |
|---------------------------------|---|--|---|
| Description Of The Error | Kshs | Kshs | Kshs |
| Bank Account Balances | (722,577,265) | (722,577,265) | - |
| Total | (722,577,265) | (722,577,265) | |

** The prior year adjustment is due to change in financial reporting template and preparing CRF Financial Statements resulting in removing the bank account balances for CRF account and the unspent balances for development and recurrent account.

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

Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

| | Balance b/f FY 2020-2021 | Additions for the period | Paid during the year | Balance c/f FY 2021-2022 |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction of Buildings | 94,634,850 | 0 | 80,099,130 | 14,535,720 |
| Construction of Civil Works | 1,340,180,965 | 92,513,571 | 1,112,877,790 | 319,816,746 |
| Supply of Goods | 26,518,557 | 0 | 26,518,557 | 0 |
| Supply of Services | 338,850,690 | 86,087,855 | 0 | 424,938,545 |
| Total | 1,800,185,062 | 178,601,427 | 1,219,495,477 | 759,291,011 |

2. Other Pending Payables (See Annex 4)

| | Balance b/f FY 2020-2021 | Additions for the period | Paid during the year | Balance c/f FY 2021-2022 |
|---|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts due to National Government Entities | 338,850,690 | 372,945,420 | 0 | 711,796,110 |
| Total | 338,850,690 | 372,945,420 | 0 | 711,796,110 |

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

Other Important Disclosures (Continued)

a) 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

| | 2021- 2022 | 2020- 2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Key Management Compensation (Governor, CEC Members And Cos) | | |
| <u>Transfers To Related Parties</u> | | |
| Transfers to Other County Government Entities | 290,000,000 | 1,497,488,171 |
| Transfers to Non-Reporting Entities E.G Schools And Welfare | 29,265,500 | - |
| Transfers to County Water Service Providers | 224,839,943 | - |
| Expenses paid on Behalf Of County Water Service Providers | 184,336,104 | - |
| Total Transfers To Related Parties | 728,441,547 | 1,497,488,171 |
| <u>Transfers From Related Parties</u> | | |
| Transfers From The Exchequer | 9,056,500,335 | 8,545,500,000 |
| Total Transfers From Related Parties | 9,056,500,335 | 8,545,500,000 |

3. 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.

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

Other Important Disclosures (Continued)

| Entity | Date Established/Date taken over | Location | Accounting Officer responsible |
|----------------------------------|---|-----------------|---------------------------------------|
| Wajir Water and Sewerage Company | 2014 | Wajir Town | Managing Director |
| Wajir County Bursary Fund | 2015 | Wajir Town | County Chief Officer Education |
| Wajir County Climate Change Fund | 2015 | Wajir Town | County Chief Officer Environment |
| County Disaster Management Fund | 2016 | Wajir Town | County Chief Officer Finance |
| Wajir County Disability Fund | 2021 | Wajir Town | County Chief Officer Gender |

4. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

| Name Of Bank, Account No. & Currency | Amount in bank account currency* | Ex. rate (if in foreign currency) | 2021-2022 | 2020-2021 |
|---|---|--|-------------------|------------------|
| | | | Kshs | Kshs |
| Kenya Commercial Bank 1140752820 | Kshs | - | 14,245,125 | - |
| Total | | | 14,245,125 | - |

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

15. Progress On Follow Up On Prior Year Auditor's Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|----------------------------|--|---|
| 1.1 | Payment of Undisclosed Pending Bills | | Not Resolved | 30 June 2023 |
| 1.2 | Unsupported Expenditure | | Not Resolved | 30 June 2023 |
| 2 | Un-Supported Capital Grants and Transfers | | Not Resolved | 30 June 2023 |
| 3 | Acquisition of Assets | | Not Resolved | 30 June 2023 |
| Other Matters | | | | |
| 1.1 | Unauthorized Over Expenditure | | Not Resolved | 30 June 2023 |
| 1.2 | Late Exchequer Receipts | | Not Resolved | 30 June 2023 |
| 2 | Under-Collection of Revenue | | Not Resolved | 30 June 2023 |
| 3 | Pending Bills | | Not Resolved | 30 June 2023 |
| 4 | Unresolved Prior Year Matters | | Not Resolved | 30 June 2023 |
| Lawfulness and Effectiveness in Use of Public Resources | | | | |
| 1 | Unapproved Collection of Revenue | | Not Resolved | 30 June 2023 |
| 2.1 | Payment of Special House Allowance | | Not Resolved | 30 June 2023 |
| 2.2 | Employees Receiving Less Than a Third of Basic Salary | | Not Resolved | 30 June 2023 |
| 2.3 | Irregular Engagement of Employees on Interim Basis | | Not Resolved | 30 June 2023 |
| 2.4 | Anomalies in Engagement of Casual Employees | | Not Resolved | 30 June 2023 |
| 2.5 | Anomalies in Recruitment of Employees | | Not Resolved | 30 June 2023 |
| 2.6 | Engagement of Excess Employees | | Not Resolved | 30 June 2023 |
| 2.7 | Staff Paid Basic Salary Outside | | Not Resolved | 30 June 2023 |

