REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF NAROK

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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COUNTY GOVERNMENT OF NAROK
(EXECUTIVE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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1. KEY NAROK COUNTY GOVERNMENT INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

Narok 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 Town Council of Narok, defunct County Council of Narok and defunct County Council of TransMara. It also provides the services 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

"Economic Transformation for a Shared Prosperity."

Mission

"To enhance sustained socio-economic growth through optimal utilization of resources to improve the quality of life for County residents."

Core Values

Narok County upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity, professionalism and team work.

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. Samuel Kuntai Tunai	Governor	3 March 2013
2.	H.E. Everlyne Chepkurui Aruasa	Deputy Governor	3 March 2013
3.	Hon. Morgan M. Siloma	CEC, Finance and Economic Planning	Transferred to Finance on 5 August 2015 (from Roads, Transport and Public works) Re appointed for the second term 11th

			December 2017
4.	Hon. Vivian M. Sereti	CEC, Health Services	5 April 2013 (Transferred from Roads) Re appointed for the second term 11th December 2017
5.	Hon. Joseph Kantet Koila	CEC, Trade, Tourism and Industry	11th December 2017
6.	Hon. Ezekiel Rono	CEC, Transport and Infrastructure	Re appointed for the second term 11th December 2017
7.	Hon. Julius M. Tompo	CEC, Lands, Housing and Physical Planning Ag. CES, Administration, Coordination of decentralised services, Disaster & Public Service Management.	11th December 2017
8.	Hon. Everline K. Cherotich	CEC Agriculture, livestock & Fisheries	11th December 2017
10.	Hon. John Marindany	CEC, Education, Youth Affairs, Sports and Culture	5 April 2013 (transferred to Trade, Tourism and Industry on 10 October 2015) Re appointed for the second term 11th December 2017
11	Hon Job Kiyapi	CEC, Environment water and Natural resources	11th December 2017
12.	Hon. George Supeyo	CEC, Tourism and Wildlife	11th December 2017

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.	Name	Designation
1.	Hon. Morgan M. Siloma (MBA)	CEC, Finance and Economic Planning
2.	CPA.Dennis ParsoiLetiet, CPA (K) Bcom	Chief Officer, Finance and Economic Planning
3.	Mr. Walter Onkundi Chanua BBM, CPA(K)	Assistant Director and Ag. Head of treasury, Accounting
4.	Mrs. Rhoda Uka, BCOM, CPA (K)	Chief Accountant

d) Fiduciary Oversight Arrangements

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

1. County Assembly of Narok County;
2. Audit Committee;
3. Public Accounts Committee; and
4. Budget and Appropriations Committee.

e) Narok County Government Headquarters

P.O. Box 898 - 00100
Narok County Building/House/Plaza
Narok-Nakuru Road
Narok, Kenya

f) Narok County Government Contacts

Telephone: (254) 715372004
E-mail: info@narokCcountygovernment.go.ke
Website: www.narok.go.ke

g) Narok County Government Bankers

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

2. Kenya Commercial Bank

Narok Branch,
P.O. Box 406 - 20500
Narok, Kenya

3. Cooperative Bank of Kenya,
   Narok Branch,
   P.O Box 632 – 20500
   Narok, Kenya

4. NCBA
   Narok Branch,
   P.O.Box
   Narok

5. SBM
   Narok Branch

6. Family Bank,
   Narok Branch

7. Trans national Bank
   Narok Branch

8. National Bank of Kenya
   Narok Branch
   P. O. Box 348-20500
   Narok

h. Independent Auditors

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

i. Principal Legal Adviser

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

I. KEY MANAGEMENT

The County Executive team during the financial year consisted of:

H.E. Samuel Kuntai Tunai – Governor

H.E. Samuel K. Tunai, EGH was elected the first Governor of Narok County on 3 March 2013. The governor was elected on an agenda of uplifting the living standards of the people of Narok County residents, improving the county roads, boosting agricultural output, improving the health sector and uplifting the people of Narok County from poverty. It is on these key pillars that the government of H.E. Samuel Tunai has been working on since coming into power.

Governor Tunai holds a Bachelor's Degree from the University of Nairobi. Before his election as the governor, he served as the Director of Intelligence for National Intelligence Service.

H.E. Evalyn Chepkirui Aruasa – Deputy Governor

H.E. Evalyn Chepkirui Aruasa was elected as the first Deputy Governor of Narok County. She has an LLB from Moi University and LLM from Indiana States University. She also has a Diploma from the Kenya School of Law.

The Deputy Governor is passionate with girl child empowerment and she is keen on enhancing such programs throughout the county.

Mr. Morgan M. Siloma - CEC, Finance and Economic Planning

Mr.Morgan M. Siloma was appointed as the CEC, Finance and Economic Planning on 5th August 2013. He has been in the same role and has been driving the financial management agenda in the county.

Before his appointment, he served as the CEC, Roads, Transport and Public works. He also served as CEC, lands Housing and urban Planning,

Ms Vivian Mpeti Sereti - CEC, Health Services

Ms Vivian was appointed the CEC, Health services in Feb 2015. Ms Vivian graduated from the University of Nairobi in 2011 with a Bachelor of Arts with a double major in Geography and Tourism. Until her appointment, she served as the Reservation manager.

Mrs. Cicilia W. Wuapari - CEC, Trade, Tourism and Industry

Mrs Cicilia Wuapari was appointed CEC Education in 2017. She has a Bachelors degree in Education

Mr. Ezekiel Rono - CEC, Administration, Coordination of Decentralized Serevices, Disaster and Public Service Management

Mr. Ezekiel Rono was appointed as the CEC, Transport and Infrastructure on 5th April 2013 to October 2018 after which he was designated to Public Service Management.He holds a BEd degree from Kenyatta University. He also has a Master of Education from Maasai Mara University.

Mr. Julius Tompo Momposhi - **CEC, Lands, Housing and Physical Planning**

Mr Tompo Momposhi was appointed CEC in 2017.

Prior to his appointment he served as a bank manager.

He holds a bachelors degree in Finance and Banking.

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Miss Everline K. Cherotich - **CEC, Agriculture Livestock and Fisheries**

Miss Everline K. Cherotich was appointed CEC fo Agriculture in Dec 2017. Prior to her appointment she served as Chief officer for Livestock and Veterinary services in the County Government of Narok between 2016 and 2017. She also served as Director Administration in Beseki Group of Companies.

Ms Everlyne holds an MA in foreign Relations and a bachelor degree in public Relations and Electronic Media communications.

She enjoys reading, travelling and motivating.

Mr. Job Ole Kiyapi **-CEC Environment and Natural Resources**

Mr. Job L. Kiyapi was appointed CEC for Environment, water, energy and Natural Resources in March 20, 2018. Before his appointment he was serving as a teacher.

He holds a Bachelors degree in Education majoring in Geography and religion.

Mr. Kiyapi likes fostering environmental activities like tree planting which he promotes across the County

Mr.John Marindany - CEC, Education, Youth Affairs, Sports and Culture

Mr. Marindany was appointed to head the Department of **Education, Youth Affairs, Sports and Culture** in February 2016, after serving in the department of health and Roads.

He holds a Master of Arts (Basic Education) and a Bachelor of Education from Moi University

He has previously served as a teacher and Principal in various schools. He brings into the position over 10 years' experience in Education Management.

II.

