REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF KIAMBU

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
21 JAN 2020
RECEIVED

HARAMBEE

KIAMBU 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)

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB
09 JAN 2020
RECEIVED
P. O. Box 267 - 10100, NYERI

TABLE OF CONTENTS

TABLE OF CONTENTS i
1. KEY ENTITY INFORMATION AND MANAGEMENT ii
2. FORWARD BY THE CLERK OF THE ASSEMBLY v
3. STATEMENT OF MANAGEMENT RESPONSIBILITIES xi
4. REPORT OF THE INDEPENDENT AUDITORS ON COUNTY ASSEMBLY OF KIAMBU xiii
5. FINANCIAL STATEMENTS 1
   5.1. STATEMENT OF RECEIPTS AND PAYMENTS 1
   5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES 2
   5.3. STATEMENT OF CASH FLOWS 4
   5.4. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED 6
   5.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: RECURRENT 8
   5.6. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: DEVELOPMENT. 10
   5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 12
   5.8. SIGNIFICANT ACCOUNTING POLICIES 13
   5.9. NOTES TO THE FINANCIAL STATEMENTS 17
   5.10. OTHER DISCLOSURES 24
6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 26
ANNEXES 27
ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE 27
ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES 29
ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES 30
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER 31
ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS 32
ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT 33

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County assembly is constituted as per the Constitution of Kenya and is headed by the Speaker, who is responsible for the general policy and strategic direction of the Assembly. The Kiambu County Assembly has 92 Members, of which 60 elected and 32 are specially elected to represent members of the public from their respective wards and various interest groups respectively. The honourable members are generally tasked with the roles of representation, legislation and oversight.

(b) Key Management

The County Assembly of Kiambu day-to-day management is under the following key organs:

- General administration and support services
- Legislation.

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Joseph Igogo Ndirangu
2.	Ag. Deputy Clerk	Angela Wanjiru Kagunyi
3.	Director Finance and Accounts	Daniel Karani Gichuki
4.	Deputy Director Finance and Accounts	Henry Kariuki Thuo
5.	Director Committee Services	Dr. Francis Ndirangu Njenga (Ph.D.)
6.	Director of Procurement	Zachariah Njenga Mbugua

(d) Fiduciary Oversight Arrangements

The Constitution of Kenya, 2010, under Article 176 introduces, County Governments. Article 176 (1) provides that, there shall be a County Government for each County consisting of a County Assembly and a County Executive. Following the second general election with the new constitution on August 8th 2017, members of the County Assembly were elected to office and formed the Second Kiambu County Assembly.

Pursuant to article 124 of the Constitution of Kenya as read together with Standing Order no. 189 and 225 (1), the Kiambu County Assembly nominated and approved placement of Members in 24 Committees.

Committees play an integral part of the overall mandate of the Assembly by investigating issues of public interest and scrutinizing Bills in detail thereby informing Assembly's decision on a particular subject.

The powers of the County Assembly to form Committees is derived from Section 14 (1) (b) of the County Governments Act, 2012 that mandates County Assemblies to establish Committees in such a manner and for such general or special purposes as it considers fit, and regulate the procedure of any Committee so established.

Some of the committee's functions include;

a) To scrutinize the resolutions of the Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee.

b) To oversee matters concerning intergovernmental and inter-county relations.

c) Undertake inspection visits to various county government projects.

d) Interrogation of Kiambu County Budget Estimates.

e) Consideration of County Annual Development Plans.

f) Consideration of Bills and petitions.

(e) Entity Headquarters

P.O. Box 1492-00900
Kiambu County Assembly Buildings
Kiambu, Kenya

(f) Entity Contacts

Telephone: (254) 0675860000
E-mail: info@kiambuassembly.go.ke
Website: www.kiambuassembly.go.ke

