REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NAROK

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30(84 - 00100, NAIROBI
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NAROK 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 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 30 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 *Narok County Assembly's* day-to-day management is under the following key organs:

- Clerk Department
- Finance Department
- Committee and Procedure Department
- Human Resource and Administration

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	**-John Mayiani Tuya**
2.	Deputy Clerk	**-Justus Sinoyia Yiaile**
3.	Principal Finance Officer	**-Peter Shakamae Tianta**

(d) Fiduciary Oversight Arrangements

i. The County Assembly

The County Assembly of Narok has a total of 30 civic elective wards each represented by a Member of County Assembly (MCA) at the Assembly. The Assembly has a total of 47 MCAs including 17 Nominated County legislators. It is headed by the Speaker who is elected by the MCAs. The County Assembly is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent .The County Assembly is especially critical in the budgeting process .The MCAs meet every week in accordance with the Standing Orders of the County Assembly .In executing its mandate, the County Assembly has the following oversight committees:

a) Public Investments Accounts Committee

b) Budget and Appropriation Committee

1) Public Accounts Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters.

2) Budget and Appropriations Committee

The Budget and Appropriations Committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process.

(e) Narok County Assembly Headquarters

P.O. Box 19-20500
Narok County Assembly Building,
Mau-Narok Road Narok Town,
NAIROBI, KENYA

(f) Narok County Assembly Contacts

Telephone: (254) 020688878
E-mail: narokcountyassembly@gmail.com
Website: www.narokassembly.go.ke

(g) Narok County Assembly Bankers

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

(h) Office of the Auditor General

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

The core mandate of Narok County Assembly is to legislate and ensure good governance through the oversight role of the Assembly. For this to be achieved, budget provision is made to improve capacity for Members of County Assembly to make laws, fully participate in the Budget making process and also improve capacity for staff through capacity building programmes and also leveraging usage of information communication technology. These entails adequate funding to ensure that County Assembly efficiently and effectively fulfils constitutional functions in a representative system of County Government.

Budget Performance

The Narok County Assembly was allocated a budget of **kshs, 829,070,000 in** the **FY 2018/2019**. These comprised of both recurrent and development items amounting to **Kshs, 709,070,000** and **Kshs, 120,000,000** respectively.

Out of the sum allocated the Narok County Assembly received from the exchequer Kshs.750,000,000 and Ksh.36,110,000 from the County Treasury resulting to a total of Kshs. 786,110,000 against an expenditure of Kshs.785,795,97 thus resulting to an absorption rate of 95%.

Operational Performance

The *Narok County Assembly* budget was approved as required by Law .The original budget was approved by the County Assembly on 26th June 2018 for the period 1st July 2018 to 30 June 2019 as required by law. A high-level assessment of the *Narok 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.

The major achievements made by the county Assembly during the FY2018/2019 include:

Act passed by the County Assembly;

NO.	ACTS	Date Passed	Status
1	Narok County Appropriation Act,2019	30th June,2019	Assented to
2	Narok County Supplementary Appropriation Act,2018	15th March,2019	Assented to
3	Narok County Appropriation Act,2018	29th June,2019	Assented to
4	Narok County Finance Bill,2018	30th September,2018	Assented to

Performance of key development projects

The Narok County Assembly managed to refurbish offices in the County Headquarters.
Construction of ward offices was also done to reduce cost of renting offices at the ward level.
The Narok County Assembly managed to reduce the pending bills which were outstanding over the previous years.
Despite all this the Narok county assembly still faces the following challenges and constraints in budget implementation

- Delay in disbursement of funds from the Treasury.
- Office space and
- High public expectations.

Recommendation Way Forward

The Narok County Assembly will in future ensure that there is good working relationship with the County Executive to enable timely disbursement of funds.

The Narok County Assembly will ensure sufficient funds are budgeted for construction of more offices to accommodate the staff.

The Narok County Assembly will in future ensure that more bills are passed as per the public expectations.

Sign
Clerk of the County Assembly

3. NAROK COUNTY ASSEMBLY 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 Narok County Assembly is responsible for the preparation and presentation of the Narok 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 Narok 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 Narok 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 Narok 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 Narok 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, 2020, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the Narok County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the Narok 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 Narok 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 Narok County Assembly on 5/02/ 2021.