2. FORWARD BY THE CEC

It is my pleasure to present the County Government of Narok 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 Narok County included business permits, land rates, business plan approval, advertising fees, cess 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 and

2) Hiring a reputable revenue collection agent

Financial Performance

a) Revenue

In the year ended 30th June 2019, the County had projected revenues of KShs 10,058,319,427 consisting of KShs 2,726,103,248, from own sources, KShs 6,374,200,000 from the National Government as equitable share and Ksh 958,016,178. other sources.
A graphical representation of the revenue budget is as shown below:

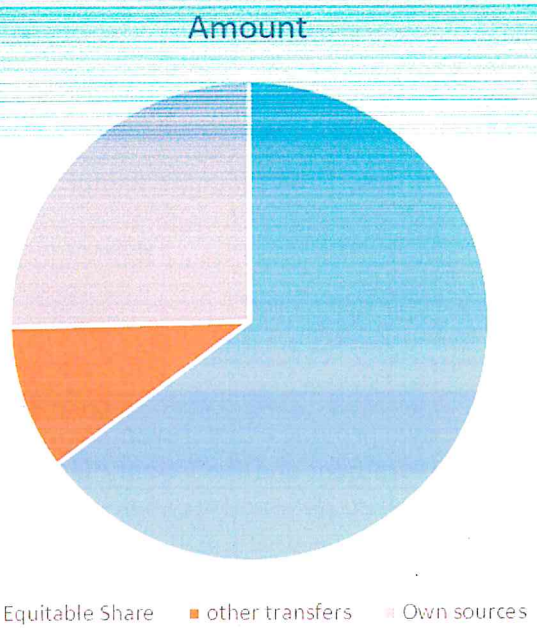

Figure 1: NAROK County revenue sources in FY 2018/2019

CARA revenues continue to form the largest part of our revenue budget, contributing 64% towards our budget. Our own generated revenues formed 30% of our budget. The remaining 6% is covered by conditional grants from Government and other agencies.
Out of the projected revenue, the County was able to realise KShs 10,086,257,376 in actual revenues, representing 100% performance. This performance was as a result of realization of the own generated revenues whose performance was at 111%. In the table below, we present an analysis of revenue performance during the year.

Table 1: Revenue performance in FY 2018/2019

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
CARA	6,374,200,000	6,374,200,000	100%
Other transfers	958,016,178	638,713,762	67%
Own generated revenues	2,726,103,248	3,073,343,614	113%
Total	**10,058,319,426**	**10,086,257,376**	**100%**

b) Payments
Our total expenditure for the year amounted to KShs 10,263,414,980. KShs 3,217,414,219 was spent on development while KShs **7,037,005,185** was spent on recurrent expenditure representing a ratio of 30:70 respectively. This is in line with the fiscal responsibility requirement, that each government entity should apply a minimum of 30 per cent on development.

In FY 2018/19, the County Government has opened over 700km of rural access roads. Further, the County has hired more ECD teachers to bridge the gaps as well as developed educational infrastructure. This includes development of various vocational training centres.

The county government is in the process of expanding level four hospitals. This is for the sole reason of enhancing health care for the people residing in Narok county.

The County Government applied force account on most of the road works which resulted in saving costs with a greater achievement in the roads sector.

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 not had many liquidity disruptions. This was as a result of proper planning by the County and timely disbursements by the National Treasury. The cash and cash equivalents decreased from 775,608,590 as at 30th June 2018 to KShs 598,450,987 on 30th June 2019

d) Accounts receivables

Imprest management is a critical area of focus in Narok County. Our aim is to adhere to the PFM regulations on imprest management. We appreciate that there is still room for improvement in this area. The main challenge has been to get staff and the Members of County Assembly to account for their imprests on time. Going into FY 2019/2020, we will place more emphasis on complying with the PFM regulations with regards to imprest management.

e) Pending bills

We have decreased the pending bills from KShs **1,858,297,237.00** to KShs. 1,195,236,019. These bills largely relate to works which were carried out in the past years. Our focus as a County is to settle the bills fully within the financial year. In our budget cycle, we ensure that part of the allocations is towards settlement of old outstanding pending bills.

f) Fixed assets

Narok County has made significant investments in fixed assets since coming into office in 2013. Further, we inherited some assets from the defunct local Authorities. We are nearing completion in development of comprehensive asset management policy, which we hope to finalize in FY 2018/2019. The policy will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and proper maintenance of an asset register.

Operational performance

The County's operations are structured in terms of departments which are headed by a County Executive Committee member. For seamless service delivery, all departments have to work in unison and synergize. In the table below, we summarize the key activities carried out by each department during the year:

Department	Key activities
Health Services	• New health facilities were constructed Universal health coverage through livestock auction • Expansion and rehabilitation of level four hospitals • Dialysis machines maintained ICU health machinery
Trade, Tourism and Industry	• Maasai Mara unfrastructure rehabilitation • Marketing Narok County as a key tourist destination • Automation of business permit issuance
Transport and Infrastructure	• Opening of access roads • Gravelling of Rural roads Tarmacing a section of Narok Town Roads
Lands, Housing and Physical Planning	•• Initiated process of Narok Town plots Title issuance • Automation of business permit approval process
Agriculture and Water	• Livestock Show • Supply of certified seeds to farmers • Educating Farmers to farmers on profitable farming Livestock health programmes
Education, Youth Affairs, Sports and Culture	• Completion of stadium • Narok County cultural day • Construction of classrooms

	Vocational Training Centres

Table 2: Departmental performance in FY 2018/2019

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

1) Under-collection of own revenue collection – the actual revenue collected during the year was 100% of the projected revenues. We are exploring ways of boosting revenue collection further so as to achieve better results.

2) We have also experienced challenges with IFMIS as a result of down times and poor internet connectivity. This has in some instance delayed payments to suppliers.

Conclusion

FY 2018/2019 was a good year in general. Good progress was made and the momentum has been created to enable the County Government of Narok 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 Narok 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 Narok County.

Morgan M. Siloma

County Executive Committee Member for Finance and Economic Planning,
County Government of Narok.

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 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 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the 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 30, 2019, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of 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 **26, September 2019.**

Morgan M. Siloma,
County Executive Committee member – Finance and Economic Planning.

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Narok set out on pages 1 to 46, 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 Narok as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accuracy of The Financial Statements - Accounts Payables – Deposits and Retentions

The statement of assets and liabilities reflects nil balances in respect of accounts payables - deposits and retentions as at 30 June, 2018 and 2019 respectively. However, the corresponding Note 23 to the financial statements reflects retention monies balances of Kshs.3,611,361 and Kshs.2,606,022 as at 30 June, 2018 and 2019 respectively. The resulting differences has not been explained or reconciled.

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

2. County Own Generated Receipts

As disclosed under Note 9 to the financial statements, the statement of receipts and payments reflects own generated receipts balance of Kshs.3,073,343,614. The following observations were made:

2.1. Unbanked Receipts

The balance includes receipts from health facilities amounting to Kshs.19,802,829 which were not deposited to the county revenue collection account but were instead used directly. Management did not give any explanations for not banking the revenue as provided under Section 80 of the Public Financial Management (County Governments) Regulation, 2015 and Section 82 of the Public Finance Management Regulations, 2015.

2.2. Unauthorized Adjustments on Property Rates

Further, the County Executive collected property rates amounting to Kshs.18,526,923. A review of the outstanding balances, revealed that sixty-two (62) plots had credit adjustments which reduced the amounts payable by Kshs.4,813,586 while some properties were exempted from paying property rates. However, no supporting documents such as bank slips or waivers were provided to justify and confirm the adjustments. This may have led to loss of revenue.

2.3. Failure to Safeguard and Retain Accountable Documents

In addition, a review of the accountable documents such as dispatch notes from government press, counter foil receipt book register (CRBR) and annual revenue reports revealed that five hundred and sixty (560) booklets out 5,764 accountable documents, accounting for Kshs.3,300,000 and issued to the revenue clerks during the financial year 2018/2019 were not accounted for. The daily revenue receipts generated by LAIFOMS revealed that a total of 982,734 receipts series were missing as a result of ten (10) receipts ranges that were voided. No satisfactory explanation for these missing receipts and unaccounted for receipt books was provided.

Further, the LAIFOMS system from Kilgoris Town and its environs malfunctioned in the year 2016 and had not been restored. The total revenue collected during the period the LAIFOMS was out of operation could therefore not be ascertained.

