REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF KWALE

FOR THE YEAR ENDED 30 JUNE, 2019

Revised Template: June 2019

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COUNTY GOVERNMENT OF KWALE - EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30TH, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Kwale County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Municipal Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC – Finance is financial reporting at the County level.

Vision

"A competitive industrialized and socio-economically self sustaining and secure county."

Mission

"To provide quality and efficient services through innovation and sustainable utilization of resources for better quality of life of all citizens of Kwale County."

Core Values

Kwale County upholds the values of Transparency and accountability/integrity, inclusiveness and equity, Empowerment, Quality/ result oriented and innovation.

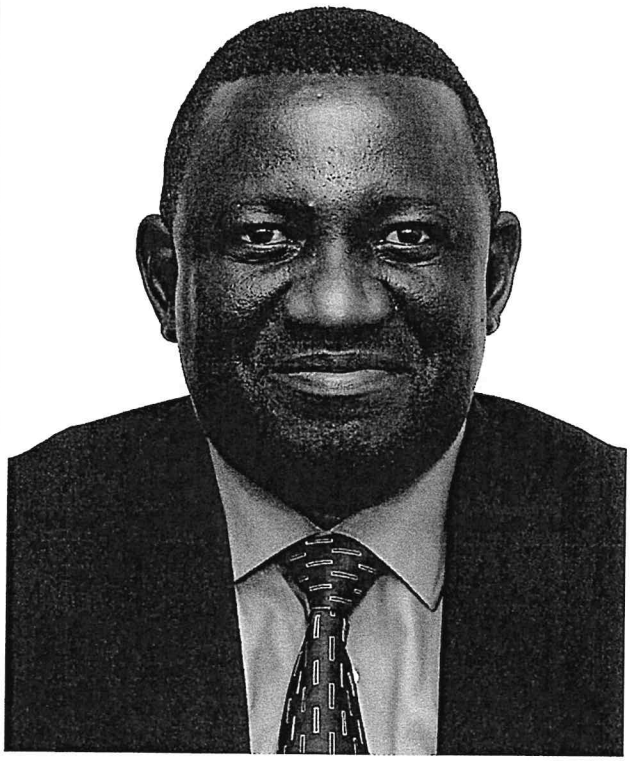
b) Key Management

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

	Name	Designation	Date of holding office
1.	H.E. Salim Mvurya	Governor	18th March 2013
2.	H.E Fatuma Achani	Deputy Governor/ In charge of the Executive and Public Service and Administration	18th March 2013
3.	HON. Bakari Sebe	CECM Finance and Economic Planning	6th May 2013
4.	HON. Joanne Nyamasyo	CECM Agriculture, Livestock and Fisheries	6th May 2013
5.	HON. Saumu Beja Mahaja	CECM Environment And Natural Resources	November, 2017
6.	HON. Francis Gwama Mwatsahu	CECM Health Services	November, 2017
7.	HON. Ramadhan Bungale	Ag. CECM Industry, Trade and Investments	November, 2017
8.	HON. Ramadhan Bungale	CECM-Community Development,Youth and Women Empowerment and Social Services	November, 2017

9.	HON. Mangale Ndegwa	CECM Education and Human Resource	6th May 2013
10.	HON. Hemed Mwabudzo	CECM Water and Infrastructure	6th May 2013
11.	HON. Ramadhan Bungale	Ag. CECM Tourism and Information Technology	November, 2017
12.	Mr. Martin Mwaro	County Secretary	6th May 2013

The County Executive team during the financial year consisted of:



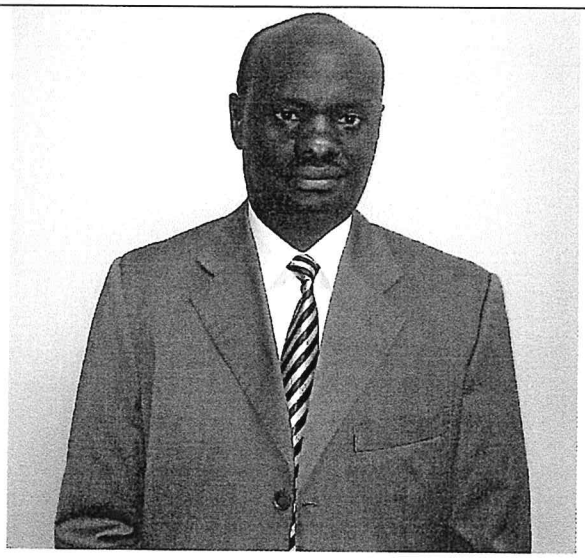
H.E. SALIM MVURYA – GOVERNOR

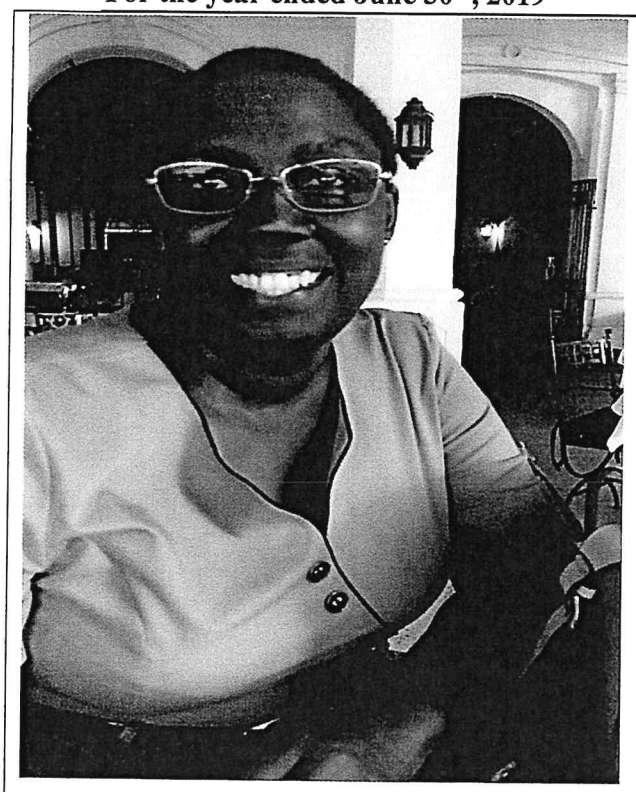
Salim Mvurya Mgala aged 43 is the Governor of Kwale County. He was born at Kadzandani Village, Mwatate Location, Kasemeni Division, Kinango District of Kwale County. He went to Mavirivirini Primary School in 1979 then Mpeketoni Secondary School from 1987 to 1990. He then proceeded to Egerton University for his first degree and graduated with Bachelors in Agri-Business Management in 1996.

He has a Masters Degree in Participation, Power and Social Change from the Institute Of Development Studies, University of Sussex in England, UK. He also has further certificates in NGO management from MSTDC- Arusha, Tanzania. Mvurya possesses strong leadership and management skills. Salim Mvurya has over 20 years of social Development and leadership experience. He is the current Governor of Kwale County and previously served as the Deputy Chair, Council of Governors for two consecutive terms. During his tenure as Governor he also served as the Chair of Resource Mobilization Committee of the Council of Governors for two terms. In the year 2008, he had an opportunity to be the Acting Country Director for Plan Kenya. Other organizations he has worked for include Aga Khan Foundation and Tegemeo Institute of Agricultural Policy and Development (an institute of Egerton University).

His working experience has enabled him to gain experiences in staff management, program management, resource mobilization and fundraising, operational management, financial management as well as influencing policy at local, national and international level. Over the years he has designed and implemented development programs in Education, Health, Livelihoods, Child Protection and Democratic Governance centred on citizens

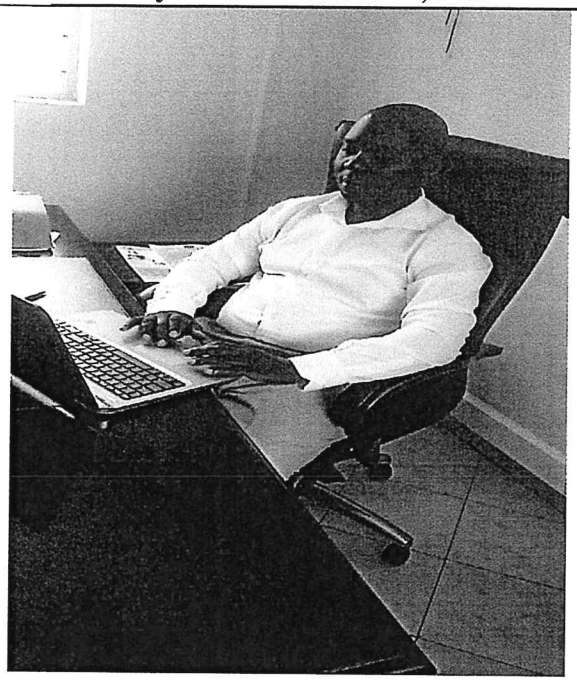
	participation in decision making processes and policy advocacy. Governor Mvurya emphasizes that Kwale has enormous resources and he is already applying his Development and Management experience and is leading a change process that will give the citizens of Kwale County an opportunity to benefit from socio-economic development.
	H.E FATUMA ACHANI - DEPUTY GOVERNOR Fatuma Mohamed Achani aged 36 years is the Deputy Governor of Kwale County. She was born at Kingwede Village, Ramisi Ward, Msambweni Division of Kwale County. She went to Kingwede Primary School then joined Mama Ngina Girls Secondary School in Mombasa. She served as an associate advocate with the firm of Maina Njanga & Company Advocates from 2008 to 2009. She also served as a Legal Counsel and Programme Officer for the Federation of Women Lawyers (FIDA Kenya) from 2009 to 2012. She is also the County Executive Committee Member for Public Service and Administration. She holds a Law Degree from Moi University and Diploma from Kenya School of Law. She is a human rights advocate and devotes considerable time and energy to support the Girl Child education. She fights against early marriages and gender based violence and also a member of various community groups working towards empowering women in leadership. She is a member of the Federation of Women Lawyers in Kenya and a member of the Law Society of Kenya.
	HON. BAKARI HASSAN SEBE - CECM FINANCE AND ECONOMIC PLANNING **PAST WORK EXPERIENCE** **Finance & Administration Manager** Bluebird Aviation-Wilson Airport, Nairobi, Kenya **Finance & Administrative Officer** Kenya Alliance for Advancement of Children Rights (KAACR) **Accountant** National Fund for the Disabled of Kenya (NFDK) **Education** Eastern & Southern Africa Management Institute (ESAMI) and Maastricht School of Management (MsM), The Netherlands

	Master's in Business Administration (MBA) 2005 – 2007 Kenyatta University Bachelor of Commerce (Accounting) 1993 - 1997
	**MR ALEX ONDUKO - CHIEF OFFICER** **FINANCE AND ECONOMIC PLANNING.** Date of birth: 22nd December 1969 Qualification: Certified Public Accountant of Kenya. Education: He holds a Masters of Business Administration (finance); He holds a Kenya advance certificate of education and also a Kenya certificate of education. Experience: 2013 to-date chief officer finance and economic planning. Senior Management course KSG Mombasa Strategic Leadership Development Programme KSG Nairobi 2011-2013: Town treasurer Town council of Kajiado. 2010-2011: Town treasurer Municipal council of Migori 2005-2010: Town treasurer Municipal council of Busia. 1990-2005: Accountant County council of Nakuru



HON. JOANNE NYAMASYO - CECM AGRICULTURE AND FISHERIES

Joanne Nduku Nyamasyo- County Executive Committee Member in charge of Agriculture, Livestock and Fisheries. She was born in Kwale, Matuga constituency, Kubo South Ward in 1962.
She holders a Master's Degree in Animal Science and Management from the University of Queensland - Australia and a Bsc in Animal Science from Egerton University as well as a Diploma in Animal Health from the same university. Joanne has also undertaken other professional courses which include a post diploma in Dairy Technology from the Netherlands and advance milk production systems from Israel. To add into her management skills, Joanne has taken several management courses which include Senior Management course, Conflict Management course and Public Procurement among others.
Professionally, she is Animal Scientist and before joining the County Government of Kwale, was working with the National Government in the Ministry of Agriculture and Livestock Development under different capacities charged with administrative responsibilities as well as extension services. The latest post held before joining the County Government being County Director of Livestock Production in Kwale County which involved planning and implementing projects/programs under the Ministry.
Her professionalism and work experience with the government and involvement in community development projects/programs were key contributors to her performance as County Executive Committee Member.



DR. DZILA BWENI - CHIEF OFFICER AGRICULTURE AND FISHERIES

Education back ground

He holds Master's degree in Business Administration from Moi university. He also holds BSc. Veterinary medicine from the university of Nairobi besides a diploma in project management from KIM. In addition, Dr. Dzila undertook his O level education from Kwale high before proceeding to Alliance High school for his advanced level.

Work experience

He has been the chief officer for agriculture and fisheries since 2013. Prior to his appointment Dr. Dzila worked for the ministry of Agriculture and fisheries in the national government in various capacities

HON. SAUMU BEJA MAHAJA - CECM ENVIRONMENT AND NATURAL RESOURCES

Personal Details:

- Date of Birth: 16th April 1989
- Marital Status: Married

Education and Professional Qualification:

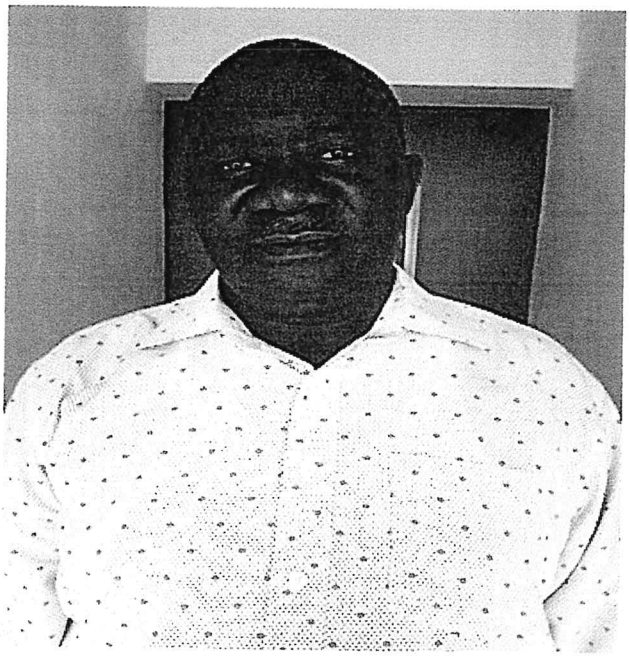
- Master's degree in Environmental Studies Community Development, 2014- Date
- Bachelor of Environmental Science, Kenyatta University, 2008 – 2012
- Kenya Certificate of Secondary Education, (KCSE), Mwasere Girls High School, 2004 – 2007

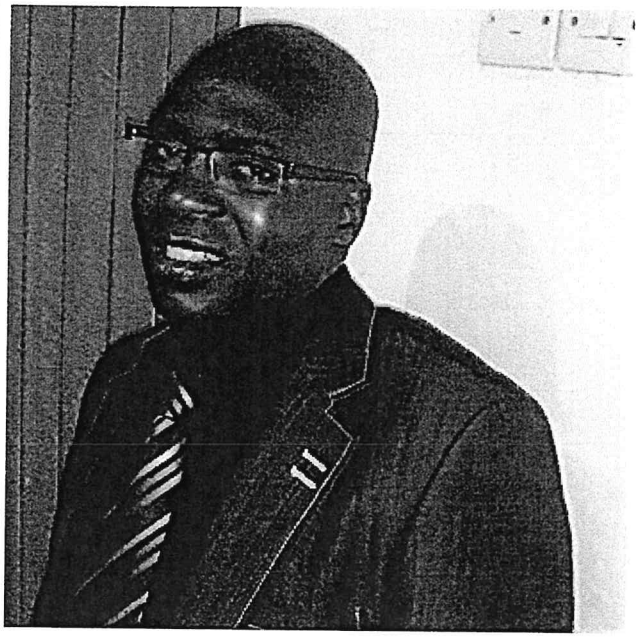
Professional Trainings and Certification:

- Project Planning and Management Training by East African Institute of Certified Studies
- Geo-Spatial Database Development and Management Training at the Regional Centre for Mapping and Resource Development Nairobi
- Monitoring and Evaluation Training by East African Institute of Certified Studies

PROFFESSIONAL EXPERIENCE

County Executive Committee Member
Environment and Natural Resources
Kwale County, November 2017 to Date
Research Associate;
Kenya Marine and Fisheries Research Institute

	(KMFRI) –Kenya Coastal Development Project; May 2013 to October 2017; **Project Management Assistant;** Kenya Wildlife Service-Kenya Coastal Development Project; May 2012 -May 2013; **Other roles performed** Consultancy –Aga Khan Community Health Department; October 2015 to April 2016 Community health assessments on neonatal kit project.
	**DR. MOHAMMED PAKIA - CHIEF OFFICER LANDS,ENVIRINMENT, MINING AND NATURAL RESOURCES** **Education:** Holds PhD in Natural Sciences from the University of Bayreuth (Germany) , MSc Env. Sci from University of Natal (South Africa, BEd Sci. (Honours degree) Egerton University **WORK EXPERIENCE** **April 2013- to date:** Chief Officer – Department of Lands, Physical Planning & NRs, CGK. **August 2010 – February 2013:** Lecturer at Pwani University. **January 2012 – December 2015** - Chairman, Forest Conservation Committee (FCC), Coast Region. **August 2007 to July 2010:** Lecturer at Masinde Muliro University of Science and Technology. **March 2006 to August 2007:** Lecturer at University College of Education in Zanzibar, **October 2005 – to March 2006:** Research Associate- Southern Environmental and Agricultural Policy Research Institute (SEAPRI) in a project: 'The protection of community rights over their Bio-cultural Heritage (BCH) and their Traditional Knowledge (TK)". **2001 to 2004** – Research Associate with the Sonderforschungesbereich 560' (SFB) under the University of Bayreuth, Germany.



