REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF WEST POKOT

FOR THE YEAR ENDED 30 JUNE 2017

COUNTY GOVERNMENT OF WEST POKOT
EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2017

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

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I. KEY COUNTY GOVERNMENT OF WEST POKOT INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

The County Government of West Pokot's day-to-day management is under the following key organs:

- County Government Executive(County Treasury);
  And
- County Assembly(Finance Budget and Appropriation Committee)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer Office of the Governor	**Mr. Jackson Pengat**
2.	Accounting Officer Finance & Economic planning	**Mr. Jackson Pengat**
3.	Interim Accounting Officer Roads, Public works & Transport	**Mr. Elias Mnanga**
4.	Accounting Officer Health and Sanitation	**Ms. Christine Akuto**
5.	Accounting officer Education and ICT	**Mr. Alukulem Juma David**
6.	Accounting Officer Agriculture and Irrigation	**Ms. Dinah Cherotich Ngorokomoi**
7.	Accounting officer Livestock development, Veterinary services and Fisheries	**Mr. James Akudian**
8.	Accounting Officer Trade, Industry, Cooperative Development and Energy	**Mrs. Lilian Chepigh Korinyang**
9.	Accounting Officer Lands, Physical planning and urban Development & Housing	**Mr. Mathew Rionokal**

No	Designation	Name
10.	Accounting Officer Water, Environment and Natural Resources	**Mr. Alfred Tulel Ngolekou**
11.	Accounting Officer Tourism, Culture, Gender and Social Development	**Mr. Kales Moses**
12.	Accounting Officer West Pokot County Public Service Board	**Ms. Carolyne Chezupo**

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and finance committee activities
- County assembly committee activities
- Development partner oversight activities
- Other oversight activities

(e) County Government of West Pokot Headquarters

P.O. Box 222
Office of the Governor
Off Kapenguria County Hospital Road
Kapenguria, KENYA

(f) County Government of West Pokot Contacts

Telephone: (254) 0532014000
E-mail: info@westpokot.go.ke
Website: www.westpokot.go.ke

(g) County Government of West Pokot Bankers

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

2. Kenya Commercial Bank
   Kapenguria Branch,
   P.O Box
   Kapenguria

3. Equity bank

Kapenguria Branch
P.O Box
Kapenguria

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD.

The County Annual financial report reviews the utilization of resources that were required for implementation of the devolved County Government during the FY 2016/2017. It also reveals the outputs and impacts of the projects implemented using the resources allocated to the county of West Pokot.

We are pleased to report that we utilized 93 percent of our allocated budget in FY 2016/2017. and cumulatively utilized 90 percent of our allocated budget for FY 2015/2016.

The major projects undertaken in the county include Construction of Agricultural training College, Construction of tourist hotel, Masol Integrated Project, Construction of Governors residence, completion of sub county administration office, construction of access roads and routine maintenance, Construction of ECD hostel and administration block, Purchase of firefighting equipment, additional of 4 (four) Ambulances, Casualty/ICU at Kapenguria referral, Blood bank, construction of health facilities and staff houses for health personnel and a bursary fund for the needy students.

Other notable outputs done within the last fiscal year includes construction of retail markets, drilling of boreholes and construction of sand dams, establishing water supply schemes, renovation of dispensaries and construction of various office blocks. In addition to successfully implementing various projects throughout the County, the County fully adopted the E – Procurement system which was vital in instituting the procurement process that ensured healthy competition and create value for money.

The implementation of the various projects and programmes ensured that there is improved public service delivery by taking services closer to the public hence improved quality of services in health, water and education; access to markets; empowered youths and improved local economy.

The main challenges encountered by the county in FY 2016/2017 :Under estimated cost of programmes resulting in funds shortage which necessitated reallocation; Untimely disbursement of funds from National Treasury which resulted in major delays of capital projects; poor revenue forecasts and limited revenue streams; Lengthy procurement process;

To address these challenges, the County Government has enhanced budget making process by implementing Programme-Based Budgeting.

This financial report gives an insight into the past fiscal year and provides an analysis of how the

funds were expended. We intend to improve on the shortcomings that have been identified. We are also ready, as a county, to receive feedback on ways of improving on our working modalities.

Francis Kitelauyan

(CEC) Member

Finance and Economic Planning

III. STATEMENT OF COUNTY GOVERNMENT OF WEST POKOT MANAGEMENT RESPONSIBILITIES

Section 163,164and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all county entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board of Kenya

The County Executive Committee for Finance and Economic Planning of the County Government of West Pokot is responsible for the preparation and presentation of the County Government of West Pokot's financial statements, which give a true and fair view of the state of affairs of the County Government of West Pokot for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government of West Pokot ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government of West Pokot ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member Finance and Economic Planning accepts responsibility for the County Government of West Pokot's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member Finance and Economic Planning is of the opinion that the County Government of West Pokot's financial statements give a true and fair view of the state of County Government of West Pokot's transactions during the financial year ended June 30, 2017, and of the County Government of West Pokot's financial position as at that date. The CEC member for Finance and Economic Planning of the County Government of West Pokot further confirms the completeness of the accounting records maintained for the County Government of West Pokot, which have been relied upon in the preparation of the County Government of West Pokot's financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for Finance and Economic Planning of the County Government of West Pokot

confirms that the County Government of West Pokot has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government of West Pokot's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for Finance and Economic Planning confirms that the County Government of West Pokot's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 29TH SEPT 2017.

County Executive Committee member

Finance and Economic Planning

IV. REPORT OF THE INDEPENDENT AUDITORS ON THE *COUNTY GOVERNMENT OF WEST POKOT.*

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Tax Revenues	1		
Social Security Contributions	2		
Proceeds from Domestic and Foreign Grants	3	6,090,000	27,979,898
Transfers from National Treasury	4	4,654,529,140	4,313,692,404
Transfers from Other Government Entities	5	186,491,400	104,424,022
Proceeds from Domestic Borrowings	6	-	
Domestic currency and Domestic Deposits	7	-	
Proceeds from Sale of Assets	8	-	
Reimbursements and Refunds	9	-	
Returns of Equity Holdings	10	-	
Other Revenues	11	83,218,908	98,257,713
TOTAL REVENUES		**4,930,329,448**	**4,544,354,037**
PAYMENTS			
Compensation of Employees	12	1,397,397,658	1,299,929,550
Use of goods and services	13	1,026,461,960	697,146,843
Subsidies	14	-	-
Transfers to Other Government Units	15	606,168,419	572,916,362
Other grants and transfers	16	304,156,770	164,147,800
Social Security Benefits	17	14,243,030	-
Acquisition of Assets	18	1,581,848,007	1,717,825,787
Financial costs including Loan interest	19	-	-
Repayment of principal on Domestic lending and on-lending	20	-	-
Other Expenses	21	3,718,708	49,999,960
TOTAL PAYMENTS		**4,933,994,552**	**4,501,966,303**
SURPLUS/DEFICIT		**3,665,104**	**42,387,734**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The entity financial statements were approved on 29TH SEPT 2017 and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF WEST POKOT FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer Opinion

I have audited the accompanying financial statements of County Executive of West Pokot set out on pages 11 to 34, which comprise the statement of assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

Basis for Disclaimer Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Variances between Financial Statements and Integrated Financial Management Information Systems (IFMIS)

The figures in the financial statements for the year ended 30 June 2017 contained discrepancies compared with Integrated Financial Management Information Systems (IFMIS) amounting to negative Kshs.9,443,449,258 as detailed below:

Item	Amount as per Financial statements (Kshs)	Amount as per IFMIS Report (Kshs)	Difference (Kshs)
Receipts	4,930,329,448	9,148,631	4,921,180,817
Payments	4,933,994,552	4,254,890,286	679,104,466

therefore not in line with the International Public Sector Accounting Standards and as prescribed by the Public Sector Accounting Standards Board.

Consequently, the accuracy and completeness of the assets of the County Executive presented in these financial statements could be confirmed.

1.4 Variances between Statement of Receipts and Payments and Summary Statement of Appropriations

The statements of receipts and payments for the year ended 30 June 2017 reflects total receipts figure of Kshs.4,930,329,448 which is at variance with the summary statement of appropriation balance of Kshs.5,150,612,431 resulting in unexplained or unreconciled difference of Kshs.220,282,983. In addition, the statement of receipts and payments reflects actual expenditure of Kshs.4,933,994,552 which is also at variance with the summary statement of appropriation actual expenditure of Kshs.4,873,200,464 resulting in unexplained variance of Kshs.60,794,088.

Consequently, the accuracy of the financial statements for the year ended 30 June 2017 could not be ascertained.

2.0 Transfers from National Treasury

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers from National Treasury figure of Kshs.4,654,529,140 which is at variance with the figure of Kshs.4,691,390,000 as indicated in the report of the Controller of Budget for the same period, comprising of recurrent exchequer of Kshs.2,944,260,000 and development exchequer releases of Kshs.1,747,130,000 and therefore resulting in unexplained or unreconciled difference of Kshs.36,860,860. Consequently, the accuracy and completeness of the transfer from National Treasury figure of Kshs.4,654,529,140 for the year ended 30 June 2017 could be confirmed.

3.0 Other Revenues

3.1 Local Revenue Collections

The statement of receipts and payments reflects receipts of Kshs.83,218,908 in respect of other revenues (Local Revenue) for year ending 30 June 2017. According to the approved budget for the year 2016/2017, an estimated amount of Kshs.201,509,268 was expected to be collected from approved local revenue sources. However, the actual collections for the year amounted to Kshs.162,482,550 being 80.6% of local revenue budget projections resulting in under collection of Kshs.39,026,718 (19.4%) as summarized in the table below. No reason or justification was provided for failure to meet revenue targets.

Codes	Revenue Stream	Supplementary Budget Estimates FY 2016/17	% of Revenue Stream to Budget Estimates	2016/2017 F/Y Actual Collections as Reported	Under Collections
1550104	Market Kiosk Rent	2,643,722	1.2%	1,105,700	1,538,022

1520201	Business Permits, Current Year	13,216,000	5.8%	8,366,560	4,849,440
	Market/Trade center Fee	4,019,884	1.8%	3,123,700	896,184
1530125	Building Plan Approval Fees	452,340	0.2%	219,000	233,340
1520325	Other Cesses	7,634,100	3.4%	7,615,031	19,069
1530126	Sand, Gravel and Ballast Extraction Fee	29,523,440	13.0%	13,739,360	15,784,080
1520321	Livestock Cess	10,175,184	4.5%	7,057,520	3,117,664
1410402	Rent of Government Building and Housing	311,115	0.1%	320,655	-9,540
1530126	Advertising Fees	419,937	0.2%	123,300	296,637
1550221	Street Parking Fees	4,678,070	2.1%	1,040,900	3,637,170
1550220	Vehicle Parking Fees	2,134,200	0.9%	4,084,620	-1,950,420
1520325	Application Fees	2,330,990	1.0%	1,235,800	1,095,190
1420223	License Fees	993,782	0.4%	76,000	917,782
1540105	Other Miscellaneous Receipt	10,902,926	4.8%	10,410,420	492,506
1420200	Receipts from Administrative Fees and Charges	1,500,000	0.7%	248,750	1,251,250
1580200	Health Centre Services Fees	25,320,000	11.1%	23,343,547	1,976,453
152100	Land Rates	2,796,323	1.2%	220,650	2,575,673
	Livestock Permit	1,283,210	0.6%	184,045	1,099,165
1580200	Public Health Facilities Operations	1,910,404	0.8%	703,350	1,207,054
	Total Revenue	**122,245,626**	53.8%	**83,218,908**	**39,026,718**

Further, a comparison of other revenue (local) collections for the period ending 30 June 2017 with collections reported for year ended 30 June 2016 revealed a revenue collection decrease of Kshs.15,038, 805 (15.3%) from Kshs.98,257,713 collected the previous year to Kshs.83,218,908 in the current year. No reason or justification was given for decline in revenue collections and the declining revenue trend for the second year running.

Moreover, the revenue cash book was not maintained except for revenue analysis of cash collections banked as per revenue stream. It was therefore not possible to reconcile all receipts in the revenue bank account with the cash book and swipes made to the County Revenue Fund (CRF) account. The continued under collection of local revenues affects negatively the execution of planned programs and activities and therefore result in poor or non-delivery of services to the residents of West Pokot County.

Consequently, the accuracy and completeness of local revenue figure for the year ended 30 June 2017 could not be confirmed.

4.0 Road Maintenance Levy Fund (RMLF)

Note 5 to the financial statements reflects Ministry of State Department of Infrastructure- Fuel Levy of Kshs.71,573,470 being Conditional Grants from the Kenya Roads Board (KRB) towards maintenance of county roads. This was subsequently included in the County Government budget under the department of roads as a lump sum and was not broken down into individual road projects.

According to Treasury letter Ref.AG/CON.1/022/Vol.13/101 dated August 2015 to Principal Secretary, Ministry of Transport and Infrastructure and copied to all governors and County Executive Members (CECs) for Finance, the recipients of the grant were required to prepare work plans for the roads to be implemented by the grant for approval by the County Executive Committee and be submitted to Kenya Roads Board to ensure that there is no duplication/overlap with the roads to be maintained by the national government. However, there was no approval of the work plan by the County Executive Committee approving the same for submission to the Kenya Roads Board as per National Treasury directive.

Consequently, the County Executive was in breach of the law and it risks spending conditional grants on purposes other than what they were intended and therefore the propriety of the grants amounting to Kshs.71,573,470 for the year ended 30 June 2017 could not be confirmed.

5.0 Use of Goods and Services

5.1 Insurance Costs

Included in the use of goods and services figure of Kshs.1,026,461,960 is insurance costs amounting to Kshs.66,672,599 as disclosed in note 13 to the financial statements. However, procurement records such as tender advertisement, tender opening, evaluation and award minutes, and policy/ agreement detailing the terms and conditions of medical insurance cover and motor vehicle insurance cover were not availed for the audit verification.

In the circumstances, it was not possible to confirm that insurance services were competitively procured as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.

Consequently, the validity, accuracy and propriety of insurance expenditure of Kshs.66,672,599 for the year ended 30 June 2017 could not be confirmed.

5.2 Foreign Travel Costs

Included in the use of goods and services figure of Kshs.1,026,461,960 is foreign travel and subsistence amount of Kshs.17,981,601 as disclosed in note 13 to the financial statements out of which payments amounting to Kshs.10,326,582 were not supported

with imprest requisitions, imprest warrants, schedule of activities that were carried out during the trips, copies of endorsed passports and boarding passes and attendance register.

Consequently, the accuracy and propriety of the expenditure of Kshs.10,326,582 incurred on foreign travelling and subsistence for the year ended 30 June 2017 could not be confirmed.

6.0 Transfers to Other Government Entities

6.1 Grants to Secondary and Primary Schools

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government entities figure of Kshs.606,168,419 which includes an amount of Kshs.27,949,700 in respect of capital grants to semi-autonomous government agencies as disclosed in note 15 to the financial statements out of which Kshs.22,949,700 was paid to ninety-four (94) primary and secondary schools in the county and direct purchase of iron sheets to various primary schools for infrastructure development with each school receiving between Kshs.100,000 and Kshs.1,000,000. However, it is not clear and management has not explained why disbursements had to be made to schools since the function of schools is a national government function which ought to have been implemented with the concurrence of National Government in accordance with Article 186 of the Constitution of Kenya, 2010. In addition, the disbursement of the funds was done without formal guidelines/terms indicating how the funds were to be accounted for. Further, the expenditure returns to show how the funds were utilised were not availed for audit review.

Consequently, the management contravened the law in implementing projects that are a preserve of the National Government without any consultation and the propriety of an amount of Kshs.22,949,700 under capital grants to semi-autonomous government agencies for the year ended 30 June 2017 could be confirmed.

6.2 Grants for Purchase of Early Childhood Development (ECD) Land

Included also in the semi-autonomous government figure Kshs.27,949,700 as disclosed in note 15 to the financial statements is a payment of Kshs.5,000,000 to Chief Officer Education and ICT operations account being cost of purchase of land to 13 No. ECD centres. However, it is not clear and management has not explained why the money had to be paid to Chief Officer Education and ICT operations account instead of the sellers of these land. Further tender documents, valuation reports and title deeds were not provided for audit review.

In the circumstances, the propriety of the expenditure of Kshs.5,000,000 in respect of purchase land for ECD centres for the year ended 30 June 2017 could not be confirmed.

7.0 Unsupported Emergency Relief and Refugee Assistance

Included in the balance of Kshs.304,156,770 for other grants and transfers as disclosed under note 16 to the financial statements is an amount of Kshs.108,006,770 in respect of payments for emergency relief and refugee assistance. However, the payment vouchers availed for audit review were not supported by quotations, opening, evaluation and award minutes, inspection and acceptance reports, copies of stores ledgers indicating receipt and issues and signed distribution lists of beneficiaries.

Consequently, the propriety of the expenditure of Kshs.108,006,770 in respect of emergency relief and refuge assistance for the year ended 30 June 2017 could not be confirmed.

8.0 Acquisition of Assets

8.1 Construction of Keringet Agricultural Training College

As reported in the previous year, included in the acquisition of assets figure of Kshs.1,581,848,007 for the year ended 30 June 2017 as disclosed in note 18 to the financial statements is construction of buildings figure of Kshs.698,370,411. The figure of Kshs.698,370,411 includes Kshs.55,478,287 paid to a construction company during the year under review for construction of an agricultural training college at Keringet bringing total payments so far made for this project to Kshs.289,087605. The company was awarded the initial contract to build a twin three storey building, kitchen and social hall on 25 May 2015 at a contract sum of Kshs.233,609,318 and the total contract sum had been paid as at 30 June 2016.The contract for phase two(II) was awarded to the same company at a contract sum of Kshs.117,649,471 in August 2016 and an amount of Kshs.55,478,287 was paid in the financial year 2016/2017. In total the firm was paid Kshs.289,087,605. However, no evidence was provided to indicate that the contract was subjected to competitive bidding as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.

Further, the bills of quantities and drawings to support the additional works in phase two of the contract were not provided for audit verification. In addition interim certificates in support of the payments of Kshs.55,478,287 were also not provided for audit review.

Consequently, the propriety of the expenditure of Kshs.117,649,471 for the year ended 30 June 2017 could not be confirmed.

8.2 Proposed Renovation of Makutano Stadium

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411. The figure of Kshs.698,370,411 includes amounts totalling Kshs.14,840,551 paid to a construction company as at 30 June 2017 for renovations of Makutano Stadium at Kapenguria. The firm was awarded the initial contract for construction of the perimeter wall, public toilet, temporary shed and retaining wall at a contract sum of

Kshs.12,221,398 and the total contract sum had been paid as at 30 June 2016.The contract for phase two(II) was awarded to the same firm at a contract sum of Kshs.29,006,047 and an amount of Kshs.14,840,551 was paid in the financial year 2016/2017 bringing the total payments to Kshs.27,061,949. However, interim certificates in support of the payments of Kshs.14,840,551 were not provided for audit review. Further, a review of the procurement documents revealed that the firm had not been identified competitively as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.In addition, the bills of quantities and drawings in support of the additional works in phase two of the contract were not provided for audit verification.

A physical verification of the project in the month of January 2018 confirmed that the project had stalled while public toilet, main gate, column bases for the temporary structure had not been completed.

Consequently, the propriety of the expenditure of Kshs.29,006,047 so far incurred on the project could not be confirmed and no value for money was obtained on this expenditure.

8.3 Proposed Construction of Sub-County Office Block at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411 out of which Kshs.11,561,789 was paid to a construction company for construction of office block at Kapenguria. The company was awarded an initial contract for construction of the office block at a contract sum of Kshs.19,786,143 and the total contract sum had been paid as at 30 June 2016.The contract for phase two(II) was awarded to the same firm at a contract sum of Kshs.64,048,936 and an amount of Kshs.11,561,789 was paid in the financial year 2016/2017.In total the company was paid Kshs.31,347,932. A review of the procurement documents revealed that the company had not been identified competitively as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.

Further, the bills of quantities and drawings in support of the additional works in phase two of the contract were not provided, In addition, interim certificates and progress reports to support the payments of Kshs.31,347,932 were also not provided for audit review.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.31,347,932 for the year ended 30 June 2017 could not be confirmed

8.4 Proposed Construction of Early Childhood Development (ECD) College at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411 out of which Kshs.12,000,000 was paid to a construction company during the year under review for construction of two storey classroom block, pit latrine, perimeter fence and associated mechanical and Electrical works at Kapenguria. The company was

awarded the initial contract for construction of the ECD College at a contract sum of Kshs.31,315,614 and the total contract sum had been paid as at 30 June 2016. The contract for phase two (II) was awarded to the same company at a contract sum of Kshs.24,401,018 and an amount of Kshs.12,000,000 paid in the financial year 2016/2017. In total the company was paid Kshs.43,315,614. However, interim certificates, progress reports, the bills of quantities and drawings in support of the additional works in phase two of the contract were not provided for audit verification.

Further, a review of the procurement documents revealed that the firm had not been identified competitively as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015. In addition, the variation for the project was not approved by the tender awarding authority as required by section 139 of the Public Procurement and Asset Disposal Act, 2015.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.43,315,614 for the year ended 30 June 2017 could not be confirmed.

8.5 Erection and Completion of Multipurpose Hall and Kitchen for ECD Training College at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411. The figure of Kshs.698,370,411 includes an amount of Kshs.15,459,754 paid to a construction company as at 30 June 2017 for erection and completion of multipurpose hall and Kitchen for ECD training college at Kapenguria. The company was awarded the contract for construction at a contract sum of Kshs.41,727,079 and as 30 June 2017 the total contract sum had been paid. However, a certificate of final account and progress reports were not provided for audit review. Further, a review of the procurement documents revealed that the company had not been identified competitively as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.

A physical verification of the project during the month of January 2018 revealed that electrical works, external sewer, toilets and showers had not been completed despite payment of the total contract sum having been made by the County Government.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.41,727,079 for the year ended 30 June 2017 could not be confirmed and no value for money was obtained on this expenditure.

8.6 Proposed Construction of ECD Hostel at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411. The figure of Kshs.698,370,411 includes amounts totalling Kshs.15,727,079 paid to a construction company during the year under audit for construction of two storey hostel block, septic tank, and associated mechanical and electrical works at Kapenguria. The firm was awarded the contract for construction of the hostel at a contract sum of

Kshs.46,049,113 and in total the firm had been paid an amount of Kshs.34,238,442 as at 30 June 2017. However, site meeting minutes, progress reports and interim certificates were not provided for audit review.

A physical verification of the project in the month of January 2018 revealed that some works like electrical works, septic tanks and toilets had not been completed yet the contractor had been paid 74.3% of the contract sum. It was further observed that the contract period had elapsed and yet no approval of extension of contract period was provided for audit review.

Consequently, the propriety of the expenditure of Kshs.34,238,442 so far paid to the firm for the year ended 30 June 2017 could not be confirmed.

8.7 Proposed Construction of Hostel Block and Dining Hall for Athletics Training Camp at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411 out of which an amount Kshs.1,650,230 was paid to a construction company for construction of Hostel Block and Dining Hall for Athletics Training Camp at Kapenguria. The company was awarded the contract on 15 May 2015 for construction of the hostel block at a contract sum of Kshs.29,272,440.The company was paid an amount of Kshs.24,88,140 in the financial year 2015/2016 bringing the total payments as at 30 June 2017 to Kshs.26,538,370.

A physical verification of the project in the month of January 2018 revealed that the tiling was poorly done and mechanical works, electrical works and the septic tank were incomplete yet 90.6% of the contract sum had been paid against value of work done which was about 65%.

Further, available information indicates that company was not registered with National Construction Authority which was one of criteria for qualification of award of this contract. It is not clear and management has not explained why the firm was awarded the contract yet it had not met this important requirement.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.26,538,370 incurred on the project as at 30 June 2017 could not be confirmed.

8.8 Proposed Construction of a Conference and Library Facility for Pokot Cultural Centre at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411 out of which an amount of Kshs.5,072,323 was paid to a construction company for construction of conference and library facility at Kapenguria. The company was awarded the contract on 18 May 2015 for construction of the facility at a contract sum of Kshs.22,871,370. The company was paid an amount of Kshs.17,799,047 in the

financial year 2015/2016 bringing the total payments as at 30 June 2017 to Kshs.22,871,370.

However, available information revealed that the firm was not registered with National Construction Authority which was a preliminary evaluation criteria as per the tender documents.

A physical verification of the project in the month of January 2018 revealed that a substantial amount of works like the septic tank, toilets, wired networks and electrical works had not been done yet the firm had been paid the total contract sum of Kshs.22,871,370.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.22,871,370 for the year ended 30 June 2017 could not be confirmed.

8.9 Proposed Construction of a Classroom Block for Masol Integrated Project Centre at Kapenguria

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411 out of which Kshs.6,646,360 paid to a construction company as at 30 June 2017 for construction of classroom block for Masol Integrated Project. The company was awarded the contract on 24 February 2016 for construction of the facility at a contract sum of Kshs.11,996,950 and an amount of Kshs.3,775,040 was paid in the financial year 2015/2016 bringing the total payments as at 30 June 2017 to Kshs.10,421,400.

A review of the procurement documents revealed that the company was single sourced contrary to Section 91 of the Public Procurement and Asset Disposal Act, 2015. Further, it was observed that the contract period had elapsed and there was no evidence of extension of the contract period

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.10,421,400 for the year ended 30 June 2017 could not be confirmed.

8.10 Proposed Construction of a Health Centre for Masol Integrated Project Centre

Included in the acquisition of assets figure of Kshs.1,581,848,007 as disclosed in note 18 to the financial statements is construction of buildings amount of Kshs.698,370,411. The figure of Kshs.698,370,411 includes amounts totalling Kshs.8,342,710 paid to a construction company as at 30 June 2017 for construction of a Health Centre for Masol Integrated Project. The firm was awarded the contract on 25 February 2016 for construction of the facility at a contract sum of Kshs.14,793,150. An amount of Kshs.4,789,432 was paid to the company in the year 2015/2016 resulting in total payments of Kshs.13,132,142 as at 30 June 2017.

A review of the procurement documents revealed that the firm was single sourced contrary to Section 91 of the Public Procurement and Asset Disposal Act, 2015.

Available information further revealed that the contract period had expired and no evidence was provided for approval of extension of the contract period.

A physical verification of the project in the month of January 2018 indicated that steel works for the lintel were exposed, the builders' works is incomplete, roofing of the building has been done partially and the mechanical works had not been done. According to the report by the engineers the value of work done was about 20% yet the contractor had been paid 89% of the contract sum. It is not clear and management has not explained why payment was made over and above the certified works.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.13,132,142 incurred on the project as at 30 June 2017 could not be confirmed.

8.11 Proposed Construction of Hostels for Masol Integrated Project Centre

Included in the construction of buildings figure of Kshs.698,370,411 is an amount Kshs.14,985,460 paid to a construction company as at 30 June 2017 for construction of a hostels for Masol Integrated Project. The firm was awarded the contract on 27 April 2016 for construction of the facility at a contract sum of Kshs.14,985,460 and as at 30 June 2017 the total contract sum had been paid. However, the handing over report and final account were not provided for audit review. Further, a review of the procurement documents revealed that the firm had not been identified competitively as required by Section 91 of the Public Procurement and Asset Disposal Act, 2015.

A physical verification of the project in the month of January 2018 revealed that the septic tank had not been done, there was no provision for fresh water supply and Kenya power service line.

Consequently, the management was in breach of the law and the propriety of the expenditure of Kshs.14,985,460 for the year ended 30 June 2017 could not be confirmed.

8.12 Proposed Construction of County Treasury at Kapenguria

Note 26 to the financial statements reflects pending bills of Kshs.643,600,899 which includes an amount of Kshs.311,824,920 in respect of construction of buildings. Included in the balance of Kshs.311,824,920 is an amount of Kshs.17,261,637 indicated as pending bill for the construction of county treasury offices, builders works, civil works, mechanical works and electrical works, ICT Installations, gym equipment, highland water storage and a generator. Available information indicated that a contract was awarded to a construction company at a contract sum of Kshs.72,516,863 and the total contract sum had been settled as at 30 June 2016. A physical verification of the project revealed that the gym equipment, highland water storage and a generator were not installed and no explanation was provided for paying the total sum before completion of the project. Further information indicates that during the year 2016/2017 the contractor claimed an additional amount of Kshs.17,261,637 for extra works resulting to total contract sum increasing to Kshs.89,778,500.However,the management did provide evidence of approval of variations as required by section

139(1) of the Public Procurement and Asset Disposal Act,2015. In addition, revised Bills of Quantities in support of the extra works were not provided for audit verification.

Consequently, the management was in breach of the law and the propriety of the pending bills of Kshs.17,261,637 for the year ended 30 June 2017 could not be confirmed.

8.13 Supply and Implementation of Enterprise Resource Planning (ERP) System

Included in the acquisition of assets figure of Kshs.1,581,848,007 is purchase of specialized plant, equipment and machinery expenses of Kshs.97,892,616 out of which an expenditure of Kshs.4,800,000 was incurred on the acquisition of ERP system. The contract was awarded to a consultancy firm at a contract sum of Kshs.16,000,000 on 21 January 2016.The contract entailed installation of five modules, that is, fleet management, Human Resource, Assets Register, Project information and Payroll. However, some of the modules amount to duplication since there are currently systems serving the same function for example, Government Human Resource Information System (GHRIS) for Human Resource records, IPPD for payroll processing.

A further review of the procurement documents indicated that the firm was single sourced contrary to the Procurement law.

Available information revealed that only the Human Resource module of the system had been implemented and was 80% complete but has not been put into use as User Acceptance Training (UAT) has not been done.

Consequently, the management is in breach of the law and no value for money has been so far obtained on the expenditure of Kshs.4,800,000 for the year ended 30 June 2017 since the modules were not functional.

8.14 Construction of Chesta Teachers Training College

Included in the acquisition of assets figure of Kshs.1,581,848,007 is construction of buildings amount of Kshs.698,370,411 as disclosed in note 18 to the financial statements out of which an amount of Kshs.10,150,537 was paid to a construction company in respect of the construction of Chesta Teachers Training College. An amount of Kshs.12,006,786 had been paid in the year 2015/2016 resulting to a total payment of Kshs.22,157,323.The firm was awarded the contract in May 2015 to construct a one storey female hostel with a total of sixty (60) rooms at a contract sum of Kshs.37,400,537. According to the contract agreement, the contractor was expected to complete the works in twenty-one (21) weeks with effect from May 2015. However, as at 30 June 2017 the project had not been completed.

A physical verification of the project in the month of January 2018 revealed that the foundation and walling works were complete while roofing works was estimated at 95% level of completion. Further, electrical works, mechanical works, plastering and

partitioning of the rooms had not started. The contractor was not on site at the time of the audit inspection and the project is behind schedule and there was no evidence of approval for extension of contract period. In addition, the function of colleges is a national government function and therefore ought to have been implemented with the concurrence of national government in accordance with Article 186 of the Constitution of Kenya 2010.

Consequently, the propriety of the expenditure of Kshs.22,157,323 incurred on Chesta Teachers Training College as at 30 June 2017 could not be confirmed.

8.15 Construction of Tourist Hotel

As reported during the previous year, a construction firm was awarded the contract on 15 May 2015 to construct a two storey tourist hotel in Kopoch area at a contract sum of Kshs.352,123,565. However, this project was not included in the County Integrated Development Plan (CIDP). A review of the project file confirmed that an amount of Kshs.15,183,588 and Kshs.20,361,863 had been paid in the year 2014/2015 and 2015/2016 respectively. An additional amount of Kshs.40,188,600 was paid in the year under audit resulting in total payments of Kshs.75,734,051. However, the contract agreement did not indicate the project commencement date and the expected completion date, and it was therefore not possible to confirm whether the project would be completed on time.

A physical verification of the project in the month of January 2018 confirmed that electrical works, plumbing works, internet works, septic tank, road works, and swimming pool had not been done despite payment of a substantial amount of the contract sum.

Consequently, the execution of the project has continued contrary to the provisions of the Public Procurement and Assets Disposal Act, 2015 which requires that all procurements shall be within the annual approved procurement plan.

8.16 Construction of Official Governor's Residence

Included in the acquisition of assets figure Kshs.1,581,848,007 is construction of buildings amount of Kshs.698,370,411 as disclosed in note 18 to the financial statements out of which an amount of Kshs.17,512,901 incurred on construction of the Governor's residence. As reported during the previous year, the contract for construction of the Governor's residence was awarded to a construction company on 18 May 2015 at a contract sum of Kshs.113,008,580. As at 30 June 2017, amounts totalling Kshs.87,995,399 had been paid to the contractor, comprising of Kshs.38,551,992 paid during 2014/15 and Kshs.31,930,506 paid during the year 2015/2016 and Kshs.17,512,901 paid in the year 2016/2017.

However, as previously reported, the County Executive has not acquired title for the land which is a subject of court case in Kitale High Court. Further, the land has been encroached by a person who has built a permanent house on it.

A physical verification of the project during the month of January 2018 confirmed that the project had stalled after incurring an expenditure of Kshs.87,995,399. The contractor had been paid 77.8 % of the contract sum yet a substantial amount of the works like internet works, septic tank, civil works ,bore hole ,elevated tanks, generator set, plumbing and electrical works had not been completed.

In addition, the bills of quantities had indicated that there was a provisional sum of Kshs.11,000,000 to hire service of consultants but there was no documentation as to how the consultants were hired.

Consequently, it has not been possible to confirm the ownership status of the land hence the propriety of the total expenditure of Kshs.87,995,399 so far incurred as at 30 June 2017 could not be confirmed .

8.17 Construction of Office Block for Department of Education and ICT

Available record revealed that a construction company was awarded a contract for the construction of two storey office block at a contract sum of Kshs.52,545,964. The contractor was paid Kshs.5,834,313 in 2014/2015, Kshs.21,453,670 in the financial year 2015/2016 while Kshs.6,554,125 was paid during the year under review bringing the total payments to the contractor to Kshs.33,842,108 as at 30 June 2017.

A physical inspection of the project in the month of January 2018 revealed that a substantial amount of works was incomplete including electrical works, septic tank, toilets and showers, the roof was leaking and there was no provision for Kenya Power service line and fresh water supply.

Further, the contract agreement did not indicate the project commencement date and completion period and it is therefore not possible to confirm when the project shall be completed on time.

Consequently, the propriety of the expenditure of Kshs.33,842,108 so far incurred on the project as at 30 June 2017 could not be confirmed.

8.18 Construction of Roads

As reported in the previous year, included in the acquisition of assets figure of Kshs.1,581,848,007 is construction of roads balance of Kshs.436,348,180 which include an expenditure of Kshs.319,755,498 paid to M/s Mechanical Transport Fund (MTF) and private companies for hire of plant and machinery for construction of various roads. M/s Mechanical Transport Fund (MTF) was paid an amount of Kshs.11,878,200 and the balance of Kshs.307,877,078 to private companies. The equipment hire was for dry rate which was depended on the capacity of the machine.

However, management has not provided the registration numbers and log books of the hired equipment to ascertain the ownership and capacity of the machines hired. Further the daily machine utilization sheets used to record the number of machine hours worked which was the basis for payments made did not indicate the number of kilometres of roads done.

A further review of records indicated that cash amounting to Kshs.15,588,125 was paid to casual workers who were working on various roads. However, the payments were not supported with signed muster rolls by the casuals, the vouchers were also not signed by the paying cashier and witnessed by a senior officer. In addition, the management did not provide approved work plans to confirm that the works had been planned for.

Consequently, the propriety of the amount of Kshs.319,755,498 paid in respect to road construction for the year ended 30 June 2017 could not be confirmed.

8.19 Supply, Delivery and Commissioning of a Fire Fighting Machine

Included in the acquisition of assets figure of Kshs.1,581,848,007 as at 30 June 2017 is an amount of Kshs.97,892,616 in respect of purchase of specialized plant, equipment and machinery out of which an expenditure of Kshs.13,800,000 was incurred on the supply, delivery and commissioning of a fire fighting machine. The tender for the supply of the machine was awarded to a trading company at a contract sum of Kshs.69,000,000 on 21 September 2016. A review of the procurement records indicated that the firm that was awarded the contract was to procure the machine from a company in Izmir Turkey, However, the company awarded the tender did not provide a letter of dealership from the company manufacturing IVECO brand of vehicles and plants. No explanations was provided by management as to why the machine could not be procured directly from the dealers.

Further, the firm was paid a down payment of Kshs.13,800,000 although there was no provision in the contract agreement for an advance payment. This was done through a recommendation by the County Mechanical Engineer on pre- delivery inspection report dated 25 May 2016 which stated that the supplier is entitled to 20% down payment to facilitate logistics and registration. Even though an advance payment security letter for Kshs.13,797,884 from Credit Bank dated 6 July 2017 was provided, no requisition for this advance payment was made by the company.

Consequently, the propriety of the expenditure of Kshs.13,800,000 on the acquisition of the fire fighting machine for the year ended 30 June 2017 could not be confirmed.

8.20 Construction of Operating Theatre at Kacheliba in West Pokot County

The contract for the construction of the operating theatre at Kacheliba sub county referral hospital was awarded to a construction company at a contract sum of Kshs.29,150,755.95 as per tender reference No. WPC/067/2013-2014 dated 22 April 2014. As at 30 June, 2017 a total of six payment certificates had been raised indicating value of work certified as Kshs.29,150,755.95. The last payment of Kshs.1,007,316 was done vide payment voucher no 1044 dated 7 June 2017 resulting to total contract sum of Kshs.29,150,755.95 to the contractor. However, the payment voucher was not authorized and was not supported with the contract agreement, the bills of quantities, the tender documents and evaluation and award committee minutes, inspection and acceptance report and handing over/commissioning of the of the project . A physical verification of the project in the month of January 2018 revealed that one theatre room

is not completed, the doors of the completed theatre were poorly done and washrooms had not been completed.

Consequently, the objectives of this project was not achieved and the county government did not obtain value for money on expenditure on this project since the contractor was paid the total contract sum yet there were some works still pending as at 30 June 2017.

8.21 Renovation and Electrical Works for Kapenguria Referral Hospitals

Included in the acquisition of assets figure of Kshs.1,581,848,007 reflected in the statement of receipts and payments Ksh.23,214,656.00 in respect of refurbishment of buildings out of which Kshs.8,190,818.00 was paid to a construction company for the renovation and electrical works for Kapenguria Referral Hospital of Kshs.8,190,818. as per tender reference No. WPC/T/044/2013-2014 dated 19 February 2014. As at 30 June, 2017 a total of four (4) payment certificates had been raised indicating value of work certified as Kshs.8,190,818.90 being the cumulative and total payments. However, the bills of quantities, the contract agreement, the letter of notification of a ward, tender and evaluation committee minutes, the inspection and acceptance report and handing over /commissioning report for the electrical works, were not availed for audit review. A physical verification of works done in the month of January 2018 however did not reveal evidence of the renovations of the works performed.

Consequently, the propriety of the expenditure of Kshs.8,190,818 on renovations and electrical works for the year ended 30 June 2017 could not be confirmed.

8.22 Purchase of Furniture

Note 18 to the financial statements reflects acquisition of assets figure of Kshs.1,581,848,000 which include purchase of household furniture and general equipment of Kshs.9,778,572. The contract for supply and delivery of furniture and fittings was awarded to an Investment company and the contract for supply and delivery of Kitchen Curtains, specialized work for house Block A and B in the Governor's residence was awarded to an agency firm. The County government paid a total of Kshs.4,677,243 and 5,149,400 to Investment company and Agency firm respectively. However, contract agreements, tender evaluation and award minutes, inspection and acceptance committee reports were not availed for audit review. Further, a physical verification of the residence revealed that no goods were delivered.

In the circumstances, the propriety of the expenditure of Kshs.9,778,572 on purchase of furniture for the year ended 30 June 2017 could not be confirmed.

8.23 Acquisition of Land

The statement of receipts and payments for the year ended 30 June 2017 reflects acquisition of assets figure of Kshs.1,581,848,000 which includes acquisition of land balance of Kshs.15,874,000. However, a copy of tender advertisement, opening, evaluation and award minutes, contract agreements and documents of ownership in

support of parcels of land bought totalling Kshs.15,874,000 were not availed for audit review.

Consequently, the ownership of the land and the propriety of the expenditure of Kshs.15,874,000 in respect of land purchase for the year ended 30 June 2017 could not be confirmed.

9.0 Cash and Bank Balances

A review of bank reconciliation statements in respect of various Kenya Commercial Banks accounts revealed unpresented cheques totaling Kshs.165,876,956 which had been drawn for cash for office use and cash for operations. The management explained that the funds were intended for payments of expenditures where beneficiaries were not defined in the IFMIS. However, the details of the beneficiaries were not provided for audit review.

A further review of the bank reconciliation statements as at 30 June 2017 for various accounts indicated payments in the bank statements that were not recorded in the cash book amounted to Kshs.146,355,653. However, documents in support of these payments were not provided for audit review.

In addition, an amount of Kshs.6,688,185 was receipted in the Kenya Commercial Bank-Roads, Works and Transport account cash book but the amount was not banked. The management did not provide explanations for failure to bank the amount.

Consequently, the accuracy and completeness of the bank balances of Kshs.440,574,567 as at 30 June 2017 could not be confirmed.

10.0 Pending Bills

During the year ended 30 June 2017, the County Government of West Pokot accrued pending bills amounting to Kshs.643,600,899 which were not paid but were instead carried forward to 2017/2018. Had these bills been paid and charged to the accounts for 2016/2017, the statement of receipts and payments for the year ended 30 June 2017 would have reflected deficit of Kshs.647,266,003 instead of the deficit of Kshs.3,665,104 now shown.

Non-payment of bills during the year in which they are incurred is an indication of non-compliance with the budget and negatively affects the programs and activities of the ensuing year to which the bills have to be charged.

Further, invoices, local purchase orders, delivery notes, certificates of completion, inspection and acceptance reports to support the pending bills of Kshs.643,600,899 were not provided for audit review.

Consequently, the validity, accuracy and completeness of pending bills of Kshs.643,600,899 as at 30 June 2017 could not be confirmed.

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
7	Mrel Irrigation Phase II	6,124,072		5,511,665	5,511,665	100%	Contractor has completed contracted works. However, more budgetary allocation still needed to complete main piping works and also distribution pipes for the project to be complete.
8	Const. of Tapoyo cattle dip	2,199,441		2,199,441	2,199,441	100%	Complete but not in use due to land dispute.
9	Generator at KDH			10,000,000	10,000,000	100%	Complete and in use
10	Generator at Treasury	1,500,000		1,500,000	1,500,000	100%	Completed and in use
11	Firefighting Engine	69,000,000		13,000,000	13,000,000	100%	Fire engine purchased but has no trained personnel. Equipment not yet registered and log book not availed.
12	CCTV installation at Treasury	1,759,650		615,500	615,500	40%	35No. Cameras installed. Work incomplete and not in use.
13	ERP System	16,000,000		4,800,000	4,800,000	20%	Only HR module out of 5 modules done and was still at 80% completion level. Still not in use.
14	Grader	25,000,000		25,000,000	25,000,000	100%	Grader purchased and has been in use though found having a mechanical breakdown. Log book not availed.
15	Oxygen Plant at KDH	Not availed		13,964,040	13,964,040	100%	Project completed and in use.
16	County welcome, departure and advertisement board.	1,816,519		1,039,360	1,039,360	0%	Project not implemented
17	St cecilia-simat-cheparia road	1,199,022		1,199,022	1,199,022	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
18	Chepkobegh-nakwijit-kesot-kapkata road	2,337,400		2,337,400	2,337,400	100%	Machine utilization form not signed by the client and county representative. During verification, the road was done however the drainage system was still a challenge
19	Ngotut-kamketo-kasei road	1,257,840		1,257,840	1,257,840	100%	No inspection and acceptance report. On verification work was done, however drainage was still a challenge
20	Alale-kasitot-loborokocha-chemulunjo road	3,360,410		3,360,410	3,360,410	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away .No inspection and acceptance report
21	Hire of earth moving machines(KT CA 072E) work on Kamla-baru-kosei road	6,792,500		6,792,500	6,792,500	100%	The road was opened 20kms long. However the drainage system was still a challenge given that the road was cutting across the hills. Some parts of the road were rendered impassable due to soil erosion and overgrown vegetation. The road was not labeled
22	Opening of karas-chepesha-kalomoywo road	2,623,912		2,623,912	2,623,912	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away .No inspection and acceptance report. The road was not labeled
23	Opening of muinoi chuwai road	2,320,000		2,320,000	2,320,000	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away .No inspection and acceptance report. The road was not labeled

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
24	Maintenance of kasei-cheburwo-chespen-ombolion road	2,612,080		2,612,080	2,612,080	100%	No inspection and acceptance report. On verification work was done, however drainage was still a challenge
25	Opening of katich-nasoriet-lobiroi-matilsiran-sasak-odong road	2,382,361		2,382,361	2,382,361	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
26	Periodic maintanance of talau-chepkoti-kaplain-kaprech road	1,266,140		1,266,140	1,266,140	100%	There was no drainage system and most parts of the road had been swept away 'No inspection and acceptance report. The road was not labeled
27	Rehabilitation of Ortum town roads (20km)	3,864,000		3,864,000	3,864,000	100%	There was no drainage system and most parts of the road had been swept away .No inspection and acceptance report. The road was not labeled
28	Hire of earth moving machines(KBL 119W)and KHMA 335C to do kasei-cheburwo-ombolion road and kreswo-atacha-chumni road	12,554,100		12,554,100	12,554,100	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
29	Hire of earth moving machines KHMA 335C to do atacha-kreswo-chumni road	10,040,940		10,040,940	10,040,940	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
30	Hire of earth moving machines KBN 293A to do Karas-cheptapesha-kalamoywo roads	11,990,250		11,990,250	11,990,250	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
31	Hire of earth moving machines KBL 119W to do Kmila-baru-kasei roads	10,614,240		10,614,240	10,614,240	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
32	Hire of earth moving machines KTCA 072E to do kamila-baru-kasei roads	7,928,114		7,928,114	7,928,114	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
33	Hire of earth moving machines KHMA 736F to do Amakuriat-kalapata road	6,519,240		6,519,240	6,519,240	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
34	Hire of earth moving machines KHMA 736F to do Amakuriat-kalapata road	2,538,900		2,538,900	2,538,900	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance report. The road was not labeled
35	Hire of earth moving machines KTCA 072E to do road kamila-baru-kasei	9,636,000		9,636,000	9,636,000	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away. No inspection and acceptance

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
50	Sukut-kopoch-emboasis road	3,163,320		3,163,320	3,163,320	91%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
51	Opening and grading of kamito-kamayech-serewo road	3,235,240		3,235,240	3,235,240	92%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
52	Opening of amakuriat-kasitot road	2,610,689		2,610,689	2,610,689	90%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
53	Opening and grading of kipat chorwai kapsait road	2,644,800		2,644,800	2,644,800	100%	No inspection and acceptance report. On verification work was done, however drainage was still a challenge
54	Opening and grading of simbol slah road	2,682,000		2,682,000	2,682,000	89%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
55	Opening of alale-lengorok road	3,046,800		3,046,800	3,046,800	90%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water

No	Project Name	Contract sum	Previous payments	Amount paid In 2016/17	Total Payments	% of Comple-tion	Remarks
56	Maintenance of chepyomet-kapkechaoka pchila road	2,712,720		2,712,720	2,712,720	92%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
57	Opening of amakuriat-kasitot road	2,651,641		2,651,641	2,651,641	88%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
58	Opening of sukut-kopoch-emboasis road	2,709,520		2,709,520	2,709,520	92%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
59	Opening and grading of simbol-slah road	2,640,880		2,640,880	2,640,880	92%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
60	Maintanance works on chepareria-ptoyo road	3,184,413		3,184,413	3,184,413	100%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
61	Periodic maintenance of lomut u new road	2,999,574		2,999,574	2,999,574	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away 'No inspection and acceptance report. The road was not labeled

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
62	Periodic maintenance of lomut u new road	1,958,120		1,958,120	1,958,120	77%	No inspection and acceptance report. On verification, it was discovered that ,culverts and drainage works were not carried out and parts of the road was impassable
63	improvement/ maintenance works for Lopalal min twin box culvert	2,846,982		2,846,982	2,846,982	100%	
64	Opening and grading of kayemit chearten saramee road	2,284,320		2,284,320	2,284,320	100%	Although the earth work (road opening) was done, there was no drainage system and most parts of the road had been swept away 'No inspection and acceptance report. The road was not labeled
65	Opening and grading of kayemit-cheparten-saramee road	2,388,320		2,388,320	2,388,320	100%	No inspection and acceptance report. On verification work was done, however drainage was still a challenge
66	Maintanance of chepyomet-kapkechaoka pchila road	2,586,512		2,586,512	2,586,512	94%	On verification, grading and gravelling had not been done and drainage system was poorly done and the road was being washed away by the rain water
67	Construction of Keringet Agricultural Training College	351,258,789	233,609,318	55,478,287	289,087,605		The bills of quantities and drawings to support the additional works in phase two of the contract were not provided and certificates of completion to support the payments of Kshs.55,478,287 were not provided.
68	Proposed Renovation of Makutano Stadium	41,227,445	12,221,398	14,840,551	27,061,949		A physical verification of the project confirmed that the project had stalled. It was further noted that some of the works like public toilet, main

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
							gate, column bases for the temporary structure had not been completed.
69	Proposed Construction of Sub-county Office Block at Kapenguria	83,835,079	19,786,143	11,561,789	31,347,932	60%	The bills of quantities and drawings to support the additional works in phase two of the contract were not provided and certificates of completion to support the payments of Kshs.31,347,932 were not provided.
70	Proposed Construction of ECD College at Kapenguria	55,716,632	31,315,614	12,000,000	43,315,614		The bills of quantities and drawings to support the additional works in phase two of the contract were not provided and certificates of completion to support the payments of Kshs.12,000,000 were not provided.
71	Erection and Completion of Multipurpose Hall and Kitchen for ECD Training College at Kapenguria	41,727,079		15,459,754	41,727,079		A physical verification of the project confirmed that the project had stalled and the total contract sum had been paid yet some works like electrical works, external sewer, toilets and showers were incomplete. Hence it was irregular to pay the total amount without a certificate of final account.
72	Proposed Construction of ECD Hostel at Kapenguria	46,049,113		15,727,079	34,238,442		A physical verification of the project confirmed that some works like electrical works, septic tanks and toilets had not been completed yet the contractor had been paid 74.3% of the contract sum. Hence the county government has not obtained value for money on this expenditure.

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
73	Proposed Construction of Hostel Block and Dining Hall for Athletics Training Camp at Kapenguria	29,272,440		1,650,230	26,538,370	65%	A physical verification of the project confirmed the tiling was poorly done and mechanical works, electrical works and the septic tank were incomplete yet 90.6% of the contract sum had been paid against value of work done which was about 65%. Hence the county government has not obtained value for money on this expenditure.
74	Proposed Construction of a Conference and Library Facility for Pokot Cultural Centre at Kapenguria	22,871,370		5,072,323	22,871,370		A physical verification of the project confirmed the a substantial amount of work like the septic tank, toilets, wired networks and electrical works had not been done yet the firm was paid the total contract sum of Kshs.22,871,370.The management did not provide explanations for this anomaly.
75	Proposed Construction of a Classroom Block for Masol Integrated Project Centre at Kapenguria	11,996,950		6,646,360	10,421,400		It was noted that the project was out of the contract period yet there no contract extension provided for audit review.
76	Proposed Construction of a Health Centre for Masol Integrated Project Centre	14,793,150		8,342,710	13,132,142	20%	A physical verification of the project indicated that steel works for the lintel were exposed, the builders' works are incomplete, roofing of the building has been done partially and the mechanical works had not been done. According to the report by the engineers the value of work done was

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
							about 20% yet the contractor had been paid 89% of the contact sum. The management did not provide explanations for this anomaly.
77	Proposed Construction of Hostels for Masol Integrated Project Centre	14,985,460		14,985,460	14,985,460		A physical verification of the project indicated that the septic tank had not been done, there was no provision for fresh water supply and Kenya power service line. The management did not provide explanations for this anomaly.
78	Proposed Construction of County Treasury at Kapenguria	72,516,863	72,516,863		72,516,863	100%	A physical verification of the project confirmed that the gym equipment, highland water storage and a generator were not installed. No explanation was provided for this anomaly yet the contractor was claiming an additional payment of Kshs.17,261,637.
79	Construction of Chesta Teachers Training College	37,400,537	12,006,786	10,150,537	22,157,323	95%	A physical verification of the project revealed that the foundation and walling works were complete while roofing works was estimated at 95% level of completion. Further, electrical works, mechanical works, plastering and partitioning of the rooms had not started. The contractor was not on site at time of the audit inspection and the project is behind schedule and there was no evidence that there was an approved extension of contract period.

No	Project Name	Contract sum	Previous payments	Amount paid in 2016/17	Total Payments	% of Comple-tion	Remarks
80	Construction of Tourist Hotel	352,123,565	35,545,451	40,188,600	75,734,051		A physical verification of the project confirmed that electrical works, plumbing works, internet works, septic tank, road works, swimming pool had not been done despite payment of a substantial amount of the contract sum.
81	Construction of Official Governor's Residence	113,008,580	70,482,498	17,512,901	87,995,394		A physical verification of the project confirmed that the project had stalled after incurring an expenditure of Kshs.87,995,394.Furt her, the client had been paid 77.8 % of the contract sum yet a substantial amount of the works like internet works, septic tank, civil works ,bore hole ,elevated tanks, generator set, plumbing and electrical works had not been completed.
82	Construction of Office Block for Department of Education and ICT	52,545,964	27,287,983	6,554,125	33,842,108		An inspection of the project confirmed that a substantial amount of works were incomplete including electrical works, septic tank, toilets and showers, the roof was leaking and there was no provision for Kenya Power service line and fresh water supply.
	Total	**1,748,706,285**	**527,453,154**	**554,796,357**	**1,178,279,853**		

Forty nine (49) projects with total contract sum of Kshs.411,366,484 were complete and in use, while thirty three (33) projects with total contract sum of Kshs.1,337,339,800 were still ongoing. Consequently, the objectives of incomplete projects may not have been achieved and the County Government did not obtain value for money on expenditure of Kshs1,337,339,800 in respect of the incomplete projects.

12.0 Failure to Observe One Third Staff Establishment Rule

A review of the payroll records revealed that during the year, the County Executive employed a total of 88 new staff out of whom 77 (seventy-seven) or 88% staff are from the same ethnicity leaving 12% from other ethnicities contrary to Part VII sec.65 (1) (e) of the County Government Act, 2012.
Consequently, the County Government is in breach of the law.

13.0 Governance Framework

13.1 Lack of Independent Internal Audit Function

A review of the internal audit function revealed that the County Executive has an established internal audit function with six audit staff including head of internal audit. However, the head of internal audit reports to the Governor instead of the audit committee and therefore does not enjoy operational independence through the reporting structure contrary to Regulation 155(1) of the Public Finance Management (County Government) Regulations 2015, which states that the head of Internal Audit unit in a County Government entity shall enjoy operational independence through the reporting structure by reporting administratively to the Accounting Officer and functionally to the audit committee.

Consequently, the unit lacks operational independence to execute its mandate.

13.2 Failure to Establish an Audit Committee

The County Executive of West Pokot has not established an audit committee contrary to Section 167(1) of the Public Finance Management (County Government) Regulations, 2015 which require each County Government entity to establish an audit committee in accordance with prescribed regulations to monitor the entity governance process, accountability process and control systems of the entity, offer objective advice on issues concerning risk, control, regulatory requirement and governance of the County.

The County Government of West Pokot is therefore in breach of the law.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the

management either intends to liquidate the County Executive's or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the County Executive's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct an audit of the County Executive of West Pokot financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of County Executive of West Pokot in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

16 July 2018

V. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	440,574,567	449,514,290
Cash Balances	22B	-	-
Total cash equivalent		**440,574,567**	**449,514,290**
Account Receivable-Outstanding Imprests	23	-	-
TOTAL FINANCIAL ASSETS		**440,574,567**	**449,514,290**
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	24	198,354,300	203,628,920
		242,220,267	**245,885,370**
REPRESENTED BY			
Fund balance b/fwd.	25	245,885,371	203,497,637
Surplus/Deficit for the year		-3,665,104	42,387,734
Prior year adjustments		-	-
NET FINANCIAL POSSITION		**242,220,267**	**245,885,371**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29TH SEPT. 2017 and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

VI STATEMENT OF CASH FLOW FOR TH YEAR ENDED JUNE 30, 2017

		2016-2017 Kshs	2015-2016 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	-	
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	6,090,000	27,979,898
Transfers from National Treasury	4	4,654,529,140	4,313,692,404
Transfers from Other Government Entities	5	186,491,400	104,424,022
Reimbursements and Refunds	9		-
Returns of Equity Holdings	10		-
Other Revenues	11	83,218,908	98,257,713
		4,930,329,448	**4,544,354,037**
Payments for operating expenses			
Compensation of Employees	12	1,397,397,658	1,299,929,550
Use of goods and services	13	1,026,461,960	697,146,844
Subsidies	14		-
Transfers to Other Government Units	15	606,168,419	572,916,362
Other grants and transfers	16	304,156,770	164,147,800
Social Security Benefits	17	14,243,030	-
Financial costs, including Interest	19	-	-
Other Expenses	21	3,718,708	49,999,960
		3,352,146,546	**2,784,140,516**
Adjusted for:			
Changes in receivables		-	-
Changes in payables		198,354,300	203,628,920
Net cash flow from operating activities		**3,550,500,846**	**2,987,769,436**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8		
Acquisition of Assets	18	1,581,848,007	(1,717,825,787)
Net cash flows from Investing Activities		**(1,581,848,007)**	**(1,717,825,787)**

CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	**6**	-	-
Proceeds from Foreign Borrowings	**7**	-	-
Repayment of principal on Domestic and Foreign borrowing	**20**	-	-
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		**194,689,196**	**42,387,735**
Cash and cash equivalent at BEGINNING of the year	**24**	**449,514,290**	**203,497,637**
Cash and cash equivalent at END of the year	**25**	**440,574,567**	**245,885,372**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29TH Sept 2017and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT COMBINED.

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e= c-d	f=d/c %
	RECEIPTS						
	Tax Receipts						
	Social Security Contributions						
	Proceeds from domestic and Foreign Grants						
	Exchequer releases	4,721,478,148	74,070,333	4,795,548,481	4,795,548,481	0	100%
	Transfers from other Government agencies	197,080,009	52,254,000	249,334,009	192,581,400	-56,752,609	77%
	Proceeds from Domestic borrowings						
	Proceeds from Foreign borrowings						
	Other receipts	122,245,626	79,263,642	201,509,268	162,482,550	- 39,026,718	81%
	TOTAL	**5,040,803,783**	**205,587,975**	**5,246,391,758**	**5,150,612,431**	**- 95,779,327**	**98%**
	PAYMENTS						
	Compensation of Employees	1,351,357,526	48,494,695	1,399,852,221	1,397,397,658	2,454,563	100%
	Use of goods and services	1,210,852,386	14,061,090	1,224,913,476	1,026,461,960	198,451,516	84%
	Transfer to county assembly	450,000,000	20,000,000	470,000,000	440,000,000	30,000,000	94%
	Transfers to other Government Units	144,501,043	49,749,700	194,250,743	189,150,109	5,100,634	97%
	Other grants and transfers	169,600,000	54,500,030	224,100,030	224,099,700	330	100%
	Social Security Benefits	46,744,230	-32,531,152	14,243,078	14,243,030	48	100%
	Acquisition of Assets	1,667,718,598	51,313,612	1,719,032,210	1,581,848,007	140,902,911	92%
	Other Expenses						
	TOTAL	**5,040,803,783**	**205,587,975**	**5,246,391,758**	**4,873,200,464**	**373,191,294**	**93%**

The accounting policies and explanatory notes to these financial statements form an integral part of the fin statements. The financial statements were approved on 29TH SEPT 2017and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Budget execution- Recurrent - FY 2016/17							
Code	**Receipt/Expense Item**	**Original Budget**	**Adjustments**	**Final Budget**	**Actual on Comparable Basis**	**Budget Utilisation Difference**	**% of Utilisation**
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
	Tax Receipts						
	Social Security Contributions						
	Proceeds from Domestic and Foreign Grants						
	Exchequer releases	3,040,333,020	74,070,333	3,114,403,353	3,114,403,353		100%
	Transfers from Other Government Entities	125,506,539	52,254,000	177,760,539	121,007,930	-56,752,609	68%
	Proceeds from Domestic Borrowings						
	Proceeds from Foreign Borrowings						
	Proceeds from Sale of Assets						
	Reimbursements and Refunds						
	Returns of Equity Holdings						
	Other Receipts	122,245,626		122,245,626	83,218,908	-39,026,718	68%
	Total Receipts	**3,288,085,185**	**126,324,333**	**3,414,409,518**	**3,318,630,191**	**-95,779,327**	**97%**
	PAYMENTS			-		-	
	Compensation of Employees	1,351,357,526	48,494,695	1,399,852,221	1,397,397,658	2,454,563	100%
	Use of goods and services	1,210,852,386	14,061,090	1,224,913,476	1,026,461,960	198,451,516	84%
	Subsidies	-	-	-	-	-	
	Transfers county assembly	450,000,000	20,000,000	470,000,000	440,000,000	30,000,000	94%
	Transfers to other Government Units	59,501,043	49,749,700	109,250,743	108,006,770	1,243,973	99%

	Other grants and transfers	169,600,000	26,550,000	196,150,000	196,150,000		100%
	Social Security Benefits	46,774,230	-32,531,152	14,243,078	14,243,030	48	100%
	Acquisition of Assets						
	Repayment of principal on Domestic and Foreign borrowing						
	Other Payments					-	
	Totals	**3,288,085,185**	**126,324,333**	**3,414,409,518**	**3,182,259,418**	**232,150,100**	**93%**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 29TH OCT 2017 and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

VIII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Budget execution - Development - FY 2016/17							
Code	**Receipt/Expense Item**	**Original Budget**	**adjustments**	**Final Budget**	**Actual on Comparable Basis**	**Budget Utilisation Difference**	**% of Utilisation**
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
	Tax Receipts						
	Social Security Contributions						
	Proceeds from domestic and Foreign Grants						
	Exchequer releases	1,681,145,128		1,681,145,128	1,681,145,128		100%
	Transfers from other Government agencies	71,573,470		71,573,470	71,573,470		100%
	Proceeds from Domestic borrowings						
	Proceeds from Foreign borrowings						
	Proceeds from Sale of Assets						
	Reimbursements and Refunds						
	Returns of Equity Holdings						
	Other receipts		79,263,642	79,263,642	79,263,642		100%
	TOTAL	1,752,718,598	79,263,642	1,831,982,240	1,831,982,240		**100%**
	PAYMENTS						
	Compensation of Employees						
	Subsidies						

	Transfers to other Government Units	85,000,000		85,000,000	81,143,339	3,856,661	95%
	Other grants and transfers		27,950,030	27,950,030	27,949,700	330	100%
	Social Security Benefits						
	Acquisition of Assets	1,667,718,598	51,313,612	1,719,032,210	1,578,129,299	140,902,911	92%
	System Payments			3,718,708			
	Other Payments						
	TOTALS	**1,752,718,598**	**79,263,642**	**1,831,982,240**	**1,690,941,046**	**141,041,194**	**92%**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 29TH SEPT 2017 and signed by:

Chief Officer

Finance and Economic Planning

Head of Treasury Accounting
Charles M Kahono
ICPAK NO/ 4819

IX. SIGNIFICANT ACCOUNTING POLICIES

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

i. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Government of West Pokot .The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the County Government of West Pokot.

ii. Recognition of revenue and expenses

The County Government of West Pokot recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the County Government of West Pokot. In addition, the County Government of West Pokot recognises all expenses when the event occurs and the related cash has actually been paid out by the County Government of West Pokot.

iii. In-kind contributions

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

iv. Cash and cash equivalents

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

financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v. Pending bills

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

vi. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of West Pokot's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the County Government of West Pokot's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

vii. Comparative figures

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

viii. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

X. NOTES TO THE FINANCIAL STATEMENTS

	COUNTY OF WEST POKOT		**2016 - 2017**	**2015 - 2016**
	NOTES TO THE FINANCIAL STATEMENTS		**Kshs**	**Kshs**
1	**TAX REVENUES**		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Taxes on Income, Profits and Capital Gains		-	-
	Taxes on Property		-	-
	Taxes on Goods and Services		-	-
	Taxes on International Trade and Transactions		-	-
	Other Taxes (not elsewhere classified)		-	-
	Total		-	-
2	**SOCIAL SECURITY CONTRIBUTIONS**		**2016 - 2017**	**2015 - 2016**
	Receipts for Health Insurance Contribution		**Kshs**	**Kshs**
	Receipts to NHIF for Health Insurance Contributions		-	-
	Receipts from Govt Employees to Social & Welfare Schemes in Govt		-	-
	Total		-	-
3	**PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**			
	Name of Donor	**Date received**	**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Grants Received from Bilateral Donors (Foreign Governments)			
	DANIDA		6,090,000	12,180,000
	Grants Received from Multilateral Donors (International Organisations)			
	World Bank		-	15,799,898
	Grants Received from other levels of government			
	Total		**6,090,000**	**27,979,898**

4	**EXCHEQUER RELEASES**			
	Description and reference of the transfer		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	1st quarter transfer		1,163,632,285	733,327,708
	2nd quarter transfer		1,186,904,931	1,445,086,954
	3rd quarter transfer		1,163,632,285	1,078,423,100
	4th quarter transfer		1,140,359,639	1,056,854,642
	Total		**4,654,529,140**	**4,313,692,404**
5	**TRANSFERS FROM OTHER GOVERNMENT ENTITIES**			
	Description		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Transfers from Central government entities		52,254,000	-
	Ministry of state dept of infrastructure-Fuel Levy		71,573,470	54,798,236
	Ministry of Health -Maternal Health Care		50,347,500	37,675,000
	Ministry of Health -User fee Foregone		12,316,430	11,950,786
	Local Authority		-	-
	Recoveries from merchants		-	-
	TOTAL		**186,491,400**	**104,424,022**
	The amounts above have been reconciled with the sending Government entity.			
6	**PROCEEDS FROM DOMESTIC BORROWINGS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Total			-
7	**PROCEEDS FROM FOREIGN BORROWINGS**		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Total		-	-

8	**PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Total		-	-
9	**REIMBURSEMENTS AND REFUNDS**			
			2016- 2017	**2015 - 2016**
			Kshs -	**Kshs**
	Total		-	-
10	**RETURNS OF EQUITY HOLDINGS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
			-	-
	Total		-	-
11	**OTHER REVENUES**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Interest Received		-	-
	Profits and Dividends		-	-
	Rents		187,589	1,784,300
	Sales of Market Establishments			
	Receipts from Administrative Fees and Charges		494,893	
	Receipts from Administrative Fees and Charges - Collected as AIA			
	Receipts from Incidental Sales by Non-Market Establishments			
	Receipts from Sales by Non-Market Establishments			
	Receipts from Sale of Incidental Goods			
	Fines Penalties and Forfeitures			
	Receipts from Voluntary transfers other than grants			
	Other Receipts Not Classified Elsewhere		635,627	
	Business Permits		7,634,980	6,607,420
	Livestock permits			544,555
	Livestock Cess		10,920,466	7,041,955
	sand cess			5,989,511
	land Rates			655,280

	House Rent			1,566,832
	other local levies			
	Administrative Services Fees		2,200,558	1,454,100
	Royalties			25,772,015
	Council's Natural Resources Exploitation		16,702,396	
	Liquor licences			
	Lease / Rental Of Council's Infrastructure Assets			
	Advisement -fees			258,560
	Other Miscellaneous Revenues		12,626,865	9,355,094
	Insurance Claims Recovery		-	
	Medium Term Loans (1-3 Yr Repayment)		-	
	Long Term Loans (Over 3 Yr Repayment)		-	
	Transfers From Reserve Funds		-	
	Rent- Housing			
	Other Revenues From Financial Assets Loan		-	
	Market/Trade Centre Fee		4,170,055	3,379,335
	Vehicle Parking Fees		4,711,059	6,733,539
	Housing-plan approval			235,600
	Social premises user charges			62,000
	Environment and conservancy administration			364,400-
	Other Education-Related Fees		-	
	Other Education Revenues		-	
	Public Health Services		-	
	Public Health Facilities Operations		19,183,157	26,453,217
	System required		3,751,263	
	Total		**83,218,908**	**98,257,713**
12	**COMPENSATION OF EMPLOYEES**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Basic salaries of permanent employees		1,397,397,658	1,267,771,642
	Basic wages of temporary employees			30,781,971
	Personal allowances paid as part of salary			
	Personal allowances paid as reimbursements			1,375,937
	Total		**1,397,397,658**	**1,299,929,550**

13	**USE OF GOODS AND SERVICES**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Utilities, supplies and services		21,787,594	13,817,249
	Communication, supplies and services		4,964,726	12,413,277
	Domestic travel and subsistence		299,272,318	195,418,511
	Foreign travel and subsistence		17,981,601	8,779,857
	Printing, advertising and information supplies & services		29,602,954	32,554,801
	Rentals of produced assets		3,444,800	1,182,874
	Training expenses		35,060,325	40,579,987
	Hospitality supplies and services		72,936,746	64,646,973
	Insurance costs		66,672,599	8,298,223
	Specialized materials and services		149,039,313	119,129,513
	Office and general supplies and services		17,542,237	19,998,947
	Fuel Oil and Lubricants		75,853,232	62,717,967
	Other operating expenses		173,601,164	67,893,623
	Routine maintenance – vehicles and other transport equipment		45,934,344	36,737,954
	Routine maintenance – other assets		12,768,006	12,977,088
	Total		**1,026,461,960**	**697,146,843**
14	**SUBSIDIES**			
	Description		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	TOTAL			-
15	**TRANSFER TO OTHER GOVERNMENT ENTITIES**			
	Description		**2015 - 2016**	**2014 - 2015**
			Kshs	**Kshs**
	Current Grants to Semi-Autonomous Government Agencies		57,075,380	65,207,426
	Capital Grants to Semi-Autonomous Government Agencies		27,949,700	
	Transfers to Counties			

	(insert name of budget agency)			
	County Assembly budget-recurrent		440,000,000	439,669,281
	County Assembly budget-Development		81,143,339	68,039,655
	TOTAL		**606,168,419**	**572,916,362**
16	**OTHER GRANTS AND OTHER PAYMENTS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Assistance to Farmers Wei Wei Irrigation Scheme			
	Emergency relief and refugee assistance		108,006,770	15,647,800
	current transfers, grants(W.P C Bursary Educ & Dev Funds			
	Scholarships and other Educational Benefits - Tertiary Education-Exchequer (GOK)-Default-Education Headquarters			122,500,000
	Scholarships and Other Educ. --Exchequer (GOK)-Default-Education Headquarters		196,150,000	26,000,000
	current transfers, grants(W.P C Assembly Mortgage Funds			
	current transfers, grants(W.P C Assembly Car loan Funds.			
	Total		**304,156,770**	**164,147,800**
17	**SOCIAL SECURITY BENEFITS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Gratuity .County public service board		14,243,030	
	Employer Social Benefits in cash and in kind and retirement			
	Total		**14,243,030**	
18	**ACQUISITION OF ASSETS**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Non-Financial Assets			
	Purchase of Buildings			-
	Construction of Buildings		698,370,411	911,057,454

	Refurbishment of Buildings		23,214,656	22,459,962
	Construction of Roads		436,348,180	342,658,125
	Construction and Civil Works		239,785,404	279,960,008
	Overhaul and Refurbishment of Construction and Civil Works			
	Purchase of Vehicles and Other Transport Equipment		1,894,740	6,000,000
	Overhaul of Vehicles and Other Transport Equipment		2,997,392	
	Purchase of Household Furniture and General Equipment		5,171,329	1,500,000
	Purchase of Office Furniture and General Equipment		12,272,200	15,748,791
	Purchase of Specialized Plant, Equipment and Machinery		97,892,616	29,277,904
	Rehabilitation and Renovation of Plant, Machinery and Equip.			3,627,260
	Purchase of Certified Seeds, Breeding Stock and Live Animals		27,238,148	20,627,687
	Research, Studies, Project Preparation, Design & Supervision		11,679,300	
	Rehabilitation of Civil Works		9,109,630	21,258,597
	Acquisition of Strategic Stocks and commodities			
	Acquisition of Land		15,874,000	13,650,000
	Acquisition of Intangible Assets			
	Staff car and Mortgage			50,000,000
	Total		**1,581,848,007**	**1,717,825,787**
19	**FINANCIAL COSTS, INCLUDING LOAN INTEREST**			
			2016 - 2017	**2015 - 2016**
			Kshs -	**Kshs -**
20	**REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Total		**-**	**-**
21	**OTHER EXPENSES**			

			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Emergency relief		-	49,999,960
	Civil Contingency Reserves		-	-
	Other expenses		3,718,708	-
	Domestic Accounts		-	
	TOTAL		**3,718,708**	**49,999,960**
22 A	**Bank Accounts**			
	Name of Bank, Account No. & currency	**Amount**	**2016 - 2017**	**2015 - 2016**
			Kshs	Kshs
	Central bank of Kenya, Ac no. 1000171577 (Kshs)WP County Revenue Funds.	Revenue Funds.	229,685,217	240,035,083.25
	Central bank of Kenya, Ac no. 1000171127 (Kshs) WP County Recurrent A/C.	Recurrent A/C.	3,717	212,488.00
	Central bank of Kenya, Ac no. 1000171038 (Kshs) WP County Development A/C	Development	2,920	554,780.00
	Central bank of Kenya, Ac no. 1000314966 (Kshs)	Health facilities		
	Central bank of Kenya, Ac no. 1000314109 (Kshs)		12,528,413	
-	Kenya Commercial bank, Ac no. 1144889057 (Kshs) WP County Roads, work& trans	Operation		
-	Kenya Commercial bank, Ac no. 1144891515 (Kshs) WP County Finance ,Econ planning	Operation		
-	Kenya Commercial bank, Ac no. 1144891345(Kshs) WP County Tourism Sport & Culture	Operation		541
-	Kenya Commercial bank, Ac no. 1144891264 (Kshs)WP County Water &environment	Operation		3,925
-	Kenya Commercial bank, Ac no. 1140770845 (Kshs) WP County Operations & Imprest.	Operation		1,907

-	Kenya Commercial bank, Ac no. 1144891140 (Kshs) WP County Lands , Phy plan Hse	Operation		5,000
-	Kenya Com mercial bank, Ac no. 1144890845 (Kshs) WP County Trade Ind & Energy	Operation		
-	Kenya Commercial bank, Ac no. 1144890047 (Kshs) WP County Livestock Fsh, Co-op	Operation		2,177
-	Kenya Commercial bank, Ac no. 1144889855 (Kshs) WP County Agriculture &Irrigation	Operation		
-	Kenya Commercial bank, Ac no. 1144889782 (Kshs) WP County Education &ICT	Operation		2,858
-	Kenya Commercial bank, Ac no. 1144889340 (Kshs) WP County Health & sanitation.	Operation		674
-	Kenya Commercial bank, Ac no. 1144887860(Kshs)WP county Office of Governor	Operation		4,450
-	Kenya Commercial bank, Ac no. 1140770780(Kshs)WP County Revenue Collection	Revenue collection		891,906
	Kenya Commercial bank, Ac no. 1164634089(Kshs)WP County Deposit and suspense	Deposit	198,354,300	203,628,920
	Kenya Commercial bank, Ac no. 114041589 (Kshs)WP county Assembly	Operation		57,296
	Equity bank Ac no 1070260824340(Kshs)	Revenue collection		4,186,663
	Kenya Commercial bank, Ac no. 1143394038 (Kshs)WP KEPI			
	Kenya Commercial bank, Ac no. 1151279188 (Kshs)WP county HSSF			
	Kenya Commercial bank, Ac no. 1161232761 (Kshs)WP county Alcoholic Drinks control			
	Kenya Commercial bank, Ac no. 1166386031 (Kshs)WP county ECD			
	Co-operative bank Ac No - 01141694710300	Loan C staff		
	Co-operative bank Ac No - 01141694710301	Repayment		
	Co-operative bank Ac No - 01141694710400	Loan Ass staff		
	Co-operative bank Ac No - 01141694710401	Repayment		
	Equity bank Ac no 1070161924188			
	Equity bank Ac no 1070161936320			

	Equity bank Ac no 1070161936857			
	Equity bank Ac no 1070161946496			
	Equity bank Ac no 1070161812609			
	Equity bank Ac no 1070161812946			
	Equity bank Ac no 1070161813508			
	Equity bank Ac no 1070161812085			
	Equity bank Ac no 1070161812236			
	Equity bank Ac no 1070161815399			
	Equity bank Ac no 1070161817347			
	Equity bank Ac no 1070161868832			
	Equity bank Ac no 1070161865597			
	Equity bank Ac no 1070161866407			
	Equity bank Ac no 1070161912968			
	Equity bank Ac no 1070262154714			
	Equity bank Ac no 1070262154733			
	Equity bank Ac no 1070161812801			
	Equity bank Ac no 1070161849827			
	Equity bank Ac no 1070161906892			
	Family bank Ac no 093000027337			
	Family bank Ac no 093000027338			
	Family bank Ac no 093000035897			
	Family bank Ac no 093000035898			
	Family bank Ac no 093000035941			
	Total	Ksh.	**440,574,567**	**449,514,291**
	Cash in hand			
			2016 - 2017	**2015 - 2016**
22 B			**Kshs**	**Kshs**
	Operations cash book			5,826
	Finance & Economic planning cash book			
	Health & Sanitation cash book			
	Education & ICT cash book			
	Roads Public Works & Transport cash book			
	Agriculture & Irrigation cash book			262
	Livestock, Fisheries &Co-op cash book			
	Trade, Industry & Energy cash book			
	Lands Physical Planning & Housing cash book			
	Water, Environment & N res cash book			

	Tourism Culture Sport &so Dev. Cash book			
	County Assembly		-	266
	Total		-	**6,354**
	Cash equivalents (short-term deposits)			
22 C	**Name of Bank, Account No. & currency**	**Amount in foreign currency**	**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Total			**-**
23	**ACCOUNTS RECIVEBLES-OUTSTANDING IMPREST**			
	Name of Officer or Institution	***Amount Taken***		***Balance***
	Total			**-**
24	**ACCOUNTS PAYABLES-DEPOSITS**		**Kshs**	**Kshs**
	Kenya Commercial bank, Ac no. 1164634089(Kshs) Retention from contractors		198,354,300	203,628,920
				-
	Total		**198,354,300**	**203,628,920**
25	**BALANCES BROUGHT FORWARD**			
			2016 - 2017	**2015 - 2016**
			Kshs	**Kshs**
	Bank accounts		245,885,371	203,491,284
	Cash in hand			6,354
	Total		**245,885,371**	**203,497,638**

	OTHER IMPORTANT DISCLOSURES			
26	**PENDING BILLS PAYABLE**		**2016 - 2017**	**2015 - 2016**
			Kshs	**Kshs**
	Construction of building		311,824,920	51,210,128
	Construction of civil works		152,616,316	44,884,190
	Construction of Roads- Access Roads		132,837,959	179,408,629
	Refurbishment of Non Residential Building		9,870,654	1,195,636
	Supply of Goods and services		13,582,000	24, 953,483
	Purchase of Land		-	14,400,000
	Staff allowances		22,869,050	798,600
	Total		**643,600,899**	**316,850,666**

ANNEX ON FIXED ASSETS

ANNEX ON FIXED ASSETS		
Asset class	**Historical Cost (Kshs) 2016/2017**	**Historical Cost (Kshs) 2015/16**
Buildings and structures	698,370,411	1,590,872,649
Refurbishment of Buildings	23,214,656	118,765,794
Construction of Roads	436,348,180	933,729,022
Construction of Civil works	239,785,404	928,584,874
Refurbishment of Civil works		32,084,655
Purchase of vehicle &Transport equip	1,894,740	294,177,495
Overhaul of vehicle &Transport equip	2,997,392	1,789,670
Household furniture and Equip	5,171,329	1,549,470
Office equipment, furniture and fittings	12,272,200	33,966,395
ICT Equipment, Software and Other ICT Assets	97,892,616	51,267,632
Other Machinery and Equipment		388,173,852
Intangible Assets	48,027,078	72,946,443
Land	15,874,000	30,650,000
Staff car and mortgage		50,000,000
Total	**1,581,848,007**	**4,528,557,951**