REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF MACHAKOS

FOR THE YEAR ENDED 30 JUNE 2016

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
19 JUL 2017
RECEIVED

COUNTY ASSEMBLY OF MACHAKOS

AMMENDED 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)

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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 Assembly's day-to-day management is under the County Assembly Service Board.

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	**Felix Gitari Mbiuki**
2.	Chief finance officer	**Benson Mutua**

(d) Fiduciary Oversight Arrangements

- Audit and finance committee activities- N/A
- Parliamentary committee activities- N/A
- Development partner oversight activities- N/A
- Other oversight activities
    - The County Assembly Service Board is the does the oversight role on the management of the entire Assembly and during the Financial Year it held several meeting to concerning the running of the County Assembly.

(e) Entity Headquarters

P.O. Box 1168-90100
Machakos –Kenya County Hall
Along Mwatu wa Ngoma Rd.
Email:assemblymks@gmail.com
Info@machakosassembly.com

(f) Entity Contacts

Telephone: (254) 95-017-034/ (254) 76-645-659
E-mail: assemblymks@gmail.com
Website: www.go.ke

(g) Entity Bankers

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

2. Kenya Commercial Bank
   Address: P.O. Box 30 Machakos
   City/Town: Machakos.
   Telephone Number: 044-21780/1, 21817

3. Co-operative Bank
   Address: P.O. Box 1259-90100
   City/Town: Machakos.

4. Chase Bank
   Address: P.O. Box 66049-00800
   City/Town: Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CLERK OF THE ASSEMBLY

During the Financial Year ended 30th June 2016, the Machakos County Assembly has performed its role of legislative and oversight alongside other development projects. Among the achievements during the year are as highlighted below;

Budget performance
The County Assembly was able to utilise Ksh. 836,149,041 of the annual budget out of the approved budget of Ksh. 882,964,591. This translates to 95% total budgetary utilization.

Performance of key development projects
Since the county assembly the inception of the County Assembly, several development projects have been undertaken. Currently, the Assembly is in the process of constructing an office block. This project is not yet complete so it has been budgeted for in the FY 2016/2017. The county assembly acquired Hansard system which has improved the efficiency in the chamber operations by ensuring that the Hansard reports are captured with ease.
The county assembly has also undertaken the renovation of its Chamber, offices and land-scaping to create a more conducive working environment and performance of its core role which is legislative and oversight. We have also purchased a generator, computers, office furniture, motor vehicles and the drilling of a bore hole.

Comment on value-for-money achievements
In effort to ensure that we get value for money, the assembly has ensured that purchases are done through the approved procurement processes.

Challenges and Recommended Way Forward
The County Assembly is not fully under e-procurement hence this function was not fully operational. In this current year, the Assembly is determined to ensure that we start souring through this platform by ensuring the procurement staff is trained in re-engineered e-procurement process and by also by ensuring the suppliers are also well knowledgeable about its operations.

Sign

Clerk of the County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended 30th June 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 County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended 30th June 2016, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 18th July 2017.

Clerk of the County Assembly

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE COUNTY ASSEMBLY OF MACHAKOS FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Assembly of Machakos set out on pages 4 to 30, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation-recurrent and development combined for the year then ended, and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 Public Audit Act, 2015.

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 its 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 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 Assembly's internal control. An audit also includes evaluating 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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Presentation and Disclosures

The financial statements do not include disclosures on the significant accounting policies adopted and applied in preparing and presenting them. This is contrary to the requirements under paragraphs 1.3.30 to 1.3.38 of IPSAS cash basis of accounting reporting frame work and Section 164(2)(e) of the Public Finance Management Act, 2012.

2. Discrepancies in the Financial Statements

2.1. Cash and Cash Equivalents

(i) The statement of financial assets indicates a cash and cash equivalent balance of Kshs.8,795,550 (2015 negative Kshs.2,807,015) and as disclosed under notes 13A and 13B to the financial statements as at 30 June 2016. This differs with cash and cash equivalent negative balance of Kshs.90,115,411 as per the statement of cash flow resulting in an unexplained variance of Kshs.98,910,961. Consequently, it is not possible to confirm the accuracy of cash and cash equivalent balance of Kshs.8,795,550 as at 30 June 2016.

(ii) The recurrent bank balance of Kshs.23,726 as at 30 June 2016 disclosed under note 13A to the financial statements was not supported by bank reconciliation statements. The reconciliations prepared for development bank account were also not in the prescribed format in F 30 form and were not carried out in the cash module of IFMIS on a regular basis as prescribed by the National Treasury. Management has not rendered explanations for the inadequacies.

2.2. Receipts and Payments

(i) The statement of receipts and payments reflects total receipts and payments of Kshs.844,944,592 and Kshs.834,892,086 respectively for the year ended 30 June 2016. These differ with the actual total receipts and payments reflected in the statement of comparison of budget and actual amounts: recurrent and development combined of Kshs.844,964,592 and Kshs.834,792,086 by Kshs.20,000 and Kshs.100,000 respectively.

