

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**COUNTY EXECUTIVE OF
MURANG'A**

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
DATE	27.02.24
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	C. CHEROP



Revised 30th June 2023



COUNTY GOVERNMENT OF MURANGA
EXECUTIVE
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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



County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

Table of Contents	Page
1. Acronyms and Glossary of Terms	ii
2. Key Entity Information And Management	iii
3. Governance Statement	vi
4. Foreword by the CECM Finance and Economic Planning.....	vi
5. Statement of Performance against County Predetermined Objectives	ix
6. Environmental and Sustainability Reporting.....	ix
7. Statement of Management Responsibilities	xxvi
8. Report of the Independent Auditor of the Financial Statements for the County Executive of Muranga for the year ended 30 th June 2023.....	xxviii
9. Statement of Receipts and Payments for the year ended 30th June 2023.....	1
10. Statement of Assets and Liabilities as at 30th June 2023	2
11. Statement of Cash Flows for the period ended 30 th June 2023.....	3
12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30 th June 2023	5
10 A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30 th June 2023	7
10B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 th June 2023	7
13. Budget Execution by Programmes and Sub-Programmes for the year ended 30 th June 2023.....	11
14. Significant Accounting Policies	17
15. Notes to the Financial Statements	23
16. Progress On Follow Up On Prior Year Auditor’s Recommendations	41
17. Annexes	42

1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

No.	Designation	Name
1.	CECM. Finance and economic planning	- Prof. Kiarie Mwaura
2.	C.o. Finance and economic planning	- Peter G. Kahora
3.	Director Finance	-Edwin K. Kimuyu
4.	Ag. Director Accounting Services	-Anthony M. Waithaka

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

2. Key Entity Information And Management

a) Background information

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

No.	Department	Major Responsibility
1.	Finance and Economic Planning	Management of County Treasury and Planning
2.	Agriculture and Livestock and Fisheries	Overseeing County Agriculture, animal husbandry and Fish farming
3.	Public Administration and ICT Department	Coordinating government activities including liaison with the County Assembly for the legislation and implementation of policies
4.	Education and Technical Training	Provision of quality and a conducive learning environment for the ECDE and Technical training
5.	Youth, Sports, Culture and Social Services	Promotion and mainstreaming of youth agenda, Sports and talent development and Preserving & revitalizing of culture
6.	Trade, industrialization, Tourism and Cooperative Development	Ensure of conducive environment for growth in Trade, Tourism, Industrial and Cooperative development
7.	Health and Sanitation	Provision of quality health care services that are accessible, equitable and sustainable
8.	Lands, Physical Planning and Urban Development	Effective management of land and sustainable services for urban populations
9.	Water, Irrigation, Environment and Natural Resources	Development and management of water resources and sewerage infrastructure for universal access and sustainability as well as conservation of the environment and natural resources
10.	Roads, Housing and Infrastructure	Management and maintenance of state of the art integrated and sustainable infrastructure supported by modern technology

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

b) Key Management team

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

- Murang'a County Executive
- Murang'a County Public Service Board

c) Fiduciary Management

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

No.	Designation	Name
1.	C.o. Finance and economic planning	- Peter G. Kahora
2.	C.o. Revenue And Supply Chain Management	- Judy Njeri Mbaru
3.	C.o. Road and Housing	-Maxwell Fredrick Wambugu Wachira
4.	C.O. Infrastructure& Community Project	- Eliud Maina Wanja
5.	C.O. Governor's Delivery Unit	-Samuel Murigi Mungai
6.	C.O. Agriculture, Livestock, Veterinary Services & Fisheries	-Dr. Apollo Kamau Maina
7.	C.O. Water, Irrigation, Environment& Climate Change	-Bridget Wairimu Irungu
8.	C.O. Medical Services	-Kenneth Mukoro Kihato
9.	C.O. Public Health & Administration	- Dr. James Gitau Kanyi
10.	C.O. Youth Affairs & Sport	-Hassan Abdullahi Abdirahman
11.	C.O. ICT & E. Government	-Meshack Kipkorir Kipkemoi
12.	C.O. Public Service And Administration	-Edward Irungu Mwangi
13.	C.O. Communication & Media	-Leonard Guchu Ndung'u
14.	C.O. Education & Technical	-Isaac Karoga
15.	C.O. Culture, Gender& Social Services	-Angela Muen Kioko
16.	C.O. Lands , Physical Planning & Urban Development	-Josephine Wanjiru Wanjiku
17.	C.O. Trade , Industrialization & Cooperative Development	-Vainusa Yussuf Aburo

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

d) Fiduciary Oversight Arrangements

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

e) County Executive Headquarters

P.O. Box 52-10200

County hall

Muranga ,Kenya

f) County Executive Contacts

Telephone: (254) 2030271

E-mail: info@muranga.go.ke

Website: muranga.go.ke

g) County Executive Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Other Commercial Banks

i. Kenya Commercial Bank-Muranga

ii. Equity Bank –Muranga

iii. Family Bank-Muranga

iv. Co-Operative Bank Muranga

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

NAIROBI, KENYA

j) County Attorney

3. Governance Statement

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

The County is made up of a County Assembly, County Executive and number of County Government Entities. The County Assembly (CA) consists of the Members of County Assembly (MCAs) who are elected by the people to represent them in the Assembly. The CA is headed by the Speaker.

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

The County Assembly

The County Assembly is constituted by the MCAs of 47 county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

4. Foreword by the CECM Finance and Economic Planning

The fourth schedule of the Constitution contains information on the devolved services and stipulates the division of functions between the national and county governments. The fourteen devolved functions performed by county governments include: agriculture, health services, control of pollution and other public nuisances, outdoor advertising, cultural activities, public entertainment and public amenities, county transport (including – county roads, street lighting, traffic and parking) animal control and welfare, trade development and regulation, county planning and development, education (pre-primary education (ECD), village polytechnics, home craft centres and childcare facilities) implementation of specific national government policies on natural resources and environmental conservation, county public works and services (including – stormwater management systems in built-up areas, and water and sanitation services) firefighting services and disaster management, control of drugs and pornography, and ensuring and coordinating the participation of communities and locations in governance at the local level .

The Constitution mandates the county governments to perform their functions through the implementation of projects and programmes which are funded through county budgeting. The financial year 2022-2023 marks the fifth and final year of the implementation of the second generation CIDP (2018-2022). During the period, the county registered substantial progress in attaining developmental targets as contained in the plan. For example, it initiated key flagship development projects, namely: improved health care, supported milk and mango farmers with subsidy, build ECD classes, created smart cities, improved access roads, enhanced water connectivity, provided porridge to ECD learners, and provided maternal support to expectant mothers. To enhance management and response to disaster risk, the county acquired a new fire engine and conducted both external and on-the-job training for staff.

A Local Area Network was installed in all eight sub-county offices to facilitate the implementation of revenue management system. The county acquired and installed an Integrated Revenue Management System and a Fleet Management System, which greatly enhanced efficiency in collection of own source revenue. The Department of Education increased enrolment in ECDEs through the Uji programme, provided teaching and learning aids and constructed and renovated 139 classrooms. Youth and Sports Departments undertook developments within Ihura and Mumbi stadia and completed the construction of a perimeter wall, installation of gate, installed pop-up irrigation and levelled the football pitch. The Social Services Department distributed 280 wheelchairs, 30 walking frames and 20 clutches to persons living with disabilities.

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

In the health sector, the County completed the upgrading of Kirwara and Kigumo hospitals to level 4 in order to provide inpatient services with modern facilities and equipment. The theatre at the Kangema Sub County hospital and its general wards were operationalized and four new health facilities opened. The Directorate of Trade constructed 18 markets sheds while the Environment Department acquired and distributed 300 litterbins. One thousand assorted tools and pieces of protective equipment were procured and issued to workers. Three degraded areas were rehabilitated and 520,000 tree seedlings planted. The county delineated and gazetted charters for two additional municipalities; Kenol and Kangari. Through the Kenya Urban Support Programme (KUSP-UDG), the Murang'a Municipality upgraded 1 km of urban roads to bitumen standards. Further, the Roads Department rehabilitated 2 kms of streetlights, 15 floodlights and installed 3000 sq. kms of cabros. The department also opened 245 kms of access roads, graded 330 kms and constructed 17 bridges/footbridges/box culverts.

In the Agriculture sector, 500 metric tonnes of hybrid maize and 50,000 (50 kg) bags of top-dressing fertilizer were procured and issued to 50,000 farming households countywide. Through the avocado upgrading sub programme, 329,000 Hass avocado seedlings were issued to 50,540 farmers, increasing the production area by more than 1000 hectares. The livestock department, in collaboration with Upper Tana Natural Resource Programme (UTaNRMP), distributed 840 dairy cows to 56 CIGs. A total of 13 Irrigation schemes were initiated increasing the land under irrigation to 45,000Ha. Under the same programme, One mega dam (Maragua Dam) was constructed along Maragua river to supply water to the lower side of Murang'a and de-silting was done to Mugira dam in Maragua sub county and Gakaki irrigation scheme intake works in Kahuro sub county. A total of over 100 water pans were also constructed in Murang'a South.

The overall implementation status of the planned projects for the year 2022/2023 were affected by cash inflow and utilization of funds to pay pending bills. This resulted into delayed and constrained disbursement of funds which also affected absorption. The review also showed instances of re-allocation of funds to cover pending bills and other emerging requirements.



13/12/2023

Prof. Kiarie Mwaura,
CECM, Finance & Economic Planning,
Murang'a County Government.

5. Statement of Performance against County Predetermined Objectives

Strategic development objectives

The County's 2018-2022 CIDP identified 10 key sectoral strategic development objectives. Broadly, these objectives were identified through a participatory process that reviewed the development priorities of the various County Sectoral Development Policies, and Plans, the Governor's Manifesto, The National Government's Vision 2030, National Urban Development Policy (NUDP), Sustainable Development Goals and the MTP III National Government's "Big Four".

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks. The key development objectives of the 2018-2022 CIDP are to:

- i. Provide effective and accountable leadership, promote a just, democratic environment and establish strong governance institutions to empower citizens
- ii. Provide overall leadership and policy direction in human and financial resource mobilization, management and accountability for quality public service delivery
- iii. Improve livelihoods of the County residents through promotion of competitive agriculture, sustainable livestock and fisheries sub-sectors, growth of a viable cooperatives sub-sector, equitable distributions and sustainable management of land resources and sustainable management of forestry and wildlife resources.
- iv. Promote, coordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy.
- v. Provide efficient, affordable and reliable infrastructure for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities.
- vi. Deliberately build progressive and client centered health systems driven by technology and supported by seamless coordination structures
- vii. Eradicate illiteracy and promote life-long learning among adults and youth to enable them make informed decisions, become self-reliant and improve their livelihood.
- viii. Formulate, mainstream and implement responsive policies and strategies for sustained and balanced socio-cultural and economic development of the County and empowerment of vulnerable and marginalized groups and areas.
- ix. To promote, conserve and protect the environment and improve access to water and housing for sustainable national development.
- x. Promote, conserve and protect the environment and improve access to water and housing for sustainable national development.

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

- xi. Provide an integrated spatial framework for coordinating development efforts by promoting efficiency in land administration within the county.
- xii.

