REPUBLIC OF KENYA

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF KILIFI

FOR THE YEAR ENDED 30 JUNE, 2019

COUNTY GOVERNMENT OF KILIFI
COUNTY EXECUTIVE

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

1.1 Background information

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

Vision

To be a leading, vibrant, highly productive, secure and prosperous county providing high quality life for all its inhabitants

Mision

To provide an enabling environment for efficient utilization of resources, industrial growth and effective provision of essential services for improved quality of life for all.

Core Values

- Integrity
- Prudent use of public resources
- Appreciation for diversity
- Environmental sustainability
- Transparency and accountability
- Inclusivity and public participation

1.2 Key Management

The day-to-day management of the Kilifi County Executive is under the following officers:

No.	Name	Designation	Date of Holding Office
1.	H. E. Amason J. Kingi	The Governor	21/08/2017
2.	H.E. Gideon E. Saburi	The Deputy Governor	21/08/2017
3.	Mr. Arnold Jefwa Mkare	County Secretary	01/03/2018

No.	Name	Designation	Date of Holding Office
4.	Hon. Samuel Kombe Nzai	CEC Member for Finance and Economic Planning	04/01/2018
5.	Hon. Liciana Jumwa Sanzua	CEC Member for Agriculture, Fisheries and Livestock Development	04/01/2018
6.	Hon. Kiringi Karisa Mwachitu	CEC Member for Water Environment, Forestry, Natural Resources and Solid Waste Management	04/01/2018
7.	Hon. Professor Gabriel Gona Katana	CEC Member for Education and ICT	04/01/2018
8.	Hon. Dr. Anisa Ahmed Omar	CEC Member for Health Services	04/01/2018
9.	Hon. Professor Josphat Kazungu Mwatela	CEC Member for Roads, Transport and Public Works	04/01/2018
10.	Hon. Charles Dadu Karisa	CEC Member for Lands, Energy, Housing, Physical and Urban Development	04/01/2018
11.	Hon. Maureen Mnyazi Mwangovya	CEC Member for Gender, Culture, Social Services and Sports	04/01/2018
12.	Hon. Nahida Mohamed Athman	CEC Member for Trade , Tourism and Cooperative Development	04/01/2018
13.	Hon. Rachel Musyoki	CEC Member for Devolution, Public Service and Disaster Management	04/01/2018

1.3 Profiles of Members of the County Executive Committee

H.E Hon. Amason Jeffah Kingi, EGH

The Governor

H.E Hon. Kingi was sworn in as the first governor of Kilifi County on March 2013. Prior to his election as a governor, he was the Minister for Fisheries Development between 2010 to March 2013. He has also served as the Minister for East African community between 2008 and 2010. He has served as the Member of Parliament for Magarini from 2003-2013. H.E Kingi holds a degree in Law (LLB) from the University of Nairobi.

H.E Gideon Edmund Saburi

The Deputy Governor

H.E Saburi was elected as Deputy Governore for Kilifi County in August 2017. Between 2013 and 2017, he served as the CEC Member for Roads, Transport and Public works and later as CEC Member for Trade, Tourism, and Industrialisation. Previously, H.E Saburi worked as a lecturer and Chairman of the Civil Engineering Department at the Technical University of Mombasa. He holds a Master of Science (M.Sc) Engineering (Construction Management) degree from Birmingham and a Bachelor of Science (B.Sc) in Civil Engineering JKUAT . He is a civil engineer by profession.

Mr. Arnold Jefwa Mkare

County Secretary

Mr. Mkare was appointed the County Secretary in March 2018. Prior to this appointment, he served as the Clerk of Assembly in the County Assembly of Kilifi between 2013 and March 2018. Previously, he worked as a Town Clerk in Kilifi and Kwale town councils at different periods. Mr. Mkare is a holder of a Masters degree in Development, Administration and Management from Kampala International University and a Bachelor of Business Administration (BBA) degree in Corporate Leadership and Governance from the University of Costa Rica.

Hon. CPA Samuel Kombe Nzai

CEC Member for Finance and Economic Planning

Hon. CPA Samuel Kombe Nzai was appointed as the CEC Member for Finance & Economic Planning on 4th January, 2018. Since his appointment he has played a key role in advising both the County Executive and County Assembly on financial matters. Prior to this appointment, Hon. Nzai served as a General Manager, Internal Audit & Compliance at Mombasa Water & Sanitation Company. He has also served as the Systems Audit Manager at the Agriculture and Food Authority. Hon. Nzai holds a Master of Business Administration (Finance Option) degree from the University of Nairobi and a Bachelor of Education (Maths and Economics) degree from Egerton University. He is a member of the Institute of Certified Public Accountants of Kenya.

Hon. Luciana Jumwa Sanzua

CEC Member for Agriculture, Livestock and Fisheries Development

Hon. Luciana Jumwa Sanzua was appointed as CEC Member for Agriculture, Livestock and Fisheries Development on 4th January 2018. Prior to her appointment, Hon. Sanzua worked with the Independent Electoral and Boundaries Commission as a Constituency Elections Coordinator. She also served as Principal Agricultural Officer and chief advisor to the Permanent Secretary in the Ministry of Regional Development Authorities. Previously, she served as Head of Agriculture at the Coast Development Authority. She holds a Bachelor of Science (B.Sc) degree in Horticulture from Egerton University, Master of Science (M.Sc) degree from Jomo Kenyatta University of Agriculture and Technology and currently due to graduate with PhD. Horticulture from Pwani University.

Hon. Mwachitu Karisa Kiringi

CEC Member for Water, Environment, Forestry, Natural Resources and Solid waste management

Hon. Mwachitu kiringi was appointed as the CEC Member for Water, Environment, Forestry, Natural resources and Solid waste management in 2013. He has since been in the same role in managing and coordinating functions of the county department. Before his appointment Hon. Mwachitu was a conservation education officer at the wildlife club of Kenya in charge of rift valley region (Lake Nakuru environmental education centre). He holds a Bachelor Degree in Environmental Studies and Community Development from Kenyatta University.

Hon. Professor Gabriel Katana Gona

CEC Member for Education and Information Communication and Technology

Hon. Prof. Gabriel Katana Gona was appointed as the CEC Member for Education and Information Communication and Technology on 4th January, 2018. Prior to joining the County Government of Kilifi, Prof Katana served as a Registrar and Deputy Principal in charge of academic affairs at Pwani University. He also served as the Chair of the Kilifi County Education Board and president of the Eastern African DIES-

network in higher Education. He is a holder of a Doctorate Degree in Physics from the University of Mainz-Germany. Prof. Katana is the current chair of the County Executive Committee members Education Caucus of the Council of Governors.

Hon. Dr. Anisa Ahmed Omar

CEC Member for Medical Services

Dr. Anisa Ahmed Omar was appointed as the CEC Member for Medical Services on 4th January 2018. Prior to her appointment, Dr. Anisa worked with Pathfinder International as the Deputy Chief of Party for the Afya Pwani Project and Technical Advisor to Service Delivery. She also served as Program Manager for Adolescent Health at the Ministry of Health Headquarters. She is currently responsible for planning, implementation and coordination of all public health services at health centre level, dispensary and community including the monitoring and evaluation of all health programmes. She holds a Masters degree in medicine (M. Med in Paediatrics) and a Bachelor degree in medicine (MB.Ch.B) both from the University of Nairobi.

Hon. Professor Josphat Kazungu Ziro Mwatela

CEC Member for Roads, Transport and Public Works

Hon. Prof. Mwatela was appointed as the CEC Member for Roads, Transport and Public Works on 4th January 2018. Prior to this appointment, Prof. Mwatela served as the first Vice Chancellor of the Technical University of Mombasa. He also served as the first Principal of the former Mombasa University Technical College. He is a holder of a Bachelor degree (B.Sc) in Engineering, Survey and Photogrametry from the Unviversity of Nairobi, a Masters degree (M.Sc) in Civil Engineering from Tottori University in Japan. He is a Professor of Geomatic Engineering.

Hon. Charles Dadu Karisa

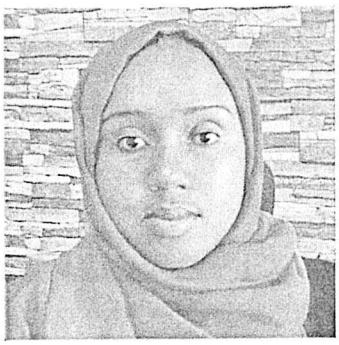
CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development

Hon. Charles Dadu was appointed as the CEC Member for Lands, Energy, Housing, Physical Planning & Urban Development in February 2017. Before his appointment as a CEC Member, Hon. Dadu worked with the University of Nairobi as a lecturer. He holds a Master of Arts in Urban and Regional Planning and a Bachelor of Architecture degree from the University of Nairobi.

Hon. Maureen Mwangovya

CEC Member for Gender, Social Services, Culture, Youth & Sports

Hon. Mwangovya was appointed CEC Member for Gender, Social Services, Culture, Youth & Sports on 4th January 2018. She is a programmes specialist with over 15 years professional experience in programmes management and implementation, policy advocacy, partnership and networking in programmes that focus on health, education, water & sanitation, livelihood, gender & child rights and capacity building of communities aimed at achieving sustainable development. Prior to her appointment, Hon. Mwangovya worked with International and National Non-Governmental Organization especially in the Coast Region. She holds a Bachelor of Arts Degree in Economics/Government and a Masters Degree in Project Planning and Management and is currently admitted for a Doctorate degree in Gender.



Hon. Nahida Mohamed Athman

CEC Member for Trade, Tourism and Cooperative Development

Hon. Nahida was appointed CEC Member for Trade, Tourism and Cooperative Development on 4th January 2018. Prior to this appointment, Hon. Nahida worked as a lecturer at the Technical University of Mombasa and later as Economic Advisor in the Office of the Governor in the County Government of Kilifi. She holds a Bachelor degree in Hotel and Hospitality Management from Moi University and a Masters degree in Business Administration (Strategic Management) from the University of Nairobi. She is currently undertaking PhD in Economics from Moi

University.

Hon. Racheal Mbula Musyoki

CEC Member for Devolution, PSM and Disaster Management

Hon. Musyoki was first appointed as the County Executive Committee Member for Devolution, PSM and Disaster Management in 2013. She was later in 2015 deployed to the Department of Health Services until December 2017. Her second appointment in the County Government was in January 2018 as the CEC Member for Devolution, PSM and Disaster Management up to date. Prior to the above appointments, she served in different roles at the Kenya Ports Authority. Hon. Racheal holds a Bachelor Degree in Business Administration (Human Resource option) from Kenya Methodist University. She also holds a Masters Degree in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology. Hon. Musyoki is a member of the Kenya Institute of Management.

1.4 Fiduciary Management

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

No.	Designation	Name	ICPAK Reg. No.
1.	CEC Member Finance & Economic Planning	Samuel Kombe Nzai	12429
2.	Chief Officer Finance	Benjamin Kai Chilumo	4342
3.	Chief Officer Economic Planning	Kennedy Muganga Chilibasi	20920
4.	Director Accounting Services	Bonaventure F.M. Mwakio	3346

1.5 Fiduciary Oversight Arrangements

The key fiduciary oversight bodies for the County for the year ended 30th June 2019 were:

- County Assembly of Kilifi
- Controller of Budget
- Kilifi County Audit Committee
- The County Assembly of Kilifi Public Accounts Committee
- The County Assembly of Kilifi Budget and Appropriation Committee

- The County Assembly of Kilifi Economic planning and Trade Committee

1.6 Entity Headquarters

County Government of Kilifi

Governor's office Building

Bofa Road

Kilifi, KENYA

1.7 Entity Contacts

P.O. Box 519-80108, Kilifi

Telephone: (254)

E-mail: info@kilifi.go.ke

Website: www.kilifi.go.ke

1.8 Entity Bankers

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

2) Kenya Commercial Bank
   Kilifi Branch

3) Equity Bank
   Kilifi Branch

4) National Bank
   Malindi Branch

5) Cooperative Bank
   Kilifi Branch

6) Diamond Trust Bank
   Kilifi Branch
7) NIC BANK KILIFI
8) BARCLAYS BANK
   KILIFI BRANCH

9) SBM BANK MALINDI BRANCH

1.9 Independent Auditors

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

1.10 Principal Legal Adviser

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

2. FORWARD BY THE COUNTY EXECUTIVE COMMITTEE MEMBER FOR FINANCE AND ECONOMIC PLANNING

2.1 Preamble

It is with great pleasure that I present the County Government of Kilifi financial statements for the year ended 30th June 2019. The financial statements present the County's financial performance for the period of twelve months.

The financial statements have been prepared in accordance to section 164 of the Public Finance Management Act, 2012 which requires the accounting officer of a county government entity to prepare financial statements in respect of the entity in the formats to be prescribed by the Accounting Standards Board. These financial statements present a true and fair view of the state of affairs of the County Government of Kilifi operations for the year ended 30th June 2019.

2.2 County government's financing

Article 202 of the Constituion of Kenya, 2010 provides that revenue raised nationally shall be shared equitably among the national and county governments. The division of revenue between the national and county governments is done through the Division of Revenue Act (DoRA) while the division of the county allocation between county governments is done through the County Allocation of Revnue Act (CARA).

In addition to the national share, Article 209 (3) of the Constitution fo Kneya, 2010 gives powers to county governments to impose property rates, entertainment taxes and any other tax that it is authorised to impose by Act of Parliament. This revenue forms the county's own generated revenues.

The CARA allocation and the county government's own generated revenues are consolidated to form the county revenue annual budget which finances the annual expenditure.

2.3 Financial Performance

(i) Receipts

In the financial year ended 30th June 2019 the County Government had an approved budget of Kshs. 14,471,491,081.

The County Government received 100% of its equitable share allocation of Kshs 10,833,000,000 as per the County Allocation of Revenue Act, 2018. The total collection of own source revenue for FY 2018/2019 was Kshs 864,317,126 which was 64% of the year's target of Kshs 1,345,066,521. However the collection was a record high since the inception of the county

government and also translates to 69% increase compared with the Kshs 508,594,540 collected in FY 2017/2018.