Clerk of the County Assembly

REPUBLIC OF KENYA

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

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NAROK 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 Narok set out on pages 1 to 30, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the 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 effects of the matter 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 Narok 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. Inaccuracies in the Financial Statements

Examination of records supporting the financial statements for the year ended 30 June, 2019 revealed the following discrepancies.

1.1 Statement of Receipts and Payments

As disclosed under Note 5 to the financial statements, the statement of receipts and payments reflects expenditure amounting to Kshs.323,758,726 under use of goods and services. However, the ledger provided in support of the expenditure, reflects Kshs.329,253,866 resulting to a variance of Kshs.5,495,140. Further, expenditure amounting to Kshs.19,274,000 spent on domestic and subsistence allowances was charged to foreign travel and subsistence allowances instead of domestic travel. This has

the effect of overstating the foreign travel and subsistence allowances expenses while understating the domestic travel and subsistence allowances expenses.

1.2 Statement of Assets and Liabilities

Further, the statement of financial assets and liabilities reflects nil balance on Fund balance brought forward while Note 16 to the financial statements reflects Fund balance brought forward of Kshs.2,760,447 resulting to variance of Kshs.2,760,447. Management did not reconcile the variances.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Payments – Use of Good and Services

As disclosed under Note 5 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.323,758,726 under use of goods and services. A review of payment vouchers revealed that Management paid Kshs.5,875,200 as travel and subsistence allowances to MCAs and Staff of the Assembly. A further payment of Kshs.10,331,351 was made to officers all totalling to Kshs.16,206,551.

In the circumstances, the accuracy and completeness of the use of goods and services of Kshs.323,758,726 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Receipt Vouchers

Recurrent Cashbook reflects Kshs.766,973,520 as remittance from Narok County Executive County Revenue Fund. However, actual receipt vouchers as required in accordance with Section 167(1) of the Public Finance Management (County Governments) Regulations, 2015 were not availed, by Management, for audit review.

In the circumstances, it is not possible to confirm the accuracy of remittance of Kshs.766,973,520 for the year ended 30 June, 2019.

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

Key Audit Matters

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

Other Matter

1. Pending Bills

During the year under review, the County Assembly had an outstanding pending bills amounting to Kshs.66,784,272 as at 30 June, 2019. Management has not explained why the bills were not settled during the year when they occurred.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

2. Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been resolved, the matters have remained unresolved as the Senate has to deliberate on the same.

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. Compliance with the Public Finance Management (County Governments) Regulations, 2015

Examination of the payroll revealed that the County Assembly of Narok incurred net salary of Kshs.150,249,096 out which Kshs.85,728,516 (57%) was paid outside the Integrated payroll and personnel Database, IPPD System and no sufficient reasons were provided why some employees salary was processed outside the IPPD System, contrary to Regulation 42(1)(d) of Public Finance Management (County Governments) Regulations, 2015.

Consequently, Management is in breach of the regulation.

2. Lack of Documents on Ethnic Composition

The Management did not provide records showing the ethnic composition of the staff of County Assembly for audit review. This is contrary to Section 9(1)(e) of the Public Audit Act, 2015. It was therefore not possible to confirm whether County Assembly is compliant with the ethnic composition as per Section 65(1)(e) of the County Governments Act, 2012.

Consequently, the Management is in breach of the law.

3. Irregular Procurements of Legal Services

Management contracted a law firm to provide legal opinion on a matter to the County Assembly of Narok Service Board in a case filed in a Nakuru Court. The contracted firm acted on behalf of the Board and was subsequently paid an amount totalling to Kshs.3,323,620. However, the firm was not enlisted as a prequalified supplier contrary to Section 71(1) of the Public Procurement and Asset Disposal Act, 2015.

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

Lack of Audit Committee

During the year under review, Management did not provide documents supporting existence of an Audit Committee at the County Executive. Therefore, the duties and responsibilities of audit committee to offer oversight and guidance was deficient.

Consequently, I am unable to confirm effectiveness of the overall governance at the Assembly.