Below, we present the progress made in attaining the objectives of 2018-2022 CIDP for Murang'a County:

S/ No	Strategic Objective as per CIDP	Targeted Outcome	Performance/Progress Made Since Inception of CIDP	Remarks
1	Provide effective and accountable leadership, promote a just, democratic environment and establish strong governance institutions to empower citizens	Effective and accountable leadership, strong governance institutions and empowered citizen	<ul style="list-style-type: none"> - Disaster response, management and mitigation enhanced throughout the County - Operationalization of the office of the County Attorney - Provision of internet connectivity and communication gadgets to sub county offices - Development of 4 Human Resource Policies currently at Draft stage - Performance enhanced through PAS with 2800 staff put under the system - Automation of Human Resource Services 	The achievements hampered partially by budget constraints
2	Provide overall leadership and policy direction in human and financial resource mobilization, management and accountability for quality public service delivery	Accountable, verifiable, and automated systems	<ul style="list-style-type: none"> - County communication services (bulk sms) - Automated most of the County services - Acquired and installed Integrated Revenue Management system and fleet management system - All the constitutional policy documents prepared and reviewed on time and to acceptable quality ADP, CFSP, CBROP, CUIDS 	Automation improved provision of county services and enhanced collection of own source revenue

County Government of Muranga

County Executive - Muranga

Annual Report and Financial Statements for the year ended June 30 2023

<p>3 Improve livelihoods of the County residents through promotion of competitive agriculture, sustainable livestock and fisheries sub-sectors, growth of a viable cooperatives sub-sector, equitable distributions and sustainable management of land resources and sustainable management of forestry and wildlife resources.</p>	<p>Increased agricultural production and productivity</p>	<p>The policy on E-mango subsidy and bill for mango value chain were made and passed. -607,175.9kgs of mangoes delivered to contracted sun mango and Kevian processors -828 farmers benefited from e-subsidy mango programme -200,000 Hass avocado seedlings against a target of 1 million procured and issued to 40,000 farmers -980 Ha of avocado established. -540 MT of hybrid maize procured against a target of 500 MT and issued to 278,846 farmers during long rains season 35,945 farmers reached with extension services against a target of 48,450 during the year</p> <p>Through NARIGP, 1023 CIGs/VMGs mobilized, 20 CDDCs formed with MOUs and 1023 micro-projects prepared and screened. Further, 4 PPPs were established with POs, 1,823 Ha of land put under TIMPs/SLM practices, 404 micro-projects funded with 359 micro-projects completed Through ASDSP, 3 strategic Integrated value chain action plans (SIVCAP) developed and implemented, 110 high yielding cows distributed to poor and vulnerable, 8 hatching units installed, 32 ponds stocked 416M of river Maragua conserved, 280,650 seedlings 4 No policy drafts supported for upper Tana catchment 60 water pans 50 soil samples Trained 2,907 farmers during 10 trainings held and held 312 demos 9,474 inseminations with 4,595 inseminations through public private partnership 29,432 animals were vaccinated 29,432 animals vaccinated</p>	<p>Hampered by inadequate funding and irregular funds flow</p>
---	---	--	--

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

			Quality hides and skins produced: 39,063 hides, 3,832 goat skins, 4,913 sheep skins	
4	Promote, coordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy.	Friendly socio-economic trade policies and programmes for rapid industrialization	Constructed 8 markets: <ul style="list-style-type: none"> • Gitugi Market / Gitugi • Kambiti Market / Kambiti • Ichichi Market / Rwathia • Kihoya Market / Rwathia • Karuri Market / Muthithi <p>Achieved Ksh. 40 per litre with 60,000 -70,000 litres collected per day</p>	Hampered by inadequate funding and irregular funds flow
5	Provide efficient, affordable and reliable infrastructure for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities.	Robust, efficient infrastructure for enhanced service provision	4.5 kms of urban roads upgraded to bitumen standard and Construction/ improvement of ECDE classrooms across the County through community projects 0.5 kms of streetlighting and 55 No. floodlights rehabilitated 2 kms of urban drainage constructed/rehabilitated, 2 No. markets sheds constructed and 3,000 sqms of urban areas installed with cabros for improved aesthetics 2 NO. footbridges/box culverts constructed	Hampered by inadequate funding and irregular funds flow
6	Deliberately build progressive and client centred health systems driven by technology and supported by seamless coordination structures	People-centred health systems driven by technology	Procurement of Generators for 5 health facilities, A&E Centre on going, Kigumo H/C waiting bay, Kirwara Hospital Renovation of Kangema Hospital, Kandara Hospital Waiting Bay, Maragua Hospital Renovation and Construction of Wards Renovation of MCRH Completion of Mbari ya Hiti, Karurumo, Kigetuiini Maternity and Karunge Dispensaries The county has engaged 1000 community health workers with a monthly stipend and intends to increase the number as well as engage community health volunteer nurses	Hampered by inadequate funding and irregular funds flow
7	Eradicate illiteracy and promote life-long	Enhanced transition and	40,000 pupils enrolled in Uji Programme Acquired and distributed 4150 chairs	Hampered by inadequate

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

	learning among adults and youth to enable them make informed decisions, become self-reliant and improve their livelihood	retention of pupils and students across the education system	34 workshops were renovated and 4200 youth trained and certified on technical skills Acquired and distributed 700 digital learning materials and devices 17,500 needy students accessing bursary	funding and irregular funds flow The digital programme in pilot and did not cover the whole country
8	Formulate, mainstream and implement responsive policies and strategies for sustained and balanced socio-cultural and economic development of the County and empowerment of vulnerable and marginalized groups and areas.	Responsive policies and programmes for vulnerable groups	The planned construction of studio producing works performing artists not achieved seedlings planted Assistive gears for 220 persons living with disability	Hampered by inadequate funding and irregular funds flow
9	Promote, conserve and protect the environment and improve access to water and housing for sustainable national development	Improved household access to both domestic and irrigation water and conserved environment	50 waste collection chambers constructed through partnership with private sector. Construction of sanitary landfill funded by World Bank through NAMSIP at Gikono 20 kms of rivers rehabilitated and 200,000 trees 1800 HH supplied with drilled boreholes, 180 HH connected to piped water and 950 HH reconnected to	Hampered by inadequate funding and irregular funds flow
1	Provide an integrated spatial framework for coordinating development efforts by promoting efficiency in land administration	Controlled built environment and efficiency in land administration	Through the ongoing succession programme, 1000 successions were accomplished against the target of 3000 Upgraded 1km of roads to bitumen standards, 1.8 kms NMT and constructed 1 kms of drainage system	Hampered by inadequate funding and irregular funds flow

3.3. Progress on Attainment of Development Objectives from County Annual Development Plan for FY 2022/2023

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

Public Service and Administration

Sub Sector	Objective	Outcome	Indicator	Performance
Human Resource	To ensure effective and efficient service delivery	Enhanced stakeholders' satisfaction	Developed Service charter	Draft Service charter developed
			No. of personnel recruited and trained	One clerical officer recruited and seven officers trained
	To Develop and implement Best Human Resource policies	Efficient and effective Human Resource service delivery	Number of policies developed and implemented.	4 draft policies developed: Training Policy, Records Management Policy, Occupational Health and Safety Policy and Performance Management Policy
	To ensure the County Departments work towards achievement of organizational goals	Appropriate and optimally staffed departmental organizational structures	No. of employees trained	50 employees trained
Public Service Board	To improve positive work ethics in County Public Service	Enhanced service delivery	No. of Board Members recruited	Recruitment of two Board Members
			No. of staff appraised	Staff performance Appraisal and Reports ready

Finance, IT and Economic Planning

Sub Sector	Objective	Outcome	Indicator	Performance
-------------------	------------------	----------------	------------------	--------------------

County Government of Muranga
County Executive - Muranga

Annual Report and Financial Statements for the year ended June 30 2023

Economic Planning	To enhance county economic policy formulation, modelling, and management	Coordinated budget process	No. of policy documents prepared	Successfully prepared ADP 2023/2024, CFSP 2023, AWP.
	To automate county services for better service provision	Automated County services	No. of systems installed and operationalized	Procured and installed Integrated revenue management system, fleet management system

Education, Youth, Sports, Culture and Social Services

Sub Sector	Objective	Outcome	Indicator	Performance
Early Childhood Development Education (ECDE)	To provide quality Early childhood education	100% Transition to primary schools of well-trained learners	No. ECDE learners under the Uji Programme	40,000 pupils feed -650 uji champions -110 cooks -60 boda boda riders engaged
			No. of ECDE chairs distributed to ECDE Centres	4150
			No. of digital learning materials	700
		100% transition to secondary and tertiary institutions	No. of needy students benefiting from scholarships	17,500
Vocational Training	To provide quality Education and Technical Training	A conducive environment for trainees in which right values, skills, attitude and knowledge are articulated leading to holistic development	No. of regular trainees enrolled	4181
Youth Affairs	To provide students with an opportunity to put into practice skills they have learned from their Institutions	Job Experience, Research experience, Mentorship, Access to different Tasks and Departments, create professional	No. of interns trained	120
			No. of Boda boda riders trained and issued with smart driving license	700

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

		Networks, Secure Referees and Recommendations, build a strong resume		
Culture	To promote, Preserve and revitalize all functional aspects of Culture for sustainable development	Empowered cultural practitioner and conserved heritage sites and functional cultural facilities	No. of documented and digitized cultural assets and products	6
			No. of performers Artists participating in the festivals	350 performers participated in the festival 230 performed during the National KMFC
			No of practitioners trained/ Capacity building	5 building workshops held for stakeholders in culture
			No. of forms issued and certificates for registration	Achieved 52 forms of registration issued. 40 certificates of registration
			No of County Government staff members participating in the games / competitions	50 members participated in the competition performed set-peace folk songs and cultural dances
Gender and Social Services	To improve living standards and ensure total inclusion of all gender across marginalized groups	Improved livelihoods, gender equality and social inclusion	No of vulnerable people supported	220

Health and Sanitation

Sub Sector	Objective	Outcome	Indicator	Performance
Health and Sanitation	Provide accessible	Reduced morbidity	Number of OPD attendances	1,313,145

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

essential health services	and mortality	% increase in family planning coverage/uptake	117,318 (45.8%)
		% of deliveries conducted by skilled attendants in health facilities	18,944 (70.3%)
		% increase in 4 th ANC completion	12,384 (46.3%)
		% reduction in medical supplies stock out Expenditure on pharms and non-pharms	Procured and distributed Pharmaceuticals and non - Pharmaceuticals for 150 County Health Facilities
		Average length of stay	5 days
		Number of operational labs	2
		% of surgical cold cases operated	60%
		Number clients tested	4,428
To Increase Awareness and Prevention of Diseases	Reduced burden of Diseases	Proportion HIV+ pregnant mothers receiving preventive ARV's to reduce risk of mother to child transmission (PMTCT)	529
		% of eligible HIV clients on ARVs	15,930 (52.4%)
		% of people screened for TB	75%
		Number of mosquito nets issued to < 1 year & Pregnant Women	13,118
		Number of school age Children de-wormed	86,677 (22%)
		Number of people screened for Diabetes	24,228 (1.9%)
		Number of Women of Reproductive Age screened for cervical cancer	2,308(0.82%)
		Percentage of pregnant women attending ANC visits receiving Iron and folate supplementation	77.9%
		No. of CHVs and CHVNs recruited and trained	1932
		Number of outreaches held	54
To Improve efficiency and	Quality Health	No of technical and casual staff recruited	Medical officers -10 Pharmacists-1

