REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF GARISSA

FOR THE YEAR ENDED 30 JUNE, 2019

GARISSA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly of Garissa is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes fifty (50) Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

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

- County Assembly Service Board(CASB)
- Clerk

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June,2019 and who had direct fiduciary responsibility were:

(d) Fiduciary Oversight Arrangements

No.	Designation	Name
1.	Accounting Officer	Mohamud A. Santur
2.	Principal Finance Officer	Mohamed A. Idhifle
3.	Principal Accountant	Mohamed A. Birik
4.	Principal Budget Officer	Fatuma H. Dagane
5.	Principal Internal Auditor	Abdinoor Duale
6.	Principal Procurement Officer	Issack I. Yussuf
7.	Principal Human Resource Officer	Yussuf Diis Shafat

1. Kenya National Audit Office
2. Audit Committee
2. Public Accounts Committee of the assembly
3. Finance Committee of the assembly
4. Budget committee of the assembly
5. Garissa County Assembly Audit Committee

(e) Entity Headquarters

County Assembly Building
P.O. Box 57-70100
Posta Road
Garissa, KENYA

(f) Entity Contacts

Telephone: (254) 702650013
E-mail: clerk@garissaassembly.go.ke
Website: www.garissaassembly.go.ke

(g) Entity Bankers

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

2. First Community Bank
   Kenyatta Avenue
   P.O Box 642-70100
   Garissa

3. Equity Bank
   Kenyatta Avenue
   P.O Box 700-70100
   Garissa

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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

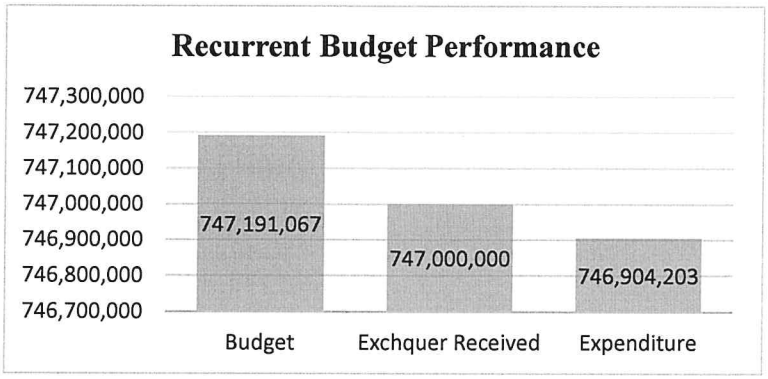
2. FORWARD BY THE CLERK OF THE ASSEMBLY

Put the forward note by the Clerk of the County Assembly.

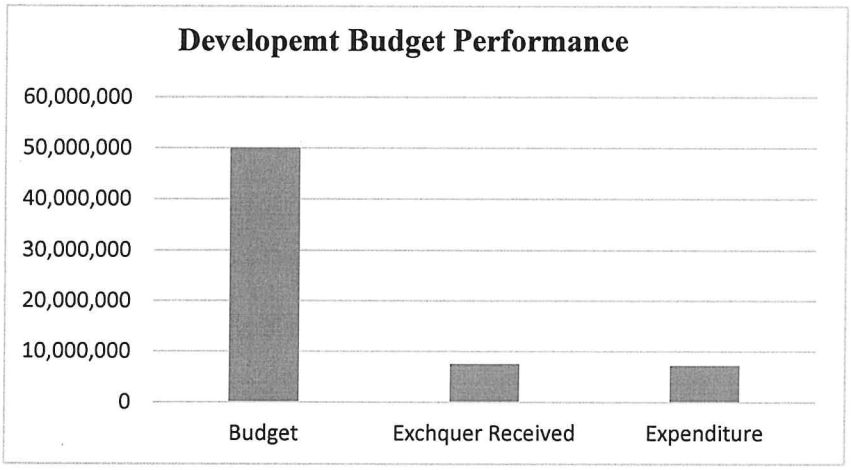
Include the following:

Budget performance

The county assembly recurrent budget for the year was Ksh. 747,191,067 of which we received Ksh. 747,000,000 representing 99.9%. The actual utilization was Ksh. 746,904,203 representing 99.9% against the budget.