In the circumstances, the accuracy, completeness and validity of county own generated receipts of Kshs.3,073,343,614 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

3. Irregular Payment for Debt Collection Services

During the year under review, Management paid debt collection commission of Kshs.17,621,331 or 18.9% of the collected amount of Kshs.93,316,124 deposited in the debt collection account. This was contrary to the contract agreement through Tender No. NCG/DEBT/006/2017-2018 which stipulated that commission should be calculated at 6% of the total debt collected which would have amounted to Kshs.5,598,967 resulting to an unexplained overpayment of Kshs.12,022,364 commission.

Further, examination of records and physical verification carried out during the month of September, 2019 revealed that out of the Kshs.93,316,124 collected, an amount of Kshs.89,029,783 deposited in the debt collection account was normal monthly collections of revenue from hotels and lodges in Maasai Mara Game Reserve and not debts. Management did not provide supporting documents to support the computation of the commission.

In the circumstances, the propriety of the payment of Kshs.17,621,331 for the contracted services could not be authenticated.

4. Compensation of Employees

As disclosed under Note 11 to the financial statements, the statement of receipts and payments reflects compensation of employees of Kshs.3,583,236,674. The balance includes Kshs.11,698,911 paid to one hundred and one (101) casual employees as wages. However, Management did not provide, for audit review, supporting documents such as muster rolls, signed payment schedules, approval of the County Public Service Board (CPSB) and letters of engagement.

Further, examination of payroll records revealed that in the year 2018/2019, bank transfers for salaries to twenty-five (25) employees exceeded their net pay by Kshs.2,134,949 and one hundred and four (104) employees with taxable income were not deducted income tax from their emoluments. Management did not provide explanation for the shortcomings.

Consequently, the accuracy, completeness and validity of compensation of employees of Kshs.3,583,236,674 for the year ended 30 June, 2019 could not be confirmed.

5. Unsupported Expenditure - Use of Goods and Services

As disclosed under Note 12 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.2,331,999,808 under use of goods and services. The balance includes an amount of Kshs.9,704,344 relating to imprest paid to members of staff. The payments were made using payment vouchers bearing names of officers who were receiving imprests on behalf of others. However, Management did not provide, for audit review, signed schedules, with personal numbers, as acknowledgement of payment, authorization for travel, purpose of the journey and breakdown of the amount among other supporting documents .

In absence of the supporting documents, the accuracy, completeness and validity of expenditure totalling to Kshs.9,704,344 included under use of good and services in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

6. Poor Management of Contracts - Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets of Kshs.3,011,614,219 for the year ended 30 June, 2019. However, the following unsatisfactory matters were observed;

6.1 Overpayment of Contract

A review of IFMIS report on payments relating to procurement of earth moving equipment indicated that a contract for a sum of Kshs.62,170,000 was awarded to a local company on 5 September, 2016. The contract was in respect of supply of two (2) bull dozers. The winning bidder was however, paid a total sum of Kshs.132,686,100 or approximately 213% of the contract sum, occasioning an overpayment of Kshs.70,516,100. Management has not explained how and why the overpayment occurred and how it was authorized.

6.2 Irregular Award of Contract

The County Executive entered into a contract on 30 July, 2018 for the upgrading and maintenance of Ngiito-Sigowet-Kapruet Road vide Tender No. NCG/ROADS/O21/2017-2018 at a contract sum of Kshs.19,520,000. Review of the project documents revealed the following: -

i) A review of the bid documents provided for the contract revealed that out of the ten (10) invited bidders, only three (3) firms were registered with the National Construction Authority (NCA) contrary to the prequalification conditions Section 3.1 of the procurement manual for works, which require a firm to be registered with NCA for prequalification to offer services.

ii) Further, the contract document did not have a performance security clause contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015 and best practice which require inclusion of performance security in the contract document to mitigate against the risk of failure of executing obligations of the contract by either party.

iii) The review of progress report dated 3 October, 2018 supporting payment for the works done in the execution indicated a different contractor from the one in the contract agreement.

iv) A review of payment details dated 31 October, 2018 indicates that the total contract sum amounting to Kshs.19,520,000 was paid in total without deducting the retention money to cushion the Management against any liability arising from poor workmanship which could be exhibited during the defects liability period which was to lapse on 3 March, 2019 six (6) months after completion. The retention monies ought to be paid after the defects liability period lapses to ensure the remaining works are executed.

v) A review of the Bills of Quantities (BQs) indicated that the contractor was required to carry out gravel patching at a cost of Kshs.14,995,000. However, during the field verification exercise, there was no indication that gravel patching was done as there was no evidence of gravel on the road carriage and inside drains. Again, no site instructions from the County Engineer to the contractor or material testing reports were availed to ascertain that the works were done as per the BQs in the financial year under review. The two publicity sign boards

costing Kshs.250,000 as provided in the contract agreement were not in place at the time of the audit verification.

6.3 Overpayment on Contract for the Construction

Audit review confirmed that the County Executive entered into a contract with the construction firm of Isokon twin-culvert at a contract sum of Kshs.15,441,463. However, examination of expenditure records indicated that the firm was paid a total of Kshs.21,193,217 resulting to an overpayment of Kshs.5,751,754 and whose propriety could not be ascertained. Further, a physical verification of the project on 11 September, 2019 at the site, revealed evidence of poor workmanship as the bridge had already started developing cracks and pot holes, and exposed metal bars could be seen, an indication that the concrete was not properly reinforced and cast. Further, there were noticeable cracks on the sides of the bridge and the contractor was not on site although the works had not been completed.

6.4 Irregular Procurement of Vehicles

The County Government entered into a contract for the supply and delivery of twelve (12) tipper trucks on 5 September, 2016 at a contract sum of Kshs.118,200,000. A review of the documents availed for audit, revealed that bidding documents for the unsuccessful bidders were not availed for audit examination. Further, payment vouchers in respect of Kshs.55,000,000 were not availed for audit verification as indicated below;

Payment Date	Amount (Kshs.)
2 October, 2018	15,000,000
3 October, 2018	20,000,000
18 September, 2018	20,000,000
Total	**55,000,000**

Consequently, the accuracy, completeness and validity of acquisition of assets of Kshs.3,011,614,219 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

7. Lack of Ownership Documents

During the year under review, the County Executive made payments amounting to Kshs.333,370,000 in respect of procurement of Earth Moving Equipment (EME). The payments were made to three (3) suppliers. However, ownership documents for two (2) bull dozers and six motor graders were not availed for audit verification as at the time of audit contrary to the provisions of Section 104(1) of the Public Finance Management Act, 2012. Further, the fixed assets register was not provided for audit verification.

In the circumstances, the propriety, existence and ownership of the Earth Moving Equipment worth Kshs.215,170,000 could not be confirmed.

8. Unsupported Cash and Cash Equivalents

As disclosed under Note 21A to the financial statements, the statement of financial assets and liabilities reflects bank balances of Kshs.596,396,386. However, Management did not provide supporting documents such as bank reconciliation statements, board of survey reports and certificates of bank balances as at 30 June, 2019 for audit review.

In view of the above, the accuracy, completeness and validity of bank balances of Kshs.596,396,386 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

9. Unsupported Outstanding Imprest

As disclosed under Note 22 to the financial statements, the statement of assets and liabilities reflects temporary imprests totaling Kshs.2,054,600. However, supporting documents such as imprest register and warrants were not availed for audit review.

In the circumstances, the completeness, accuracy and validity of outstanding imprest balance of Kshs.2,054,600 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Outstanding Pending Bills

Note 5.10 (1) on other important disclosures reflects pending bills balance of Kshs.1,195,236,019 with an opening balance of Kshs.1,858,297,237. However, Management did not provide adequate supporting documents such as invoices, delivery notes, contract documents and local purchase/service orders.
Failure to settle bills in the year to which they relate will 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.

2. 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 responded to, the matters have remained unresolved as the Senate and the County Assembly have not deliberated on the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Prepare and Submit the Receiver of Revenue Statement

Management did not provide evidence that the revenue statement was prepared and submitted to the County Executive Committee Member for Finance or Receiver of Revenue in line with the provisions of Section 63 (2) of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, the Management is in breach of regulations.