(g) Entity Bankers

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

2. Co-operative Bank Of Kenya
   P.O Box 170
   Kiambu, Kenya

(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

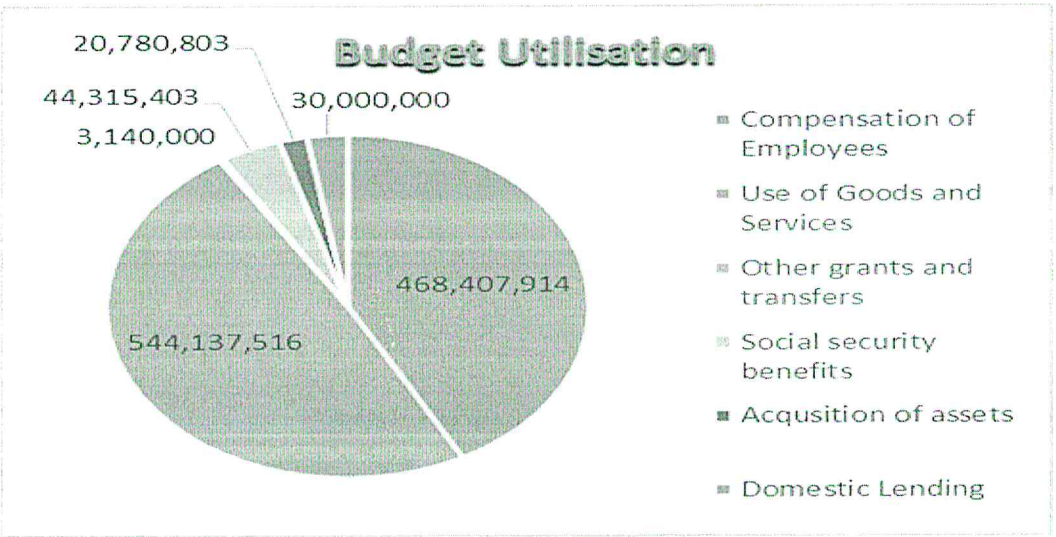
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. FORWARD BY THE CLERK OF THE ASSEMBLY

It is my pleasure to present the Kiambu County Assembly Financial Statements for the year ended 30th June 2019.The Financial Statements present the financial performance of the county assembly over the past financial year.

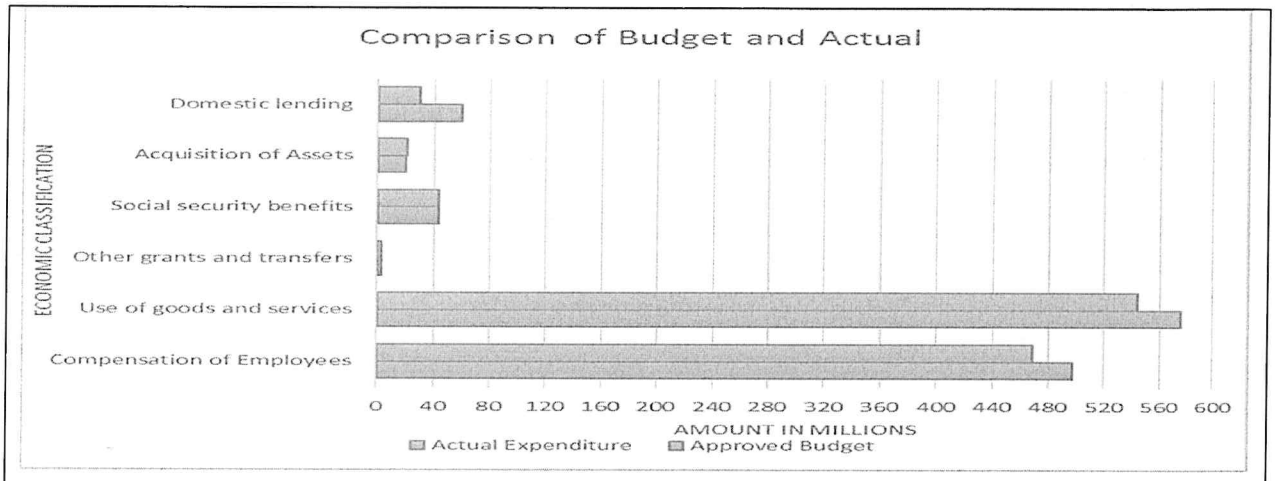
Budget performance

The Kiambu County Assembly approved a budget of 1,255,864,621. The amount utilized was 1,110,781,637.25. This represents 88% of the approved budget. The budget utilization per economic classification is represented in the pie chart below;



The budget performance for most economic classifications was over 80% of the budget except domestic lending that was 50%. The exchequer on domestic lending was not released.

The chart below shows the comparison between the approved budget and actual expenditure per economic classification.



Operational Performance

The following laws and policies were passed by the members of the County Assembly during the year under review.

	No of enacted Laws & Policies	Expected benefits and how they have improved the operations of County Government of Kiambu
1.	Kiambu County Enforcement Bill 2018.	Establish the Kiambu County Directorate of Enforcement and provide for its organization, functions, and Powers.
2.	Kiambu County Skilled Database Bill.	Provide for a legal framework for the identification and registration of skilled professionals within the County.
3.	Kiambu County Co-Operatives Bill, 2018.	Establish a framework for registration and regulation of co-operative societies; to promote the realization of Article 36 of the constitution.
4.	Kiambu Health Services Bill 2019	Provide for implementation of section 2 of part 2 of the fourth schedule to the constitution on County Health Services and for connected purposes.
5.	The Kiambu County Flag, Symbols & Names Protection Bill, 2019.	Provides for county flag and other symbols, prohibit improper use of the county flag, certain emblems, names and words. This has benefited the county by giving it identity and also promoting unity among its residents.