(ii) Payments

The County's actual expenditure for the FY 2018/2019 was Kshs. 11,896,888,844 representing 82% of the budget for the year.

Kshs 3,796,124,183 was spent on compensation to employees. This represents 32% of the total expenditure which is in adhearence to the fiscal responsibility principle that salaries and wages should not exceed 35% of the total budget. Develoment expenditure was Kshs 3,478,155,730 which is 29% of the total actual expenditure for the year and in line with the provisions of the PFM Act, 2012 on development expenditure.

A total of Kshs 1,031,413,979 was transferred to the County Assembly of Kilifi as a transfer to other government entities as provided for in the budget ceilings set by the Commission on Revenue Allocation.

(iii) Departmental Performance

The County Government of Kilifi has 12 entities namely;

- The Executive
- Finance & Economic Planning
- Agriculture Fisheries & Livestock Development
- Water Environment, Forestry, Natural Resources and Solid Waste Management
- Education and ICT
- Health Services
- Roads and Public Works
- Lands, Energy, Housing, Physical & Urban Development
- Gender, Culture And Social Services
- Trade and Cooperative Development
- Devolution, Public Service and Disaster Management
- County Public Service Board

Each entity works independently in providing essential services to citizens. The performance of the County entities during the financial 2018/2019 is highlighted below:

Department/entity	Budget (Kshs)	Actual (Kshs)	Absorption rate (%)
The Executive	492,847,924	438,319,874	89%
Finance & Economic Planning	647,743,164	546,955,043	84%
Agriculture Fisheries & Livestock Development	1,016,182,779	746,086,824	73%

Water Environment, Forestry, Natural Resources and Solid Waste Management	1,403,928,863	929,009,224	66%
Education and ICT	1,816,336,390	1,332,851,458	73%
Health Services	3,784,650,799	3,404,721,968	90%
Roads and Public Works	1,680,280,361	1,584,647,770	94%
Lands, Energy, Housing, Physical & Urban Development	805,160,017	537,424,285	67%
Gender, Culture And Social Services	402,436,092	217,340,609	54%
Trade and Cooperative Development	316,418,127	278,531,532	88%
Devolution, Public Service and Disaster Management	818,378,638	782,471,820	96%
County Public Service Board	72,446,956	67,114,458	93%
Transfer to county assembly	1,214,680,948	1,031,413,979	85%
County Executive Total	**14,471,491,081**	**11,896,888,843**	**82%**

2.4 Flagship projects

(i) Water Infrastructure

The county department of Water, Environment, Forestry, Natural Resources and Solid Waste Management implemented projects across the seven sub counties aimed at providing access to clean and safe water. Among the projects implemented were the rehabilitation of the Baricho – Magarini pipeline which had earlier been swept by floods that also destroyed the main pumping station which supplies water across Kilifi and Mombasa counties. The project was implemented at a cost of Kshs. 24 million and was completed in the financial year 2018/2019. Below (left) is a picture of part of the project.

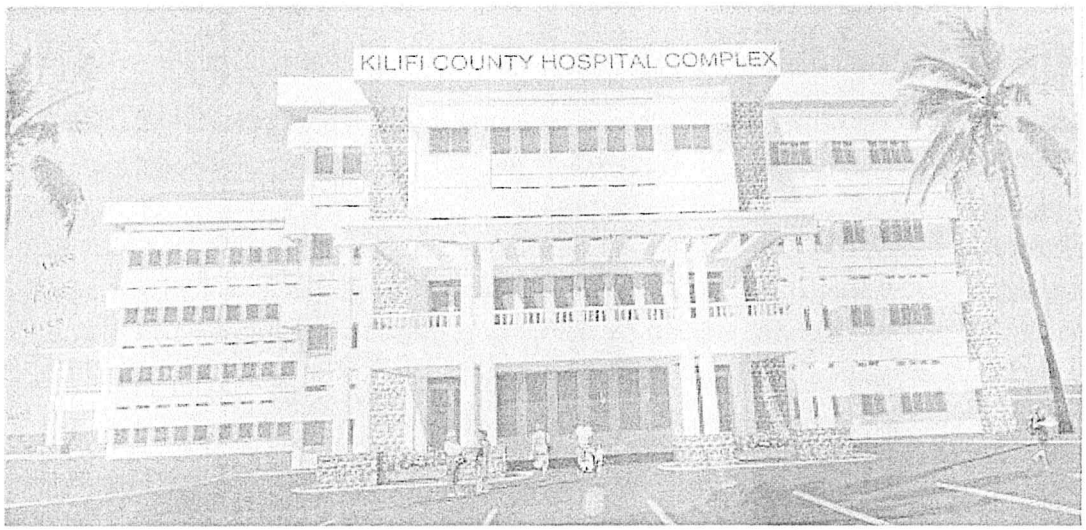
Part of the Baricho-Magarini pipeline *Blue scope water tank project in Adu Ward*

Above (right) is a picture of of the 250 m3 bluescope water tank constructed in Adu Ward. From this tank, water is distributed to surrounding areas, thus ensuring reliability in water supply.

(ii) The Kilifi County Hospital Complex

The Kenya Vision 2030 puts emphasis on equitable and affordable healthcare for citizens. Besides, Sustainable Development Goals (SDGs) focus on ensuring healthy lives and promoting wellbeing for all at all ages. In line with these planning frameworks, the County Government of Kilifi is committed to implementing universal health coverage as one of the 'Big Four' government agenda. In addition, with the fast changing epidemiological pattern from communicable to non-communicable diseases such as cancer, the need for specialized health care in direr now than before.

The county government has made deliberate efforts in expanding healthcare infrastructure to improve access to health services. One of these efforts is the Kilifi County Hospital Complex project which the county government is undertaking.



A model of the Hospital Complex when complete

The Health Complex will house a modern trauma center, high dependence unit, intensive care unit, cancer unit, laboratories and theatres. It will be equipped with modern specialized medical equipment and manned by highly specialized manpower.

Phase one of the project is estimated to cost Kshs. 500 million and is currently over 80% complete. The county government has so far spent Kshs. 306,639,135 on the project.

A picture of the progress made in the Hospital Complex project

(iii) Roads infrastructure

During the financial year 2018/19 the department of Roads, Transport and Public Works spent Kshs. 1,109,168,357 on the following roads infrastructure works:

- Paved Roads (Cabro and Bitumen) - 1.5 kms
- Rehabilitation of roads (Graveling and Opening of roads) - 400kms
- Maintenance of Roads -140 kms
- Constructed 2 culverts (drifts)
- Installed 40 road bumbs as road safety interventions

Completion of the upgrading to cabro standards of A7 (BP Petrol Station) to A7 (Tamani Jua) road in Malindi town

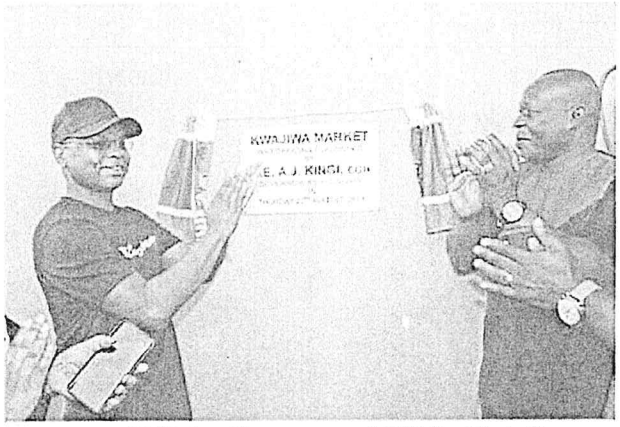
Completion of the upgrading to bitumen standards of Malindi town roads

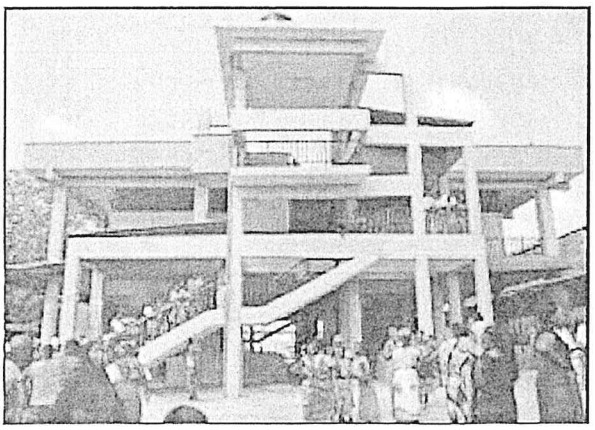
Routine maintenance of Kituoni-Ngala road

Routine maintenance of Majengo-Kilulu road

(iv) Kwa Jiwa market

The Kwajiwa Market is a premier facility located in Shella Ward in Malindi town. The market was constructed at a cost of **Kshs. 44,969,406.85** to cater for marketing of fresh farm and animal produce. The market has generated a dynamic variety of retail outlets such as market stalls, fish shops and butcheries by providing low cost spaces to traders. It has provided opportunities to improve food hygiene standards and reduce post harvest food losses.





H.E the Governor of Kilifi officially opening the Kwa Jiwa market in August 2019

2.5 Project implementation

As it may be noticed in the Statement of Appropriation (Development), the overall absorption rate for development expenditure is 60%. This sub-optimal absorption was caused by difficulties faced by both government staff and contractors in using e-procurement which was a new feature during the financial year. Delayed disbursement of funds from the Exchequer also contributed to delays in project implementation since contractors faced cash flow challenges due to delayed payments of their work certificates.

CPA Samuel Kombe Nzai
County Executive Committee Member
For Finance and Economic Planning
ICPAK MEMBER NO.12429

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The County Executive Committee (CEC) member for finance of the County Government of Kilifi is responsible for the preparation and presentation of the county government's financial statements, which give a true and fair view of the state of affairs of the Kilifi County Executive for and as at the end of the financial year ended on 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 Government;

(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 Government;

(v) selecting and applying appropriate accounting policies; and

(vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the county government's financial statements, which have been prepared on the cash basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

The CEC member for finance confirms that the County Government of Kilfi has complied fully with applicable government regulations and the terms of external financing covenants (where

applicable), and that the county government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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 CEC member for finance on **30th September, 2019**.

CPA Samuel Kombe Nzai
County Executive Committee Member
For Finance and Economic Planning
ICPAK MEMBER NO.12429

REPUBLIC OF KENYA

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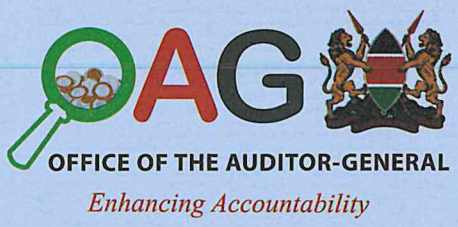

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kilifi set out on pages 1 to 47, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - 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 Executive of Kilifi as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Differences between the Statement of Receipts and Payments and the Integrated Financial Management Information System (IFMIS) Figures

The statement of receipts and payments figures presented for audit review were at variance with IFMIS report figures as summarized below: -

Component	Financial Statement Figure (Kshs.)	IFMIS Figure (Kshs.)	Variance (Kshs.)
Receipts			
Exchequer Releases	11,616,361,508	11,610,361,508	6,000,000
Own generated revenue	864,317,126	678,108,391	186,208,735
Total Receipts	**12,480,678,634**	**12,288,469,899**	**192,208,735**

Component	Financial Statement Figure (Kshs.)	IFMIS Figure (Kshs.)	Variance (Kshs.)
Payments			
Compensation of Employees	3,796,124,183	3,675,104,515	121,019,668
Use of Goods and Services	2,466,324,997	2,522,476,578	(56,151,581)
Other Grants and Transfers	1,739,246,725	1,687,387,340	51,859,385
Acquisition of assets	2,829,276,111	2,874,051,274	(44,775,163)
Total Payments	**10,830,972,016**	**10,759,019,707**	**71,952,309**

The Management explained that the figures in the financial statements were the correct figures and wrote to National Treasury to look into the issue. However, by the time of conclusion of this report, no reconciliations had been done.

In the circumstances, the accuracy and completeness of the figures reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

2. Cash and Cash Equivalents - Stale and Unpresented Cheques

The statement of assets and liabilities reflects bank balances of Kshs.1,742,179,579. However, the bank accounts balance excludes two (2) stale cheques totalling to Kshs.1,372,677 that had not been reversed in the cashbook. Further, the Management had two (2) unpresented cheques totalling to Kshs.47,415,938 but subsequent reconciliation statements had not been availed for audit review to confirm whether they were cleared or not.

Consequently, the accuracy and completeness of the bank account balances totalling to Kshs.1,742,179,579 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

3. Unauthorized Re-Allocation of Development Funds

The Management made payments amounting to Kshs.629,860,403 for construction and civil works. However, the amount excludes an amount of Kshs.17,197,618.10 reallocated from development vote to recurrent vote and used to pay various local service providers for garbage collection services, contrary to Section 154 of the Public Finance Management Act, 2012 which states that 'an accounting officer shall not authorize the transfer of an amount that is appropriated for transfer to another County Government entity or person for capital expenditure except to defray other capital expenditure; or for wages to non-wage expenditures'.

4. Loss of Cash

As was reported during the previous years' audits, and as disclosed under Note 12 to the financial statements, the statement of assets and liabilities reflects accounts receivables balance of Kshs.50,260,932. However, the figure includes a cash balance of Kshs.43,240,740 which was lost through online transfer from the Recurrent Bank Account

to fictitious individuals or firms under unclear circumstances as they had not been contracted by the County. Management has indicated that the matter was reported to the relevant Government agencies and is under investigation.

5. Unsupported Expenditure

As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.2,466,324,997 under use of goods and services . However, the Management did not avail supporting documents by way of files and payment vouchers for nine (9) projects with a total contract value of Kshs.99,169,895 for audit review.

In the circumstances, the validity, accuracy and completeness of the use of goods and services amount of Kshs.2,466,324,997 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

6. Failure to Submit Accounts by the Receiver of Revenue

Note 3 to the financial statements reflects County own generated revenue of Kshs.864,317,126. However, the audit revealed that the receiver of revenue did not submit an account to the Auditor-General, contrary to Section 165 sub section 1 of the Public Finance Management Act, 2012 which states that at the end of each financial year, a receiver of revenue for a County Government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

Consequently, it has not been possible to determined the amount that was realised and the purpose for which it was applied.