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

	effectiveness in Health Care Services	Service delivery	Number and type of equipment procured	Procurement of Generators for 5 health facilities
			Projects completed	A&E Centre on going Kigumo H/C waiting bay Kirwara Hospital Renovation of Kangema Hospital Kandara Hospital Waiting Bay Maragua Hospital Renovation and Construction of Wards Renovation of MCRH Completion of Mbari ya Hiti, Karurumo, Kigetuini Maternity and Karunge Dispensaries

Trade, Tourism, Investment, Agri-business and Cooperatives

Sub Sector	Objective	Outcome	Indicator	Performance
Trade and Investment	To promote, enhance and facilitate trade and investment in Murang'a County	Increased trade, investment and industry in the county	No. of markets built / upgraded	7 markets
			No of trade shows and exhibitions	4 trade fairs conducted 2 trade fairs attended
			No. of equipment verified.	3000 equipment verified
Tourism	To promote, enhance and facilitate trade and investment in Murang'a County	Increased trade, investment and industry in the county	No of Products developed and digitized	5
Cooperative Development	To promote, enhance and facilitate trade and investment in Murang'a County	Increased trade, investment and industry in the county	Litres of milk subsidized	Ksh. 40 per litre 60,000 -70, 000 litres collected per day
			Construction of a warehouse Procurement of process machines	95% of initial construction
			No. of co-operators trained	12,000 Members trained 37,454 new members recruited

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

			Number of revived dormant cooperatives	7 dormant co-operatives revived
--	--	--	--	---------------------------------

Environment and Climate change

Sub Sector	Objective	Outcome	Indicator	Performance
Environment and Natural Resources	To attain clean and healthy environment	An improved and sustainably managed environment	Construction of waste collection chambers	50 waste chambers funded by private sector
			Construction of sanitary landfill	1 sanitary landfill funded by World Bank through NAMSIP
	To increase the tree cover, conserve resources and rehabilitate degraded eco systems	Conserved resources	No of kms of river banks rehabilitated	20km achieved through PPP
			No of tree seedlings planted	200000 planted County: 120,0000 PPP: 80,0000

Land, Housing and Urban Development

Sub Sector	Objective	Outcome	Indicator	Performance
Lands, Housing and Urban Development	To improve development planning and control	Integrated development planning and controlled development	No. of development plans prepared	15 Local Development Plans
			No of town plans prepared	2 no. of County Town (Kenol Plan and Methi Plan prepared)
			No. of successions	750 succession forms filled
			No. of Land boundary disputes solved	53 land boundary disputes solved
			No. of Plans prepared	8 Market Plans
			No. of development applications presented	117 Plan approvals presented and approved
			No. of rural roads opened	17 roads Identified and reopened/demarcated

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

			No. of plots surveyed and beaconed	22 plots/land parcels identified/confirmed
--	--	--	------------------------------------	--

Murang'a Municipality

Sub Sector	Objective	Outcome	Indicator	Performance
Murang'a Municipality	Enhance urban governance and institutionalization	Institutionalized urban jurisdictions	No. of new municipalities delineated and gazetted	2
	Enhance management and infrastructure in urban areas	Upgraded municipal infrastructure	No. of kms of Municipal roads upgraded to bitumen standards	1 Km upgraded through funding from Kenya Urban Support Programme (KUSP – UDG)
			No. of kms of NMT Walkway	1 km NMT Walkway funded by KUSP-UDG
			Kms of drainage system constructed	1.8 kms of drainage system funded by KUSP - UDG

Roads, Transport, Energy and Public Works

Sub Sector	Objective	Outcome	Indicator	Performance
Roads, Transport, Energy and Public Works	To upgrade Community Service Infrastructure	Improved Mobility, accessibility and E.C.D.E Infrastructure.	No. of Classrooms done	139
			No. of Kms of roads done.	89
			No. of dispensaries constructed	3
			No. of footbridges constructed	4
			No. of Markets improved	2
			No. of kms of water pipes laid for water distribution	11.5
	To provide mobility, cleanliness, safe and convenient business environment and	Improved Mobility, increased revenue and aesthetic beauty of major towns.	Kms of urban roads upgraded to bituminous surface	4.8

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

	to improve aesthetics of our major towns and increase revenue			
	To ensure all shopping centres, Markets and major towns are lighted	Increased safety & prolonged business hours	No. of kms of streetlights rehabilitated	0.5
			No. of floodlights rehabilitated	55

Agriculture, Livestock and Fisheries

Sub Sector	Objective	Outcome	Indicator	Performance
Agriculture (Crops)	To improve production and productivity of mango value chain	Subsidized mango value chain	of mango e subsidy policy and act made No. of MOU agreements completed No.(kgs) of mangoes sold Number of farmers reached	Mango policy and mango act made. 1 for each processor MOU agreements completed and functional 607,175.9kgs 828 farmers
Mariira ATC	To enhance adoption of relevant agricultural technologies along crops and livestock value chains.	Increase adoption of relevant technologies by 5% annually	-No. of trainings -No. of people trained	Through collaboration with stakeholders: -Held 10 Trainings -2 field days held -Trained 3,907 farmers
			Acreage of demo plot. No. of demonstrations. 8 acres of tea managed	Through collaboration with stakeholders: 3 acres 303 demos 8 acres
Livestock Development	Enhance livestock production and productivity	Increased production and productivity	Subsidize 30,000,000kg of milk at Ksh. 5 per kg	19,405 farmers recruited
			6000 Farm visits 4 Field days 100 Demonstrations 120 Farmer group trainings	(8,282 Farm Visits 9 Field days 105 Demonstrations 423 Group trainings)
Veterinary Services	Breed improvement and	Increased milk production	No. of cows inseminated.	5,980 inseminations

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

	control of breeding diseases			
	To optimize Livestock production and productivity	Increased livestock production and productivity	No. of animals vaccinated	40,879 animals vaccinated
	Farmers education on control of livestock diseases and pests	Livestock disease prevention and reporting	No. of Farmers visited and trained	32,006 farm visits

Water and Irrigation

Sub Sector	Objective	Outcome	Indicator	Performance
Water and Sewerage	To drill and Equip New Boreholes	New boreholes drilled and equipped	No. of boreholes drilled and equipped	9 out of 11 boreholes (81 % of what had been planned due to issues surrounding procurement processes
Irrigation	To increase area under irrigation	Increased household income and food security	-Ha. of land under irrigation -No. of household connected with irrigation water	- Community mobilization - Farmers connected with irrigation water through own contribution
			Number of reports	17 reports
			No. of Stakeholders forum No. of trainings	10 Forums 12 irrigation groups covered

6. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

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

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

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

2. Environmental performance

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

Evidence available in the website

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

Successes

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

Shortcomings

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

3. Employee welfare

Policy guiding hiring process

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

Gender Ratio

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

Stakeholders engagements

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

Improvement of policies

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

Efforts to improved skills

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

Managing careers

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

Appraisal

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

Renewal systems

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

Occupation safety and Health Act 2007

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

4. Market place practices-

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

5. Community Engagements

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

7. Statement of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) Member for Finance and Economic Planning of the County Government is responsible for the preparation and presentation of the County Executive's financial statements, which give a true and fair view of the state of affairs of the County Executive for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the county Executive; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the county Executive; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

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

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

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

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

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 13/12/ 2023.



.....
**Prof. Kiarie Mwaura,
CECM, Finance & Economic Planning,
Murang'a County Government.**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 MURANG'A FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Murang'a set out on pages 1 to 41, which comprise the statement of assets and liabilities as at

30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Murang'a as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1.0 Expenditures Incurred After the End of the Financial Year

The statement of receipts and payments reflects total payments of Kshs.7,522,424,469 out of which, Kshs.779,732,692 was paid after 30 June, 2023. The expenditure was backdated in the records of the County Executive as incurred on 30 June, 2023. This is contrary to the International Public Sector Accounting Standards (Cash Basis) reporting framework and Regulation 97(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the accounts of the County Government entities shall record transactions which take place during a financial year running from the 1 July to 30 June.

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

In the circumstances, the propriety and accuracy of the expenditure amounting to Kshs.779,732,692 could not be confirmed. In addition, the Management was in breach of the law.

2.0 Variances Between Financial Statements Balances and Integrated Financial Management Information System (IFMIS) Report

The financial statements for the year ended 30 June, 2023 reflects account balances that are at variance with the corresponding account balances generated from IFMIS as summarized below.

Item	Balance as per Financial Statements (Kshs)	Balance as per IFMIS Trial Balance (Kshs)	Variance (Kshs)
Transfers from the CRF	7,558,543,751	189,421,067	7,369,122,684

Item	Balance as per Financial Statements (Kshs)	Balance as per IFMIS Trial Balance (Kshs)	Variance (Kshs)
Compensation of Employees	3,899,279,511	3,966,165,458	(66,885,947)
Use of Goods and Services	1,572,321,614	1,506,681,733	65,639,881
Transfer to Other Government Entities	736,159,980	743,353,568	(7,193,588)
Social Security' Benefits	66,790,654	66,740,654	50,000
Acquisition of Assets	915,272,710	948,828,734	(33,556,024)
Finance Costs, including loan interest	-	96,265,100	(96,265,100)
Other Payments	12,000,000	22,690,316	(10,690,316)
Bank Balances	54,183,954	(11,241,001,677)	11,295,185,631
Cash Balances	-	15,624,045,324	(15,624,045,324)
Outstanding Imprests and Advances	-	(42,997,359)	42,997,359
Deposits and Retentions	-	37,292,895,687	(37,292,895,687)

In the circumstances, the accuracy and completeness of the respective financial statements' balances could not be confirmed.

3.0 Unsupported Current Grant to Semi-Autonomous Government Agencies

The statement of receipts and payments reflects an amount of Kshs.736,159,980 in respect of transfers to other Government entities as disclosed in Note 6 to the financial statements, which includes an amount of Kshs.129,286,587 in respect to current grant to semi-autonomous Government agencies. However, the amount of Kshs.129, 286,587 includes staff imprests of Kshs.36,149,872 whose surrender vouchers were not provided for audit and do not qualify as grants and transfers.

Further, the balance includes transfers of Kshs.36, 327,563 to various health facilities, whose expenditure returns were not provided for audit review. In addition, the balance includes Kshs.35, 931,282 incurred on procurement of goods and services that have been misclassified and do not qualify as transfers. Grants/transfers to other government agencies accounts are supposed to be transfer of funds from one government agency to another, but not payments to suppliers or individuals.

In the circumstances, the propriety, accuracy and completeness of current grant to semi-autonomous Government agencies expenditure of Kshs.129,286,587 could not be confirmed.

4.0 Lack of Proper Description in Expenditure Schedules

The statement of receipts and payments reflects total payments amounting to Kshs.7,522,424,469. However, included in the amount is Kshs.1,349,832,081 whose payment schedules reflects general descriptions such as repair of motor vehicles, dairy subsistence allowance and construction of buildings which lack key details on nature and purpose of the payments, while others do not have any description.

In the circumstances, the propriety, accuracy and completeness of the expenditure amounting to Kshs.1,349,832,081 could not be confirmed.