2. Irregular Expenditure on National Government Functions

Review of available records revealed that the Management disbursed Kshs.125,601,393 to various public schools during the year under review. However, Management did not explain the reasons or the obligations for carrying out National Government functions contrary to Schedule 4 of the Constitution of Kenya, 2010 which details the functions of National and County Governments.

The Management is therefore in breach of the Constitution.

3. Non-Compliance with the One Third Basic Salary Rule

During the year under review, an analysis of the payrolls revealed that four hundred and forty-seven (447) employees each earned a net salary of less than a third (1/3) of their respective basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 and the County Human Resource Manual, 2013. Management has not given any explanation for failure to comply with the policy as this may expose the staff to pecuniary embarrassment.

Management therefore, contravened the PSC Human Resource Policies, 2016 and the County Human Resource Manual.

4. Irregular Inter Vote and Re-Allocation of Recurrent Funds

A review of the payment details under the Ministry of Transport and Public Works recurrent expenditure, indicated that a total of Kshs.740,275,121 was paid during the year under review. Out of this balance, an amount of Kshs.177,220,785 or approximately 24% were expended on development related payments to various contractors' contrary to the provisions of Section 154(2) of the Public Finance Management Act, 2012. No re-allocation approvals were provided or reasons why the development expenditures were paid through recurrent votes.

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

5. Lack of Fundamental Contract Documents and Records

Examination of records reveal that Tender No.NCG/TECH/001/2018-19 for construction and upgrading of Emurua Dikirr Health Centre to a standard Level IV Hospital Phase 1, was awarded to M/s Brima Contractors Ltd at a contract sum of Kshs.128,295,605. The contractor was to take possession of site on 9 November, 2018 and commence the works by 23 November, 2018 with the expected contract duration being 18 months. However, the following unsatisfactory matters were noted;

i) Payment records revealed that a total of Kshs.61,955,800 was paid during the year under review. However, there were no supervisory reports and progress certificates from the County Engineers to support the payments.

ii) A physical verification carried out during the month of September, 2019 at the construction site indicated that the works were ongoing. However, we could not confirm the level of completion as there were no progress certificates from the Department of Public Works.

iii) The procurement records for the works were not availed for audit review. We could not therefore, confirm that the laws and regulations were followed and that the contract was awarded transparently.

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

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

Basis for Conclusion

1. Lack of Fixed Assets Register

Annex 5 reflects a summary of fixed assets at the beginning of the financial year of Kshs.37,573,561,199 and the additions during the year of Kshs.3,011,614, resulting in total assets of Kshs.40,585,175,418.

However, Management did not provide a fixed asset register to confirm the existence, value and completeness of all the assets owned by the County Executive.

Consequently, I cannot confirm the existence and ownership of the assets as reflected in Annex 5 to the financial statements.

2. Property Rates

Review of the property rates' register for parcels of land with outstanding balances list revealed that one thousand seven hundred and seventy-five (1775) plots had not been captured in the register. The property rates' register reflected ten (10) plots without land rates indicated on them while the outstanding balances list reflected five thousand five hundred and ninety-five (5,595) plots with outstanding arrears. Further, the application system, LAIFOMs and manual property rates register however, indicate arrears totalling to Kshs.447,275,078 as at 30 June, 2019.

Further, the County Executive did not have an updated valuation roll and was instead using a draft valuation roll which was prepared in 2008 by the defunct Town Council of Narok. Failure to have an updated and approved valuation roll may have led to loss of revenue due to use of an obsolete and old rates.

In the circumstances, I am unable to confirm existence of effective controls and governance on revenue by Management.

3. Lack of Audit Committee

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

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

4. Lack of Risk Management and Information Communication Technology Policies

The Management did not have risk management and ICT policies to provide guidance on confidentiality, integrity and availability of reliable data. Failure to develop the policies meant that the Management did not have a framework for identification, assessment, control and management of risk.

Consequently, I am unable to confirm existence of effective risk management environment

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 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 the 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

30 April, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Notes	2018-2019 KShs	2017-2018 KShs
RECEIPTS			
Exchequer releases	1	6,374,200,000	6,523,200,000
Proceeds from Domestic and Foreign Grants	2	638,713,762	598,080,402
Transfers from Other Government Entities	3	-	-
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	3,073,343,614	1,781,035,419
Returned CRF issues	10	-	-
TOTAL RECEIPTS		**10,086,257,376**	**8,902,315,822**
PAYMENTS			
Compensation of Employees	11	3,583,236,674	3,383,671,695
Use of goods and services	12	2,331,999,808	1,915,530,597
Subsidies	13	-	-
Transfers to Other Government Units	14	1,095,064,279	468,368,521
Other grants and transfers	15	241,500,000	708,200,000
Social Security Benefits	16	-	-
Acquisition of Assets	17	3,011,614,219	1,875,312,356
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	-	-
TOTAL PAYMENTS		**10,263,414,980**	**8,351,083,169**
SURPLUS/DEFICIT		**(177,157,605)**	**551,232,653**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

5.2. STATEMENT OF ASSETS AND LIABILITIES

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	596,396,386	762,616,227
Cash Balances	21B	-	-
Total Cash and cash equivalent		**596,396,386**	**762,616,227**
Accounts receivables – Outstanding Imprests	22	2,054,600	12,992,364
TOTAL FINANCIAL ASSETS		**598,450,986**	**775,608,591**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	-	-
NET FINANCIAL ASSETS		**598,450,986**	**775,608,591**
REPRESENTED BY			
Fund balance b/fwd	24	**775,608,591**	**224,375,938**
Surplus/Deficit for the year		**(177,157,605)**	**551,232,653**
NET FINANCIAL POSITION		**598,450,986**	**775,608,591**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

5.3. STATEMENT OF CASH FLOWS

	Notes	2018-2019 KShs	2017 – 2018 KShs
Receipts from operating income			
Exchequer Releases	1	6,374,200,000	6,523,200,000
Proceeds from Domestic and Foreign Grants	2	638,713,762	598,080,402
Transfers from Other Government Entities	3	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	3,073,343,614	1,781,035,419
Returned CRF issues	10	-	-
Payments for operating expenses			
Compensation of Employees	11	3,583,236,674	3,383,671,695
Use of goods and services	12	2,331,999,808	1,915,530,597
Subsidies	13	-	-
Transfers to Other Government Units	14	1,095,064,279	468,368,521
Other grants and transfers	15	241,500,000	708,200,000
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		**2,834,456,615**	**2,426,545,009**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(3,011,614,219)	(1,875,312,356)
Net cash flows from Investing Activities		**(3,011,614,219)**	**(1,875,312,356)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(177,157,605)**	**551,232,653**
Cash and cash equivalents at BEGINNING of the year	21	**775,608,591**	**224,375,938**
Cash and cash equivalents at END of the year	24	**598,450,986**	**775,608,590**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Tax Receipts						-
Social Security Contributions						-
Proceeds from Domestic and Foreign Grants						-
Exchequer releases	6,374,200,000	-	6,374,200,000	6,374,200,000	-	100%
Transfers from Other Government Entities	805,489,926	152,526,252	958,016,178	638,713,762	319,302,416	67%
Proceeds from Domestic Borrowings	-	-	-		-	-
Proceeds from Foreign Borrowings	-	-	-		-	-
Proceeds from Sale of Assets	-	-	-		-	-
Reimbursements and Refunds	-	-	-		-	-
Returns of Equity Holdings	-	-	-		-	-
Other Receipts	2,485,210,000	240,893,248	2,726,103,248	3,073,343,614	-347,240,366	113%
Total Receipts	**9,664,899,926**	**393,419,500**	**10,058,319,426**	**10,086,257,376**	**-27,937,949**	100%

Payments						
Compensation of Employees	3,354,443,973	231,200,000	3,585,643,973	3,583,236,674	-2,407,299	100%
Use of goods and services	1,456,229,736	880,000,000	2,336,229,736	2,331,999,808	-4,229,928	100%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	1,343,747,190	-224,666,805	1,119,080,385	1,095,064,279	-24,016,106	98%
Other grants and transfers	300,000,000	-109,470,448	190,529,552	241,500,000	50,970,448	127%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	3,210,479,025	-383,643,244	2,826,835,781	3,011,614,219	184,778,438	107%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Expenses	-	-	-	-	-	
Total	**9,664,899,924**	**393,419,503**	**10,058,319,427**	**10,263,414,980**	**205,095,553**	**102%**

(a) The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.