The county assembly development budget for the year was Ksh. 50,000,000 of which we received Ksh. 7,500,000 representing 15% but due to some challenges we spent Ksh. 7,161,650 representing 95%



Operational Performance

The assembly passed various laws key amongst it;
-Budget Statement- The assembly passed the county budget that enabled the county undertake key development projects as contained in the county integrated development plan this led the county residents enjoy a better service.
-Garissa County County omnibus stations and parking act, 2018- the Act ensures order in the omnibus stations and requires that a person before operating an omnibus be permitted in accordance with the act.

-Garissa County outdoor advertising Act, 2018- the Act provides for a legislative framework for outdoor advertising in the County especially issues to do with licensing. -Garissa County solid waste management Act, 2018- the Act provides for realization of a clean and healthy environment in relation to solid waste management -Garissa County Revolving Fund Act, 2018- The Act makes provision for establishment of fund to develop small and micro enterprises in the county. The principal objective of the Act is to expand access to finances so as to promote youth, people living with disabilities and women businesses and enterprises at wards level for economic growth; to generate gainful self-employment for the unemployed locals through empowerment of small and Micro Enterprise; and to model an alternative framework in financing community driven development. -The county assembly passed the budget on June, 2018 and subsequently passed the supplementary budget on around April, 2018 -Environment and Natural Resources Committee, Finance and Economic planning Committee, Labour, Gender, Social Services and Sports Committee, Land, Housing and Urban Development Committee, Health and Sanitation Services, Trade, Enterprise development and Tourism, Roads, Transport and Public Works, ECD and Vocational Training, Water Committee, Agriculture, Livestock and Fisheries Committee, Welfare Committee, Committee on powers and privileges, Committee on Administration and public services, Procedure and rules committee, House Business committee, Committee on Selection, Committee on Appointments, Budget; Appropriation and Implementation Committee, Public Investment and Accounts Committee, Liaison Committee
Performance of key development projects
-Expansion of chambers, Prefabs, Expansion of Perimeter wall, Modern toilets, Procurement offices, Cafeteria, CCTV control room, Mosque, Renovation of old assembly buildings, Fire control system, Generator room,
Comment on value-for-money achievements
-It increased the level of oversight in the county -It increased the number of legislation passed that impacted the lives of county residents i.e Garissa County revolving fund
Challenges and Recommended Way Forward

Sign
Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2019. 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 Assembly; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly'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 Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2019, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly'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 Government's financial statements were approved and signed by the Clerk of the County Assembly on 19/12 2019.

Clerk of the County Assembly

4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF GARISSA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Garissa set out on pages 1 to 25, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Garissa as at 30 June, 2019 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. Unsupported Expenditure - Use of Goods and Services

As disclosed under Note 5 to the financial statements, the statement of receipts and expenditure reflects an expenditure of Kshs.280,063,577 in respect of use of goods and services. Examination of records revealed the following unsatisfactory matters:

1.1 Unaccounted for Mileage Allowance

Included in the above balance is an amount of Kshs.182,489,331 in respect of domestic travel and subsistence which in turn includes Kshs.28,693,877 paid to the Members of County Assembly (MCAs) for mileage allowance. However, a review of the documents availed revealed that there was no approved public works chart of kilometers between the Assembly offices and the areas of representation to support expenditure and to confirm whether the paid mileage allowances met the criteria set by SRC Circular

No. SRC/TS/CGOVT/3/16 of 27 November, 2013. Further, MCAs who claimed for distances above the 90 kilometers, did not avail vehicle logbooks to confirm capacity as the Automobile Association of Kenya (AAK) rates used are based on vehicle capacity.