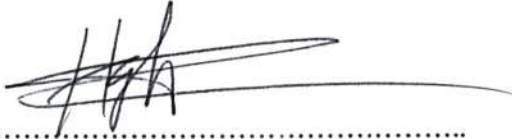
WAJIR COUNTY EXECUTIVE

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|--|---|
| | the Approved Rates | | | |
| 2.8 | Payment of Salaries to Employees of Wajir Water and Sewerage Company | | Not Resolved | 30 June 2023 |
| 2.9 | Non-remittance of Statutory Deductions | | Not Resolved | 30 June 2023 |
| 2.10 | Unremitted House Rent | | Not Resolved | 30 June 2023 |
| 2.11 | Non-Adherence to Ethnic Balance Requirement | | Not Resolved | 30 June 2023 |
| 3 | Non-Compliance with Budget Procedures | | Not Resolved | 30 June 2023 |
| 4.1 | Other Grants and Payments - Emergency Relief | | Not Resolved | 30 June 2023 |
| 4.2 | Proposed Construction of Frontier Road to Bitumen Standards | | Not Resolved | 30 June 2023 |
| 4.3 | Construction and Civil Works | | Not Resolved | 30 June 2023 |
| 4.4 | Construction of Mega Water Pans | | Not Resolved | 30 June 2023 |
| 4.5 | Road Maintenance Levy Fund (RMLF) | | Not Resolved | 30 June 2023 |
| 4.6 | Transfers to Wajir Water and Sewerage Company | | Not Resolved | 30 June 2023 |
| 5 | Irregular Operation of Bank Accounts | | Not Resolved | 30 June 2023 |
| Report on Effectiveness of Internal Controls, Risk Management and Governance | | | | |
| 1 | Failure to Establish an Audit Committee | | Not Resolved | 30 June 2023 |
| 2 | Weaknesses in Internal Audit | | Not Resolved | 30 June 2023 |
| 3.1 | Manual Payroll | | Not Resolved | 30 June 2023 |
| 3.2 | Lack of a Staff Establishment | | Not Resolved | 30 June 2023 |
| 4 | Weaknesses in Information | | Not Resolved | 30 June 2023 |

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|--|---|
| | Technology (IT) Controls | | | |
| 5 | Lack of Risk Management Policy | | Not Resolved | 30 June 2023 |
| 6 | Poor Management of Assets | | Not Resolved | 30 June 2023 |



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 CEC, County Treasury

Date: 1/07/2023

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

16. Annexes

Annex 1 – Analysis Of Transfers From the CRF

| Period (2021-2022) | Quarter 1 (Kshs) | Quarter 2 (Kshs) | Quarter 3 (Kshs) | Quarter 4 (Kshs) | Total (Kshs) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|
| Equitable Share | 1,089,153,511 | 2,294,005,363 | 1,997,681,280 | 3,282,710,102 | |
| DANIDA - Universal Healthcare in Devolved Units Programme | | | | 7,893,875 | 7,893,875 |
| World Bank – THUSCP | | | | 33,465,212 | 33,465,212 |
| Kenya Devolution Support Programme | | | | 18,730,781 | 18,730,781 |
| Agriculture Sector Development Support Project (ASDSP) | | | | 2,500,000 | 2,500,000 |
| Kenya Climate Smart Agriculture Project (KCSAP) | | | | 157,520,261 | 157,520,261 |
| Water and Sanitation Development Project | | | | 172,839,943 | 172,839,943 |
| Total | 1,089,153,511 | 2,294,005,363 | 1,997,681,280 | 3,675,660,174 | 9,056,500,328 |