(b) The budget on finance costs was low as a result of lower interest rates in the year.

(c) The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates, business permits and cesses.

(d) The budget on other payments, particularly on settling pending bills, was also underutilised as a result of slow progress by the suppliers to complete the contracted works. As such, not all the pending bills were not fully settled.

(e) Utilisation of finance costs budget was also lower than expected due to low interest rates which came up as a result of interest rates capping in 2016.

(f) The low utilization of the development budget was as a result of delays in approving the budget. As a result, commencement of some projects delayed.

The entity financial statements were approved on 30/9/2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

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 %
RECEIPTS						
Exchequer releases	6,374,200,000	-	6,374,200,000	6,374,200,000	-	100%
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities	805,489,926	152,526,252	958,016,178	638,713,762	319,302,416	67%
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
County Own Generated receipts	2,485,210,000	240,893,248	2,726,103,248	3,073,343,614	347,240,366	113%
Return CRF issues						
TOTAL	**9,664,899,926**	**393,419,500**	**10,058,319,426**	**10,086,257,376**	**27,937,949**	**100%**
PAYMENTS						
Compensation of Employees	3,354,443,973	231,200,000	3,585,643,973	3,583,236,674	2,407,299	100%
Use of goods and services	1,456,229,736	880,000,000	2,336,229,736	2,331,999,808	4,229,928	100%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	1,153,747,190	(224,666,805)	929,080,385	930,268,703	1,188,318	100%
Other grants and transfers	300,000,000	(109,470,448)	190,529,552	191,500,000	970,448	101%
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
Finance Costs, including Loan Interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-

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 %
Other Payments	-	-	-	-	-	-
TOTAL	**6,264,420,899**	**777,062,747**	**7,041,483,646**	**7,037,005,185**	**4,478,461**	**100%**
SURPLUS/(DEFICIT)	**3,210,479,027**	**(383,643,247)**	**3,016,835,780**	**3,048,003,059**		**101%**

(a) *The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.*

(b) *The budget on finance costs was low as a result of lower interest rates in the year.*

(c) *The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates, business permits and cesses.*

(d) *The budget on other payments, particularly on settling pending bills, was also underutilised as a result of slow progress by the suppliers to complete the contracted works. As such, not all the pending bills were not fully settled.*

(e) *Utilisation of finance costs budget was also lower than expected due to low interest rates which came up as a result of interest rates capping in 2016.*

The entity financial statements were approved on 28/11 2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Tax Receipts						-
Social Security Contributions						-
Proceeds from Domestic and Foreign Grants						-
Exchequer releases						-
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						-
Other Receipts						-
Total Receipts	-	-	-	-	-	-

Payments						
Compensation of Employees			-			-
Use of goods and services			-		-	-
Subsidies			-		-	-

Transfers to Other Government Units	190,000,000		190,000,000	164,795,576	- 25,204,424	87%
Other grants and transfers			-	50,000,000	50,000,000	-
Social Security Benefits			-		-	-
Acquisition of Assets	3,210,479,025	- 383,643,244	2,826,835,781	3,011,614,219	184,778,438	107%
Repayment of principal on Domestic and Foreign borrowing			-		-	-
Other Expenses			-		-	-
Grand Total	**3,400,479,025**	**- 383,643,244**	**3,016,835,781**	**3,226,409,795**	**209,574,014**	**107%**

a) *The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.*

b) *The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates, business permits and cesses.*

c) *The utilization of the development budget was as a result of Prompt approval of the budget. As a result, commencement of the projects started early.*

The entity financial statements were approved on 30/9 2019 and signed by:

Chief Officer
Name: CPA Dennis P. Letiet
ICPAK Member Number: 23406

Head of Treasury
Name: CPA Walter O. Chanua
ICPAK Member Number: 14877

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/19		2018/19	30th June, 2019	
	KShs	KShs	KShs	KShs	KShs
Crop Development and management	**563,858,798.00**	**0.00**	**563,858,798.00**	**563,414,430.25**	**444,367.75**
Crop Productivity Improvement	563,858,798.00		563,858,798.00	563,414,430.25	444,367.75
Livestock Resources management and development	**246,482,543.00**	**0.00**	**246,482,543.00**	**242,000,000.00**	**4,482,543.00**
Livestock Pests & Disease Management & Control	120,022,198.00		120,022,198.00	116,000,000.00	4,022,198.00
Livestock Information Management	126,460,345.00		126,460,345.00	126,000,000.00	460,345.00
Fisheries development and management	**44,735,283.00**	**0.00**	**44,735,283.00**	**44,000,670.00**	**734,613.00**
Fish Products Production	44,735,283.00		44,735,283.00	44000670	734,613.00
Land Policy and Planning	**157,259,920.00**	**0.00**	**157,259,920.00**	**147,827,038.00**	**9,432,882.00**
Development Planning and Land Reforms	95,259,920.00		95,259,920.00	94,347,038.00	912,882.00
	62,000,000.00		62,000,000.00	53,480,000.00	8,520,000.00
Housing Development and Human Settlement	**28,289,017.00**	**0.00**	**28,289,017.00**	**27,947,819.30**	**341,197.70**
Housing Development	28,289,017.00		28,289,017.00	27,947,819.30	341,197.70
Urban Mobility and Transport	**165,334,919.00**	**0.00**	**165,334,919.00**	**162,142,012.80**	**3,192,906.20**
Metropolitan Planning & Infrastructure Development	165,334,919.00		165,334,919.00	162,142,012.80	3,192,906.20
Roads Transport and Public Works	**1,155,616,464.00**	**0.00**	**1,155,616,464.00**	**1,152,292,245.30**	**3,324,218.70**
General Administration, Planning and Support Services	62,132,576.00		62,132,576.00	61,364,384.30	768,191.70
Construction of Roads and Bridges	981,467,061.00		981,467,061.00	980,638,836.00	828,225.00
Maintenance of Roads	112,016,827.00		112,016,827.00	110,289,025.00	1,727,802.00
ICT Services	**42,742,535.00**	**0.00**	**42,742,535.00**	**41,463,717.30**	**1,278,817.70**
ICT Infrastructure Development	42,742,535.00		42,742,535.00	41,463,717.30	1,278,817.70
General Administration and Support Services	**131,582,534.00**	**0.00**	**131,582,534.00**	**131,380,295.85**	**202,238.15**
Cooperative Development & Management	33,137,187.00		33,137,187.00	33,000,000.00	137,187.00
Trade Development and Promotion	98,445,347.00		98,445,347.00	98,380,295.85	65,051.15
Tourism Development and Promotion	**235,221,692.00**	**0.00**	**235,221,692.00**	**228,898,034.45**	**6,323,657.55**
Tourism Promotion and Marketing	235,221,692.00		235,221,692.00	228,898,034.45	6,323,657.55
Preventive &Promotive Health Services	**206,755,000.00**	**0.00**	**206,755,000.00**	**206,281,086.30**	**473,913.70**
Health Promotion	206,755,000.00		206,755,000.00	206,281,086.30	473,913.70