Further the county assembly has considered the following regulations in order to operationalize certain aspects of the Parent Acts including actualizing provisions of the Constitution on the welfare of the Public and State Officers:

(i) The Kiambu County Jijenge Fund Act (Regulations) 2018;

(ii) The Public Finance Management (Kiambu County Assembly (Staff) Motor Vehicle Loan Scheme Fund) Regulations, 2018;and,

(iii) The Public Finance Management (Kiambu County Assembly (Staff) Mortgage Scheme Fund) Regulations, 2018.

Process dates for the county budget including supplementary budgets

	Budget Documents	**Dates of passage by the Assembly**
1.	County Annual Development Plan FY 2019/2020	11th October, 2018
2.	County Fiscal Strategy Paper	26th March, 2019
3.	Kiambu County Finance Bill 2018	20th November, 2018
4.	Kiambu County Appropriation Bill, 2018	19th July, 2018
5.	The Kiambu County Supplementary Appropriation Bill 2019	Passed on 22nd March, 2019 Annulled on 9th May, 2019
6.	The Kiambu County Supplementary Appropriation Bill 2019	23rd May, 2019
7.	The Kiambu County Appropriation Bill 2019	28th June, 2019

The county assembly has ten sectoral committees namely:-

- Environment water and natural resources,
- Trade ,cooperatives and tourism,
- County planning and urbanization,
- Health services,
- Transport ,public works and infrastructure ,

- County public service and administration ,
- Education, science and research,
- Agriculture, livestock and fisheries,
- Youth, sports and social services
- Finance and economic planning.

Generally the committees' mandates include representation, oversight and legislation. This is achieved through public participation on various bills, petitions by members of the public, approval of budgets, vetting of nominees of various posts within the government and site inspection visits.

During the year under review the committees approved CADP, CFSP, budget estimates 2018-2019, supplementary budget II estimates 2017-2018.During the same year approval of establishment of six municipalities and their board was realised.

In its oversight role the assembly verified and approved the budget and supplementary estimates, statements were sought from numerous County Executive Committee Members, quarterly budget performance reviews were undertaken by the relevant committees to ensure everything was on course. The assembly also sought the views of the public through public participation to get feedback on the general governance from the point of view of the citizenry. Site inspection visits were done for the various projects within the county to ascertain progress and any challenges thereof. The vetting of nominees for various posts to ascertain their suitability. The County Assembly has continued to play its oversight role collectively through its Committees. This has been achieved through consideration and adoption of various reports of the committees, statements and petitions presented on array of issues touching on the functions of the county government. During the period under review and besides the committees' inspection visits and inquiries, the Assembly considered and adopted about 31 reports, processed and concluded 22 requests for statements, and 4 petitions.

Performance of key development projects
The County Assembly targeted to construct three ward offices but by the closure of the financial year only one was complete. Measures are in place to ensure that more ward offices are constructed so that members of the county assembly maintain a close contact with the electorate and consult them on issues before or under discussion in the County Assembly and also Provide a linkage between the County Assembly and the electorate to enhance public service delivery and improve efficiency of operations The assembly was able to construct a members' lounge which will maintain a favourable organizational atmosphere and increase honourable members' satisfaction.
Comment on value-for-money achievements
The programmes undertaken have positively improved the lives of the citizens of the county by ensuring there is proper planning and guiding on various county projects. There is improvement of social infrastructure through citizen engagement framework. The county assembly has built capacity of honourable members and enhanced their skills to effectively carry out their mandate.
Challenges and Recommended Way Forward
During the year under review the county assembly encountered the following key challenges during the implementation of its key strategic priorities:- •There was under staffing in key technical departments. •Delayed exchequer releases. •Late implementation of capital projects due to delayed bills of quantities from public works. •Inadequate resources to implement key activities like an enhanced and robust public participation across the county. •Delays caused by court rulings resulting to delays in implementation especially on budget. •Inadequate capacity for members of the County Assembly in the respective committees. In the subsequent period the assembly will embark on the following measures to counter or mitigate the effect of the outgoing challenges to ensure realization of the strategic objectives: •The capacity of the assembly staff will be enhanced through both formal and on job training so

as to improve their efficiency and productivity.

•Proper Planning and Budgeting: adherence to cash flow plans, procurement plans and work plans would go a long way in achieving Departmental targets as they provide a roadmap for the assembly.