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

Annex 2 – Analysis Of Pending Accounts Payable

| Supplier Of Goods Or Services | Date Contracted | Original Amount | Balance at the beginning of the year | Addition During the year | Amount paid During the year | Outstanding Balance |
|--------------------------------------|------------------------|------------------------|---|---------------------------------|------------------------------------|----------------------------|
| | | | a | B | C | d=a+b-c |
| Construction Of Buildings | | | | | | |
| MathawConstruction Co Ltd | 2018/2019 | 14,535,720 | 14,535,720 | 0 | 0 | 14,535,720 |
| Fargo Constructions company | 2019/2020 | 14,122,909 | 14,122,909 | 0 | 0 | 14,122,909 |
| Sub-Total | | 28,658,629 | 28,658,629 | 0 | 0 | 28,658,629 |
| Construction Of Civil Works | | | | | | |
| Nihal And Kalson Construction Co Ltd | 2016/2017 | 4,000,000 | 4,000,000 | 0 | 0 | 4,000,000 |
| Amaran Construction Co Ltd | 2020/2021 | 5,811,600 | 5,811,600 | 0 | 0 | 5,811,600 |
| KonacheInvestmnet Limited | 2018/2019 | 5,863,800 | 5,863,800 | 0 | 0 | 5,863,800 |
| Sandtech Holdings Limited | 2020/2021 | 6,911,472 | 6,911,472 | 0 | 0 | 6,911,472 |
| Yarrow Construction Co Ltd | 2016/2017 | 7,957,757 | 7,957,757 | 0 | 0 | 7,957,757 |
| Blue Print City System | 2017/2018 | 9,281,769 | 9,281,769 | 0 | 0 | 9,281,769 |
| Al-Hidik Hardware Ltd | 2019/2020 | 9,500,000 | 9,500,000 | 0 | 0 | 9,500,000 |
| Taysiir Construction Co. Limited | 2020/2021 | 10,068,800 | 10,068,800 | 0 | 0 | 10,068,800 |

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

| Supplier Of Goods Or Services | Date Contracted | Original Amount | Balance at the beginning of the year | Addition During the year | Amount paid During the year | Outstanding Balance |
|--|------------------------|------------------------|---|---------------------------------|------------------------------------|----------------------------|
| Skyline Construction Co Limited | 2020/2021 | 12,910,800 | 12,910,800 | 0 | 0 | 12,910,800 |
| Badadi Limited | 2021/2022 | 14,645,550 | - | 0 | 0 | 14,645,550 |
| Batato Construction | 2016/2017 | 18,082,520 | 18,082,520 | 0 | 0 | 18,082,520 |
| Della Construction | 2016/2017 | 18,917,128 | 18,917,128 | 0 | 0 | 18,917,128 |
| Yusra Ventures | 2016/2017 | 20,000,000 | 20,000,000 | 0 | 0 | 20,000,000 |
| Malka General Contractors Ltd | 2016/2017 | 25,536,541 | 25,536,541 | 0 | 0 | 25,536,541 |
| Dela Construction Ltd | 2021/2022 | 34,932,942 | - | 0 | 0 | 34,932,942 |
| M/S Ajco Construction & General Supplies Ltd | 2019/2020 | 35,461,760 | 35,461,760 | 0 | 0 | 35,461,760 |
| Abobo Construction Co Ltd | 2018/2019 | 36,999,228 | 36,999,228 | 0 | 0 | 36,999,228 |
| Bashku General Supplies Limited | 2021/2022 | 42,935,080 | - | 0 | 0 | 42,935,080 |
| Kubri Road Works Limited | 2016/2017 | 48,800,250 | - | 0 | 0 | 48,800,250 |
| Sub-Total | | 319,816,747 | 227,303,175 | 0 | 0 | 368,616,997 |
| Supply Of Services | | | | | | |
| Solargen Technologies Limited | 2021/2022 | 5,000,000 | - | 0 | 0 | 5,000,000 |

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

| Supplier Of Goods Or Services | Date Contracted | Original Amount | Balance at the beginning of the year | Addition During the year | Amount paid During the year | Outstanding Balance |
|---|------------------------|------------------------|---|---------------------------------|------------------------------------|----------------------------|
| Frontier Surveyors Ltd | 2017/2018 | 7,011,894 | 7,011,894 | 0 | 0 | 7,011,894 |
| Geo (K) Ltd | 2017/2018 | 8,383,915 | 8,383,915 | 0 | 0 | 8,383,915 |
| Total Solution Ltd | 2018/2019 | 9,000,000 | 9,000,000 | 0 | 0 | 9,000,000 |
| Esri Eastern Africa | 2021-2022 | 9,994,328 | - | 0 | 0 | 9,994,328 |
| Geomeasure Surveyors ltd | 2014/2015 | 11,505,000 | 11,505,000 | 0 | 0 | 11,505,000 |
| Futuristic Limited | 2019/2020 | 4,350,120 | 4,350,120 | 0 | 0 | 4,350,120 |
| Geodev Kenya limited | 2017/2018 | 12,185,379 | 12,185,379 | 0 | 0 | 12,185,379 |
| Abass Sheikh Mohamed | 2021/2022 | 12,600,000 | - | 0 | 0 | 12,600,000 |
| Spatial Research and Resource Survey (SRRS) | 2016/2017 | 15,000,000 | 15,000,000 | 0 | 0 | 15,000,000 |
| Butichi R. Khamisi | 2016/2017 | 18,221,945 | 18,221,945 | 0 | 0 | 18,221,945 |
| Geo (K) Ltd | 2017/2018 | 20,959,786 | 20,959,786 | 0 | 0 | 20,959,786 |
| Kemsa | 2021/2022 | 58,493,528 | - | 0 | 0 | 58,493,528 |
| Geodev Kenya limited | 2017/2018 | 16,767,829 | 16,767,829 | 0 | 0 | 16,767,829 |
| Sub-Total | | 209,473,723 | 123,385,867 | 0 | 0 | 209,473,723 |
| Grand Total | | 557,949,099 | 379,347,671 | 0 | 0 | 606,749,349 |