7. Unsupported Accounts Payables Balance

As disclosed under Note 13 to the financial statements, the statement of assets and liabilities reflects accounts payables of Kshs.310,200,262. However, only an amount of Kshs.2,616,915 had been supported by schedules leaving an unsupported balance of Kshs.307,583,347.

Consequently, the accuracy and completeness of the accounts payables balance of Kshs.310,200,262 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Kilifi 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

Budgetary Control and Performance

According to the summary statement of appropriation recurrent; and development combined, the County Executive had an approved balanced budget of Kshs.14,471,491,081 but realised actual receipts amounting to Kshs.13,492,154,785 while actual expenditure totalled to Kshs.11,896,888,844 resulting to an under expenditure of Kshs.1,595,265,942 or 12% of the realised receipts. In particular, the County Government had an approved Own Generated receipts budget of Kshs.1,345,066,521 but collected Kshs.864,317,126 resulting to an undercollection of Kshs.480,749,395 or 35.6%.

The under expenditure affected the planned activities and could have impacted negatively on service delivery to the public.

Pending Bills

The financial statements for the year ended 30 June, 2019 reflects pending bills amounting to Kshs.1,166,851,970 as disclosed in other important disclosure under Note 1. However, the audit revealed that the pending bills amounting to Kshs.8,193,860 were supported with photocopies of invoices, local purchase orders and delivery notes instead of original documents.

Consequently, effectiveness of internal controls and governance measures on Management of pending bills could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Compensation of Employees

1.1 Non-Remittance of Payroll Deductions

During the year under review, the Management made several staff deductions amounting to Kshs.41,259,172.35. However, Management had not remitted to the relevant bodies

as at the time of the audit. This is contrary to Section 19 (4) of the Employment Act, 2007 which requires an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) to pay the amount so deducted in line with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

1.2 Irregular Payroll Deductions

Examination of the payroll revealed that the net pay for twenty-seven (27) employees totalling to Kshs.2,904,470 was less than a third of their corresponding basic pay of Kshs.9,918,275. This is contrary to Section 19 (3) of the Employment Act, 2007 which provides that 'without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), which may be made by an employer from the wages of his employee at any one time, shall not exceed two-thirds of such wages'.

Consequently, the management was in breach of the Law.

2.0 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services of Kshs.2,466,324,997 as disclosed under Note 6 to the financial statements. However, the following unsatisfactory matters were noted: -

2.1 Invalid Local Purchase Order and Local Service Order

The Management made payments of Kshs.22,865,379 whose local purchase orders and local service orders were beyond the validity period of thirty (30) days contrary, to Regulation 52.(1) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that 'a local purchase order or local service order shall be valid for a period of thirty (30) days from the date of issue'.

2.2 Unsupported Training Expenses

Management incurred training expenses of Kshs.65,611,149. However, evidence of training needs assessments to identify skills gap, identification and selection and annual training plans to inform budget allocation and skills gap to be filled were not availed for audit review. In addition, the annual training plan to identify when staff will be trained or inducted and to ensure that each staff undergoes at least 5 days of training was not availed for audit verification contrary to Section H1 (4) of the Human Resource Policies and Procedures Manual of May 2016 which states that 'Public officers shall be eligible for at least five (5) days training in a year while newly recruited or transferred officers must be inducted within three (3) months of joining public organizations.

2.3 Hospitality Supplies and Services

The Management incurred hospitality supplies and services of Kshs.282,146,226. However, included in this amount is prepayment for hotel and conference facilities amounting to Kshs.2,453,663.80 to a hotel for team building and bonding activities.

Further, the list of participants, availed for audit review was a photocopy with hand written date. In addition, arrival and departure dates were not indicated in the pro-forma invoice, hence it was not possible to confirm when the services were actually rendered by the hotel.

2.4 Foreign Travel Expenses

The Management spent Kshs.59,095,662 on foreign travel and subsistence payments which include foreign travel and training of Kshs.978,576. However, the Management did not avail supporting documents by way of; annual work plan, the intended benefits to be achieved and how the participants were identified, for audit verification. This is contrary to Section 149(1) of the Public Finance Management Act, 2012 which requires an accounting officer for a County Government entity to be accountable to the County Assembly for ensuring that the resources of the respective entity for which the Accounting Officer is responsible are used in a way that is lawful, authorized, efficient, economical and effective.

2.5 Unauthorized Contributions to the Council of Governors

The Management incurred other operating expenses of Kshs.300,705,564. This amount includes payments of Kshs.12,859,383 to the Council of Governors as intergovernmental contributions, contrary to Section 37 (c) of the Intergovernmental Relations Act, 2012, which states that 'the operational expenses in respect of the structures and institutions established in this Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the Council of County Governors'.

In the circumstances, the Management was in breach of the Law. Further, we could not confirm whether residents of Kilifi got value for money on the use of goods and services of Kshs.2,466,324,997 reflected in the statement of receipts and payments for the year ended 30 June, 2019.

3.0 Acquisition of Assets

As disclosed under Note 10 to the financial statements, the statement of receipts and payments reflects acquisition of assets of Kshs.2,829,276,111. Review of the expenditure revealed the following anomalies: -

3.1 Irregular Contract - Supply of Heifers

Purchase of certified seeds, breeding stock and live animals includes Kshs.18,774,460 for supply and delivery of eighty-one (81) in-calf heifers and 4,999 straws of bull semen. However, the contract agreement was signed on 24 January, 2019 and entered into elapsed on 31 January, 2019, contrary to Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015 which states that 'a written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following notification'.

3.2 Payment for Certified Seeds, Breeding Stock and Live Animals Before Delivery

Under the purchase of certified seeds, breeding stock and live animals is included Kshs.4,518,800 for the supply and delivery of 8,000 tree seedlings to Kilifi Sub-Counties. However, payment to the suppliers was made on 9 May, 2019 while delivery of the seedlings was done on 11 May, 2019 and 29 May, 2019 contrary, to Section 146 of the Public Procurement and Asset Disposal Act, 2015 which states that 'no works, goods or services contract shall be paid for before they are executed or delivered and accepted by the Accounting Officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement'.

3.3 Delayed Completion of Administrator's Building

The Management entered into a contract for construction of Rabai Sub-County Administrator's building at a contract sum of Kshs.8,289,230 which was to be completed by 11 March, 2015. However, as at the time of audit in the month of October, 2019, the project had not been completed. In addition, the Management did not provide, for audit review, the contractor's request for extension of time to complete the project and the contractors' all risk insurance. This is contrary to Section 149 (2) (e) of the Public Finance Management Act, 2012 which states that 'the Accounting Officer should ensure that all contracts entered into by the entity are lawful and are complied with'.

3.4 Undelivered Antivirus Licenses

The Management made payments of Kshs.4,995,900 for supply and delivery of 600 user license keys and support services for antivirus and security. The installation and commissioning certificate was issued by the supplier on 14 February, 2019 and license certificate issued on 30 January, 2019 while an inspection and acceptance report was issued on 14 March, 2019. However, physical verification in the month of September, 2019 revealed that only 254 machine/users out of 842 machines were serviced leaving a balance of 346 licenses not used since county officers declined to have their machines under the security of the County Government. It is not clear how the 600 licenses were purchased without first involving the users, and the Management has not indicated how they intend to deal with the situation considering that the contract is still running without the purchased antivirus.

Consequently, the Management was in breach of the law. Further, it was not possible to confirm whether the citizens of Kilifi County got value for money on acquisition of assets of Kshs.2,829,276,111 reflected in the statement of receipts and payments for the year ended 30 June, 2019.

4.0 Outstanding Imprests

Disclosed under Note 12 to the financial statements is outstanding imprests of Kshs.7,020,192 out of which Kshs.3,311,768 has been outstanding for more than one year in contravention of Section 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which requires imprests to be surrendered within 7 working days after return to duty station. Management explained that the amounts relate to imprests held by officers who had transferred services without full clearance from the

County. Management have also written to the organizations where these officers are currently stationed to initiate the process of recovery

Consequently, the Management was in breach of the law.

5.0 Wasteful Utilization of Public Resources - Valuation Roll

Note 3 to the financial statements for the year ended 30 June, 2019 reflects county own generated revenue of Kshs.864,317,126. Included in this balance is an amount of Kshs.187,241,170 in respect of land rates and other land revenue collected during the year. However, the County Government has not yet adopted the valuation roll that would have enabled it to capture all the revenue.

Further, Note 6 to the financial statements for the year ended 30 June, 2019 reflects office and general supplies and services amounting to Kshs.120,560,234. This amount includes a payment of Kshs.2,900,000 to a firm for consultancy services on revision of the valuation roll. Records availed for audit review indicated that the Management had previously, on 13 October, 2015, paid an amount of Kshs.37,885,000 to the same company for the preparation of the valuation roll. However, at the time of audit in October, 2019, the valuation roll had not been put into use. The Management has not explained why it has taken long to implement the use of the valuation roll which was aimed at increasing revenue collection in the county.

In the circumstances, the citizens of Kilifi County are not getting value for money used in the preparation of the valuation roll.

6.0 Unsatisfactory Implementation of Projects

Physical verification done in October, 2019 of twenty-two (22) sampled projects with a total contract sum of Kshs.392,938,325 revealed that various Projects were completed but not in use while in some there was evidence of poor workmanship. A site visit of the projects revealed that there were six (6) projects that had been completed but were not in use as at the time of the audit. This raises doubt on how the decision to undertake the projects was arrived at. Further, inspection of three school projects revealed that the toilets erected in the three (3) projects were not completed even though the school was operational and this has been part of the contract works. Road shoulders and road furniture had also not been completed for three (3) road projects.

No satisfactory explanations have been rendered for the deficiencies in projects implementation contrary to the values and principles of public service as provided for under Article 232 (1– c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

Consequently, it was not possible to confirm that the residents of Kilifi obtained value for money on the implementation of the 22 projects valued at Kshs. 392,938,325

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk Management and overall governance were not effective.

Basis for Conclusion

1.0. Failure to Maintain Updated Assets Register

Examination of the assets register established that most of the departmental assets' registers were not updated with asset details such as estimated useful life and date of disposal, location of the asset and where applicable, proceeds on disposal. Further, the items were not tagged contrary to Section 7.2.2 of the County Financial Accounting & Reporting Manual which states that 'an asset should have a tag number for identification of the asset to show, the engraved number of items of furniture and office equipment, if land – the registration details, if vehicles – the vehicle registration number, if land – the title number and if buildings – the block number and age'.

In the circumstances, the Management was in breach of its own internal controls and regulations.

2.0. Lack of Controls on Distribution of Furniture and Equipment

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.2,829,276,111 under acquisition of assets which includes payments in respect of office furniture and general equipment amounting to Kshs.15,020,438 made to various suppliers for supply and delivery of Early Childhood Development Education chairs, tables and learning materials . Available records indicated that the Management designed distribution forms to record quantities issued and acknowledgement of delivery by the recipients/beneficiaries. However, the forms were not serialized for accountability and control purposes. In addition, from the list of twenty-eight (28) schools which applied for furniture, only six (6) schools benefited. The furniture meant to be supplied to the remaining twenty-two (22) schools was diverted to other schools which had not applied for the same.

In the circumstances, effectiveness of control measures to ensure the items reached deserving cases was in doubt.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence

obtained up to the date of my audit report. However, future events or conditions may cause County Executive to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of County Executive to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

13 November, 2020

5. FINANCIAL STATEMENTS

5.1 statement of receipt and payments for the year ended 30th June 2019

RECEIPTS	Note	2018/2019 Kshs	2017/2018 Kshs
Exchequer releases	1	11,616,361,508	10,216,976,366 [a]
Proceeds from Domestic and Foreign Grants	2	285,223,456	317,047,351 [b]
County Own Generated Receipts	3	864,317,126	508,594,540
Returned CRF issues (County Assembly)	4	1,274	1,489,355
TOTAL RECEIPTS		12,765,903,363	11,044,107,612
PAYMENTS			
Compensation of Employees	5	3,796,124,183	3,357,579,534
Use of goods and services	6	2,466,324,997	2,090,636,135
Transfers to Other Government Units	7	1,031,413,979	880,923,148
Other grants and transfers	8	1,739,246,725	897,867,702
Social Security Benefits	9	34,502,849	123,901,757
Acquisition of Assets	10	2,829,276,111	3,446,122,495
TOTAL PAYMENTS		11,896,888,843	10,797,030,771
SURPLUS/DEFICIT		869,014,519	247,076,842

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/ 2019 and signed by:

Benjamin K. Chilumo
Chief Officer
ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services
ICPAK Member No.3346

5.2 Statement of Assets and Liabilities as at June 30, 2019

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2018/2019	RESTATED 2017/2018
FINANCIAL ASSETS		Kshs	Kshs
Cash and Cash Equivalents			
Bank Balances	11A	1,742,179,579	880,430,382[c]
Cash Balances	11B	3,953,682	482,111
Total Cash and cash equivalents		1,746,133,261	880,912,493
Accounts receivables	12	50,260,932	51,312,864
TOTAL FINANCIAL ASSETS		1,796,394,194	932,225,357
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	13	310,200,262	315,045,945
NET FINANCIAL ASSETS		1,486,193,932	617,179,413
REPRESENTED BY			
Fund balance b/fwd	14	617,179,413	433,594,623
Prior year adjustments	15	0	(63,492,051)
Surplus/Deficit for the year		869,014,519	247,076,842
NET FINANCIAL POSITION		1,486,193,932	617,179,413

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/ 2019 and signed by:

Benjamin K. Chilumo
Chief Officer
ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services
ICPAK Member No.3346