1.2 Unsupported Travelling and Accommodation Allowances

Further, the balance includes an amount of Kshs.182,489,331 in respect of domestic travel and subsistence. A review of the supporting documents revealed that an amount of Kshs.4,098,000 was paid to Members of County Assembly (MCAs) and other staff for attending official duties outside their work station. However, it was noted that the expenditure was not supported by either vehicles work tickets or bus tickets hence it was not possible to ascertain whether the officers travelled to the indicated destinations.

1.3 Unsupported Routine Maintenance

In addition, the balance includes an amount of Kshs.2,035,890 incurred on routine maintenance - vehicles and other transport equipment. However, examination of the expenditure and other records availed for audit review revealed that an amount of Kshs.1,747,746 for the repair of motor vehicles was not supported by post inspection reports from mechanical department to confirm that the repairs were carried out as required.

1.4 Unsupported Hospitality, Supplies and Services

The balance also includes an amount of Kshs.10,036,580 under hospitality supplies and services. However, a review of the expenditure revealed that an amount of Kshs.1,333,500 was not supported by minutes or reports of the meetings held while the services were single sourced from a local hotel.

In the circumstances, it was not possible to confirm the accuracy, validity and completeness of the expenditure amounting to Kshs.280,063,577 under use of goods and services reflected in the statement of receipts and payments for the year ended 30 June, 2019.

2. Inaccurate Personal Allowances Paid as Part of Salary

The County Assembly allocated Kshs.249,938,060 for personal allowances paid as part of salary for the year ended 30 June, 2019. However, examination of payment vouchers and other supporting documents availed for audit review, indicated that an amount of Kshs.28,813,473 spent on personal allowances and paid as part of salary by the County Assembly includes an amount of Kshs.21,953,473 deducted for Pay As You Earn (PAYE) was paid after the statutory date therefore resulting to payment of penalties by the County Assembly.

Further, an amount of Kshs.6,860,000 for domestic and subsistence allowance expense was charged under personal allowance paid as part of salary which is erroneously charged.

Under the circumstances, the accuracy of the expenditure of Kshs.28,813,473 could not be ascertained.

3. Inaccurate Statement of Cash Flows

The statement of cash flows reflects a nil opening balance for the year under review. However, the closing balance for the year ended 30 June, 2018, reflected a balance of Kshs.21,081,664. Further, the bank balances of Kshs.434,147 reflected under Note 13A to the financial statements are not supported by all bank reconciliation statements.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.437,417 reflected in the statement of cash flows for the year ended 30 June, 2019 could not been confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

During the year under review, the approved budget of the Assembly totalled Kshs.797,191,067 out of which a sum of Kshs.747,191,067 representing 93.7% was allocated to recurrent expenditure while Kshs.50,000,000 representing 6.3% was allocated to development expenditure. However, it was noted that Kshs.746,904,203 (99.96%) of recurrent expenditure was utilized leaving a balance of Kshs.286,864 (0.04%) while Kshs.7,161,650 (14.32%) of development was utilized leaving a balance of Kshs.42,838,350 (86%) unspent.

The under-absorption of the development budget was mainly attributed to the County Executive not releasing funds to the County Assembly during the year under review. The underfunding affected service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on financial statements. However, Management has not resolved the issues or disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

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 matter described in the Basis of 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

Non-Adherence to Public Finance Management (County Governments) Regulations, 2015

The compensation of employees' total cost of Kshs.455,843,226 is approximately 60.41% of the total revenue of Kshs.754,500,000 and thus exceeded the recommended ratio of 35% stipulated in Section 25(1) of the Public Finance Management (County Governments) Regulations, 2015. The rising wage bill may not be sustainable unless adequate measures are put in place to contain it.