•Active engagement of all stakeholders with wide consultations should take place among various stakeholders to mitigate against conflicts. They should be engaged in the planning, implementation and monitoring of projects.

•Timely release of funds for efficient implementation of planned programs; it is important to ensure that disbursement of the exchequer is in line with the approved cash flow plans to minimize disruptions and delays in implementation of projects and programmes.

•Legislation: Closer collaboration between the Executive and County Assembly in the approval and enactment of legislations.

The County Assembly also plans to enhance the capacity of its members in legislation , representation and oversight .This will promote optimal use of public resources, enhance accountability in governance, and administratively enhance professionalism.

Ag. 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 year 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 Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 24\09 2019.

Ag. Clerk of the County Assembly

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 KIAMBU 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 Kiambu set out on pages 1 to 26, which comprise 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, development and 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 Kiambu 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance Between Financial Statements and IFMIS Balances

The financial statements reflect several balances that vary from those reflected in respect to the same accounts in the Integrated Financial Management Information System (IFMIS) Report, as shown in the Appendix attached to this report.

No explanation has been provided by Management for the variance and as a result, the accuracy and completeness of the financial statements has not been confirmed.

2. Variances Between Bank Balances and IFMIS Cash Book

The statement of financial assets and liabilities reflects a bank balance of Kshs.934,216 as at 30 June, 2019 comprised of Kshs.934,215 held in a Recurrent Account and Kshs.1

in a Development Account. However, the IFMIS cash book for the Recurrent Account reflects a closing credit balance of Kshs.150,508,889.65 as at 30 June, 2019.

As a result of the significant discrepancy, the accuracy and completeness of the bank balance amounting to Kshs.934,216 reflected the statement of assets and liabilities as at 30 June, 2019 has not been confirmed.

3. Large Accounts Payables Balance

Note 5.10 - Other disclosures – of the financial statements indicates that pending bills totalling Kshs.25,068,206 and Kshs.19,543,000 relating to pending accounts payables and pending staff payables respectively, were not settled during the year under review, but were instead carried forward to 2019/2020 financial year.

Had the bills been paid and the expenditure charged to the accounts for the year under review, the surplus amounting to Kshs.934,216 reported by the County Assembly in the financial statements would have changed into a deficit of Kshs.43,676,990.

The pending bills reflect financial commitments made by Management without sufficient resources and may indicate imprudent management of public funds. In addition, failure to settle bills in the year they occur distorts the financial statements for the year and adversely affects budgetary provisions for the year in which they are paid.

4. Unsupported Fuel, Oil and Lubricants Expenditure

Included in the use of goods and services is an expenditure balance of Kshs.544,137,516 of which Kshs.5,761,000 is indicated in the statement of receipts and payments as incurred on purchase of fuel, oil and lubricants. Records availed for audit indicated that during the year under review, Management contracted a firm located in Nairobi to supply fuel that was to be paid for thorough fuel cards. However, no fuel registers or supplier statements were availed for audit to confirm the quantities of fuel consumed during the year. Consequently, the occurrence, measurement and propriety of the expenditure amounting to Kshs.5,761,000 reported as having been incurred on fuel, oil and lubricants could not be confirmed.

5. Irregular Payment of Travel and Subsistence Allowances

Included in domestic travel and subsistence expenditure totalling Kshs.221,061,780 reflected in the statement of receipts and payments are payments amounting to Kshs.6,678,350 made to Members of the County Assembly who attended various meetings and workshops away from the County Assembly. However, some of the payees were also included in signed attendance lists for other meetings held concurrently, indicating double payments.

In view of the anomaly, the occurrence, regularity and validity of the travel and subsistence allowance payments totalling Kshs.6,678,350 has not been confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kiambu 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. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the report for the 2017/2018 financial year, several issues were highlighted in the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources as well as in the Report on Effectiveness of Internal Controls, Risk Management and Governance. However, contrary to the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB), the financial statements for the year under review do not include disclosures on the progress made in resolving the issues. In view of the omission, I consider the issues as 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. Over-Expenditure on Domestic Travel and Subsistence

Included in use of goods and services payments totalling Kshs.544,137,516 is Kshs.221,061,780 spent on domestic travel and subsistence allowances. The approved budget for the item was Kshs.221,918,585 and therefore, the absorption rate attained was 99.6%. However, an additional expenditure amounting to Kshs.19,543,000 incurred on the item was not paid for but was instead carried forward to 2019/2020 financial year as pending staff payables.

Had the bill been paid, the County Assembly would have recorded an over-expenditure of Kshs.18,686,195 on the item.

As highlighted elsewhere in my report, the pending bills outstanding as at 30 June, 2019 indicate that financial commitments made by Management were not matched to the budget.

