REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF ISIOLO

FOR THE YEAR ENDED 30 JUNE 2016

KENYA NATIONAL AUDIT OFFICE
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ISIOLO COUNTY
EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016

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

ISIOLO COUNTY GOVERNMENT

Reports and Financial Statements

For the Financial Year Ended June 30, 2016 (Kshs)

Table of Content

Page

I. KEY ENTITY INFORMATION AND MANAGEMENT 1

II. FORWARD BY THE CEC FINANCE AND ECONOMIC PLANNING 3

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES 4

IV. REPORT OF THE INDEPENDENT AUDITORS ON THEISIOLO COUNTY GOVERNMENT 6

V. STATEMENT OF RECEIPTS AND PAYMENTS 8

VI. STATEMENT OF CASHFLOW 9

VII. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES 10

VIII. SUMMARY OF STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED 11

IX. SUMMARY OF APPROPRIATION RECURRENT 13

X. SUMMARY OF STATEMENT OF APPROPRIATION DEVELOPMENT 15

XI. SIGNIFICANT ACCOUNTING POLICIES 17

I. KEY ENTITY 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 day-to-day management is under the following key organs:

- The Executive
- County Assembly; and
- The Public Service Board

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	County Secretary	Ibrahim Wako Boru
2	CEC Finance and Economic Planning	Ali Abdullahi Surraw
3	Chief Officer	Hadija Dida Abakiri

(d) Entity Headquarters

P.O. Box 36-60300

County Government Offices Building

Hospital Road

Isiolo, Kenya

(e) Entity Contacts

Telephone: 0733 227530

E-mail: info@isiolo.go.ke

Website: www.isiolo.go.ke

(f) Entity Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya
2. Kenya Commercial Bank- Isiolo Branch
3. Consolidated Bank of Kenya – Isiolo Branch

(g) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 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 CEC FINANCE AND ECONOMIC PLANNING

Isiolo County Government executive total budget allocation in the Financial Year 2015/2016 for both Recurrent and Development Budget was Kshs. 3,269,426,895 with actual total expenditure amount to Kshs. 2,879,043,161 representing 88% level of utilization.

Recurrent Expenditure Allocation for the financial year was Kshs. 1,911,155,956 with total actual expenditure of Kshs. 1,818,034,716 representing 95% level of funds absorption. Development Budget allocation was Kshs.1,358,270,939 with actual expenditure of Kshs. 1,061,008,445 making a 78% level of funds absorption.

The Revenue allocation for the period was Kshs. 360,000,000, however, the total collection was Kshs.116,026,800 which translated to 32% . The poor performance in the collection can be attributed to slow recovery in tourism sector which is the major source of the revenue for the County. The County is at an advanced stage in automating revenue collection which is expected to boost revenue collection significantly.

The County in the overall has achieved in terms of infrastructure development as it has upgraded its road network in all the wards, has also sank wells for both human and livestock water consumption.

There were no major challenges encountered during the year apart from huge personnel budget that hinder recruitment of skilled personnel such as engineers resulting to hiring of consultancy services in implementing of big projects.

CEC Finance
Isiolo County Government
P. O. Box 36
ISIOLO

Sign.....

Ali Abdullahi Surraw
CEC - Finance and Economic Planning
Isiolo County Government

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Isiolo County Government is responsible for the preparation and presentation of the Isiolo County Government financial statements, which give a true and fair view of the state of affairs of the Isiolo County Government for and as at the end of the financial year ended on June 30, 2016. 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 entity; (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 Isiolo County Government(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 Isiolo County Government accepts responsibility for the Isiolo County Government 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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2016, and of the Isiolo County Government financial position as at that date. The Accounting Officer charge of the Isiolo County Government further confirms the completeness of the accounting records maintained for the Isiolo County Government which have been relied upon in the preparation of the Isiolo County Government financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Isiolo County Government confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 Accounting Officer confirms that the Isiolo County Government 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 Isiolo County Government financial statements were approved and signed by the Accounting Officer on 07/09/ 2016

Chief Officer

Head of Treasury- Accounting

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON ISIOLO COUNTY EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Isiolo County Executive set out on pages 8 to 32, which comprise the statement of financial assets and liabilities as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of Appropriation: for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility 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.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Executive's internal control. An audit also includes; evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

1.0 Accuracy and Presentation of the Financial Statements

Review of the financial statements for the year ended 30 June 2016 and supporting schedules revealed variance between the financial statement balances and the balances reflected in the supporting schedules in relation to the three account balances totaling to Kshs.177,469,128 as follows:

Components	Balance As Per F/S (Kshs.)	Supporting schedules (Kshs.)	Variation (Kshs)
Compensation of Employees	1,240,264,613	1,228,694,725	11,569,888
Other Grants and Payments	222,982,247	233,716,847	(10,734,600)
Acquisition of Assets	871,132,826	1,049,437,242	(178,304,416)
Total	**2,334,379,686**	**2,511,848,814**	**(177,469,128)**

The financial statements for the year ended 30 June 2016 were therefore understated by an unexplained balance of Kshs.177,469,128. The misstatements affected balances in the statement of receipts and payments, statement of assets and liabilities, cash flow, appropriation statement and notes to the accounts.

Further, the Public Sector Accounting Standards Board approved financial reporting template stipulates that, the cash flow statement should be placed after the statement of assets. However, the financial statements for the year under review had the cash flow statement placed before statement of assets.

In view of the foregoing, the presentation of the financial statements does not conform to the approved standard.

2.0 Pending Bills

Annexure IV to the financial statements reflects pending bills totalling Kshs.448,494,761 as at 30 June 2016 made up of Kshs.158,259,036 from the defunct local authorities and Kshs.330,235,725 for the year under review. Further, the balance increased by Kshs.279,247,769 from Kshs.169,246,992 as at 30 June 2015. However,

the County Executive did not maintain creditor's records including creditor's ledger and creditor's registers.

In addition, the statement of receipts and payments would have reflected a deficit of Kshs.428,782,811 instead of the surplus of Kshs.19,711,950 now reflected, had the Executive settled all its debts as at 30 June 2016. Therefore, the Executive's ability to sustain quality services to the residents of Isiolo is doubtful.