5.3 Statement of Cash Flows as at June 30, 2019
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2018/2019	RESTATED 2017/2018
CASH FLOW FROM OPERATING ACTIVITIES		Kshs	Kshs
Receipts from operating income			
Exchequer releases	1	11,616,361,508	10,216,976,366
Proceeds from Domestic and Foreign Grants	2	285,223,456	317,047,351
County Own Generated Receipts	3	864,317,126	508,594,540
Returned CRF issues	4	1,274	1,489,355
Payments for operating expenses			
Compensation of Employees	5	3,796,124,183	3,357,579,534
Use of goods and services	6	2,466,324,997	2,090,636,135
Transfers to Other Government Units	7	1,031,413,979	880,923,148
Other grants and transfers	8	1,739,246,725	897,867,702
Social Security Benefits	9	34,502,849	123,901,757
Adjusted for:			
Changes in receivables		1,051,932	(262,398)
Changes in payables		(4,845,683)	82,057,019
Total Adjustments		-3,793,751	*82,319,417*
Net cash flows from operating activities		3,694,496,879	3,775,518,754
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	2,829,276,111	3,446,122,495
Net cash flows from investing activities		2,829,276,111	3,446,122,495
NET INCREASE IN CASH AND CASH EQUIVALENT		865,220,768	329,396,259
Cash and cash equivalent at BEGINNING of the year		880,912,493	551,516,235[d]
Cash and cash equivalent at END of the year	11	1,746,133,261	880,912,493
As per statement of assets		1,746,133,261	880,912,493

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/10/ 2019 and signed by:

Benjamin K. Chilumo
Chief Officer

ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services

ICPAK Member No.3346

5.4 Summary Statement of Appropriation: Recurrent and Development combined for the year ended 30th June 2019.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	12,177,484,509	189,855,057	12,367,339,566	11,616,361,508	750,978,059	94%
Proceeds from Domestic and Foreign Grants	285,223,455	8,429,881	293,653,336	285,223,456	8,429,880	97%
County Own Generated Receipts	1,345,066,521	-	1,345,066,521	864,317,126	480,749,395	64%
Returned CRF issues (Unspent CRF)				1,274	(1,274)	100%
REVOTED REVENUE		465,431,658	465,431,658.0	726,251,422	(260,819,764)	156%
TOTAL	13,807,774,485	663,716,596	14,471,491,081	13,492,154,785 c	979,336,296	93%
PAYMENTS						
Compensation of Employees	3,849,697,592	(148,152,247)	3,701,545,345	3,796,124,183	(94,578,837)	103%
Use of goods and services	2,395,998,167	402,343,778	2,798,341,945	2,466,324,997	332,016,948	88%
Transfers to Other Government Units	1,214,680,971	-	1,214,680,971	1,031,413,979	183,266,992	85%
Other grants and transfers	1,725,533,845	417,997,401	2,143,531,246	1,739,246,725	404,284,521	81%
Social Security Benefits	34,524,967	-	34,524,967	34,502,849	22,118	100%
Acquisition of Assets	4,587,338,943	(8,472,336)	4,578,866,607	2,829,276,111	1,749,590,496	62%
TOTAL	13,807,774,485	663,716,596	14,471,491,081	11,896,888,843	2,574,602,238	82%

The entity financial statements were approved on 30/09/ 2019 and signed by:

Benjamin K. Chilumo
Chief Officer

ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services

ICPAK Member No.3346

5.5 Summary Statement of Appropriation: Recurrent for the year ended 30th June 2019.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	7,230,925,088	56,467,138	7,287,392,226	7,087,795,090	199,597,137	97%
County Own Generated Receipts	923,744,609	421,321,912	1,345,066,521	864,317,126	480,749,395	64%
Returned CRF issues				1,274	(1,274)	100%
REVOTED REVENUE		79,381,743	79,381,743	350,956,451	(271,574,709)	442%
TOTAL	8,154,669,697	557,170,793	8,711,840,490	8,303,069,940	408,770,549	95%
S PAYMENTS						
Compensation of Employees	3,849,697,592	- 148,152,247	3,701,545,345	3,796,124,183	(94,578,837)	103%
Use of goods and services	2,263,465,167	422,367,710	2,685,832,877	2,441,569,156	244,263,721	91%
Transfers to Other Government Units	903,514,171	-	903,514,171	903,513,979	192	100%
Other grants and transfers	878,499,345	281,971,471	1,160,470,816	1,012,385,187	148,085,629	87%
Social Security Benefits	34,524,967	-	34,524,967	34,502,849	22,118	100%
Acquisition of Assets	224,968,455	983,859	225,952,314	230,637,760	(4,685,446)	102%
TOTAL	8,154,669,697	557,170,793	8,711,840,490	8,418,733,114	293,107,376	97%

The entity financial statements were approved on 30/09/2019 and signed by:

Benjamin K. Chilumo
Chief Officer

ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services

ICPAK Member No.3346

5.6 Summary Statement of Appropriation: Development for the year ending 30th June 2019

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	4,946,559,421	133,387,919	5,079,947,340	4,528,566,418	551,380,922	89%
Proceeds from Domestic and Foreign Grants	285,223,455	8,429,881	293,653,336	285,223,456	8,429,880	97%
County Own Generated Receipts	421,321,912	(421,321,912)	0		0	100%
revoted revenue	0	386,049,915	386,049,915	375,294,971	10,754,944	97%
TOTAL	5,653,104,788	106,545,803	5,759,650,591	5,189,084,845	570,565,746	90%
PAYMENTS						
Compensation of Employees						
Use of goods and services	132,533,000	(20,023,932)	112,509,068	24,755,841	87,753,227	22%
Transfers to Other Government Units	311,166,800	0	311,166,800	127,900,000	183,266,800	41%
Other grants and transfers	847,034,500	136,025,930	983,060,430	726,861,537	256,198,893	74%
Acquisition of Assets	4,362,370,488	(9,456,195)	4,352,914,293	2,598,638,351	1,754,275,942	60%
TOTAL	5,653,104,788	106,545,803	5,759,650,591	3,478,155,730	2,281,494,862	60%

Underutilization

a) Use of goods and services (22%): The major item was contracted services (on consultancy service for preparation of local development plans) under lands, Energy, Housing, Physical & Urban Development which had a budget of Kshs. 105,040,000 but due to e-procurement challenges they only managed to spend Kshs.19m.

b) Transfers to Other Government Units (41%): This was a transfer to County Assembly of which by the end of the year they had only requested 41% of their development allocation. The entity financial statements were approved on 30/09/ 2019 and signed by

Benjamin K. Chilumo
Chief Officer

ICPAK Member No.4342

Bonaventure F.M. Mwakio
Director Accounting Services

ICPAK Member No.3346

5.7 Budget Execution by Programmes and Sub-Programmes for the year ended June 30, 2019

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
DEPARTMENT OF EXECUTIVE					
P 1: Office of the Governor and Deputy Governor					
S.P 1.1: General Administration Planning and Support Services	20,359,383	(1,027,532)	19,331,851	19,553,497	(221,646)
S.P 1.2: Management of county Executive affairs	19,500,000	(5,494,492)	14,005,508	12,771,346	1,234,162
S.P 1.3: County Advisory Services	34,600,000	(4,246,225)	30,353,775	28,666,469	1,687,306
S.P 1.4: Administration, Planning and Support Services	280,350,705	27,298,095	307,648,800	283,243,503	24,405,297
Total Office of the Governor and Deputy Governor	**354,810,088**	**16,529,846**	**371,339,934**	**344,234,815**	27,105,119
P 2: County Attorney					
S.P 2.1: Administration, Planning and Support Services	111,258,000	10,249,990	121,507,990	94,085,059	27,422,931
Total County Attorney	**111,258,000**	**10,249,990**	**121,507,990**	**94,085,059**	27,422,931
DEPARTMENT OF FINANCE & ECONOMIC PLANNING					
P 1: Finance Headquarters					
SP1.1: Administration, Planning and Support Services	467,713,721	(90,394,402)	377,319,319	367,248,082	10,071,237
SP1.2: Kenya Devolution Support Programme	61,148,106	22,726,295	83,874,401	18,630,884	65,243,517
SP1.3: Budget Formulation, Cordination and Management	14,550,000	19,850,000	34,400,000	32,281,833	2,118,167
SP1.4: Audit Services	10,350,000	(1,342,640)	9,007,360	7,737,439	1,269,921

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP1.5: Accounting Services	65,650,000	(28,670,683)	36,979,317	35,496,243	1,483,074
SP1.6: Supply Chain Management Services	5,300,000	4,887,355	10,187,355	7,590,295	2,597,060
SP1.7: Resource Mobilization/Debt Management	37,150,000	7,690,915	44,840,915	37,271,343	7,569,572
Total Finance Headquarters	**661,861,827**	**(65,253,160)**	**596,608,667**	**506,256,119**	90,352,548
P 2.0 : Economic Planning Headquarters					
SP2.1: Administration, Planning and Support Services	7,725,000	2,942,182	10,667,182	6,124,670	4,542,512
SP2.2: County Fiscal Planning	22,000,000	13,727,795	35,727,795	31,223,489	4,504,306
SP2.3: Statistical Information Services/Monitoring	4,100,000	639,520	4,739,520	3,350,764	1,388,756
Total Economic Planning Headquarters	**33,825,000**	**17,309,497**	**51,134,497**	**40,698,924**	10,435,573
DEPARTMENT OF AGRICULTURE, LIVESTOCK & FISHERIES					
P 1: Agriculture					
SP1.1: Development Planning and Land Reforms	270,709,233	16,660,734	287,369,967	284,368,920	3,001,047
SP1.2: Food security initiatives	217,153,463	(90,746,173)	126,407,290	79,911,485	46,495,805
SP1.3: Agribusiness and information management	74,012,266	(4,458,010)	69,554,256	46,793,658	22,760,598
SP1.4: Promotion of Irrigation and Drainage Development and Management	120,603,415	163,930,634	284,534,049	169,254,141	115,279,909
Total Agriculture	**682,478,377**	**85,387,185**	**767,865,562**	**580,328,204**	187,537,358
P 2: Livestock					
SP2.1: Development Planning and Land Reforms	10,117,015	0	10,117,015	9,678,786	438,230

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP2.2: Livestock Policy Development and capacity building Programme	18,457,888	(2,500,000)	15,957,888	3,485,820	12,472,068
SP2.3: Livestock Production and Management	50,178,436	19,872,977	70,051,413	63,453,101	6,598,312
SP2.4: Livestock Products Value Addition and Marketing	25,727,124	9,752,408	35,479,532	22,004,558	13,474,974
SP2.5: Food Safety and Animal Products Development	4,339,212	1,660,000	5,999,212	1,986,446	4,012,766
SP2.6: Livestock Diseases Management and Control	17,692,092	5,000,000	22,692,092	20,855,452	1,836,640
Total Livestock	**126,511,767**	**33,785,385**	**160,297,152**	**121,464,163**	38,832,989
P 3: Fisheries					
SP3.1: Development Planning and Land Reforms	17,586,655	(1,334,323)	16,252,332	12,897,096	3,355,236
SP3.2: Livestock Policy Development and capacity building Programme	51,067,575	(5,256,151)	45,811,424	21,957,813	23,853,611
SP3.3: Livestock Production and Management	20,865,836	5,090,473	25,956,309	9,439,547	16,516,762
Total Fisheries	**89,520,066**	**(1,500,001)**	**88,020,065**	**44,294,457**	43,725,608
DEPARTMENT OF WATER, ENVIRONMENT, NATURAL RESOURCES AND WILDLIFE					
P 1: Water					
SP1.1: Administration,Planning and Support Services	182,308,228	47,450,000	229,758,228	223,475,873	6,282,355
SP1.2: Water Supply Infrastructure	956,152,635	32,800,000	988,952,635	551,067,676	437,884,959
Total Water	**1,138,460,863**	**80,250,000**	**1,218,710,863**	**774,543,548**	444,167,315

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
P 2: Environmental					0
SP2.1: Environmental Policy Management	39,500,000	29,500,000	69,000,000	47,237,640	21,762,360
SP2.2: Catchment Rehabilitation and Conservation	76,268,000	25,458,640	101,726,640	94,990,736	6,735,904
SP2.3: Forests Conservation and Management	40,450,000	(25,958,640)	14,491,360	12,237,300	2,254,060
Total Environmental	**156,218,000**	**29,000,000**	**185,218,000**	**154,465,676**	30,752,324
DEPARTMENT OF EDUCATION & INFORMATION COMMUNICATION AND TECHNOLOGY					
P 1: Education					
SP1.1: General Administration, Planning and Support Services	201,701,027	10,382,833	212,083,860	125,515,341	86,568,519
SP1.2: Administration,Planning and Support Services	633,895,610	(128,142,247)	505,753,363	477,355,673	28,397,690
SP1.3: School Health, Nutrition and Meals	53,000,000	11,592,815	64,592,815	64,010,815	582,000
SP1.4: Free Pre-Primary Education	626,920,951	1,678,216	628,599,167	277,112,557	351,486,610
SP1.5: Scholarship, Bursary and Loan	350,000,000	4,557,185	354,557,185	354,060,600	496,585
SP1.6: Revitalization of Youth Polytechnics	3,550,000	200,000	3,750,000	2,142,362	1,607,638
Total Education	**1,869,067,588**	**(99,731,198)**	**1,769,336,390**	**1,300,197,349**	469,139,041
P 2: Information, Communication and Technology					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP2.1: General Administration, Planning and Support Services-Information	10,000,000	0	10,000,000	4,449,200	5,550,800
SP2.2: ICT Infrastructure Connectivity	37,000,000	0	37,000,000	28,204,908	8,795,092
Total Information, Communication and Technology	**47,000,000**	**0**	**47,000,000**	**32,654,108**	**14,345,892**
DEPARTMENT OF HEALTH SERVICES					
P 1: Medical Services					
SP1.1: Procurement, Warehousing and Supply	64,800,000	(59,068,801)	5,731,199	4,100,740	1,630,459
SP1.2: General Administration, Planning and Support Services	847,793,917	(2,000,000)	845,793,917	501,940,299	343,853,618
SP1.3: County Refferal Services	314,000	0	314,000	192,445	121,555
SP1.4: Forensic and Diagnostics	13,890,580	37,299,984	51,190,564	50,532,429	658,135
SP1.5: Administration, Planning and Support Services	473,248,391	154,176,501	627,424,892	613,366,922	14,057,970
SP1.6: Capacity Building & Training	1,600,000	1,500,000	3,100,000	2,872,760	227,240
SP1.7:Health Policy, Planning & Financing	21,932,920	(8,992,411)	12,940,509	12,848,881	91,628
SP1.8: Health Standards, Quality Assurance & Standards	850,000	800,000	1,650,000	1,489,023	160,977
SP1.9: Human Resource Management	2,115,702,823	(154,611,640)	1,961,091,183	1,955,235,717	5,855,466
SP1.10: Family planning services	5,216,000	(1,140,212)	4,075,788	1,620,640	2,455,148