5.0 Unsupported Pending Bills

The financial statements under Note 1 and 2 on other important disclosures and Annex 2 and 3 reflect pending bills totalling to Kshs.1,137,499,458 as at 30 June, 2023, comprising of pending accounts payable of Kshs.439,165,167 and pending staff payables of Kshs.698,334,291. However, the pending accounts payable balance brought forward of Kshs.661,076,765 varies with the prior audited financial statements balance of Kshs.2,458,413,565 resulting in an unexplained and unreconciled variance of Kshs.1,797,336,800.

Further, the balance of Kshs.1,137,499,458 differs with the Controller of Budget's annual report as at 30 June, 2023 balance of Kshs.3,650,000,000 resulting to unexplained and unreconciled variance of Kshs.2,512,500,542. It was also noted that Annex 2 to the financial statements does not disclose detailed analysis of individual pending bills as prescribed by reporting template issued by the Public Sector Accounting Standards Board.

In addition, analysis of a sample of the accounts payable revealed that pending bills amounting to Kshs.9,000,000 were paid during the year under review but were not disclosed in the financial statements for the year ended 30 June, 2022.

Further, comparison between the LAPFUND and the Defunct Local Authority balance and demand letter from the Local Authorities Provident Fund (LAPFUND) REF: LAPF/CORR/MRG-CG/DR/VOL 1/16 dated 15 October,2023 revealed total outstanding balances of Kshs.591,476,679 and Kshs.9,858,261, while the financial statements supporting schedules reflect a balance of Kshs.6,994,978 and Kshs. Nil, resulting to unreconciled variances of Kshs.584,481,701 and Kshs.9,858,261 respectively. In addition, review of records/demand letter held at Local Authorities Provident Fund (LAPFUND) reflected an outstanding balance of Kshs.601,334,941 in respect of principal and interest penalty amounts of Kshs.148,794,894 and Kshs.452,540,047 respectively. The interest was charged at a compounded rate of 3 (three) per cent per month. Had the County remitted the respective deductions by due deadlines from 30 April, 2013 savings of Kshs.452,540,047 would have been made. There was no evidence of measures taken by Management to negotiate with the Local Authorities Provident Fund (LAPFUND).

In the circumstances, the regularity, completeness, and accuracy of disclosure made of pending bills balance of Kshs.1,137,499,458 could not be confirmed.

6.0 Unsupported Training Expenditure

The statement of receipts and payments reflects use of goods and services amounting to Kshs.1,572,321,614 and as disclosed in Note 4 to the financial statements. Included in this amount is Kshs.40,585,661 in respect of training expenses out of which Kshs.2,383,740 was paid to a firm. This was a settlement of a pending bill incurred and invoiced on 24 June, 2014 for residential training program of seventeen (17) senior County officers on management change, planning, governance and performance management. However, the payment was not supported with relevant documents including notification to the appointed attendees of the said training, evidence of travel, the training program, daily signed training attendance registers for both trainers and trainees and a sample of certificates of participation.

Further, a list of pending bills that captures the name of the payee was not provided for audit review.

In the circumstances, the propriety, accuracy and completeness of the training expenditure amounting to Kshs.2,383,740 could not be confirmed.

7.0 Unsupported Budget Adjustments

The statement of comparison of budget and actual amounts - recurrent and development combined reflects budget adjustments amount of Kshs.278,096,353 which was not supported by information on actual expenditure and outstanding liabilities or commitments against the planned activities as at the date of request for supplementary allocations.

Additionally, the estimates lacked footnotes explaining the reasons for the variations and the impact or implications for the affected programmes, contrary to Regulation 39(6) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the request for supplementary budget shall be presented in a format that facilitates comparison with the original budget and shall contain all the information necessary to enable a decision on the application to be reached.

Further, the supplementary budget was not supported with memorandum from the Accounting Officers to the County Treasury providing explanation for the additional funding requests, contrary to Regulation 39(7) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the County Government entity requesting additional funds through a supplementary budget process shall submit a memorandum to the County Treasury, on a date determined by County Treasury.

In the circumstances, the regularity, accuracy and completeness of the budget adjustments amount of Kshs.278,096,353 could not be confirmed. In addition, Management was in breach of the law.

8.0 Expenditure Charged to Default Cash Account

Review of IFMIS payments detail revealed that during the year under review, payments amounting to Kshs.18,394,573 was charged to default cash account. No satisfactory

explanation was provided by the Management for the failure to charge the payments to their respective voted expenditure line items.

In the circumstances, the propriety, accuracy and completeness of the expenditure of Kshs.18,394,573 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.8,930,204,956 and Kshs.7,558,543,751, respectively resulting to an underfunding of Kshs.1,371,661,205 or 15% of the budget. Similarly, the County Executive expended Kshs.7,522,424,469 against an approved budget of Kshs.8,930,204,956 resulting in under-expenditure of Kshs.1,407,780,487 or 16% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the progress made in resolving the issues has not been disclosed in Note 20 on other important disclosures to the financial statements.

In the circumstances, the issues remain unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Compensation of Employees

The statement of receipts and payments reflects compensation of employees amount of Kshs.3,899,279,511 and as disclosed in Note 3 to the financial statements. However, the following unsatisfactory issues were noted.

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

The statement of receipts and payments reflects an expenditure of Kshs.3,899,279,511 on compensation of employees representing 52% of the total receipts of Kshs.7,558,543,751. This is contrary to the provisions of Regulation 25(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the County Executive's expenditure on wages and other benefits shall not exceed 35% of total County Executive revenue for the year.

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

1.2 Non-Compliance with Law on Ethnic Composition

Review of the personnel records provided for audit revealed that the County Executive had 92% of its workforce from the same/dominant community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

Further, review of staff recruited during the year under review revealed that sixty-five (65) staff out of the total number of seventy-six (76) or 86% recruited were from one dominant ethnic community contrary to Section 65(1)(e) of the County Governments Act, 2012 which require that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.

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

1.3 Over payment of House Allowances

Analysis of the Integrated Personnel and Payroll Database (IPPD) data for the year ended 30 June, 2023 against the Salaries and Remuneration Commission (SRC) revised house allowances rates revealed various discrepancies where the County Executive paid various officers house allowance over and above the Commission's recommended rates in respect to job groups amounting to Kshs.39,860,253. This is contrary to SRC circular Ref. No: SRC/TS/MDP/3/1/2(2) dated 11 August, 2015 which provides for the rates upon which house allowances are paid to various officers depending on their cadre.

In the circumstances, value for money may not have been achieved on the expenditure of Kshs.39,860,253. In addition, Management was in breach of the law.

1.4 Staff in Service after Attaining Mandatory Retirement Age

Review of the payroll revealed that several employees with emoluments totalling Kshs.45,997,001 were still in service beyond the retirement age contrary to Section D.21 Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires that all officers shall retire from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities and/or as may be prescribed by the Government from time to time.

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

1.5 Non-Remittance of Non-Statutory Deductions

The financial statements under Note 1 and 2 on other important disclosures and Annex 2 reflect pending staff payables of Kshs.698,334,291, which includes staff deductions owed to the Kenya County Governments Workers Union amounting to Kshs.2,787,720. However, the amount was not remitted as required by the Union. Information available indicates that the County Executive had been sued by the said Union. This is contrary to Regulation 22(2) of the Public Finance Management (County Governments) Regulations, 2015, which provides that in addition to the responsibilities of Accounting Officers provided in the Act, an Accounting Officer designated under the Act or any other Act, shall - (a) comply with any tax, levy, duty, pension, commitments as may be provided for by legislation.

The non-remittance of pending staff payables deductions amounting to Kshs.2,787,720 may attract penalties and interest from the receiving institution and deny the staff of Murang'a County respective services and benefits. In addition, Management was in breach of the law.

2.0 Unaccounted for Funds Transfer

Information available indicates that the County Executive opened an account by the name of "Small Traders Empowerment Fund Account" domiciled at a local Bank during financial year 2020/2021. The account was credited with a total Kshs.22,000,000 as follows; Kshs.12,000,000 on 12 April, 2021 and Kshs.10,000,000 on 31 January, 2022. Further,

another account was opened under the name “Small Traders Empowerment Loan Account”, domiciled at the same local bank. It was noted that an amount of Kshs.20,000,000 was transferred from Small Traders Empowerment Fund Account to Small Traders Empowerment Loan Account in two equal instalments of Kshs.10,000,000 each on 27 January, 2022 and 4 February, 2022.

However, as soon as the amount of Kshs.20,000,000 was credited to Small Traders Empowerment Loan Account, the same was immediately further transferred to “Loan to Wachuuzi” in two equal instalments of Kshs.10,000,000 on 27 January, 2022 and 4 February, 2022.

As at the time of audit in October, 2023, the Small Traders Empowerment Fund Account had a credit closing balance of Kshs.9,190 and the Small traders Empowerment Loan Account had a Nil closing balance.

Since the establishment of the Fund account, the financial statements of the Fund have never been submitted to the Office of the Auditor-General for audit, despite the above doubtful transactions having taken place.

In addition, the authority to open and operate the above bank accounts as stipulated under Section 119 of the Public Finance Management Act, 2012 was not provided for audit review. Further, the total amount of Kshs.20,000,000 transferred to “Loan to Wachuuzi” and the amount of Kshs.1,990,810 spent from Small Traders Empowerment Fund Account were not accounted for.

In the circumstances, the value for money to the public on the expenditure amounting to Kshs.21,990,810 could not be confirmed. In addition, Management was in breach of the law.

3.0 Irregular Facilitation of Members of Murang’a County Assembly

Review of Murang’a County Executive cashbooks and payment vouchers for the year ended 30 June, 2023 revealed that the County Executive made payments to Members of County Assembly (MCAs) and County Assembly staff as facilitation during joint meetings totalling to Kshs.19,054,206. However, no satisfactory explanation was provided for meeting the expenditure of the MCAs and County Assembly staff given that the County Assembly has its own budget for such activities.

In the circumstances, the regularity and value for money on the expenditure of Kshs.19,054,206 could be confirmed.

4.0 Irregular Expenditure on Designated Departments

Note 4 to the financial statements reflects use of goods and services amount of Kshs.1,572,321,614, which includes domestic travel and subsistence amount of Kshs.179,556,062. The latter amount includes expenditure amounting to Kshs.8,934,096 in respect of facilitation and daily subsistence allowances for Mango Subsidy Program. However, it was noted that the program was fully domiciled under the

fully operational Murang'a Agricultural Farmers Input Subsidy Fund which had its own budgetary resource.

Further, during the year under review, the County Executive paid a total of Kshs.56,126,672 in bills on behalf of the Municipality of Murang'a which was fully operational and had its own budgetary resource.

This was contrary to Regulation 71(4) of the Public Finance Management (County Governments) Regulations, 2015 which provides that a County government entity is not allowed to give another County government entity cash donation to augment the budgetary resources of designated departments.

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

5.0 Unutilized Fund in Nutritional International Project (NI)

Note 6 to the financial statements reflects transfers to other Government entities amount of Kshs.736,159,980, which includes an amount of Kshs.61, 682,681 transferred to the Nutritional International Project (NI). However, the Programme account had unutilized funds totalling to Kshs.25,236,924 as at 30 June, 2023. The Management did not provide explanation for failure to utilize the funds as required.