Consequently, the Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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. Inaccurate Fixed Assets Register

The financial statements under Annex 2 on summary of fixed assets register reflects an amount of Kshs.256,121,495 as at 30 June, 2019 being the Assembly's non-current assets. However, although an assets register was availed for audit review, the information disclosed on Annex 2 of the summary of fixed assets register and the data captured differed. Further, valuation for the assets reported was not done and the register lacked identification or serial numbers, acquisition dates, description of asset, location, class and cost of acquisition and hence the assets register presented for audit review was not prepared in a format prescribed for a fixed asset register as per IPSAS 17.

Consequently, the Management has not instituted adequate structures to ensure proper safeguards and custody of its assets.

2. ICT Environment and Data Security

Review of the County ICT environment revealed that there was an ICT Policy in place. However, Data Security Policy and Disaster Recovery Plans were not in place. Further, formally documented and approved processes to manage upgrades made to all financial information systems were not provided for audit review. Therefore, failure to put in place adequate measures to safeguard County Assembly data may negatively impact the entity's operations in case of a disaster.

In the circumstances, I am unable to confirm existence of measures to safeguard the ICT environment.

3. Lack of an Approved Internal Audit Charter

Review of the operations of the Internal Audit Department revealed that the County Assembly has an established internal audit unit to oversee governance mechanisms and promote transparency and accountability in the management of resources. However, there is no approved Internal Audit Charter detailing the scope, responsibilities and purpose of the internal audit function. This is contrary to the provisions of Section 155(2) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that an Accounting Officer shall ensure that an Internal Audit Unit is facilitated with sufficient authority to promote independence and ensure broad internal coverage, and adequate consideration of audit reports.

In the circumstances, the County Assembly's internal audit function may not function as required to ensure broad internal audit coverage and adequate consideration of audit reports.

4. Weak Internal Controls

Scrutiny of payment vouchers revealed that payments were done without proper examination, authorization and vote book control certificate completion. Consequently, the authenticity and regularity of the expenditures incurred could lead to loss of public funds.

In the circumstances, the internal control structures are inadequate in safeguarding public resources.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Assembly'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 Assembly or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Assembly 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 Assembly'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 Assembly 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 of the entities and business activities of the County Assembly 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.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 January, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 KShs	2017/18 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	754,500,000	718,474,550
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		754,500,000	**718,474,550**
PAYMENTS			
Compensation of Employees	4	455,843,226	355,726,192
Use of goods and services	5	280,063,577	217,094,611
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	23,864,049
Acquisition of Assets	10	18,159,050	101,319,656
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		**754,065,853**	**698,004,508**
SURPLUS/DEFICIT		**434,147**	**20,470,042**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19/12/ 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sahlan

Chief Finance Office – County Assembly
Name: Mohamed A. Idhuffo
ICPAK Member Number:

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2018/19 KShs	2017/18 KShs
Cash and Cash Equivalents			
Bank Balances	13A	434,147	21,081,664
Cash Balances	13B	-	-
Total Cash and cash equivalents		**434,147**	**21,081,664**
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		**-**	**-**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	
NET FINANCIAL ASSETS		**-**	**-**
REPRESENTED BY			
Fund balance b/fwd	16	-	611,622
Surplus/Deficit for the year		**434,147**	**20,470,042**
NET FINANCIAL POSITION		**434,147**	**21,084,664**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19/12/ 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sahal

Chief Finance Officer – County Assembly
Name: Mohamed A. Ibrahim
ICPAK Member Number:

5.3. STATEMENT OF CASH FLOWS

	Note	2018/19 KShs	2017/18 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	754,500,000	718,474,550
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	(455,843,226)	(355,726,192)
Use of goods and services	5	(280,063,577)	(217,094,611)
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	(23,864,049)
Finance Costs	11	-	-
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		-	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	18,159,050	101,319,656
Net cash flows from investing activities		**18,159,050**	**101,319,656**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**434,147**	**20,470,042**
Cash and cash equivalent at BEGINNING of the year	13	-	**611,622**
Cash and cash equivalent at END of the year		**434,147**	**21,081,664**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19/12/ 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sahir