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP1.11: Maternity	1,200,000	808,937	2,008,937	1,982,685	26,252
SP1.12: Immunization	700,000	940,000	1,640,000	533,123	1,106,877
Total Medical Services	**3,547,248,631**	**(30,287,642)**	**3,516,960,989**	**3,146,715,663**	**370,245,326**
P 2: Public Health					
SP2.1: Health Promotion	166,767,445	12,725,750	179,493,195	176,007,257	3,485,938
SP2.2: Non-communicable Disease Prevention & Control	3,603,445	(1,113,419)	2,490,026	2,352,386	137,640
SP2.3: Communicable Disease Control	31,825,893	8,614,069	40,439,962	38,550,180	1,889,782
SP2.4: HIV/AIDS Prevention & Control Unit	16,107,800	9,079,150	25,186,950	22,956,741	2,230,209
SP2.5: TB Control	6,981,250	(3,881,500)	3,099,750	2,921,257	178,493
SP2.6: Malaria Control & Other Communicable Diseases	17,798,314	(10,678,100)	7,120,214	6,279,680	840,534
SP2.7: Enviromental / Public Health	8,113,000	(1,206,187)	6,906,813	6,053,819	852,994
SP2.8: School Health, Nutrition and Meals	3,046,116	(93,216)	2,952,900	2,884,986	67,914
Total Public Health	**254,243,263**	**13,446,547**	**267,689,810**	**258,006,305**	9,683,505
DEPARTMENT OF ROADS & PUBLIC WORKS SERVICES					
P 1: Roads					
SP1.1: Transport Systems and Transport safety	8,000,000	0	8,000,000	0	(8,000,000)
SP1.2: Construction of Roads and Bridges	639,159,186	141,000,000	780,159,186	0	780,159,186
SP1.3: Rehabilitation of Roads	61,000,000	0	61,000,000	783,850,975	(722,850,975)
SP1.4: Maintenance of Roads	305,000,000	59,429,881	364,429,881	325,317,382	39,112,499

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP1.5: General Administration, Planning And Support Services	427,977,084	28,484,990	456,462,074	475,479,413	(19,017,339)
SP1.6: Management Consultancy Services	14,492,130	(4,262,910)	10,229,220	0	10,229,220
Total Roads	**1,455,628,400**	**224,651,961**	**1,680,280,361**	**1,584,647,770**	**95,632,591**
DEPARTMENT OF LANDS, PHYSICAL PLANNING, HOUSING AND ENERGY					
P 1: Lands					
SP1.1: Land Survey	52,064,041	14,696,685	66,760,726	30,255,247	36,505,479
SP1.2: Administration, Planning & Support Services	118,739,310	(658,148)	118,081,162	101,266,509	16,814,653
SP1.3: Agricultural Policy, Legal and Regulatory Frameworks	20,130,000	8,220,000	28,350,000	21,498,441	6,851,559
Total Lands	**190,933,351**	**22,258,537**	**213,191,888**	**153,020,198**	**60,171,691**
P 2: Physical Planning					
SP2.1: Land Use	117,110,000	(850,000)	116,260,000	28,649,216	87,610,784
SP2.2: Land Settlement	7,420,000	(150,000)	7,270,000	6,056,895	1,213,105
SP2.3: Housing Development	14,262,000	(1,700,000)	12,562,000	10,045,590	2,516,410
SP2.4: Stalled and new Government buildings	71,431,629	3,700,000	75,131,629	3,331,555	71,800,074
SP2.5: Town administration services	340,544,500	40,200,000	380,744,500	336,320,831	44,423,669
Total Physical Planning	**550,768,129**	**41,200,000**	**591,968,129**	**384,404,088**	**207,564,042**
DEPARTMENT OF GENDER CULTURE SOCIAL SERVICES					
P 1: Gender					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP1.1: Betting Control and lottery Policy services	2,000,000	(70,246)	1,929,754	936,413	993,341
SP1.2: Gender Mainstreaming	2,700,000	(200,000)	2,500,000	1,016,273	1,483,727
SP1.3: Youth Development Services	17,950,000	(2,850,000)	15,100,000	47,779	15,052,221
SP1.4: Development and Management of Sports Facilities	240,843,185	(35,800,000)	205,043,185	76,579,600	128,463,585
SP1.5: Conservation of Heritage	1,000,000	(46,705)	953,295	37,000	916,295
SP1.6: General Administration, Planning and Support Services	93,554,266	77,235,592	170,789,858	136,097,222	34,692,636
SP1.7: Child Community Support Services	7,370,000	(1,250,000)	6,120,000	2,626,321	3,493,679
Total Gender	**365,417,451**	**37,018,641**	**402,436,092**	**217,340,609**	185,095,483
DEPARTMENT OF TRADE DEVELOPMENT AND REGULATION					
P 1: Trade					
SP1.1: General Administration Planning and Support Services	64,453,802	17,027,038	81,480,840	78,666,400	2,814,440
SP1.2: Market Development	143,385,862	(3,954,238)	139,431,624	113,549,622	25,882,002
SP1.3: Fair Trade and Consumer Protection	530,000	0	530,000	645,761	(115,761)
SP1.4: Trade Development	31,230,000	9,750,000	40,980,000	36,299,342	4,680,658
SP1.5: Niche tourism products development and diversification	510,000	1,565,000	2,075,000	1,611,797	463,203
SP1.6: Tourism promotion and marketing	37,991,638	(185,150)	37,806,488	38,128,429	(321,941)
SP1.7: Tourism training and capacity building	(1,010,000)	5,549,750	4,539,750	861,158	3,678,592
Total Trade	**277,091,302**	**29,752,400**	**306,843,702**	**269,637,797**	**37,081,192**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
P 2: Cooperative Development					
SP2.1: General Administration Planning and Support Services	0	2,000,000	2,000,000	2,000,000	
SP2.2: Market Development	3,580,000	1,294,425	4,874,425	4,470,077	404,348
SP2.3: Market Development	1,350,000	0	1,350,000	1,302,422	47,578
SP2.4: Market Development	850,000	500,000	1,350,000	996,523	353,477
Total Cooperative Development	**5,780,000**	**3,794,425**	**9,574,425**	**8,769,022**	**805,403**
DEPARTMENT OF COUNTY PUBLIC SERVICE BOARD					
P 1: County Public Service Board					
SP1.1: General Administration Planning and Support Services	49,613,765	10,988,200	60,601,965	52,274,996	8,326,969
SP1.2: Coordination and Supervision	11,895,382	(50,391)	11,844,991	14,839,462	(2,994,471)
Total County Public Service Board	**61,509,147**	**10,937,809**	**72,446,956**	**67,114,458**	**5,332,498**
DEPARTMENT OF DEVOLUTION & PUBLIC SERVICE MANAGEMENT					
P 1: Public Service Management					
SP1.1: Human Resource Development	3,070,000	(385,000)	2,685,000	1,517,076	(1,167,924)
SP1.2: Human Resouce Management	1,850,000	(100,000)	1,750,000	0	1,750,000
SP1.3: Sub county and ward administration services	5,766,000	2,185,921	7,951,921	9,249,628	(1,297,707)
SP1.4: Relief and Rehabilitation	173,819,351	192,007,399	365,826,750	297,474,803	68,351,947

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	
	KShs	KShs	KShs	KShs	KShs
SP1.5: General Administration, Planning and support services	428,956,913	11,208,054	440,164,967	474,230,313	(34,065,346)
Public Service Management	**613,462,264**	**204,916,374**	**818,378,638**	**782,471,820**	**35,906,818**
Transfer to county assembly	1,222,389,948	10,728,000	1,214,680,948	1,031,413,979	183,266,969
County Executive Total	**13,815,483,462**	**674,444,596**	**14,471,491,058**	**11,896,888,844**	**2,574,602,214**

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic

5.7 Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the 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 County Government of Kilifi. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

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

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.

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

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.

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

5. 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.

There were no other restrictions on cash during the year.

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.

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 County Government of Kilifi 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 developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Kilifi budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 3rd August 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There were three number of supplementary budgets passed in the year. A high-level assessment of the County

Government's actual performance against the comparable budget for the financial year under review has been included in an annex to 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 the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National 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.

15. Restated Financial Statements

The 2017/2018 Financial Statements have been restated as explained below.

Statement of Assets and Liabilities

[a] The bank balance of Kshs. 880,430,382 at the beginning of the year has been restated downwards from Kshs. 943,922,434 in the audited financial statements 2017/2018. The bank balance was restated by Kshs. 63,492,051 being the total of bank balances for dispensaries under DANIDA grant that were expensed in the FY 2017/2018 but erroneously included in the closing balances in the Statement of Assets and Liabilities. The effect of this restating is that Cash and Cash equivalents brought forward have reduced by the same amount. Similarly, the Fund Balance brought forward has reduced with the same amount of Kshs. 63,492,051.

Statement of Cash flows

[b] The Cash and Cash Equivalent balance at the beginning of the year of Kshs. 615, 008,285 for FY 2017/2018 has been restated downwards from Kshs.615, 008,285 in the audited financial statements 2017/2018 to Kshs. 551,516,235. The Cash and Cash Equivalent balance was restated by Kshs. 63,492,051 being the total of bank balances for dispensaries under DANIDA grant that were expensed in the FY 2017/2018 but erroneously included in the closing balances in the Statement of Assets and Liabilities. The effect of this restating is that Cash and Cash equivalents at the beginning of the year for the FY 2017/2018 has been reduced by the same amount.

16. Actual Comparable Receipts

[c] Total revenue in the statement of appropriation: Recurrent and Development combined include revenue balances b/f from 2017/2018 (Revoted Revenue) which was available for spending. This amount was receipted in the previous financial year hence could not be included in the statement of receipt and payments for the year 2018/2019.

5.8 Notes to the Financial Statements

1. EXCHQUER RELEASES

Description	2018/2019	2017/2018 Restated
	KShs	KShs
Exchequer Releases	**11,616,361,508**	**10,216,976,366**
1 A: Equitable Share		
Total Equitable Share for quarter 1	541,650,000	696,563,000
Total Equitable Share for quarter 2	2,816,580,000	2,537,479,500
Total Equitable Share for quarter 3	3,135,240,034	2,587,234,000
Total Equitable Share for quarter 4	4,339,529,966	4,129,623,500
Total	**10,833,000,000**	**9,950,900,000**
1B: Level 5 Hospitals Allocation		
Transfers for level 5 hospitals	-	-
Total	-	-
1C: Donor Funds released through Exchequer Releases as per CARA		
DANIDA - Universal Healthcare in Devolved Units Programme	45,178,279	21,484,371
World Bank – THUSCP	81,946,554	42,576,480
National Agricultural & Rural Inclusive Growth Project (NARIGP)	50,078,476	50,609,855
East African Public Health Laboratory Networking Project (EAPHLNP)	6,000,000	-
Kenya Devolution Support Programme	153,800,563	57,107,014
Youth Polytechnic support grant	40,041,425	67,906,049
Abolishment of user fees in health centres and dispensaries	25,969,864	26,392,597
Kenya Urban Support Programme	371,734,500	-
Agriculture Sector Development Support Project (ASDSP)	8,611,847	-
Total	**783,361,508**	**266,076,366**

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in	2018/2019	2017/2018 Restated
		foreign currency	Kshs	Kshs
Grants Received from other levels of government			-	
KRB		-	285,223,456	317,047,351
TOTAL		-	285,223,456	317,047,351

3. COUNTY OWN GENERATED RECEIPTS

	2018/2019	2017/2018 Restated
RECEIPTS	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as (F I F)	166,314,682	65,391,286
Land Rates and other Land Revenue	187,241,170	126,238,602
Cess on natural resources	238,009,456	141,702,601
Business Permit	67,530,278	70,150,392
Parking fees	35,452,472	17,832,833
Market fees	10,688,373	11,744,236
Billboards & Signage	19,196,108	17,844,177
Building Plan approval and Inspection	6,492,114	2,119,318
Rent/Stall rents	3,839,372	5,306,499
Survey fees and plot rents	1,655,861	1,742,540
Sale of Tender Documents	1,000	23,000
Plot ground rent	6,229,677	2,558,333
House rent	63,627,022	17,146,901
Refuse Collection	4,209,353	505,803
Food Hygiene Fees	7,969,917	679,700
Slaughter House and Livestock sale Yards	1,212,619	743,839
Others	44,647,651	26,864,480
TOTAL	864,317,126	508,594,540

4. RETURNED CRF ISSUES

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Kilifi County Recurrent Account		1,236
Kilifi County Development Account		1,488,119
County Assembly of Kilifi	1,274	

Total	**1,274**	**1,489,355**

5. COMPENSATION OF EMPLOYEES

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Basic salaries of permanent employees	1,794,286,395	1,589,518,198
Basic wages of temporary employees	315,346,792	221,370,619
Personal allowances paid as part of salary	1,532,656,164	1,432,240,143
Personal allowances paid as reimbursements	341,000	-
Compulsory national social security schemes	153,493,832	114,450,574
Total	**3,796,124,183**	**3,357,579,534**