Further, several officers were paid subsistence allowances directly to their bank accounts totalling to Kshs 25,077,917 without the use of imprest warrants contrary to Regulation 93(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an imprest shall be issued for a specific purpose, and any payments made from it, shall be only for the purposes specified in the imprest warrant.

Failure to fully utilize the funds denied the public benefits expected from the Programme. In addition, Management was in breach of the law.

6.0 Irregular Commitments for Supply of Goods and Services

Review of procurement records revealed that expenditure commitments/contracts for various supply of goods and services totalling to Kshs.20,233,184 were made after 31 May, 2023 without the written approval of the Accounting Officers. This was contrary to Regulation 50(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that all commitments for supply of goods or services shall be done not later than the 31 May each year except with the express approval of the accounting officer in writing.

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

7.0 Lack of Prudence in Use of Public Funds

During the year under review, the County Executive spent Kshs.7,538,817 on staff subsistence allowances while attending various workshops, trainings and meetings. However, review of the cashbooks, bank statements and payment vouchers revealed that most of the activities took place at hotels in Nairobi and Mombasa. This was contrary to

Part vi of The National Treasury Circular No. 20/2015 which requires the Accounting Officers to ensure that all workshops and retreats with majority of participants drawn from one duty station, are held within the precincts of the duty station to curtail expenditures which may pose as intended to earn officers' unjustifiable allowances.

Further, some officers moved from their duty stations to other towns for the purpose carrying out regular assignments relating to their job description that would ordinarily be done in their offices so as to save on subsistence allowances and conference facilitation charges.

In the circumstances, public funds amounting to Kshs.7,538,817 was not prudently utilized. In addition, Management was in breach of the law.

8.0 Improper Management of Travel Expenses

Note 4 to the financial statements reflects use of goods and services amount of Kshs.1,572,321,614. Included in this amount is staff imprest payments totalling to Kshs.198,205,899 issued to various officers to perform official duties. However, the following weaknesses were noted in the Management of travel expenses:

- i. Officers were paid per diems and travel allowances directly to their bank accounts without the use of imprest warrants which contradicts Regulation 93(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an imprest shall be issued for a specific purpose, and any payments made from it, shall be only for the purposes specified in the imprest warrant.
- ii. Various activities were undertaken throughout the financial year without prior approvals. It was noted that approvals were done after the activities and journeys were undertaken. In the circumstances, it is not possible for the Management to prevent journeys that are not objective and strategic to the goals of the County Executive. All journeys should be approved by the officer in charge prior to the happenings of the activity.
- iii. Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 requires a holder of a temporary imprest to account or surrender the imprest within 7 working days after returning to duty station. However, a review of the surrender documents revealed that officers do surrender jointly and no explanation has been provided why surrenders are not made individually as required.
- iv. Section 6.5.2 of the National Treasury Accounting and Financial Reporting Manual for County Governments requires that staff to use an imprest surrender form (F022) for travel and accommodation which shall form the basis of posting the specific expenditure category to the general ledger. However, surrender documents provided for audit were not supported by way of financial order Form 22.

- v. The Management did not maintain individual imprest ledgers, imprest register and memorandum cash books.
- vi. The County Executive Management failed to operationalize the imprest management in IFMIS.

In the circumstances, the effectiveness of imprest management could not be confirmed. In addition, Management was in breach of the law.

9.0 Failure to Prepare and Submit Financial Statements for Level 4 and 5 Hospitals

The County Management did not prepare and submit for audit financial statements for the County Referral hospital and three Sub- County Hospitals as prescribed by the Public Sector Accounting Standards Board (PSASB) and communicated through The National Treasury Circular Ref. No. AG.4/16/3 Vol. II (66) of 06 July 2022. This was contrary to Section 164(1) of the Public Finance Management Act, 2012 which provides at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board.

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

10.0 Excessive Budgetary Allocation to County Assembly

Review of the County Executive's budget revealed that Kshs.977,000,000 was allocated to Murang'a County Assembly. This allocation was equivalent to 10% of the total County Revenue budget for the year amounting to Kshs.9,803,879,956. However, the ratio was in excess of the set threshold of 7% contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the approved expenditures of a County Assembly shall not exceed seven percent (7%) of the total revenues of the County Executive or twice the personnel emoluments of that County Assembly, whichever is lower.

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

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

11.0 Project Implementation Status Report

The Murang'a County Executive had an approved development budget of Kshs.2,995,382,567. Included in the balance is Kshs.548, 300,000 in respect of the Infrastructure and Community Projects Department. However, the projects implemented during the year were one hundred and thirty-two (132) with a budget of Kshs.507,235,072 resulting in unexplained variance of Kshs.41,064,928. Further, the project implementation status report shows that 113 projects worth Kshs.399,394,736 were completed and in use, 14 projects worth Kshs.198,714,089 were ongoing, 5 projects worth Kshs.7,861,843 had not started while 2 projects worth Kshs.6,069,912 were completed and not in use.

This may be an indication of inadequacy in project planning and control mechanisms to ensure efficient absorption of available funds.

In the circumstances, the public did not get the expected value for money from ongoing projects, non-started projects and completed and unutilized projects.

12.0 Unauthorized Use of Water from Water Resources

Information provided for audit review indicated that, eight boreholes drilled and equipped within the County were commissioned and water put into use before application for the permit was done. This was contrary to Regulation 7 (1) of the Water Resources Regulations, 2021 which provides that a person who intends to undertake an activity involving the use of water from a water resource shall apply to the Authority for a permit before commencing the activity.

The use of water from the boreholes before approval by the respective Authority may jeopardize the health of the public.

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

13.0 Failure to Deduct Retention Fees from Contractors' Payments

Note 15 to the financial statements reflects Kshs.Nil balance on deposits and retention monies as at 30 June, 2023. Examination of the payment vouchers and other supporting documents revealed that the County Executive did not retain retention fee of 10% for the various contracted and executed works certificates paid totalling to Kshs.645,258,435 on construction and civil works as disclosed under Note 9 to the financial statement on acquisition of assets.

In the circumstances, in case of defects on completed works, the Management may be unable to compel the contractors to correct the defects leading to loss of public funds.

14.0 Irregular Payments to Council of Governors

As reported in the previous year, the County Executive paid an amount of Kshs.2,100,000 to Council of Governors. This was contrary to Section 37(b) of the Intergovernmental Relations Act, 2012 which provides that the operational expenses in respect of the Council of Governors should be provided for in the annual estimates of the revenue and expenditure of the National Government.

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

15.0 Unexplained Voided Transactions

Review of IFMIS records revealed that one thousand and twenty-six (1,026) payments transactions totalling Kshs.956,210,120 were processed and voided or canceled during the year ended 30 June, 2023. However, no satisfactory explanation was provided on why the payments were voided. Further, no evidence was provided to confirm that the Controller of Budget was informed of the voiding of the payments so as to make necessary adjustments.

In the circumstances, Management did not observe financial discipline.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Lack of Risk Management Policy

The Management did not provide supporting documents, for audit review, as evidence of existence of a risk management policy to guide the Management on risk assessment and formulation of risk mitigation strategies in the year under review. This is contrary to Section 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations.

In the absence of a risk management, it has not been possible to confirm whether the internal controls built within the financial and operational systems were functioning as intended during the year under review.

2.0 Lack of Information Technology Systems Interface

Review of the County Executive Information Communication Technology (ICT) systems revealed that four systems are in operation within the County, including Murang'a Revenue Management System provided by the National Government, Unstructured Supplementary Service Data (USSD) code, Fleet Management System and Lands Management System. However, the systems have not been integrated or interfaced with each other to facilitate a common shared data base and better service delivery in executing the County Executive mandate.

Further, it was observed that Unstructured Supplementary Service Data (USSD) code (*267#) usage and maintenance is obtained directly from the vendor without any formal

service level agreement or patent ownership rights. This state of affairs may expose the County Executive to disruption of operations in the event the developer discontinues its services or locks the system due to disputes.

In addition, the continued use of USSD code undermines the full implementation of Murang'a Revenue Management System which is meant to capture full details of revenue, its source and expenditure including the targets and ranking of the revenue stream.

In the circumstances, the effectiveness of the County Executive's ICT systems could not be confirmed.

3.0 Summary of Non-Current Assets Register

As disclosed in Annex 6 to the financial statements, the summary of non-current assets register reflects summary of noncurrent assets with historical cost balance of Kshs.6,203,508,790 as at 30 June, 2023. However, as previously reported the County Executive Management did not provide for audit an updated non-current asset register. In addition, these assets were not tagged and properly recorded in both manual and automated registers and were therefore prone to misplacement and loss.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 February, 2024

County Government of Muranga
County Executive - Muranga

Annual Report and Financial Statements for the year ended June 30 2023

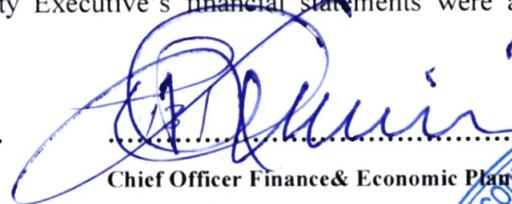
9. Statement of Receipts and Payments for the year ended 30th June 2023

		Current FY 2022/2023	Comparative FY2021/2022
	Notes	Kshs	Kshs
Receipts			
Transfers from the CRF	1	7,558,543,751	7,268,749,501
Miscellaneous receipts	2	-	131,431
Total receipts		<u>7,558,543,751</u>	<u>7,268,880,932</u>
Payments			
Compensation of employees	3	3,899,279,511	3,986,752,071
Use of goods and services	4	1,572,321,614	1,752,873,170
Subsidies	5	3,600,000	2,265,862
Transfers to other government entities	6	736,159,980	-
Other grants and transfers	7	317,000,000	416,893,861
Social security benefits	8	66,790,654	49,351,000
Acquisition of assets	9	915,272,710	115,186,954
Finance costs, including loan interest	10	-	310,104,066
Repayment of principal on domestic & foreign Borrowing	11	-	-
Other payments	12	12,000,000	709,970,474
Total payments		<u>7,522,424,469</u>	<u>7,343,397,458</u>
Surplus/deficit*		<u>36,119,282</u>	<u>(74,516,526)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 13/12/2023 and signed by:



Director Accounting Services
Name: Anthony M. Waithaka
ICPAK Member No:13755



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

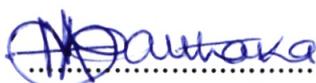


County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

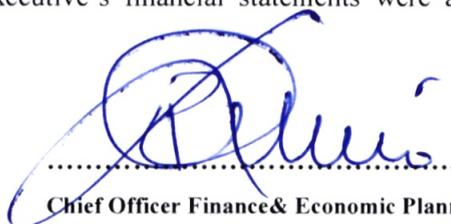
10. Statement of Assets and Liabilities as at 30th June 2023

		Current FY 2022/2023	Comparative FY2021/2022
	Notes	Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	13A	54,183,954	18,064,672
Cash balances	13B	-	-
Total cash and cash equivalents		<u>54,183,954</u>	<u>18,064,672</u>
Outstanding imprests and advances	14	-	-
Total financial assets		<u>54,183,954</u>	<u>18,064,672</u>
Financial liabilities			
Deposits and retentions	15	-	-
Net financial assets		<u>54,183,954</u>	<u>18,064,672</u>
Represented by			
Fund balance b/fwd.	16	<u>18,064,672</u>	<u>994,756,234</u>
Prior year adjustments	17	-	(902,175,036)
Surplus/deficit for the year		36,119,282	(74,516,526)
Net financial position		<u>54,183,954</u>	<u>18,064,672</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Executive's financial statements were approved on 13/12/ 2023 and signed by:



Director Accounting Services
 Name: Anthony M. Waithaka
 ICPAK Member No:13755



Chief Officer Finance & Economic Planning
 Name: Peter G. Kahora
 ICPAK Member Number: 2444



County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

11. Statement of Cash Flows for the period ended 30th June 2023

		Current FY 2022/2023	Comparative FY2021/2022
	Notes	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	7,558,543,751	7,268,749,501
Miscellaneous receipts	2	-	131,431
Total receipts from operating income		<u>7,558,543,751</u>	<u>7,268,880,932</u>
Payments for operating expenses			
Compensation of employees	3	3,899,279,511	3,986,752,071
Use of goods and services	4	1,572,321,614	1,752,873,170
Subsidies	5	3,600,000	2,265,862
Transfers to other government entities	6	736,159,980	-
Other grants and transfers	7	317,000,000	416,893,861
Social security benefits	8	66,790,654	49,351,000
Finance costs, including loan interest	10	-	310,104,066
Other payments	12	12,000,000	709,970,474
Total payments for operating expenses		<u>6,607,151,759</u>	<u>7,228,210,504</u>
Net receipts/ (payments) from operations		<u>951,391,992</u>	<u>40,670,428</u>
Adjusted for:			
Prior year adjustments	17	-	902,175,036
Increase/(decrease) in deposits and retentions	19	-	-
Net cash flow from operating activities		-	902,175,036
Cash flow from investing activities			
Acquisition of assets	9	915,272,710	115,186,954
Net cash flows from investing activities		915,272,710	115,186,954
Cash flow from Financing activities			
Repayment of principal on domestic and foreign Borrowing	11	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		36,119,282	(976,691,562)
Cash and cash equivalents at beginning of the year	15	18,064,672	994,756,234
Cash and cash equivalents at end of the year		54,183,954	18,064,672

County Government of Muranga

County Executive - Muranga

Annual Report and Financial Statements for the year ended June 30 2023

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 13/12/ 2023 and signed by:



.....
Director Accounting Services

Name: Anthony M. Waithaka
ICPAK Member No:13755



.....
Chief Officer Finance & Economic Planning

Name: Peter G. Kahora
ICPAK Member Number:7444



MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

12. Statement of Comparison of Budget & Actual Amounts (Recurrent and Development Combined) for the year ended 30th

June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	8,652,108,603	278,096,353	8,930,204,956	7,558,543,751	1,371,661,205	85%
Other receipts	-	-	-	-	-	
Total	8,652,108,603	278,096,353	8,930,204,956	7,558,543,751	1,371,661,205	85%
Payments						
Compensation of employees	4,041,174,301	10,000,000	4,051,174,301	3,899,279,511	151,894,790	96%
Use of goods and services	2,393,570,968	(285,399,715)	2,108,171,253	1,572,321,614	535,849,639	75%
Subsidies	6,000,000	(2,000,000)	4,000,000	3,600,000	400,000	90%
Transfers to other government units	746,018,334	255,596,068	1,001,614,402	736,159,980	265,454,422	73%
Other grants and transfers	312,000,000	31,000,000	343,000,000	317,000,000	26,000,000	92%
Social security benefits	88,000,000	-	88,000,000	66,790,654	21,209,346	76%
Acquisition of assets	948,345,000	350,900,000	1,299,245,000	915,272,710	383,972,290	70%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	117,000,000	(82,000,000)	35,000,000	12,000,000	23,000,000	34%
Total	8,652,108,603	278,096,353	8,930,204,956	7,522,424,469	1,407,780,487	84%
Surplus/(Deficit)				36,119,282	(36,119,282)	

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

The County Executive's financial statements were approved on 13/12/ 2023 and signed by:



.....
Director Accounting Services

Name: Anthony M. Waithaka

ICPAK Member No:13755



.....
Chief Officer Finance & Economic Planning

Name: Peter G. Kahora

Icpak Member Number:7444



County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

10A Statement of Comparison of Budget & Actual Amounts – Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	5,758,472,148	176,350,241	5,934,822,389	5,531,302,063	403,520,326	93%
Other receipts	-	-	-	-	-	
Total	5,758,472,148	176,350,241	5,934,822,389	5,531,302,063	403,520,326	93%
Payments						
Compensation of employees	4,041,174,301	10,000,000	4,051,174,301	3,899,279,511	151,894,790	96%
Use of goods and services	1,262,227,121	75,100,000	1,337,327,121	1,176,278,999	161,048,122	88%
Subsidies	6,000,000	(2,000,000)	4,000,000	3,600,000	400,000	90%
Transfers to other government units	68,400,726	(749,759)	67,650,967	58,428,829	9,222,138	86%
Other grants and transfers	220,000,000	88,000,000	308,000,000	308,000,000	-	100%
Social security benefits	88,000,000	-	88,000,000	66,790,654	21,209,346	76%
Acquisition of assets	72,670,000	(14,000,000)	58,670,000	6,555,517	52,114,483	11%
Finance costs, including loan interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other payments	-	20,000,000	20,000,000	12,000,000	8,000,000	60%
Total	5,758,472,148	176,350,241	5,934,822,389	5,530,933,510	403,888,879	93%
Surplus/(deficit)				368,553	(368,553)	

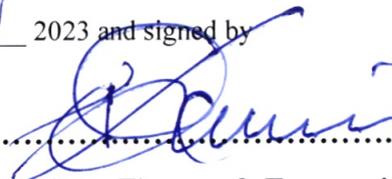
County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

The County Executive's financial statements were approved on 13/12/ 2023 and signed by



.....
Director Accounting Services

Name: Anthony M. Waithaka
ICPAK Member No:13755



.....
Chief Officer Finance & Economic Planning

Name: Peter G. Kahora
Icpak Member Number:7444



County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

10B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

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						
Transfers from the CRF	2,893,636,455	101,746,112	2,995,382,567	2,027,241,688	968,140,879	68%
Other receipts	-	-	-	-	-	
Total	2,893,636,455	101,746,112	2,995,382,567	2,027,241,688	968,140,879	68%
Payments						
Compensation of employees						
Use of goods and services	1,131,343,847	(360,499,715)	770,844,132	396,042,615	374,801,517	51%
Subsidies	-	-	-	-	-	
Transfers to other government units	677,617,608	256,345,827	933,963,435	677,731,151	256,232,284	73%
Other grants and transfers	92,000,000	(57,000,000)	35,000,000	9,000,000	26,000,000	26%
Social security benefits	-	-	-	-	-	
Acquisition of assets	875,675,000	364,900,000	1,240,575,000	908,717,193	331,857,807	73%
Finance costs, including loan interest	-	-	-	-	-	
Repayment of principal on borrowings	-	-	-	-	-	
Other payments	117,000,000	(102,000,000)	15,000,000	-	15,000,000	0%
Totals	2,893,636,455	101,746,112	2,995,382,567	1,991,490,959	1,003,891,608	66%
Surplus/(deficit)				35,750,729	(35,750,729)	

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

The County Executive's financial statements were approved on 13/12/2023 and signed by:



.....
Director Accounting Services

Name: Anthony M. Waithaka

ICPAK Member No:13755



.....
**Chief Officer Finance & Economic
Planning**

Name: Peter G. Kahora

Icpak Member Number:7444



MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

13. Budget Execution by Programmes and Sub-Programmes for the year ended 30th June 2023

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
4010			-	-	-	382,119	(382,119)
	-	Default - Non Programmatic	-	-	-	382,119	(382,119)
101004010		Cash Crop Development and Management	753,989,014	254,346,397	1,008,335,411	818,729,055	189,606,356
	101014010	Land and Crops Development	2,970,000	-	2,970,000	2,729,608	240,393
	101024010	Promotion Food Security	580,379,996	222,346,112	802,726,108	769,610,598	33,115,510
	101064010	Human Resource Management	22,810,000	(6,000,000)	16,810,000	9,362,936	7,447,064
	101094010	Solid Waste Managaemnt	32,124,872	48,000,285	80,125,157	29,545,642	50,579,515
	101104010	Infrastructure Development	111,854,146	(10,000,000)	101,854,146	4,037,905	97,816,241
	101124010	Capacity development, Mechanization and Innovation	3,850,000	-	3,850,000	3,442,366	407,634
102004010		Livestock and fisheries Development	113,715,900	(37,000,000)	76,715,900	20,439,037	56,276,863
	102054010	Cooperatives	90,165,000	(59,000,000)	31,165,000	10,483,744	20,681,256
	102064010	Enviromental management & Protection	9,900,000	22,000,000	31,900,000	7,928,529	23,971,471
	102074010	Urban Development and Support	13,650,900	-	13,650,900	2,026,764	11,624,136

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

103004010		Land survey, housing and administration	65,070,000	21,200,000	86,270,000	28,878,179	57,391,821
	103014010	Land Policy and Planning	25,500,000	16,200,000	41,700,000	-	41,700,000
	103024010	Development Planning and Land Reforms	-	5,000,000	5,000,000	-	5,000,000
	103044010	Land Survey	5,000,000	-	5,000,000	-	5,000,000
	103084010	Veterinary Services	33,470,000	-	33,470,000	28,878,179	4,591,821
	103094010	Promotion of Energy & Renewable Energy Sources	1,100,000	-	1,100,000	-	1,100,000
107004010			8,305,000	-	8,305,000	2,860,400	5,444,600
	107024010	Livestock and Fisheries Development	8,305,000	-	8,305,000	2,860,400	5,444,600
108004010			20,130,000	(2,000,000)	18,130,000	15,622,518	2,507,482
	108014010	Local Revenue Mobilisation	20,130,000	(2,000,000)	18,130,000	15,622,518	2,507,482
109004010			107,000,000	214,600,000	321,600,000	105,293,492	216,306,508
	109014010	Agribusiness & Market Development	-	70,000,000	70,000,000	-	70,000,000
	109024010	Infrastructure Improvement Services	107,000,000	144,600,000	251,600,000	105,293,492	146,306,508
110004010			2,060,000	-	2,060,000	1,240,626	819,374
	110014010	Tourism Development	2,060,000	-	2,060,000	1,240,626	819,374

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

111004010			6,160,000	3,500,000	9,660,000	6,459,428	3,200,572
	111014010	Trade & Enterprise Development	6,160,000	3,500,000	9,660,000	6,459,428	3,200,572
201004010		Road Transport	18,007,900	(1,000,000)	17,007,900	16,546,535	461,365
	201014010	Construction of Roads and Bridges	18,007,900	(1,000,000)	17,007,900	16,546,535	461,365
202000000		Road Transport	-	-	-	-	-
202004010		ICT Infrastructure Development	516,625,000	135,000,000	651,625,000	575,607,894	76,017,106
	202064010	Infrastructure Devt	516,625,000	135,000,000	651,625,000	575,607,894	76,017,106
301004010		Tourism Development and Promotion	2,750,000	2,800,000	5,550,000	920,694	4,629,306
	301014010	Tourism Promotion and Marketing	2,750,000	2,800,000	5,550,000	920,694	4,629,306
302004010		Trade Promotion and marketing	62,350,000	32,400,000	94,750,000	41,112,684	53,637,316
	302014010	Domestic Trade Development	58,300,000	31,800,000	90,100,000	37,915,612	52,184,388
	302024010	Fair Trade and Consumer Protection	4,050,000	600,000	4,650,000	3,197,072	1,452,928
401004010		Supply suppression and enforcement	10,010,000	-	10,010,000	9,645,044	364,956
	401014010	Alcoholic Control and Reviewing of Licences	10,010,000	-	10,010,000	9,645,044	364,956
402004010		Treatment and rehabilitation	861,317,782	46,000,000	907,317,782	796,972,194	110,345,588

