THARAKA NTHI COUNTY
ANNUAL CAPACITY & PERFORMANCE ASSESSMENT (ACPA) REPORT

From

17th July to 21st July 2017

Presented by Lead Consultant

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ACRONYMS

ACPA	-	Annual Capacity and Performance Assessment
ADP	-	Annual Development Plans
CB	-	Capacity Building
CEC	-	County Executive Committee
CFAR	-	County Financial and Accounting Report
CGTN	-	County Government of Tharaka Nithi
CIDP	-	County Integrated Development Plan
CO	-	Chief Officer
CPG	-	County Performance Grants
EA	-	Environmental Audits
EIA	-	Environmental Impact Assessment
EMCA	-	Environmental Management and Coordination Act
FS	-	Financial Secretary
FY	-	Financial Year
ICT	-	Information Communication Technology
IPSAS	-	International Public-Sector Accounting Standards
KDSP	-	Kenya Devolution Support Programme
KRA	-	Key Result Area
M&E	-	Monitoring and Evaluation
MAC	-	Minimum Access Conditions
MODP	-	Ministry of Devolution and Planning
MPC	-	Minimum Performance Conditions
NEMA	-	National Environment Management and Coordination Authority
NT	-	National Treasury
NWCPC	-	National Water Conservation and Pipeline Corporation
PFM	-	Public Finance Management (Act)
POM	-	Programme Operation Manual

ACKNOWLEDGEMENT

We wish to express our appreciation to the Tharaka Nithi County Government and specifically, the officials who participated in the Annual Capacity and Performance Assessment.

We are grateful to the County Deputy Secretary Mr. Ahmed M. Hammed for presiding over the exit meeting and committing that the County would endeavor to address identified gaps.

We also wish to express our appreciation to Mr. Alex Muratha KSDP Focal Point person, who was so solicitous in ensuring we had a comfortable environment to work from, and who mobilized relevant staff and was always at hand to respond to our enquiries. Finally, we wish to sincerely appreciate all the County officials who represented the relevant departments during the assessment and who tried their utmost to facilitate the assessment.

EXECUTIVE SUMMARY

The Government of Kenya developed a National Capacity Building Framework – NCBF, in 2013 to guide the implementation of its capacity building support for county governments. The program is a key part of the government's Kenya Devolution Support Program - KDSP supported by the World Bank. The NCBF spans PFM, Planning and M & E, Human Resource Management, Devolution and Inter-Governmental Relations and Public Participation.

The Ministry of Devolution and Planning – MoDP, state department of devolution subsequently commissioned Matengo Githae & Associates to carry out an Annual Capacity and Performance Assessment – ACPA in forty-seven counties. The ACPA assessment aims to achieve three complementary roles.

Evaluating the impact of capacity building support provided by national government and development partners under the NCBF will inform the introduction of a performance-based grant (the Capacity & Performance Grant, which will be introduced form FY 2016/17) to fund county executed capacity building and to increase the incentives for counties to proactively invest in their own capacity.

In preparation for the assessment process, MoDP carried out an induction and sensitization training to the consulting team to help them internalize the objectives of the ACPA, size of capacity and performance grants, County Government's eligibility criteria, ACPA tool, and the ACPA assessment criteria.

This report documents the key issues that arose during the final assessment of Tharaka Nithi County Government spanning the methodology used for the assessment, time plan and the overall process, summary of the results, summary of capacity building requirements and the need for follow – up, challenges in the assessment in general and the training methods.

Table 1: The assessment was summed as follows:

ACPA Measures	Outcome
MAC	All have complied with MAC except for item 3 and 4- which has not been implemented
MPC	Have met 3 MPCs, MPC 5-Adherence to Investment Menu is not applicable in this assessment. 5 MPCs not met which include MPC 3-Audit Opinion, MPC 4-Annual Planning, MPC 7-Core staffing in place, MPC 8-Environmental & Social safeguards and MPC 9-Civic & Public Participation.

ACPA Measures	Outcome	Score
PM	KRA 1: Public Financial Management	11
	KRA 2: Planning, Monitoring and Evaluation	6
	KRA 3: Human Resources Management	4
	KRA 4: Civic Education and Participation	2
	KRA 5: Investment implementation & Social And environmental performance	0
	TOTAL	**23**

Achievements

We note that it was difficult to tease out any notable achievement. While we acknowledge efforts in environmental performance, in terms of developing key documents to guide environmental management, we note that the said documents were not formally approved. Indeed, a key challenge for the County was formalizing processes and procedures a factor that affected its overall performance. It was apparent that the County was still in transition and that capacity building was needed in most departments.

Weaknesses

Weaknesses were noted across the board. Key weaknesses noted were:

- Failure to institutionalize an Audit committee as required by the PFM Act Art 155;
- Weak human resource management system
- Inadequate capacity in budgeting and procurement
- Lack of civic education and public participation unit
- Lack of a complaint's management system.
- In terms of investment implementation and social and environmental performance, it was especially difficult to track investment performance due to inadequate data (attributed to relevant officials being unavailable to provide the information) and secondly, because a verifiable CIDP was not produced and thirdly, because the ADP was not prepared as per the prescribed standards.
- The county did not have an Annual Progress Report.
- It is also observed that the County had not done well in institutionalizing various committees, which are needed to oversight key result areas. Specifically, the M&E, and County Environment Committee had not been established.
- It was also noted that several key documents particularly in M and E and Environment were in draft form and had not been approved

Challenges

The main challenges faced during the assessment were:

- That it was not possible to hold an opening meeting since there were only two members of staff responsible for Key Result Areas present at the appointed time. The late involvement of key staff led too much of the information being provided on the third day.

- Failure to provide documents which had been formally approved, and which could then be used as evidence. To illustrate the foregoing, the assessors were provided with unsigned copies of the CIDP and ADP 2017/18 all of which were in soft copy.

- The assessment exercise was adversely affected by the then ongoing political campaigns since some senior officers were reportedly on the campaign trail and were therefore not available to support the assessment process.

Areas of Improvement

- Implement the IFMIS Hyperion module
- Establish and train an audit committee.
- Implement an ICT based revenue collection;
- Institute a HR policy and approved staff plans
- Establish a Civic Education and Public Participation Unit
- Institute a complaints management system
- Train and sensitize the County Assembly Public Finance and Investment Committee to scrutinize external audit reports in a timely manner
- Enact legislation on Public Participation. Education and Public Participation Act 2015
- Document public participation activities
- Establish and institutionalize a County Environmental Committee
- Establish and institutionalize a County Monitoring & Evaluation Committee
- Produce a County Annual Progress Report
- Institutionalize an environmental and social safeguards system
- Provide documents, which had been formally approved which could then be used as evidence. We were provided with unsigned copies of the Quarterly financial statements, CIDP and ADP 2017/18 all of which are in soft copy.

1.0 METHODOLOGY, ASSESSMENT TEAM AND ACTIVITIES

1.1 Methodology

The consultants relied on the following activities in carrying out the capacity assessments

a) Entrance Meeting

The consultants were not able to hold an entrance meeting with the County Officials since only two of the relevant county officers were available at the appointed time and since it was getting late, a decision was made to proceed with the assessment so as not to lose valuable time.

b) Data Administration

The consultants administered the questionnaire within three (3) working days. The consultants applied experiential learning (EL) to conduct Key group and other interviews, engaged with key Tharaka Nithi County Government and County Assembly Officials, senior management and staff who were knowledgeable in areas that related to the ACPA assessment to identify key capacity building issues and areas.

The consultants also used compliance modeling (CM) and organization review (OR) to review whether Existing County Integrated Development Plan – CIDP, Annual Development Plans – ADP's, Budgets, Financial Reports, key project documents, policy documents and strategies; and departmental reports complied with underlying laws, regulations and were modeled to produce the intended results in compliance with current national government laws, guidelines, policies, regulations and ACPA participation and assessment guidelines; and action planning (AP) to develop capacity building recommendations.

c) Exit Meeting-Debriefing

The consultants held a debriefing session with the Tharaka Nithi County team to share the outcome of the assessment process. This was meant to iron out emerging issues and any differences arising from the assessment process, and agree on the said issues if any, to reduce any potential conflict on the outcome of the results, by explaining the basis for the outcome.

The debriefing meeting agenda comprised of the following:

- Preliminary key findings and outcomes of the assessment.
- The level of information availed vis a vis what was expected.
- Comments from the County team

1.2 Time Plan

The time plan for the assessment and respective activities is as shown below:

Table 2: Activity Work Plan

Activity	17th July 2017	18th July 2017	19th July 2017	20th July 2017	21st July 2017
Inception meeting					
Assessing the Minimum Access Conditions					
Assessing minimum Performance Measures					
Assessing Performance Measures					
Exit Meeting					
Preparing Report					

2.0 SUMMARY OF RESULTS

The summary of the results of the assessments are provided in the tables **3, 4** and **5** below by MACs, MPCs and PMs respectively.

2.1 Minimum Access Conditions (MAC)

Table 3: Summary of results for Minimum Access Conditions

Minimum Conditions for Capacity and Performance Grants (level 1)	Reason and Explanation	Detailed indicator and Means of Verification (MoV)	Timing	Assessment Met/ Not Met	Detailed Assessment Finding
1. County signed participation agreement	To ensure that there is ownership and interest from the county to be involved in the Program, and to allow access to information for the AC&PA teams.	Signed confirmation letter/expression of interest in being involved in the Program MoV: Review the confirmation letter against the format provided by MoDP/in the Program Operational Manual (POM).	First ACPA.	**Met**	The County Participation agreement was availed for verification. The agreement was signed by H.E the Governor on 24th June 2016
2. CB plan developed	Is needed to guide use of funds and coordination. Shows the capacity of the county to be in driver's seat on CB.	CB plan developed according to the format provided in the Program Operational Manual/Grant Manual (annex). MoV: Review the CB plan, based on the self- assessment of the KDSP indicators: MACs, MPC and PMs, and compared with format in the POM /Grant	At the point of time for the ACPA for the current FY. First year a trigger to be achieved prior to the start of FY.	**Met**	CB Plan for the FY 2017/18 was developed and signed on 08th Sept 2016, by County Secretary and KDSP Focal person.