Curative Health Services	**198,829,401.00**	**0.00**	**198,829,401.00**	**197,218,049.00**	**1,611,352.00**
Referral Services	198,829,401.00		198,829,401.00	197,218,049.00	1,611,352.00
General Administration, Planning & Support Services	**2,111,697,233.00**	**0.00**	**2,111,697,233.00**	**2,099,555,967.30**	**12,141,265.70**
Health Policy, Planning and Financing	2,111,697,233.00		2,111,697,233.00	2,099,555,967.30	12,141,265.70
Manpower Development, Employment and Productivity Management	**1,001,730,932.00**	**0.00**	**1,001,730,932.00**	**992,779,062.50**	**8,951,869.50**
Early Child Development and Education	698,931,932.00		698,931,932.00	692,279,062.50	6,652,869.50
Infrastructure Development and Expansion	302,799,000.00		302,799,000.00	300,500,000.00	2,299,000.00
General Administration, Planning and Support Services	**1,819,865,544.00**	**0.00**	**1,819,865,544.00**	**1,808,528,907.10**	**11,336,636.90**
Administrative Services	723,016,110.00		723,016,110.00	722,735,895.70	280,214.30
Information Communication Services	9,522,000.00		9,522,000.00	2,542,404.00	6,979,596.00
Coordination and Administrative Services	418,889,161.00		418,889,161.00	418,856,061.40	33,099.60
Public service and Field Administrative Services	576,360,928.00		576,360,928.00	574,781,997.05	1,578,930.95
Board Management Services	89,407,963.00		89,407,963.00	88,754,148.95	653,814.05
Legal and Public Affairs	2,669,382.00		2,669,382.00	858,400.00	1,810,982.00
Public Finance Management	**191,329,190.00**	**0.00**	**191,329,190.00**	**176,623,656.85**	**14,705,533.15**
Accounting services	31,710,211.00		31,710,211.00	30,812,348.00	897,863.00
Resource Mobilization	41,533,064.00		41,533,064.00	33,468,805.85	8,064,258.15
Budget Formulation, Coordination and Management	34,092,260.00		34,092,260.00	32,131,898.00	1,960,362.00
Supply Chain Management Services	39,822,809.00		39,822,809.00	37,000,000.00	2,822,809.00
Internal Audit Services	44,170,846.00		44,170,846.00	43,210,605.00	960,241.00
Economic Policy and County Planning	**590,961,184.00**	**0.00**	**590,961,184.00**	**589,571,758.00**	**1,389,426.00**
Economic Planning Coordination	563,702,841.00		563,702,841.00	563,020,652.65	682,188.35
Monitoring and Evaluation Services	27,258,343.00		27,258,343.00	26,551,105.35	707,237.65
Legislation and Representation	**450,937,002.00**	**0.00**	**450,937,002.00**	**446,372,423.55**	**4,564,578.45**
Legislative Oversight	369,656,183.00		369,656,183.00	367,742,507.65	1,913,675.35
County Co-ordination Services	77,940,819.00		77,940,819.00	76,198,335.90	1,742,483.10
Research and Policy	3,340,000.00		3,340,000.00	2,431,580.00	908,420.00
Social Development and Children Services	**310,704,096.00**	**0.00**	**310,704,096.00**	**306,333,449.40**	**4,370,646.60**
Gender and Youth Development	34,168,367.00		34,168,367.00	33,733,600.00	434,767.00
Social Assistance to Vulnerable Groups	122,761,176.00		122,761,176.00	122,652,840.00	108,336.00
Development and Promotion of culture	10,552,277.00		10,552,277.00	9,695,510.00	856,767.00
Development and Management of sports facilities	51,310,458.00		51,310,458.00	51,264,572.00	45,886.00
Sports Services	0		0	0	0.00
Voluntary Training Services	91,911,818.00		91,911,818.00	88,986,927.40	2,924,890.60
Environment Management and Protection	**404,386,140.00**	**0.00**	**404,386,140.00**	**698,784,356.00**	**-294,398,216.00**
Forests Conservation and Management	404,386,140.00		404,386,140.00	698,784,356.00	-294,398,216.00
Grand Total	**10,058,319,427.00**	**0.00**	**10,058,319,427.00**	**10,263,414,979.25**	**-205,095,552.25**

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The 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 Narok County Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

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 the time associated cash is received.

Returns to CRF Issues

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

b) Recognition of payments

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

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 2,606,022 compared to KShs 3,611,361 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 *Narok County government* 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 *Narok County Government'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 25th June, 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There were two (number) of supplementary budget passed in the year. A high-level assessment of the *Narok County government's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	764,904,000.00	913,248,000
Total Exchequer Releases for quarter 2	1,971,332,592.00	1,859,112,000
Total Exchequer Releases for quarter 3	1,143,331,564.00	1,630,800,000
Total Exchequer Releases for quarter 4	3,133,345,606.00	2,120,040,000
Total	**7,012,913,762.00**	**6,523,200,000**

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	764,904,000	913,248,000
Total Equitable Share for quarter 2	1,848,518,000	1,859,112,000
Total Equitable Share for quarter 3	1,115,485,000	1,630,800,000
Total Equitable Share for quarter 4	2,645,293,000	2,120,040,000
Total	**6,374,200,000**	**6,523,200,000**

1B: Level 5 Hospitals Allocation

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Description	2018/2019	2017/2018
	KShs	KShs
RMLF	167,827,135.00	225,301,201.00
HCD user fees	20,595,297.00	20,106,734.00
KDSP	185,020,331.00	127,722,855.00
NARIG- AGRI	50,000,000.00	50,609,855.40
World Bank THS	12,474,843.00	81,201,403.00
World Bank UHC	36,974,292.00	
DANIDA (HSSF)	21,870,000.00	15,267,292.00
VILLAGE POLYTECHNIC		31,465,754.00
World Bank THS		38,009,297.00
DANIDA THS		8,396,011.00
ASDSP	27,846,564.00	-
KUSP (Kenya Urban Support Programme)	116,105,300.00	-
TOTAL	**638,713,762**	**598,080,402**

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018 - 2019	2017 – 2018
			KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)			-	-
Grants Received from Multilateral Donors (International Organisations)	30.06.2019	N/A	470,886,627	372,779,201
Grants Received from other levels of government	30.06.2019	N/A	167,827,135.00	225,301,201.00
Total	-	-	**638,713,761.80**	**598,080,402.40**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018/2019	2017/2018
	KShs	KShs
Transfers from other government entities	-	-

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	-	-

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	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2018 – 2019	2017 – 2018
	KShs	KShs
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	-	-
Total	-	-

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	-	-

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	-	-

9. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 - 2018
	KShs	KShs
Interest received		
Profits and Dividends		
Rent	4,523,807	7,841,437
Plan approvals		
Property Income		
Sales of Market Establishments		
Receipts from Administrative Fees and Charges		
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	48,309,261	31,410,023
Cess	95,285,065	37,847,574
Poll rates		
Plot rents/Land rates	18,526,923	19,066,637
Local levies		
Administrative services fees		
County's natural resources –Maasai Mara Game Reserve	2,654,078,705	1,667,168,153
Sales of County assets		

Lease / rental of council's Infrastructure assets		
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	6,574,600	5,263,950
Vehicle parking fees	12,845,650	2,014,800
Housing		
Social premises use charges		
School fees		
Other education-related receipts		
Public health services-refuse and cemetery fees	5,442,300	3,128,400
Public health facilities operations	18,887,130	
Environment & conservancy Administration		
Slaughter houses administration	1,685,340	
Water supply administration		
Sewerage administration		
Other health & sanitation receipts	200,915,645	
Technical services fees		
External services fees		
Other miscellaneous receipts	6,269,188.00	7,294,446
Total	**3,073,343,614.00**	**1,781,035,419.35**

10. RETURNED CRF ISSUES

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 – 2018
	KShs	KShs
Basic salaries of permanent employees	3,119,057,021	3,136,328,928
Basic wages of temporary employees	14,459,083	12,125,115
Personal allowances paid as part of salary	-	2,840,000
Personal allowances paid as reimbursements	5,177,177	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	235,500,542	225,069,883
Compulsory national social security schemes	3,365,993	4,168,000
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	205,676,857	3,139,769
Total	**3,583,236,674**	**3,383,671,695**