HON. FRANCIS GWAMA MWATSAHU - CECM HEALTH SERVICES

Health Systems Management Specialist with 18 years' experience. Holder of master degree in Master of Science in Health Systems Management from Kenya Methodist University and PhD (Candidate) in Public Health, Jomo Kenyatta University of Agriculture and Technology, Mombasa, Kenya. On 23rd October, 2017 was appointed as County Executive Committee Member (CECM) –Health Services, County Government of Kwale. In addition to the functions provided under Article 183 of the Constitution, as a county executive committee member, he supervises and co-ordinate the administration and delivery of healthcare services in the county and all decentralized units and agencies. The CECM-Health Services; actively participates in the inter-governmental collaborations in Health Systems Management.

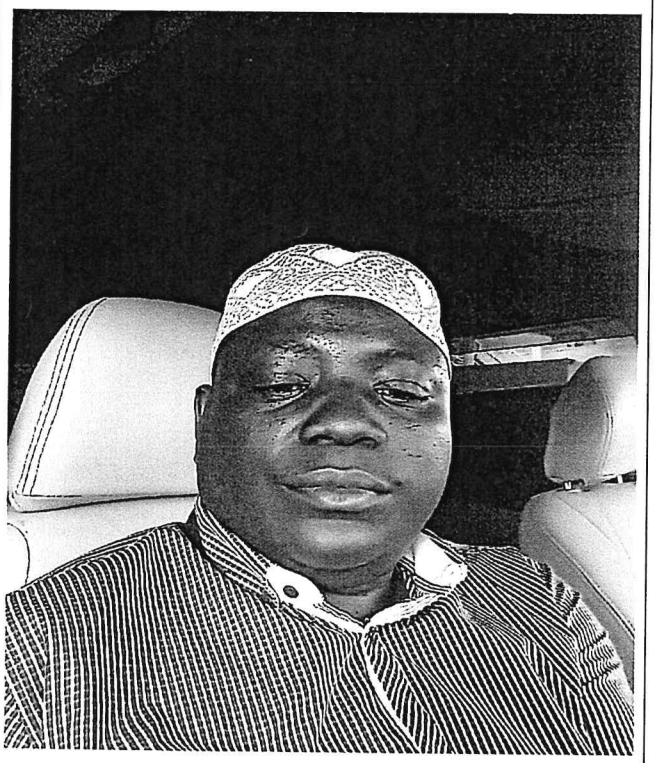
Achievements

Operationalization of Healthcare Service delivery Units: Intensive Care Unit (ICU), CT-Scan in Msambweni County Referral Hospital by April, 2018 Increased the number of health workforce from 485 in 2013 to 1627 by June, 2019, including the increase of nurses from 210 to 484 in the same period. Health facilities increased from 69 in 2013 to 112 in June. 2019. Constructed, equipped and operationalized 26 new Maternity Units, thus increase access to Maternal/Child healthcare services.

DR. MWALESO KISHINDO: CHIEF OFFICER HEALTH SERVICES

He is a medical doctor and health economist with a Msc. in Health Economics from the University of Heidelberg and MBChB from the University of Nairobi.

He has previously served as a medical superintendent at Weso Hospital in Taita Taveta and deputy medical superintendent in Kwale. He is also a Certified Public Accountant of Kenya CPA (K).



MR. RAMADHAN BUNGALE - CECM COMMUNITY DEVELOPMENT,YOUTH AND WOMEN EMPOWERMENT AND SOCIAL SERVICES, AG CECM TRADE, TOURISM AND ICT

He is a graduate from the university of Nairobi with a Master's in Business Administration and a Bachelor's Degree in Education Arts, Accounting and Economics. He has wealth of experience in Public Policy and Administration, Monitoring and Evaluation and Project Management. He is currently pursuing a course leading to a Certified Secretary through KASNEB

Prior to becoming a CECM, He served as Chief officer Trade and cooperative development, Regional Coordinator Coast and a Fund Manager under the now called National Government Constituency Development Fund Board.

MD: SLYVIA CHIDODO: CHIEF OFFICER COMMUNITY DEVELOPMENT, YOUTH AND WOMEN EMPOWERMENT

Sylvia Chidodo Leli aged 40 is the Chief Officer, in the Department of Community Development, Culture and Talent management. She was born on the 20th February 1977 in Mombasa County.

Qualifications

1997 – 2000 Bachelor's degree in International Relations at the United States International University (USIU).

She has a Master's degree in International Relations accorded to her in 2005 in USIU. Sylvia also has certificates in performance contracting and management course and strategic leadership Development program both from the Kenya school of Government. In addition to that she also has a certificate on Mwongozo training from the state cooperation advisory committee.

Experience

She has over 10 years' experience in the public service in different capacities in Government institutions. - The Truth Justice and Reconciliation Commission as the Regional Coordinator Coast and

	also at the Constitution of Kenya Revenue Commission as District Coordinator Mombasa. Sylvia currently is also the acting livelihoods Co-coordinator for a World Bank funded project for the Kenya Water, Security, Climate and Resilience Project (KWSCRP) under the Mwache Dam. Sylvia Chidodo also sits in various School boards in the County of Kwale and is also a board member of the Water Resources Authority. Within the board of management of WRA she chairs the Resource Mobilization Committee and is a member of the Finance and Administration Committee. Sylvia prides as being part of the formation of the new Constitution at the grassroots involvement and at the Bomas Conferences which eventually gave our County the new Constitution 2010.
	H.E FATUMA ACHANI – DEPUTY GOVERNOR: CECM COUNTY EXECUTIVE SERVICES Fatuma Mohamed Achani aged 36 years is the Deputy Governor of Kwale County. She was born at Kingwede Village, Ramisi Ward, Msambweni Division of Kwale County. She went to Kingwede Primary School then joined Mama Ngina Girls Secondary School in Mombasa. She served as an associate advocate with the firm of Maina Njanga & Company Advocates from 2008 to 2009. She also served as a Legal Counsel and Programme Officer for the Federation of Women Lawyers (FIDA Kenya) from 2009 to 2012. She is also the County Executive Committee Member for Public Service and Administration. She holds a Law Degree from Moi University and Diploma from Kenya School of Law. She is a human rights advocate and devotes considerable time and energy to support the girl child education. She fights against early marriages and gender based violence and also a member of various community groups working towards empowering women in leadership. She is a member of the Federation of Women Lawyers in Kenya and a member of the Law Society of Kenya.

NURREIN MWWATSAHU: CHIEF OFFICER EXECUTIVE SERVICES AND, PUBLIC SERVICE AND ADMINISTRATION

Nurrein Mwatsahu was born in Mariakani , Kalalani sub-location in Mwavumbo ward, Kwale County in 1965.

He went to Roman Catholic Primary School and later Kilimangodo Primary School respectively before joining Kinango Secondary School in 1980 completing his "O" level education in 1983

After passing his O level exams, he was admitted to Malindi High School in Kilifi County in 1984 where he took his Advanced (A) level exams in 1985.

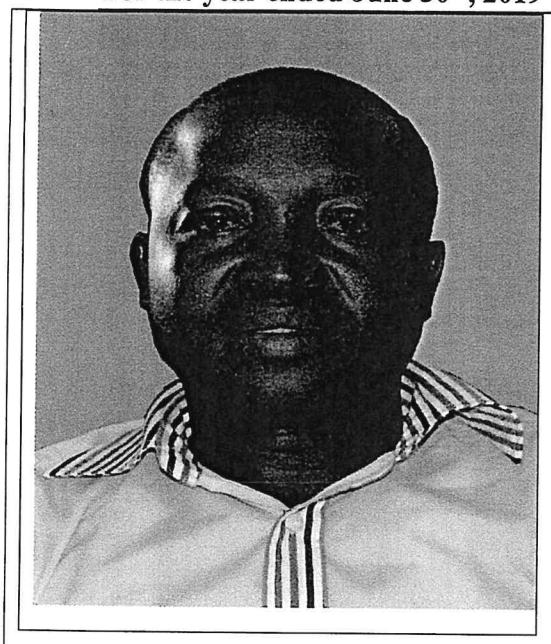
He joined The University of Nairobi in October 1987 and graduated with a BA Second Class Honours Upper Division degree in October 1990.

In January 2004, he did a Higher Diploma in Human Resource Management course in 2004 completing in November the same year.

Mr Mwatsahu gained invaluable work experience in his work career spanning years of fulfilment at the National Social Security Fund (NSSF) where he rose through the ranks to become a Branch Manager. While he served as Branch Manager of the giant NSSF from July 1996 through to 30th April 2013, Mr Mwatsahu gained vast exposure and experience. Some of the responsibilities he performed included building and managing the Human Resource entity to include HR Strategies that support overall business strategies and annual operating plan.

He successfully established programmes, policies and processes for regulatory compliance and enhancement as well as created and directed the performance management ownership/employee development programs and facilitated management training through supporting competency and development of the said programs.

He was involved in Planning and conducting new employee orientation as well as coordinating management training in interviewing, hiring, terminations, promotions, personnel review, safety organizational procedures and sexual harassment.



MR. MANGALE MUNGA NDEGWA - CEC, EDUCATION, RESEARCH AND HUMAN RESOURCE DEVELOPMENT.

He is a holder of bachelor's degree in Education from Kenyatta University.

He attended teachers training college before joining the university and he has attended series of management courses all through his career.

Before appointment as the C.E.C in charge of Education in Kwale County Government he was the chairman Kenya National Union of Teachers (KNUT) coast region and executive secretary Kenya National Union of Teachers (KNUT) Kwale County.

Initially he was the executive Secretary Kenya National Union of Teachers (KNUT) Msambweni branch.

He has been in the education sector for seventeen years before the appointment and served as an administrator in education for more than five years.

He grew through the education system and promoted learning of Mathematics and Kiswahili in Msambweni Sub County.

Have also been promoting sports especially volleyball in Kwale County.

MISHI KAOLE - CHIEF OFFICER EDUCATION, RESEARCH AND HUMAN RESOURCE DEVELOPMENT.

Ms.Mishi Salim Mwakaole was appointed as a Chief Officer Education and Human Resource Development on 5th August 2014.

Ms. Mishi Salim Graduated from the University of Nairobi in 1995 with a bachelor's degree in Education. She has a 13 years' experience in the teaching profession, she served in different capacities including being a school Principal from 2003-2008.

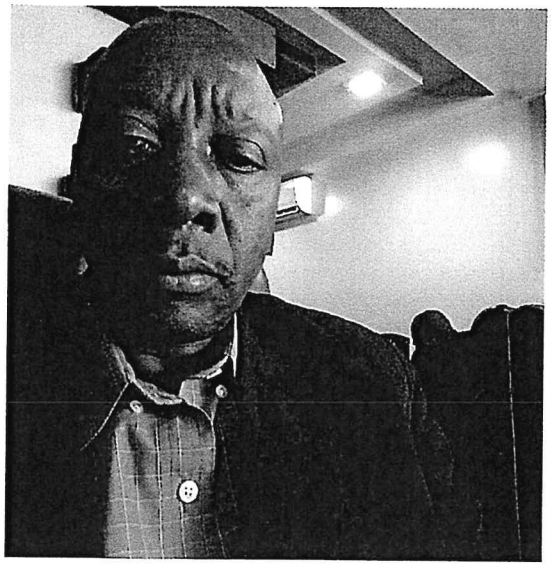
Until her appointment as chief Officer in the department of Education in Kwale County Government, she served as a subcounty director in charge of all Teachers Management functions under the Teachers Service Commission (T.S.C) in Msambweni District, Kwale County from 2008-2014.

HON. HEMED MWABUDZO - CECM WATER AND INFRASTRUCTURE

Hemed Mwabudzo holds a bachelor's degree in arts and has had extensive experience in managing projects and programmes over the last twenty years. He worked in administrative positions with the Ministry of Labour and Coast Development Authority for 8 years and as business facilitator/coordinator with Coast Development Authority and Aga Khan Foundation for over ten years. He has had extensive business development training in Israel and Kenya besides exposure in several other countries of the world.

He has expertise and extensive experience in organizational and business development. For 15 years he has been a program officer and programme coordinator in 2 different organizations supervising sub-sector/value chain analysis and implementation of market development interventions in the cashew nuts, marine fisheries, coconut, indigenous chicken, meat goat and honey value chains/sub-sectors. He has worked with consultancy firms to undertake in-depth market studies for some of the commodities and organized market linkages which resulted into business transactions worth millions of shilling to date.

At the same time, Hemed has been responsible for general projects and programmes coordination for long, he has managed and coordinated development funding from USAID, DANIDA, and CIDA among other donors in different capacities. He is experienced in project design, monitoring and evaluation and has served as progragramme Coordinator of Coastal Rural Support Programme (a project of Aga Khan Foundation) and had successful experience in managing a multi-input and multi donor development programme.

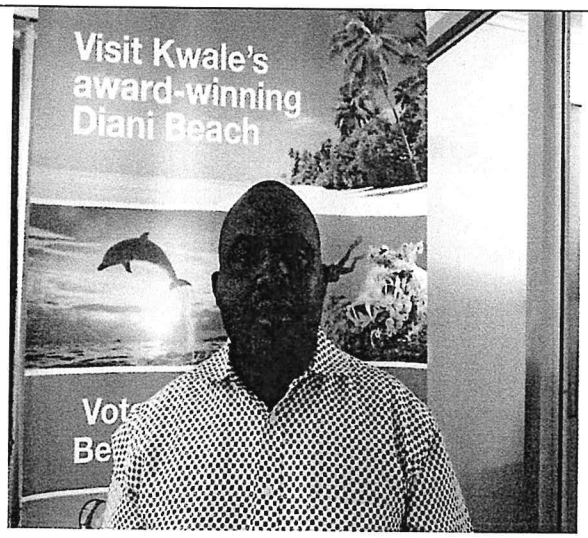


MR. MUSYOKI - CHIEF OFFICER WATER AND INFRASTRUCTURE

Munyao Musyoki Muthuka holds a Master degree in Science & degree in Geology and has had extensive experience in managing projects and programmes over the last twenty years.