Minimum Conditions for Capacity and Performance Grants (level 1)	Reason and Explanation	Detailed indicator and Means of Verification (MoV)	Timing	Assessment Met/ Not Met	Detailed Assessment Finding
		Manual (annex).			
3. Compliance with investment menu of the grant	Important to ensure quality of the CB support and targeting of the activities.	Compliance with investment menu (eligible expenditure) of the Capacity and Performance Grant) documented in progress reports. MoV: Review of grant and utilization – progress reports. Reporting for the use of CB grants for previous FYs in accordance with the Investment menu		**N/A**	Funds had not been disbursed for this assignment
4. Implementation of CB plan	Ensure actual implementation.	Minimum level (70% of FY 16/17 plan, 75% of FY 17/18 plan, and 80% of subsequent plans) of implementation of planned CB activities by end of FY. MoV: Review financial statements and use of CB + narrative of activities (quarterly reports and per the Grant Manual).		**N/A**	There has been a delay in the program implementation and funding was yet to be given.

2.2 Minimum Performance Conditions

Table 4: Summary of results for Minimum Performance Conditions

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
Minimum Access Conditions complied with					
1. Compliance with minimum access conditions	To ensure minimum capacity and linkage between CB and investments.	Compliance with MACs. MoV: Review of the conditions mentioned above and the MoV of these.	At point of time for the ACPA	**Met**	As per the signed participation agreement done on 24th June 2016 and in compliance with MAC's
Financial Management					
2. Financial statements submitted	To reduce fiduciary risks	Financial Statements with letter on documentation submitted to the Kenya National Audit Office by **30th September** and National Treasury with required signatures (Internal auditor, heads of accounting unit etc.) as per the PFM Act Art.116 and Art. 164 (4). This can be either individual submissions from each department, or consolidated statement for the whole county. If individual statements	3 months after closure of the FY (30th of September). Complied with if the county is submitting individual department statements: 3 months after end of FY for department	**Met**	The consolidated financial statements (both Executive and Assembly) for the FY 2015/16 were submitted on 30th September 2016 to the KENAO Embu Hub. This was evidenced by a stamped submission letter which was availed to the assessors for verification

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		are submitted for each department, the county must also submit consolidated statements by 31st October. The FS has to be in an auditable format. MoV: Annual financial statements (FSs), submission letters to Office of the Auditor General (OAG) + records in OAG.	statements and 4 months after end of FY for consolidated statement. If the council is only submitting consolidated statement: Deadline is 3 months after end of FY.		
3. Audit opinion does not carry an adverse opinion, or a disclaimer on any substantive issue	To reduce fiduciary risks	The opinion in the audit report of the financial statements for county legislature and executive of the previous fiscal year cannot be adverse or carry a disclaimer on any substantive issue. MoV: Audit reports from Office of the Auditor General. **Transitional arrangements:** Transitional arrangements are in place as audit report may be disclaimed due to balance	Note. This will be last trigger for release as report is not yet there upon time for the ACPA. ***Transitional arrangements:*** First ACPA where MPCs are applied i.e. in the 2016 ACPA: Issues are defined	**Not Met**	**COUNTY EXECUTIVE - ADVERSE OPINION;** The Audit opinion was mainly based on; **i)** Casting error on statement of assets by Kes.989,238 **ii)** **Bank reconciliation of 8 accounts not availed totaling to Kes.231.203M** **iii)** Over drawn on development account in cash book held in CBK of Kes.47.081M **iv)** Variance between cash survey report vs financial statements by Kes.4.609M

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		sheet issues. First year where the Minimum Performance Conditions are applied (i.e. 2nd AC&PA starting in September 2016) the conditions are as follows: Audit report shows that the county has: • Provided documentation of revenue and expenditures (without significant issues leading to adverse opinion); • No cases of substantial mismanagement (which in itself would lead to adverse audit opinion) and fraud; • Spending within budget and revised budget; • Quarterly reports submitted in last FY to Cob; • Books of accounts (cashbooks) posted with bank reconciliations up-to-date. • Assets register for new assets in place	for the core issues, which disqualify counties as per audit reports, see previous column.		**v) Unsurrendered imprests amounting to KEs.2.583M** **vi)** unsupported pending bills to the tune of Kes.93.393M **vii)** variance between F/S and annexes amounting to Kes.2.202M **viii)** unsupported expenditure of Kes.574.871M **ix)** Irregular payments to casuals amounting to Kes.62.210M

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
4. Annual planning documents in place	To demonstrate a minimum level of capacity to plan and manage funds	CIDP, Annual Development Plan and budget approved and published (on-line). (Note: The approved versions have to be the version published on county website) (PFM Act, Art 126 (4). MoV: CIDP, ADP, and budget approval documentation, minutes from council meetings and review of county web site.	At the point of time of the ACPA, which will take place in Sep-Nov, the plans for current year are reviewed.	**Not Met**	The CIDP, ADP and budget had not been published online. The assessors did not see evidence of approval of either the CIDP or ADP.
Use of funds in accordance with Investment menu					
5. Adherence with the investment menu	To ensure compliance with the environmental and social safeguards and ensure efficiency in spending.	Adherence with the investment menu (eligible expenditures) as defined in the PG Grant Manual. MoV: Review financial statements against the grant guidelines. Check up on use of funds from the CPG through the source of funding in the chart of accounts (if possible through the general reporting system with Source of Funding codes) or special manual	In 2016 ACPA (Q3 2016), this MPC will not be measured as the level 2 grant starts only from FY 2017/18.	**N/A**	The investment menu relates to the actual capacity-building grant, which is yet to be given.

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		system of reporting as defined in the Capacity and Performance Grant Manual) Review budget progress reports submitted to CoB.			
Procurement					
6. Consolidated Procurement plans in place.	To ensure procurement planning is properly coordinated from the central procurement unit instead at departmental, and to ensure sufficient capacity to handle discretionary funds.	Up-dated consolidated procurement plan for executive and for assembly (or combined plan for both). MoV: Review procurement plan of each procurement entity and county consolidated procurement plan and check up against the budget whether it encompass the needed projects and adherence with procurement procedures. The procurement plan(s) will have to be up-dated if/and when there are budget revisions, which require changes in the procurement process.	At point of the ACPA (for current year)	**Met**	The FY2016/17 Up-dated consolidated procurement plan for the executive and assembly was availed for verification to the assessors. Consolidation was done through the IFMIS system, whereby; 1)Each entity prepared its procurement plan which was then signed by the Chief Officer of the entity, and forwarded to the procurement department 2) The procurement department uploaded all departmental plans to the IFMIS system where they are

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		Note that there is need to check both the consolidated procurement plan for 1) the assembly and 2) the executive, and whether it is revised when budget revisions are made.			consolidated to have county procurement plan. IFMIS places procurement method to be used during execution i.e. either through tendering or quotation process, based on matrix threshold. Procurement for works below 4M, services and goods <2M was done through quotation process, while procurement above the said amounts above was done through tendering process. 3) The IFMIS system had control to ensure all the procurements were within the allocated budget, hence at no one time could a purchase exceed the allocated budget. The same was verified by assessors.
Core Staffing in Place					
7. County Core staff in place	To ensure minimum	Core staff in place as per below list (see also County	At the point of time for the	**Not Met**	Upon verifying individual files, the following was

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
	capacity in staffing	Government Act Art. 44). The following staff positions should be in place: • The country secretary • Chief officer of finance, • Planning officer, • Internal auditor, • Procurement officer • Accountant • Focal Environmental and Social Officer designated to oversee environmental and social safeguards for all sub projects • M&E officer MoV: Staff organogram, schemes of service to review the qualifications against requirements (hence, the staff needs to be substantive compared to the schemes of service), sample check salary payments, job descriptions, interview and sample checks. Staff **acting** in positions may	ACPA.		observed; A) The file for the Country secretary was not availed to assessors for verification and as such, it could not be ascertained whether he met the qualification for the position. B) The Internal Auditor was holder of CPA II and not a member of the Institute of Internal auditors. Based on her CV, she had only 3.5 years' experience. As per the scheme of service, she was supposed to be a CPA-K with and over 10years experience and be in possession of a Bachelors degree. C) The other core staff met qualifications for the positions held. This was ascertained by verifying their academic

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		also fulfill the conditions if they comply with the qualifications required in the schemes of service.			qualifications with the scheme of service D) JDs were missing in their offer letter in personal files. E) Sampled files contained pay slips, which were in line with the grading structure as per the scheme of service as well as offer letter. F)The Organogram used by the county was in draft form and was awaiting approval from the CEC
Environmental and Social Safeguards					
8. Functional and Operational Environmental and Social Safeguards Systems (i.e. screening/vetting, clearance/ approval, enforcement &	To ensure that there is a mechanism and capacity to screen environmental and social risks of the planning	1. Counties endorse and ratify the environmental and social management system to **guide investments** (from the ACPA starting September 2016). 2) All proposed investments **screened*** against set of environmental and social	Note that the first installment of the expanded CPG investment menu covering sectoral investments starts from July 2017 (FY 2017/18).	**Not Met**	**1)** There was no evidence provided of an environmental and social safeguards system. **2)** The assessors identified 10 projects for sampling none of which had been screened. They were as follows:

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
compliance monitoring, grievance redress mechanisms, documentation & reporting) in place.	process prior to implementation, and to monitor safeguard during implementation. To avoid significant adverse environmental and social impacts To promote environmental and social benefits and ensure sustainability To provide opportunity for public	criteria/checklist, safeguards instruments prepared. (Sample 5-10 projects). (From the second AC&PA, Sept. 2016). 3) Prepare relevant **RAP for all investments with any displacement. Project Reports for investments for submission to NEMA**. (From the 3nd AC&PA, Sept. 2017). Sample 5-10 projects. 4. Establishment of County Environment Committee. MoV: Review endorsements from NEMA, ratification, screening materials and documentation, and contracts. Evidence that all projects are reviewed, coordinated and screened against checklist in Program Operating Manual. Screening may be conducted by various departments, but there is a need to provide an	Hence some of the conditions will be reviewed in the ACPA prior to this release to ascertain that capacity is in place at county level, and other MPCs will review performance in the year after start on the utilization of the expanded grant menu (i.e. in the 3rd AC&PA, see the previous column for details).		i. Kiangondu Dispensary ii. Rukindu Dispensary iii. Kanini Dispensary iv. Naka Bridge v. Gakuuru Bridge vi. Mayanga Water Supply vii. Kathwana Water Supply viii. Mwonge Water Supply ix. Dumpsite(Chuka) x. Retail Shades(Chogoria) 2) The assessors were provided with minutes of a meeting dated February 4, 2016, which purported to select members of the County Environmental Committee as well as minutes of a further meeting held on February 11, 2016, purporting to verify and confirm the said members. It was noted that the said committee was never gazetted

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
	participation and consultation in safeguards process (free, prior and informed consultations – FPIC)	overview and evidence that all projects are screened. * In cases where the county has clear agreement with NEMA that it does the screening and that all projects are screened, this condition is also seen to be fulfilled.			as required by law and as such, a County Environmental Committee did not exist in terms of the law at the time of the assessment.