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

Annex 3 – Analysis Of Pending Staff Payables

No staff payables were pending

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

Annex 4 – Analysis Of Other Pending Payables

| Name | Date Contracted | Original Amount | Amount Paid To-Date | Outstanding Balance 2021-2022 |
|-------------------------------------|------------------------|------------------------|----------------------------|--------------------------------------|
| | | A | B | c=a-b |
| Amounts Due To Third Parties | | | | |
| 1. LAPFUND | 30-06-2022 | 195,718,709 | 0 | 449,555,467.75 |
| 2. LAPTRUST | 30-06-2022 | 11,335,790 | 0 | 41,572,785.80 |
| 3. NSSF | 30-06-2022 | 3,751,600 | 0 | 8,272,280.00 |
| 4. SACCO | 30-06-2022 | 37,642,459 | 0 | 72,792,306.50 |
| 5. GRATUITY | 30-06-2022 | 57,183,596 | 0 | 106,384,734.22 |
| Grand Total | | 305,632,154 | 0 | 678,577,574.27 |

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

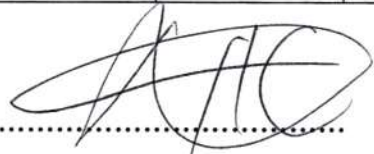
Annex 6 – Summary Of Non-Current Asset Register

| Asset Class | Historical Cost b/f (Kshs) 2020-2021 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Transfers in/(out) during the year (Kshs) | Historical Cost c/f (Kshs) 2021-2022 |
|---|---|---|---|--|---|
| Buildings And Structures | 11,252,594,041 | 354,987,968 | 0 | 0 | 11,607,582,009 |
| Transport Equipment | 1,147,369,341 | 50,683,008 | 0 | 0 | 1,198,052,349 |
| Office Equipment, Furniture And Fittings | 485,577,508 | 83,233,809 | 0 | 0 | 568,811,317 |
| Machinery And Equipment | 537,030,183 | 24,456,983 | 0 | 0 | 561,487,166 |
| Heritage And Cultural Assets | 690,440,798 | 2,993,000 | 0 | 0 | 693,433,798 |
| Biological assets | 3,499,900 | 0 | 0 | 0 | 3,499,900 |
| Intangible Assets | 232,027,603 | 0 | 0 | 0 | 232,027,603 |
| Infrastructure Assets- Roads | 91,575,770 | 1,726,801,196 | 0 | 0 | 1,818,376,966 |
| Total | 14,440,115,144 | 2,243,155,964 | 0 | 0 | 16,683,271,108 |

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

Annex 7 – Inter-Entity Transfers

| Ref | Entity | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Cumulative amount transferred KShs | Amount Confirmed as received KShs |
|------------|---------------------------------------|------------------|--------------------|--------------------|--------------------|---|--|
| 1 | Wajir County Bursary Fund | 0 | 100,000,000 | | | 100,000,000 | 100,000,000 |
| 2 | Wajir County Disaster Management Fund | 0 | | 180,000,000 | | 180,000,000 | 180,000,000 |
| 3 | Wajir Water and Sewerage Company | | 52,000,000 | | 172,839,943 | 224,839,943 | 224,839,943 |
| 4 | Wajir County Disability Fund | | | | 10,000,000 | 10,000,000 | 10,000,000 |
| 9 | Total | 0 | 152,000,000 | 180,000,000 | 182,839,943 | 514,839,943 | 514,839,943 |



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Head of Accounting Unit
County Executive

WAJIR COUNTY EXECUTIVE

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

Annex11: – Bank Reconciliation/FO 30 Reports

(Attach FO 30 Reports from IFMIS for all CBK Accounts)