He worked in administrative positions with Aga Khan Foundation-Coastal Rural Support Programme, Mariakani and Coast Development Authority as the head of Water Department. He developed Planning and design facilitation, coordination and implementation of water resources development and management programmes and projects in 8 districts, Kwale, Taita Taveta, Mombasa, Kilifi, Malindi, Tana River, Lamu and Ijara (in North Eastern Province). He oversaw day to day duties involve provision of technical and advisory support to communities, local CBOs and NGOs in the Region on issues regarding water development and capacity building

He was also the WASH manager consultant at Kwale School Wash Project. He has been responsible for Implement and evaluate the performance of the program, specifically developing, implementing and monitoring field-based WASH work plans; overseeing administrative and logistical support functions and ensuring that appropriate supervision systems and protocols are in place and adhered to; compilation of Project Performance Reports, monthly and annual for both Aga Khan Foundation and the Donor/Funding Agency.



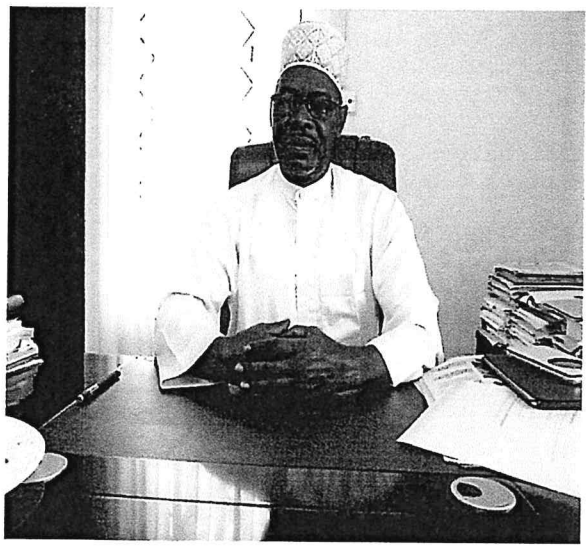
MR. ANTHONY MWAMUNGA - CHIEF OFFICER TOURISM AND INTORMATION TE

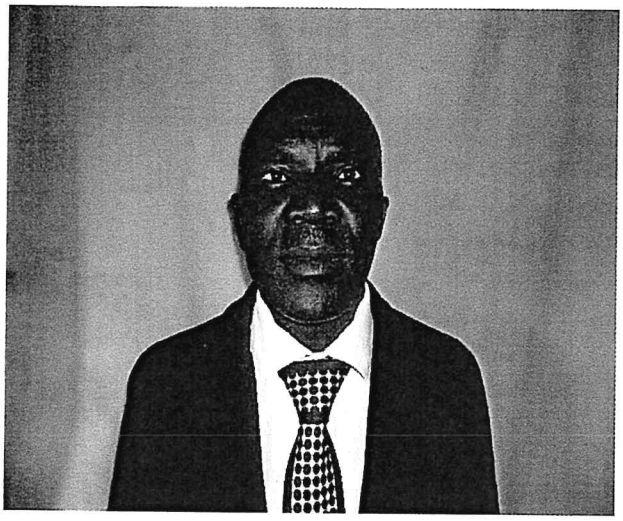
Education and professional profile

Graduated in 1999 with bachelor's degree in Information & Media Technology Moi University
Attained ITIL (Information Technology Infrastructure Library)
Attained CCNA 2001

Work Experience

Deemberc 2014 to Present: Kwale County Government
Position: Chief Officer – Tourism, Investment & ICT
March 2008 to November 2014: Mombasa Water & Sewerage Company Limited
Position: Head of ICT
March 2006 to February 2008: Ansellia Holdings

	Limited /Playwin Position: Head – Network Operations Center. March 2004 to Feb 2006: Constitution of Kenya Review Commission – CKRC Position: Programme Officer - ICT January 2001 to February 2004: Pwani Telecomms Limited Position: Head of Customer Support May 1999 to December 2000: Swift Global Kenya Limited – Premier Internet Service Provider Position: Customer Support Engineer.CHNOLOGY
	**KASSIM RIGGA MAMBO – CHAIRMAN, KWALE COUNTY PUBLIC SERVICE BOARD** Mr Kassim Rigga Mambo is the inaugural Chairman of the Kwale County Public Service Board appointed in August 2013 by H.E the Governor for a period of six years. He is a former Commissioner of the Public Service Commission where he served for a period of six years. (2003-2009) Prior to joining the Board, Mr Rigga had worked in several public service organizations including Kenyatta University (1993-2000) as Assistant Registrar. Others are National Aids Control Council (2001-2003) as Public Relations Manager; Kenya Industrial Research and Development Institute (1987-1993) as Public Relations Officer and the Ministry of Commerce and Industry (1985-1987) as Information Officer. Mr Rigga received a Title of Honour Order of the Grand Warrior (OGW) by H.E President Mwai Kibaki on 12th December 2006 for exemplary service in the public sector. He is a Master's degree holder (USSR) and a PhD (PR) from Kenyatta University.



ALI MABRUKI MWAGUTA – ASSUMING DUTIES OF THE BOARD SECRETARY.

Mr. Ali M. Mwaguta is a Kwale County Government employee attached to the County Public Service Board as an Office Administrator with effect from 1st October, 2014. He was however deployed to perform the duties of the Board Secretary following the resignation of the substantive secretary Miss Victoria Tumaini from service with effect from 8th May, 2017.

Prior to his deployment at the Board, Mr. Ali Mwaguta worked as an Administrative Officer in the defunct Town council of Kwale between 15th October, 1997 to March, 2013.
During the new County Government dispensation, he was deployed as an Interim Sub-County Administrative Officer for Matuga, then as County Transport Manager and finally to the Human Resource department as a Human Resource officer before joining the Board.

He is a Bachelor of Science degree holder in Human Resource Management from Moi University.

MR.MARTIN MWARO MANGI BAYA

KULUWA: COUNTY SECRETARY

Professional information.

- He holds a master's of Science in Human Resource Management from Jomo Kenyatta University of Science and Technology.
- Bachelor of Arts in Sociology from Kenyatta University.
- Higher National Diploma in Human Resource Management from Kenya Institute of Management.

Work Experience.

- He served as an information researcher with A.C.K.
- In administration, he has served as a District Officer and District Commissioner for 15 years.
- He was appointed the County secretary in February, 2014 after serving at an Interim position for one year (From February, 2013 to February, 2014).

c) 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
1.	CEC, Finance and Economic Planning	Hon. Bakari Sebe
2.	Chief Officer Finance	Mr. Alex Onduko
3.	Head of Treasury	Mr. Vincent Mbito
4.	Head of Supply Chain Management	Mr. Abdalla Maningi
5.	County Receiver of Revenue	Ms. Samira Swaleh
6.	Head of Budget	Mr. Athman Mwatunza

d) Fiduciary Oversight Arrangements

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

1. **County Assembly of Kwale;**

   A. Public Accounts & Investment Committee

   B. Budget and Appropriations Committee.

2. **Audit Committee;**

e) County Headquarters

P.O. Box 4 – 80403
Kwale County Headquarters
Off Kwale – Kinango Road
Kwale

f) County Contacts

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

g) County Bankers

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

2. Kenya Commercial Bank
   P.O Box 43 – 80403
   Kwale, Kenya

3. Equity Bank
   P.O Box 167 -80403
   Kwale-Kwale

4. National Bank
   P.O Box 457-80400
   Ukunda.
5. Cooperative Bank
   P.O Box 568-80400
   Ukunda.

6. Family Bank
   P.O Box 81630-80100
   Mombasa.

h) Independent Auditors

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

i) Principal Legal Adviser

The County Legal Officer
Office of the Governor
P.O. Box 4 - 80403
Kwale.

2. FORWARD BY THE CEC

COMMENTARY BY THE CEC, FINANCE AND ECONOMIC PLANNING

It is my pleasure to present the County Government of Kwale financial statements for the year ended 30th June 2019. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. They key local revenue sources for Kwale County included business permits, land rates, business plan approval, advertising fees, cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include;

1) Automation of revenue collection system

2) Revaluing its valuation role with a hope to increase the tax payers base and overall revenue from land rates.

Financial Performance

a) Revenue

In the year ended 30th June 2019, the County had projected revenues of KShs **9,103,256,427** Consisting of KShs **303,112,306** from own sources and KShs **8,800,144,122** from other sources.

A graphical representation of the revenue budget is as shown below:

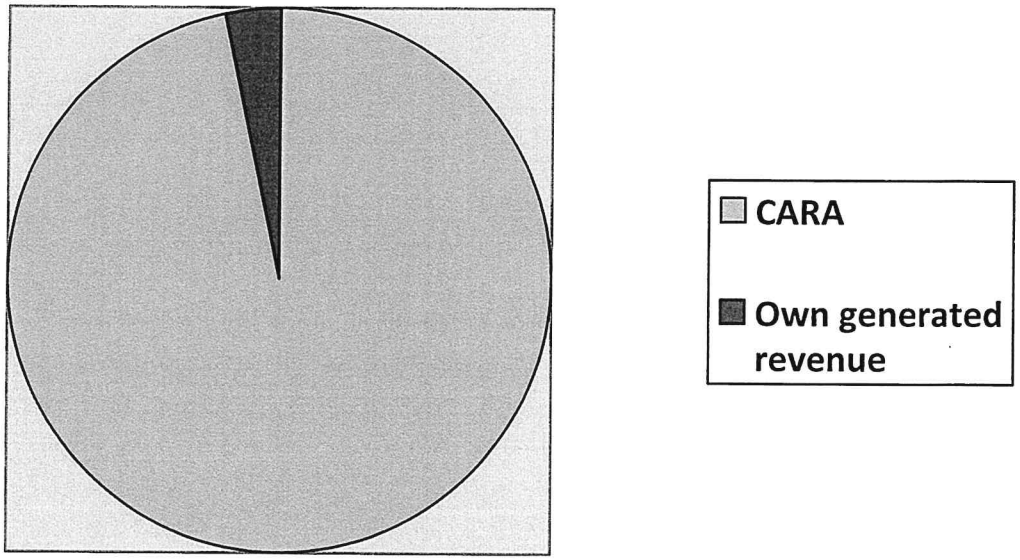
Figure 1: KWALE County revenue sources in FY 2018/2019

CARA revenues continue to form the largest part of our revenue budget, contributing approximately 96% towards our budget. Our own generated revenues formed 4% of our budget.

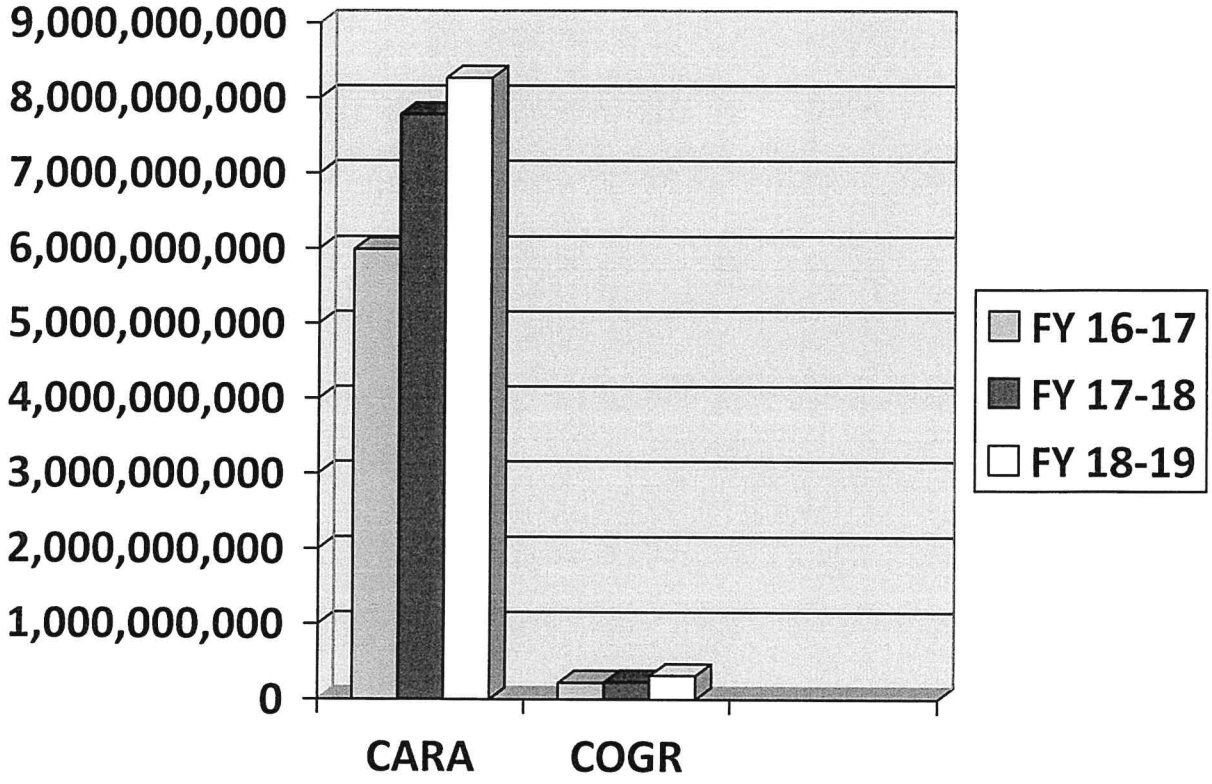
Out of the projected revenue, the County was able to realise KShs 8,577,882,875 in actual revenues, representing 94% performance. Own generated revenue was Kshs. 315,025,182 representing 104% of the budgeted amount. In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
CARA	8,800,144,122	8,262,857,693	94%
Borrowings	-	-	-
Own generated revenues	303,112,306	315,025,182	104%
Total	9,103,256,427	8,577,882,875	94%

Table 1: Revenue performance in FY 2018/2019



Revenue performance in FY 2018/2019



KEY

CARA- **County Allocation of Revenue Act**

COGR- **County Own Generated Revenue**

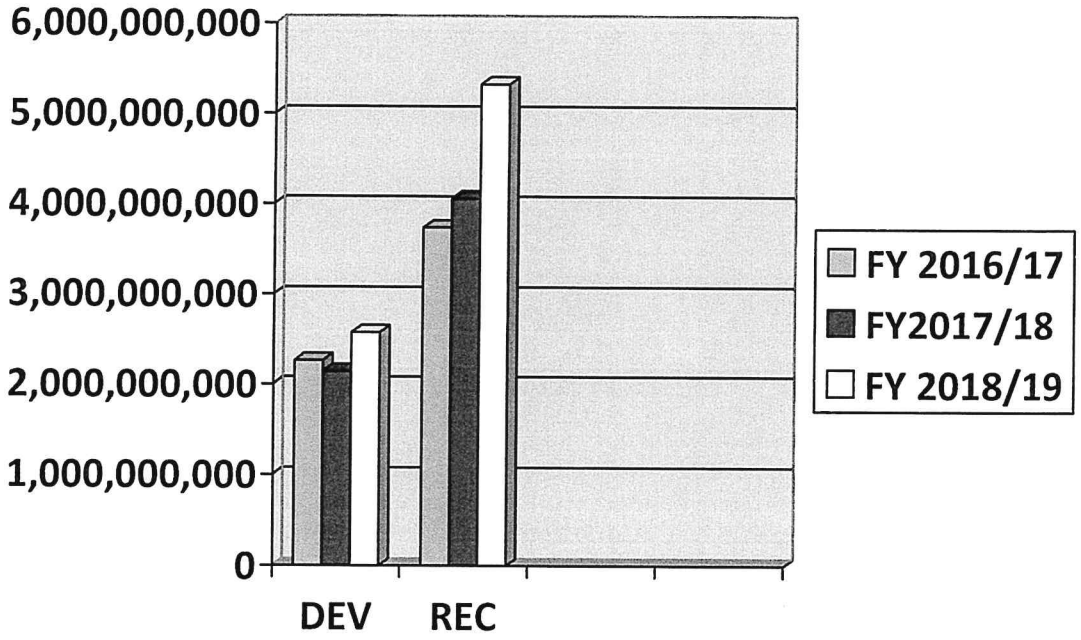
FY- **Financial Year**

b) Payments

The total expenditure for the year amounted to KShs 7,902,404,562. KShs 2,574,811,077 was spent on development expenditure while KShs 5,327,593,484 was spent on recurrent expenditure representing a ratio of 11:22 respectively.