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
9. Citizens' Complaint system in place	To ensure sufficient level of governance and reduce risks for mismanagement.	Established an operational Complaints Handling System, including a: (a) complaints/grievance committee to handle complaints pertaining to fiduciary, environmental and social systems. b) A designated a Focal Point Officer to receive, sort, forward, monitor complaints c) simple complaints form/template designed and available to the public d) Multiple channels for receiving complaints e.g. email, telephone, anti-corruption boxes, websites etc.) e) Up to date and serialized record of complaints coordinate implementation of the Framework and a grievance committee is in place.	At point of time for the ACPA.	Not Met	a) The County did not have a complaints system neither did it have a complaints or grievance committee Specifically: b) The County did not have a Focal Point Officer dealing with Complaint management. c) The County did not have a simple complaints form or template available to the public. d) The County did not have any channels for receiving complaints as far as the assessors could establish. e) There were no records of complaints serialized or otherwise.

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		MoV: Review county policy, availability of the focal office (recruitment files, salary payments, job description for focal point, and evidence for operations, etc. + members of grievance committee, minutes from meetings, various channels for lodging complaints, official and up to date record of complaints etc. *See also County Government Act Art. 15 and 88 (1)*			

2.3 Performance Conditions

Table 5: The summary of results for Performance Conditions

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
	KRA 1: Public Financial Management **Max score: Maximum 30 points.**						
	Strengthened budget formulation, resource mobilization and allocation						
1.1	Program Based Budget prepared using IFMIS and SCOA	Budget format and quality	The annual budget approved by the County Assembly is: a) Program Based Budget format. b) Budget developed using the IFMIS Hyperion module.	Review county budget document, IFMIS up-loads, the CPAR, 2015. Check use of Hyperion Module: all budget submissions include a PBB version printed from Hyperion (submissions may also include line item budgets prepared using other means, but these must match the PBB budget – spot check figures between different versions).	**Maximum 2 points.** 2 milestones (a & b) met: 2 points 1 of the 2 milestones met: 1 point	**a)1** **b)1**	a) The budget was in a program-based format, detailing program strategic objectives, expenditure vote with program & economic classification, with targets per program. b) The Budget was developed using Excel, and later uploaded in the IFMIS Hyperion module. This was due to capacity limitation in usage of the system. The budget items uploaded in Hyperion module matched the PBB budget.
1.2		Budget process follows clear budget calendar	Clear budget calendar with the following key milestones achieved: a) Prior to end of August	PFM Act, art 128, 129, 131. Review budget calendar, minutes from meetings	**Max. 3 points** If all 5 milestones (a-e) achieved: 3 points		a) The circular with guidelines was sent to all departments via email dated 1st Sep 2016 @ 7.46Am. The delay

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			the CEC member for finance has issued a circular to the county government entities with guidelines to be followed; b) County Budget review and outlook paper – submission by county treasury to CEC by 30 September to be submitted to the County assembly 7 days after the CEC has approved it but no later than 15th October. c) County fiscal strategy paper (FSP) – submission (by county treasury) of county strategy paper to county executive committee by 28th Feb, County Treasury to submit to county assembly by 15th of march and county	(also from assembly resolutions) circular submission letters, county outlook paper, minutes from meetings and Financial Statements.	If 3-4 items: 2 points If 2 items: 1 point If 1 or 0 items: 0 points.	c-e)2	was as a result of low capacity in the department B) The Budget Review and Outlook paper was submitted to the CEC on 18th Nov 2016 for approval and later to the County Assembly on the same day. The delay was attributed to lack of capacity in the department c) The Fiscal Strategy paper for FY2016/17 was approved by the CEC member on 14th March 2016 and forwarded to the County Assembly on 15th March 2016. d) The CEC member for Finance forwarded the budget estimates for the FY2016/17 to County

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			assembly to discuss within two weeks after mission. d) CEC member for finance submits budget estimates to county assembly by 30th April latest. e) County assembly passes a budget with or without amendments by 30th June latest.				Assembly on 29th April 2016 e) The County Assembly passed the budget without amendments on 29th June 2016 and the Governor assented to it on 12th July 2017.
1.3		Credibility of budget	a) Aggregate expenditure out-turns compared to original approved budget. b) Expenditure composition for each sector matches budget allocations (average across sectors).	Review the **original** budget and the annual financial statements, budget progress reports, audit reports, etc. Use figures from IFMIS (general ledger report at department (sub-vote) level).	**Max. 4 points.** Ad a): If expenditure deviation between total budgeted expenditures and total exp. in final account is less than 10 % then 2 points. If 10-20 % then 1 point.	**a)1**	a) The budget for the FY 2015/16 was Kes.3, 751,037,824 against actual expenditure of Kes.3, 327,373,865 which was 88.71% (3327373865/3751037824) absorption of the budget. The foregoing was a positive deviation of **11.29%** (100%-88.71%) from the budget.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					More than 20 %: 0 point. <u>Ad b):</u> If average deviation of expenditures across sectors is less than 10 % then 2 points. If 10-20 % then 1 point. More than 20 %: 0 point.	**b)1**	b) Expenditure composition for each sector deviated from the budget allocations by a positive **16.65%** as follows; Office of the governor ((1-(133,375,802/ 142,418,121))=6.35% County PSB ((1-(26,327,920/ 27,880,000))=5.57% Finance and economic planning ((1-(296,011,006/ 315,951,572))=6.31% Agriculture ((1-(262,646,285/ 311,753,829))=15.75 % Health services ((1-(938,491,883/ 988,941,891)=5.10% Infrastructure ((1-(555,734,291/ 592,148,581))=6.15% Education ((1-(268,913,023/ 337,515,939))=20.33 % Physical planning ((1-(106,411,182/

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							122,269,807))=12.97 % Public service ((1-(156,625,273/ 190,186,964))=17.65 % Trade ((1-(93,283,791/ 115,009,325))=18.89 % Environment and natural resources ((1-(138,709,826/ 193,296,430))=28.24 % Water and irrigation ((1-(18,643,865/ 54,255,449))=65.64 % County assembly ((1-(332,199,718/ 359,409,916))=7.57 % Totaling to 216.51% /13 sectors =16.65%
	Revenue Enhancement						
1.4	Enhanced revenue management and administratio	Performance in revenue administrati on	Automation of revenue collection, immediate banking and control system to track collection.	Compare revenues collected through automated processes as % of total own source revenue.	**Max: 2 points.** Over 80% = 2 points Over 60% = 1 point	0	Automation of revenue collection was yet to be operationalized. This was due to delays by the executive in

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
	n						allocating a budget for automation of the system. b) With respect to banking and a control system to track collection, there following was noted; • Some collection points especially in Kathwana were quite remote and far from banking facilities (50Kms away) • Daily collections were not banked immediately. • Daily collections were forwarded to the main cashier at the County offices, where manual reconciliation of cash received against manual receipt books took

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							place. • The main cashier kept the cash in a safe for banking the next day. • It was observed from the Internal Auditor's report, that in several instances, the cash received did not tally with the cash banked, since there was unauthorized usage of cash collected before banking.
1.5		Increase on a yearly basis in own source revenues (OSR).	% increase in OSR from last fiscal year but one (year before previous FY) to previous FY	Compare annual Financial Statement from two years. (Use of nominal figures including inflation etc.).	**Max. 1 point.** If increase is more than 10 %: 1 point.	0	In FY 2016/17, revenue decreased by 47.42% ((100 %-(96,200,964/182,974,627))compared to FY2015/. The decrease was explained by the County in terms of the following : i) A matter filed in court regarding liquor

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							licensing by a business which meant the County was barred from collecting revenue from the business until the case was fully heard and determined. The County had in FY2015/16 they had collected KES 37M from liquor licensing but only collected KES 2M in FY2016/17. ii) The doctors and nurses strike affected hospital collections which dropped from Kes.40M in 2015/16 to Kes.24M in 2016/17.
	Enhanced capacity of counties on execution (including procurement), accounting and reporting						
1.6	Reporting and accounting in accordance with PSASB guidelines	Timeliness of in-year budget reports (quarterly to Controller of Budget).	a) Quarterly reports submitted no later than one month after the quarter (consolidated progress and expenditure reports) as per format in CFAR, submitted to the county	Review quarterly reports, date and receipts (from CoB). Check against the PFM Act, Art. 166. CFAR, Section 8.	**Max. 2 points.** (a &b) Submitted on time and published: 2 points. (a only):	0	a) There were no quarterly reports prepared by the County. • The one report presented for verification combined three