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 County 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 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

23 April, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/2019 KShs	2017/2018 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	750,000,000	540,000,000
Proceeds from Sale of Assets	2		-
Other Receipts	3	36,110,000	
TOTAL RECEIPTS		**786,110,000**	**540,000,000**
PAYMENTS			
Compensation of Employees	4	409,558,362	301,461,605
Use of goods and services	5	323,758,726	195,093,401
Subsidies	6		-
Transfers to Other Government Entities	7	198,499	7,832,327
Other grants and transfers	8		
Social Security Benefits	9	-	-
Acquisition of Assets	10	52,478,819	35,414,168
Finance Costs	11	-	-
Other Payments	12		-
TOTAL PAYMENTS		**785,994,406**	**539,801,501**
SURPLUS/DEFICIT		**115,594**	**198,499**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA

Principal Finance Officer
Name: PETER SHAKAMAE TIANTA
ICPAK Member Number 21251

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2018/2019 KShs	2017/2018 KShs
Cash and Cash Equivalents			
Bank Balances	13A	314,093	198,499
Cash Balances	13B	-	-
Total Cash and cash equivalents		**314,093**	**198,499**
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		**314,093**	**198,499**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**314,093**	**198,499**
REPRESENTED BY			
Fund balance b/fwd	16	198,499	-
Surplus/Deficit for the year		115,594	198,499
NET FINANCIAL POSITION		**314,093**	**198,499**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA

Principal Finance Officer
Name: PETER SHAKAMAE TIANTA
ICPAK Member Number 21251

5.3. STATEMENT OF CASH FLOWS

	Note	2018/2019 KShs	2017/2018 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	750,000,000	540,000,000
Other Receipts	3	36,110,000	-
Total Receipts		**786,110,000**	**540,000,000**
Payments for operating expenses			
Compensation of Employees	4	409,558,362	301,461,605
Use of goods and services	5	323,758,726	195,093,401
Subsidies	6	-	-
Transfers to Other Government Entities	7	198,499	7,832,327
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	-	-
Other Payments	12	-	-
Total Payments		**733,515,588**	**504,387,333**
Adjusted for:			
Prior year adjustment	17		
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	18	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	19		
Net cash flows from operating activities		**52,594,412**	**35,612,667**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	52,478,819	35,414,168
Net cash flows from investing activities		**52,478,819**	**198,499**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**115,594**	**198,499**
Cash and cash equivalent at BEGINNING of the year	13	**198,499**	**-**
Cash and cash equivalent at END of the year		**314,093**	**198,499**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA

Principal Finance Office
Name: PETER SHAKAMAE TIANTA
ICPAK Member Number 21251

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	Budget Utilization difference	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs	KShs
RECEIPTS						
Transfers from the County Treasury/Exchequer Releases	792,870,000	-	792,870,000	750,000,000	42,870,000	95%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	36,200,000	-	36,200,000	36,110,000	90,000	100%
TOTAL	**829,070,000**		**829,070,000**	**786,110,000**	**42,960,000**	**95%**
PAYMENTS						
Compensation of Employees	415,542,477	-	415,542,477	409,558,362	5,984,114	99%
Use of goods and services	275,041,561	-	275,041,561	323,758,726	(48,717,166)	118%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	138,485,962	-	138,485,962	52,478,819	86,007,143	38%
Finance Costs	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	**829,070,000**	**-**	**829,070,000**	**785,795,907**	**43,274,092**	**95%**
SURPLUS/ DEFICIT	**-**	**-**	**-**	**314,093**	**(314,093)**	

The entity financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA TIANTA

Principal Finance Office
Name: PETER SHAKAMAE

ICPAK Member Number

21251

5.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation difference	% Utilisation difference
	a	b	c=a+b	e=d-c		
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	672,870,000	-	672,870,000	705,000,000	(32,130,000)	105%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	36,200,000	-	36,200,000	36,110,000	90,000	100%
TOTAL	**709,070,000**	-	**709,070,000**	**741,110,000**	**(32,040,000)**	**105%**
PAYMENTS						
Compensation of Employees	415,542,477	-	415,542,477	409,558,362	5,984,114	99%
Use of goods and services	275,041,561	-	275,041,561	323,758,726	48,717,166	118%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	18,485,963	-	18,485,963	7,786,571	10,699,392	42%
Finance Costs	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	**709,070,000**	-	**709,070,000**	**741,103,660**	**(32,033,660)**	**105%**
Surplus/ Deficit	-	-	-	**6,340**	**(6,340)**	