Chief Finance Office – County Assembly
Name: Mohamed A. Dhegfle
ICPAK Member Number

5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	781,000,000	16,191,067	797,191,067	754,500,000	95%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	-	-	-	-	-
PAYMENTS					
Compensation of Employees	382,572,682	73,271,197	455,843,879	455,843,226	100%
Use of goods and services	238,365,400	41,704,689	280,070,089	280,063,577	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	28,611,219	(28,611,219)	0	0	-
Acquisition of Assets	131,450,699	(70,173,600)	61,277,099	18,159,050	30%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**781,000,000**	**16,191,067**	**797,191,067**	**754,065,853**	**95%**
SURPLUS/ DEFICIT				**434,147**	

The difference between the original and final budget has been caused by reallocation and supplementary budget passed by the assembly.

The entity financial statements were approved on 19/12 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sankir

Chief Finance Office – County Assembly
Name: Mohamed A. Ibrahim
ICPAK Member Number:

5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	711,000,000	36,191,067	747,191,067	747,000,000	100%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**711,000,000**	**36,191,067**	**747,191,067**	**747,000,000**	**100%**
PAYMENTS					
Compensation of Employees	382,572,682	73,271,197	455,843,879	455,843,226	100%
Use of goods and services	238,365,400	41,704,689	280,070,089	280,063,577	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	28,611,219	(28,611,219)	0	0	-
Acquisition of Assets	61,450,699	(50,173,600)	11,277,099	10,997,400	98%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**711,000,000**	**36,191,067**	**747,191,067**	**746,904,203**	**100%**
Surplus/ Deficit				**95,797**	

The difference between the original and final budget has been caused by reallocation and supplementary budget passed by the assembly.

The entity financial statements were approved on 19/12 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sanlir

Chief Finance Office – County Assembly
Name: Mohamed A. Ibrahim
ICPAK Member Number:

5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	70,000,000	(20,000,000)	50,000,000	7,500,000	15%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**70,000,000**	**(20,000,000)**	**50,000,000**	**7,500,000**	**15%**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	70,000,000	(20,000,000)	50,000,000	7,161,650	14%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**70,000,000**	**(20,000,000)**	**50,000,000**	**7,161,650**	**14%**
SURPLUS/ DEFICIT				**338,350**	

The difference between the original and final budget has been caused by reallocation and supplementary budget passed by the assembly.

The entity financial statements were approved on 19/12 2019 and signed by:

Clerk of the Assembly
Name: Mohamed A. Sankor

Chief Finance Office – County Assembly
Name: Mohamed A. Idhuffe
ICPAK Member Number:

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme					
3319	-	-	-	-	-
0					
101003319	-	-	-	-	-
101013310					
701003319	-	-	-	-	-
701023310					
707003319	**313,085,244**		**313,085,244**	**285,094,775**	**27,990,469**
707013310 (Administration and Planning Services)	313,085,244		313,085,244	285,094,775	27,990,469
710003319	**484,105,824**		**484,105,824**	**468,971,078**	**15,134,746**
710033310 (Administration and Services)	484,105,824		484,105,824	468,971,078	15,134,746
	797,191,067		**797,191,067**	**754,065,853**	**43,125,214**

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

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

Compensation of employees

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

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.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

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

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.