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			assembly with copies to the controller of budget, National Treasury and CRA. b) Summary revenue, expenditure and progress report is published in the local media/web-page.	Review website and copies of local media for evidence of publication of summary revenue and expenditure outturns.	Submitted on time only: 1 point.		quarters (July 2016-March 2017). The reports were prepared in accordance with the CFAR format. • The reports included receipts and expenditure statements, budget execution and schedules for imprest and creditors • They County contended it had submitted the reports to CoB, but there was no evidence in terms of a forwarding letter or acknowledgment from CoB provided to the assessors for verification. b) The reports were not published on the

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							County web page.
1.7		Quality of financial statements.	Formats in PFMA and CFAR, and standard templates issued by the IPSAS board are applied and the FS include cores issues such as trial balance, bank reconciliations linked with closing balances, budget execution report, schedule of outstanding payments, and appendix with fixed assets register.	Review annual financial statements, bank conciliations and related documents and appendixes to the FS, date and receipts (from CoB and NT). Check against the PFM Act, Art. 166 and the IPSAS format. CFAR, Section 8. Check against requirements. If possible review ranking of FS by NT (using the County Government checklist for in-year and annual report), and if classified as excellent or satisfactory, conditions are also complied with.	**Max. 1 point.** Quality as defined by APA team or NT assessment (excellent/satisfactory): 1 point	0	• Quarterly financial statements for the year 2016/17 (Q1, Q2 & Q3) availed to the assessors for verification were in draft form, since they were not signed by the CO Finance and Head of Treasury. • The reports were prepared in accordance to IPSAS format, as they included a statement of Income and expenditure, budget execution, details of income, schedules of imprest and creditors. • Bank reconciliations for the month of May 2017 signed by the accountant on

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							12th June 2017, were availed for verification • There was no evidence availed to the assessors on submission of quarterly reports to the relevant authorities i.e. NT' & CoB despite the Accountant claiming that they has been submitted.
1.8		Monthly reporting and up-date of accounts, including:	The monthly reporting shall include: **1.** Income and expenditure statements; **2.** Budget execution report, **3.** Financial statement including: **a.** Details of income and revenue **b.** Summary of expenditures **c.** Schedule of imprest	Review monthly reports. See also the PFM Manual, p. 82 of which some of the measures are drawn from.	**Max. 2 points**. If all milestones (1-3): 2 points If 1 or 2: 1 point If none: 0 points.	0	The County had been preparing quarterly reports instead of monthly reports. The report included: 1) Income and expenditure statements 2) Budget execution reports 3) Details of income and revenue 4)Summary of expenditures 5)Annexes of creditors

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			and advances; **d.** Schedule of debtors and creditors; **e.** Bank reconciliations and post in general ledger.				and imprest 6) Bank reconciliations • The assessors determined that the County did not merit an award of points for this performance measure since it was generating quarterly reports instead of monthly reports.
1.9		Asset registers up-to-date and inventory	Assets registers are up-to date and independent physical inspection and verification of assets should be performed once a year.	Review assets register, and sample a few assets. PFM Act. Art 149. Checkup-dates.	**Max. 1 point**. Registers are up-to-date: 1 point. Transitional arrangements: <u>First year:</u> Assets register need only to contain assets acquired by county governments since their establishment.	**1**	The asset register presented was for the FY2013/14 and was therefore not up to date. FY2017/18 to reflect the current asset position in the county. The existing one had patchy information under; • location, • user of asset • date of purchase • cost of asset • Engine Number

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					Second year onwards: register must include all assets, including those inherited form Local Authorities and National Ministries		• Chassis Number • Log book details • Tag number. • Title deeds for land owned by county They County highlighted lack of capacity as contributing to the delay in updating the register but promised the same would be finalized in the financial year 2017/18.
	Audit						
1.10	**Internal audit**	Effective Internal audit function	Internal audit in place with quarterly IA reports submitted to IA Committee (or if no IA committee, in place, then reports submitted to Governor)	Review audit reports. Check against the PFM Act Art 155	**Max. 1 point.** 4 quarterly audit reports submitted in previous FY: 1 point.	1	There was an effective Internal Audit function in place. Reports available were not on quarterly basis but were based on an audit plan regarding operations of the County. The following reports were availed for verification • Revenue collection

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							(from July16-Mar17) dated 4th April 2017, • Imprest accountability and expenditure of the county (July-Dec 16) dated 16th March 2017 The reports were reportedly forwarded to the Governor and respective departmental chief officers. There was no action plan from the executive.
1.11		Effective and efficient internal audit committee.	IA/Audit committee established and review of reports and follow-up.	Review composition of IA/Audit Committee, minutes etc. for evidence of review of internal audit reports. Review evidence of follow-up, i.e. evidence that there is an ongoing process to address the issues raised from last	**Max. 1 point.** IA/Audit Committee established and reports reviewed by Committee and evidence of follow-up: 1 point.	**0**	There was no Audit Committee in place. The Internal Auditor claimed the reports were forwarded to the Governor and departmental Chief officers, but there was no evidence of action taken regarding the IA

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				FY, e.g. control systems in place, etc. (evidence from follow-up meetings in the Committee). PFM Act Art 155.			reports.
1.12	**External audit**	Value of audit queries	The value of audit queries as a % of total expenditure	Review audit report from KENAO. Total expenditure as per reports to CoB.	**Max. 2 points** Value of queries <1% of total expenditures: 2 points <5% of total expenditure: 1 point	0	Value of audit queries for the FY2015/16 amounted to Kes.2.305B which is **62%** of total expenditure Kes.3.743B (2.305B/3.743B)
1.13		Reduction of audit queries	The county has reduced the value of the audit queries (fiscal size of the area of which the query is raised).	Review audit reports from KENAO from the last two audits.	**Max. 1 point.** Audit queries (in terms of value) have reduced from last year but one to last year or if there is no audit queries: 1 point.	0	The value of Audit queries for the FY2015/16 of Kes.2.305B increased by **16%** compared to audit queries for the FY2014/15 amounting to Kes.1.99B ((1-(2.305B/1.99B))%
1.14		Legislative scrutiny of audit reports and	Greater and more timely legislative scrutiny of external audit reports within required period	Minutes from meetings, review of previous audit reports.	**Max. 1 point**. Tabling of audit report and evidence of	0	Financial statements for the year 2014/15 and draft statements for the year 2015/16 were

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		follow-up	and evidence that audit queries are addressed		follow-up: 1 point.		forwarded to the legislature on 18th May 2017 for its consideration. No evidence regarding the Assembly's deliberations on the same was provided to the assessors for verification.
	Procurement						
1.15	**Improved procurement procedures**	Improved procurement procedures including use of IFMIs, record keeping, adherence to procurement thresholds and tender evaluation.	Note: When PPRA develop a standard assessment tool, APA will switch to using the score from the PPRA assessment as the PM (PfR may incentivize PPRA to do this in DLI 1 or 3). a) 25 steps in the IFMIS procurement process adhered with. b) County has submitted required procurement reports to PPRA on time.	Annual procurement assessment and audit by PPRA and OAG Sample 5 procurements (different size) and review steps complied with in the IFMIS guidelines. Calculate average steps complied with in the sample. Review reports submitted. Check reports from	**Max. 6 points**. a) IFMIS Steps: <15steps=0 points; 15-23=1 point; 24-25=**2 points** b) Timely submission of quarterly reports to PPRA (both annual reports plus all reports for procurements above proscribed thresholds):	**a)1** **b)0**	a) The County is currently using 15 steps in the IFMIS system. This is explained in terms of lack of capacity especially on the side of suppliers. b) Quarterly reports were not prepared by the County; consequently none was submitted to the PPRA. The report should include all tenders and quotations issued to reserved groups (Youth

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			c) Adherence with procurement thresholds and procurement methods for type/size of procurement in a sample of procurements. d) Secure storage space with adequate filing space designated and utilized – for a sample of 10 procurements, single files containing all relevant documentation in one place are stored in this secure storage space (1 point) e) Completed evaluation reports, including individual evaluator scoring against pre-defined documented evaluation criteria and signed by each member of the evaluation team, available for a sample of	tender committees and procurement units. Check a sample of 5 procurement and review adherence with thresholds and procurement methods and evaluation reports. Check for secure storage space and filing space, and for a random sample of 10 procurements of various sizes, review contents of files.	**1 point** c) Adherence with procurement thresholds and procurement methods for type/size of procurement in a sample of procurements: **1 point**. d) Storage space and single complete files for sample of procurements: **1 point** e) Evaluation reports:	**c)1** **d)0** **e)1**	, Women and disabled) and procurements above prescribed threshold i.e. Above 4M on works and 2M on goods and services c) The county was in adherence with the procurement thresholds and followed procurement methods. The assessors sampled 5 tender files and 5 quotation files and observed as follows: 1) Works below 4M were procured via quotation and those above 4M through a tendering process. 2) Goods & Services below 2M were procured through quotation while those above 2M were procured through a tendering process

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			5 large procurements (2 points)		1 point		D) There was no registry for procurement files. The sampled files all had the relevant documents i.e., tender advert, opening minutes, evaluation reports, letter of award, signed contracts. However, these files were stored in open shelves within the department thereby compromising their security. e) Evaluation reports for some of the sampled tender files were availed and duly signed by all Evaluation Committee Members as follows: i) Tender TNCG/02/WTR/2016-17 of Kes.16,829,517 – Extension of

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							Mukothima Kirigicha pipeline ii) Tender TNCG/03/WTR/2016-17 of Kes.4,997,742 – Construction of Thigaa Kithitu water project iii) Quotation TNC/QT/17/2016-17 of Kes.934,500-Supply & installation of consumer water meters for Muthambi water project.
	Key Result Area 2: Planning and M&E **Max score: (tentative 20 points)**						
2.1	County M&E system and frameworks developed	County M&E/Planning unit and frameworks in place.	a) Planning and M&E units (may be integrated in one) established. b) There are designated planning and M&E officer and each line ministry has a focal	Review staffing structure and organogram. Clearly identifiable budget for planning and M&E functions in the budget.	**Maximum 3 points** The scoring is one point per measure Nos. a-c complied with.	**1** **1**	**a)** The County had monitoring and evaluation and planning functions **b)** There was a designated Planning Officer reporting to the Director of Finance and Economic Planning. There was also a Monitoring and