	2018-2019	2017-2018	2016-2017
Development Expenditure	2,574,811,077	2,193,565,034	2,259,477,859.40
Recurrent Expenditure	5,327,593,484	4,586,465,109	3,745,250,953.65
Total Expenditure	**7,902,404,562**	**6,780,030,143**	**6,004,728,813.05**

Expenditure Analysis graph



KEY

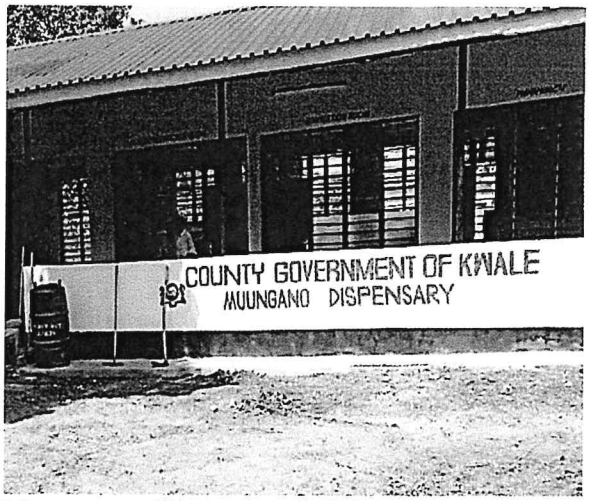
FY- Financial year

DEV- Development expenditure

REC- Recurrent expenditure

In the financial year 2018/2019, the county did a number of development projects in various sectors. Below is a sample of the projects;

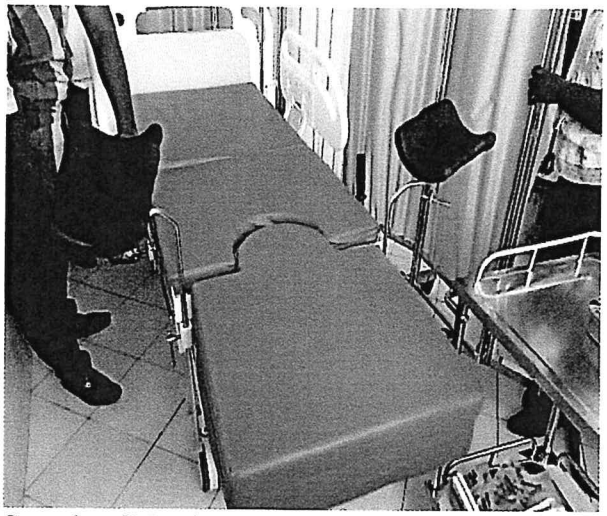
Newly operationalized Samburu Hospital Theatre



Muunngano Dispensary in Matuga

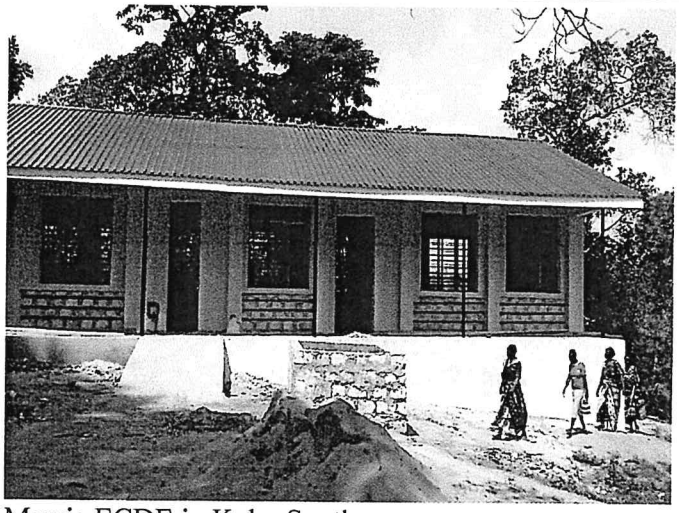
Shirazi dispensary staff house.

Munje dispensary staff house

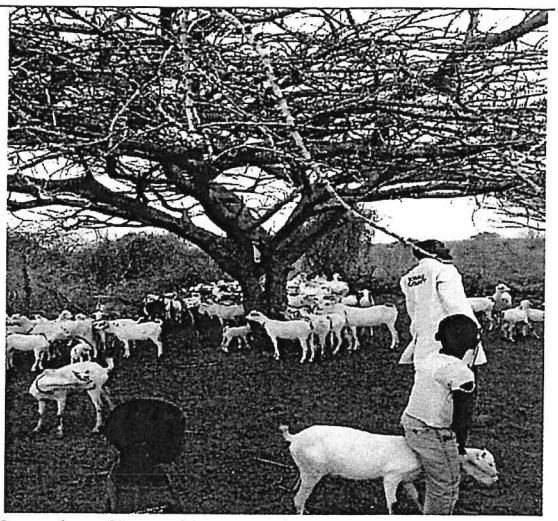


Sample of Newly acquired delivery beds

Bang'a Twin Workshop in Puma Ward

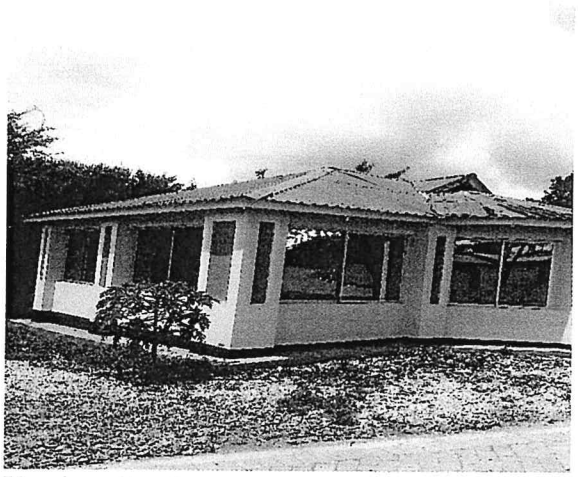


Mawia ECDE in Kubo South

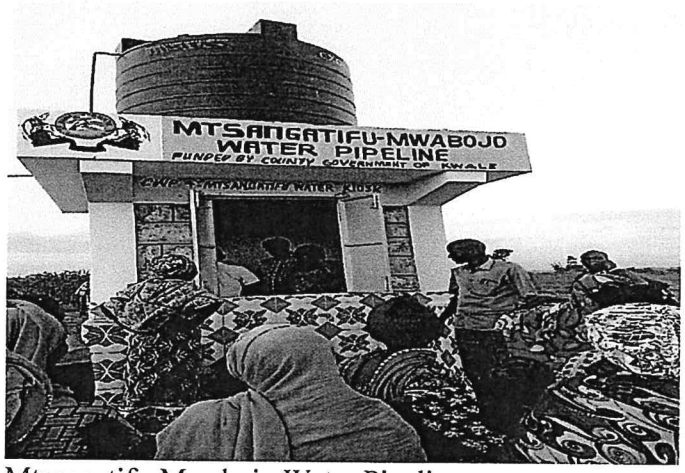


Supply of breeding stock (galla goats)

Data Center in Mvindeni



Kwale cultural museum



Mtsangatifu-Mwabojo Water Pipeline

Other Project completed FY-2018-2019

i. Completion of Accident and emergency wards in Kwale and Kinango.

ii. Construction of Theatre in Samburu Chengoni Ward and Lungalunga Ward.

iii. Completion of 4 Polytechnics Twin workshops/ Hostels in Gombato, Dzombo, Mwereni and Vanga.

iv. Construction of Samburu, maji ya chumvi, Mwangoloto pipeline in Samburu Chengoni Ward.

v. Completion of 69 E.C.D.E in; Kinango, Gombato, Mwavumbo, Waa/ng'ombeni, Macknon Road, Kinondo, Vanga, Dzombo, Ramisi and Ukunda among others

vi. Completion of Kombani wholesale section market

vii. Construction of Paedriatric unit and opening of the Afya house in Kwale Hospital

viii. Completion of Marere Ndavaya pipeline (kirewe mwachanda) in Ndavaya.

ix. Completion of Installation of backborne fibre optic network infrastrracture

x. Construction of Dudu Dam in Ndavaya ward

xi. Food security programmes by providing certified seeds and fertilizers to farmers

Figure 2: County Government Flagship projects on going in FY 2018/2019

i. Fruit Processing Plant, in Kubo south

ii. County Spatial Planning

iii. The Kwale county Stadium, in Matuga

iv. Construction of a teachers training college, in Kinango Sub-county

v. Dzombo Water Supply Distribution Network

vi. Mwakalanga Dam, in Mwereni ward

vii. Dziweni Dzitegemee Dam, in Ndavaya ward

viii. Kizingo Dam, in Mackinon Road Ward

ix. Kazamoyo Dam in Samburu Chengoni

x. Tarmacking of Road Junction at Lotfa Resort

xi. Tarmacking of Kona Musa – Mabokoni – Kona Masai Road

xii. Putting cabros on Mkilo to Kalalani Road, in Mwavumbo ward

Much of the recurrent budget was spent on compensation for employees. This was as a result of salary increments awarded to Doctors and Nurses over the past year. However, we appreciate that a well remunerated workforce is necessary for service delivery. As such, we are committed to improving the welfare of our staff.

c) Cash flows

In the FY 2018/2019, we have had many liquidity disruptions. This was as a result of late disbursements by the National Treasury. The cash and cash equivalents increased from KShs 2,291,430,522 as at 30th June 2018 to KShs 2,944,711,016 as at 30th June 2019.

d) Accounts receivables

Imprest management is a critical area of focus in Kwale County. Our aim is to adhere to the PFM regulations on imprest management. We appreciate that we have improved on imprest management and that we have no outstanding imprests as at 30th June, 2019.

e) Pending bills

Pending bills have increased from KShs 2,303,830,392 to KShs 2,764,669,848
The raise has largely been as a result of late disbursement of funds from National Treasury hence delays in settling suppliers. Our focus as a County is to settle the bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of old outstanding pending bills.

f) Fixed assets

Kwale County has made significant investments in fixed assets since coming into office in 2013. Additionally, we inherited some assets from the defunct municipal council. We are in the process of developing a comprehensive asset management policy, which we hope to finalize in FY 2019/2020. The policy will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and maintenance of an asset register.

Despite the notable achievements, we have experienced some challenges during the year. These include:

i. IFMIS system errors – some expenditure were reported with negative figures and some in the commitment column. Liaise with IFMIS technicians to assist in correction of the errors.
ii. The delay in IFMIS system {i-sourcing} delayed the procurement procedures subsequently affected the County`s expenditure absorption rate. It was recommended to continue using Auto- creation in the system.
iii. Late disbursement of funds by National Treasury.

Conclusion

FY 2018/2019 was a good year in general. Good progress was made and the momentum has been created to enable Kwale County continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Kwale County achieves its mission.

I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Kwale County.

HON. BAKARI SEBE
County Executive Committee Member for Finance and Economic Planning
County Government of Kwale

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 shall prepare 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 Kwale 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 County Government for and as at the end of the financial year ended on June 30th, 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 County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30th, 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 the 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 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 October, 2019.

County Executive Committee Member for Finance and Economic Planning

REPUBLIC OF KENYA

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

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KWALE 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 Kwale set out on pages 32 to 81, which comprise of 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 Kwale as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Reconciliation of Cash and Cash Equivalents Balances

As disclosed under Note 21A to the financial statements, the statement of financial position reflects bank balances of Kshs.2,944,505,344. Included in the balance are amounts of Kshs.69,254,027 and Kshs.10,932,210 in respect to Kwale County–NARIGP Account and ASDSP II Account respectively in accounts at the National Bank of Kenya. However, the balances varied with amounts reflected in the bank reconciliation statements as at 30 June, 2019, resulting to a total unreconciled variance of Kshs.50,061,930 as detailed below:

Account Name	Balance as per Financial Statements (Kshs.)	Balance as per Bank Reconciliation (Kshs.)	Variance (Kshs.)
National Bank of Kenya Kwale County–NARIGP Account	69,254,027	19,284,027	49,970,000
National Bank of Kenya ASDSP II Account	10,932,210	10,789,810	142,400
Total	**80,186,237**	**30,073,837**	**50,112,400**

Further, a re-computation of the cash and cash equivalents at end of the year on cash flow statements reflects Kshs.2,944,781,019 resulting to an unreconciled variance of Kshs.70,003.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.2,944,505,344 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

2.0 Wrongly Charged Accounts - Use of Goods and Services

As disclosed under Note 12 to the financial statements, the statement of receipts and payments reflects expenditure on use of goods and services amounting to Kshs.1,598,785,870. The balance includes payments of electricity bills amounting to Kshs.7,037,738, under communication, supplies and services, made by the Department of Water Services on behalf of Kwale Water and Sewerage Company Limited. It has not been explained why the expenditure was charged under use of goods and services instead of grants to other government entities.

Further, the balance of Kshs.282,828,636 under domestic travel and subsistence includes payments amounting to Kshs.1,410,950 expended as recovery of County of Kwale Trade Revolving Fund's loans.

However, Management did not avail any supporting documents including a request by the Fund for assistance to support how expenditure incurred by a different entity was charged to domestic travel and subsistence.

Consequently, the accuracy and completeness of the expenditure of Kshs.8,448,688 under use of goods and services reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be ascertained.

3.0 Acquisition of Assets

As disclosed under Note 17 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.2,281,219,160 under acquisition of assets. However, a review of records revealed the following unsatisfactory matters:

3.1 Rehabilitation of Civil Works

The balance of Kshs.2,281,219,160 constitutes an amount of Kshs.144,914,474 under rehabilitation of civil works which includes a balance of Kshs.15,892,500 paid to a supplier for supply and delivery of sixty (60) energy saving jikos to Early Child Development Education centres within Kwale County. However, there was no evidence that the jikos were delivered to all the sixty (60) schools. It was also noted that the inspection and acceptance committee's report is dated 30 November, 2018, while deliveries to schools are indicated to have taken place in December, 2018, casting doubt on the authenticity of the deliveries.

3.2 Overstatement of Domestic Payables (Pending Bills)

Further, the balance of Kshs.2,281,219,160 constitutes an amount of Kshs.1,511,692,321 under domestic payables (pending bills). Examination of records revealed that the balance includes Kshs.2,982,276 spent for the rehabilitation and maintenance of Vunga-Tingeti Road. However, available documents indicate that the contracts was signed on 23 July, 2019 which falls within 2019/2020 financial year. The expenditure is therefore, outside the cut-off period for the financial year under review.

In the circumstances, the accuracy, value for money and validity of the Kshs.15,892,500 paid for supply and delivery of sixty (60) energy saving jikos and total rehabilitation and maintenance of roads of Kshs.62,268,820 under domestic payables could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.9,103,256,428 and Kshs.8,577,882,875 respectively resulting to an under-funding of Kshs.525,373,553 or 6% of the budget. Similarly, the statement reflects final expenditure budget and actual on

comparable basis of Kshs.10,750,525 and Kshs.7,902,404,562 respectively resulting to an under expenditure of Kshs.2,848,120,546 or 26% of the budget.