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pending bills

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

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Garissa County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on June, 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There was a supplementary budgets passed in the year 2019. A high-level assessment of the Garissa County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	KShs	KShs
Transfers from the County Treasury for Q1	139,250,000	63,360,206
Transfers from the County Treasury for Q2	191,150,000	215,750,138
Transfers from the County Treasury for Q3	172,300,000	167,100,000
Transfers from the County Treasury for Q4	251,800,000	272,264,206
Cumulative Amount	**754,500,000**	**718,474,550**

2. PROCEEDS FROM SALE OF ASSETS

	2018/19	2017/18
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

3. OTHER RECEIPTS

	2018/19	2017/18
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	188,941,868	173,068,658
Basic wages of temporary employees		12,600,000
Personal allowances paid as part of salary	249,938,060	155,551,297
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	16,963,298	14,506,237
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments		
Total	**455,843,226**	**355,726,192**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	2,430,800	1,715,887
Communication, supplies and services	-	-
Domestic travel and subsistence	182,489,331	85,575,630
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	1,758,995	6,680,690
Rentals of produced assets	3,750,000	1,220,000
Training expenses	35,100,263	14,665,756
Hospitality supplies and services	10,036,580	6,995,350
Insurance costs	12,018,000	14,674,692
Specialized materials and services	-	659,000
Office and general supplies and services	1,443,102	639,680
Other operating expenses	21,654,320	80,586,360
Routine maintenance – vehicles and other transport equipment	2,035,890	606,353
Routine maintenance – other assets	7,346,296	3,165,213
Total	**280,063,577**	**217,094,611**

6. SUBSIDIES

Description	2018/19	2017/18
	KShs	KShs
Subsidies to County Corporations	-	-
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	-
(insert name of budget agency)	-	-
TOTAL	-	-

8. OTHER GRANTS AND TRANSFERS

	2018/19	2017/18
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits	-	23,864,049
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**-**	**23,864,049**

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	30,689,802
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	7,161,650	49,545,063
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	5,390,454
Purchase of Office Furniture and Equipment	10,997,400	13,774,138
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	1,920,200
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	**18,159,050**	**101,319,656**
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	**-**	**-**
Total	**18,159,050**	**101,319,656**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/19	2017/18
	KShs	KShs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	-	-

12. OTHER PAYMENTS

	2018/19	2017/18
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfers to Private Non-Financial Enterprises	-	-
Total	-	-

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/19	2017/18
		KShs	KShs
Central Bank, Account No. 1000238992 Kenya Shilling	Recurrent Acc	90,047	55,501
Central Bank, Account No. 1000323868 Kenya Shilling	Development Acc	338,350	20,733,137
First Community Bank, Account No.2977778701 Kenya Shilling	Commercial Bank Acc	1,500	169,377.35
Equity Bank, Account No.0580266155162 Kenya Shilling	Commercial Bank Acc	4,250	123,649.10
Total		**434,147**	**21,081,664**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2018/19	2017/18
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2018/19	2017/18
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

(Provide locations where cash in hand is held e.g head office, cashier's office, cash office etc)

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests	-	-
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	-	-

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits	-	-
Retentions	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts	434,147	21,081,664
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	**434,147**	**21,081,664**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances	-	611,622
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	**-**	**611,622**

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	-	-	-	-
Construction of civil works	11,644,623	-	(11,644,623)	-
Supply of goods	1,372,716	281,114	(1,372,716)	281,114
Supply of services	15,547,452	-	(15,547,452)	-
Total	**28,564,791**	**281,114**	**(26,564,791)**	**281,114**

2. PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	**-**	**-**	**-**	**-**

3. OTHER PENDING PAYABLES (See Annex 3)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	**-**	**-**	**-**	**-**

4. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2018- 2019	2017- 2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	205,000,000	295,000,000
Key Management Compensation(Clerk and Heads of departments)	130,000,000	118,000,000
Total Compensation to Key Management	**335,000,000**	**413,000,000**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	**-**	**-**
Transfers from related parties		
Transfers from the County Executive- Exchequer	754,500,000	718,474,550
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	**754,500,000**	**718,474,550**

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.	Unsupported expenditure	Adequate Supporting for the expenditure is done	Issak Ismail- Principal Proc. Officer Mohamed A. Birik- Principal Accountant	Not resolved	Waiting for Senate call
2.	Irregular procurement of consultancy services	Adequate Supporting for the expenditure is done	Issak Ismail- Principal Proc. Officer	Not resolved	Waiting for Senate call
3.	Irregular sourcing and payment of rental of produced assets	Adequate Supporting for the expenditure is done	Mohamed A. Idhifle- Principal Finance Officer Issak Ismail- Principal Proc. Officer	Not resolved	Waiting for Senate call
4.	Unaccounted mileage of members of county assembly	Adequate Supporting for the expenditure is done	Mohamed A. Birik- Principal Accountant	Not resolved	Waiting for Senate call

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 entity 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.