In the circumstances, it has not been possible to confirm the existence, completeness and accuracy of the creditors and payables balance of Kshs.448,494,761 as at 30 June 2016.

3.0 Human Resources Management

3.1 Compensation of Employees

(i) During the year under review, the County Executive spent Kshs.1,229,569,857 in respect to compensation of employees. Included in the balance was Kshs.298,813,665 paid to various officers without being processed through the Integrated Payroll and Personnel Database (IPPD). However, it was not possible to ascertain whether the officers paid were drawing salaries from other government institutions. Further, no proper records were presented for audit to support the payments totalling Kshs.298,813,665 nor was explanation provided why the officers could not be paid through the IPPD.

In the circumstances, the accuracy and propriety of the employee compensation payments totalling Kshs.298,813,665 cannot be confirmed as at 30 June 2016.

(ii) Further, a total of Kshs.33,566,801 was paid to casual workers but records on how they were engaged and the terms of services of their engagement by the County Government were not made available for audit verification. Consequently, the propriety of casual labour expenditure totalling Kshs.33,566,801 cannot be confirmed.

3.2 Over remission of Local Authority Provident (LAP) Fund

Review of records made available showed that the County Executive remitted Kshs.15,126,993 and Kshs.18,908,738 to the LAP Fund during the year in respect to employees and employers contribution. Contribution rates of 15.65% and 19.65% for the employees and employers respectively were applied in arriving at the total contributions. However, this was contrary to the collective bargaining agreement (CBA) which states that the employee's and employer's contribution be fixed at 12% and 15% respectively. This rate would have resulted into employees and employers total contribution to the Fund of Kshs.11,576,532 and Kshs.14,511,178 respectively. The Executive therefore made excess remittances to the Fund totalling Kshs.3,550,461 and

Kshs.4,397,560 for the employees and the employer respectively both aggregating to Kshs.7,948,021.

In view of the foregoing, the Executive did not adhere to the agreed LAP Fund contribution rates or provide any rationale for deviating from the rates and as a result, the propriety of the Kshs.7,948,021 expenditure cannot be ascertained as at 30 June 2016.

3.3 Gratuity arrears

The County Executive paid Kshs.31,257,275 to the LAP Fund on February 2016 being cumulative gratuity for the period up to 28 February 2015. However, records made available showed that gratuity remittances due amounting to Kshs.34,308,334 for the period between 1 March 2015 to 30 June 2016, remained unpaid as at 30 June 2016.

No explanation has been provided for the non-payment of gratuity amounting to Kshs.34,308,334 as at 30 June 2016 or the names of persons liable for any resultant penalty.

In the circumstances, it has not been possible to ascertain that the respective staff members would get their full gratuity upon qualifying for payment and the County Executive stands the risk of paying penalties for delayed remission.

4.0 Doubtful Routine Maintenance of Motor Vehicles and Transport Equipment

During the financial year under review, an amount of Kshs.20,046,693 was spent towards routine maintenance of motor vehicles and transport equipment and which balance included a balance of Kshs.3,696,409 being the aggregate of Kshs.2,688,409 and Kshs.1,008,000 spent on repair and maintenance and procurement of spare parts for motor vehicles respectively. However, the following anomalies were noted in relation to the expenditure:

i) Payments were not supported by mechanical inspection reports from the department of Public Works.

ii) The replaced spare parts were not kept in stores awaiting a board of survey to authorize their disposal.

iii) The repairs and services undertaken were not taken on charge in the motor vehicles log books or repairs register.

iv) Work tickets presented for audit did not show drivers reports on mechanical break downs and the journeys to the garages by the respective vehicles.

v) It was further noted that the works were not subjected to competitive bidding which contradicted Section 60(1) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstance, it has not been possible to confirm whether value-for-money was obtained from the expenditure of Kshs.3,696,409 as at 30 June 2016.

5.0 Doubtful Expenditures

5.1 Foreign Travel

During the financial year under review, four secretariats and members of the County Public Service Board (CPSB) were invited for a training need analysis and evaluation of training seminar from 27 June to 1 July 2016 in Emasi Arusha and were paid per diem allowances totaling to Kshs.1,001,400. However, travel details, back to office reports and passports were not provided for audit to ascertain attendance at the said seminar. Further, the Chief Officer Lands, was invited for a trip to Ethiopia to attend the Oromia Diaspora Festival in Ethiopia and was paid per diem totaling to Kshs.731,672. However, there was no indication as to the relationship of this festival to the County Executive, particularly the department of Lands and the benefit accrued thereof.

In the circumstances, it has not been possible to ascertain the propriety and value-for-money for the expenditure totalling Kshs.1,733,072 incurred on the two trips.

5.2 Drugs, Non-pharmaceutical

During the year under review, the County Executive spent Kshs.6,082,870 on procurement of drugs and non-pharmaceuticals which were supplied to Isiolo Referral Hospital. However, no records were maintained showing receipt of the drugs at the stores and subsequent issuance to the respective sub-county hospitals.

Therefore it was not possible to confirm whether the drugs and non-pharmaceuticals were delivered to the intended facilities in the County.

As a result, the propriety of the Kshs.6,082,870 expenditure incurred on procurement of drugs cannot be confirmed.

5.3 Unaccounted for Expenditure on Fuel

During the financial year ended 30 June 2016, the County Executive spent Kshs.54,929,620 towards fuel, oil and lubricants which included Kshs.6,367,306 spent by the various sectors on fuel. However, the respective records including fuel registers, motor vehicle work tickets, and detail orders were not presented for audit verification.

Consequently, the propriety of the expenditure of Kshs.6,367,306 incurred on purchase of oil and lubricants cannot be confirmed.

6.0 Projects Implementation and Management

6.1 General Observation on the Procurement Processes

Records made available for audit revealed that the County Executive spent Kshs.45,572,285 to undertake various projects ranging from civil works, road construction, and building works during the year under review. Scrutiny of the procurement of the construction services revealed that crucial documents pertaining to the various stages of procurement were not readily available for audit as follows:

i) Advertisements and tender opening Minutes (receiving and opening bids);

ii) Tender evaluation committee Minutes, notification of awards and acceptance letters

iii) Performance bonds and contract agreements;

iv) Engineers' estimates, certificates of practical completion and statement of payment on account

Part II Subsection 8(3) (d)(n) of the Public Procurement Regulations of 2006 defines the functions of the procuring unit as that of maintaining, safeguarding and archiving documents and records of the procurement and disposal activities for the required period.