There is also a significant decline on County own generated receipts mainly under four revenue streams which reduced by a total of Kshs.19,635,822 or 63% against previous performance as shown below:

No.	Revenue Item/Stream	Current Financial Statements 2018/2019 (Kshs.)	Previous Financial Statements 2017/2018 (Kshs.)	Decrease (Kshs.)	% - age Decrease
1	Receipts from Administrative Fees and Charges	2,434,252	3,798,234	1,363,982	36%
2	Cess	8,597,053	10,967,934	2,370,881	22%
3	County's natural resources	0	15,578,472	15,578,472	100%
4	Slaughter houses administration	529,807	852,294	322,487	38%
Total		**11,561,112**	**31,196,934**	**19,635,822**	**63%**

Management has attributed the above significant reduction in revenue collection to various reasons including closure of a sugar mill. Consequently, the County Executive may not fully finance its budget activities which may negatively affect service delivery to the residents of Kwale County.

2.0 Pending Bills

Outstanding commitments under disclosure Note 1 to the financial statements reflects a pending bills balance of Kshs.2,764,669,848 as at 30 June, 2019 which are mainly due to contractors. However, no evidence in form of contracts, invoices and local purchase orders were availed for audit review. Management has not also explained why the bills were not settled during the year they occurred.

Failure to settle bills in the year to which they relate adversely affect the implementation of the subsequent year's budgeted programs as the pending bills form a first charge to that year's budget provision.

3.0 Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been resolved, the matter have remained unresolved as the Senate and County Assembly have not deliberated on the same.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of 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 Delay in Projects Implementation

Review of the projects implementation status reports revealed that several key projects in various Departments with a total allocation of Kshs.2,242,473,924 had not been completed as at 30 June, 2019. Audit inspection undertaken in the month of October, 2019 on twelve (12) sampled projects implemented, revealed several of unsatisfactory issues as shown in **Appendix I**.

The County Executive has not put in place proper project monitoring systems to ensure projects are implemented as per specifications and within the set timelines. Further, each project should have a sign-post indicating the name of the project, source of funds, contractors, supervisors and contract period to distinguish projects implemented by other government agencies and to also monitor progress. These observations are indicative of weaknesses in projects management which may affect service delivery to the residents of Kwale County.

In the circumstances, I am unable to confirm whether the residents of County of Kwale will receive value for money spent on the projects.

2.0 Compliance with the Public Procurement and Asset Disposal Act, 2015

During the year under review, Management entered into a contract for maintenance of Lunga Lunga Road at a contract price of Kshs.3,543,400 which was signed on 18 June, 2019 but later cancelled forty-five (45) days after notification. The contract was awarded to another bidder without retendering as per the Public Procurement and Asset Disposal Act, 2015.

Further, Management entered into a contract for the proposed construction of a foot bridge at Makwembe in Pongwe-Kikoneni Ward at a contract price of Kshs.14,063,104. The contract was signed on 18 June, 2019 after the set deadline of 31 May, 2019. Another contract for the proposed construction of Mkongani-Deri-Ndavaya Road at a contract sum of Kshs.10,000,000 was signed on 24 June, 2019 after the set deadline of 31 May, 2019 and awarded seven (7) days after notification. It was also noted that the budgetary

allocation for the Mkongani-Deri-Ndavaya Roads project was only Kshs.6,000,000. No explanation was given for not adhering to both the Regulations and the set budget.

In addition, a contract for road Improvement at Mnyenzeni – Mudzi Ubomu – Doti at a contract sum of Kshs.4,680,040 was awarded to the highest bidder in 2015/2016. However, no evidence was availed to confirm that previous invoices had not been settled.

Management is therefore, in breach of the law and the propriety and value for money spent on the projects could not be confirmed.

3.0 Cash Management - Issuance of Imprest to Third Parties

Examination of records availed for audit verifications revealed that during the year under review, a number of officers were issued with imprest amounting to Kshs.87,075,710 on behalf of other officers.

This is contrary to Regulation 89 and 91 of the Public Finance Management (County Governments) Regulations, 2015 which states, that "the officer authorized to hold and operate imprest shall make a formal application for imprest through an imprest warrant". It was not clear why each officer could not take responsibility for their imprests.

The Management is therefore in breach of the regulations.

4.0 Irregular Use of Framework Contracting

During the year under review, Management procured goods and services amounting to Kshs.72,839,893 through framework contracting. Examination of available records indicated that although the procurement was an open tender, the advertisements did not explicitly state that it was tender for framework contract, contrary to Section 70 (3) of the Public Procurement and Asset Disposal Act, 2015 which states that, "the tender documents used by a procuring entity pursuant to subsection (2) shall contain sufficient information to allow fair competition among those who may wish to submit tenders".

In addition, only six (6) firms were awarded contracts under the taxi and car hire category, contrary to Section 114 (1-c) of the Public Procurement and Asset Disposal Act, 2015 which states that, "a procuring entity may enter into a framework agreement through open tender if a minimum of seven (7) alternative vendors are included for each category".

Further, there was no evidence of mini-competition performed amongst framework suppliers in a category to determine the most economically advantageous supplier. There was also no evidence that call off orders were formally made by the buyer and the supplier accepted in line with Section 114(3) of the Public Procurement and Asset Disposal Act, 2015 which states that, "when implementing a framework agreement, a procuring entity may procure through call-offs order when necessary; or invite mini-competition among persons that have entered into the framework agreement in the respective category". The County may not have realized value for money due to lack of fairness and competitiveness.

Consequently, the Management is in breach of the law.

5.0 Non-Compliance with the One Third of Basic Salary Rule

During the year under review, ninety-one (91) employees earned a net salary of less than a third (1/3) of their basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 and Section 19 (3) of the Employment Act, 2007.The Management has not given an explanation for the failure to comply with the policy. This may expose the staff to pecuniary embarrassment.

In the circumstances, the Management is in breach of the law and policies.

6.0 Non-Compliance with the Law on Ethnic Composition

During the year under review the County Executive recruited three hundred and thirty-four (334) officers through the County Public Service Board out of whom two hundred and seventy-one (271) or (81%) were from the dominant ethnic community in the County. This is contrary to provisions of Section 65(1e) of the County Governments Act, 2012 which requires that, in selecting candidates for appointment, the Board shall consider the need to ensure that at least thirty percent (30%) of the vacant positions at the entry level are filled by candidates who are not from the dominant ethnic community in the County.

Consequently, Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Audit Committee

The County Executive of Kwale had not established an Audit Committee. This contravened Section 42 (1) (e) of the Public Finance Management (County Governments)

Regulations, 2015 which requires the Accounting Officers to ensure all county entities have an Audit Committee in place.

In the circumstances, I am unable to confirm the existence of effective oversight on the operations of the County Management.

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

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

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

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

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 April, 2021

Appendix I: Unsatisfactory Project Implementation

No.	Project	Project Cost Kshs.	Inspection Observations
1	Construction of Governor's residence	149,216,374	• The project completion date had been extended twice from April 2019 to April 2020 • No signage erected to identify project owner • Workers were not wearing safety gear
2	Construction of County Headquarter	462,376,631	• Portioning and external works including laying of cabro was on-going • Date of completion unknown
3	Reroofing of Amphitheatre	6,000,000	• Stalled project as Contractor not on site, no work going on. Information available indicates contract was terminated • The open roof has exposed the wooden trusses to wet conditions during the rainy season.
4	Construction of perimeter wall on the Rehab Centre	9,699,980	• Project completed but not equipped • No signage erected to identify project owner
5	Sports Fields Levelling, Mvindeni, Kwale Main Stadium	16,369,060	• Project incomplete • No signage erected to identify project owner • No title for the land
6	Construction of Fresh Produce Wholesale Market at Kombani	105,911,142	• Contractor on site • No provision for water harvesting • Some workers had no safety gear
7	Purchase of 18 motor cycles	9,599,634	• The motor cycles were lying at the County Headquarters and had not been distributed to village administrators

No.	Project	Project Cost Kshs.	Inspection Observations
8	Construction of Oncology Centre, Ramisi	41,950,694	• Project not started
9	Construction of a twin staff house at Mvindeni	5,180,173	• Kitchen windows not fixed. • Land title not in the name of the County Government
10	Rehabilitation of Moyeni Dispensary in Kinango Ward	5,579,014	• Complete but not in use due to delayed completion of toilet
11	Construction of a maternity complex wing Phase 2 in Ramisi Ward	27,867,352	• Delayed completion, expected completion date was February, 2019. No evidence of extension • Finishes, doors, plumbing, electrical works are outstanding
12	Design and installation of backbone fibre optic network infrastructure	18,396,056	• The service is functioning outside the County Headquarters
	Total	**858,146,110**	

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2018-2019	2017-2018
	Notes	KShs	KShs
RECEIPTS			
Exchquer Releases	1	8,262,857,693	7,248,000,000
Proceeds From Domestic And Foreign Grants	2	-	524,917,388
Transfers From Other Government Entities	3	-	-
Proceeds From Domestic Borrowings	4	-	-
Proceeds From Foreign Borrowings	5	-	-
Proceeds From Sale Of Assets	6	-	3,580,000
Reimbursements And Refunds	7	-	-
Returns Of Equity Holdings	8	-	-
County Own Generated Receipts	9	315,025,181	226,210,459
Returned Crf Issues	10	-	-
TOTAL RECEIPTS		**8,577,882,874**	**8,002,707,847**
PAYMENTS			
Compensation of Employees	11	2,569,500,270	2,281,688,568
Use of goods and services	12	1,598,785,870	1,200,435,220
Subsidies	13	70,770,000	-
Transfers to Other Government Units	14	972,129,262	541,730,108
Other grants and transfers	15	400,000,000	517,529,683
Social Security Benefits	16	-	-
Acquisition of Assets	17	2,281,219,160	2,238,261,562
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	10,000,000	385,000
TOTAL PAYMENTS		**7,902,404,561**	**6,780,030,141**
SURPLUS/DEFICIT		**675,478,313**	**1,222,677,705**

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 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas
ICPAK No. 4481

Head of Treasury
Name: CPAVincent Mbito
ICPAK No. 7692

5.2. STATEMENT OF ASSETS AND LIABILITIES

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	2,944,505,344	2,291,284,974
Cash Balances	21B	205,672	145,548
Total Cash and cash equivalents		**2,944,711,016**	**2,291,430,522**
Accounts receivables – Outstanding Advances	22	8,250,653	9,784,745
TOTAL FINANCIAL ASSETS		**2,952,961,669**	**2,301,215,267**
LESS: FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	**33,851,167**	**57,583,078**
NET FINANCIAL ASSETS		**2,919,110,503**	**2,243,632,188**
REPRESENTED BY			
Fund balance b/fwd	24	**2,243,632,188**	**1,020,954,483**
Prior year adjustments	25	**-**	**-**
Surplus/Defict for the year		**675,478,313**	**1,222,677,705**
NET FINANCIAL POSSITION		**2,919,110,501**	**2,243,632,189**

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 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas
ICPAK No. 4481

Head of Treasury
Name: CPAVincent Mbito
ICPAK No. 7692

5.3. STATEMENT OF CASH FLOWS

	Notes	2018-2019 KShs	2017 – 2018 KShs
Receipts for operating income			
Exchquer Releases	1	8,262,857,693	7,772,917,38
Proceeds From Domestic And Foreign Grants	2	0	(
Transfers From Other Government Entities	3	0	(
Reimbursements And Refunds	7	0	(
Returns Of Equity Holdings	8	0	(
County Own Generated Receipts	9	315,025,181	226,210,45
Returned Crf Issues	10	0	(
Payments for operating expenses			
Compensation of Employees	11	(2,569,500,270)	(2,281,688,568
Use of goods and services	12	(1,598,785,870)	(1,200,435,220
Subsidies	13	(70,770,000)	(
Transfers to Other Government Units	14	(972,129,262)	(541,730,108
Other grants and transfers	15	(400,000,000)	(517,529,683
Social Security Benefits	16	0	(
Finance Costs, including Loan Interest	18	0	(
Other Payments	20	(10,000,000)	(385,000
Adjusted for:			
Decrease/(Increase) in Accounts receivable		1,534,092	(3,546,256
Increase/(Decrease) in Accounts Payable		(23,731,912)	(8,653,346
Net cash flow from operating activities		**2,934,499,653**	**3,445,159,66**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	0	3,580,00(
Acquisition of Assets	17	(2,281,219,160)	(2,238,261,562
Net cash flows from Investing Activities		**(2,281,219,160)**	**(2,234,681,562**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds From Domestic Borrowings	4	0	(
Proceeds From Foreign Borrowings	5	0	(
Repayment of principal on Domestic and Foreign borrowing	19	0	(
Net cash flow from financing activities		**0**	**(**
NET INCREASE IN CASH AND CASH EQUIVALENT		**653,280,493**	**1,210,478,10**
Cash and cash equivalent at BEGINNING of the year	21	**2,291,430,522**	**1,080,952,41**

Cash and cash equivalent at END of the year		**2,944,711,016**	**2,291,430,52**

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 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas
ICPAK No. 4481

Head of Treasury
Name: CPAVincent Mbito
ICPAK No. 7692

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchquer Releases	8,800,144,122	-	8,800,144,122	8,262,857,693	537,286,429	94%
Proceeds From Domestic And Foreign Grants	-	-	-	-	-	
Transfers From Other Government Entities	-	-	-	-	-	
Proceeds From Domestic Borrowings	-	-	-	-	-	
Proceeds From Foreign Borrowings	-	-	-	-	-	
Proceeds From Sale Of Assets	-	-	-	-	-	
Reimbursements And Refunds	-	-	-	-	-	
Returns Of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts	303,112,306	-	303,112,306	315,025,182	- 11,912,876	104%
Returned Crf Issues	-	-	-	-	-	
TOTAL RECEIPTS	**9,103,256,428**	**-**	**9,103,256,428**	**8,577,882,875**	**525,373,553**	94%
PAYMENTS						
Compensation of Employees	2,413,716,253	163,324,819	2,577,041,072	2,569,500,270	7,540,802	100%
Use of goods and services	1,123,794,159	606,634,626	1,730,428,785	1,598,785,869	131,642,916	92%
Subsidies	41,860,000	43,762,833	85,622,833	70,770,000	14,852,833	83%
Transfers to Other	945,867,805	24,424,275	970,292,080	972,129,262	(1,837,182)	100%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Government Units						
Other grants and transfers	400,000,000	41,200,000	441,200,000	400,000,000	41,200,000	91%
Social Security Benefits	0	0	0	0	0	0%
Acquisition of Assets	6,510,347,765	(1,574,407,427)	4,935,940,338	2,281,219,161	2,654,721,177	46%
Finance Costs, including Loan Interest	0	0	0	0	0	0%
Repayment of principal on Domestic and Foreign borrowing	0	0	0	0	0	0%
Other Payments	10,000,000	0	10,000,000	10,000,000	0	100%
TOTAL PAYMENTS	**11,445,585,982**	**(695,060,874)**	**10,750,525,108**	**7,902,404,562**	**2,848,120,546**	**74%**
SURPLUS/(DEFICIT)	**(2,342,329,555)**	**695,060,874**	**(1,647,268,681)**	**675,478,313**	**(2,322,746,993)**	

The underutilization of 46% under acquisition of assets is majorly as a result of a world bank grant to Kwale Water and Sewerage Company of Kshs 400,000,000 which was not received and hence not remitted to the company and other delays in implementation of projects due to late disbursement of the county National share of resources in form of Exchequer releases by National Treasury.
The changes between the original and final are as a result of reallocations within the budget and supplementary budgets passed during the year.
Transfer to Other Government Units: The budget for transfers to other government entities excludes transfer to Assembly as it is not a voted provision in the executive budget. However the Actual transfer of kshs 972,129,262.00 presented in the appropriation combined includeskshs.673, 981,354.00 transferred to the Assembly. This explains the over utilization of Kshs. 1,837,182.00.
The entity financial statements were approved on 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas ICPAK No. 4481

Head of Treasury
Name: CPAVincent Mbito ICPAK No. 7692

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchquer Releases					-	
Proceeds From Domestic And Foreign Grants	-	-	-	-	-	
Transfers From Other Government Entities	-	-	-	-	-	
Proceeds From Domestic Borrowings	-	-	-	-	-	
Proceeds From Foreign Borrowings	-	-	-	-	-	
Proceeds From Sale Of Assets	-	-	-	-	-	
Reimbursements And Refunds	-	-	-	-	-	
Returns Of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts	-	-	-	-	-	
Returned Crf Issues	-	-	-	-	-	
TOTAL RECEIPTS	-	-	-	-	-	
PAYMENTS						
Compensation of Employees	2,413,716,253	163,324,819	2,577,041,072	2,569,500,270	7,540,802	100%
Use of goods and services	950,352,937	556,733,828	1,507,086,765	1,450,965,764	56,121,001	96%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	349,932,642	(107,937,394)	241,995,248	824,121,996	(582,126,748)	341%
Other grants and transfers	400,000,000	41,200,000	441,200,000	400,000,000	41,200,000	91%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	77,697,204	3,524,849	81,222,053	73,005,454	8,216,599	90%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	10,000,000	-	10,000,000	10,000,000	-	100%
TOTAL PAYMENTS	**4,201,699,036**	**656,846,102**	**4,858,545,138**	**5,327,593,484**	**(469,048,346)**	**110%**
SURPLUS/(DEFICIT)	**(4,201,699,036)**	**(656,846,102)**	**(4,858,545,138)**	**(5,327,593,484)**	**469,048,346**	

The changes between the original and final are as a result of reallocations within the budget and the two supplementary budgets passed during the year.