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

	402054010	Free Primary HealthCare	861,317,782	46,000,000	907,317,782	796,972,194	110,345,588
501004010		Education	54,200,000	(20,000,000)	34,200,000	2,200,000	32,000,000
	501034010	Early Childhood Development Education	50,000,000	(20,000,000)	30,000,000	-	30,000,000
	501054010	Motivation of Primary and Secondary School	4,200,000	-	4,200,000	2,200,000	2,000,000
507004010			139,400,265	(2,000,000)	137,400,265	116,761,785	20,638,480
	507014010	Revitalisation of Youth Polytechnics	139,400,265	(2,000,000)	137,400,265	116,761,785	20,638,480
509004010			476,763,603	78,000,000	554,763,603	549,768,889	4,994,714
	509014010	Early Child Development and Education	247,063,603	(5,000,000)	242,063,603	237,068,889	4,994,714
	509024010	Motivation of Primary and Secondary Schools	229,700,000	83,000,000	312,700,000	312,700,000	-
701004010			7,200,000	4,800,000	12,000,000	1,177,979	10,822,021
	701034010	Public Trusts and Estates Management	7,200,000	4,800,000	12,000,000	1,177,979	10,822,021
703004010			22,700,000	20,000,000	42,700,000	33,105,362	9,594,638
	703014010	Default - Non Programmatic	3,500,000	-	3,500,000	216,000	3,284,000
	703024010	Budget Formulation Coordination and Management	3,600,000	-	3,600,000	3,297,346	302,654
	703034010	Economic Planning and CIDP Review	15,600,000	20,000,000	35,600,000	29,592,016	6,007,984
705004010			183,536,000	(90,600,000)	92,936,000	77,309,714	15,626,286

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

	705014010	Budget Implementation and Monitoring	3,660,000	-	3,660,000	3,491,145	168,855
	705024010	Office Administration and support Services	153,800,000	(90,600,000)	63,200,000	50,417,419	12,782,581
	705034010	Public Participation	26,076,000	-	26,076,000	23,401,151	2,674,850
706004010			4,732,511,305	(174,950,044)	4,557,561,261	4,109,662,270	447,898,991
	706014010	General Administration Planning and support Services	4,732,511,305	(174,950,044)	4,557,561,261	4,109,662,270	447,898,991
711004010			188,660,000	(110,000,000)	78,660,000	25,506,680	53,153,320
	711014010	Youth Development Services	660,000	-	660,000	149,400	510,600
	711024010	Gender & Social-Economic Empowerment	188,000,000	(110,000,000)	78,000,000	25,357,280	52,642,720
718004010			9,660,000	2,000,000	11,660,000	9,634,941	2,025,059
	718014010	Audit Services	5,670,000	-	5,670,000	4,464,675	1,205,325
	718024010	Corporate Governance	3,990,000	2,000,000	5,990,000	5,170,266	819,734
730004010			3,320,000	-	3,320,000	3,049,291	270,709
	730014010	Budget Implementation and Monitoring	3,320,000	-	3,320,000	3,049,291	270,709
901004010			2,450,000	-	2,450,000	1,632,629	817,371
	901014010	Social Welfare and Vocational Rehabilitation	2,450,000	-	2,450,000	1,632,629	817,371

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

902004010			33,421,000	(6,000,000)	27,421,000	19,221,514	8,199,486
	902024010	Persons Living With Disabilities	20,000,000	(6,000,000)	14,000,000	9,941,800	4,058,200
	902044010	Disaster Fund Management	13,421,000	-	13,421,000	9,279,714	4,141,286
903004010			7,420,000	4,000,000	11,420,000	9,084,440	2,335,560
	903034010	Development and Management of Sports Facilities	7,420,000	4,000,000	11,420,000	9,084,440	2,335,560
904004010			13,074,115	(2,000,000)	11,074,115	1,445,215	9,628,900
	904014010	Development And Promotion of Culture	13,074,115	(2,000,000)	11,074,115	1,445,215	9,628,900
1001004010			3,700,000	-	3,700,000	2,573,740	1,126,260
	1001054010	Enviromental Leadership and Governance	3,700,000	-	3,700,000	2,573,740	1,126,260
1004004010			226,601,719	(95,000,000)	131,601,719	119,962,239	11,639,480
	1004014010	Water Supply Infrastructure	226,601,719	(95,000,000)	131,601,719	119,962,239	11,639,480
		Grand Total	8,652,108,603	278,096,353	8,930,204,956	7,522,424,469	1,407,780,487

14. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The receivables and payables are disclosed in the Statement of Assets and Liabilities. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Executive all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

b) Reporting entity

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

c) Recognition of receipts and payments

i) Recognition of receipts

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

ii) Transfers from the County Revenue Fund (CRF)

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

iii) Proceeds from sale of assets

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

Significant Accounting Policies (Continued)

d) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

Significant Accounting Policies (Continued)

e) In-kind contributions

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

f) Third Party Payments

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

g) Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits.

Significant Accounting Policies (Continued)

h) Imprests and Advances

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

i) Third Party Deposits and Retention

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

j) Non-current assets

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

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Executive at the end of the year. Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

l) Contingent Liabilities

A contingent liability is:

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

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

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

m) Contingent Assets

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

Significant Accounting Policies (Continued)

n) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act.

o) Comparative figures

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

p) Subsequent events

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

q) Prior Period Adjustment

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

r) Related Party Transactions

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

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

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

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

15. Notes to the Financial Statements

1. Transfer from the CRF

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Total exchequer releases for quarter 1	759,234,413	1,284,149,640
Total exchequer releases for quarter 2	1,702,173,714	1,863,062,670
Total exchequer releases for quarter 3	1,454,229,378	1,569,818,007
Total exchequer releases for quarter 4	3,642,906,246	2,551,719,184
Total	7,558,543,751	7,268,749,501

2. Miscellaneous Receipts

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Insurance Recoveries	-	-
Reversed payment recurrent account	-	131,431
Total	-	131,431

3. Compensation of Employees

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Basic salaries of permanent employees	3,856,978,985	3,878,089,392
Basic wages of temporary employees	39,738,126	108,662,679
Personal allowances paid as part of salary	2,562,400	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	-	-
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Total	3,899,279,511	3,986,752,071

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

Notes to the Financial Statements (Continued)

4. Use of Goods and Services

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Utilities, supplies and services	113,191,970	87,319,911
Communication, supplies and services	65,570,481	1,214,992
Domestic travel and subsistence	179,556,062	54,405,951
Foreign travel and subsistence	18,649,837	11,961,741
Printing, advertising and information supplies & services	14,899,632	16,461,945
Rent and Rates	17,824,720	18,521,468
Training expenses	40,585,661	57,351,791
Hospitality supplies and services	22,985,484	22,861,574
Insurance costs	186,834,536	5,448,965
Specialized materials and services	561,447,968	1,134,935,015
Office and general supplies and services	15,009,034	19,222,552
Fuel, oil and lubricants	43,999,253	31,106,818
Other operating expenses (including bank charges)	116,534,863	119,245,888
Routine maintenance – vehicles and other transport equipment	9,601,098	7,558,106
Routine maintenance – other assets	165,631,015	165,256,453
Total	1,572,321,614	1,752,873,170

5. Subsidies

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Subsidies to Public Corporations		
Grant to youth polytechnic	3,600,000	2,265,862
Total	3,600,000	2,265,862

Notes to the Financial Statements (Continued)

6. Transfer to other Government entities

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
current grant to semi-autonomous government agencies	129,286,587	-
Capital grant to semi-autonomous government agencies	4,185,129	-
Capital grant to other levels of government	601,414,365	-
Donations	875,000	-
Other Capital Grants and Trans	398,899	-
Total	736,159,980	-

7. Other Grants and Transfers

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Scholarships and other educational benefits	308,000,000	182,652,000
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	9,000,000	-
current grant to semi-autonomous government agencies	-	33,769,526
Capital grant to government agencies	-	116,429,456
Other Capital Grants and Trans	-	84,042,879
Total	317,000,000	416,893,861

8. Social Security Benefits

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Government Pension and Retirement Benefits	66,790,654	-
Employer Social Benefits	-	49,351,000
Total	66,790,654	49,351,000

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

Non- financial assets	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Purchase of buildings		
Construction of buildings		
Refurbishment of buildings		
Construction of roads	168,853,014	1,579,292
Construction and civil works	476,405,421	52,939,216
Overhaul and refurbishment of construction & civil works	-	-
Purchase of vehicles and other transport equipment	22,551,150	970,000
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	8,172,308	-
Purchase of specialized plant, equipment and machinery	30,835,300	53,647,995
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	202,900,000	3,808,189
Research, studies, project preparation, design & supervision	3,668,151	2,242,262
Rehabilitation of civil works	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	-	-
Financial assets	-	-
Car loans to Public Servants	1,887,366	-
Equity Participation	-	-
Domestic Payables - from Previous Financial Years	-	-
Total acquisition of assets	915,272,710	115,186,954

County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

Notes to the Financial Statements (Continued)

10. Finance Costs, including Loan Interest

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
public enterprises	-	3,234,835
other creditors	-	306,869,231
National Health Insurance Fund	-	-
Total	-	310,104,066

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

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Repayments on borrowings from domestic		
Total		

12. Other Payments

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Budget Reserves	12,000,000	2,064,567
Civil Contingency Reserves	-	255,000
Other payments	-	707,650,907
Total	12,000,000	709,970,474

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	Current	Comparative
			FY2022/2023	FY2021/2022
			Kshs	Kshs
CBK-COUNTY RECURRENT A/C	NO. 1000171073		58	26,451
CBK-COUNTY DEVELOPMENT A/C	NO.1000170988		8,386,442	6,273
CBK-COUNTY RMLF A/C	NO.1000252798		-	-
CBK- SPECIAL PURPOSE A/C	NO.1000346485		53	8,963,898
CBK-MURANGA COUNTY KENYA DEVOL SUP PROG-KSH.A/C	NO:1000439181		43,918	234,135
CBK-AGRI SECTOR DEV PROG. II A/C	NO.1000368877		-	-
CBK-VILLAGE POLYTECHNIC A/C	NO.1000368853		-	-
CBK-NARGIP A/C	NO.1000368845		-	-
CBK-MURANGA COUNTY NUTRITION PROJECT AC-KES	NO: 1000508687		25,236,924	8,833,915
CBK-MURANGA COUNTY COVID-19 SPEC	NO.1000456132		-	-
CBK-MURANGA COUNTY DEPOSITE ACCOUNT	NO:1000380179		-	-
CBK-MURANGA COUNTY CLIMATE CHAGE FUND AC/	NO:1000544279		17,814,871	-
CBK- MURANGA COUNTY PRIMARY HEALTH CARE	NO.1000563419		2,701,688	-
MURANGA COUNTY NAT. AGRIC VAL CHAIN	NO.1000705744		-	-
Total			54,183,954	18,064,672

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

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

13 B Cash in Hand

	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Cash in hand – Held in Domestic Currency	-	-
Cash in hand – Held in Foreign Currency	-	-
Total	-	-

Notes to the Financial Statements (Continued)

Cash in hand should also be analysed as follows:

	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. Outstanding imprests and advances

Description	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
Total	-	-

Breakdown of Imprest and Salary Advance per Department	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Imprest		
Department Xx	-	-
Department Xx	-	-
Department Xx	-	-
Sub-Total	-	-
Salary Advance		
Department Xx	-	-
Department Xx	-	-
Sub-Total	-	-
Grand Total	-	-

Notes to the Financial Statements (Continued)

15. Deposits and Retention

	Current FY2022/2023		Comparative FY2021/2022	
	Kshs		Kshs	
Deposits	-		-	
Retention Monies	-		-	
Total	-		-	
Ageing analysis for	-		-	
Ageing analysis: (deposits and retentions)	Current FY	% of the Total	Comparati ve FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

16. Fund Balance Brought Forward

	Current FY2022/2023		Comparative FY2021/2022	
	Kshs		Kshs	
Bank Accounts	18,064,672		994,756,234	
Cash in Hand	-		-	
Outstanding Imprests and Advances	-		-	
Third party deposits and retention	-		-	
Total	18,064,672		994,756,234	

17. Prior Year Adjustments

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

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

* The figure that goes to the statement of assets and liabilities.