In the circumstance, the propriety of the expenditure totalling Kshs.45,572,285 spent on projects during the year cannot be confirmed.

6.2 Unsupported Expenditure

During the year under review, the County Executive spent Kshs.26,338,414 on construction of roads within the County. However, project files for individual projects were not maintained. In the circumstances, the propriety of the expenditure totalling Kshs.26,338,414 incurred on road construction cannot be confirmed.

6.3 Purchase of Seed

During the year under review, the County Executive spent Kshs.20,337,567 on purchase of certified seeds, breeding stock and live animals. Included in Kshs.20,337,567 was Kshs.19,233,971.00 for supply of grass seed, field and horticulture certified seed during the year under review. However, no stores ledger was maintained showing receipts and issuance of the grass seeds. Further, no report was presented showing whether the responsible department conducted tests to ascertain viability and quality of the seeds suitability of the soils before procurement was done.

In the circumstance, the propriety and value-for-money on the Kshs.19,233,971 expenditure as at 30 June 2016 cannot be confirmed.

7.0 Non-Current Assets

As similarly reported in the previous year, the County Executive of Isiolo had not taken over assets and liabilities amounting to Kshs.14,155,106,914 and Kshs.157,880,458 respectively from the defunct Councils in Isiolo as at 30 June 2016. Further, Annex III annexes to the financial statements reflects non-current assets of Kshs.16,692,514,944 as at 30 June 2016. However, the County Executive does not maintain an updated fixed assets register. In addition, the County Executive is yet to establish policies and procedures on asset management and also the assets are not coded or tagged for ease of identification. Further, ownership documents for land with a stated historical value of Kshs.13,904,747,490 as at 30 June 2016 but whose acreage was undisclosed, were not made available for audit review.

In the circumstance, the valuation, ownership, existence, completeness, location and security of the non-current assets balance of Kshs.16,692,514,944 as at 30 June 2016 cannot be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse opinion paragraph, the financial statements do not present fairly, the financial position of the Isiolo County Executive as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

Other Matter

1.0 Unauthorized Bank Accounts

The statement of financial assets and liabilities as at 30 June 2016 reflected a cash and cash equivalents balance of Kshs.49,075,022 held in the Executive's six bank accounts as follows:

Bank	Account No.	Amount (Kshs)	Purpose
CBK Revenue	1000171715	9,684,991	Exchequer
CBK Recurrent	1000171405	5,414	Operations
CBK Development	1000171367	270,964	Development
KCB	1140761072	394,881	Imprest
Consolidated bank	10111203000081	5,142,772	Revenue
KCB	1182179509	33,576,000	Bursary Fund
Total		**49,075,022**	

However, out of the six (6) bank accounts, three (3) accounts were in the Central Bank of Kenya, two accounts in Kenya Commercial Bank for imprest and Bursary Fund and one in Consolidated Bank for revenue.

The accounts in Kenya Commercial Bank for the bursary fund and in Consolidated bank for revenue were opened and operated against Section 82 of the Public Finance Management Regulations, 2015.

In the circumstances, the County Executive breached the Public Finance Management Regulations, 2015.

2.0 Budgetary Control and Performance

The County Government had a total approved budget of Kshs.3,735,360,574 comprising of Kshs.2,279,089,635 and Kshs.1,456,270,939 for recurrent and development expenditure respectively.

However, this budget included Kshs.367,933,679 and Kshs.98,000,000 for the Assembly's recurrent and development expenditures respectively both totaling to Kshs.465,433,679 which were accounted for separately in the County Assembly's financial statements as at 30 June 2016.

The balance of Kshs.3,269,426,895 was the County Executives budget which comprised of Kshs.1,911,155,956 (58%) for recurrent vote expenditure and Kshs.1,358,270,939 (42%) for development vote. The spending units were the Office of the Governor and eleven executive departments namely: Finance Planning Vision 2030, Lands & Urban planning, Agriculture, Cohesion and Inter-government, Education & Vocational Training, Tourism Culture & Social services, Public Service Management & ICT, Water & Irrigation, Health Services, Trade Industrialization Co-op and Town Administrator.

(a) Recurrent Expenditure

The total approved recurrent expenditure for the year amounted to Kshs.1, 911,155,956 while the total actual recurrent expenditure amounted to Kshs.1,786,320,545 leading to an under-expenditure of Kshs.124,835,411 and an absorption rate of 93% as analyzed here under:

Head	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Variation (Kshs.)	Absorption Rate (%)
Office of the governor	299,074,521	268,953,774	30,120,747	90%
Finance Planning Vision 2030	283,343,300	273,531,186	9,812,114	97%
Lands & Urban planning	58,985,000	49,473,928	9,511,072	84%
Agriculture	159,128,398	128,622,017	30,506,381	81%
Cohesion intergovernment	19,225,000	16,938,148	2,286,852	88%
Education & vocational training	144,099,300	140,731,103	3,368,197	98%
Tourism Culture & Social services	50,977,000	48,464,004	2,512,996	95%

Public Service Management & ICT	140,890,407	140,764,370	126,037	100%
Water & Irrigation	91,495,200	87,937,143	3,558,057	96%
Health Services	616,941,550	588,551,341	28,390,209	95%
Trade Industrial Co-op	30,866,280	27,092,582	3,773,698	88%
Town Administration	16,130,000	15,260,949	869,051	95%
Total	**1,911,155,956**	**1,786,320,545**	**124,835,411**	**93%**

As the tabulation shows, the County Executive incurred unexplained under-expenditure of Kshs.124,835,411 on its recurrent vote during the year under review.

Further, the summary statement of appropriation-recurrent, reflects an expenditure of Kshs.1,818,034,716 whereas the financial statements, supporting schedules and documents reflect actual recurrent expenditure of Kshs.1,786,320,545 thus resulting to a variation of Kshs.31,714,171 which has not been explained.