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			point for planning and one for M&E c) Budget is dedicated for both planning and M&E.			1	Evaluation Officer reporting to the director. **c)** The budget 2016/17 provided KES 2.3 million for M and E and KES 3.1 for economic development planning and coordination services.
2.2		County M&E Committee in place and functioning	County M&E Committee meets at least quarterly and reviews the quarterly performance reports. (I.e. it is not sufficient to have hoc meetings).	Review minutes of the quarterly meeting in the County M&E Committee.	**Maximum: 1 point** Compliance: 1 point.	0	The County did not have an M and E Committee. The assessors were nevertheless provided with a letter appointing an M and E Committee to be chaired at Ward Level. Whatever the case, the appointment was for one year and had lapsed at the time of the assessment.
2.3	County Planning systems and functions established	CIDP formulated and up-dated according to	a) CIDP: adheres to guideline structure of CIDP guidelines,	CIDP submitted in required format (as contained in the CIDP guidelines published by MoDP).	**Maximum: 3 points** 1 point for compliance with	0	a) We were not provided with a signed CIDP to facilitate a review of this performance measure. What was availed was

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		guidelines	b) CIDP has clear objectives, priorities and outcomes, reporting mechanism, result matrix, key performance indicators included; and c) Annual financing requirement for full implementation of CIDP does not exceed 200% of the previous FY total county revenue.	See County Act, Art. 108, Art 113 and Art. 149. CIDP guidelines, 2013, chapter 7.	each of the issues: a, b and c.		a soft copy of a document in MS Word which we could not verify as the County CIDP since it was not signed c)We could not assess this indicator due to the unavailability of a verifiable CIDP as stated above.
2.4		ADP submitted on time and conforms to guidelines	a) Annual development plan submitted to Assembly by September 1st in accordance with required format & contents (Law says that once submitted if they are silent on it then it is assumed to be passed). b) ADP contains issues mentioned in the PFM Act 126,1, number A-H	Review version of ADP approved by County Assembly for structure, and approval procedures and timing, against the PFM Act, Art 126, 1.	**Maximum: 4 points** Compliance a): 1 point. b) All issues from A-H in PFM Act Art 126,1: 3 points 5-7 issues: 2 points 3-4 issues: 1 point, see Annex.	**1** **1**	a) ADP for 2016/17 was received by the Assembly on March 15, 2015 which was after the due date of September 1, 2015. b) The issues in mentioned are: a)Strategic priorities b)How county government is responding to issues of financial and economic environment c)Programs to be

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							delivered, d)Payments to be made on behalf of the county i.e. grants, e)Description of significant capital development, g)Summary budget f) Development of Human resource capital. Our review of the 2016/17 ADP established the following: • s.126(1) and clauses (a) and(b) -Not addressed • -s.126(1) (c)- Only sub clause (iv) addressed. • s.126(1)(d)-Not addressed • s.126(1)(e)- Not addressed • s.126(1)(f)- Not Addressed • s.126(1)(e)- Not

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							addressed • s.126(1)(g)-Addressed • s.126(1)(h)-Not addressed • s.126(1)(g)-Addressed s.126(1)(h)-Addressed[1]
2.5		Linkage between CIDP, ADP and Budget	Linkages between the ADP and CIDP and the budget in terms of costing and activities. (costing of ADP is within +/- 10 % of final budget allocation)	Review the three documents: CIDP, ADP and the budget. The budget should be consistent with the CIDP and ADP priorities. The costing of the ADP is within +/- 10% of final budget allocation. Sample 10 projects and check that they are consistent between the two documents.	**Maximum: 2 points** Linkages and within the ceiling: 2 points.	0 1	We could not establish the linkage between the ADP, CIDP and the budget due to the absence of a verifiable CIDP. The ADP for FY 2016/2017 had a total budget of KES 1,267,000,000. The final budget allocation for development was KES 1, 214,775,000 which was within 10% of the final budget allocation.

[1] We assumed that this had been addressed though we note that this particularly indicator is not very clear.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
2.6	Monitoring and Evaluation systems in place and used, with feedback to plans	Production of County Annual Progress Report	a) County C-APR produced; b) Produced timely by September 1 and c) C-APR includes clear performance progress against CIDP indicator targets and within result matrix for results and implementation. (Ad b) Compliance if produced within 3 months of the closure of a FY and sent to Council of Governors for information. This will be done in reference with the County Integrated M&E System Guidelines.	Check contents of C-APR and ensure that it clearly link s with the CIDP indicators. Verify that the indicators have been sent to the CoG.	**Maximum: 5 points.** a) C-APR produced = 2 points b) C-APR produced by end of September. 1 point. c) C-APR includes performance against CIDP performance indicators and targets and with result matrix for results and implementation: 2 points. (N.B. if results matrix is published separately, not as part of the C-	0	a) The County did not have a C-APR. What was provided was a soft copy of a monitoring and evaluation report for the period 2013/14, 2015/16. The report was not amenable to linkage with the CIDP. While the M and E officer indicated that the report had been presented to the Governor's office, there was no evidence adduced to confirm the same b) There was no C-ARP produced c) As noted above, the M and E report did not respond to the requirements of the C-APR since it comprised a mere listing of projects, their implementation status

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					ADP, the county still qualifies for these points)		and a photograph of the same.
2.7		Evaluation of CIDP projects	Evaluation of completion of major CIDP projects conducted on an annual basis.	Review completed project and evaluations (sample 5 large projects).	**Maximum: 1 point.** Evaluation done: 1 point.	0	In the absence of a verifiable CIDP, we found it difficult to assess this indicator. Nonetheless, we note that we were provided with a Monitoring and Evaluation report for the Medium-Term Expenditure period 2013/2014 -2015/2016. The report reviewed the implementation status of projects and made recommendations. There was, however, no evidence the report had been formally presented and approved by the cabinet. The report availed was a soft copy which was neither signed not stamped.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
2.8		Feedback from Annual Progress Report to Annual Developme nt Plan	Evidence that the ADP and budget are informed by the previous C-APR.	Review the two documents for evidence of C-ARP informing ADP and budget	**Maximum: 1 point.** Compliance: 1 point.	**0**	The County did not produce a C-APR based on evidence availed to us.
	Key Result Area 3: Human Resource Management **Max score: 12 points.**						
3.1	Staffing plans based on functional and organization assessments	Organizatio nal structures and staffing plans	a) Does the county have an approved staffing plan in place, with annual targets? b) Is there clear evidence that the staffing plan was informed by a Capacity Building assessment / functional and organizational assessment and approved organizational structure? c) Have the annual targets in the staffing plan been met?	Staffing plan Capacity Building Assessment / CARPS report Documentation evidencing hiring, training, promotion, rationalization, etc. In future years (after first AC&PA), there has to be evidence that CB/skills assessments are conducted annually to get points on (b). Targets within (+/- 10 % variations).	**Maximum 3 points:** First AC&PA: a = 2 points, b = 1 point c= NA. Future AC&PAs: a=1 point, b = 1 point, c = 1 point	**a-c)0** **b) 1**	a) Staffing plans with annual targets were not in place and this was identified as a gap in the County CB Plan. b) For the current FY 2017/18 the County was developing staffing plans which were informed by CARPS and Organizational assessment structure. c) Annual targets were not met since staffing plans had not been developed nor

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							operationalized.
3.2	Job descriptions, including skills and competence requirements	Job descriptions, specifications and competency framework	a) Job descriptions in place and qualifications met (AC&PA 1: Chief officers / heads of departments; 2nd AC&PA: all heads of units; future AC&PAs: all staff (sample check)) b) Skills and competency frameworks and Job descriptions adhere to these (AC&PA 1: Chief officers / heads of departments; 2nd AC&PA: all heads of units; future AC&PAs: all staff (sample check) c) Accurate recruitment, appointment and promotion records available	Job descriptions Skills and competency frameworks. Appointment, recruitment and promotion records	**Maximum score: 4 points** All a, b and c: 4 points. Two of a-c: 2 points One of a-c: 1 point	**b-c)2**	Job descriptions were missing on offer letters for CO's and Head of Departments. CO's and HOD's met qualification for the position held. On comparing their certificates with the schemes of service, it was noted that only the Internal Auditor failed to meet the requisite qualifications, since she had not completed CPA-K and was not a member of the Institute of Internal Auditors. On the other hand, the CS's qualifications could not be ascertained as his file was not availed to the assessors for verification. b) The skills and competency framework

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							is neither developed nor operationalized. Currently they are using schemes of service in place of skills and competency framework. Schemes of service highlight skills and qualifications required for different cadres. c) There are accurate files for promotion and recruitment in place. Recruitment process starts where the department identifies the need which should be within the grading structure as documented in schemes of service, then CO of the department seeks approval from CEC, after which the approval is forwarded to County public service Board (CPSB)

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							who review, advertise, Interview, shortlist, appoint and place. For promotion, individual staff triggers the process within their department, which then forwards the case to HR, who then through discussions with HR advisory Board forward the names to CPSB who reviews and approves
3.3	Staff appraisal and performance management operationalized in counties	Staff appraisals and performance management	a) Staff appraisal and performance management process developed and operationalized. b) Performance contracts developed and operationalized	Review staff appraisals. County Act, Art 47 (1). Country Public Service Board Records. Staff assessment reports.	**Maximum score: 5 points.**[2] a) Staff appraisal for all staff in place: 1 point. (If staff appraisal for b) Performance Contracts in place	**a)0** **b)1**	a) Staff appraisals and performance management process had not been developed and were consequently not operationalized. b) Performance contracts for the CECs and CO's were last