2. Unsupported Expense on Rentals of Produced Assets

The use of goods and services payments balance totalling Kshs.544,137,516 reflected in the statement of receipts and payments also includes Kshs.13,394,914 spent on rentals of produced assets, out of which Kshs.11,362,974 was for rents paid for County Assembly Ward Offices. However, as in the previous year, no records were availed for audit to confirm how the amount of rent payable was determined.

In the absence of sufficient records, it was not possible to confirm whether the rental payments were valid and whether value for money was attained on the expenditure.

3. Irregular Expenditure on Security Services

Disclosed in Note 5 to the financial statements are payments totalling Kshs.30,110,820 spent on other operating expenses. The balance includes payments totalling Kshs.2,058,300 for contracted security services provided by a local security firm. Records examined indicated that the firm was contracted on 1 December, 2014 for a period of one year and therefore, the contract expired on 1 December, 2015. The expired contract was not renewed and no tender was executed. However, contrary to the provisions of Section 135 of the Public Procurement and Asset Disposal Act, 2015, the firm continued to offer security services to the County Assembly without a contract.

In the circumstances, the regularity and value for money on the expenditure amounting to Kshs.2,058,300 incurred on the security services could not be confirmed.

4. Unsupported Transport Allowances

Included in domestic travel and subsistence expenditure totalling Kshs.221,061,780 are payments amounting to Kshs.6,023,000 spent on transport allowances paid to Members of the County Assembly while attending various meetings held in Nairobi, Nyeri, Naivasha and Mombasa. The payments were made at varying daily rates that ranged between Kshs.2,000 and Kshs.13,000. However, the rates were not supported with authority or consent from the Salaries and Remuneration Commission (SRC) as necessary.

Although the records indicated that Management wrote to the SRC in June, 2016 seeking approval for the rates applied, the request had not been consented to by the time of audit in November, 2019.

In the circumstance, the legality and validity of the payments amounting to Kshs.6,023,000 spent on travel allowances could not be confirmed.

5. Unsigned County Assembly Service Board Meetings

Expenditure records indicated that during the financial year under review, the Kiambu County Assembly Service Board held fifty-eight (58) meetings. However, only very few minutes of the meetings were signed by the Chairperson and the Secretary to the Board. Further, on several occasions, the Board did not confirm previous minutes in due time. The omissions cast doubt on the occurrence and validity of the reported meetings.

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, 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

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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of the County Assembly to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the

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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 ability of the County Assembly's ability 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 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 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 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

21 April, 2021

Appendix

Variances Between Financial Statements and IFMIS Balances

Item Description	Financial Statements Balance Kshs.	IFMIS Balance Kshs.	Variance Kshs.
Bank Balance	934,216.00	897, 896,935.05	896,962,719.05
Cash Balance	-	2,380,538,746.00	2,380,538,746.00
Other Debtors and Pre-payments	-	51,597,409.25	51,597,409.25
Government Imprest	-	5,678,055.00	5,678,055.00
Suspense and Clearance Account	-	111,151,946.45	111,151,946.45
Other Liabilities	-	(15,153,299.90)	(15,153,299.90)
Withholding Taxes	433,261.00	-	433,261.00
System Required Liabilities Accounts	4,766,009,613.15	-	4,766,009,613.15

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	1,111,715,852	1,266,658,515
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**1,111,715,852**	**1,266,658,515**
PAYMENTS			
Compensation of Employees	4	468,407,914	396,048,410
Use of goods and services	5	544,137,516	459,941,276
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	3,140,000	3,200,000
Social Security Benefits	9	44,315,403	-
Acquisition of Assets	10	50,780,803	405,726,089
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		**1,110,781,636**	**1,264,915,775**
SURPLUS/DEFICIT		**934,216**	**1,742,740**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2018/19 KShs	2017/18 KShs
Cash and Cash Equivalents			
Bank Balances	13A	934,216	1,742,740
Cash Balances	13B	0	0
Total Cash and cash equivalents		**934,216**	**1,742,740**
Accounts receivables – Outstanding Imprests	14	0	0
TOTAL FINANCIAL ASSETS		**934,216**	**1,742,740**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15		0
NET FINANCIAL ASSETS		**0**	**0**
REPRESENTED BY			
Fund balance b/fwd.	16	0	0
Surplus/Deficit for the year		-	0
NET FINANCIAL POSITION		**934,216**	**1,742,740**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