(b) Development Expenditure

The total approved development expenditure for the year under review amounted to Kshs.1,358,270,939 while the total expenditure amounted to Kshs.1,239,118,596 leading to an under-expenditure of Kshs.119,152,343 and an absorption rate of 91% as analyzed here under:

Head	Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Variation (Kshs.)	Absorption Rate (%)
Office of the Governor	128,000,000	127,418,400	581,600	100%
Finance Planning Vision 2030	265,000,000	166,553,281	98,446,719	63%
Lands & Urban planning	40,866,100	39,311,880	1,554,220	96%
Roads Housing & Public Works	282,000,000	272,243,512	9,756,488	97%
Agriculture	19,359,002	17,930,952	1,428,050	93%
Livestock Veterinary & Fisheries	91,500,000	91,324,977	175,023	100%
Cohesion Inter-Government	43,860,000	56,038,540	(12,178,540)	128%
Education & Vocational Training	42,000,000	39,405,479	2,594,521	94%
Youth sports & gender	35,586,070	44,148,437	(8,562,367)	124%
Tourism Culture & Social Services	56,346,422	54,976,486	1,369,936	98%
Public Service Management & ICT	7,100,000	7,090,800	9,200	100%
Water & Irrigation	158,309,845	128,414,252	29,895,593	81%
Market Development	53,656,000	47,637,637	6,018,363	89%
Health Services	63,970,000	64,180,587	(210,587)	100%

Public Health & Sanitation	36,032,500	35,113,305	919,195	97%
Trade Industrialization Co-op	10,685,000	23,423,360	(12,738,360)	219%
Town Administrator	24,000,000	23,906,711	93,289	100%
Grand Total	**1,358,270,939**	**1,239,118,596**	**119,152,343**	**91%**

The County Executive therefore incurred an unexplained under-expenditure of Kshs.119,152,343 on its development vote during the year under review.

Further, the summary statement of appropriation-development, reflects actual development expenditure of Kshs.1,061,008,445 whereas the financial statements supporting schedules and documents reflect actual development expenditure of Kshs.1,239,118,596 thus resulting to a variation amounting to Kshs.178,110,151 which has not been explained.

In the circumstances, the County Executive did not adhere to the approved budget and consequently, the residents of Isiolo County did enjoy public services equivalent in value to the under – expenditures of Kshs.124,835,411 and Kshs.119,152,343 incurred under recurrent and development votes respectively.

(c) Revenue

The revenue estimates presented for audit indicated that the County Executive targeted to collect Kshs.360,000,000 from the local revenue sources in the financial year 2015/2016 to supplement the national share of revenue of Kshs.3,269,426,895. However, the County Executive collected only Kshs.116,026,800 which was 32% per cent of the targeted annual local revenue resulting to a short fall of Kshs.243,973,200.

The Executive therefore, appeared not to have instituted proper revenue collection mechanisms and the revenue short fall of Kshs.243,973,200 translates to denial of an equivalent value of public services promised to and thus expected by the residents of Isiolo County.

Further, included in the Kshs.3,056,565,534 exchequer receipts as at 30 June 2016 were receipts totaling to Kshs.748,858,555 or 24% of the budget which were received between 5 May and 23 June 2016 and which could not have been utilized before the close of the financial year on 30 June 2016 considering the lengthy public procurement procedures applicable.

In addition, analytical review of revenue collection by the Isiolo County Executive since inception revealed a declining trend in revenue collected by the Executive as follows:

Financial Year	Revenue Collected (Kshs)	Previous Year Collection (Kshs)	Amount Declined (Kshs)	Percentage of Revenue Declined (%)
2013/2014	147,409,300	Base year	-	-
2014/2015	132,211,591	147,429,300	15,197,709	10.3
2015/2016	116,026,800	132,211,591	16,184,791	12.2

Continuous decline in revenue collection could result in the County not being able to implement the approved County Integrated Development Plan and fully meet budget targets for effective delivery of services to the residents of Isiolo County.

3.0 Information, Communication and Technology (ICT) Environment

Review of the County Executive's ICT environment revealed that there was no formal approved ICT policy in place as at 30 June 2016. The policy would have included data security policy and disaster recovery plans. Further, the ICT organization structure was not provided for audit review.

In the circumstances, the security and reliability of the County Executive's data including the management information system cannot be confirmed.

4.0 Non-Establishment of Audit Committee

As at 30 June 2016, the County Executive had not established an audit committee as required by Section 155 (5) of the Public Finance Management Regulations, 2015. The audit committee would have performed various roles stipulated in the act.

In the circumstances, the County Executive contravened Section 155 (5) of the Public Finance Management Regulations, 2015. Also, it was not possible to confirm that the Executive had established effective internal control mechanisms.

My opinion is not qualified in respect of these matters.

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

Nairobi

15 August 2017

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Revenues	1	116,026,800	132,211,591
Proceeds from Domestic and Foreign Grants	2	16,698,052	5,590,000
Transfers from National Government	3	3,056,565,534	2,667,456,921
Transfers from Other Government Entities	4	60,888,725	-
TOTAL REVENUES		**3,250,179,111**	**2,805,258,512**
PAYMENTS			
Compensation of Employees	5	1,240,264,613	886,329,465
Use of goods and services	6	485,966,835	919,400,161
Transfer to Other Government Entities	7	410,120,640	4,770,000
Other Grants and Transfers	8	222,982,247	211,308,155
Acquisition of Assets	9	871,132,826	1,091,771,865
TOTAL PAYMENTS		**3,230,467,161**	**3,113,579,646**
SURPLUS / DEFICIT		**19,711,950**	**(308,321,134)**

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 07/09/ 2016 and signed by:

Chief Finance Officer

Head of Treasury Accounting

VI. STATEMENT OF CASHFLOW

CASHFLOW FROM OPERATING ACTIVITIES	Notes	Ksh. 2015-2016	Ksh. 2014-2015
Receipts for operating income			
Tax Revenues	1	116,026,800	132,211,591
Proceeds from Domestic and Foreign Grants	2	16,698,052	5,590,000
Transfers from National Government	3	3,056,565,534	2,667,456,921
Transfers from Other Government Entities	4	60,888,725	-
		3,250,179,111	**2,805,258,512**
Payments for operating expenses			
Compensation of Employees	5	1,240,264,613	886,329,465
Use of goods and services	6	485,966,835	919,400,161
Transfers to Other Government Entities	7	410,120,640	4,770,000
Other grants and transfers	8	222,982,247	211,308,155
		2,359,334,335	**2,021,807,781**
Adjusted for:			
Adjustments during the year		-	-
Net Cash flow from Operating Activities		**890,844,776**	**783,450,731**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	9	(871,132,826)	(1,091,771,865)
Net cash flows from Investing Activities		**(871,132,826)**	**(1,091,771,865)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**19,711,950**	**(308,321,134)**
Cash and cash equivalent at BEGINNING of the year		**29,363,072**	**337,684,206**
Cash and cash equivalent at END of the year	10	**49,075,022**	**29,363,072**

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Chief Officer Finance

Head of Treasury Accounting

VII. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	NOTE	**Kshs 2015-2016**	**Kshs 2014-2015**
Cash and Cash Equivalents			
Bank Balances	10A	49,075,022	29,363,072
Cash Balances	10B		-
Total Cash & cash Equivalents		49,075,022	29,363,072
		-	
Accounts Receivable - Imprests			1,535,934
TOTAL FINANCIAL ASSETS		**49,075,022**	**30,899,006**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and Retentions		-	-
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund Balance B/fwd		**30,899,006**	**337,684,206**
Surplus/Deficit for the year		**19,711,950**	**(308,321,134)**
Prior year Adjustments		**(1,535,934)**	**1,535,934**
NET FINANCIAL POSITION		**49,075,022**	**30,899,006**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 07/09/ 2016 and signed by:

Chief Officer Finance

Head of Treasury Accounting

VIII. SUMMARY OF STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

SE	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						
11	Tax Receipts	360,000,000	-	360,000,000	116,026,800	243,973,200	0.322296667
12	Social Security Contributions	-	-	-	-	-	
13	Proceeds from Domestic and Foreign Grants	16,698,052	-	16,698,052	16,698,052	-	1
9910301	Exchequer releases	2,911,152,022	- 80,460,926	2,830,691,096	2,864,441,371	- 33,750,275	1.011922981
133	Transfers from Other Government Entities	62,037,747	-	62,037,747	60,888,725	1,149,022	0.981478663
51	Proceeds from Domestic Borrowings					-	
131&132	Proceeds from Foreign Borrowings					-	
35&45	Proceeds from Sale of Assets					-	
454	Reimbursements and Refunds					-	
455	Returns of Equity Holdings					-	
14	Other Receipts	-	-	-	-	-	
	TOTAL RECEIPTS	**3,349,887,821**	**- 80,460,926**	**3,269,426,895**	**3,058,054,948**	**211,371,947**	
21	Compensation of Employees	1,048,424,800	182,192,521	1,230,617,321	1,240,264,613	- 9,647,292	1.007839392

22	Use of goods and services	530,979,500	45,764,707	576,744,207	463,268,415	113,475,792	0.803247626
24	Interest payments	-	-				
25	Subsidies	-	-				
263	Transfers to Other Government Units	-	-	-	-	-	
261/2/4	Other grants and transfers	218,175,000	- 19,793,965	198,381,035	178,997,788	9,805,835	0.902292843
27	Social Security Benefits						
30&40	Acquisition of Assets	1,471,608,521	- 274,182,189	1,197,426,332	899,798,051	297,628,281	0.751443347
55	Repayment of principal on Domestic and Foreign borrowing	-	-				
28	Other Payments						
Grand Total	**TOTAL PAYMENTS**	**3,349,887,821**	**- 80,460,926**	**3,269,426,895**	**2,879,043,161**	**380,577,174**	**4**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 07/ 2016 and signed by:

Chief Officer - Finance

Head of Treasury Accounting

IX. SUMMARY OF APPROPRIATION RECURRENT

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
11	Tax Receipts	360,000,000	-	360,000,000	116,026,800	243,973,200	0.322296667
12	Social Security Contributions						
13	Proceeds from Domestic and Foreign Grants	16,698,052	-	16,698,052	16,698,052	-	1
9910301	Exchequer releases	1,334,154,569	177,094,135	1,511,248,704	1,842,261,473	- 331,012,769	1.219032624
133	Transfers from Other Government Entities	23,209,200	-	23,209,200	22,060,178	1,149,022	0.950492822
51	Proceeds from Domestic Borrowings			-			
131&132	Proceeds from Foreign Borrowings						
35&45	Proceeds from Sale of Assets						
454	Reimbursements and Refunds						
455	Returns of Equity Holdings						
14	Other Receipts						
	TOTAL RECEIPTS	**1,734,061,821**	**177,094,135**	**1,911,155,956**	**1,997,046,503**	**- 85,890,547**	**3.491822112**
	PAYMENTS	1,048,424,800	182,192,521	1,230,617,321	1,240,264,613	- 9,647,292	1.007839392
21	Compensation of Employees	503,979,500	51,114,707	555,094,207	448,214,615	106,879,592	0.807456841
22	Use of goods and services			-		-	

24	Interest payments			-		-	
25	Subsidies	-		-		-	
263	Transfers to Other Government Units	-	16,698,052	16,698,052	7,120,640		0.426435371
261/2/4	Other grants and transfers	45,700,000	- 14,442,000	31,258,000	31,257,275	725	0.999976806
27	Social Security Benefits	100,957,521	- 58,469,145	42,488,376	25,720,554	16,767,822	0.605355074
30&40	Acquisition of Assets			-		-	
55	Repayment of principal on Domestic and Foreign borrowing	35,000,000	-	35,000,000	1,424,000	33,576,000	0.040685714
28	Other Payments						
	TOTAL PAYMENTS	**1,734,061,821**	**177,094,135**	**1,911,155,956**	**1,818,034,716**	**147,576,847**	0.951274913

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 07/09/ 2016 and signed by:

Chief Officer - Finance

Head of Treasury Accounting

X. SUMMARY OF STATEMENT OF APPROPRIATION DEVELOPMENT

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
11	Tax Receipts						
12	Social Security Contributions						
13	Proceeds from Domestic and Foreign Grants						
9910301	Exchequer releases	1,576,997,453	- 257,555,061	1,319,442,392	1,022,179,898	297,262,494	0.77470597
133	Transfers from Other Government Entities	38,828,547	-	38,828,547	38,828,547	-	1
51	Proceeds from Domestic Borrowings						
131&132	Proceeds from Foreign Borrowings						
35&45	Proceeds from Sale of Assets						
454	Reimbursements and Refunds						
455	Returns of Equity Holdings						
14	Other Receipts						
	TOTAL RECEIPTS	1,615,826,000	- 257,555,061	1,358,270,939	1,061,008,445	297,262,494	0.781146393
21	Compensation of Employees						
22	Use of goods and services	27,000,000	- 5,350,000	21,650,000	15,053,800	6,596,200	0.695325635
24	Interest payments						
25	Subsidies						
263	Transfers to Other Government Units						
261/2/4	Other grants and transfers	218,175,000	- 36,492,017	181,682,983	171,877,148	9,805,835	0.946027774
27	Social Security Benefits						
30&40	Acquisition of Assets	1,370,651,000	- 215,713,044	1,154,937,956	874,077,497	280,860,459	0.756817708
55	Repayment of principal on Domestic and Foreign borrowing						

28	Other Payments						
	TOTAL PAYMENTS	**1,615,826,000**	**257,555,061**	**1,358,270,939**	**1,061,008,445**	**297,262,494**	**0.781146393**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 07/09/ 2016 and signed by:

Chief Officer - Finance

Head of Treasury Accounting

XI. 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 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. 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.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the County 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 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.

4. 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.

5. 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 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.

6. 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'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's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

The comparative figures for previous year are provided

8. 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, 2016.

XII. NOTES TO FINANCIAL STATEMENT

1 TAX RECEIPTS

Local Revenue Sources	Ksh. 2015/2016	Ksh. 2014-2015
Taxes on Property	13,888,429	19,740,491
Taxes on Goods and Services	102,138,371	112,471,100
Total	**116,026,800**	**132,211,591**

2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2015-2016	2014/2015
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
DANIDA Funds	Mar-16		7,970,000	5,590,000
World Bank	Feb-16		8,728,052	-
Total			**16,698,052**	**5,590,000**

3 TRANSFER FROM NATIONAL GOVERNMENT (EXCHEQUER RELEASES)

Description and reference of the transfer		Date of transfer	2015- 2016	2014 - 2015
			Kshs	Kshs
1st quarter transfer			519,616,141	333,432,115
2nd quarter transfer			764,141,383	666,864,230
3rd quarter transfer			779,424,212	720,213,368
4th quarter transfer			993,383,798	946,947,208
Total			**3,056,565,534**	**2,667,456,921**

4 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
Transfers from National Government entities	**Kshs**	**Kshs**
Fuel Levy Fund – (State Department of Infrastructure)	38,828,547	-
Free Maternity Fund – Ministry of Health	18,720,000	
Forgone User Fees – Ministry of Health	3,340,178	
TOTAL	**60,888,725**	-

The amounts above have been reconciled with the sending Government entity.

5 COMPENSATION OF EMPLOYEES

	2015-2016	2014 - 2015
	Kshs	**Kshs**
Basic salaries of permanent employees	815,241,756	692,118,742
Basic wages of temporary employees	18,464,200	27,421,983
Personal allowances paid as part of salary	403,351,215	157,477,761
Personal allowances paid as reimbursements	-	4,125,993
Pension and other social security contributions	3,207,442	5,184,986
Total	**1,240,264,613**	**886,329,465**

6 USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	**Kshs**
Utilities, supplies and services	9,852,040	9,759,205
Communication, supplies and services	9,999,653	10,400,363
Domestic travel and subsistence	68,737,308	179,534,986
Foreign travel and subsistence	20,471,355	45,250,096

Printing, advertising and information supplies & services	18,145,497	57,294,448
Rentals of produced assets	30,363,675	49,029,113
Training expenses	11,260,710	42,552,973
Hospitality supplies and services	47,611,787	119,124,929
Insurance costs	1,864,168	7,531,559
Specialized materials and services	126,373,329	133,592,662
Office and general supplies and services	14,499,429	31,418,308
Fuel Oil and Lubricants	45,823,564	61,670,902
Other operating expenses	52,458,247	139,330,410
Routine maintenance – vehicles and other transport equipment	20,046,693	18,705,148
Routine maintenance – other assets	8,459,380	14,205,059
Total	**485,966,835**	**919,400,161**

7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	**2015 - 2016**	**2014 - 2015**
Transfers to County Government Entities	**Kshs**	**Kshs**
County Bursary Fund	-	-
Transfer to County Assembly	403,000,000	-
Transfers of DANIDA Funds to Health Facilities		
APU Dispensary	110,000	110,000
Eremet Dispensary	110,000	110,000
GK Prison Dispensary	110,000	110,000
Kipsing Dispensary	110,000	110,000
Kinna Health Centre	450,000	450,000

Oldonyiro Dispensary			110,000	110,000
Sericho Health Centre			450,000	450,000
Samburu Complex Dispensary			110,000	110,000
Eldera Dispensary			110,000	110,000
Barambate Dispensary			110,000	110,000
Boji Dispensary			110,000	110,000
Merti Health Centre			450,000	450,000
CHMCT - Department of Health			3,350,640	1,000,000
Kulamawe Dispensary			110,000	110,000
Basa Dispensary			110,000	110,000
Bisan Biliqo Dispensary			110,000	110,000
Bulesa Dispensary			110,000	110,000
Korbesa Dispensary			110,000	110,000
Malka Galla Dispensary			110,000	110,000
Badana Dispensary			110,000	110,000
Gafarsa Dispensary			110,000	110,000
Iresaboru Dispensary			110,000	110,000
Malkadaka Dispensary			110,000	110,000
Modogashe Dispensary			110,000	110,000
Muchuro Dispensary			110,000	110,000
Rapsu Dispensary			110,000	110,000
TOTAL			**410,120,640**	**4,770,000**