[2] Note: higher points only expected in subsequent ACPAs, but PM is kept stable across ACPAs.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			c) service re-engineering undertaken d) RRI undertaken	Re-engineering reports covering at least one service RRI Reports for at least one 100-day period	for CEC Members and Chief Officers: 1 point Performance Contracts in place for the level below Chief Officers: 1 point c) Service delivery processes re-engineered in counties: 1 point d) Rapid Results Initiatives-RRIs launched/upscaled : 1 point	**c)0** **d)0**	done for the FY2015/16 and duly signed on 13th Jan 2016. PCs for the FY 2016/17 were not undertaken allegedly due to political disagreement within the County. However, PCs for the FY2017/18 were reportedly in the process of being prepared. C) Service re-engineering in the county has not been undertaken D) There is no RRI which has been undertaken in the county
	Key Result Area 4: Civic Education and Participation - ***A citizenry that more actively participated in county governance affairs of the society*** **Max score: 18 points**						
4.1	Counties establish functional	CEU established	Civic Education Units established and functioning:	County Act, Art 99-100.	**Maximum 3 points.**	0	**a)** The County did not have a CE Unit. **b)** There was no

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
	Civic education Units		(a) Formation of CE units (b) Dedicated staffing and (c) Budget, (d) Programs planned, including curriculum, activities etc. and (e) Tools and methods for CE outlined.		CEU fully established with all milestones (a) - (e) complied with: 3 points. 2-4 out of the five milestones (a-e): 2 points Only one: 1 point.		dedicated staff, the Ag. Director for Early Childhood Development and Education was initially introduced as dealing with CE matters, it turned out that he only addressed those CE issues touching on his docket. **c)** There was no line item for CE in the 2016/17 budget that was reviewed by the assessors. **d)** The assessors were not provided with any evidence of planned CE programs or curriculum activities. The assessors were advised that the County intended to adopt the curriculums developed by the MoDP

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
4.2		Counties roll out civic education activities	Evidence of roll-out of civic education activities – (minimum 5 activities).	County Act, art. 100. Examples are engagements with NGOs to enhance CE activities/joint initiatives on training of citizens etc. Needs to be clearly described and documented in report(s) as a condition for availing points on this.	**Maximum 2 points.** Roll out of minimum 5 civic education activities: 2 points.	0	The assessment team did not receive any evidence of CE activities rolled out by the County.
4.3	Counties set up institutional structures systems & process for Public Participation	Communication framework and engagement.	a) System for Access to information/ Communication framework in place, operationalized and public notices and user-friendly documents shared In advance of public forums (plans, budgets, etc.) b) Counties have designated officer in place, and officer is operational.	County Act, Art. 96. Review approved (final) policy / procedure documents describing access to information system and communication framework and review evidence of public notices and sharing of documents. Review job descriptions, pay-sheets and / or other relevant records to ascertain whether designated officer is in	**Maximum 2 points.** a) Compliance: 1 point. b) Compliance: 1 point.	0 0	**a)** The County neither had a policy nor legislative framework for public participation **b)** The County did not have a designated officer in place for public participation. The assessors established that public participation was dealt with on an ad hoc basis and that typically, departments that needed to involve the public did organized

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				place; review documents evidencing activities of the designated officer (e.g. reports written, minutes of meetings attended etc.)			the forums on their own with support from the Ward Administrators.
4.4		Participatory planning and budget forums held	a) Participatory planning and budget forums held in previous FY before the plans were completed for on-going FY. b) Mandatory citizen engagement /consultations held beyond the budget forum, (i.e. additional consultations) c) Representation: meets requirements of PFMA (section 137) and stakeholder mapping in public participation guidelines issued by MoDP.	PFM Act, Art. 137. County Act, 91, 106 (4), Art. 115. Invitations Minutes from meetings in the forums. List of attendances, Meetings at ward levels, Link between minutes and actual plans. List of suggestions from citizens, e.g. use of templates for this and reporting back. Feedback reports / minutes of meetings	**Maximum 3 points.** All issues met (a-f): 3 points. 4-5 met: 2 points. 1-3 met: 1 point.	**2**	a) There was evidence of attendance by citizens in planning forums, however, there were no reports to support the attendance lists. The assessors were provided with one newspaper advert, inviting citizens to participate in discussions for the MTEF budget 2015/16-2017/18. The assessors also reviewed attendance lists of forums, including one which was dated March 23, 2017, and which was held in Mwimbi Sub County. The assessors also reviewed

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			d) Evidence that forums are structured (not just unstructured discussions) e) Evidence of input from the citizens to the plans, e.g. through minutes or other documentation f) Feed-back to citizens on how proposals have been handled.	where feedback provided to citizens			a workshop programme for revision of the CIDP 2013/18 held on May 12, 2016. It was noted nonetheless, that the attendance lists and programme were not supported by reports or minutes. b) The assessors did review minutes/report of a participatory session held in Nkondi Market, Tharaka North Sub County on April 7, 2016 which recorded proposals from citizens on issues they wanted addressed by various departments. Nonetheless, we could not establish whether the forum was a planning or budget forum since the report, which was really a filled in matrix, did not

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							provide this information. c) The County had a Budget and Economic Forum based on the evidence availed. However, there was no evidence provided of stakeholder mapping. d) It was difficult to determine whether the forums were structured since all that was provided were attendance lists and not reports/minutes other than the one set of minutes already referred to above. e) As stated above, there was no evidence provided of citizen's inputs f) There was no evidence provided of feedback to citizens on how their proposals were handled.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
4.5.		Citizens' feed back	Citizen's feedback on the findings from the C-APR/implementation status report.	Records of citizens engagement meetings on the findings of the C-APR. Review evidence from how the inputs have been noted and adhered with and whether there is feed-back mechanism in place.	**Maximum points: 1** Compliance: 1 point.	0	The County did not have a C-APR and as such, the performance measure could not be assessed.
4.6		County core financial materials, budgets, plans, accounts, audit reports and performance assessments published and shared	Publication (on county web-page, in addition to any other publication) of: **i)** County Budget Review and Outlook Paper **ii)** Fiscal Strategy Paper **iii)** Financial statements or annual budget execution report **iv)** Audit reports of financial statements **v)** Quarterly budget progress reports or other report documenting project implementation and	PFM Act Art 131. County Act, Art. 91. Review county web-page. (N.B.) Publication of Budgets, County Integrated Development Plan and Annual Development Plan is covered in Minimum Performance Conditions)	**Maximum points: 5 points** 9 issues: 5 points 7-8 issues: 4 points 5-6 issues: 3 points 3-4 issues: 2 points 1-2 issues: 1 point 0 issues: 0 point.	0	None of the listed documents had been published on the County website.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			budget execution during each quarter vi) Annual progress reports (C-APR) with core county indicators vii) Procurement plans and rewards of contracts viii) Annual Capacity & Performance Assessment results ix) County citizens' budget				
4.7		Publication of bills	All bills introduced by the county assembly have been published in the national and in county gazettes or county web-site, and similarly for the legislation passed.	County Act, Art. 23. Review gazetted bills and Acts, etc. Review county web-site.	**Maximum 2 points** Compliance: 2 points.	0	The assessors did not get any information from either the County executive or County Assembly on laws enacted or Bills pending in the House despite a request for the same. However, there were no laws or Bills published on the websites of either the executive or the

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							legislature at the time of the assessment.
	Result Area 5. Investment implementation & social and environmental performance Max score: 20 points.						
5.1	Output against plan – measures of levels of implementation	Physical targets as included in the annual development plan implemented	The % of planned projects (in the ADP) implemented in last FY according to completion register of projects *Note: Assessment is done for projects planned in the Annual Development Plan for that FY and the final contract prices should be used in the calculation. Weighted measure where the size of the projects is factored in.* If there are more than 10 projects a sample of 10 larger projects is made, and weighted according to the size.	Sample min 10 larger projects from minimum 3 departments/sectors. Points are only provided with 100 % completion against the plan for each project. If a project is multi-year, the progress is reviewed against the expected level of completion by end of last FY. Use all available documents in assessment, including: CoB reports, procurement progress reports, quarterly reports on projects,	**Maximum 4 points (6 points in the first two AC&PAs).**[3] More than 90 % implemented: 4 points (6 points in the first two AC&PAs). 85-90 %: 3 points 75-84%: 2 points 65-74%: 1 point Less than 65 %: 0 point. If no information	0	The assessors were not able to review this performance measure firstly, because the ADP 2016/17 did not provide sufficient details of projects to enable tracking. Secondly, while an attempt was made to get information from the ministries/departments to help us bridge the gap, the same was only available information from the Ministry of Trade, Industry and Cooperatives and from the Ministry of Education (most of these however related

[3]As VFM is only introduced from the third ACPA, the 5 points for this are allocated across indicator 5.1 to 5.4 in the first two ACPA on the top scores in each PM, e.g. from 4 points to 6 points in the Performance Measure No. 5.1

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				M&E reports etc.	is available on completion of projects: 0 point will be awarded. An extra point will be awarded if the county maintains a comprehensive, accurate register of completed projects and status of all ongoing projects (within the total max points available, i.e. the overall max is 4 points/6 respectively in the first two AC&PA).		to FY 2014/15 and 2015/16). The assessor's efforts to link projects implemented to the ADP, however, proved futile as they could not trace them in the ADP. review projects Of the five (5) projects from the Ministry of Education, that we reviewed 2 had been completed while 3 were still ongoing.
5.2	Projects implemented according to cost estimates	Implementation of projects and in accordance with the cost	Percentage (%) of projects implemented within **budget** estimates (i.e. +/- 10 % of estimates).	Sample of projects: a sample of 10 larger projects of various size from a minimum of 3 departments/ sectors. Review budget,	**Maximum 4 points. (5 points in the first two AC&PAs).** More than 90 % of the projects are	0	As indicated above due to insufficient information the assessors were only able to review 5 projects from one Ministry which was below the

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		estimates		procurement plans, contract, plans and costing against actual funding. If there is no information available, no points will be provided. If the information is available in the budget, this is used. (In case there are conflicts between figures, the original budgeted project figure will be applied). Review completion reports, quarterly reports, payment records, quarterly progress reports, etc. Review M&E reports. Compare actual costs of completed project with original budgeted costs in the ADP/budget.	executed within +/5 of budgeted costs: 4 points (5 points in the first two AC&PAs) 80-90%: 3 points 70-79%: 2 points 60-69%: 1 point Below 60%: 0 points.		prescribed sample of 10 projects. As per the review only one project was within +/5 of budgeted costs. The projects reviewed were as follows: **a)** Boda Boda Sheds at Nkondi and Miomponi Markets **b)** Modern Market Facility at Tunyai Market **c)** Boda Boda Sheds at Giekuri and Giokereke Markets **d)** Modern Market Facility at Kathangachini Market
5.3	Maintenance	Maintenance budget to ensure	Maintenance cost in the last FY (actuals) was **minimum 5 % of the**	Review budget and quarterly budget execution reports as well	**Maximum 3 points (4 points in the first two**	**0**	It was not possible to determine the maintenance budget for

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		sustainability	**total capital budgeted evidence in selected larger projects** (projects which have been completed 2-3 years ago) have been sustained with actual maintenance budget allocations (sample of min. 5 larger projects).	as financial statements. Randomly sample 5 larger projects, which have been completed 2-3 years ago. Review if maintenance is above 5 % of the capital budget and evidence that budget allocations have been made for projects completed 2-3 years ago and evidence that funds have been provided for maintenance of these investments.	**AC&PAs).** Maintenance budget is more than 5 % of capital budget and sample projects catered for in terms of maintenance allocations for 2-3 years after: 3 points (4 in the first two AC&PA). More than 5 % but only 3-4 of the projects are catered for: 2 points. More than 5 % but only 1-2 of the specific sampled projects are catered for: 1 point.		selected projects since the budget only provides for maintenance generally in block figures and not for specific projects. We were unable to get additional information from the Ministries/departments to bridge the gap
5.4	Screening of environment	Mitigation measures on	Annual Environmental and Social **Audits/reports**	Sample 10 projects and ascertain whether	Maximum points: 2 points (3 points	**0**	10 projects were sampled out of which

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
	al social safeguards	ESSA through audit reports	for **EIA /EMP** related investments.	environmental/social audit reports have been produced.	in the first two AC&PAs) All 100 % of sample done in accordance with framework for all projects: 2 points (3 points in the first two AC&PAs) 80-99 % of projects: 1 points		none had an EIA report. The projects were as follows: **a)** Kiangondu Dispensary **b)** Rukindu Dispensary **c)** Kanini Dispensary **d)** Naka Bridge **e)** Gakuuru Bridge **f)** Mayanga Water Supply **g)** Kathwana Water Supply **h)** Mwonge Water Supply **i)** Ndumbini Water Project **j)** Dumpsite(Chuka)
5.5	EIA /EMP procedures	EIA/EMP procedures from the Act followed.	Relevant **safeguards instruments Prepared**: Environmental and Social Management Plans, Environmental Impact Assessment, RAP, etc. consulted upon, cleared/approved by NEMA and disclosed prior to commencement	Sample 5-10 projects	All 100 % of sample done in accordance with framework for all projects: 2 points 80-99 % of projects: 1 points	**0**	Out of 10 projects sampled (above), none had an EIA report neither did the assessors get information on ESMP, EIAs in projects involving civil works.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			of civil works **in case where screening has indicated that this is required**. All building & civil works investments **contracts** contain **ESMP implementation provisions** (counties are expected to ensure their works contracts for which ESIAs /ESMPs have been prepared and approved safeguards provisions from part of the contract.				
5.6	Value for the Money (from the 3rd AC&PA).	Value for the money.	Percentage (%) of projects implemented with a satisfactory level of value for the money, calibrated in the value for the money assessment tool.	To be included from the **3rd AC&PA only.** A sample of minimum 5 projects will be reviewed. The methodology will be developed at a later date, prior to the 3rd AC&PA. **Note** that a sample will be taken of all projects,	**Maximum 5 points.** To be developed during implementation based on the TOR for the VfM. Points: maximum 5, calibration between 0-5 points.	N/A	Funds were yet to be released for projects implementation

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				not only the ones, which are funded by the CPG. The % of projects (weighted by the size of the projects) with a satisfactory level of value for the money will be reflected in the score i.e. 80 % satisfactory projects= XX points, 70 % = XX points.	E.g. more than 90 % of projects Satisfactory: 5 points, more than 85 % 4 points, etc.		
					Total Maximum Score: 100 points.	**23**	

3.0 SUMMARY OF CAPACITY BUILDING REQUIREMENTS

3.1 Summary of Results

Table 6: Summary of Results for Minimum Access Conditions

Minimum Conditions for Capacity and Performance Grants (level 1)	Assessment Met/ Not Met
1. County signed participation agreement	Assessment Met
2. Capacity Building plan developed	Assessment Met
3. Compliance with investment menu of the grant	Not applicable
4. Implementation of CB plan	Not applicable

Table 7: Summary of Results Minimum Performance Conditions

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Assessment Met/ Not Met
Minimum Access Conditions Complied with Compliance with Minimum access conditions	To ensure minimum capacity and linkage between CB and Investments	Assessment Met
Financial Management Financial statements submitted	To reduce fiduciary risks	Assessment Met
Audit Opinion does not carry an adverse opinion or a disclaimer on any substantive issue	To reduce Fiduciary risks	Assessment Not Met
Planning Annual planning documents	To demonstrate a minimum level of capacity to plan and manage funds	Assessment Not Met

in place		
Adherence with the investment menu	To ensure compliance with environmental and social safeguards and ensure efficiency in spending	Not Applicable
Procurement Consolidated procurement plans in place	To ensure procurement planning is properly coordinated from the central procurement unit	Assessment Met
County Core staff in place	Core staff in place as per County Government Act	Assessment Not Met
Environmental and social safeguards	To ensure that there is a mechanism and capacity to screen environmental and social risks	Assessment Not Met
Citizens' Complaint System in place	To ensure sufficient level of governance and reduce risks for mismanagement	Assessment Not Met

Table 8: Summary of Results for Performance Measures

Key Result Areas	Result/Score
KRA 1: Public Financial Management	11
KRA 2: Planning and monitoring and evaluation	6
KRA 3: Human Resources Management	4
KRA 4: Civic Education and Participation	2
KRA 5: Investment implementation & Social and environmental performance	0
TOTAL SCORE	23

The following is a summary of findings on capacity building requirements of the county based on the assessment (overall indicative areas) listed by Key Result Areas.

a) Public Finance management

- Capacity building required in procurement department to enhance usage of IFMIS system in the procurement process (25 steps)
- Sensitize the executive on the essence of reviewing Internal Audit reports generated by the audit. Recruit audit committee members as per the regulations and train them on their roles and responsibilities
- Train and sensitize the County Assembly Public Finance and Investment Committee to enable them to scrutinize the external audit reports in a timely manner.
- Procurement department to urgently comply with PPRA regulations of submitting quarterly reports on time.
- Sensitize Finance and budget departments on need to comply with laid regulation in submitting reports to various authorities like National Treasury and Controller of Budget.

b) Human Resources

- Put in place staff plans with annual targets. The need to develop performance and staff appraisals for all staff. Capacity to be developed in service re-engineering.
- Urgent need to update all staff files to include job descriptions, academic certificates and curriculum vitae
- Yearly implementation of performance contracts
- Have organogram approved and implemented
- Induction training for staff once proposed Performance Management Systems are developed and installed;
- Support performance improvement through training, short courses, workshops, conferences.

c) Environment and Social Safeguards

- Institutionalizes EIA/EMP and in projects
- Gazette and institutionalize a County Environmental Committee
- Conduct induction training for County Environmental Committee once appointed
- Get approval for draft documents specifically the Tharaka Nithi County Natural Resources Management Policy, 2016,

d) Monitoring and Evaluation

- Establish and institutionalize the County Monitoring & Evaluation Committee
- Develop County Annual Progress Reports
- Ensure the CIDP, ADP are either approved/ratified or if already approved ensure availability of the approved copies.
- Conduct evaluation of completed projects

e) Civic Education

- Enact a public participation and communication legal framework
- Establish a civic education and public participation unit

- Develop reports for public participation forums
- Institutionalize public feedback forums
- Appoint an officer to deal with citizens' complaint management
- Institutionalize a citizens' complaint management system
- Institutionalize publication of relevant County documents for public consumption on the website as well as any other appropriate media.
- Review and develop public participation and information dissemination methodologies that respond to the specific circumstances and socio-cultural context of Tharaka Nithi.

4.0 CHALLENGES IN THE ASSESSMENT

The following were some of the key challenges encountered during the process of undertaking the assignment.

- The assessment exercise was adversely affected by the ongoing political campaigns since some senior officers were reportedly on the campaign trail and were therefore not available to support the assessment process.

5.0 SPECIFIC AND GENERAL COMMENTS TO INDIVIDUAL ASPECTS OF THE ASSESSMENT PROCESS

Issues raised and respective recommendations made by individual aspect of assessment, i.e. MACs, MPCs and PMs are provided in the following sections 5.1 to 5.3.

5.1 MAC's

The documents were availed

5.2 MPC's Issues

- Audited accounts were not available for the financial year 2015/16 as the office of the Auditor General was still to release the same.
- Planning requirements were met with minimal gaps identified in the assessment
- Procurement indicators were met with Consolidated Procurement Plan for the FY 2016/17 Year in place.
- The requirements for core staff was partially met with the exception of the position of the County Secretary which could not be confirmed since an individual file was not provided for verification.
- Information on Environmental and Social Safeguards systems was not provided and the thematic areas was consequently not assessed
- A complaint handling System was not in place since there was no staff or mediums in place to deal with complaints.

5.3 PMs

KRA 1: Public Finance Management

The following observations were made:

- IFMIS was not fully adopted and there was a need to automate the system end to end
- The County had not automated its revenue collection. Based on the information provided there was an expectation the necessary approvals to acquire the system would give after the upcoming national elections.
- The County was not preparing monthly reports, but was instead generating quarterly reports though not compliance with submission timelines.
- An assets register was in place, though the same was last updated on 26th February 2015. The register did not have basic information like date of purchase, supplier name, cost, tag, and engine and chassis number.
- Internal Audit plans and reports were availed, though no action plan from the executive was available. An audit committee was yet to be established.
- **Procurement**: The County was yet to fully operationalize the IFMIS system and was only implementing 11 steps at the time of the assessment. There was a noted need for capacity building on fully implementation of the system.

KRA 2: Planning and Monitoring & Evaluation

The following was observed:

- The County M and E Committee was not established
- It was not possible to establish linkages between the CIDP, ADP and Budget due to the absence of a signed CIDP and further because the ADP 2016/17 did not follow the prescribed format.
- Completed projects were not evaluated.
- It was not possible to establish whether the C-APR informed the ADP since the C-APR was not developed.

KRA 3: Human Resource

- Organizational structures and staffing plans and systems were not in place
- There was no consolidated staff plan with targets. There was an observed need for capacity building for the HR staff to understand the process and essence of staff plans with targets.
- Some files were missing in the registry for instance, that for the County Secretary. Generally, the staff files were not populated with academic certificates, CVs , Job descriptions and offer letters.
- Performance contracts for level 1&2 were last signed in FY2015/16. PCs for 2016/17 were not allegedly due to political misunderstanding within the County.
- Performance appraisals for senior staff as well as staff appraisals were not done yearly as required.
- Staff rationalization for all these categories in accordance with the new scheme of service developed by SRC for the counties had been done.

KRA 4: Civic Educations and Participation

- The County did not have a CE/PP unit and consequently had no dedicated staff for CE/PP
- There was no budgetary provision for CE/PP.
- There were no CE programs noted,
- The County did not produce reports on mandatory citizen participation forums.
- Sufficient information was not published to facilitate citizen's participation in County governance since key documents were not available either on the County executive or legislature's website.
- There were no feedback mechanisms for citizens on their input to key County documents.

KRA 5 Investments and Social Environment Performance

- There was no evidence provided on whether EIAs, ESMPs etc. were consulted before commencement of civil works
- It was difficult to track performance of County investments due inadequacies in the formatting and presentation of information in the ADP and further because a signed CIDP was not provided. In addition, the required information on investment was not provided sufficiently to help review the same.

6.0 NOTIFICATION OF DISAGREEMENT WITH THE OUTCOME OF THE ASSESSMENT ALREADY NOTED DURING THE FIELD-TRIP

- No notice of disagreement was noted as the team gave an overview of its experience during the assessment, and a highlight of the weak areas that needed improvement.
- None of the quality assurance variation issues was raised.

7.0 OVERVIEW OF THE 5 WEAKEST PERFORMANCES

Table 9: Areas of the county of weakest performance during the field visit.

KRA	Performance Measure	Issues
KRA 1	Public Finance Management	• Lacked capacity in IFMIS procurement process • Audit Committee to be constituted urgently • Compliance issues on quarterly financial reports to National Treasury
KRA 2	Planning &M&E	• Linkages between the CIDP, ADP and Budget could not be established • Evaluation of completed projects not done • County Annual Progress report not produced
KRA 3	Human Resource Management	• No staffing plans and annual targets • Personal files not updated with required information, like JD and CV • Lack of annual performance and staff appraisals • No approved Organogram
KRA 4	Civic Education and Participation	• CE/PP unit not in place • Reports not produced for mandatory civic participation forums • System not in place for complaint management • Insufficient information made available for citizens to participate in County Governance
KRA 5	Investment implementation & social and environmental performance	▪ EIAs/EMPs were not conducted for sampled projects ▪ Insufficient information to track investment performance

ANNEX 1: ENTRANCE MEETING HELD AT THARAKA NITHI COUNTY

Date: 17th July 2017

Time: 9.00 AM to 9.30AM

Venue: Deputy County Secretary office

In attendance

1) Alex Muratha – Ass. Director Human resource (KDSP focal person)
2) Pius Ng'ang'a – Consultant
3) Henry Ochido – Consultant

Preliminary

There was no quorum at the appointed time and as such, an entry meeting could not be held. A decision was made between the assessors and the KSDP Focal Person, Mr. Alex Muratha to dispense with the meeting and have him mobilize relevant staff for different key result areas to make documents available for the assessment.

ANNEX 2: MINUTES OF THE EXIT MEETING HELD AT MERU COUNTY

Date: 19th July 2017

Time: 2.30 PM to 3.30 PM

Venue: Chief Officer Finance office

In attendance

1. Ahmed M Hamed – Deputy county secretary
2. Peter Gakunu – Senior Accountant
3. Alex Muratha – Ass.Director HR (KDSP Focal person)
4. Dennis Kwendo - Economist
5. Matti Elosy – Environment officer
6. George Kaburu – Education
7. James Mwiti – Monitoring & Evaluation
8. Henry Ochido- Consultant
9. Pius Ng'ang'a -Consultant

Agenda

1. Presentation of Preliminary Findings
2. Comments from the County
3. AOB

Opening Remarks

Mr. Alex Muratha called the meeting to order and welcomed everyone. He thanked the staff for the support they had given to assessors in ensuring successful completion of the assessment. He then welcomed the assessors to give their preliminary findings.

Preliminary Findings

The assessors presented their findings as follows:

Generally, it was noted that County officials were not prepared for the exercise resulting in the failure to hold an entry meeting. It was further noted that there had been significant delays in producing documents and information requested. Further, there was a tendency to conduct processes informally leading to lack of approvals for documents and in some instances, failure to provide key documents.

1. Public Finance Management

1.1 Finance

- Most of the information provided was in draft form as they were not signed by relevant COs and HOD e.g. Bank reconciliations, Quarterly reports

- Submission acknowledgement from KENAO for the FY 2015/16 statements was not provided for verification. Department was given chance to contact KENAO Embu Hub to provide them with a copy, which was not received by time assessor were leaving County
- The asset register was provided but lacked some basic information like date of purchase, supplier name, chassis and engine number. There was need to maintain an updated register.
- The County was not compliant with timelines for submitting quarterly financial statements to the National Treasury. No evidence was provided to support compliance with submission timelines.
- The budget execution report and vote books were not provided for verification. County had challenge of retrieving report from system as the rights had been locked after end of the financial year.

1.2 Procurement

- The County had not been submitting quarterly reports to the PPOA as required by law despite this issue having been noted during a visit by the PPOA to the County.
- Storage space for procurement documents was a challenge considering the County was yet to acquire adequate office space and was operating from prefabricated quarters. It was noted that permanent offices were under construction at the time of the assessment.

1.3 Internal Audit

- Internal Audit reports were submitted to Governor and respective COs but no reviews and action reports & plans were available.
- The department lacked independence since it was under finance/treasury one of the departments subjected to audit reviews.
- There was no audit committee.

1.4 Human Resources

- No staff plans and appraisals were place.
- Organogram not approved.
- Some personal files which had been requested were missing (e.g. County Secretary).
- Staff files require urgent update as they were missing CV, Academic certificates, Jobs description, thus difficult to ascertain qualification for different positions held.
- Performance contracts for the year 2016/17 were not developed and operationalised.

2.0 Planning, Monitoring and Evaluation

- M and E and Planning Units in place
- There was a budget provided for both planning and M and E
- No approved CIDP provided for review
- No County M and E committee
- No Annual Development Plan for 2017/18
- The ADP for 2016/17 had no evidence of approval though it was noted that it was submitted late to the County Assembly. The ADP did not follow the guidelines in s. 126 of the PFM
- No County Annual Progress Report done, what was available was an M& E report which did not meet the requirements for a C-APR

3.0 Civic Education and Public Participation

- Noted the County had access to guidelines and curricular from the Ministry of Devolution on CE/PP
- No legal framework for CE/PP developed as required by law
- No designated CE/PP staff, since the position did not exist even in the draft County organogram
- No evidence of CE outreach
- No evidence of citizens engagement and feedback forums
- No budget for CE/PP
- No evidence of programs, work plans etc.
- No citizen's complaints system
- No evidence of publication of key documents to enable citizens participation in County governance, while some documents were available none of those listed in terms of the ACPA were available i.e. core documents used for financial, budgeting, planning and auditing as well as performance assessment
- Acts and Bills not available online

4.0 Investments and Social Environment Performance

- Difficult to establish investment implementation in absence of approved CIDP-not able to track implementation of ADP- No completion register provided

- Efforts made to develop policy documents as well as a State of the Environment Report 2013(though no subsequent report)

- There was as well a progress report on projects in the Ministry of Tourism Water Services and Environment and Natural Resources which included a report on environmental issues although it does not address issues of Environmental safeguards, EIAs, ESMPs etc.

- Draft Natural Resources Management Policy of 2016 which at chapter 4 provides for EIAs for all significant project developments (not approved). As such, there was no

policy or legislative framework at County level, since the Natural Resources Management Policy of 2016 has not been approved.

5.0 Comments from the County Officials

The County officials responded as follows:

- The findings were accurate.
- Several of the weaknesses identified by the assessors had already been identified by the County and had been provided for in the Capacity Building Plan.
- That regarding the budget, there had been challenges in meeting timelines and that they had tried to address this. The same had been noted in their self-assessment.
- That regarding the lack of verifiable documents such as the CIDP, the County had been able to transact and engage with other government agencies using the said documents. They observed that they had requested for a Hansard report from the County Assembly to give evidence of the approval of the CIDP but the same had not been provided since the CA needed a formal letter of request.
- They County shall embark in ensuring the gaps identified are minimized.

AOB

There being no other business the meeting ended 3.30 PM with a word of pray from Mr. James Mwiti