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	1,111,715,852.00	1,266,658,515
Other Receipts	3	0	0
Payments for operating expenses			
Compensation of Employees	4	468,407,914	396,048,410
Use of goods and services	5	544,137,516	459,941,276
Subsidies	6	0	0
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	3,140,000	3,200,000
Social Security Benefits	9	44,315,403	-
Finance Costs	11	-	-
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**51,715,019**	**407,468,829**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	50,780,803	405,726,089
Net cash flows from investing activities		**50,780,803.00**	**405,726,089**

NET INCREASE IN CASH AND CASH EQUIVALENTS		**934,216**	**1,742,740**
Cash and cash equivalent at BEGINNING of the year	13	**-**	**-**
Cash and cash equivalent at END of the year		**934,216**	**1,742,740**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

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
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1,255,864,621	-	1,255,864,621	1,111,715,852	88.52
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**1,255,864,621**	**-**	**1,255,864,621**	**1,111,715,852**	**88.52**
PAYMENTS					
Compensation of Employees	522,200,000	(24,960,000)	497,240,000	468,407,914	94.20
Use of goods and services	545,849,218	29,801,895	575,651,113	544,137,516	94.53
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-		-
Other grants and transfers	5,000,000	(1,360,000)	3,640,000	3,140,000	86.26
Social Security Benefits	44,315,403	-	44,315,403	44,315,403	100
Acquisition of Assets	138,500,000	(3,481,895)	135,018,105	50,780,803	38
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**1,255,864,621**	**-**	**1,255,864,621**	**1,110,781,636**	**88**
SURPLUS/ DEFICIT	**-**	**-**	**-**	**934,216**	**-**

a) Budget utilization was for most of the activities were over 50% while the total budget utilization was 88% which indicates remarkable budget absorption. Budget utilization for staff mortgage was only 50%.This was caused by delayed and erratic exchequer releases from the county Treasury.

The entity financial statements were approved on 24/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization
	A	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	1,200,864,621	-	1,200,864,621	1,102,824,375	92
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**1,200,864,621**	**-**	**1,200,864,621**	**1,102,824,375**	92
PAYMENTS					
Compensation of Employees	522,200,000	(24,960,000)	497,240,000	468,407,914	94
Use of goods and services	545,849,218	29,801,895	575,651,113	544,137,516	95
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	5,000,000	(1,360,000)	3,640,000	3,140,000	86
Social Security Benefits	44,315,403	-	44,315,403	44,315,403	100
Acquisition of Assets	83,500,000	(3,481,895)	80,018,105	41,889,326	52
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**1,200,864,621**	**-**	**1,200,864,621**	**1,101,890,159**	92
Surplus/ Deficit	**-**	**-**	**-**	**934,216**	

The entity financial statements were approved on 24/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization
	KShs	KShs	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	55,000,000.00	-	55,000,000	8,891,477.00	16
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**55,000,000**	**-**	**55,000,000**	**8,891,477**	**16**
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	55,000,000	-	55,000,000	8,891,477	16
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**55,000,000**	**-**	**55,000,000**	**8,891,477**	**16**
SURPLUS/ DEFICIT	**-**	**-**	**-**	**-**	

The underutilization of below 10% was due to the following reasons:

(a) Delayed exchequer releases.

(b) Late implementation of capital projects due to delayed bills of quantities from public works

The entity financial statements were approved on 28/09 2019 and signed by:

Ag. Clerk of the Assembly
Dr. Francis Ndirangu Njenga (Ph.D.)

Director Finance & Accounts
Kiambu County Assembly
Daniel Karani Gichuki
ICPAK Member Number: 8965

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
General Administration and support services	1,200,864,621	-	1,200,864,621	1,101,890,160.10	98,974,460.90
Legislation and Oversight services	55,000,000.00	-	55,000,000.00	8,891,477.15	46,108,522.85
	1,255,864,621.00	**-**	**1,255,864,621.00**	**1,110,781,637.25**	**145,082,983.75**

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 Kiambu 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 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 county assembly budget was approved as required by Law .The original budget was approved by the County Assembly on 19th July, 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the assembly's 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	122,828,712	103,804,000
Transfers from the County Treasury for Q2	290,543,559	309,000000
Transfers from the County Treasury for Q3	262,805,606	200,163,130
Transfers from the County Treasury for Q4	435,537,975	653,691,385
Cumulative Amount	**1,111,715,852**	**1,266,658,515**