8 OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Scholarships and other Educational Benefits	1,424,000	44,744,591
Emergency relief and refugee assistance	112,096,200	143,329,695
Subsidies to small businesses, cooperatives, and self employed	-	-
Other current transfers, grants	22,698,600	823,200
Other capital Grants and Transfers	55,506,172	-
Government Pensions and Retirement Benefits	31,257,275	22,410,669
Total	**222,982,247**	**211,308,155**

9 ACQUISITION OF ASSETS

	2015 - 2016	2014 - 2015
Non Financial Assets	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	56,596,208	99,753,215
Refurbishment of Buildings	904,800	31,294,984
Construction of Roads	188,029,365	-
Construction and Civil Works	276,549,806	533,743,942
Overhaul and Refurbishment of Construction and Civil Works	-	24,432,135
Purchase of Vehicles and Other Transport Equipment	2,048,360	21,009,999
Overhaul of Vehicles and Other Transport Equipment	2,562,360	500,000
Purchase of Household Furniture and Institutional Equipment	-	75,000
Purchase of Office Furniture and General Equipment	11,884,534	29,243,870
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	49,045,039	55,232,986
Rehabilitation and Renovation of Plant, Machinery and Equip.	2,807,082	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	20,337,567	6,000,000
Research, Studies, Project Preparation, Design & Supervision	172,891,848	129,777,638

Rehabilitation of Civil Works	87,475,857	138,708,096
	871,132,826	**1,069,771,865**
Financial Assets		
MCA Car Grants Bank Deposit	-	22,000,000
Total	**871,132,826**	**1,091,771,865**

10 CASH AND CASH EQUIVALENT

A Bank Accounts

Name of Bank, Account No. & currency	**Amount in foreign currency**	**Exchange rate**	**2015 - 2016**	**2014 - 2015**
			Kshs	**Kshs**
COUNTY REVENUE FUND - CBK **1000171715**	KSH		9,684,991	800,854
COUNTY RECURRENT ACCOUNT - CBK **1000171405**	KSH		5,414	13,215,364
COUNTY DEVELOPMENT ACCOUNT - CBK **1000171367**	KSH		270,964	10,713,434
REVENUE ACCOUNT - CONSOLIDATED 10111203000081	KSH		5,142,772	4,586,806
IMPREST ACCOUNT -KCB **1140761072**	KSH		394,881	46,614
BURSARY FUND ACCOUNT - KCB **1182179509**			33,576,000	-
			49,075,022	**29,363,072**
B Cash in hand				
LOCATION			**2015- 2016**	**2014 - 2015**
Petty Cashier			**Kshs**	**Kshs**
Unbanked Revenue Receipts			-	-
Total			-	-
Total Cash and Bank Balances			**49,075,022**	**29,363,072**

ISIOLO COUNTY GOVERNMENT

Reports and Financial Statements

For the Financial Year Ended June 30, 2016 (Kshs)

ANNEXURE I

PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c			Project Status
Construction of buildings						
Fafachane Construction Co. Ltd	700,000	2015/2016	0	700,000		Complete
Al Badr Investment Ltd	2,292,711		0	2,292,711		Complete
Vista Valley	1,200,728		0	1,200,728		Complete
Al Nusra Construction	1,191,007		0	1,191,007		Complete
Noyasu Construction Co.	1,363,500		0	1,363,500		Complete
Noyasu Construction Co.	1,935,500		0	1,935,500		Complete
Omina Building Contractors	5,736,912		0	5,736,912		Complete
Muncom Enterprises	2,040,000		0	2,040,000		Complete
Abaaru Investment Ltd	1,085,000		0	1,085,000		Complete
Darbarbale Construction Co. Ltd	1,700,300		0	1,700,300		Complete
Noyasu Construction Co.	1,777,323		0	1,777,323		Complete
Therer Enterprises Ltd	1,200,000		0	1,200,000		Complete
Sub-Total	**22,222,981**					
Construction of civil works						
Asaf General Trading	5,042,534		0	5,042,534		complete
Tabiphar Enterprises	3,494,362		0	3,494,362		complete
Somaal Group	4,677,500		0	4,677,500		complete
Awacho Construction	4,850,020		0	4,850,020		complete
Nia Moja	15,000,000		0	15,000,000		complete
Seon & Son Ltd	80,000,000		0	80,000,000		complete
Vista Valley	1,500,000		0	1,500,000		complete
Amare Construction	3,000,000		0	3,000,000		complete
Somaal Group	1,500,000		0	1,500,000		complete
North Track Co. Ltd	4,743,147		0	4,743,147		complete
Kaayo Builders Contractors Ltd	13,369,903		0	13,369,903		complete
Darbarbale Construction Co. Ltd	4,099,776		0	4,099,776		complete
Awacho Construction	3,091,631		0	3,091,631		complete
Fafachane Construction	1,198,840		0	1,198,840		complete
North Track Co. Ltd	2,997,201		0	2,997,201		complete
Sunspike Construction Co. Ltd	1,560,000		0	1,560,000		complete
Baretu General Construction	4,833,459		0	4,833,459		complete

Baretu General Construction	4,981,281		0	4,981,281		complete
Akarim Construction Co. Ltd	6,971,600		0	6,971,600		complete
Shadia Holding	1,490,719		0	1,490,719		complete
Wastruct Consultant Ltd	3,000,000		0	3,000,000		complete
Godha Enginering Works	469,300		0	469,300		complete
Jiinue Construction Ltd	1,199,443		0	1,199,443		complete
Four Silver Transporters	4,459,439		0	4,459,439		complete
Shake Enterprises Ltd	3,975,248		0	3,975,248		complete
Fahuji Construction Co. Ltd	1,243,845		0	1,243,845		complete
Qaana Construction Co. Ltd	3,239,880		0	3,239,880		complete
Friends of Normands	2,841,300		0	2,841,300		complete
Darbarbale Construction Co.Ltd	3,995,000		0	3,995,000		complete
Gitonga Construction Co. Ltd	2,186,760		0	2,186,760		complete
Bulz Group of Business	4,115,625		0	4,115,625		complete
Al Nusra Construction	1,926,555		0	1,926,555		complete
Earhlink Solar Ltd	944,759		0	944,759		complete
Tulla Prime	1,800,703		0	1,800,703		complete
Masaal General Agencies	3,081,276		0	3,081,276		complete
Yathrib Enterprises	3,500,522		0	3,500,522		complete
Sunspike Construction Co. Ltd	750,000		0	750,000		complete
Moha Corp	3,000,000		0	3,000,000		complete
Nurki Construction Co. Ltd	1,245,222		0	1,245,222		complete
Jatim Engineering	159,000		0	159,000		complete
Jatim Engineering	141,700		0	141,700		complete
Saleti Construction	1,751,848		0	1,751,848		complete
Yathrib Enterprises	2,252,604		0	2,252,604		complete
Noyasu Construction Co.	870,187		0	870,187		complete
Friends of Normands	1,245,000		0	1,245,000		complete
Sunspike Construction Co.	2,990,808		0	2,990,808		complete
Sub-Total	**224,787,997**					
Supply of goods						
Proctor and Klein Ltd	3,098,600		0	3,098,600		complete
Black Tar Builders	4,380,000		0	4,380,000		complete
Nachami Logistics	3,535,000		0	3,535,000		complete
Al Majid	43,804,000		0	43,804,000		complete
Issah Investment	1,877,586		0	1,877,586		complete
Travotech Enterprises	800,000		0	800,000		complete
Sub-Total	**57,495,186**					
Supply of services						