Transfer to Other Government Units: The budget for transfers to other government entities excludes transfer to Assembly as it is not a voted provision in the executive budget. However the Actual transfer of kshs 824,121,996.00 presented in the appropriation combined includeskshs.584, 758,957.00 transferred to the Assembly. This explains the over utilization of Kshs. 582,126,748.00 which is 341 % of the budget.

The entity financial statements were approved on 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas
ICPAK No. 4481

Head of Treasury
Name: CPAVincent Mbito
ICPAK No. 7692

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Exchquer Releases	-	-	-	-	-	
Proceeds From Domestic And Foreign Grants	-	-	-	-	-	
Transfers From Other Government Entities	-	-	-	-	-	
Proceeds From Domestic Borrowings	-	-	-	-	-	
Proceeds From Foreign Borrowings	-	-	-	-	-	
Proceeds From Sale Of Assets	-	-	-	-	-	
Reimbursements And Refunds	-	-	-	-	-	
Returns Of Equity Holdings	-	-	-	-	-	
County Own Generated Receipts	-	-	-	-	-	
Returned Crf Issues	-	-	-	-	-	
TOTAL RECEIPTS	-	-	-	-	-	
PAYMENTS						
Compensation of Employees	-	-	-	-	-	
Use of goods and services	173,441,222	49,900,798	223,342,020	147,820,105	75,521,915	66%
Subsidies	41,860,000	43,762,833	85,622,833	70,770,000	14,852,833	83%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Transfers to Other Government Units	595,935,163	132,361,669	728,296,832	148,007,265	580,289,567	20%
Other grants and transfers	-	-	-	-	-	
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	6,432,650,561	(1,577,932,276)	4,854,718,285	2,208,213,707	2,646,504,578	45%
Finance Costs, including Loan Interest	-	0	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	0	-	-	-	
Other Payments	-	0	-	-	-	
TOTAL PAYMENTS	**7,243,886,946**	**(1,351,906,976)**	**5,891,979,970**	**2,574,811,077**	**3,317,168,893**	**44%**
SURPLUS/(DEFICIT)	**(7,243,886,946)**	**1,351,906,976**	**(5,891,979,970)**	**(2,574,811,077)**	**(3,317,168,893)**	

The changes between the original and final budget are as a result of reallocations within the budget and supplementary budget passed during the year.

Transfer to Other Government Units: The budget for transfers to other government entities excludes transfer to Assembly as it is not a voted provision in the executive budget. However the Actual transfer of kshs 148,007,265.00 presented in the appropriation combined includes kshs.89, 222,397.00 transferred to the Assembly. This explains the over utilization of Kshs. 580,289,567. Which is 20 % of the budget.

The entity financial statements were approved on 30th October, 2019 and signed by:

Chief Officer
Name: CPA Alex Onduko Thomas ICPAK No. 4481

Head of Treasury
Name: CPA Vincent Mbito ICPAK No. 7692

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
	KShs	KShs	KShs	KShs	KShs
	-		-	(112,000)	112,000
0	-		-	(112,000)	112,000
101003060	-		-	-	-
101013060	-		-	-	-
101023060	-		-	-	-
102003060	599,784,723		599,784,723	297,616,683	302,168,040
102013060	-		-	-	-
102023060	-		-	-	-
102033060	-		-	-	-
102053060	439,826,854		439,826,854	140,319,423	299,507,432
102063060	159,957,869		159,957,869	157,297,261	2,660,608
103003060	-		-	3,902,300	(3,902,300)
103013060	-		-	3,902,300	(3,902,300)
103033060	-		-	-	-
103043060	-		-	-	-
104003060	88,155,290		88,155,290	70,419,033	17,736,257
104013060	88,155,290		88,155,290	70,419,033	17,736,257
105003060	24,254,710		24,254,710	18,397,106	5,857,604
105013060	24,254,710		24,254,710	18,397,106	5,857,604
105023060	-		-	-	-
105033060	-		-	-	-
105043060	-		-	-	-
106003060	24,550,000		24,550,000	11,597,000	12,953,000

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
106013060	8,000,000		8,000,000	-	8,000,000
106023060	16,550,000		16,550,000	11,597,000	4,953,000
107003060	95,777,000		95,777,000	68,509,370	27,267,630
107013060	57,055,000		57,055,000	33,354,176	23,700,825
107023060	1,561,000		1,561,000	716,901	844,100
107033060	37,161,000		37,161,000	34,438,294	2,722,706
108003060	77,874,000		77,874,000	36,499,338	41,374,662
108013060	2,042,000		2,042,000	1,704,910	337,090
108023060	40,500,000		40,500,000	19,440,000	21,060,000
108033060	35,332,000		35,332,000	15,354,428	19,977,572
109003060	47,331,000		47,331,000	21,288,460	26,042,540
109013060	3,431,000		3,431,000	3,390,739	40,261
109023060	43,900,000		43,900,000	17,897,721	26,002,279
110003060	-		-	-	-
110013060	-		-	-	-
201003060	-		-	-	-
201033060	-		-	-	-
202003060	448,014,068		448,014,068	79,931,161	368,082,907
202013060	448,014,068		448,014,068	79,931,161	368,082,907
202033060	-		-	-	-
203003060	23,043,571		23,043,571	14,495,283	8,548,289
203013060	23,043,571		23,043,571	14,495,283	8,548,289
301003060	34,391,843		34,391,843	17,064,122	17,327,721
301013060	16,100,000		16,100,000	263,800	15,836,200
301023060	-		-	-	-
301033060	-		-	-	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
301043060	4,805,600		4,805,600	4,125,366	680,234
301053060	13,486,243		13,486,243	12,674,956	811,287
302003060	21,885,190		21,885,190	10,137,159	11,748,031
302013060	-		-	-	-
302023060	21,885,190		21,885,190	10,137,159	11,748,031
303003060	-		-	-	-
303013060	-		-	-	-
303023060	-		-	-	-
304003060	37,016,000		37,016,000	19,909,918	17,106,082
304013060	37,016,000		37,016,000	19,909,918	17,106,082
305003060	653,510,810		653,510,810	543,057,313	110,453,497
305013060	111,582,207		111,582,207	97,317,813	14,264,394
305023060	541,928,603		541,928,603	445,739,500	96,189,103
306003060	119,727,576		119,727,576	24,969,161	94,758,415
306013060	119,727,576		119,727,576	24,969,161	94,758,415
306023060	-		-	-	-
307003060	2,011,700		2,011,700	755,970	1,255,730
307013060	2,011,700		2,011,700	755,970	1,255,730
308003060	41,800,000		41,800,000	25,952,698	15,847,302
308013060	41,800,000		41,800,000	25,952,698	15,847,302
401003060	9,899,750		9,899,750	9,822,518	77,232
401053060	9,899,750		9,899,750	9,822,518	77,232
403003060	2,289,969,418		2,289,969,418	2,166,714,259	123,255,159
403013060	974,927,320		974,927,320	852,670,249	122,257,071
403023060	-		-	-	-
403043060	-		-	-	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
403053060	1,315,042,098		1,315,042,098	1,314,044,010	998,088
404003060	-		-	-	-
404013060	-		-	-	-
405003060	104,488,586		104,488,586	61,526,304	42,962,282
405013060	104,488,586		104,488,586	61,526,304	42,962,282
406003060	119,492,975		119,492,975	31,047,758	88,445,217
406013060	119,492,975		119,492,975	31,047,758	88,445,217
407003060	27,095,970		27,095,970	22,481,646	4,614,324
407013060	27,095,970		27,095,970	22,481,646	4,614,324
408003060	3,482,000		3,482,000	3,443,671	38,329
408013060	3,482,000		3,482,000	3,443,671	38,329
409003060	26,801,000		26,801,000	4,773,776	22,027,224
409013060	26,801,000		26,801,000	4,773,776	22,027,224
410003060	27,206,360		27,206,360	19,857,547	7,348,813
410013060	27,206,360		27,206,360	19,857,547	7,348,813
411003060	-		-	-	-
411013060	-		-	-	-
412003060	503,143,519		503,143,519	247,408,135	255,735,384
412013060	503,143,519		503,143,519	247,408,135	255,735,384
413003060	980,000		980,000	974,051	5,949
413013060	980,000		980,000	974,051	5,949
501003060	439,614,369		439,614,369	87,418,257	352,196,112
501013060	51,392,565		51,392,565	47,556,186	3,836,379
501023060	-		-	-	-
501033060	-		-	-	-
501043060	388,221,804		388,221,804	39,862,071	348,359,733

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
502003060	905,720,422		905,720,422	797,633,944	108,086,478
502013060	584,198,515		584,198,515	476,253,065	107,945,450
502023060	321,521,907		321,521,907	321,380,879	141,028
503003060	148,156,162		148,156,162	36,013,765	112,142,397
503013060	13,354,231		13,354,231	12,887,476	466,755
503023060	134,801,931		134,801,931	23,126,289	111,675,642
504003060	400,000,000		400,000,000	400,000,000	-
504013060	400,000,000		400,000,000	400,000,000	-
703003060	137,432,820		137,432,820	137,342,160	90,660
703013060	-		-	-	-
703023060	137,432,820		137,432,820	137,342,160	90,660
704003060	1,121,562,121		1,121,562,121	1,027,379,103	94,183,018
704013060	711,791,882		711,791,882	723,056,125	(11,264,243)
704023060	-		-	-	-
704033060	9,598,937		9,598,937	6,569,386	3,029,551
704043060	400,171,302		400,171,302	297,753,592	102,417,710
704063060	-		-	-	-
704073060	-		-	-	-
705003060	814,556,965		814,556,965	664,604,037	149,952,928
705013060	302,434,728		302,434,728	301,435,252	999,476
705023060	512,122,237		512,122,237	363,168,786	148,953,452
706003060	38,854,950		38,854,950	38,569,783	285,167
706013060	13,851,321		13,851,321	13,681,088	170,233
706023060	1,980,000		1,980,000	1,974,900	5,100
706033060	-		-	-	-
706043060	18,689,750		18,689,750	18,596,596	93,155

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
706053060	1,633,879		1,633,879	1,632,600	1,279
706063060	2,700,000		2,700,000	2,684,600	15,400
707003060	48,414,618		48,414,618	51,357,737	(2,943,119)
707013060	40,668,158		40,668,158	44,907,063	(4,238,905)
707023060	-		-	-	-
707033060	7,746,460		7,746,460	6,450,674	1,295,786
708003060	7,000,308		7,000,308	7,502,259	(501,951)
708013060	-		-	-	-
708023060	-		-	-	-
708033060	7,000,308		7,000,308	7,502,259	(501,951)
709003060	-		-	-	-
709013060	-		-	-	-
710003060	57,098,507		57,098,507	46,606,074	10,492,433
710013060	20,687,158		20,687,158	20,427,484	259,674
710023060	36,411,349		36,411,349	26,178,590	10,232,759
711003060	31,295,644		31,295,644	30,946,870	348,774
711013060	12,356,389		12,356,389	12,108,983	247,406
711023060	13,260,322		13,260,322	13,251,692	8,630
711033060	5,678,933		5,678,933	5,586,195	92,738
712003060	28,027,393		28,027,393	22,144,455	5,882,938
712013060	8,153,845		8,153,845	7,408,153	745,692
712023060	7,409,250		7,409,250	5,825,530	1,583,720
712033060	4,352,640		4,352,640	3,309,674	1,042,966
712043060	8,111,658		8,111,658	5,601,098	2,510,560
713003060	10,540,263		10,540,263	10,342,629	197,634
713013060	10,540,263		10,540,263	10,342,629	197,634

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
901003060	200,000		200,000	190,000	10,000
901013060	-		-	-	-
901023060	200,000		200,000	190,000	10,000
902003060	-		-	-	-
902043060	-		-	-	-
903003060	16,262,785		16,262,785	16,250,222	12,563
903013060	10,262,785		10,262,785	10,261,115	1,670
903023060	3,000,000		3,000,000	2,990,000	10,000
903033060	3,000,000		3,000,000	2,999,107	893
904003060	28,853,437		28,853,437	8,593,002	20,260,435
904013060	10,691,552		10,691,552	8,593,002	2,098,550
904023060	-		-	-	-
904033060	18,161,885		18,161,885	-	18,161,885
905003060	212,131,778		212,131,778	71,341,900	140,789,878
905013060	-		-	-	-
905023060	212,131,778		212,131,778	71,341,900	140,789,878
906003060	137,452,865		137,452,865	108,287,579	29,165,286
906013060	29,222,893		29,222,893	29,020,609	202,285
906023060	108,229,972		108,229,972	79,266,970	28,963,002
1001003060	600,898,492		600,898,492	129,021,974	471,876,518
1001013060	-		-	-	-
1001023060	212,614,256		212,614,256	24,446,344	188,167,912
1001033060	103,566,664		103,566,664	14,849,011	88,717,653
1001043060	212,225,678		212,225,678	55,810,653	156,415,025
1001053060	-		-	-	-
1001063060	72,491,894		72,491,894	33,915,966	38,575,928

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018		2018	Date, 2018	
1002003060	929,321,116		929,321,116	375,541,757	553,779,359
1002013060	20,859,720		20,859,720	20,133,352	726,368
1002023060	908,461,396		908,461,396	355,408,405	553,052,991
		Grand Total	**11,565,082,074**	**7,899,527,246**	**3,665,554,829**

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

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and complies with PFM Act 2012 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 Kwale County Government - Executive. 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. The County recognises its own generated revenue once they are swiped to CRF account. Revenue collection accounts have been disclosed under 5.10 – Other important disclosures.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 once they are swiped to CRF Account.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2019, this amounted to KShs 33,851,167 compared to KShs 57,583,078 in prior period as indicated on note 23.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity's 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 30th June, 2018 for the period 1st July 2018 to 30th June 2019 as required by law. There were two supplementary budgets passed in the year. A high-level assessment of the entity'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.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	376,800,000	101,852,012
Total Exchequer Releases for quarter 2	1,333,367,121	1,712,518,747
Total Exchequer Releases for quarter 3	2,960,703,596	2,080,419,999
Total Exchequer Releases for quarter 4	3,591,986,976	3,878,126,630
Total	**8,262,857,693**	**7,772,917,388**

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows: (The totals of A, B and C below should equal the total exchequer releases).