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	0	0
Other Receipts II	0	0
Other Receipts III	0	0
Other Receipts IV	0	0
Total	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	338,289,915	301,659,507
Basic wages of temporary employees	44,040,000	33,905,385
Personal allowances paid as part of salary	74,040,000	55,085,207
Personal allowances paid as reimbursements		
Personal allowances provided in kind		
Pension and other social security contributions	11,999,999	5,399,311
Compulsory national social security schemes	38,000	
Compulsory national health insurance schemes		
Other personnel payments		
Total	**468,407,914**	**396,048,410**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	692,875	76,731
Communication, supplies and services	10,043,366	7,971,942
Domestic travel and subsistence	221,061,780	198,450,259
Foreign travel and subsistence	119,996,420	72,728,518
Printing, advertising and information supplies & services	13,694,032	12,518,243
Rentals of produced assets	13,394,914	12,939,649
Training expenses	47,285,181	55,869,619
Hospitality supplies and services	35,743,260	23,276,296
Insurance costs	27,755,151	26,314,829
Specialized materials and services	4,006,290	2,553,706
Office and general supplies and services	8,270,758	8,245,096
Fuel, Oils & Lubricants	5,761,000	3,571,459
Other operating expenses	30,110,820	27,820,871
Routine maintenance – vehicles and other transport equipment	2,673,641	7,604,059
Routine maintenance – other assets	3,648,027	0
Total	**544,137,516**	**459,941,276**

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		
Membership Fees , Dues & Subscriptions to International Organizations	3,140,000	3,200,000
Subsidies to small businesses, cooperatives, and self employed		
Total	**3,140,000**	**3,200,000**

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits	44,315,403	0
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
Total	**44,315,403**	**0**

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings	0	0
Construction of Buildings	8,891,477	0
Refurbishment of Buildings		826,450
Construction of Roads		0
Construction and Civil Works		0
Overhaul and Refurbishment of Construction and Civil Works		0
Purchase of Vehicles and Other Transport Equipment		13,000,000
Overhaul of Vehicles and Other Transport Equipment		0
Purchase of Household Furniture and Institutional Equipment	464,200	0
Purchase of Office Furniture and Equipment	5,008,260	4,826,900
Purchase of ICT Equipment, Software,& Other ICT Assets	6,416,866	20,911,639
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Rehabilitation of Civil Works		
Domestic lending and on lending	30,000,000	366,161,100
Acquisition of Strategic Stocks and commodities		
Acquisition of Land		
Acquisition of Intangible Assets		
Total purchase of non-financial assets		
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Total purchase of financial assets	**0**	**0**
Total	**50,780,803**	**405,726,089**

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
Kiambu County Assembly Development A/C No. 1000291087,Kenya Shillings	Development Acc	1	450,500
Kiambu County Assembly Recurrent A/C No. 1000216603,Kenya Shillings	Recurrent Acc	934,215	1,292,240
Co-operative Bank, Kiambu A/C No. 011413712200, Kenya Shillings	Recurrent Acc	0	-
Total		**934,216**	**1,742,740**

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	**0**	**0**

Cash in hand should be analysed as follows:

	2018/19	2017/18
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total	**0**	**0**

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests		
Clearance Accounts		
Staff Advances		
Total	**0**	**0**

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits		0
Retentions		0
Total	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts		
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**0**	**0**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (*specify*)		
Total	**0**	**0**

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	12,814,543	0	(10,181,782)	2,632,761
Construction of civil works	0	0	(0)	0
Supply of goods	0	0	0	0
Supply of services	32,385,788	10,965,043	(20,915,386)	22,435,445
Total	**45,200,331**	**10,965,043**	**(31,097,168)**	**25,068,206**

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		0	0	0
Middle management		0	0	0
Unionisable employees	15,034,400	19,543,000	(15,034,400)	19,543,000
Others		0	0	0
Total	**15,034,400**	**19,543,000**	**(15,034,400)**	**19,543,000**

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	0	0	0	0
Amounts due to County Government entities	0	0	0	0
Amounts due to third parties	0	0	0	0
Total	**0**	**0**	**0**	**0**

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	307,930,906	213,123,870
Key Management Compensation(Clerk and Heads of departments)	27,882,980	28,926,283
Total Compensation to Key Management	**335,753,886.70**	**242,050,153**
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	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	**335,753,886.70**	**242,050,153**

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	Rentals of Produced assets	Rental agreements are available for audit Verification.	Directorate of Procurement	Resolved	
2	Unsupported expenditure on Foreign Travel	Supporting documents and back to office reports are available for audit verification.	Directorate of Finance and Accounts	Resolved	
3	Variances in Actual Receipts	The variances have since been reconciled.	Directorate of Finance and Accounts	Resolved	
4	Failure to Maintain Assets Register	The Assets Register has been updated to capture the total cost of acquisition of Assets.	Directorate of Finance and Accounts	Resolved	

Clerk of the County Assembly

Sign.....