Kidco Construction	3,700,000		0	3,700,000		complete
CMC Motors	1,650,761		0	1,650,761		complete
Lenya Management Consultant	3,650,000		0	3,650,000		complete
Travotech Enterprises	1,958,800		0	1,958,800		complete
Gate A. Africa	4,670,000		0	4,670,000		complete
Joemag Investment Co. Ltd	3,800,000		0	3,800,000		complete
Elite Projects Consultancy	6,300,000		0	6,300,000		complete
Sub-Total	**25,729,561**					
Grand Total	**330,235,725**					

ISIOLO COUNTY GOVERNMENT

Reports and Financial Statements

For the Financial Year Ended June 30, 2016 (Kshs)

ANNEXURE II

OUTSTANDING IMPREST

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
Sub-Total							
Middle Management							
Sub-Total							
Unionisable Employees							
Sub-Total							
Others (*specify*)							
Sub-Total							
Grand Total							

ISIOLO COUNTY GOVERNMENT

Reports and Financial Statements

For the Financial Year Ended June 30, 2016 (Kshs)

ANNEXURE III

SUMMARY OF FIXED ASSET REGISTER

ASSETS CLASS	Historical Cost (Ksh.) 2014-2015	AQUISATION (Ksh) 2015/2016	Historical Cost (Ksh.) 2015-2016
Land	13,904,747,490	0.00	13,904,747,490
Buildings and structures	304,150,840	57,501,008.00	355,424,630
Civil Works and Infrastructure	1,001,790,998	552,055,028.00	1,582,535,084
Residential Housing Scheme	8,802,800	0.00	8,802,800
Computer & Accessories	709,733	0.00	709,733
Motor Vehicle and other Machineries	235,383,159	4,610,720.00	239,993,879
Community Assets	32,215,580	0.00	32,215,580
Furniture and Fittings	168,907,950	11,884,534.00	180,792,484
Specialized Plant and Equipments	-	51,852,121.00	55,877,121
Research, Studies, Project Preparation, Design & Supervision	129,777,638	172,891,848.00	305,078,576
Purchase of Certified Seeds, Breeding Stock and Live Animals	6,000,000	20,337,567.00	26,337,567
Total	**15,792,486,188**	**871,132,826.00**	**16,692,514,944**

ANNEXURE IV

OUTSTANDING ACCOUNTS PAYABLE / CREDITORS

	FROM DEFUNCT COUNCIL	Over 1 Year
1	Geomeasure Surveyors	780,280
2	Infortrack Research Consultant	238,032
3	J.A.B Orengo	5,318,200
4	KENAO	2,800,000
5	Lapfund	58,252,415
5	Ministry of Lands	850,390
6	Sec & M Valuers	25,809,520
7	Staff Salaries Arrears	50,211,728
8	National Housing Corporation	13,998,471
	Sub Total	**158,259,036**
	COUNTY GOVERNMENT	
1	Pending Bills FY 2015/16	330,235,725
	Gross Liabilities	**448,494,761**

ANNEXURE V

OUTSTANDING ACCOUNTS RECEIVABLE / DEBTORS

	ZONE	AMOUNT Ksh.
1	Block	4,208,038.00
2	Isolo	125,917.00
3	Town Ship	3,509,628.00
4	7918	795,517.00
5	Kulamawe	427,866.00
6	Zone F	183,741.00
7	Zone D	382,618.00
8	Zone K	301,730.00
9	Kiwanjani K	1,079,019.00
10	Kiwanjani A	388,301.00
11	K - Medium Density	218,282.00
12	Zone B Commercial	45,699.00
13	Zone B Medium Density	128,102.00
14	Zone B Residential	229,119.00
15	Kambi Bule	155,751.00
16	Bulapesa	13,279,188.00
17	Bulapesa 2	237,250.00
18	Bulapesa II	69,605.00
19	Kambi Odha	4,237,890.00
20	Wabera	2,726,752.00
21	Town	4,195,480.00
22	Mwangaza B	3,142,677.00
23	Mwangaza C	2,172,571.00
24	Chechelesi	1,196,829.00
25	Jua Kali	946,783.00
26	Maisha Bora	402,175.00
27	Chechelesi C2	3,293,069.00
28	Chechelesi	1,849,129.00
29	Old School	173,495.00
30	Kiwanjani Estate	1,580,320.00
31	Tutorial	46,450.00
32	K / Ashaff	133,800.00
33	Zone C	122,699.00
34	Kiwanjani B	597,425.00
35	Poultry	46,900.00
36	Zone F	183,741.00

37	LMD	627,271.00
38	Sericho	800,997.00
39	Merti	1,522,276.00
40	Kulamawe	2,260,530.00
41	Kiwanjani	3,037,625.00
42	Bulapesa	4,104,640.00
43	Wabera	2,627,255.00
44	Zone D	317,740.00
45	Tulu Roba	3,700,440.00
46	Modagashe	2,274,527.00
47	Ngeramara	896,356.00
48	Chechelesi C	6,566,463.00
	Total Receivable	**81,549,676.00**