The entity financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA

Principal Finance Office
Name: PETER SHAKAMAE TIANTA
ICPAK Member Number 21251

5.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs	KShs
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	120,000,000		120,000,000	45,000,000	75,000,000	38%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTAL	**120,000,000**		**120,000,000**	**45,000,000**	**75,000,000**	**38%**
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	120,000,000	-	120,000,000	44,692,248	75,307,752	37%
Finance Costs	-	-	-	-	-	-
Other Payments						
TOTAL	**120,000,000**	**-**	**120,000,000**	**44,692,248**	**75,307,752**	**37%**
SURPLUS/ DEFICIT	-			**307,752**	**(307,752)**	

The entity financial statements were approved on 5/02/ 2021 and signed by:

Clerk of the Assembly
Name: JOHN MAYIANI TUYA

Principal Finance Office
Name: PETER SHAKAMAE TIANTA
ICPAK Member Number 21251

5.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs	KShs
Programme 1	**340,628,249**		**340,628,249**	**326,701,358**	**13,926,891**	**96%**
Sub-programme 1	225,401,183		225,401,183	215,499,240	9,901,943	96%
Sub-programme 2	112,057,066		112,057,066	108,140,455	3,916,611	96%
Sub-programme 3	3,170,000		3,170,000	3,061,663	108,337	97%
Programme 2	**488,441,751**		**488,441,751**	**459,094,549**	**29,347,202**	**94%**
Sub-programme 1	236,772,843		236,772,843	228,577,253	8,195,590	97%
Sub-programme 2	24,620,819		24,620,819	23,881,150	739,669	97%
Sub-programme 3	227,048,089		227,048,089	206,629,146	21,158,612	91%
	829,070,000	**275,556,137**	**725,598,189**	**785,795,907**	**60,197,718**	**95%**

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

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 *Narok County Assembly* 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 *Narok County Assembly* 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. Third Party Payments

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

6. Cash and cash equivalents

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

7. 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.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Non-current assets

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

10. Pending bills

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

11. Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Contingent Assets

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

13. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *Narok County Assembly* budget was approved as required by Law .The original budget was approved by the County Assembly on 25th June 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There were two number of supplementary budgets passed in the year. The supplementary budgets were approved on 26th November 2019 and 15th June 2020 respectively. A high-level assessment of the *Narok 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.

14. Comparative figures

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

15. Subsequent events

Events after 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.

16. 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.

17. 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

	2018/2019	2017/2018
	KShs	KShs
Transfers from the County Treasury for Q1	130,000,000	80,000,000
Transfers from the County Treasury for Q2	265,000,000	170,000,000
Transfers from the County Treasury for Q3	125,000,000	100,000,000
Transfers from the County Treasury for Q4	230,000,000	190,000,000
Cumulative Amount	**750,000,000**	**540,000,000**

2. PROCEEDS FROM SALE OF ASSETS

	2018/2019	2017/2018
	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

	2018/2019	2017/2018
	KShs	KShs
Tender fees received		
Other Receipts II	36,110,000	
Other Receipts III		
Other Receipts IV		
Total	**36,110,000**	

Other receipts relates to receipts from the CRF and are within the Assembly Budget.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/2019	2017/2018
	KShs	KShs
Basic salaries of permanent employees	180,966,202	58,164,568
Basic wages of temporary employees	24,817,380	43,923,846
Personal allowances paid as part of salary	171,876,218	173,294,343
Personal allowances paid as reimbursements		
Personal allowances provided in kind		
Pension and other social security contributions	550,470	440,500
Compulsory national social security schemes	14,070,428	
Compulsory national health insurance schemes		
Social benefit schemes outside government		
Other personnel payments	17,277,664	25,638,348
Total	**409,558,362**	**301,461,605**