(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	93,584,715	40,657,276
Communication, supplies and services	32,224,481	49,880,258
Domestic travel and subsistence	141,428,645	96,561,065
Foreign travel and subsistence	33,603,962	20,007,178
Printing, advertising and information supplies & services	76,319,761	90,064,391
Rentals of produced assets	190,993,325	124,568,884
Training expenses	84,055,462	46,501,545
Hospitality supplies and services	73,381,570	101,083,809
Insurance costs	33,043,290	-
Specialized materials and services	586,753,209	306,937,869
Office and general supplies and services	286,349,619	80,660,289
Other operating expenses	514,227,195	842,641,934
Routine maintenance – vehicles and other transport	62,688,000	77,825,086

equipment		
Fuel Oil and Lubricants	63,477,070	38,141,013
Routine maintenance – other assets	59,869,505	-
Total	**2,331,999,808**	**1,915,530,597**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2018 - 2019	2017 – 2018
	KShs	KShs
Subsidies to Public Corporations	-	-
Subsidies to Private Enterprises	-	-
Total	-	-

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Transfers to County Government entities		
MMCSF	110,800,000	139,528,988
HSD User fees foregone	20,595,297	20,106,734
RBF World Bank	-	119,338,753
DANIDA	21,870,000	15,267,292
THS	12,474,843	7,866,189
HSSF	20,199,945	-
Transfers to County Asssembly-Rec	741,110,000	-
Transfers to County Asssembly-Dev	45,000,000	30,000,000
NARIGP	50,000,000	56,109,855
UHC DANIDA	45,372,000	-
ASDSP	18,646,618	-
POLYTECHNICS	8,995,576	-
RMLF	-	80,150,710
Transfers to Other Counties	-	-
Transfers to National Government entities	-	-
TOTAL	**1,095,064,279**	**468,368,521**

15. OTHER GRANTS AND PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Scholarships and other educational benefits	191,500,000	159,200,000
County assembly car and mortgage	50,000,000	39,000,0000
County assembly recurrent	-	510,000,000
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	**241,500,000**	**708,200,000**

This refers to grants and other transfers made by the County Government. These grants and transfers are made for a specific purpose. They include scholarship and bursary grants, payments from the emergency fund and subsidies to youths, women and persons with disabilities.

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	-	-

17. ACQUISITION OF ASSETS

Non- Financial Assets	2018 – 2019	2017 – 2018
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	676,222,393	48,814,224
Refurbishment of Buildings	185,794,063	60,531,468
Construction of Roads	1,748,096,507	954,476,506
Construction and Civil Works	74,679,148	706,212,189
Overhaul and Refurbishment of Construction and Civil Works	4,400,000	-
Purchase of Vehicles and Other Transport Equipment	14,224,138	15,000,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,530,843
Purchase of ICT Equipment	2,167,163	508,276
Purchase of Specialized Plant, Equipment and Machinery	306,030,807	76,678,353
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	8,760,497
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	2,800,000
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total acquisition of non- financial assets	-	-

Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total acquisition of financial assets	**-**	**-**
Total acquisition of assets	**3,011,614,219**	**1,875,312,356**

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	-	-
Other payments	-	-
	-	-

The balance relates to cost incurred in settling pending bills from prior periods.

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
Narok County Revenue Fund-CBK 1000171693	259,465,588	Revenue		259,465,588	619,051,506
Narok County Recurrent- CBK 1000171348	53,539,601	Recurrent		53,539,601	195,228
Narok County Development-CBK 1000171324	104,340,755	Development		104,340,755	361,525
RMLF CBK 1000282967	-	Special purpose		-	500,000
Narok County Health Special Purpose CBK 1000294779	20,689,074	Special purpose		20,689,074	71,762
Narok county Village Polytechnic -CBK-1000367245	-	Special purpose		-	23,000,000
Narok County Agriculture Special Purpose-CBK-1000365374	-	Special purpose		-	500,000
Narok county urban developmentspecial purpose account-CBK 1000379723	905,300	Special purpose		905,300	-
Narok County Agriculture sector Support Programme II-CBK-1000388161	5,500,000	Special purpose		5,500,000	-
Narok county Rep. maternal, Neonata- CBK 1000412283	-	Special purpose		-	-
Narok County Deposit Account CBK 1000282991	2,606,023	Special purpose		2,606,023	3,611,361
Narok county revenue Collection Account-Coop 010141338976600	-	Revenue		-	1,650
Narok county Standing Imprest account-KCB 1140090933		Operations		-	34,158
Narok county revenue Collection Account-KCB 1140091263	24,453,268	Revenue		24,453,268	631,666
Narok county revenue Collection Account-KCB 1143225325	136,866.58	US$	100	13,686,658	82,197
Operations roads and transport		Operations		-	776

KCB 1167422651					
Narok County Debt Collection A/c KCB 1180435494	2,207,217	Debt col		2,207,217	647,246
Bursary Fund TNB162810	9,130,944	Bursary fund		9,130,944	186,300
Agriculture Livestock $Fisheries KCB 1167422821	1,689			1,689	115
Health and sanitation KCB 1167422937	7,684			7,684	2,139
Health and sanitation KCB 1149416645	10,067,345			10,067,345	-
Education and Social services Coop 01141660233200				-	843
Narok county education sports and soscial service TNB 163533001	44,287			44,287	-
Public service Management Family Bank 029000073079				-	223
Tourism and trade Coop01141660212800				-	2,980
Narok County Tourism and Wildlife NIC 1006804442	49,477			49,477	-
Lolgorian sub county hospital Collection A/c Coop 01141480193900	3,761,460			3,761,460	2,443,072
Lolgorian sub county hospital Coop 01141480193901	18,960			18,960	170
Narok County Referal hospital Collection KCB 1159595607	16,550,496			16,550,496	10,062,672
Narok County Referal hospital operations KCB 11595646554	44,703			44,703	3,558
Trans mara west subcounty hospital Collection Coop 01141480194100	28,045			28,045	-
Trans mara west subcounty hospital operations Coop 01141480194001	3,873,027			3,873,027	975,080
Ololulungas subCounty Collection hospital KCB 1168449650	665,475			665,475	813,104
Trade and Industrialization Coop01141339290600	951			951	-
Trade and Industrialization NIC 1006804809	942			942	-
County public service board TNB 161684	19,020			19,020	834
Lands,Housing,p/planning and urban dev Family 029000073316	1,320,269			1,320,269	1,693
ICT and E-government TNB 161715				-	27,356
Environment, water and natural resourcesTNB 161689	81			81	729
Maasai Mara Community	1,381,105			1,381,105	(97,719)

Support Fund-TNB 0161434001					
Maasai Mara Community Support Fund-Coop-01141339283000				-	79,422
Maasai Mara Game Reserve KCB1180568575					8,558
Maasai Mara operation KCB - 1217433392	197,763			197,763	1,447,970
Narok North subcounty KCB 1167423011	7,774			7,774	1,404
Narok South subcountyTNB 161714					1,370
Narok East subcounty Family-29000073079	2,241			2,241	223
NarokWest subcounty KCB 1167410882	6,925			6,925	1,555
Trans mara west subcounty Coop 01141480194100	28,045			28,045	-
Trans mara East (Emurua Dikirr) subcounty KCB 1167699785				-	47
Narok County Lands, Housing Development-KCB 1169399142				-	57,457
Narok County Debt Collection A/c Chase bank 04223168700001				-	97,906,001
Aagricultural Sector DevelopmentProgram -ASDSP NBK 01020208469200	12,229,585			12,229,585	-
Public works roads and transport-1236389697	44,289			44,289	-
Public service Management NIC-1007008046	376,441			376,441	-
National agricultural and rural inclusive growth project-NARIG KCB 1226378609	49,140,585			49,140,585	-
Narok Town management-KCB 1181249155	3,296			3,296	-
Total				**596,396,386**	**762,616,227**

21B. CASH IN HAND

	2018 – 2019	2017 – 2018
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	**-**	**-**