1A. Equitable Share

Description	2018/2019	2017/2018
	KShs	KShs
Total Equitable Share for quarter 1	376,800,000	-
Total Equitable Share for quarter 2	1,205,760,000	1,667,040,000
Total Equitable Share for quarter 3	2,826,000,000	1,993,200,000
Total Equitable Share for quarter 4	3,127,440,000	3,587,760,000
Total	**7,536,000,000**	**7,248,000,000**

1B: Level 5 Hospitals Allocation

Description	2018/2019	2017/2018
	KShs	KShs
Transfers for level 5 hospitals	**0**	**0**
Total	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2018/2019	2017/2018
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	24,300,000	
World Bank – THUSCP	57,611,665	
National Agricultural & Rural Inclusive Growth Project (NARIGP)	50,078,476	
Kenya Devolution Support Programme	-	
Youth Polytechnic support grant	31,604,300	
Abolishment of user fees in health centres and dispensaries	-	
Kenya Urban Support Programme	91,200,000	
Agriculture Sector Development Support Project (ASDSP)	8,424,317	
Kenya Climate Smart Agriculture Project (KCSAP)	-	
KENYA ROADS BOARD (road maintanance levy fund)	198,416,316	
NATIONAL GOVERNMENT (user fees forgone)	15,209,593	
NATIONAL GOVERNMENT (medical equipments)	200,000,000	
EU Grant - IDAS	50,013,026	
Total	**726,857,693**	

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2017 – 2018
			KShs
Grants Received from Bilateral Donors (Foreign Governments)			
(Insert name of donor)			
(Insert name of donor)			
Grants Received from Multilateral Donors (International Organisations)			

DANIDA			22,938,413
WORLD BANK			
Grants Received from other levels of government			
Health Sector Support Project {HSSP}			
Kenya Devolution Support Programme {KDSP} Level 1 grant			47,394,016
Universal Health Care Project			
Transforming health systems for Universal Health Care Project			30,679,771
National Agriculture and Rural Inclusive Growth Project { NARIGP}			50,609,855
KENYA ROADS BOARD (road maintanance levy fund)			218,390,207
NATIONAL GOVERNMENT (user fees forgone)			15,397,612
NATIONAL GOVERNMENT (free maternal health care)			
NATIONAL GOVERNMENT (medical equipments)			95,744,681
NATIONAL GOVERNMENT (Conditional Allocation For Development Of Youth Polytechnics)			43,762,833
Total			**524,917,388**

(Include a brief explanation on grants received, from whom and for what purpose)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	KShs	KShs
Transfers from Central government entities		
Transfers from Counties		
TOTAL		

(Give a brief description of what the transfers relate to and from whom they were received)

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2018 - 2019	2017 - 2018
	KShs	KShs
Borrowing within General Government		
Borrowing from Monetary Authorities (Central Bank)		
Other Domestic Depository Corporations (Commercial Banks)		
Borrowing from Other Domestic Financial Institutions		
Borrowing from Other Domestic Creditors		
Domestic Currency and Domestic Deposits		
Total		

(Give a brief description of the nature and sources of borrowings including any assets pledged as security)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

	2018- 2019	2017 – 2018
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

(Give a brief explanation relating to sources of funds, interest charged and terms of repayment)

6. PROCEEDS FROM SALE OF ASSETS

	2018 – 2019	2017 – 2018
	KShs	KShs
Receipts from Insurance Compesation- Motor vehicles		3,580,000
Receipts from the Sale of Buildings		
Receipts from Sale of Vehicles and Transport Equipment		
Receipts from Sale of Plant Machinery and Equipment		
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from Sale of Strategic Reserves Stocks		
Receipts from Sale of Inventories, Stocks and Commodities		
Disposal and Sales of Non-Produced Assets		
Receipts from the Sale of Strategic Reserves Stocks		
Total	-	**3,580,000**

7. REIMBURSEMENTS AND REFUNDS

	2018 - 2019	2017 – 2018
	KShs	KShs
Refund from World Food Programme (WFP)		
Reimbursement of Audit Fees		
Reimbursement on Messing Charges (UNICEF)		
Reimbursement from World Bank – ECD		
Reimbursement from Individuals& Private Organisations		

Reimbursement from Local Government Authorities		
Reimbursement from Statutory Organisations		
Reimbursement within Central Government		
Reimbursement Using Bonds		
Total		

(Give a brief description on what the refunds relate to)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2018 - 2019	2017 – 2018
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations		
Returns of Equity Holdings in International Organisations		
Total		

(State briefly from which entities dividends or interest is derived from)

9. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 – 2018
	KShs	KShs
Interest received		
Profits and Dividends		
Rent		-
Plan approvals		
Property Income	52,156,536	
Sales of Market Establishments		
Receipts from Administrative Fees and Charges	2,434,252	3,798,234
Receipts from Administrative Fees and Charges - Collected as AIA		
Receipts from Sales by Non-Market Establishments		
Receipts from Sale of Incidental Goods		
Fines, Penalties and Forfeitures		
Receipts from Voluntary transfers other than grants		
Business permits	69,536,520	60,671,524
Cess	8,597,053	10,967,934
Poll rates		40,176,080
Plot rents	3,297,009	2,183,356
Local levies		-
Administrative services fees	3,230,732	2,664,265
County's natural resources		15,578,472
Sales of County assets		
Lease / rental of council's Infrastructure assets	1,175,500	980,000
Insurance claims recovery		
Medium term loans (1-3 yr repayment)		
Long term loans (over 3 yr repayment)		
Transfers from reserve funds		
Donations		
Fund raising events		

Market/trade Centre fee	11,886,140	11,630,781
Vehicle parking fees	15,301,919	10,383,549
Housing	2,701,526	2,310,883
Social premises use charges		
School fees		
Other education-related receipts		
Public health services	10,887,706	7,300,290
Public health facilities operations	95,874,013	35,672,090
Environment & conservancy Administration		2,109,200
Slaughter houses administration	529,807	852,294
Water supply administration		
Sewerage administration		
Other health & sanitation receipts		
Technical services fees	17,349,263	16,567,776
External services fees		
Other miscellaneous receipts	2,185,681	2,075,731
Various fees	131,000	288,000
Councils natural resource Exploitation	17,750,524	
Total	**315,025,182**	**226,210,459**

(This section should include all classes of revenues raised by the County Government. The section may be tailored to reflect the classes of revenue for each County. In addition, the preparers of the financial statements should endeavour to classify all revenues and avoid lumping up revenues under the class of other miscellaneous receipts. Comment on the performance of the own generated funds between the two years)

10. RETURNED CRF ISSUES

	2018 - 2019	2017 – 2018
	KShs	KShs
Recurrent account		
Development account		
Deposit account		
Total		

(State what the refunds relate to and when they were appropriated for use)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 – 2018
	KShs	KShs
Basic salaries of permanent employees	2,558,962,506	2,255,003,997
Basic wages of temporary employees	10,237,764	26,684,571
Personal allowances paid as part of salary	300,000	
Personal allowances paid as reimbursements	-	
Personal allowances provided in kind	-	
Pension and other social security contributions	-	
Compulsory national social security schemes	-	
Compulsory national health insurance schemes	-	
Social benefit schemes outside government	-	
Other personnel payments	-	
Total	**2,569,500,270**	**2,281,688,568**

(Give brief explanation including the comparative number of employees)

12. USE OF GOODS AND SERVICES

	2018 - 2019	2017 – 2018
	KShs	KShs
Utilities, supplies and services	48,715,656	33,460,976
Communication, supplies and services	13,737,765	10,512,516
Domestic travel and subsistence	282,828,636	199,775,591
Foreign travel and subsistence	1,179,140	3,887,986
Printing, advertising and information supplies & services	54,370,121	42,968,682
Rentals of produced assets	17,147,818	6,876,407
Training expenses	29,434,018	36,685,680
Hospitality supplies and services	119,844,091	153,976,954
Insurance costs	141,139,952	44,164,657
Specialized materials and services	369,791,264	248,174,737
Office and general supplies and services	41,918,073	20,001,059
Other operating expenses	193,791,851	201,089,904
Routine maintenance – vehicles and other transport equipment	70,816,472	56,165,434
Routine maintenance – other assets	71,391,747	50,624,054
Fuel,oil and lubricants	142,679,265	92,070,583
Total	**1,598,785,870**	**1,200,435,220**

(Give a brief explanation of this category of expenses)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2018 - 2019	2017 – 2018
	KShs	KShs
Subsidies to Public Corporations	-	
Grants to Youth Polytechnics	70,770,000	
	-	
Subsidies to Private Enterprises	-	
TOTAL	**70,770,000**	**-**

(Give explanation of the nature of subsidies and the kind of services that have been subsidised)

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Transfers to Central government entities	-	
	-	
Transfers to Other Counties	-	
Transfer to county assembly	673,981,354	541,730,108
Trade	18,863,802	
Community	26,061,151	
Health	136,351,788	
NARIG	39,921,066	
KDSP	76,950,100	
Transfers to National Government entities		
Transfer to the Council of Governors		
TOTAL	**972,129,262**	**541,730,108**

(Provide the nature and purpose of transfers and are these transfers to be recovered)

15. OTHER GRANTS AND PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Scholarships and other educational benefits	400,000,000	371,955,531
Emergency relief and refugee assistance	-	20,083,102
Subsidies to small businesses, cooperatives, and self employed	-	-
Other current transfers, grants	-	125,491,050
Total	**400,000,000**	**517,529,683**

(Provide explanation as to what other grants and payments relate to and who is the beneficiary)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

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

(Explain where the benefits are remitted and who the beneficiaries are)

17. ACQUISITION OF ASSETS

Non- Financial Assets	2018 – 2019	2017 – 2018
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	45,349,441	256,318,923
Refurbishment of Buildings	-	6,065,734
Construction of Roads	53,491,613	83,488,684
Construction and Civil Works	73,085,138	154,336,623
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	47,495,958	78,987,314
Overhaul of Vehicles and Other Transport Equipment	1,810,000	-
Purchase of Household Furniture and Institutional Equipment	17,333,746	28,015,929
Purchase of Office Furniture and General Equipment	35,709,540	31,014,858
Purchase of ICT Equipment	28,841,225	771,000
Purchase of Specialized Plant, Equipment and Machinery	268,500,594	144,751,521
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	51,729,990	60,915,633
Research, Studies, Project Preparation, Design & Supervision	466,121	-
Rehabilitation of Civil Works	144,914,474	266,412,352
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	3,625,000
Acquisition of Intangible Assets	799,000	
Total acquisition of non- financial assets	**769,526,839**	**1,114,703,571**
	-	
Financial Assets	-	
Domestic Public Non-Financial Enterprises	-	

Domestic Public Financial Institutions	-	
Domestic Payables - From Previous Years	1,511,692,321	1,123,557,991
Total acquisition of financial assets	**1,511,692,321**	**1,123,557,991**
Total acquisition of assets	**2,281,219,160**	**2,238,261,562**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2018 – 2019	2017 – 2018
	KShs	KShs
Exchange Rate Losses		
Interest Payments on Foreign Borrowings		
Interest Payments on Guaranteed Debt Taken over by Govt		
Interest on Domestic Borrowings (Non-Govt)		
Interest on Borrowings from Other Government Units		
Total		

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2018 – 2019	2017 – 2018
	KShs	KShs
Repayments on Borrowings from Domestic		
Principal Repayments on Guaranteed Debt Taken over by Government		
Repayments on Borrowings from Other Domestic Creditors		
Repayment of Principal from Foreign Lending & On – Lending		
Total		

20. OTHER PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Budget Reserves	-	
Civil Contingency Reserves	10,000,000	385,000
Other payments	-	
Total	**10,000,000**	**385,000**

(Provide explanation as to what each component of other expenses relate to)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2018 – 2019	2017 – 2018
				KShs	KShs
CBK Development 1000170476	kes	Development		26,543,172	45,831,093
CBK Recurrent 1000170441	kes	Recurrent		3,237,009	16,910,584
CBK Revenue Account 1000170697	kes	Revenue		2,473,909,686	2,054,712,326
CBK Special Purpose Account 1000282223	kes	Recurrent		34,162,403	15,034,606
CBK Deposit No 1000230649	kes	Deposit		33,851,167	57,583,078
CBK NARIG A/C No. 1000366807	kes	SPA		6,500,000	50,609,855
CBK Village Polytechnic Project Grant A/C No. 1000370114	kes	SPA		4,597,133	
CBK Road Maintenance Levy A/C No. 1000325526	kes	SPA		181,077,440	36,035,369
CBK ASDSP A/C No. 1000366818	kes	SPA		-	3,000,000
CBK Gratuity A/C No.1000335912	kes	SPA		4,597,931	
CBK Kenya Urban Support Program A/C No.1000385863				50,000,000	
CBK IDEAS LED Project A/C No.1000399918				44,136,198	
KCB A/C No. 1169373439 - Hospital	kes	Revenue			11,982,480

KCB A/C No. 1169372139 - SBP	kes	Revenue			37,981,180
KCB A/C No. 1140770241 - Land Rates	kes	Revenue			(51,310,539)
KCB A/C No. 1169373054 - Cess	kes	Revenue			12,856,698
KCB A/C No. 1140750674-Finance	kes	Recurrent		289	136
Equity Bank Account No: 1580282364648 - Agriculture	kes	Recurrent		3,466	
National bank Ukunda No 01041212084800- Agriculture {NARIG}	kes	Development		69,254,027	
National bank Ukunda No 01040207184000 - Agriculture {ASDSP}	kes	Development		10,932,210	
Equity Bank Imprest A/C no.1580262364715 - Lands	kes	Recurrent			-
NBK A/C No. 01001068080600 Kwale County Lands, PP and Natural resources Dvpt. - Lands	kes	Development			-
KCB Kinango Hospital A/C No.1146764049 - Health	kes	Recurrent		2,580	3,664
KCB Kwale Hospital A/C No.1146697198 - Health	kes	Recurrent		2,294	1,804
KCB Msambweni Hospital A/C No.1147035764 - Health	kes	Recurrent		1,680,597	5,885
Chief Officer Health A/C No.1171164890 - Health	kes	Recurrent		2,893	2,054
NBK Kwale medical & public health services 01001068087400 - Health	kes	Development		-	1,272
KCB Lunga Lunga sub county hospital	kes	Recurrent		1,837	

1107465605					
CBK Development - A/C 1000282568 - county assembly	Kshs	Development			
CBK Recurrent - A/C 1000241567 - county assembly	Kshs	Recurrent			
CBK Deposit - A/C 1000282557 - county assembly	Kshs	Deposit			
Cash Transfer to CRF					
Equity A/C No.1580261591172 - Assembly development	kes	Development			
KCB A/C No.11421128148 - County Assembly	kes	Recurrent			
Equity A/C No. 1580262364612 - Trade	kes	Recurrent			0
Equity A/C No.1580262364674 - Community Development	kes	Recurrent		1	1
National bank of kenya A/C 0100608076500 - Community Development	kes	Development			
Equity A/C No.1580262720863 - Executive Services	kes	Recurrent		6,038	
Equity Bank Limited Chief Officer Education & HR Development A/C.15080262720511	kes	Recurrent			
Equity A/C No. 1580262720291-Water	kes	Recurrent		1,363	9,659
National bank Ukunda No 01001068083100 Kwale County Water Services Development	kes	Development		51	550
Equity Bank Ltd Account no. 1580262720374-Infrastructure	kes	Recurrent		1,821	24,645
National bank of kenya	kes	Development			

ltd 1001068082900 - Kwale county Infrastructure devt bank;					1,550
National bank of kenya ltd 1001068082700 - Kwale county road maintenance levy;	kes	Development			1,550
KCB A/C Chief Officer Infrastructure Grant, A/C NO.:1170334512		Recurrent		1,266	5,466
Equity Bank A/C No.1580262720406 - ICT	kes	Recurrent			7
National Bank A/C No 01001068079000 - ICT Development acc	kes	Development			-
Equity A/C No. 1580262720914 - County Public Service Board	kes	Recurrent		-	
Equity Decentralized A/C No.1580262364693 - PSA	kes	Recurrent		2,475	
Family Bank - Car loan and Mortgage Fund A/C 095000038226	kes				
Total				**2,944,505,344**	**2,291,284,974**