5. USE OF GOODS AND SERVICES

	2018/2019	2017/2018
	KShs	KShs
Utilities, supplies and services	631,085	405,380
Communication, supplies and services	577,992	1,200,118
Domestic travel and subsistence	128,136,626	97,819,558
Foreign travel and subsistence	71,732,754	52,265,204
Printing, advertising and information supplies & services	2,479,686	2,057,683
Rentals of produced assets	3,787,756	3,502,000
Training expenses	2,042,262	1,368,020
Hospitality supplies and services	23,564,375	6,462,853
Insurance costs	15,853,370	17,346,518
Specialized materials and services	1,561,250	2,501,725
Office and general supplies and services	988,275	1,859,958
Fuel Oil and Lubricants	1,800,000	-
Other operating expenses	67,241,522	3,573,625
Routine maintenance – vehicles and other transport equipment	3,361,773	2,112,632
Routine maintenance – other assets		2,618,126
Total	**323,758,726**	**195,093,400**

6. SUBSIDIES

Description	2018/2019	2017/2018
	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	2018/2019	2017/2018
	KShs	KShs
Transfers to National Government entities	198,499	7,832,327
Transfers to other County Assembly entities		
(insert name of budget agency)		
TOTAL	**198,499**	**7,832,327**

The amount was returned back to the Central Bank for non-utilization of funds at the end of the financial year 2018/2019.

8. OTHER GRANTS AND TRANSFERS

	2018/2019	2017/2018
	KShs	KShs
Scholarships and other educational benefits		
Membership Fees and Dues and Subscriptions to Organizations		
Emergency relief and refugee assistance		
Subsidies to small businesses, cooperatives, and self employed		
Total		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2018/2019	2017/2018
	KShs	KShs
Government pension and retirement benefits		
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
Total		

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/2019	2017/2018
	KShs	KShs
Construction of Buildings	38,657,885	
Refurbishment of Buildings	4,636,121	29,266,309
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	1,398,242	
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		4,515,012
Purchase of Office Furniture and Equipment	5,953,240	1,029,941
Purchase of Specialized Plant, Equipment and Machinery	-	-
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	-	-
Purchase of ICT Equipment	1,833,331	602,906
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Other Inventories	-	-
Acquisition of Land	-	-
Total purchase of non-financial assets	**52,478,819**	**35,414,168**
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	**-**	**-**

Non- Financial Assets	2018/2019	2017/2018
Total	52,478,819	35,414,168

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/2019	2017/2018
	KShs	KShs
Bank Charges		
Exchange Rate Losses		
Other Finance costs		
Interest on borrowings		
Total		

12. OTHER PAYMENTS

	2018/2019	2017/2018
	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	2018/2019	2017/2018
		KShs	KShs
Central Bank ,Acc.No. 1000286601	Development Acc	307,752	195,228
Central Bank ,Acc.No. 1000198467	Recurrent Acc	6,340	3,271
	Deposits Acc		
	Commercial Bank Accs.		
Total		**314,093**	**198,499**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2018/2019	2017/2018
	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:

Description	2019/20	2018/19
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total		

14. ACCOUNTS RECEIVABLE

Description	2018/2019	2017/2018
	KShs	KShs
Government Imprests		
Clearance Accounts		
Staff Advances		
Other Advances		
Total		

15. ACCOUNTS PAYABLE

Description	2018/2019	2017/2018
	KShs	KShs
Deposits		
Retentions		
Total		

16. FUND BALANCE BROUGHT FORWARD

Description	2018/2019	2017/2018
	KShs	KShs
Bank accounts	198,499	2,760,447
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	198,499	2,760,447

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PRIOR YEAR ADJUSTMENTS a prior period adjustment really applies to the correction of an error in the financial statements of a prior period

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	**Kshs**	**Kshs**	**Kshs**
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (*specify*)			
Total			

18. CHANGES IN RECEIVABLE

Description of the error	2018- 2019	2017- 2018
	KShs	KShs
Outstanding Imprest as at 1st July 2019 (A)		
Imprest issued during the year (B)	-	60,283,860
Imprest surrendered during the Year (C)	-	60,283,860
Net changes in account receivables D= A+B-C	-	-

19. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2018 - 2019	2017 - 2018
	KShs	KShs
Deposit and Retentions as at 1st July 2019 (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
Net changes in account receivables D= A+B-C		