Clerk of the County Assembly

Sign.....

Date.....19/12/19.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
Sub-Total						
Construction of civil works						
BURA CONTRACTORS LIMITED					2,148,171	Paid
SINAY CONSTRUCTION LIMITED					4,482,973	Paid
MANSUR CONSTRUCTION COMPANY LIMITED					5,013,479	Paid
Sub-Total					**11,644,623**	
Supply of goods						
HIROLA BOOK SELLERS					238,400	Paid
WAMO KENYA AGENCIES					536,916	Paid
WATERPOINT KENYA					389,400	Paid
BOGIB COMPANY LIMITED					208,000	Paid
WATERPOINT KENYA	281,114		-	281,114	-	Lack of funds
Sub-Total	**281,114**			**281,114**	**1,372,716**	
Supply of services						
TAKAFUL INSURANCE					4,264,852	paid
PRECISION COMMUNICATION SOLUTION					2,000,000	Paid
NOMAD PALACE HOTEL					1,170,600	Paid
MULTIMEDIA UNIVESRITY					112,000	Paid
NHIF					8,000,000	Paid
Sub-Total					**15,547,452**	
Grand Total	**281,114**			**281,114**	**28,564,791**	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		A	b	c	d=a-c		
Sub-Total							
Grand Total							

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
Sub-Total							
Amounts due to County Govt Entities							
Sub-Total							
Amounts due to Third Parties							
Sub-Total							
Others (*specify*)							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2018/19
Land	-	-	-	-	-
Buildings and structures	90,404,857	7,161,650	-	-	97,566,507
Transport equipment	23,000,000	-	-	-	23,000,000
Office equipment, furniture and fittings	56,406,976	10,997,400	-	-	67,404,376
ICT Equipment	51,230,412	-	-	-	51,230,412
Machinery and Equipment	16,920,200	-	-	-	16,920,200
Biological assets	-	-	-	-	-
Infrastructure Assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work In Progress	-	-	-	-	-
Total	**237,962,445**	**18,159,050**	-	-	**256,121,495**

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total				-

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

F.O. 30

BANK RECONCILIATION

GARISSA - COUNTY ASSEMBLY

From Date: 01-JUL-18 To: 30-JUN-19 RECURRENT GARISSA COUNTY ASSEMBLY ACCOUNT

Bank: Central Bank of Kenya, Branch: Haile Selassie, Account Number: 1000238992

Balance as per bank certificate	339,046.90
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	249,000.00
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	90,046.90

Reconciled by: Abdalla Abdi **Signature:** ..... **Date:** 19/12/19

Reviewed by : M.A. BIRIK **Signature:** ..... **Date:** 19/12/19

Approved by: M.A. IDHALLE **Signature:** ..... **Date:** 19/12/19

F.O. 30

BANK RECONCILIATION

GARISSA - COUNTY ASSEMBLY

From Date : 01-JUL-18 To : 30-JUN-19 GARISSA COUNTY ASSEMBLY DEVELOPMENT ACCOUNT

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000323868

Balance as per bank certificate	338,487.40
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	338,487.40

Reconciled by: Abdulla Abdi **Signature:** ..... **Date:** 19/12/19

Reviewed by : M.A. Birik **Signature:** ..... **Date:** 19/12/19

Approved by: M.A IDHIFLIG **Signature:** ..... **Date:** 19/12/19