Date...28/09/2019

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						
Peeves Supplies Limited	435,000	20/04/2017		435,000		
Marlin Enteprises	723,607	31/08/2017		723,607		
Zeiscon Holdings Ltd	320,393	31/05/2018		320,393		
Zohari Construction	367,327	08/05/2017		367,327		
Marlin Enterprises	262,000	20/04/2017		262,000		
Marlin Enteprises	92,624	20/04/2017		92,624		
Jokato Enteprises	431,810	02/05/2017		431,810		
Sub-Total	**2,632,761**			**2,632,761**		
Construction of civil works	-					
Sub-Total	-					
Supply of goods						
Terry Touch Enterprises	45,700	15/03/2018		45,700		
Copy Cat Ltd	223,822	01/07/2018		223,822		
Nairobi Sports House	237,850	15/11/2017		237,850		
Salpat Limited	453,000	13/04/2018		453,000		
Sparemart Agencies Ltd	567,300	11/02/2019		567,300		
Kompetens Enterprises	338,000	04/04/2019		338,000		
Instigate General Supplies	455,890	25/01/2019		455,890		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Belexy Communication Services	396,000	01/07/2018		396,000		
Sprint Ventures Limited	150,000	23/03/2018		150,000		
Raytech Ventures	126,800	01/03/2018		126,800		
Citidell	337,260	12/06/2019		337,260		
Sub-Total	**3,331,662**			**3,331,662**		
Supply of services						
Advantage Travel	804,480	04/05/2019		804,480		
The Travel Hub	452,035	06/07/2019		452,035		
Jitegemea Safaris and Travel	854,517	31/12/2018 and 02/08/2018		854,517		
City Blue Hotel	877,500	04/05/2019		877,500		
Masada Hotel	6,000	06/10/2017		6,000		
Sweetlake Resort	465,000	2017-2018		465,000		
Pride Inn	2,544,500	04/05/2018		2,544,500		
Naivasha Country Hotel T/A Sawela Lodges	2,851,250	15/12/2017		2,851,250		
Belafric Enterprises	70,180	20/02/2019		70,180		
Kenya School of Government	78,880	11/06/2018		78,880		
Institute of internal Auditors	261,000	11/05/2018		261,000		
Cummins Car & General	5,600	13/04/2018		5,600		
CIC Insurance	644,504	04/01/2017		644,504		
Britam	203,630	04/01/2017		203,630		
Nation Media Group	90,820	20/06/2018		90,820		
ESAMI	1,243,927	30/01/2019		1,243,927		
CPF FINANCIAL SERVICES	450,000	18/07/2017		450,000		
Sub-Total	**11,903,823**			**11,903,823**		
Grand Total	**17,868,206**			**17,868,206**		

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		
1. Members of County Assembly Kiambu		2,556,900				2,556,900	
2. Staff County Assembly Kiambu		16,986,100				16,986,100	
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total		**19,543,000**				**19,543,000**	
Grand Total		**19,543,000**				**19,543,000**	

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							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
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	34,324,756	0			**34,324,756**
Buildings and structures	13,826,450	8,891,477			**22,717,927**
Transport equipment	13,000,000	0			**13,000,000**
Office equipment, furniture and fittings	11,339,274	5,472,460			**16,871,734**
ICT Equipment, Software & Other ICT Assets	23,977,382	6,416,866			**30,394,248**
Machinery and Equipment					
Biological assets					
Infrastructure Assets					
Heritage and cultural assets					
Intangible assets	374,161,100	30,000,000			**404,161,100**
Work In Progress					
Total	**470,628,962**	**50,780,803**			**521,409,765**

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				

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

KIAMBU - COUNTY ASSEMBLY

From Date : 28-JUN-19 To : 28-JUN-19 KIAMBU COUNTY ASSEMBLY RECURRENT

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000216603

Less - Balance as per bank certificate	934,215.00
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	934,215.00

Reconciled by: N. Nyambi Signature: Nyambi Date: 2nd/9/19

Reviewed by: D. Kaguwanja Signature: Kaguwanja Date: 2nd/9/19

Approved by: D. Kamau Signature: [illegible] Date: 2nd/09/19

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

KIAMBU - COUNTY ASSEMBLY

From Date: 28-JUN-19 To: 28-JUN-19 KIAMBU COUNTY ASSEMBLY DEVELOPMENT

Bank: Central Bank of Kenya, Branch: Haile Selassie, Account Number: 1000291087

Less - Balance as per bank certificate	0.65
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	0.65

Reconciled by: M. Njambi Signature: Njambi Date: 24/9/19

Reviewed by: D. Kagwanja Signature: Kagwanja Date: 24/9/19

Approved by: D. KAMAU Signature: Date: 24/09/19

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)