** (The adjusted balances are not carried down on the face of the financial statement.

County Executive to provide disclosure on the adjusted amounts) (Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy. Provide explanations for the prior year adjustments made their nature and effect on the fund balance of the County Executive).

Notes to the Financial Statements (Continued)

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

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Imprest and Advances as at 1 st July (A)	-	-
Imprest and Advances as at 30 th June (B)	-	-
Increase)/ Decrease in Imprest and Advances (C=(B-A))	-	-

19. Increase/ (Decrease) in Deposits and Retention

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Deposits and Retention s as at 1 st July (A)	-	-
Deposits and Retention as at 30 th June (B)	-	-
Increase/ (Decrease) in Deposits and Retentions C= B-A	-	-

20. Other Important Disclosures

1. Pending Accounts Payable (See Annex 2)

	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	-	-	-
Construction of Civil Works	219,743,046	31,801,204	219,879,870	31,664,381
Supply of Goods	366,692,996	40,777,990	75,326,108	332,144,878
Supply of Services	74,640,723	22,743,685	22,028,500	75,355,908
Total	661,076,765	95,322,879	317,234,478	439,165,167

2. Pending Staff Payables (See Annex 3)

	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Staff statutory deduction	296,424,773	210,140,866	123,183,496	383,382,143
June 2023 gross salary	-	314,952,148	-	314,952,148
Total	296,424,773	525,093,014	123,183,496	698,334,291

3. Other Pending Payables (See Annex 4)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	-	-	-	-
Amounts due to County Government Entities	-	-	-	-
Amounts due to Third Parties	-	-	-	-
Total	-	-	-	-

Other Important Disclosures

4. External Assistance

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	-	-
External Assistance received In Kind- as Payment by Third Parties	-	-
Total	-	-

a) External assistance relating to loans and grants

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
External Assistance received as Loans	-	-
External Assistance received as Grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	Current FY2022/2023	Comparative FY2021/2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

Other Important Disclosures

c) Classes of providers of external assistance

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d) Non-monetary external assistance

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

*County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023*

Other Important Disclosures

e) Purpose and use of external assistance.

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Compensation of Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to Other Government Entities	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

f) External Assistance paid by Third Parties on behalf of the County Executive by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the County Executive.

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Other Important Disclosures

5. Payments by Third Party on Behalf of the County Executive

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

5.1 Classification by Source

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Other County Entities	-	-
Others	-	-
Total	-	-

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

	Current FY2022/2023	Comparative FY2021/2022
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Repayment of principal on domestic & foreign borrowing	-	-
Other payments	-	-
Total	-	-

Other Important Disclosures

County Government of Muranga
County Executive - Muranga
Annual Report and Financial Statements for the year ended June 30 2023

6. Related Party Disclosures

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

The following comprise of related parties to the County Executive:

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

Related party transactions

	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Key Management Compensation (Governor, CEC Members And Cos)	-	-
<u>Transfers To Related Parties</u>	-	-
Transfers to Other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to Non-Reporting Entities E.G Schools And Welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on Behalf Of County Water Service Providers	-	-
Total Transfers To Related Parties	-	-
<u>Transfers From Related Parties</u>	-	-
Transfers From the CRF	-	-
Transfers From National Government MDAs	-	-
Transfers From SCs And SAGAs - National Government	-	-
(Insert Any Other Transfers Received)	-	-
Total Transfers From Related Parties	-	-

Other Important Disclosures

7. Establishment of other County Government Entities

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

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Xxx Corporation	-	-	-
XX Water And Sewerage Company	-	-	-
Xxx Fund	-	-	-
Xxx Board	-	-	-
Xxx Project	-	-	-
Xxx Scheme	-	-	-

8. Leasing of Medical Equipment

Amounts relating to leased medical equipment is included in the County Allocation Revenue Act and is budgeted for by the Counties. This amount is deducted at source and therefore not included in the exchequer. Since this is not a cash item, it is not included in the statement of receipts and payments

9. Contingent Liabilities

Contingent Liabilities	Current FY2022/2023	Comparative FY2021/2022
	Kshs	Kshs
Court Case Xxx Against the Entity	-	-
Bank Guarantees In Favour Of Subsidiary	-	-
Contingent Liabilities Arising from PPPs	-	-
Total	-	-

16. Progress On Follow Up On Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your County Executive responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....

County Executive Committee Member – Finance and Economic Planning

Date

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

17. Annexes

Annex 1 – Analysis Of Transfers From the CRF

Period 2023	Quarter 1 (Kshs)	Quarter 2 (Kshs)	Quarter 3 (Kshs)	Quarter 4 (Kshs)	Total (Kshs)
COUNTY EXECUTIVE-RECURRENT	571,025,410	1,702,173,714	1,130,320,363	2,072,451,654	5,475,971,141
COUNTY EXECUTIVE-DEVELOPMENT	-	-	149,533,698	1,166,553,190	1,316,086,888
DANIDA - Universal Healthcare in Develved Units Programme(PRY HEALTH)	6,977,438	-	-	27,424,688	34,402,126
Agriculture Sector Development Support Project (ASDSP II)	3,000,000	-	12,245,673	7,346,112	22,591,785
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health(SPA)	75,353,438	-	2,860,928	-	78,214,366
National Agricultural & Rural Inclusive Growth Project (NARIGP)	102,878,127	-	112,695,916	240,299,196	455,873,239
Nutritional International	-	-	46,572,800	15,109,881	61,682,681
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)I CCIS Grant State Department	-	-	-	22,000,000	22,000,000
Kenya Devolution Support Programme	-	-	-	20,928,796	20,928,796
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	-	-	-	67,192,729	67,192,729
Development of Youth Polytechnics-State Department of TVETS	-	-	-	3,600,000	3,600,000
Total	759,234,413	1,702,173,714	1,454,229,378	3,642,906,246	7,558,543,751

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

Annex 2 – Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Date invoiced/contracted	Particulars	Original Amount	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY2022/2023	Comments
				a	b	c	d=a+b-c	
Construction Of Civil Works								
1. Various supplies				219,743,046	31,801,204	219,879,870	31,664,381	
2. Sub-Total						-	-	
Supply Of Goods								
Various supplies				366,692,996	40,777,990	75,326,108	332,144,878	
3. Sub-Total						-	-	
4. Supply Of Services								
Various supplies				74,640,723	22,743,685	22,028,500	75,355,908	
Sub-Total						-	-	
5. Grand Total				661,076,765	95,322,879	317,234,478	439,165,167	
<i>Note:</i>								

*The pending bills at the beginning of the financial year was kshs. 2,458,413,565 but the county government formed a committee on pending bill to verify accrued bills. The committee finalized the verification exercise and presented its findings and recommended kshs.661,076,765 as eligible pending bills

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

Annex 3 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY2022/2023	Comments
			a	b	c=a-b		
Staff statutory deduction			296,424,773	210,140,866	123,183,496	383,382,143	
June 2023 gross salary			-	314,952,148	-	314,952,148	
Grand Total			296,424,773	525,093,014	123,183,496	698,334,291	

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

Annex 4 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx-1	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
1.							
2.							
Sub-Total							
Amounts Due To County Govt Entities							
3.							
4.							
Sub-Total							
Amounts Due To Third Parties							
5.							
Sub-Total							
Others (Specify)							
6.							
Sub-Total							
Grand Total							

County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

Annex 5 – Analysis of imprests and Advances

(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance as at (insert current FY)
		Kshs	Kshs	Kshs
Name Of Officer Or Institution	dd/mm/yy	-	-	-
Name Of Officer Or Institution	dd/mm/yy	-	-	-
Name Of Officer Or Institution	dd/mm/yy	-	-	-
Name Of Officer Or Institution	dd/mm/yy	-	-	-
Total		-	-	-

(b) Salary Advance

Name Of Officer	Date Advanced	Amount Advanced	Amount Recovered	Balance as at (insert current FY)
		Kshs	Kshs	Kshs
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Name Of Officer	dd/mm/yy	-	-	-
Total		-	-	-

County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023

Annex 6 – Summary of Non-Current Asset Register

Asset Class	Historical Cost b/f (Kshs) Previous Year 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023
Land	2,135,192,500	-	-	-	2,135,192,500
Buildings And Structures	2,599,568,898	476,405,421	-	-	3,081,528,965
Transport Equipment	310,760,000	22,551,150	-	-	333,311,150
Office Equipment, Furniture And Fittings	30,467,103	8,172,308	-	-	38,639,411
ICT Equipment	19,998,900	-	-	-	19,998,900
Machinery And Equipment	65,777,412	30,835,300	-	-	96,612,712
-	-	-	-	-	-
Biological Assets	32,689,200	-	-	-	32,689,200
Intangible Assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	54,518,508	168,853,014	-	-	223,371,522
Work In Progress	-	-	-	-	-
others	6,050,451	208,455,517	-	-	242,164,430
Total					

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Executive. Additions during the year should tie to **note 9** on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

*County Government of Muranga
 County Executive - Muranga
 Annual Report and Financial Statements for the year ended June 30 2023*

Annex 7 – Inter-Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative amount transferred. KShs	Amount Confirmed as received. KShs	difference	explanation
1.	Xxx Fund								
2.	Xxx Project								
3.	Xxx Board								
4.	Xxx Corporation								
5.	Xxx								
6.	Xxx								
7.	Xxx								
8.	Total								

.....
Director of Finance
 County Executive

.....
Director of Finance
 Fund/project/board/water company/hospital

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

Annex 8 – Contingent Liabilities Register

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

MURANGA COUNTY EXECUTIVE
Annual Report and Financial Statements
For the year ended June 30 2023

Annex: 9 Reporting of Climate Relevant Expenditures

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

Annex 10 Reporting on Disaster Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments