REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF BUNGOMA

FOR THE YEAR ENDED 30 JUNE 2017

OFFICE OF THE AUDITOR-GENERAL
P. O. Box 2166-50200 BUNGOMA
01 FEB 2018
RECEIVED

HARAMBEE

COUNTY ASSEMBLY OF BUNGOMA

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

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 ASSEMBLY OF BUNGOMA INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya whose role includes but not limited to oversight, legislation and representation. The County Assembly is headed by the Speaker, who is responsible for the general policy and strategic direction of the County Assembly.

Our Vision

To be a model legislative County Assembly that is responsive to the needs of people, that carries out its constitutional duties, roles and mandate diligently, and effectively for the welfare of the people of Bungoma.

Our Mission

To ensure that the County Assembly undertakes its Legislative, Oversight, Representation and public Outreach duties effectively and that the Assembly remains the relevant forum for political debate to a political, innovative and integrated support function to members and relevant services to the people of Bungoma County.

Core values

- Professionalism
- Integrity
- Impartiality
- Openness and transparency
- Excellence
- Respect
- Co-operation and partnership

Strategic Objectives

- To promote Assembly democracy for better contribution to the establishment of a true democratic culture in Bungoma county
- To reinforce the sovereignty and autonomy of Bungoma County Assembly, in accordance with its constitutional duties for legislating and scrutiny of government
- To protect the public reputation, duties and responsibilities of members of county Assembly
- To include Assembly diplomacy within the framework of support for county executive and Assembly co-operation
- To improve the contribution of the county assembly to the process of community integration and cohesion in Bungoma County and beyond
- To engage the Assembly administration and secretariat in the search of excellence in producing a better legislative product
- Monitor and evaluate the performance of the board.
- Serve as a building block for future plans of Bungoma county Assembly.

(b) Key Management

The *County Assembly's* day-to-day management is under County Assembly Service Board County which is created under Section 12 of the County Governments Act, 2012, as a body corporate with perpetual succession and a common seal. The County Assembly Service Board comprises of four members - the Speaker who is also the Chairperson; the Majority and Minority Leaders and one external Member. The Secretary of the Service Board is the Clerk of the County Assembly

The County Assembly Service Board draws its mandate from Sec 12 of the County Governments Act, 2012 to provide services and facilities to ensure the efficient and effective functioning of the County Assembly, Constitute offices in the County Assembly Service and appoint and supervise office holders, Prepare annual estimates of expenditure of the County Assembly Service and submit them to the County Assembly for approval, exercise budgetary control over the service, and Undertake singly or jointly with other relevant organizations programmes to promote the ideal of parliamentary democracy

The Board also performs other functions:

i. Necessary for the welfare of members and staff of the County Assembly

ii. as prescribed by National Legislature

Hon. John Makali - Speaker

He was elected the first Speaker of County Assembly of Bungoma on 27th March 2013. The Speaker was elected to preside over the County Assembly Sittings and Chair the County Assembly Service Board.

Speaker Makali holds LLB Law from University of Nairobi. Before his election Mr. Makali was a practicing advocate.

Hon. Hentry Nyongesa- Majority Leader

He was elected as the majority leader in March 2016 and the Vice Chair to the County Assembly Service Board.

Hon. Nyongesa holds a diploma in Public Administration from Moi University. Before his appointment he served as the Vice Chair Finance and Economic Planning Committee.

John Mosongo –Clerk to County Assembly of Bungoma

Mr. Mosongo was seconded by the transition Authority as the Clerk to the Assembly on February 2013. He was later recruited through a competitive process as the Clerk to County Assembly of Bungoma and Secretary to the County Assembly Board on 12th January 2014. He is the CEO and the adviser to the Speaker.

Mr. Mosongo holds a Bachelor of Arts Degree from University of Nairobi. He has undertaken a Senior Management Course and Strategic Leadership Course offered by the Kenya School of Government. Mr. Mosongo is a member of the Labour relations at the Society of Clerks at the Table (SOCATT).

Hon. Ali Machani – Minority Leader

He was elected as leader of Minority in March 2016 and a member to the County Assembly Service Board.

He holds a diploma in County Governance from the University of Eldoret. Before appointment he served as a Chairman of Budget and Appropriations Committee.

Rachelle Rael Nekesa – Public Representative

Ms Rachelle Rael Nekesa Khisa was competitively recruited as member representing the public in 2013. She holds a Bachelor's degree in Business Administration from Maseno University and Masters in Project Planning and Management from University of Nairobi.

Fiduciary Management

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

No.	Name	Designation
1.	John Ongwae Mosongo	Accounting Officer
2.	Julia Naliaka Lunani (MBA)	Senior Accounts Controller

(c) **Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies at the County Assembly for the year ended 30th June 2017 were:

i. **Public Investment & Accounts Committee**

The committee was formed to provide oversight on the County's finances. The committee held 41 meetings in the year 2016/2017. The members who served in the committee during the year were:

Name	Position	Period served
1. Hon. Joseph Magudah	Chairman	4 years 4 months
2. Hon. Euventine kisaka	Vice- Chairperson	4 years 4 months
3. Hon. Peter Cherui	Member	1 year 4 months
4. Hon. Protus Waswa	Member	4 years 4 months
5. Hon. Gentrix Maindi	Member	4 years 4 months
6. Hon.Gerishom Namasake	Member	4 years 4 months
7. Hon.Robert Mwembe	Member	1 year 4 months
8. Hon. David Fwaro	Member	4 year 4 months
9. Hon.Margret Barasa	Member	4 year 4 months

ii. Budget & Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Name	Position	Period served
1. Hon Ali Machani Mutoka	Chairperson	March 2013-Feb 2016
2. Hon Edward Nalianya Elima	Vice Chairperson	March 2013-June 2017
3. Hon Edward Basrasa	Member	March 2013-June 2017
4. Hon Rosemary Khisa	Member	March 2013-June 2017
5. Hon Florence Wekesa	Member	March 2013-Feb 2016 then Chairperson from March 2016-June 2017
6. Hon Paul Wamalwa	Member	March 2013-June 2017
7. Hon Martin Wanyonyi	Member	March 2013-June 2017
8. Hon Andrew Nalyanya	Member	March 2013-June 2017
9. Hon Jane Chepengerer	Member	August 2015-June 2017
10. Hon. Majimbo Okumu	Member	March 2016-June 2017

iii. Audit Committee

The audit committee was established through the gazette notice no. 2690; Public finance management act (*No. 18 of* 2012), Public finance management regulations 2015, Audit committee guidelines for County governments. The audit committee is established to provide assistance to the accounting officer or the governing body with its responsibilities outlined in its charter with the general feature of ensuring good corporate governance.

The committee has held two meetings since inauguration into office on 31st July 2017. The members who served in the committee during the period were:

Name	Position
1. Mr. Calistus Wekesa Waswa	Chairman Audit committee
2. Dr. Destaings N. Nyongesa	Member Audit committee
3. CPA Jackson Wetosi	Member Audit committee
4. Mrs. Diana Khaemba	Member Audit committee
5. Mr. Alfred Makokha	Secretary Audit committee

(d) County Assembly of Bungoma Headquarters

P.O. Box 1886 – 50200
Former County Council Building
Moi Avenue
Bungoma, Kenya

(e) County Assembly of Bungoma Contacts

Telephone: 055 (20) 30854, 055 (20) 30309, +254 722 585582
E-mail: bungomacountyassembly@gmail.com or info@bungomaassembly.go.ke
Website: http://www.bungomaassembly.go.ke

(f) County Assembly of Bungoma Bankers

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

2. Kenya Commercial Bank of Kenya
   Bungoma Branch
   P.O. Box 201-50200
   Bungoma, Kenya

3. Co-operative Bank of Kenya
   Bungoma Branch
   P.O. Box 1964-50200
   Bungoma, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

II. FORWARD BY THE CLERK OF THE ASSEMBLY

It is my pleasure to present the County Assembly of Bungoma financial statements for the year ended 30th June 2017. The financial statements present the financial performance of the County Assembly over the past year.

Budget performance

In the year ended 30th June 2017, the County Assembly received exchequer of Ksh 926,405,023 which represents 100% of the funds realised. Our total expenditure for the year amounted to Ksh 925,781,719; Ksh 838,392,394 was spent on recurrent expenditure while Ksh 87,389,324 was spent on development expenditure representing a ratio of 90.56: 9.44 respectively.

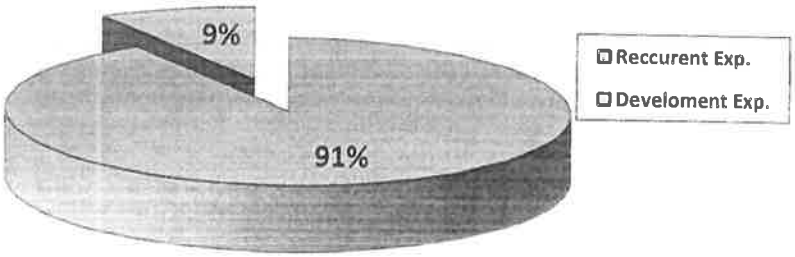

Figure 1: County Assembly of Bungoma Total Expenditure FY 2016/2017

In the FY 2016/2017, we have not had many liquidity disruptions. This was as a result of seamless disbursement by the County and timely disbursements by the National treasury. The cash and cash equivalents increased from Ksh 96,619 to Ksh 649,579.

Imprest Management within County Assembly of Bungoma has been improving considerably with efforts geared towards ensuring efficiency and efficient use of public funds. Going into FY 2017/2018, County Assembly of Bungoma, has initiated more emphasis on complying with the PFM regulations with regard to imprests.

We have reduced pending bills from Ksh 37 million to Ksh 28 million. Provision has been made to clear the bills as soon as possible.

County Assembly of Bungoma has a systemised Fixed Asset Management Policy which incorporates physical verification of assets, tagging of assets and maintenance of asset register which is updated regularly.

Operational Performance

The County Assembly's operations are structured in terms of departments which are headed by Heads of Departments. For seamless service delivery, all departments have to work in unison and synergy. In the table below, we summarize the key programmes and projects under implementation by sector;

Programmes	Objective
Capacity building, Legislation and representation	To strengthen the capacity of members of county assembly to develop sound legislations and enhance their representative capacity.
Legislative oversight	To strengthen the capacity of members to play effective oversight role through the Assembly and various committees.
Management, General Administrative services and support services	To enhance professionalism, build human resource capacity and provide effective service to the legislature to enable the Assembly to meet the expectation of the members and the public.
General Assembly infrastructure	To ensure conducive working environment and availability of relevant logistics necessary for execution of duties.

Table 1: Departmental Performance in FY 2016/2017

Performance of key development projects

Some of the key development projects in FY 2016/17 included the following:

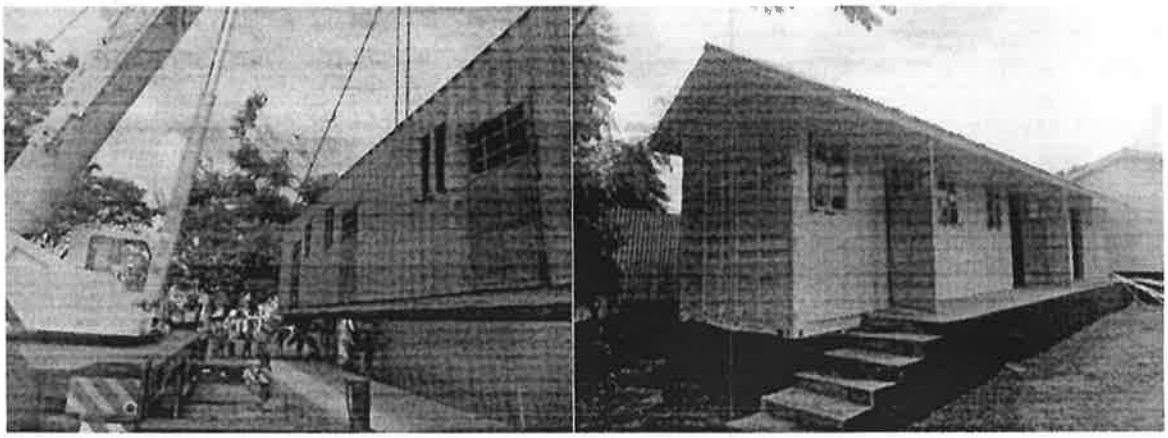

Figure 2: Installation of Container to increase office space (short term remedy)

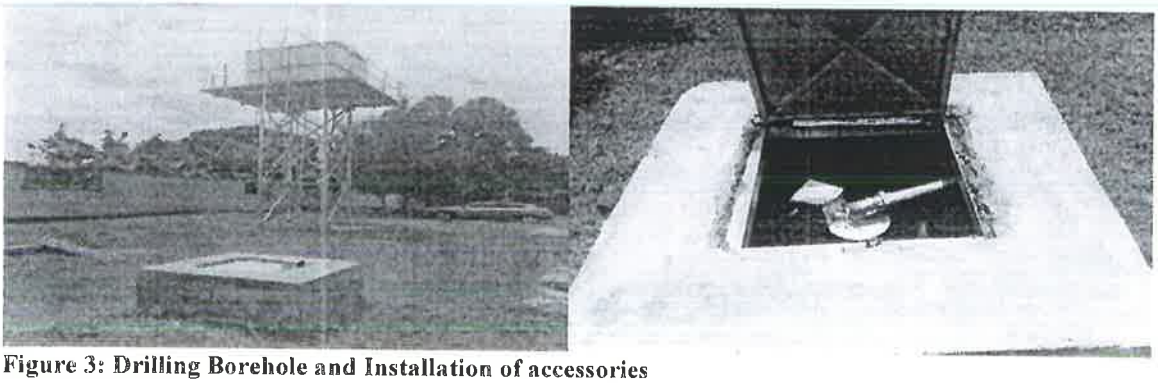

Figure 3: Drilling Borehole and Installation of accessories

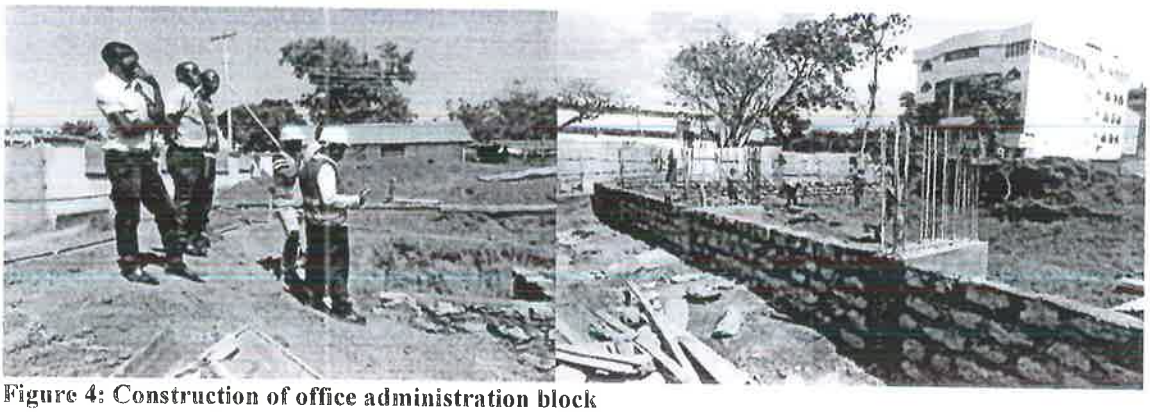

Figure 4: Construction of office administration block

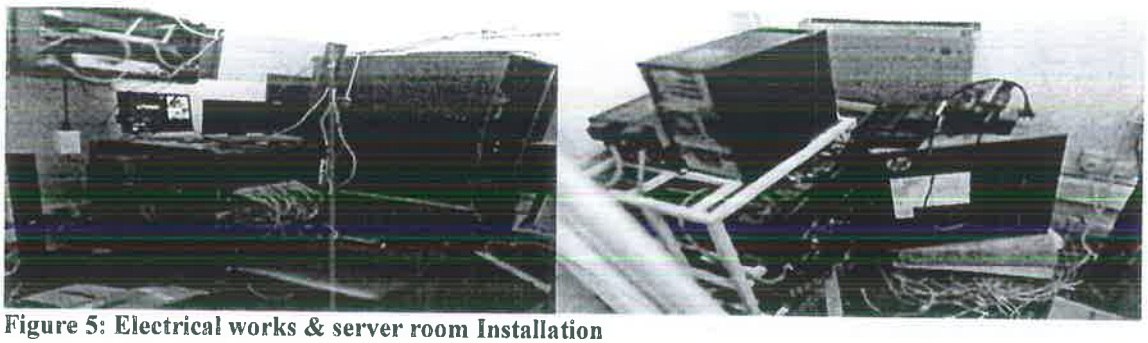

Figure 5: Electrical works & server room Installation

Challenges and Recommended Way Forward

FY 2016/2017 was turbulent with the change of leadership, however, good progress was made and momentum has been created to enable County Assembly continue on a trajectory into prosperity. In implementation of its strategic direction, gaps and areas to improve on have been identified.

In addition, implementation challenges experienced in the FY 2016/2017 include;

IFMIS connectivity issues as a result of down time and poor internet connectivity. This is a major contributor in delayed payments to suppliers and leading to payments being done outside IFMIS. Thus the County Assembly needs to enhance its connectivity through VPN connection and installation of a firewall. Also there is need to enhance capacity of staff handling the IFMIS system to be able to generate reports and effectively use the system to make payments.

Political processes – there were delays in approving supplementary budget FY 2016/2017 which delayed development projects scheduled for FY 2016/2017. Members of County Assembly need to be inducted extensively on public financial management specifically on areas of budget processing, revenue collection, accountability and audit. This will enhance oversight and scrutiny of reports.

Office space within the establishment more so with addition of new staff. We however hope that speedy completion of the administration block will provide staff with convenient and modern working environment.

Absorption of staff deployed by the County Executive by the County Assembly Service Board (Placement and grading) was based on current remuneration which advantaged and disadvantaged others in reference to scales and designations. Consideration was not given to qualification or work experience.

No operational systems and well laid down control measures in a few departments which need to be put in place for the audit department to check their consistency with such controls and recommend improvements on the same.

I take this opportunity to thank Hon. Speaker, County Assembly Service Board, and Members of County Assembly who worked tirelessly to ensure that Bungoma County Assembly achieve its mandate.

I thank all members of staff for their continued commitment and dedication through hard work in delivering services.

Sign

Clerk to County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government County Assembly of Bungoma to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board

The Accounting Officer in charge of the County Assembly of Bungoma is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County Assembly for and as at the end of the financial year 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 Assembly of Bungoma; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the County Assembly of Bungoma accepts responsibility for the County Assembly 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 Accounting Officer is of the opinion that the County Assembly financial statements give a true and fair view of the state of County Assembly transactions during the financial year ended June 30, 2017, and of the County Assembly financial position as at that date. The Accounting Officer in charge of the County Assembly of Bungoma further confirms the completeness of the accounting records maintained for the Assembly which have been relied upon in the preparation of the County Assembly financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the County Assembly of Bungoma confirms that the County Assembly of Bungoma has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly of Bungoma 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 Accounting Officer confirms that the County Assembly 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 Clerk to County Assembly on 29th September 2017.

X _____

Clerk to County Assembly

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BUNGOMA FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Assembly of Bungoma set out on pages 1 to 30, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts: recurrent and development combined and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section, the financial statements present fairly, in all material respects financial position of County Assembly of Bungoma at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and on Other Matter section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

The compensation of employees total expenditure of Kshs.281,247,766 reported in the receipts and payments differ with the gross salary of Kshs.224,382,323 captured in the Integrated Payroll and Personnel Database (IPPD ledger records resulting into un-reconciled difference of Kshs.56,865,443.

In the circumstance, the accuracy and completeness of the financial statements could not be ascertained.

2. Acquisition of Assets

2.1. Delay in Construction of Office Block

Included in acquisition of goods figure of Kshs.87,635,324 is an amount of Kshs.43,376,821 paid to a local contractor for the construction of administration block which commenced on 15 December 2016 for a period of eighteen (18) months at a contract sum of Kshs.447,768,217. However, a physical verification conducted in November 2017 revealed that, the contractor had completed the sub structure with the ground floor columns partially erected. In addition, no work was going on as the contractor had abandoned the site for almost five (5) months and there was no indication that works are about to resume, hence, the project implementation was behind schedule.

In the circumstances, the Assembly staff have continued to work under non-conducive work environment.

2.2. Supply of Intranet Portal

Included in acquisition of assets figure of Ksh.87,635,324 is Kshs.11,150,000 paid for supply and installation of internet portal. The contract agreement provided that the contract period was to last for 12 months, beginning 6 April 2016 and 5 April 2017 as anticipated completion date. As at the time of audit, the contracted company had been paid a total of Kshs 7,000,000. However, the following anomalies were noted;

a) The intranet modules has not been rolled out and that the documentation of the entire system (both technical and user manuals) had not been done and the system had not been handed over to the Assembly.

b) A section of Assembly's personnel had not been trained on all the proposed modules hence hindrance to intranet implementation.

c) The contract period ended on April 2017 and as at the time of the audit in November 2017, there is no indication that the system was up and running. In addition, no evidence was provided indicating that the period was extended as the work remains incomplete six months after anticipated completion date.

In the circumstances, the propriety of Kshs. 50,376,821 under acquisition of goods could not be ascertained.

3. Use of Goods and Services

3.1. Medical Insurance Services

Included in use of goods and services of Kshs.437,421,767 is an amount of Kshs.37,201,987 being medical insurance service awarded to a local insurance company to offer medical services through tender no. CA/BGM/PUR4/2016-2017. However, the following anomalies were noted;

a) The contract was signed between a local insurance company and the Assembly but an insurance brokerage firm signed on behalf of underwriting company and was subsequently paid hence irregular as the examination of the tender register shows that the brokerage firm was not among the bidders.

b) A medical policy was not provided for audit scrutiny.

c) Only one bidder qualified for the financial evaluations hence there were no competitive bids.

Consequently, the management was in breach of procurement rules and regulations hence the propriety of Kshs.37,201,987 could not be confirmed.

3.2. Car Loans and Mortgage Scheme Insurance Cover

An insurance brokerage firm was awarded a contract of Kshs.7,650,000 for provision of car loans and mortgage insurance cover. However, the tender evaluation minutes and letter awarding the contract were not availed for audit verification.

In the circumstances, it was not possible to ascertain propriety of Kshs.7,650,000 paid for insurance services.

3.3. Air Travel Tickets

Included in the use of goods and services figure of Kshs.437,421,767 the cost of air tickets amounting to Kshs.3,204,312 purchased on various dates from a local travel agency. However, some of the accounting documents were not fully supported by boarding passes as proof of actual travel.

Consequently, the propriety and completeness of Kshs.3,204,312 could not be confirmed.

3.4. Outsourcing of ICT Services

A local ICT firm was paid of Kshs.846,200 for routine service and maintenance of computers as highlighted below;

Date	Pv No.		Description	Amount (Kshs)
19-Oct-16	251		Maintenance of computers.	246,500
5-Jan-17	312		Computer maintenance	246,500
20-Apr-17	580		Computer maintenance & repair	210,500
20-Apr-17	561		Computer maintenance & servicing	52,000
28-Jun-17	557		Computer & Network servicing	90,700
			Total	**846,200**

However, the Assembly has a full fledge ICT department of around five staff who could have provided for this service instead of outsourcing the service.

In the circumstances, the Assembly could have saved a total of Kshs 846,200 had the services be carried out by the staff.

4. Compensation of Employees

Budget Variance Analysis for the year ended 30 June 2017				
Item	**Budget 2016/2017 Kshs.**	**Actual Expenditure Kshs.**	**Actual Variance Kshs.**	**% in Variance**
Basic salary- Permanent Employees	166,258,754	152,453,334	13,805,420	8%
Personal Allowance -Paid as Part of Salary	137,949,925	152,145,210	- 14,195,285	-10%
Employer Contributions to Compulsory National Social Security Schemes	5,898,409	5,852,409	46,000	1%
Utilities Supplies and Services	1,300,000	123,000	1,177,000	91%
Communication Supplies and Services	3,982,156	246,500	3,735,656	94%
Domestic Travel and Subsistence, and Other Transportation Costs	4,000,000	6,154,832	(2,154,832)	-54%
Foreign Travel and Subsistence, and other transportation costs	956,046	1,440,980	(484,934)	-51%
Printing , Advertising and Information Supplies and Services	6,280,044	3,729,802	2,550,242	41%
Rentals of Produced Assets	550,000	528,442	21,558	4%
Training Expenses	39,000,000	33,761,541	5,238,459	13%
Hospitality Supplies and Services	278,303,009	318,480,960	- 40,177,951	-14%
Insurance costs	8,460,441	10,435,451	(1,975,010)	-23%
Specialized Materials and Supplies	500,000	237,900	262,100	52%
Office and General Supplies and Services	4,642,000	3,574,175	1,067,825	23%
Fuel Oil and Lubricants	1,563,944	181,470	1,382,474	88%
Other Operating Expenses	56,275,669	48,422,341	7,853,328	14%
Routine Maintenance - Vehicles and Other Transport Equipment	2,131,482	1,572,212	559,270	26%

Routine Maintenance - Other Assets	3,600,000	743,489	2,856,511	79%
Supply for Credit	7,276,065	7,939,160	(663,095)	-9%
Government Pension and Retirement Benefits	25,437,647	9,211,618	16,226,029	64%
Purchase of Office Furniture and General Equipment	3,000,000	-	3,000,000	100%
Research, feasibility Studies	127,862	-	127,862	100%
Repayments of Principal from Domestic Lending	80,911,570	80,911,570	-	0%
TOTAL RECURRENT	**838,405,023**	**838,146,395**	**258,628**	**0%**
DEVELOPMENT PROJECTS				
Refurbishment - nonresidential Buildings	5,000,000	2,000,000	3,000,000	60%
Refurbishment - nonresidential Buildings	10,000,000	9,315,181	684,819	7%
Purchase of ICT networking and Communications Equipment	7,000,000	7,246,000	(246,000)	-4%
Supply for credit	8,339,592	8,200,752	138,840	2%
other infrastructure and civil works	116,583,662	60,873,391	55,710,271	48%
Dev. Totals	146,923,254	87,635,324	59,287,930	40%
GRAND TOTALS	**985,328,277**	**925,781,719**	**59,546,558**	**6%**

Included in the compensation of employees figure of Kshs.281,247,766 is an amount of Kshs.34,044,615 being the total salary incurred on the three staff deployed in ward offices in Bungoma County. However, a review of the ward files and monthly returns revealed the following anomalies;

a) statutory deductions including NSSF and NHIF for some of the wards had not been effected and remitted.

b) there were no engagement letters for most of the ward staff as they were mostly casual employees.

c) the remuneration paid to the ward staff lacked uniformity with some being paid Kshs 25,000 while others were receiving as low as Kshs.3,000 per month for the same position.

d) from the sampled test conducted, some wards lacked lease agreements between the Assembly and the respective landlords hence the accuracy of rent payable per ward could not be determined.

In view of the above, the propriety of Kshs. 34,044,615 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Bungoma County Assembly 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgements, are of most significance in the audit of the financial statements. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

a) The budgetary analysis below shows instances where the budget was either over/under spent by more than +10% or -10%. Some expenditure items were not as per approvals while others were not budgeted for at all. Further, funds amounting to Kshs.115,926,700 were re-allocated and diverted for purposes which was not budgeted;

There were no evidence provided to confirm whether such reallocation of the budget were done procedurally.

b) The payments listed below totaling Kshs.6,436,937 were wrongly charged under credit supply despite been incurred during the year thus the initial allocation and purpose of the budget was not properly utilized.

Date	PVN		Description	Amount (Kshs.)
20-Mar-17	574		Air tickets	571,720
20-Mar-17	573		Air tickets	616,290
20-Mar-17	571		Air tickets	809,603
20-Apr-17	275		Computer maintenance & repair	210,500
20-Apr-17	522		Executive chairs & tables	2,050,000
28-Jun-17	582		Tonners	2,020,000
28-Jun-17	396		Air tickets	158,824
				6,436,937

c) A total of Kshs.15,000,000 were refunded to the car loans and mortgage scheme without being budgeted for by the Assembly as they were paid for through Hospitality supplies and services hence irregular.

In view of the above, The Assembly may not have implemented the budget as stipulated and irregular payments may have been incurred through incorrect budget implementations.

1. Lack of Policies

The following policies and guidelines had not been developed and approved for adoption. Furthermore, there was no evidence that the risk management policy and framework is operational despite being in place and lastly, there is no approved organogram, scheme of service, job establishment and guidelines on establishment and abolition of offices in the County Assembly.

a) Finance manual
b) Internship policy and guidelines
c) Engagement of Casual and temporary/contract staff
d) Service charter
e) Discipline manual
f) Performance management and appraisal policy and guidelines
g) Communications policy
h) Overtime policy
i) Whistle blowing policy and feedback
j) Lack of departmental operational manuals
k) Training policies and Guidelines
l) Security policy
m) Disaster management policy
n) Records management policy

Therefore, the Assembly may not rationally manage resources and operates in absence of clear operating guidelines.

2. Usage of Imprests and its Control

The management failed to use imprest warrants while issuing out various imprests amounting to Kshs.84,857,477. In addition, the imprests were not entered into the imprest register hence leading to poor internal control in managing imprest. Further, as reported in the prior years, various suppliers of goods and services amounting Kshs.8,840,251 were paid though the imprest while exceeding the thresholds prescribed by Regulation no. 92 of the Public Finance Management Act, 2015 on usage of standing imprest, direct procurement without proper justification as guided by the Public Procurement and Assets Disposal act 2015.

In the circumstance, the Assembly contravened the financial laws and regulations governing usage of imprest.

3. Cash payment of MCA's Allowances

The Members of County Assembly and the Assembly staff were paid various temporary imprest allowance up to as high as Kshs.6,622,770 for devolution conference week and Kshs.9,966,000 during KICOSCA and CASA games in Kiambu among others during the

year through cash payment instead of their bank account which is in contravention with the National Treasury and Government Accounting procedures on handling cash payments.

In the circumstances, handling of huge cash payment is risky to the staff involved considering security status in the environment.

4. Payments Made Outside IFMIS

The management in violation of the laid down procedures paid a total of Kshs.32,400,000 to clear outstanding suppliers in the credit supply budget line through KCB Imprest bank account which is a commercial bank instead of the CBK accounts through IFMIS as provided for by Regulation 82 and Regulation 109 of the Public Finance Management Regulations (County Government, 2015 and Section 12 (1) (e) and Section109 of the Public Finance Management Act, 2012.

In the circumstances, the assembly contravened the laws and regulations governing payment expenditure through IFMIS system.

5. Pending Bills

The Assembly has an outstanding pending bills totaling to Kshs.28,479,903 comprising of recurrent vote of Kshs.17,633,503, development vote of Kshs.10,416,800 and staff expenses of 429,600 as at 30 June 2017. In addition, Kshs.88,930,460 due to the car loans and mortgage fund was not included as pending bills, in which case the total pending bills for the Assembly would have amounted to Kshs.117,410,363. It is not clear how the Assembly intends to clear the pending bills without affecting the current year's budget.

In the circumstances, pending bills of Kshs.28,479,903 is likely to affect service delivery where various service providers may not have been paid.

6. Borrowings from the MCA's Car Loans and Mortgage Fund by the Assembly

The Assembly has borrowed a total of Kshs.88,930,460 over the years from the car loans and mortgage scheme to finance operation activities and has not refunded the funds. It is not clear how the Assembly intends to payback the fund leaving the Assembly with huge borrowing and budget deficit and which constitute to irregular borrowings.

In the circumstances, the Assembly was in contravention of Section 116(4) of the Public Finance Management Act 2012.

7. Personnel Records and Payroll Management.

8.1. Non-conformity to the a Third Basic Rule Policy

From the sampled test in the payroll month of June 2017, 72 employees or (52%) out of 138 employees earned net salary less than one third (1/3) of their basic pay. Furthermore, 14 employees received nil salary meaning they were deducted in full.

In view of the above, the Assembly was in contravention of the Employment Act Cap 226 and its regulations.

a. Irregularities in New Appointments

During the year, a total of 14 employees were recruited by the Assembly in various categories as per the County Assembly Public Service Board minutes of 06/02/2017. Only one (1) recruit was from non-dominant community, representing 6.6% of the total number employed leaving 93.3 % from Luhya community against a limit of 70% which contravenes the County Government Act 2012, Section 65(1)(e) that County Assembly Public Service Board shall consider the need to ensure that at least 30% of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the count.

In view of the above, the Assembly was in breach of the County Government Act recruitment laws.

8.2. Irregular Payments to Employees Under Contract

Scrutiny of salary schedules revealed that a total of Kshs.1,631,510 was paid to contractual workers for the months of May and June, 2017 yet their contract period expired on 30 April, 2017 and hence leading to an irregularity.
Consequently the Assembly was in breach of Employment Act Cap 226 and its regulations.

8.3. Non Recovery of Members of County Assembly (MCA's) Advances through IPPD.

The Assembly paid various advances to MCA's without recovery of the same through IPPD as they are recovered through cash receipt books resulting to poor internal controls in administering advances and its recovery.

Consequently the Assembly was in breach of payroll advances and deduction regulations.

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 County Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends 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 Assembly's financial reporting process.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the County Assembly's internal control.

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

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

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

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

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

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

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

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

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

Nairobi

16 July 2018

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016/2017 Kshs	2015/2016 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	926,405,023	461,411,810
Other Receipts	2	7,900,000	15,040,000
TOTAL RECEIPTS		**934,305,023**	**476,451,810**
PAYMENTS			
Compensation of Employees	3	281,247,766	208,420,152
Use of goods and services	4	437,421,767	209,334,951
Transfers to Other Government Entities	5	80,942,930	61,600
Social Security Benefits	6	38,414,804	7,043,866
Acquisition of Assets	7	87,635,324	36,224,155
Finance Costs	8	188,454	-
Other Payments	9	7,901,018	15,270,467
TOTAL PAYMENTS		**933,752,063**	**476,355,191**
SURPLUS		**552,960**	**96,619**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: John Ongwae Mosongo

Senior Accounts Controller
Name Julia Naliaka Kunani

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2016/2017 Kshs	2015/2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	649,579	96,619
TOTAL FINANCIAL ASSETS		**649,579**	**96,619**
REPRESENTED BY			
Fund balance b/fwd.	11	96,619	-
Surplus for the year		552,960	96,619
NET FINANCIAL POSITION		**649,579**	**96,619**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: JKO Mosongo

Senior Accounts Controller
Name: Julia Naliaka Lunani

V. STATEMENT OF CASH FLOWS

	Note	2016/2017 Kshs	2015/2016 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	926,405,023	461,411,810
Other Receipts	2	7,900,000	15,040,000
Total Receipts for operating income		**934,305,023**	**476,451,810**
Payments for operating expenses			
Compensation of Employees	3	281,247,766	208,420,152
Use of goods and services	4	437,421,767	209,334,951
Transfers to Other Government Entities	5	80,942,930	61,600
Social Security Benefits	6	38,414,804	7,043,866
Finance Costs	8	188,454	-
Other Payments	9	7,901,018	15,270,467
Total Payments for operating expenses		**846,116,739**	**440,131,036**
Net cash flows from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	87,635,324	36,224,155
Net cash flows from investing activities		**87,635,324**	**36,224,155**
NET INCREASE IN CASH AND CASH EQUIVALENT		**552,960**	**96,619**
Cash and cash equivalent at beginning of FY 2016/2017		**96,619**	**-**
Cash and cash equivalent at end of the FY 2016/2017		**649,579**	**96,619**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: JKO Mosongo

Senior Accounts Controller
Name: Julia Naliaka Lunani

VI. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	% of Utilisation Difference to Final Budget
		Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	926,405,023	-	926,405,023	926,405,023	100%
Other Receipts	7,900,000	-	7,900,000	7,900,000	100%
TOTAL	**934,305,023**	**-**	**934,305,023**	**934,305,023**	**100%**
PAYMENTS					
Compensation of Employees	355,208,679	-51,000,000	304,208,679	281,247,766	92%
Use of goods and services	364,648,718	54,000,000	418,648,718	437,421,767	104%
Transfers to Other Government Entities	80,911,570	-	80,911,570	80,942,930	100%
Social Security Benefits	34,336,056	-10,900,000	23,436,056	38,414,804	164%
Acquisition of Assets	83,100,000	66,823,254	149,923,254	87,635,324	58%
Finance Costs	300,000	-	300,000	188,454	63%
Other Payments	7,900,000	-	7,900,000	7,901,018	100%
TOTAL	**926,405,023**	**58,923,254**	**985,328,277**	**933,752,063**	**95%**
SURPLUS				**552,960**	

The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: JKO Mosongo

Senior Accounts Controller – County Assembly
Name: Julia Naliaka Lunani

VII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	% of Utilisation Difference to Final Budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	838,405,203	-	838,405,203	838,405,203	100%
Other Receipts	7,900,000	-	7,900,000	7,900,000	100%
TOTAL	**846,305,203**	-	**846,305,203**	**846,305,203**	100%
PAYMENTS					
Compensation of Employees	355,208,679	(51,000,000)	304,208,679	281,247,766	92%
Use of goods and services	364,648,718	54,000,000	418,520,856	437,421,767	105%
Transfers to Other Government Entities	80,911,570	-	80,911,570	80,942,930	100%
Social Security Benefits	34,336,056	(3,000,000)	31,336,056	38,414,804	123%
Acquisition of Assets	3,000,000	-	3,127,862	-	0%
Finance Costs	300,000	-	300,000	188,454	63%
Other Payments	7,900,000	-	7,900,000	7,901,018	100%
TOTAL	**846,305,023**	-	**846,305,023**	**846,116,739**	100%
SURPLUS				**188,464**	

(NB: the total under actual on comparable basis should be the same as the totals under the statement of receipts and payments, where the tow statements are not in agreement, a reconciliation of these two statements should be prepared as required under IPSAS and presented hereunder)

(a) Acquisition of assets- this vote was underutilized as the 3rd supplementary was enacted in April 2017 of which the amounts were meant for purchase office furniture and ICT equipment and due to lengthy procurement process the assets had not been purchased by the end of the financial year.

(b) Social Security Benefits amounts are paid out within Compensation of Employees. The matter has been resolved to ensure line budgets are adhered with.

(c) Use of goods and services variances arose from supplementary budgets where increases and decreases figures are not informed from outstanding commitments in the system.

The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: JKO Mosongo

Senior Accounts Controller – County Assembly
Name: Julia Naliaka Lunani

VIII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	% of Utilisation Difference to Final Budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	80,100,000	-	80,100,000	87,999,820	100%
TOTAL	**80,100,000**	-	**80,100,000**	**87,999,820**	**100%**
PAYMENTS					
Acquisition of Assets	80,100,000	58,923,254	139,023,254	87,635,324	63%
TOTAL	**80,100,000**	**58,923,254**	**139,023,254**	**87,635,324**	**63%**
SURPLUS				**364,496**	

The County Assembly of Bungoma financial statements were approved on 29th September 2017 and signed by:

Clerk to the Assembly
Name: JKO Mosongo

Senior Accounts Controller – County Assembly
Name: Julia Naliaka Lunani

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Bungoma all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting County Assembly of Bungoma

The financial statements are for the Bungoma County Assembly. The financial statements encompass the reporting County Assembly of Bungoma as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The County Assembly of Bungoma recognises all expenses when the event occurs and the related cash has actually been paid out by the County Assembly of Bungoma.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *County Assembly of Bungoma* 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 Assembly of Bungoma* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. There were no other restrictions on cash during the year

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

8. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the County Assembly of Bungoma fixed asset register a summary of which is provided as a memorandum to these financial statements.

9. Pending bills

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

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *County Assembly of Bungoma's* budget was approved as required by Law .The original budget was approved by

the County Assembly on 30th June 2016 for the period 1st July 2016 to 30 June 2017 as required by law. There was three number of supplementary budgets passed in the year. A high-level assessment of the *County Assembly of Bungoma's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

	2016/2017	2015/2016
	Kshs	Kshs
Total Exchequer Releases for July	58,254,731	-
Total Exchequer Releases for August	89,173,278	-
Total Exchequer Releases for September	72,688,777	-
Total Exchequer Releases for quarter 1	**220,116,786**	-
Total Exchequer Releases for October	83,045,348	-
Total Exchequer Releases for November	58,640,159	-
Total Exchequer Releases for December	74,389,061	-
Total Exchequer Releases for quarter 2	**216,074,568**	**88,520,478**
Total Exchequer Releases for January	141,962,668	-
Total Exchequer Releases for February	89,978,527	-
Total Exchequer Releases for March	49,156,700	-
Total Exchequer Releases for quarter 3	**281,097,895**	**191,636,521**
Total Exchequer Releases for April	70,511,700	-
Total Exchequer Releases for May	57,156,401	-
Total Exchequer Releases for June	81,447,673	-
Total Exchequer Releases for quarter 4	**209,115,774**	**181,254,811**
CUMULATIVE AMOUNT	**926,405,023**	**461,411,810**

Total Exchequer Releases for quarter 1 FY 2015/2016 (Accounted by County Treasury)
Total Exchequer Releases for quarter 2 FY 2015/2016 (Received from CRF for the month of November 2015 and December 2016)
County Assembly received requisition of Ksh 80,911,570 in January 2017 meant for Staff Car Loan

2. OTHER RECEIPTS

	2016/2017	2015/2016
	Kshs	Kshs
Recoveries from MCAs	7,900,000	-
Other Receipts: Transfers from County Treasury	-	15,030,000
Other Receipts: Over the Counter deposit at CBK Kisumu	-	10,000
TOTAL	**7,900,000**	**15,040,000**

During FY 2014/2015 it was recommended that Honourable Members of County Assembly be surcharged for Overpayment of sitting allowance. The said MCAs complied and remitted Ksh 7,900,000 to County Assembly of Bungoma

3. COMPENSATION OF EMPLOYEES

	2016/2017	2015/2016
	Kshs	Kshs
Basic salaries of permanent employees	149,392,614	80,363,741
Personal allowances paid as part of salary	131,855,152	128,056,411
TOTAL	**281,247,766**	**208,420,152**

New Employees recruited during the year were:		
Paul Khakhole Mudoga - 1st Clerk Assistant - Permanent and Pensionable - SS8		
Carren Nasimiyu Wanyama - 1st Clerk Assistant - Permanent and Pensionable - SS8		
Samuel Wanyika - Internal Auditor III - Permanent and Pensionable - SS6		
Cleophas Obilo - Works Officer IV - Permanent and Pensionable - SS5		
Remmi Owiti Opasa - Librarian - Permanent and Pensionable - SS5		
Sospeter Malaba - Driver -Permanent and Pensionable - SS4		
Kennedy Taracha - Driver - Permanent and Pensionable - SS4		
Eric Wasilwa - Procurement Officer II - Permanent and Pensionable - SS7		
Ignatius Wangila - Principal Legal Clerk - Permanent and Pensionable - SS10		
Wamukota Martin Situma - Senior Serjeant at Arms - Permanent and Pensionable - SS9		
Ariel Sharon Wekesa - ICT Officer I - Permanent and Pensionable - SS8		
Carren Kamonya - ICT Officer III - Permanent and Pensionable - SS6		
Alex Cherongis - Hansard Technician - Permanent and Pensionable - SS6		
Julict Nafuye Wanzala - 1st Clerk Assistant - Contract - SS8		
Knight Ngano - 1st Clerk Assistant - Contract - SS8		
Donnah Psirmoi - 1st Clerk Assistant - Contract - SS8		
Lexinc Kipkut - Accountant II - Contract - SS7		
John Simiyu Sifuma - Driver - Contract - SS4		
Slyvia Nyongesa - Librarian - Contract - SS5		
Victor Miricho - Procurement Officer 6 - Contract - SS6		

Linda Tubaka - Research Officer - Contract - SS6		
Allan Kipkania - ICT Officer III - Contract - SS6		
Mash Misiko - Hansard Reporter III - SS6		

4. USE OF GOODS AND SERVICES

	2016/2017	2015/2016
	Kshs	Kshs
Utilities, supplies and services	123,000	52,083
Communication, supplies and services	246,500	671,764
Domestic travel and subsistence	6,154,832	3,726,915
Foreign travel and subsistence	1,440,980	3,926,262
Printing, advertising and information supplies & services	3,729,802	2,520,936
Rentals of produced assets	528,442	254,616
Training expenses	33,761,541	8,084,002
Hospitality supplies and services	318,480,960	114,257,636
Insurance costs	10,435,451	28,369,218
Specialized materials and services	237,900	58,000
Office and general supplies and services	3,574,175	3,123,257
Fuel, Oil and lubricants	181,470	784,297
Other operating expenses	48,271,853	40,951,328
Routine maintenance – vehicles and other transport equipment	1,572,212	933,514
Routine maintenance – other assets	743,489	1,621,123
Supply for credit	7,939,160	-
TOTAL	**437,421,767**	**209,334,951**

5.0 TRANSFERS TO OTHER GOVERNMENT ENTITIES		
	2016/2017	**2015/2016**
Description	**Kshs**	**Kshs**
End of year CBK Account balances refunded to CRF	31,360	-
County Assembly Car Loan Fund Account	80,911,570	-
Other capital grants and transfers	-	61,600
	80,942,930	**61,600**
TOTAL		

County Assembly is required to refund all cash and cash equivalents to the County Revenue Fund in the FY

2016/2017 Ksh 31,360 was refunded

The transfer of Ksh 80,911,570 was transferred to County Assembly Car Loan Fund and Annual Report of the Fund has been submitted

6. SOCIAL SECURITY BENEFITS

	2016/2017	2015/2016
	Kshs	Kshs
Government pension and retirement benefits	9,901,571	7,043,866
Gratuity - Members of County Assembly	28,513,232	-
TOTAL	**38,414,804**	**7,043,866**

7. ACQUISITION OF ASSETS

	2016/2017	2015/2016
Non-Financial Assets	**Kshs**	**Kshs**
Construction of Buildings	62,873,391	5,539,314
Refurbishment of Buildings	-	4,906,213
Overhaul and Refurbishment of Construction and Civil Works	9,315,181	-
Purchase of ICT Equipment, Software and Other ICT Assets	7,246,000	22,120,438
Purchase of Specialised Plant, Equipment and Machinery	-	3,644,990
Research, Studies, Project Preparation, Design & Supervision	-	13,200
Supply for credit	8,200,752	-
TOTAL	**87,635,324**	**36,224,155**

8. FINANCE COSTS

	2016/2017	2015/2016
	Kshs	Kshs
Bank Charges	38,969	-
Other Finance Costs	149,485	-
TOTAL	**188,454**	-

Finance costs relates to withholding tax of 6% paid out as follows

9. OTHER PAYMENTS

	2016/2017	2015/2016
	Kshs	Kshs
Other expenses *(off system payments)*	7,901,018	7,789,554
Distress tax payment	-	7,480,913
TOTAL	**7,901,018**	**15,270,467**

Relates to expenditure based on receipts from recoveries from MCAs used as follows;		
Hospitality supplies & services	5,173,200	-
Office and general supplies & services	304,600	-
Supplier of credit	2,291,353	-
Fuel, oil and lubricants	131,865	-
TOTAL	**7,901,018**	-

10. BANK ACCOUNTS		
	2016/2017	**2015/2016**
Name of Bank, Account No. & Currency	**Kshs**	**Kshs**
CBK Account No.1000283041 - Kshs (Development)	610,676	-
CBK Account No.1000194103 - Kshs (Recurrent)	12,628	31,360
KCB Account No.1180534050 - Kshs (Imprest A/C)	25,422	45,453
Co-operative Bank, Account No.01141535357400 - Kshs (Imprest)	852	19,806
TOTAL	**649,579**	**96,619**

11. FUND BALANCE BROUGHT FORWARD		
	2016/2017	**2015/2016**
	Kshs	**Kshs**
Bank accounts	96,619	-
TOTAL	**96,619**	-

12. OTHER IMPORTANT DISCLOSURES

12.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016/2017	2015/2016
	Kshs	Kshs
Construction of buildings	6,400,000	-
Construction of civil works	3,000,000	7,836,073

Supply of goods	5,474,203	7,017,740
Supply of services	13,176,100	22,360,551
TOTAL	**28,050,303**	**37,214,364**

12.2 PENDING STAFF PAYABLES (See Annex 2)

	2016/2017	**2015/2016**
Name of Staff	**Kshs**	**Kshs**
Karen Wanyama	71,200	-
Hon. Nathan Obwana	72,000	-
Hon. John Nalianya	72,000	-
Donnah Prisimoi	71,200	-
Knight Ngano	71,200	-
Hon. Evelyne Mutiembu	72,000	-
TOTAL	**429,600**	-

13.0 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.
The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2016/2017 Kshs	2015/2016 Kshs
Compensation to the MCAs	312,479,786	-
Key Management compensation	23,068,285	-
Transfers from the County Treasury	926,405,023	461,411,810
Transfers to other County Government entities	80,911,570	-

XI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.0	Presentation accuracy and completeness of the financial statements	The employee costs against the IPPD extract have since been reconciled.	Abraham Simiyu - Payroll Manager	Resolved	
2.0	Un-vouched expenditure – Ksh 16,677,430	We agree with the audit findings and have since attached the vouchers for verification and audit.	Julia Naliaka – Senior Accounts Controller	Not Resolved	2.01.2018
3.0	Unsupported payments – Ksh 6,453,590	The assembly agrees with the audit findings. On the issue of catering and conference facilities the list of attendance is hereby attached. The management has on various occasions asked all concerned to surrender boarding passes. However boarding passes have been used as an attachment in members claim forms and thus sample has been attached for verification.	Julia Naliaka – Senior Accounts Controller	Resolved	
4.0	Late remittance of gratuity	The management agrees with the findings. The challenge has been late remittances of exchequer from National Treasury hence the gratuity has been forwarded to LAP once and when received.	Ann Wekesa – HR Manager / Julia Naliaka Lunani	Resolved	
5.0	Pending bills - Ksh	The management agrees with the audit findings and had made a provision in the	Diana Khaemba –	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	37,215,364	budget for Ksh 23,776,065 in recurrent and Ksh 8,339,592 for development under supply for credits.	Finance/ Planning Officer / Julia Naliaka Lunani		
6.0	Irregularities in procurement system of goods and services				
6.1	Procurement of legal services	Immediately after 2013 elections, the county had a lot of issues to handle in the Courts of Law and there was no prequalified consultant on legal matters to handle the cases. The County Assembly single sourced the services of one Situma and Company Advocates to assist in the handling of the cases. That notwithstanding all the fees paid was pegged on the advocates-clients remuneration order on lower scale. Then after things were put in order, the County Assembly advertised for Consultancy in Legal matters and acquired a competent firm through competitive bidding which can handle any dispute that arises.	Eric Wasilwa – Procurement Officer	Resolved	
6.2	Renovation Works on Main Building Roof – Ksh 2,156,946	M/S Lunao Enterprises was awarded the tender for renovation works on the main building roof of the County Assembly. The bill of quantities was done by the ministry of public works. However, when they were called upon to supervise the works they did not show up despite the fact that we did numerous visits to their office. The County Assembly resorted to	CASB / John Ongwae Mosongo – Clerk to County Assembly	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		recruitment of a works officer, a process that has been concluded and the officer is on duty. It is expected that no such challenges will recur.			
6.3	Design and develop of the Assembly website – Ksh 2,156,946	M/S Bch Logic Studio was awarded the tender. Under Mail hosting and staff training and articulation the Assembly does not have full capacity to host its mail services. However, plans are underway to undertake mail hosting services having put up a server room and acquired a mail service, the Assembly has an active mail service" **@bungomacountyassembly.go.ke**" which is currently being hosted by BCH Logic Studio, the staff have been trained and the support, technical personnel have been trained. The website being hosted by M/s BCH Logic Studio has social sites incorporated into it (twitter, Facebook and Instagram) which is up and running. (www.bungomaassembly.go.ke) search Engine Optimization is a feature already configured in the source code, thereby enabling users to search for the website via search engines. The documentation is available in soft copy. The hard copy will be made available on the day of commissioning and handing over. The Assembly has a policy in place that seeks to undertake project launch, deployment and handover at cost effective function whereby a number of completed projects shall be handled.	Philip Sinoya – ICT Officer	Resolved	
6.4	Electrical Works and	The procurement was done through restricted tendering as opposed to open	Eric Wasilwa	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	Server Room Installation – Ksh 4,250,000	tendering. This was done because as Assembly, we have pre-qualified contractors who can undertake contract jobs on electrical works. The procurement unit sourced contractors from a list of pre-qualified bidders. On the issue of contractor supplying power meter and four batteries of 20Amps instead of 10KvA UPS, this was purely technical. In terms of performance, the adopted clean power back-up system: 1. Four batteries of 12 V 2. Changer over switch 3. Inverter 4. Stand The above would sustain the Assembly needs for an extra 48 hours in place of 10KVA power back-up that can only hold power for 5hrs.			
6.5	Asset Tagging and Register Preparation – Ksh 5,500,000	M/S Tritek Consultant Limited was awarded the tender for Asset tagging, valuation and Asset register preparation at County Assembly and in the entire 45 wards. The services were competitively sourced.	Eric Wasilwa	Resolved	
6.6	Renovation works at the county assembly library – Ksh 4,133,090	Lecandx Company was awarded the tender to renovate Library building by the tender committee after realizing that among the contractors that showed interest, it was the only firm that had NCA certificate. This prompted the Tender committee to award Lecandx to renovate the library hall and M/S Namamuka Agencies to undertake other works like making of pallets in the store	Eric Wasilwa	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
6.7	Procurement of Insurance Services	and repair of ceiling board. It is the County Assembly Service Board that came up with the resolution to award JohnCele the contract for three (3) years renewable. This matter was picked by EACC and PPOA which they handled to conclusion.	CASB / DCI	Resolved	
7.0	MCA allowances during presidential visit – Ksh 1,100,400	The observation is acknowledged. H.E. the President was on a visit to the region for two days during which he had an appointment with MCAs for 2days that necessitated the Per Diem.	John Ongwae Mosongo	Resolved	
8.0	Public Participation	Public participation is a key component in the new constitutional dispensation which the County Assembly of Bungoma has fully adhered to. We have had very low or nil attendance in cases where the public was not facilitated. Facilitation is usually meant to cater for transportation, lunch and refreshments, since most of the sessions take the entire day and is courteous to provide them in order to have better productive sessions. We are however working on sensitizing the public through civic education to change the public mind set so that they understand that they are carrying out their duties as patriotic citizens. There is also a public participation bill in the County Assembly which after its approval will guide public participation.	John Ongwae Mosongo	Resolved	
9.0	Car loan and mortgage funds	We are aware of the County Assembly Service Board borrowings. Attached are minutes for borrowings and minutes from the Loans Management Committee	CASB / John Ongwae Mosongo	Resolved / ongoing	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		authorizing the borrowings, further, the schedule for borrowings and a commitment to repay by the County Assembly Service Board is hereby attached.			
10.0	Irregular operation of standing imprest	We concur on the irregularity on operations of standing Imprest. We would however wish to explain that the personal accounts are used to apply for safari Imprest on behalf of MCAs, since they are not defined in the system to apply and surrender the Imprest which is usually meant to facilitate them for seminars, workshops and retreats. The Imprest holders therefore surrender on their behalf. The management has noted a weakness in this system and is putting in internal control mechanisms to have standing Imprest operated through an Imprest account. The same is now operated at KCB.	CASB / John Ongwae Mosongo	Resolved	
11.0	Employee costs				
11.1	Irregular salary advances	The salary advances issued to Members of County Assembly are recovered from their travelling and subsistence allowance as their pay slips cannot accommodate. The account keeps Journal record of all advances. The Journal is hereby presented for verification.	Julia Naliaka / Abraham Wekesa	Resolved	
11.2	Non Compliance with One Third of Basic Salary Rule	We agree with Auditor findings. There was delay in exchequer disbursement for MCAs Car and Mortgage fund thus the Mortgage was pegged to the Pay slip and the Car Loan pegged to their Sitting Allowance. The One Third rule was	Ann Wekesa / Abraham Wekesa	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		complied with in terms of disbursement of the mortgage to members.			
12.0	Late submission of financial statements for the FY 2015/2016	The management agrees with the findings but the late submission was as a result of unclear procedure of what assembly should account for in the books versus what the County government would account on behalf of assembly. The assembly commenced running of its own financial operations in November 2015. Also the staffs were not averse to the IPSAS reporting style. The management has put up measures in place to ensure that staffs involved in preparation of financial reports are trained.	Julia Naliaka	Resolved	
1.0	OTHER MATTER Budgetary control and performance				
1.1	Budgetary Analysis	We concur with the findings since the votes were destabilized by the huge demand notice from Kenya Revenue Authority.	Diana Khaemba	Resolved	
1.2	Budgetary Re-allocation of Tax Arrear – Ksh 30,261,826	Due to the demand notice enforced on the Assembly, the Board resorted to paying the tax arrears and the amounts were reconciled in the final supplementary.	Diana Khaemba	Resolved	
2.0	Internal control environment				
2.1	Fuel Control and Usage	We currently keep up to date fuel ledger. We are also working on the	Wamukota Martin / Eric	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		format of detailed order which should be in use starting 1st November 2016. Sometimes the variances that occurred as a result of cash purchases which are done whenever drivers are out of the stations. Also it does happen that at the time of raising the LPO where the price of fuel at the time may not be the same as the price at the pump on the day when the fuel is being consumed. Sometimes, we are forced to use proforma invoice especially if there is a delay in the exchequer release. We are improving on our reconciliation mechanism to reduce on the variances in future.	Wasilwa		
2.2	Audit Committee not yet constituted	The audit committee has been fully constituted as per the attached Board minute.	CASB	Resolved	
2.3	Lack of ICT policies	The ICT Policy has been developed but it is still in draft form. It will be approved and operationalized before the next audit session.	CASB	Not Resolved	As and when the full board will be constituted

Clerk of the County Assembly

Sign.....

Date.....

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	2016/2017	2015/2016
	Kshs	Kshs
Construction of buildings		
Construction of Administration Block	6,400,000	
Sub-Total	**6,400,000**	-
Construction of civil works		
Drilling and installation of borehole	3,000,000	
Electrical works& server room installation		1,624,609
Erection and Completion of Gallery, Perimeter wall, Guard House and Gate		4,089,592
Renovation works on roof of county assembly main offices		2,121,872
Sub-Total	**3,000,000**	**7,836,073**
Supply of goods		
Office Supplies	1,368,030	5,330,746
Supply of office equipment	2,240,320	1,532,250
Supply of Uniforms and accessories	1,865,853	154,744
Sub-Total	**5,474,203**	**7,017,740**
Supply of services		
Periodic Computer Maintenance Services, Motor Vehicle and other Equipment	1,563,302	1,666,859
Advertisements	1,503,828	2,343,728
Consultancy & Training Services	839,900	1,297,703
Conference Facility	4,466,005	7,079,757
Air Travel Services	2,033,115	1,348,228
Membership fees to Professional bodies	2,769,950	1,000,000
Contracted guards and cleaning services	-	1,605,400
Rent	-	258,435
Provision of Insurance Services	-	5,760,441
Sub-Total	**13,176,100**	**22,360,551**
GRAND TOTAL	**28,050,303**	**37,214,364**

XII. ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	2016/2017	2015/2016
	Kshs	Kshs

Karen Wanyama	71,200	-
Hon. Nathan Obwana	72,000	-
Hon. John Nalianya	72,000	-
Donnah Prisimoi	71,200	-
Knight Ngano	71,200	-
Hon. Evelyne Mutiembu	72,000	-
TOTAL	**429,600**	

XIII. ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	2016/2017	2015/2016
Land	90,000,000	90,000,000
Buildings and structures	136,759,984	64,997,000
Transport equipment	24,000,000	24,000,000
Office equipment, furniture and fittings	41,098,796	36,097,065
ICT Equipment, Software and Other ICT Assets	23,886,809	15,016,200
Other Machinery and Equipment	5,912,000	3,912,000
TOTAL	**321,657,589**	**234,022,265**

XIV. ANNEX 4 – BANK RECONCILIATION/FO 30 REPORT

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2017 (FINAL)
ACCOUNT NAME: Bungoma County Assembly Recurrent
ACCOUNT NUMBER: 1000194103

Balance as per Bank Statement		**12,628.20**
LESS:	Payments in cashbook not in bank	**(367,612.45)**
	Receipts in bank not in cashbook	**-**
ADD:	Payments in bank statement not in cash book	**29,954.90**
	Receipts in cashbook not in bank statement	**-**
Balance as per Cash Book		**(325,029.35)**

NOTES:

NOTE 1: PAYMENTS IN CASHBOOK NOT IN BANK

DATE	CBN	PAYEE	AMOUNT
6-Oct-16	176	Pride Kings Security (*Withholding Tax*)	11,917.25
6-Oct-16	182	Bejamu Agency Company (*Withholding Tax*)	25,215.50
6-Oct-16	183	Bejamu Agency Company (*Withholding Tax*)	25,215.50
28-Oct-16	197	Westfield Motors (*Withholding Tax*)	735.80
28-Oct-16	200	Westfield Motors (*Withholding Tax*)	993.45
28-Oct-16	205	Westfield Motors (*Withholding Tax*)	1,177.55
28-Oct-16	209	Westfield Motors (*Withholding Tax*)	7,440.95
28-Oct-16	210	Nation Media Group (*Withholding Tax*)	7,614.00
28-Oct-16	211	Westfield Motors (*Withholding Tax*)	7,919.10
28-Oct-16	223	Westfield Motors (*Withholding Tax*)	3,263.95
28-Oct-16	226	Nation Media Group (*Withholding Tax*)	1,745.00
28-Oct-16	227	Nation Media Group (*Withholding Tax*)	12,366.00
28-Oct-16	233	Situma & Company Advocates (*Withholding Tax*)	50,862.05
29-Nov-16	251	Bejamu Agency Company (*Withholding Tax*)	25,215.50
29-Nov-16	259	Kenya School Of Government (*Withholding Tax*)	4,050.00
29-Nov-16	261	Kenya School Of Government (*Withholding Tax*)	6,720.00
25-Dec-16	284	Westfield Motors (*Withholding Tax*)	4,864.10
12-Jan-17	333	Bejamu Agency Company (*Withholding Tax*)	25,215.50
12-Jan-17	331	Augumary Enterprises (*Withholding Tax*)	5,198.30
7-Feb-17	413	Westfield Motors (*Withholding Tax*)	3,317.95
7-Feb-17	416	Westfield Motors (*Withholding Tax*)	7,477.40
7-Feb-17	424	Bejamu Agency Company (*Withholding Tax*)	26,275.85
7-Feb-17	425	Bejamu Agency Company (*Withholding Tax*)	26,275.85
8-Mar-17	480	Westfield Motors (*Withholding Tax*)	1,693.05
8-Mar-17	499	Bejamu Agency Company (*Withholding Tax*)	26,275.85
21-Apr-17	581	Westfield Motors (*Withholding Tax*)	12,291.15
21-Apr-17	583	Bejamu Agency Company (*Withholding Tax*)	26,275.85
TOTAL			**367,612.45**

NOTE 2: PAYMENTS IN BANK- NOT IN CASHBOOK

DATE	PAYEE	AMOUNT
12-Jan-17	Commissioner of Withholding Tax	7,655.15
12-Jan-17	Commissioner of Withholding Tax	1,008.60
02-Feb-17	Commissioner of Withholding Tax	5,220.00
29-Mar-17	Commissioner of Withholding Tax	12,291.15
03-Jul-17	Commissioner of Withholding Tax	3,780.00
TOTAL		**29,954.90**

I certify that I have verified the Bank Balance in the cashbook Bank Balance and that the above Reconciliation is correct.

Signature _____ Designation _____ Date _____

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2017 (FINAL)
ACCOUNT NAME: Bungoma County Assembly Development
ACCOUNT NUMBER: 1000283041

	Balance As Per Bank Statement	**610,676.00**
LESS	Payments in cashbook not in bank	-
	Receipts in bank not in cashbook	-
ADD	Payments in bank statement not in cash book	-
	Receipts in cashbook not in bank statement	-
	BALANCE AS PER CASH BOOK	**610,676.00**

I certify that I have verified the Bank Balance in the cashbook Bank Balance and that the above Reconciliation is correct.

Signature _____ Designation _____ Date _____

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2017 (FINAL)
ACCOUNT NAME: County Assembly of Bungoma Imprest
ACCOUNT NUMBER: 1180534050

	Balance as per bank certificate	**25,422.40**
LESS	Un-presented cheques	2,223,454.00)
	Receipts in bank not in cashbook	(428,660.30)
ADD	Payments in bank statement not in cash book	6,020,748.90
	Receipts in cashbook not in bank statement	-
	Balance as per cash book	**3,394,057.00**

NOTES

NOTE 1: PAYMENTS IN BANK NOT IN CASHBOOK

DATE	PAYEE	DETAILS	AMOUNT
14-Jul-16	KCB	Bank Charges	38,528.90
21-Nov-16	SACRED TRAINING	Training Fees	38,900.00
15-Nov-16			473,000.00
15-Feb-17	RADIO MAMBO	Advertising Awareness	34,800.00

15-Feb-17	EVERTEC BUSINESS	Fumigation services	555,000.00
15-Feb-17	EVERTEC BUSINESS	Fumigation services	300.00
30-May-17	FOUR M INSURANCE	General Insurance	4,000,000.00
30-May-17	FOUR M INSURANCE	General Insurance	880,220.00
TOTAL			**6,020,748.90**

NOTE 2:RECEIPTS IN BANK NOT IN CASHBOOK

DATE	PAYEE	DETAILS	AMOUNT
1-Jul-17	COUNTY ASSEMBLY OF BUNGOMA	Opening Balance	25,550.00
27-Jan-17	KSG	Training Fees	273,760.00
30-Mar-17	DIRECT CREDIT	Salary Advance recovery	41,966.15
27-Apr-17	DIRECT CREDIT	Salary Advance recovery	16,546.05
31-May-17	DIRECT CREDIT	Salary Advance recovery	16,932.05
8-May-17	DANIEL TATARA	Refund of double payment of Radio Mambo	33,000.00
29-Jun-17	DIRECT CREDIT	Salary Advance recovery	20,906.05
TOTAL			**428,660.30**

NOTE 3: PAYMENTS IN CASHBOOK NOT IN BANK

DATE	PAYEE	DETAILS	AMOUNT
21-Apr-17	KSG	Training	140,300.00
27-Jun-17	BLUECROSS CO.		290,781.00
27-Jun-17	HOTEL SANTOS	Catering services	152,800.00
27-Jun-17	SITUMA & COMPANY ADVOCATES	Legal Fees	500,000.00
27-Jun-17	JOHN MAKALI	TSA	252,000.00
27-Jun-17	KSG	Training Fees	100,920.00
27-Jun-17	FRANETO ENTERPRISES	Supply of Tent and Chairs	75,800.00
27-Jun-17	VENAMU STATIONERS	Supply of stationery	72,500.00
27-Jun-17	DISCOUNT SUPPLIERS	Fuel Costs	186,820.00
27-Jun-17	POSTA	Postage Fees	10,960.00
27-Jun-17	BATA SHOES	Supply of office shoes	114,573.00
27-Jun-17	DISCOUNT SUPPLIERS	Fuel Costs	208,000.00
27-Jun-17	LE DEUX	Radio Advertisement	58,000.00
27-Jun-17	HEROES WOMEN GROUP	Supply of Tissue	60,000.00
TOTAL			**2,223,454.00**

I certify that I have verified the Bank Balance in the cashbook, Bank Balance and that the above Reconciliation is correct.

Signature _____ Designation _____ Date _____