*(*Amount should be as per amount in the cash book and bank reconciliation statements prepared for each account held)*

21B. CASH IN HAND

	2018 – 2019	2017 – 2018
	KShs	KShs
Cash in Hand – Held in domestic currency	205,672	145,548
Cash in Hand – Held in foreign currency		
Total	**205,672**	**145,548**

Cash in hand should also be analysed as follows:

	2018 – 2019	2017 – 2018
	KShs	KShs

Finance Cash office		43,290
Health Dept- Kinango Hospital	99,361	91,335
Health Dept- Kwale Hospital	160	145
Health Dept- Chief Officer health Administration	73,600	10,778
Msambweni Hospital	32,551	
Total	**205,672**	**145,548**

[Provide cash count certificates for each]

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2018 – 2019	2017 – 2018
	KShs	KShs
STAFF ADVANCES		
Finance	3,295,212	
Agriculture	206,000	
Lands		
Health	415,926	
County Assembly		
Trade	4,800	908
Community Devt.	150,000	316,145
Executive Services	2,138,663	842,960
Education	1,025,994	
Water	256,000	
Infrastructure	129,400	
Ict	25,000	
County Public Service Board		969,000
Public Service & Admin	603,658	1,159,243
TOTAL ADVANCES	**8,250,653**	**3,288,256**
GOVERNMENT IMPRESTS		
Finance		2,056,973
Agriculture		956,800
Lands		
Health		208,205
County Assembly		
Trade		270,500
Community Devt.		602,830
Executive Services		534,000
Education		243,867
Water		5,000
Infrastructure		84,724
Ict		
County Public Service Board		
Public Service & Admin		1,533,590
TOTAL IMPRESTS	**-**	**6,496,489**
TOTAL IMPRESTS & ADVANCES	**8,250,653**	**9,784,745**

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

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

23. ACCOUNTS PAYABLE

	2018 – 2019	2017 – 2018
	KShs	KShs
Deposits	33,851,167	57,583,078
Retention monies		
Total	**33,851,167**	**57,583,078**

[Provide short appropriate explanations as necessary]

24. FUND BALANCE BROUGHT FORWARD

	2018 – 2019	2017 – 2018
	KShs	KShs
Bank accounts	2,291,284,974	1,080,701,658
Cash in hand	145,548	250,761
Accounts Receivables	9,784,745	6,238,489
Accounts Payables	(57,583,078)	(66,236,424)
Total	**2,243,632,188**	**1,020,954,483**

[Provide short appropriate explanations as necessary]

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

Description of the error	2018 – 2019	2017 – 2018
	KShs	KShs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (*specify*)		

5.10. OTHER IMPORTANT DISCLOSURES

1. OUTSTANDING COMMITMENTS (See Annex 2)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	1,184,848,484	1,981,465,448	1,931,613,822	1,234,700,110
Construction of civil works	921,102,006	1,253,818,735	842,937,940	1,331,982,801
Supply of goods	136,424,951	255,145,702	198,159,343	193,411,310
Supply of services	61,454,951	1,230,100,536	1,286,979,860	4,575,627
Total	**2,303,830,392**	**4,720,530,421**	**4,259,690,965**	**2,764,669,848**

2. PENDING STAFF PAYABLES (See Annex 3)

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

3. OTHER PENDING PAYABLES (See Annex 4)

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

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

4. ANALYSIS OF DOMESTIC PAYABLES (See Note 17)

	2018 – 2019
	KShs
Purchase of Buildings	-
Construction of Buildings	503,067,785
Refurbishment of Buildings	-
Construction of Roads	-
Construction and Civil Works	296,260,396
Overhaul and Refurbishment of Construction and Civil Works	-
Purchase of Vehicles and Other Transport Equipment	-
Overhaul of Vehicles and Other Transport Equipment	-
Purchase of Household Furniture and Institutional Equipment	-
Purchase of Office Furniture and General Equipment	18,074,092
Purchase of ICT Equipment	30,427,204
Purchase of Specialized Plant, Equipment and Machinery	24,533,714
Rehabilitation and Renovation of Plant, Machinery and Equip.	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	4,490,000
Research, Studies, Project Preparation, Design & Supervision	14,677,536
Rehabilitation of Civil Works	568,507,886
Acquisition of Strategic Stocks and commodities	-
Acquisition of Land	6,500,000
Acquisition of Intangible Assets	28,567,175
Others	3,856,500
Insurance Costs	-
Office and General Supplies and Services	-
Specialised Materials and Supplies	12,730,031
Total	**1,511,692,319**

5. 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

	20xx- 20xx	20xx- 20xx
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
Transfers to related parties		
Transfer to the County Assembly	-	-
Transfers to other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to non reporting entities e.g schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government		
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

6. 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	Balance as at 30TH June, 2019
Bursary Fund	2014-2015	County Headquaters	Chief Officer Education- Mishi Salim	263,176
Community Youth and Women Fund	18-Feb-15	Kwale HQ Culture Centre	Chief Officer Community -Sylvia Chidodo.	20,141,899
Kwale County Disaster Management Fund	2016	County Headquaters	Chief Officer Finance – Alex	21,228,783.85

			Onduko	
Trade Revolving Fund	2014	County Headquaters	Chief Officer Trade – Mwinzangu Mwamunga	24,439,232.00

7. REVENUE COLLECTION ACCOUNTS

Name of Bank, Account No. & currency	Amount in bank account currency *	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2018 – 2019	2017 – 2018
				KShs	KShs
KCB A/C No. 1169373439 - Hospital	kes	Revenue		19,056,756	11,982,480
KCB A/C No. 1169372139 - SBP	kes	Revenue		43,037,739	37,981,180
KCB A/C No. 1140770241 - Land Rates	kes	Revenue		(73,134,020)	(51,310,539)
KCB A/C No. 1169373054 - Cess	kes	Revenue		7,041,263	12,856,698

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.0	Variance between Financial statements and IFMIS balances	Expenditure which had not posted to the IFMIS ledger were update	Alex Onduko Chief Officer, Finance	Resolved	
2.1	Other operating expenses	Procurement procedure followed, minutes attached plus proceedings	Alex Onduko Chief Officer, Finance	Resolved	
2.2	Unsupported expenditure	Attachments for expenditure provided	Alex Onduko Chief Officer, Finance	Resolved	
3.1	Acquisition of land	Documents of ownership provided	Alex Onduko Chief Officer, Finance	Resolved	
3.2	Construction of roads	Actual works paid for is of 1 Km	Alex Onduko Chief Officer, Finance	Resolved	
3.3	Rehabilitation of civil works	Measured works submitted	Alex Onduko Chief Officer, Finance	Resolved	
3.4.1	Jasini cause way	Measured works provided	Alex Onduko Chief Officer, Finance	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
3.4.2	Purchase of drilling material, chemicals, tools and accessories	Number of boreholes drilled provided and procurement from stores provided	Alex Onduko Chief Officer, Finance	Resolved	

Guidance Notes:

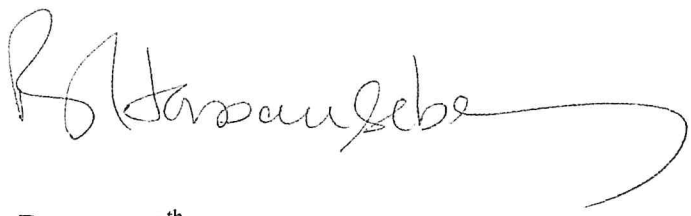
(i) Use the same reference numbers as contained in the external audit report;

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

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

CEC, County Treasury



Date.....30th October, 2019....

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Other transfers- Donor funds transferred through exchequer	Total Transfers from the National Treasury/ Exchequer
Exchequer Releases for quarter 1	376,800,000			-	376,800,000
Exchequer Releases for quarter 1	1,205,760,000			127,607,121	1,333,367,121
Exchequer Releases for quarter 1	2,826,000,000			134,703,596	2,960,703,596
Exchequer Releases for quarter 1	3,127,440,000			464,546,976	3,591,986,976
Total	**7,536,000,000**	-	-	**726,857,693**	**8,262,857,693**

ANNEX 2 – ANALYSIS OF OUTSTANDING COMMITMENTS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
	A	B	c	d=a-c		
Construction of buildings						
Finance	-					
Agriculture	80,751,726	-	32,596,132	48,155,594	23,772,347	
Lands	-		-	-	1,530,132	
Health	993,280,956	-	526,117,338	467,163,618	340,276,060	
County Assembly	-					
Trade	88,397,137		11,584,918	76,812,219		
Community Devt.	83,362,303		63,378,094	19,984,210		
Executive Services	574,808,563	-	514,738,203	60,070,360	143,871,487	
Education	1,309,448,015	-	747,376,106	562,071,909	465,990,199	
Water	-					
Infrastructure	-					
Ict	-					
County Public Service Board	-					
Public Service & Admin	36,265,232	-	35,823,032	442,200	19,568,173	
Sub-Total	**3,166,313,932**	**-**	**1,931,613,822**	**1,234,700,110**	**995,008,399**	
Construction of civil works						
Finance	16,218,972		-	16,218,972	16,218,973	
Agriculture	13,102,077	-	1,529,118	11,572,959	1,660,007	
Lands	84,289,382		-	84,289,382	-	
Health	-					
County Assembly	-					
Trade	9,555,292		3,614,068	5,941,224		
Community Devt.	244,258,975		102,490,651	141,768,324	-	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
Executive Services	-					
Education	-					
Water	1,030,839,330		409,669,761	621,169,569	445,012,747	
Infrastructure	698,740,855	-	285,911,328	412,829,527	343,201,863	
Ict	69,855,406		39,723,014	30,132,392	45,576,113	
County Public Service Board	-					
Public Service & Admin	8,060,452			8,060,452		
Sub-Total	**2,174,920,741**	**-**	**842,937,940**	**1,331,982,801**	**851,669,704**	
Supply of goods						
Finance	4,750,000		-	4,750,000	8,853,527	
Agriculture	50,395,727	-	5,206,873	45,188,854	10,341,473	
Lands	35,020,270		19,381,600	15,638,670	3,100,000	
Health	170,316,490	-	100,586,544	69,729,946	51,282,739	
County Assembly	-					
Trade	14,550,444		-	14,550,444	14,550,444	
Community Devt.	9,272,893		5,799,072	3,473,821	-	
Executive Services	-					
Education	56,485,253	-	35,181,960	21,303,293	49,744,416	
Water	-	-	-	-	-	
Infrastructure	-					
Ict	15,659,942		7,083,660	8,576,282	3,438,005	
County Public Service Board	-					
Public Service & Admin	35,119,634		24,919,634	10,200,000	4,160,000	
Sub-Total	**391,570,653**	**-**	**198,159,343**	**193,411,310**	**145,470,604**	
Supply of services						
Finance	28,198,244		23,861,617	4,336,627		
Agriculture	-					
Lands	1,263,118,243		1,263,118,243		1,142,610,911	

COUNTY GOVERNMENT OF KWALE - EXECUTIVE
Reports and Financial Statements
For the year ended June 30th, 2019

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
Health	-				3,442,742	
County Assembly	-					
Trade	-					
Community Devt.	239,000			239,000		
Executive Services	-					
Education	-					
Water	-					
Infrastructure	-					
Ict	-					
County Public Service Board	-					
Public Service & Admin	-					
Sub-Total	**1,291,555,487**	**-**	**1,286,979,860**	**4,575,627**	**1,146,053,653**	
Grand Total	**7,024,360,813**	**-**	**4,259,690,965**	**2,764,669,848**	**3,138,202,360**	

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land	37,994,440	6,500,000	-	-	44,494,440
Buildings and structures	4,666,670,671	1,305,715,808	-	-	5,028,775,681
Transport equipment	148,841,352	49,305,958	-	-	206,990,989
Office equipment, furniture and fittings	112,810,729	64,552,644	-	-	174,226,142
ICT Equipment	162,368,157	61,482,860	-	-	222,493,119
Machinery and Equipment	423,535,980	295,874,739	-	-	542,088,179
Heritage and cultural assets	31,742,082	8,202,100	-	-	42,461,882
Biological assets	-	50,205,990	-	-	50,205,990
Intangible assets	186,141,717	48,977,799	-	-	235,844,617
Infrastructure assets- Roads, Rails	-	-	-	-	-
Work in progress	-	389,935,140	-	-	389,935,140
Research and Designs	30,416,417	466,121	-	-	292,199,865
Total	**5,800,521,546**	**2,281,219,160**	-	-	**7,229,716,043**

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.)

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	69,548,182	259,436,987	127,526,660	217,469,525	673,981,354	0	0	
2	Kwale County Disaster Management fund	0	0	0	10,000,000	10,000,000	0	0	
3	Kwale County Bursary Fund	50,000,000	250,000,000	100,000,000	0	400,000,000	0	0	
	Total					**1,083,981,354**			

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

From Date : 01-JUN-19 To : 30-JUN-19 Too Many row

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000170697

Balance as per bank certificate	1,711,638,897.80
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	799,709,989.00
4. Receipts in Cash Book not yet Recorded in Bank Statement	1,246,960,000.00
Bank Balance as per Cash Book	3,758,308,886.80

Reconciled by: ..... Signature: ..... Date: .....

Reviewed by : ..... Signature: ..... Date: .....

Approved by: ..... Signature: ..... Date: .....

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

From Date : 01-JUN-19 To : 30-JUN-19 Too Many row

Bank : Central Bank of Kenya , Branch : Head Office , Account Number : 1000170697

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque		Payee	Amount
No	Date		
		Total :	

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts			Amount
No	Date		
		Total :	

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque			Amount
No	Date		
NONREF	21-JUN-19	Transfer	354,557,505.00
NONREF	21-JUN-19	Transfer	18,000,000.00
NONREF	21-JUN-19	Transfer	35,485,606.00
NONREF	21-JUN-19	Transfer	341,666,878.00
NONREF	21-JUN-19	Transfer	50,000,000.00
		Total :	**799,709,989.00**

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts			Amount
No	Date		
FT19186FJKJ4	30-JUN-19		602,880,000.00
FT19186JPNM7	30-JUN-19		602,880,000.00
FT19184WQQVN	30-JUN-19		41,200,000.00
		Total :	**1,246,960,000.00**

STATEMENT OF RECEIPTS AND PAYMENTS

Entity: 3060-Kwale County

Current Period: JUL-18 To JUN-19

Compare With: JUL-17 To JUN-18

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	247,709,213.00	22,938,413.00
Exchequer releases	4	8,234,700,634.00	7,789,730,108.00
Transfers from Other Government Entities	5	479,148,479.80	406,234,293.40
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	315,025,181.95	218,380,150.00
TOTAL RECEIPTS		**9,276,583,508.75**	**8,437,282,964.40**
PAYMENTS			
Compensation of Employees	12	2,810,012,001.70	2,471,852,592.45
Use of goods and Services	13	1,929,309,586.15	1,468,301,800.30
Subsidies	14	70,770,000.00	0.00
Transfers to Other Government Units	15	298,147,907.50	152,734,193.45
Other Grants and Transfers	16	400,000,000.00	370,500,000.00
Social Security Benefits	17	0.00	0.00
Acquisition of Assets	18	2,374,787,750.15	2,285,881,742.25
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	10,000,000.00	385,000.00
TOTAL PAYMENTS		**7,893,027,245.50**	**6,749,655,328.45**
SURPLUS/DEFICIT		1,383,556,263.25	1,687,627,635.95

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____ Date: _____

Reviewed By: _____ Date: _____

Approved By: _____ Date: _____