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	26,170,293	19,801,312	22,095,476	12,745,451
Construction of civil works				
Supply of goods	2,350,000	4,407,861	3,078,655	5,606,206
Supply of services	8,490,285	56,990,652	26,252,000	48,432,610
Total	**37,010,578**	**81,199,825**	**51,426,131**	**66,784,272**

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. External Assistance

	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
External assistance received in cash		
External assistance received as loans and grants		
External assistance received in kind- as payment by third parties		
Total		

a)External assistance relating loans and grants

	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
External assistance received as loans		
External assistance received as grants		
Total		

b)Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2018/2019	FY 2017/2018
Description		**Kshs**	**Kshs**
Undrawn external assistance - loans			
Undrawn external assistance - grants			
Total			

c.Classes of providers of external assistance

	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

d.Non-monetary external assistance

Description	FY 2018/2019 Kshs	FY 2017/2018 Kshs
Goods		
Services		
Total		

e.Purpose and use of external assistance

PAYMENTS MADE BY THIRD PARTIES	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
Compensation of Employees		
Use of goods and services		
Subsidies		
Transfers to Other Government Units		
Other grants and transfers		
Social Security Benefits		
Acquisition of Assets		
Finance Costs, including Loan Interest		
Repayment of principal on Domestic and Foreign borrowing		
Other Payments		
TOTAL		

f. External Assistance paid by Third Parties on behalf of the Entity by Source

	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

Classification by Source

	FY 2018/2019	FY 2017/2018
Description	**Kshs**	**Kshs**
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

Classification of payments made by Third Parties by Nature of expenses

PAYMENTS MADE BY THIRD PARTIES	FY 2018/2019	FY 2017/2018
Description	Kshs	Kshs
Compensation of Employees		
Use of goods and services		
Subsidies		
Transfers to Other Government Units		
Other grants and transfers		
Social Security Benefits		
Acquisition of Assets		
Finance Costs, including Loan Interest		
Other Payments		
TOTAL		

6. RELATED PARTY DISCLOSURES

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

Related party transactions:

	2018- 2019	2017- 2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	34,546,896	28,870,822
Key Management Compensation (Clerk and Heads of departments)	179,275,660	175,362,960
Total Compensation to Key Management	**213,822,556**	**204,233,782**
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	786,110,000	540,000,000
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties	**786,110,000**	**540,000,000**

6. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. 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	Misstatement of Comparative cash and cash equivalent and statement of cash flows	Car and Mortgage scheme prepared separately according to the IPSAS Regulations.	Accounts Department	Resolved	
2	Budget performance – Over Expenditure	The County Assembly intend to introduce the reallocation register to monitor the expenditures	Accounts Department	Resolved	
3	Wasteful Expenditure on training workshops	Procurement procedures were adhere to while sourcing for training.	Procurement Department	Resolved	
4	Irregular and Unsupported contracts	We have established availability of contract agreements to support the contracts	Procurement Department	Resolved	
5	Unsupported Pending Accounts Payable	The payment vouchers are available to support the pending bills	Accounts Department	Resolved	
6	Failure to constitute an Audit committe	County Assembly Service board is in its final stages of constituting the Audit committee	Audit Department	Not Resolved	
7	Annual work plan	Introduced operationalization of the annual work plan	All Departments	Resolved	

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your 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.....05/02/2021

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018
	A	b	C	d=a-c	
Construction of buildings					
1. Da-cream contractors ltd-Nkareta ward	3,665,067	13/03/2018	3,557,629	107,438	933,461
2. Talek- mara Enterprises-clerk $speakers office	2,351,960	22/03/2018	945,000	1,406,960	1,406,960
3. Majipito investment co-Naikarra ward	2,714,117	22/03/2018	1,742,253	971,864	1,943,730
4. Samoha contractors ltd-mara ward	2,325,840	08/03/2018	1,639,924	685,916	1,186,602.55
5. Safi construction and transport-perimeter wall suswa	11,409,615	01/12/2017	3,039,358	8,370,257	4,416,088.85
6. Bridgeville height construction co-parking.	7,621,794	25/08/2016	5,214,424	0	4,765,338
7. Towfiq building $ construction-additional offices	15,883,212	04/08/2016	5,956,888	0	11,518,113
8. Tonik Contractors		25/03/2019		1,203,023	
Sub-Total	**45,971,605**		**22,095,476**	**12,745,458**	**26,170,293**