6. USE OF GOODS AND SERVICES

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Utilities, supplies and services	87,757,134	95,400,614
Communication, supplies and services	26,771,972	9,574,812
Domestic travel and subsistence	181,675,895	118,991,706
Foreign travel and subsistence	59,095,662	46,279,986
Printing, advertising and information supplies & services	114,014,443	94,036,399
Rentals of produced assets	59,492,578	42,185,587
Training expenses	65,611,149	87,986,282
Hospitality supplies and services	282,146,226	159,182,472
Insurance costs	139,879,892	296,504,050
Specialised materials and services	541,632,158	403,515,487
Office and general supplies and services	120,560,234	65,199,790
Other operating expenses	300,705,564	397,860,718
Routine maintenance – vehicles and other transport equipment	95,622,382	75,425,490
Fuel Oil and Lubricants	106,723,905	77,420,992
Routine maintenance – other assets	284,635,802	121,071,750
Total	**2,466,324,997**	**2,090,636,135**

7. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2018/2019	2017/2018 Restated
	Kshs	Kshs
County Assembly of Kilifi	1,031,413,979	880,923,148
TOTAL	**1,031,413,979**	**880,923,148**

8. OTHER GRANTS AND TRANSFERS

Description	2018/2019	2017/2018 Restated
	Kshs	Kshs
Scholarships and other educational benefits	357,983,342	350,000,000
Emergency relief and refugee assistance	277,654,010	207,136,550
Other Current Transfers, Grants and Subsidies	211,877,610	130,282,381
Other Current Transfers, Grants and Subsidies (Donations)		33,045,000
Other Capital Grants and Trans	852,731,763	
Other Current Transfers, Grants and Subsidies (Elders Cash Transfer)		35,000,000
Capital Grants to Government Agencies and other Levels of Government (DANIDA)		13,093,490
Other current transfer others –car loans and motgages	39,000,000	
Capital Grants to Government Agencies and other Levels of Government (Free Maternity & User Fees ,universal health care)		129,310,280
TOTAL	1,739,246,725	897,867,702

9. SOCIAL SECURITY BENEFITS

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Government pension and retirement benefits{gratuity}	34,502,849	123,901,757
Total	34,502,849	123,901,757

10. ACQUISITION OF ASSETS

	2018/2019	2017/2018 Restated
Non Financial Assets	Kshs	Kshs
Construction of Buildings	782,415,743	749,162,636
Refurbishment of Buildings	31,910,618	31,008,016
Construction of Roads	797,858,337	1,378,147,507
Construction and Civil Works		

	2018/2019	2017/2018 Restated
Non Financial Assets	**Kshs**	**Kshs**
	629,860,403	750,136,952
Purchase of Vehicles and Other Transport Equipment	42,062,880	31,592,100
Overhaul of Vehicles and Other Transport Equipment	1,651,044	1,174,280
Purchase of Household Furniture and Institutional Equipment	-	2,731,890
Purchase of Office Furniture and General Equipment	178,406,072	112,878,234
Purchase of Specialised Plant, Equipment and Machinery	128,285,235	297,547,478
Rehabilitation and Renovation of Plant, Machinery and Equip.	1,000,000	693,500
Purchase of Certified Seeds, Breeding Stock and Live Animals	134,080,251	66,713,402
Research, Studies, Project Preparation, Design & Supervision	33,908,121	8,429,315
Rehabilitation of Civil Works	3,985,042	-
Acquisition of Strategic Stocks and commodities	61,592,815	15,907,185
Acquisition of Intangible Assets	2,259,551	-
Total	**2,829,276,111**	**3,446,122,495**

11A. BANK ACCOUNTS

No	Name of Bank & Account No.	Bank	Account Type	2018–2019 Kshs	2017–2018 Restated Kshs
1	*County Revenue Fund-1000170212*	CBK	CRF	1,042,926,259	274,199,491
2	*Kilifi County Recurrent Account-1000170239*	CBK	Recurrent	2,836,408	55,835
3	*Kilifi County Development Account-1000170198*	CBK	Development	45,748,144	74,303,449
4	*The County Government of Kilifi-Project Retention-0028950001*	DTB-Kilifi	Deposit	251,191,133	117,194,233

No	Name of Bank & Account No.	Bank	Account Type	2018–2019 Kshs	2017–2018 Restated Kshs
5	*Kilifi County Road Maintenance Fuel Levy-1000260928*	CBK	Programme	22,147,082	8,429,881
6	*Kilifi County Government - Standing Imprest Account Fin-Mgt-01141465788001*	Co-op Bank-Kilifi	Imprest	382,850	729,819
7	*Kilifi County Wbank DANIDA Grants Account-1000268492*	CBK	Programme	136,495	102,808
8	*KENYA DEVOLUTION SUPPORT PROGRAMME ACCOUNT 1000371684*	CBK	Programme	4,095,410	22,726,295
9	*KILIFI COUNTY NAGRIP*	CBK	Programme	-	55,000,000
10	*Kilifi County Elders Cash Transfer Fund Account-1060268537210*	Equity Bank-Kilifi	Programme	2,190,133	2,861,094
11	*KCG - Main Revenue Account - 01141691026400*	Co-op Bank-Kilifi	Revenue	15,865,010	968,815
12	*Kilifi County Revenue Collection-1140769235*	KCB-Kilifi	Revenue	1,290,700	4,886,304
13	*KCG-Land Rates Revenue-01001135200100*	NBK-Kilifi	Revenue	316,756	73,086
14	*The County Government of Kilifi-Cess Revenue Account-0198094843001*	SBM - Malindi	Revenue	175,271,894	62,720,001
15	*The County Government of Kilifi-Parking Fee Revenue Account-0198094843002*	SBM - Malindi	Revenue	66,865,824	40,596,965
16	*The County Government of Kilifi-Parking Fee Revenue Account-1175862436*	KCB-Kilifi	Revenue	8,605	9,670
17	*The County Government of Kilifi - Cess Revenue Account-1175862053*	KCB-Kilifi	Revenue	1,206	3,309,051
18	*KCG-Agriculture Revenue Collection Account-01141466268700*	Co-op Bank-Kilifi	Revenue	11,400	364,015

No	Name of Bank & Account No.	Bank	Account Type	2018–2019 Kshs	2017–2018 Restated Kshs
19	*Kilifi County Govt. ATC Revenue-1173577289*	KCB-Mtwapa	Revenue	3,474,404	361,775
20	*Kilifi County Hospital-FIF-37184001*	DTB-Kilifi	Revenue	-	5,783,924
21	*KILIFI THS UNIVERSAL HEALTH CARE*	CBK	Programme	6,106,919	1,527,335
22	*KILIFI COUNTY VILLAGE POLY GRANT-1000368508*	CBK	Programme	560,761	17,884,536
23	*KCG- Jibana Sub County Hosp - FIF-1159898804*	KCB-Kilifi	Revenue	13,224	15,538
24	*KCG- Jibana Sub County Hosp PBF-1168061334*	KCB-Kilifi	Revenue	82,160	340
25	*KCG- Jibana Sub County Hosp PBF-1119390117*	kcb-mariakani	Revenue	4,421,684	4,426,279
26	*KCG- Malindi District Health Care Services-1104242451*	KCB-Malindi	Revenue	-	60,526,610
27	*Bamba Sub District Hospital-1122196520*	KCB-mariakani	Revenue	1,853,853	1,854,688
28	*KCG-Lands and Housing Revenue Collection-2031340988*	BBK-Kilifi	Revenue	452,000	100,555
29	*Kilifi Liquor Control Fund Account-1184369607*	KCB-Kilifi	Revenue	3,943,715	1,586,363
30	*KCG - FIF Revenue Collection Account-01141779176400*	CO-OP-Kilifi	Revenue	1,559,772	6,205,246
31	*Kilifi County Government Gratuity-01001019119800*	NBK-Kilifi	Deposit	2,614,754	32,367,812
32	*Kilifi County Government - Salary Suspence Account-01243465788000*	Co-op Bank-Kilifi	Deposit	311,683	257,569
33	*Kilifi County Executive Salary Account-1147302626*	KCB-Kilifi	Deposit	2,640,757	2,769,499
34	*KCG-Payroll Commissions*	NIC-Kilifi	Revenue	1,239,473	-
35	*Kilifi County Government - Executive Standing Imprest-01141465788000*	Co-op Bank-Kilifi	Imprest	82,518	82,518

No	Name of Bank & Account No.	Bank	Account Type	2018–2019 Kshs	2017–2018 Restated Kshs
36	*Kilifi County Government Imprest Recovery Account-1171207026*	KCB Kilifi	Imprest	374	-
37	*IPP GAP Kilifi-1175514268*	KCB-Kilifi	Programme	-	424
38	*KCG-Mariakani Sub County Hospital PBF-01141254535100*	Co-op-Mariakani	Revenue	60,100	7,088,360
39	*Mariakani District Hospital HCSF-1107831857*	KCB-Kilifi	Revenue	32,563,035	32,568,031
40	*Kilifi County Hospital-PBF Account-01001068243400*	NBK-Kilifi	Revenue	683,595	15,628,048
41	*KCG- Malindi Sub County HospitalDistrict - PBF-01001018366800*	NBK-Malindi	Revenue	4,969	17,942,246
42	*KCG-Malindi/Magarini Public Health - 1160452970*	KCB - Malindi	Revenue	293,952	
43	*KCG-Bamba Sub County Hospital PBF Account-01001068243700*	NBK-Kilifi	Programme	577,380	513,940
44	*County Director of Health-1144462355*	KCB Kilifi	Programme	1,100	1,100
45	*KCG -HSSF KILIFI CHMT-1153100622*	KCB Kilifi	Programme	12,513	168,904
46	*KCG Kenya Urban Support Program-1000396628*	CBK	Programme	41,200,000	-
47	*KCG Land and Housing Revenue - 01141779473400*	Co-op Bank-Kilifi	Revenue	644,395	-
48	*EAP Health Labs Networking PRJ-1148548734*	KCB-Kilifi	Programme	5,439,255.95	2,237,932.45
49	Kilifi County Deposit Account- 1000357339	CBK	Deposit	55,929.40	
	Total			**1,742,179,579**	**880,430,382**

NB: The bank balances for bank acounts Nos. 48 to 207 above totalling to Ksh. 65,729,984 have been excluded both as assets and liabilities. Transfers to these accounts were expensed off in the financial statements. These bank accounts and their balances have been disclosed as item 7 under other disclosures.

11B. CASH IN HAND

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Cash in Hand – Held in domestic currency	3,953,682	482,111
Total	**3,953,682**	**482,111**

Cash in hand should be analysed as follows:		
	2018/2019	2017/2018 Restated
	Kshs	Kshs
Rabai	301,200	10,200
Kaloleni	51,511	25,610
Ganze	13,500	95,445
Malindi	2,769,510	222,911
Kilifi North	721,836	84,520
Kilifi South	96,125	29,585
Magarini	-	13,840
Total	**3,953,682**	**482,111**

12. ACCOUNTS RECEIVABLE

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Government Outstanding Imprests	7,020,192	8,072,124
Other Accounts Receivables - Loss of Cash	43,240,740	43,240,740
Total	**50,260,932**	**51,312,864**

Government Imprest Holders

Name of Officer or Institution		Date Imprest Taken	Amount Taken	Amount Surrendered	Unsurrendered Amount
			Kshs	Kshs	Kshs
Justus Kazungu	Executive	Balance B/f	54,800	43,646	11,154
Gideon Saburi	Executive	12-Jun-19	1,128,645	-	1,128,645
Abdul Mbarak	Finance	B/F 16-17	60,000	-	60,000

Name of Officer or Institution		Date Imprest Taken	Amount Taken	Amount Surrendered	Unsurre-ndered Amount
			Kshs	Kshs	Kshs
Duncan Obura	Finance	B/F 16-17	83,500		83,500
Kieti Kigen Kelvin	Finance	B/F 16-17	123,251		123,251
Samuel Kazungu	Finance	B/F 16-17	100	-	100
Vincent Mbito	Finance	B/F 16-17	88,000	-	88,000
Jackline Mavuna Maro	Finance	7-Mar-19	38,800		38,800
Neema Ali Sirya	Finance	24-Jun-19	95,500		95,500
Charles Charo Karisa	Agriculture	Bal/b/f	180,000	-	180,000
David Mwango Ngombo	Agriculture	Bal/b/f	23,250	-	23,250
Isaac Kagia	Agriculture	Bal/b/f	50,000	-	50,000
Maitha Mitsanze Mwamure	Agriculture	Bal/b/f	198,000	-	198,000
Peter Kariuki	Agriculture	Bal/b/f	30,000	-	30,000
Tsuma J Tembo	Agriculture	Bal/b/f	487,000	-	487,000
DIXON KYALO MUTUA	Agriculture	26-Feb-19	103,980	80,692	23,288
Dickson Magongo Mwabaya	Agriculture	29-Oct-18	56,200	26,715	29,485
Samuel Katana Kazungu	Agriculture	19-Nov-18	50,000	45,200	4,800
Ali Mwambiti	Water		15,000	-	15,000
Joseph Tinga	Water		600		600
Mwachitu Karisa Kiringi	Water	29/05/2019	464,975	-	464,975
Rabia Salim	Education	21/6/2019	577,677	-	577,677
Benjamin Charo	Health	Bal blf	55,000		55,000
Catherine Nangotombi	Health	Bal blf	55,000		55,000
Cliventus Nyangau	Health	Bal blf	55,000		55,000
Everlyne Chepchirchir	Health	Bal blf	375,000		375,000
Jannet Siku	Health	Bal blf	225,000	100,165	124,835
Martine Baya	Health	Bal blf	55,000		55,000
Shadrack Jefwa	Health	Bal blf	5,040		5,040
Samow Abdullahi Ibrahim	Health	4-Jun-19	210,000	-	210,000