Cash in hand should also be analysed as follows:

	2018 – 2019	2017 – 2018
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Government Imprests	2,054,600	12,992,364
Clearance accounts	-	-
Total	**2,054,600**	**12,992,364**

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
BRIGIT PELEINA SETEK	26-Jun-19	201,600	-	201,600
DUNCAN SHINANA	10-Jun-19	320,000	-	320,000
DENNIS KOITAMET MALETO	13-Jun-19	530,000	-	530,000
JACKLINE RETOE	05-Jun-19	100,000	-	100,000
SAPAI LESITA	14-Jun-19	903,000	-	903,000
Total				**2,054,600**

23. ACCOUNTS PAYABLE

	2018 – 2019	2017 – 2018
	KShs	KShs
Deposits	-	-
Retention monies	2,606,022	3,611,361
Total	**2,606,022**	**3,611,361**

24. FUND BALANCE BROUGHT FORWARD

	2018 – 2019	2017 – 2018
	KShs	KShs
Bank accounts	596,396,386	762,616,227
Cash in hand	-	-
Accounts Receivables	2,054,600	12,992,364

Accounts Payables	-	-
Total	**598,450,986**	**775,608,591**

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. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	-	-	-	-
Construction of civil works	1,221,145,380		351,034,522	870,110,858
Supply of goods	637,151,857		312,026,696	325,125,161
Supply of services				-
Total	**1,858,297,237**	-	**663,061,218**	**1,195,236,019**

2. PENDING STAFF PAYABLES (See Annex 2)

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

3. OTHER PENDING PAYABLES (See Annex 3)

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

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

4. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

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

Related party transactions

	2018- 2019	2017- 2018
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
Transfers to related parties		
Transfer to the County Assembly	786,110,000	542,000,000
Transfers to other County Government Entities	1,095,064,279	468,368,521
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	**1,881,174,279.00**	**1,008,368,521.00**
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	**-**	**-**

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Maasai Mara Community Support Fund	2014	Narok North	Fund Administrator
Narok Water and Sewerage Company	2013	Narok North	Managing Director
Narok County Bursary Fund	2014	Narok North	Chief Executive Officer
Public Service Board	2014	Narok North	Board Secretary

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	**1.0 County Own Generated Receipts- Single Business Permit** Under collection of SBP by 48%	Effect of Prolonged political environment in the 2017 General Elections. Some businesses closed	Director Revenue	Resolved	
2.0	**Grants for Health Sector Support Fund** Difference in amount Reported for conditional Grants against Transfers to the respective operations and special purpose accounts	The National Treasury requires Counties to report revenue as per CARA even though disbursements are made after closure of the Financial Year. Reconciliations prepared	Director Accounting Services	Resolved	
3.0	**Compensation of Employees - Casual Wages** No evidence of approval of CPSB and Muster rolls	Approval Of CPSB and muster rolls provided	Accounting officer Health and Tourism And Secretary CPSB	Resolved	
4.0	**Garbage Collection**	Job cards were	Accounting	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)*
	services Payments not supported by job cards	in a different file at the department. Job cards provided	officer –lands and Environment		
5.0	**Travel and Subsistence** Inadequate support of some payments	Support documents attached	Director – Accounting services	Resolved	
6.0	**Foreign Travel** Inadequate support of some payments	Support documents attached	Director – Accounting services	Resolved	
7.0	**Routine Maintenance of Vehicles and other Transport Equipment** Some payments were lacking support documents like defect reports and post-maintenance inspection reports	Documents provided	Accounting officer – Transport and Mechanical unit	Resolved	
8.0	**Refurbishment of Buildings** Support Documents Insufficient	Contracts, inspection certificates, completion certificates attached	Accounting Officer-Housing	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)*
9.0	**Maasai Mara Community Support Fund - Payments of Medical Bills** No evidence of wildlife agression	Medical reports obtained	Administrator MMCSF	Resolved	
10.0	**Accounts Receivables - Outstanding Imprest** Full details not completed in the imprest register	Register Completed	Director-accounting services	Resolved	
11.0	**Fixed Assets** Verification and formal handing over of fixed assets from defunct local authorities not done	Process is underway	County secretary Chairperson-IGRTC	Not resolved	One year
12.0	**Unaccounted for Rent Income** Deducted by check off system but not promptly remitted to CRF and non-collection from other houses	Delayed reconciliations Some houses were under repair thus not occupied	Accounting officer-Finance Chief Officer-Housing		
13.0	**Pending Bills** Insufficient support	Audit by OAG to determine	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)*
		eligibility undertaken			
1.0	**Variance between figures in the Financial Statement and those in IFMIS**	Some commitments which were not paid had not been cancelled	Chief officer - Finance	Resolved	
2.0	**Unaccounted for Receipt Books**	Receipt books with low collection matrix thus slow surrender. All receipt books recalled for administrative review, Revenue surrendered	Director, HR, Director, Audit Director, Revenue	Resolved	
1.0	Overemployment of staff	Some staff without requisite capacity were inherited from defunct local authorities and National Government. Need for Qualified staff necessitated the Hiring	Secretary, CPSB Accounting Officer, Public service and Decentralization of Devolved functions	Resolved	
2.0	**Procurement of Goods - Laundry Equipment** Use of	Method adopted was not request for quotations but Restricted Tender	Director, Procurement	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)*
	Quotaions for a large amount				
3.0	**Stalled Project - Construction of Facilities in Schools**	Delayed Completion, Later a follow up was made and all projects completed	Accounting officer-Education	Resolved	
4.0	**Lack of an Audit Committee**	Not Constituted as at the time of audit	Audit committee now constituted	Resolved	

CEC, County Treasury

Sign.....

Date.....3/9/2019

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	764,904,000				764,904000
Exchequer Releases for quarter 2	1,848,518,000	10,935,000		111,879,592	1,971,332,592
Exchequer Releases for quarter 3	1,115,485,000			27,846,564	1,143,331,564
Exchequer Releases for quarter 4	2,645,293,000	10,935,000		477,117,606	3,133,345,606
Total	6,374,200,000	21,870,000		616,843,762	7,012,913,762

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

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				-	-	
1.				-	-	
2.				-	-	
3.				-	-	
Sub-Total						
Construction of civil works						
4. Supplier C				870,110,858	1,221,145,380	
5. Supplier D- Health Facilities				-	-	
6.				-	-	
Sub-Total				**870,110,858**	**1,221,145,380**	
Supply of goods						
7. Supplier E				325,125,161	637,151,857	
8.				-	-	
9.				-	-	
Sub-Total				**325,125,161**	**637,151,857**	
Supply of services				-	-	
10.				-	-	
11.				-	-	
12.				-	-	
Sub-Total				-	-	
Grand Total				**1,195,236,019**	**1,858,297,237**	

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		-	-	-	**1,195,236,019**	**1,653,245,753**	

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	30,015,879,200	-	-	-	30,015,879,200
Buildings and structures	1,985,522,890	862,016,457	-	-	2,847,539,347
Transport equipment	425,482,488	14,224,138	-	-	439,706,626
Office equipment, furniture and fittings	126,168,228	-	-	-	126,168,228
ICT Equipment	76,369,388	2,167,163	-	-	78,536,551
Machinery and Equipment	225,777,907	306,030,807	-	-	531,808,714
Heritage and cultural assets	-	-	-	-	-
Biological assets	2,800,000	-	-	-	2,800,000
Intangible assets	-	-	-	-	-
Infrastructure assets- Roads, Rails	4,715,561,098	1,827,175,655	-	-	6,542,736,753
Work in progress	-	-	-	-	-
Total	**37,573,561,199**	**3,011,614,219**	-	-	**40,585,175,418**

(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					**786,110,000**			
2	Maasai Mara Community Support Fund					**110,800,000**			
3	Narok County Bursary Fund					**191,500,000**			
4	Narok county Assembly Car and Mortgage Fund					**50,000,000**			
5									
6									
7									
8									
9	**Total**					**1,138,410,000**			

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)