Supplier of Goods	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018
	A	b	C	d=a-c	
supply of goods					
Maish bazaar	861,716	26th sept 2017	-	861,716	816,716
MFI document solution	2,350,000	14th Nov 2017	1,050,000	1,300,000	2,350,000
Amasho contractors	399,500	15th Dec2017	-	399,500	399,500
Fairdeal furniture	3,146,645	11th Aprill2018	1,401,655	1,744,990	3,146,645
Maximex solution	1,927,000	25th jan 2019	627,000	1,300,000	-
Sub-Total	**6,757,861**		**3,078,655**	**5,606,206**	**2,350,000**

Supplier of Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018
	A	B	c	d=a-c	
supply of services					
The star	1,368,910	2rd Nov 2017	342,009	1,026,901	1,368,910
The standard	1,131,232	17th Oct17	338,256	792,976	465,856
chambai hotel	540,000	5th oct 2017	0	540,000	540,000
lexington hotel	1,502,195	7th oct 2017	1,152,800	349,395	596,665
Safaricom Ltd	1,058,857	2nd nov 2017	542,992	515,865	596,665
Institute for capacity building[INCAD]	4,869,070	2nd nov	3,942,000.00	927,070	1,768,670

		2017			
Centre for parliamentary studies [CPST]	1,150,132	29th nov 2017	0	1,150,132	1,150,132
Kenya institute of management[KIM]	232,000	1st sept 20176	0	232,000	232,000
synergy development system	1,043,420	25th jan 2018	0	1,043,420	1,403,420
Kenya school of government	623,060	13th dec 2017	0	623,060	526,200
ICPAK	1,963,250	18-Oct-17	11,200	1,952,050	1,891,150
ICPSK	550,000	4thsept 2017	0.00	550,000	550,000
kamwaro and advocates	3,700,000	26thjan 2018	898,276	2,801,724	3,700,000
axis promedia ltd	9,597,638	5th dec 2017	9,066,569	531,069	1,119,000
asano and associates	880,000	11th jan2018	500,000	380,000	880,000
maina ngaruyia and co. advocate	4,982,243	21-Mar-18	3,700,000	1,282,243	52,643
Charles Koech Advocate	1,540,000	1st jan 2018		1,540,000	0
Toyota bhogals narok	537,935	21th mar 2018	0	537,935	46,433
teco fedy	742,190	2nd nov 2017	226,400	515,790	162,700
c.m.c motors	1,380,530	04-May-18	0	1,380,530	480,073
Kenya power	10,831	03-May-18	0	10,831	10,831
kosen safaris	5,625,370	07-Nov-17	3,151,570	2,473,800	748,605
Empress cleaning services	1,050,000	10thjan 2018	0	1,050,000	1,050,000

Nation media group ltd	1,012,680	2nd nov 2017	622,920	389,760	516,200
Institute of Internal Auditors	20,000	16th Aug 2019	0	20,000	0
J.Martin and Advocates	2,500,000	1st july2018	0	2,500,000	0
Institute of Human Resource Management	249,400	2nd may 2019	0	249,400	**0**
Records Management Solution Experts				0	
Kanash Enterprises				240,000	240,000
Resolution Medical Insurance	15,619,994	4th june 2019	2,300,000	22,826,657	0
Sub-Total	**65,480,937**		**26,252,000**	**48,432,608**	**8,490,285**
Grand Totals	**118,210,403**		**51,426,131**	**66,784,272**	**37,010,578**

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	26,458,606	44,692,248			71,150,854
Office equipment	1,508,486	-			1,508,486
Furniture and Fittings	7,263,631	5,953,240			13,216,871
ICT Equipment, Software and Other ICT Assets	649,963	1,833,331			2,483,294
Other Machinery and Equipment	-	-			-
Kitchen Equipment	39,950				39,950
Motor Vehicles	17,840,000				17,840,000
Total	**53,760,636**	**52,478,819**			**106,239,455**