Name of Officer or Institution		Date Imprest Taken	Amount Taken	Amount Surrendered	Unsurre-ndered Amount
			Kshs	Kshs	Kshs
Anisa Ahmed Omar	Health	12-Jul-19	672,979	-	672,979
Busara Canana Kongwe	Roads	02-11-19	29,820	29,500	320
Daudi Makosi	Lands	Bal b/f	30,110		30,110
Florence Kadenge	Lands	Bal b/f	110		110
J N Matheka	Lands	Bal b/f	120,000		120,000
John Kazi	Lands	Bal b/f	217,600		217,600
Magaret Mapenzi Chivila	Lands	Bal b/f	353,000		353,000
Melee Lee Dzoro	Lands	Bal b/f	16,806		16,806
Muasya Andrew	Lands	Bal b/f	46,000		46,000
Nancy Mapenzi	Lands	Bal b/f	3,127		3,127
Abdul Omar Mohamed	Lands	23-Nov-18	56,000		56,000
Edward Kazungu Dele	Lands	23-Nov-18	56,000		56,000
Nuzla Abu Shaibu	Lands	23-Nov-18	56,000		56,000
Victor Mwaganda Gogo	Lands	23-Nov-18	56,000		56,000
Winnfred Amina Mwangome	Lands	23-Nov-18	56,000		56,000
Aziz Ali	Gender	Bal Blf	136,000	-	136,000
Stephen Kai Mwagawe	Gender	07-Mar-19	50,000	-	50,000
Benjamin Ismael Kalume	Gender	07-May-19	246,240	-	246,240
James Mulei	Gender	10-Jun-19	200,000	-	200,000
Total			**7,346,110**	**325,918**	**7,020,192**

13. ACCOUNTS PAYABLE

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Gratuity	2,616,915	32,367,812
Salaries	2,952,439	257,569
Retention	251,247,062	117,194,233
Scholarship		50,148,534
KCG Elders Cash Transfer	2,190,133	2,861,094
Baolala Dispensary-1108267599		22,991

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Retention (Cash borrowed in retention)	51,193,713	112,193,713
Total	310,200,262	315,045,945

14. FUND BALANCE BROUGHT FORWARD

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Bank accounts	880,430,382	599,389,095
Cash in hand	482,111	15,619,190
Receivables - lost cash	43,240,740	43,240,740
Receivables - Outstanding Imprests	8,072,124	8,334,522
Payables - Deposits	(315,045,945)	(232,988,924)
Total	617,179,413	433,594,623

15. PRIOR YEAR ADJUSTMENTS

	2018/2019	2017/2018 Restated
	Kshs	Kshs
Adjustments on bank account balances	0	(63,492,051)
Adjustments on receivables	0	0
Total	0	(63,492,051)

The adjustments on bank account balances of Kshs. 63,492,051 above is an ammendment of bank balances brought forward whose transfer had been expensed off and now disclosed under other disclosures.

16. RESTATEMENT IN THE FINANANCIAL STATEMENTS.

(a) Exchequer Release.

Audited Finanancial statements		9,950,900,000
Renstated Amount		10,216,976,366

As per the new financial reporting template a new classification of receipts known as Donor Funds released through Exchequer Releases was introduced, threrfore all Donor funds earlier classified as

proceeds from domestic & foreign grants were moved to the new classification and summed together with the equitable share of ksh 9,950,900 to arrive to a total equitable share of ksh 11,216,976,366 .

(b) Proceeds from domestic & Foreign Grants

Audited Finanancial statements	583,123,717
Renstated Amount	317,047,351

As per the new financial reporting template a new classification of receipts known as Donor Funds released through Exchequer Releases was introduced, threrfore all Donor funds earlier classified as proceeds from domestic & foreign grants were moved to the new classification leaving Donation of ksh 317,047,351 from KRB thus the Changes.

(c) Cash & Cash Equivalent at the End of year 2018/2019

Audited Finanancial statements	944,404,545
Renstated Amount	880,912,493

The chang in Cash & Cash Equivalent at year end 2017/2018 in the statement of finantial position is as aresult of prior year adjustement of Bank balances as described in note No. 15 to the financial statements.

(d)Cash & Cash Equivalent at the start of the Year 2018/2019

Audited Finanancial statements	615,008,256
Renstated Amount	551,516,235

Cash & Cash Equivalent changes at year end 2017/2018 in the statement of cashflow is as aresult of prior year adjustement of Bank balances as described in note No. 15 to the financial statements.

(a) Rentation Account.

Audited Finanancial statements	250,818,454.89
Renstated Amount	251,191,133

The change of Khs 250,818,454.89 to Khs 251,191,133 was as a result of a reversal of a stale Cheques amounting to kshs 372,677.

5.9 Other Important Disclosures

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	2018/2019	2017/2018
	KShs	KShs
Construction of buildings	76,389,523	-
Construction of civil works	205,494,320	-
Supply of goods	605,934,653	1,120,929,091
Supply of services	279,033,474	-
	1,166,851,970	**1,120,929,091**

2. PENDING STAFF PAYABLES (See Annex 3)

	2018/2019	2017/2018
	KShs	KShs
Senior management	3,035,578	-
Middle management	4,788,692	36,160,650
Unionisable employees	15,975,206	-
Others (specify)	8,706,688	-
	32,506,164	**36,160,650**

3. OTHER PENDING PAYABLES (See Annex 4)

	2018/2019	2017/2018
	KShs	KShs
Amounts due to National Government entities	342,290	0
Amounts due to County Government entities	-	0
Amounts due to third parties	-	0
Others (specify)	1,320,462	0
	1,662,752	**-**

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

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 Government:

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

Related party transactions

	2018- 2019	2017- 2018
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)		
Transfers to related parties		
Transfer to the County Assembly	1,031,413,979	880,923,148
Transfers to Scholarships Fund	357,893,342	350,000,000
Transfers to Mbegu Fund	30,000,000	-
Transfers to Kilifi Municipality	96,750,100	-
Transfers to Malindi Municipality	233,784,400	-
Total Transfers to related parties	**1,749,841,821**	**1,230,923,148**
Transfers from related parties		
Transfers from the Exchequer	11,616,361,508	10,216,976,366
Transfers from National Government-KRB	285,223,456	317,047,351
Total Transfers from related parties	**11,901,584,964**	**10,534,023,717**

5 ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and

disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Scholarships Fund	December 2013	County HQ	Neema Sirya
Mbegu Fund	June 2016	County HQ	Mercy Mahoro
Kilifi Municipality	June 2018	Kilifi Town	Moses Gunda
Malindi Municipality	June 2018	Malindi Town	Moses Gunda
County Water Service Providers (KIMAWASCO)	March 2013	Kilifi Town	Hezekiah N. Mwarua
County Water Service Providers (MAWASCO)	March 2013	Malindi Town	Gerald Mwambire

6 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS:

Refer to Annexes attached

7 OTHER BANKS ACCOUNTS

No.	Account Name	Bank	Purpose	2018 -2019 Kshs.	2017 -2018 Kshs.
1	*Kilifi County 1812680*	Equity Bank	Fund	57,781.96	57,781.96
2	*Kilifi County Ward 58274900*	NBK-Kilifi	Fund	342,160.79	12,325,407.00
3	*KCG-Micro Finance 691949200*	Co-op-Kilifi	Fund	1,810,989.00	0.00
4	*KCG-Micro Finance unt-01141691949201*	Co-op-Kilifi	Fund	77,470.00	0.00
5	*Mtwapa Health Centre-*	KCB-Kilifi	Programm	949,663.10	1,651,408.15
6	*Kilifi Municipality 5*	NIC -Kilifi	Programm	96,750,100.00	0.00
7	*Malindi Manucipality 7*	NIC -Malindi	Programm	177,942,073.20	0.00
8	*KCG-DANIDA HSSP-519463*	KCB-Kilifi	Programm	31,521.60	655,526.15
9	*KCG-DANIDA HSSP 790184*	KCB-Kilifi	Programm	197,338.00	67,196.60
10	*KCG-DANIDA HSSP-117370321*	KCB-Kilifi	Programm	1,215.15	237,024.65
11	*KCG-DANIDA HSSP-99359*	KCB-Kilifi	Programm	0.00	0.00
12	*KCG-DANIDA HSSP-102295175*	KCB-Kilifi	Programm	7,977.30	211,979.20
13	*KCG-DANIDA HSSP-02048720*	KCB-Kilifi	Programm	52,231.15	338,446.80
14	*KCG-DANIDA HSSP-855*	KCB-Kilifi	Programm	635,720.00	97,823.50
15	*KCG-DANIDA HSSP-01793104*	KCB-Kilifi	Programm	2,299,753.95	2,391,891.40
16	*KCG-DANIDA HSSP-2145556*	KCB-Kilifi	Programm	184,245.35	538,473.45
17	*Junju Dispensary –*	KCB	Programm	6,235.25	0.00
18	*KCG-DANIDA HSSP-2295078*	KCB-Kilifi	Programm	140,821.66	474,971.66

19	*KCG-DANIDA HSSP-02299057*	KCB-Kilifi	Programm	211,968.85	516,618.50
20	*KCG-DANIDA HSSP-02295434*	KCB-Kilifi	Programm	93,098.00	137,008.45
21	*KCG-DANIDA HSSP-2299707*	KCB-Kilifi	Programm	95,054.30	324,912.30
22	*KCG-DANIDA HSSP--1101566736*	KCB-Kilifi	Programm	405,614.85	354,965.35
23	*KCG-DANIDA HSSP-471854*	KCB-Kilifi	Programm	51,330.50	939,132.75
24	*KCG-DANIDA HSSP-598757*	KCB-Kilifi	Programm	5,839.25	302,602.95
25	*KCG-DANIDA HSSP-297542*	KCB-Kilifi	Programm	25,064.90	433,210.60
26	*KCG-DANIDA HSSP-300411*	KCB-Kilifi	Programm	21,637.50	309,849.70
27	*KCG-DANIDA HSSP-102296732*	KCB-Kilifi	Programm	362,314.60	55,941.55
28	*KCG-DANIDA HSSP-981*	KCB-Kilifi	Programm	240,233.20	236,853.40
29	*KCG-DANIDA HSSP-296481*	KCB-Kilifi	Programm	136,540.25	453,584.25
30	*KCG-DANIDA HSSP-4733806*	KCB-Kilifi	Programm	2,902.45	261,741.30
31	*KCG-DANIDA HSSP-1102297852*	KCB-Kilifi	Programm	34,781.50	181,585.20
32	*KCG-DANIDA HSSP-82490*	KCB-	Programm	136,789.80	414,693.95
33	*KCG-DANIDA HSSP-65958880*	KCB-	Programm	276,018.20	642,817.90
34	*KCG-DANIDA HSSP-5948095*	KCB-	Programm	181,031.50	401,064.75
35	*Model Health Current Account - local*	KCB -	Programm	42,391.50	
36	*Gotani Model Health*	KCB -	Programm	87,079.75	
37	*KCG-DANIDA HSSP-5939251*	KCB-	Programm		115,406.50
38	*KCG-DANIDA HSSP-56824028*	KCB-	Programm	456,659.15	551,467.35
39	*KCG-DANIDA HSSP-59399*	KCB-	Programm	200,841.95	803,687.00

40	*KCG-DANIDA HSSP-944251*	KCB-	Programm	806.65	614,544.35
41	*KCG-DANIDA HSSP-5966387*	KCB-	Programm	180,579.70	960,421.95
42	*KCG-DANIDA HSSP-941066*	KCB-	Programm	184,862.65	180,182.20
43	*KCG-DANIDA HSSP-94534*	KCB-	Programm	300,183.20	499,893.05
44	*KCG-DANIDA HSSP-094367*	KCB-	Programm	222,674.45	393,231.15
45	*KCG-DANIDA HSSP-733*	KCB-	Programm	235,047.00	513,461.45
46	*KCG-DANIDA HSSP-013219*	KCB-	Programm	193,186.95	904,509.00
47	*KCG-DANIDA HSSP-081850*	KCB-	Programm	200,964.40	2,729,902.70
48	*KCG-DANIDA HSSP-510375*	KCB-	Programm	0.00	0.00
49	*KCG-DANIDA HSSP-165518236*	KCB-Malindi	Programm	361.20	181,470.60
50	*KCG-DANIDA HSSP-3388*	KCB-Malindi	Programm	38.00	1,109,864.75
51	*KCG-DANIDA HSSP-528037*	KCB-Malindi	Programm	0.00	0.00
52	*KCG-DANIDA HSSP-8489*	KCB-Malindi	Programm	239,896.75	219,650.00
53	*KCG-DANIDA HSSP-165683474*	KCB-Malindi	Programm	1,473.50	182,511.05
54	*KCG-DANIDA HSSP-65709929*	KCB-Malindi	Programm	2,805.05	468,995.40
55	*KCG-DANIDA HSSP-1634*	KCB-Malindi	Programm	2,076.60	717,718.20
56	*KCG-DANIDA HSSP-668432*	KCB-Malindi	Programm	191,250.25	560,235.25
57	*KCG-DANIDA HSSP-17719*	KCB-Malindi	Programm	56,276.00	416,428.80
58	*KCG-DANIDA HSSP-5722917*	KCB-Malindi	Programm	6,015.95	207,310.75
59	*KCG-DANIDA HSSP-5224*	KCB-Malindi	Programm	1,754.90	530,761.75
60	*KCG-DANIDA HSSP-57546*	KCB-Malindi	Programm	225,842.30	1,023,499.35

61	*KCG-DANIDA HSSP-655586*	KCB-Malindi	Programm	289.35	199,820.25
62	*KCG-DANIDA HSSP-6769*	KCB-Malindi	Programm	1,261.20	250,395.35
63	*KCG-DANIDA HSSP-197203*	KCB-Malindi	Programm	24,370.40	645,508.40
64	*KCG-DANIDA HSSP-655624*	KCB-Malindi	Programm	225.05	1,086,403.55
65	*KCG-DANIDA HSSP-734834*	KCB-Malindi	Programm	136,720.85	434,066.15
66	*KCG-DANIDA HSSP-735539*	KCB-Malindi	Programm		80,024.00
67	*KCG-DANIDA HSSP-771055*	KCB-Malindi	Programm	7,158.80	725,818.70
68	*KCG-DANIDA HSSP-68658*	KCB-Malindi	Programm	832.65	378,581.95
69	*KCG-DANIDA HSSP-767112*	KCB-Malindi	Programm	1,777.90	184,239.29
70	*KCG-DANIDA HSSP-65759292*	KCB-Malindi	Programm	4,595.50	897,917.30
71	*KCG-DANIDA HSSP-776839*	KCB-Malindi	Programm	110,700.40	436,690.65
72	*KCG-DANIDA HSSP-5783282*	KCB-Malindi	Programm	814.25	181,035.95
73	*KCG-DANIDA HSSP-86540*	KCB-Malindi	Programm	2,919.45	180,379.60
74	*KCG-DANIDA HSSP-836769*	KCB-Malindi	Programm	0.00	0.00
75	*KCG-DANIDA HSSP-65838087*	KCB-Malindi	Programm	0.00	0.00
76	*KCG-DANIDA HSSP-65715732*	KCB-Malindi	Programm	990.35	476,659.30
77	*KCG-DANIDA HSSP-87*	KCB-Malindi	Programm	45,995.80	1,041,585.55
78	*Rabai health centre nt-1102295698*	KCB-	Programm	202,998.50	818,439.00
79	*Bwagamoyo Isanzure-1124321403*	KCB-	Programm	0.00	0.00
80	*Kambe Dispensary 4266348*	KCB-	Programm	0.00	0.00
81	*Gotani Dispensary 1157219810*	KCB-	Programm	42,995.80	115,406.50

82	*Viragoni Dispensary 1124372687*	KCB-	Programm	170,811.00	4,717.50
83	*Mgamboni Dispensary 007771*	KCB-	Programm	281.50	281.50
84	*Chalani Dispensary 124306811*	KCB-	Programm	289.50	115,440.00
85	*Ribe Dispensary 1134044663900*	Co-op	Programm	1,103.25	3,463.25
86	*KCG-DANIDA HSSP-5990237*	KCB-	Programm	190,923.50	185,571.65
87	*Kombeni Community 00*	Co-op-	Programm	57.75	177.75
88	*Kokotoni Dispensary-*	Co-op-	Programm	80,375.23	237,395.23
89	*Makazani Dispensary-*	Co-op-	Programm	114,221.00	441.00
90	*Lenga dispensary-*	Co-op-	Programm	376.05	376.05
91	*Lenga Dispensary -*	KCB -	Programm	317,048.00	0.00
92	*Adu Dispensary-*	KCB-Malindi	Programm	18,787.60	345,674.80
93	*Baolala Dispensary-*	KCB -	Programm	60,602.35	
94	*Baolala Dispensary-*	KCB-Malindi	Programm	651,438.50	0.00
95	*Baricho Dispensary-*	KCB-Malindi	Programm	3,003.50	32,577.00
96	*Bombi Dispensary-*	KCB-Malindi	Programm	789.50	1,970.00
97	*Chakama Dispensary-*	KCB-Malindi	Programm	2,725.80	1.70
98	*Cowdray Dispensary-*	KCB-Malindi	Programm	56,398.00	80,139.50
99	*Dagamra Dispensary-*	KCB-Malindi	Programm	3,258.50	25,552.00
100	*Fundi Issa Dispensary-*	KCB-Malindi	Programm	378.70	1,443.70
101	*Gahaleni Dispensary-*	KCB-Malindi	Programm	41,511.05	95,925.55
102	*Ganda Dispensary-*	KCB-Malindi	Programm	108,089.05	48,719.55
103	*Garashi Dispensary-*	KCB-Malindi	Programm	201,740.00	181,933.50

104	*Gede health centre-*	KCB-Malindi	Programm	528,668.25	245,354.25
105	*GK Prison Dispensary-*	KCB-Malindi	Programm	122,254.30	94,449.80
106	*Gongoni Health*	KCB-Malindi	Programm	86,256.80	277,395.30
107	*Jilore Dispensary-*	KCB-Malindi	Programm	4,083.25	37,362.75
108	*Kakoneni Dispensary-*	KCB-Malindi	Programm		0.00
109	*Kakuyuni Dispensary-*	KCB-Malindi	Programm	416,167.25	0.00
110	*Karimboni Dispensary-*	KCB-Malindi	Programm	0.00	0.00
111	*Madunguni*	KCB-Malindi	Programm	20,418.55	19,444.05
112	*Mambrui Dispensary-*	KCB-Malindi	Programm	92,164.85	101,514.85
113	*Marafa Health Centre-*	KCB-Malindi	Programm	6,926.85	23,163.85
114	*Marereni Dispensary-*	KCB-Malindi	Programm	175,527.65	206,896.65
115	*Marikebuni*	KCB-Malindi	Programm	162,893.60	220,997.60
116	*Matolani Dispensary-*	KCB-Malindi	Programm	1,353.05	3,134.05
117	*Mijomboni Dispensary-*	KCB-Malindi	Programm	91,244.00	92,540.00
118	*Mizijini Dispensary-*	KCB-Malindi	Programm	24,742.20	12,726.70
119	*Mwagatini Dispensary-*	KCB-Malindi	Programm	100,290.10	359.10
120	*Ngomeni Dispensary-*	KCB-Malindi	Programm	2,147.80	81,889.70
121	*Sabaki Dispensary-*	KCB-Malindi	Programm	241,563.70	462,863.70
122	*Shomela Dispensary-*	KCB-Malindi	Programm	0.00	0.00
123	*Watamu Dispensary-*	KCB -Kilifi	Programm	747,426.65	
124	*Sosoni Dispensary-*	KCB-Malindi	Programm	5,135.40	62,711.40

125	*Watamu Dispensary-*	KCB-Malindi	Programm	2,033.32	503,987.32
126	*Muyeye Health Centre-*	KCB -Maindi	Programm	349,821.00	
127	*Muyeye Health Centre-*	KCB-Malindi	Programm	1,722,835.35	726,113.50
128	*KCG-ST.Lukes 1183020295*	KCB-Kilifi	Programm	384,662.80	6,924,708.10
129	*Kasemeni Dispensary*	KCB-	Programm	94,404.60	0.00
130	*Madzimbani*	KCB-	Programm	51,187.80	0.00
131	*Ndatani Dispensary –*	KCB-	Programm	413,553.30	0.00
132	*Mitsajeni Dispensary -*	KCB-	Programm	2,881.75	0.00
133	*Uwanja wa Ndege*	KCB-	Programm	382,493.20	0.00
134	*Kamkonani dispensary*	CO-OP	Programm	4,346.20	0.00
135	*Makomboani 00*	CO-OP	Programm	100,000.00	0.00
136	*Mshongoleni 76*	KCB-Malindi	Programm	43,711.15	0.00
137	*M'Mangani Dispensary*	KCB-Malindi	Programm	95,824.25	0.00
138	*Mkondoni Dispensary*	KCB-Malindi	Programm	37,031.10	0.00
139	*Sosobora Dispensary –*	KCB-Malindi	Programm	86,584.40	0.00
140	*Marikano Dispensary –*	KCB-Malindi	Programm	321,326.70	0.00
141	*Kadzifitseni*	KCB-Malindi	Programm	22,828.00	0.00
142	*Marikebuni Dispensary*	KCB-Malindi	Programm	130,318.85	0.00
143	*Mulunguni Dispendary*	KCB-Malindi	Programm	30,092.80	0.00
144	*Mtoroni Dispensary –*	KCB-Malindi	Programm	95.00	0.00
145	*Mtoroni Dispensary -*	KCB-Malindi	Programm	97,140.65	0.00
146	*Kamale Dispensary -*	KCB-Malindi	Programm	67,786.00	0.00

147	*Bore singwaya*	KCB-Malindi	Programm	45,371.45	0.00
148	*Shomella Dispensary –*	KCB-Malindi	Programm	826.60	0.00
149	*Kambi ya waya*	KCB-Malindi	Programm	2,358.30	0.00
150	*Shakahola Dispensary*	KCB-Malindi	Programm	91,661.90	0.00
151	*Bora Imani Dispensary*	KCB-Malindi	Programm	1,165.00	0.00
152	*Kcg-Gandini*	KCB-Malindi	Programm	412.50	0.00
153	*Kavunyalalo*	KCB-Malindi	Programm	275.00	0.00
154	*Matolani Dispensary –*	KCB-Malindi	Programm	3,211.90	0.00
155	*Magarini Dispensary –*	KCB-Malindi	Programm	112,026.75	0.00
156	*Chamari Dispensary –*	KCB-Malindi	Programm	164,864.90	0.00
157	*Mjanaheri Dispensary*	KCB-Malindi	Programm	116,904.45	0.00
158	*Karimboni Dispensary*	KCB-Malindi	Programm	99,297.05	0.00
159	*KCG-Safaricom 32593*	KCB Kilifi	Programm	2,018,260.00	5,000,000.00
	Total			**299,336,299**	**63,492,051**

ANNEXES

Annex 1 – Analysis of Transfers from the Exchequer

ANNEX 1 - ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Periodic	Equitable share	DANIDA	Level 5 hospitals allocation	World Bank – THUSCP	National Agricultural & Rural Inclusive Growth Project (NARIGP)	Kenya Urban Support Programme	Kenya Devolution Support Programme	Public Health Laboratory Networking Project	Youth Polytechnic support grant	Agriculture Sector Development Support Project (ASDSP)	Abolishment of user fees in health centres and dispensaries	Total Transfers from the National Treasury
	Kshs	Kshs	Kshs									Kshs
Exchequer Releases for quarter 1	541,650,000	11,816,404	-			330,534,500						884,000,904
Exchequer Releases for quarter 2	2,816,580,000	-	-	33,046,562								2,849,626,562
Exchequer Releases for quarter 3	3,135,240,034	-	-	34,627,487						8,611,847		3,178,479,368
Exchequer Releases for quarter 4	4,339,529,966	33,361,875	-	14,272,505	50,078,476	41,200,000	153,800,563	6,000,000	40,041,425		25,969,864	4,704,254,674
Total	10,833,000,000	45,178,279	-	81,946,554	50,078,476	371,734,500	153,800,563	6,000,000	40,041,425	8,611,847	25,969,864	11,616,361,508

Annex 5 – Summary of Fixed Asset Register

Asset class	Historical cost b/f K.Shs	Additions during the year K.Shs	Disposals during the year KShs	Historical cost c/f K.Shs
	2017/2018			2018/2019
Land	-	-	-	
Buildings and structures	489,842,735	814,326,361	-	1,304,169,096
Transport equipment	54,046,851	43,713,924	-	97,760,775
Office equipment, furniture and fittings	157,230,411	178,406,072	-	335,636,483
ICT Equipment, Software and Other ICT Assets	134,763,304	2,259,551	-	137,022,855
Other Machinery and Equipment	169,571,663	128,285,235	-	297,856,897
infrustructure	-	1,494,296,596	-	1,427,718,740
Biological assets		134,080,251	-	134,080,251
Research and feasibility study		33,908,121	-	33,908,121
Intangible assets	59,891,499	-	-	59,891,499
Total	**1,065,346,463**	**2,829,276,111**	**-**	**3,828,044,717**

Annex 6 – Inter-Entity Transfers

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred KShs	Amount Confirmed as received KShs	difference	Explanation
1	County Assembly	97,859,979	193,200,000	420,000,000	320,354,000	1,031,413,979	1,031,413,979	-	
		-	-	-	-	-	-	-	
	Total	**97,859,979**	**193,200,000**	**420,000,000**	**320,354,000**	**1,031,413,979**	**1,031,413,979**	**-**	

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Director of Accounting Services
County Executive

.....
Director of Finance
County Assembly of Kilifi

Annex 7 – Bank Reconciliation/FO 30 Report

(Attach FO 30 Reports from IFMIS)

Annex 8 – Trial Balance

TRIAL BALANCE AS AS 30TH JUNE 2019		
DESCRIPTION	DEBIT	CREDIT
	Kshs.	Kshs.
Basic Salaries - Permanent Employees	1,794,286,395	
Basic Wages - Temporary Employees	315,346,792	
Personal Allowances paid as part of Salary	1,532,997,164	
Employer Contributions to Compulsory National Social Security Schemes	153,493,832	
Utilities, Supplies and Services	87,757,134	
Communication, Supplies and Services	26,771,972	
Domestic Travel and Subsistence, and Other Transportation Costs	181,675,895	
Foreign Travel and Subsistence, and other transportation costs	59,095,662	
Printing , Advertising and Information Supplies and Services	114,014,443	
Rentals of Produced Assets	59,492,578	
Training Expenses	65,611,149	
Hospitality Supplies and Services	282,146,226	
Insurance Costs	139,879,892	
Specialised Materials and Supplies	541,632,158	
Office and General Supplies and Services	120,560,234	
Fuel Oil and Lubricants	106,723,905	
Other Operating Expenses	300,705,564	

Routine Maintenance - Vehicles	95,622,382	
Routine Maintenance - Other Assets	284,635,802	
Scholarships and other Educational Benefits	357,983,342	
Emergency Relief and Refugee Assistance	277,654,010	
Other Current Transfers, Grants and Subsidies	211,877,610	
Transfers to Other Government Units-County Assembly	1,031,413,979	
Other Capital Grants and Trans	852,731,763	
transfer to car loan and mortgages	39,000,000	
Government Pension and Retirement Benefits	34,502,849	
Construction of Buildings	782,415,743	
Refurbishment of Buildings	31,910,618	
Construction of Roads	797,858,337	
Construction and Civil Works	629,860,403	
Purchase of Vehicles and Other Transport Equipment	42,062,880	
Overhaul of Vehicles and Other Transport Equipment	1,651,044	

Purchase of Office Furniture and General Equipment	178,406,072	
Purchase of Specialised Plant, Equipment and Machinery	128,285,235	
Rehabilitation and Renovation of Plant, Machinery and Equip.	1,000,000	
Purchase of Certified Seeds, Breeding Stock and Live Animals	134,080,251	
Research, Studies, Project Preparation, Design & Supervision	33,908,121	
Rehabilitation of Civil Works	3,985,042	
Acquisition of Strategic Stocks and commodities	61,592,815	
Acquisition of Intangible Assets	2,259,551	
Accounts receivable	50,260,932	
Bank accounts	1,742,179,579	
Cash in hand	3,953,682	
Balance b/d (Return to CRF by County Assembly)		1,274
Exchequer Releases		11,616,361,508
Proceeds from domestic and foreign grants		285,223,456
County own generated receipts		864,317,126
Accounts payable		310,200,262
Fund Balance b/f		617,179,413
Total	13,693,283,037	13,693,283,037