(ii) Furthermore, the total payments as per statement of receipts and payments and statement of comparison of budget and actual amounts: recurrent and development combined of Kshs.834,892,086 and Kshs.834,792,086 have been under casted by Kshs.1,256,955 and Kshs.1,364,277 respectively.

(iii) Transfer to other government units and other expenses of Kshs.75,000,000 and Kshs.5,783,694 respectively reflected in the statement of comparison of budget and actual amounts: recurrent and development combined, have been omitted from the individual statements of comparison of budget and actual amounts for recurrent and development. Consequently, it is not possible to ascertain accuracy of the receipts and payments of Kshs.844,944,592 and Kshs.834,892,086 for the year ended 30 June 2016.

2.3. IFMIS and the financial statements Figures.

The audit further revealed that there were variances between the figures reflected in the financial statements and those in the IFMIS extracts as shown below:-

Description	Financial statements Amount (Kshs)	IFMIS Amount (Kshs)	Variance (Kshs)
Receipts	844,944,592	0	844,944,592
Payments	834,892,086	852,310,567	-17,418,481
Cash and bank	8,795,550	859,233,345	-850,437,795
Receivables	2,716,167	64,043,482	-61,327,315
Payables	103,077,187	1,709,714,052	-1,606,636,865

No reconciliations or explanations have been rendered by management for the inconsistencies.

2.4. Non-financial assets

The statement of receipts and payments reflects an expenditure of Kshs.76,882,481 (Year 2014/2015 - Kshs.44,208,041) and as disclosed under note 10 to the financial statements on the acquisition of assets. Schedules in support of the expenditure indicate an expenditure of Kshs.75,821,532 on the acquisition of assets resulting in an unexplained difference of Kshs.1,060,949. Consequently, it is not possible to confirm the accuracy of the expenditure of Kshs.76,882,481 on acquisition of assets.

2.5. Use of Goods and Services

The statement of receipts and payments reflects an expenditure of Kshs.297,401,947 (Year 2014/2015 Kshs.326,955,589) and as disclosed under note 5 to the financial statements on use of goods and services. However, comparison of expenditure schedules in support of the reported amounts in the financial statements revealed the variances tabulated below:

Expenditure Item / Line	Expenditure Schedule Amount (Kshs)	Financial Statements Amount (Kshs)	Variance (Kshs)
Communications, Supplies & Services	4,141,488	4,144,210	(2,722)
Foreign Travel	28,654,178	28,655,133	(955)
Training/Remuneration	9,968,597	29,937,098	31,499
Hospitality expenses	4,123,477	3,506,522	616,955
Other operating expenses (cleaning, security membership, subscription, legal fees	18,158,527	18,798,598	(640,071)

The variances have not been reconciled or explained. In the circumstances, the accuracy of the use of goods and services figure of Kshs.297,401,947 cannot be confirmed.

2.6. Revenue

The statement of receipts and payments reflects receipts of Kshs.827,023,521 on account of exchequer releases and as disclosed under note 1 to the financial statements for the period under review. However, the following anomalies have been noted:-

2.6.1. Exchequer Requisition

Records maintained by the Assembly on recurrent exchequer requisitions indicate that an amount of Kshs.744,413,378 was received whereas the County Treasury records indicate that an amount of Kshs.225,467,480 was released. The discrepancies in the records have not been explained.

2.6.2. Failure to Capture Receipts

The audit revealed that the exchequer receipts were not processed into the development and recurrent cash books. Consequently, the reported receipts in the financial statements are not agreed to the basic source records, the cash book.

2.6.3. Transfers from other Government Entities

The statement of receipts and payments reflects transfer from other Government entities of Kshs.5,000,000 (Year 2014/2015 – Kshs.5,000,000) and as disclosed under note 3 to the financial statements. However, information available indicates that this receipt relates to a loan procured from the Machakos County Assembly Housing Scheme. Consequently, the classification of the receipt is inappropriate and misleading.

2.7. Compensation of Employees

The statement of receipts and payments reflects under compensation of employees an expenditure of Kshs.381,080,919 (Year 2014/2015 - Kshs.320,625,325) and as disclosed under note 4 to the financial statements. The following inconsistencies have also been noted:-

2.7.1. Basic Pay

Included in this amount is annual basic salaries for staff amounting to Kshs.154,043,786 which differs with the Integrated Payroll and Personnel Database (IPPD) system total annual basic pay amount of Kshs.35,187,892 by Kshs.118,855,894. The difference has not been explained nor reconciled. Further, Thirty (30) new employees introduced into the payroll on 1st September 2015 were unsupported with proof of recruitment and subsequent placement.

2.7.2. Temporary Employees

Included also are wages for temporary employees amounting to Kshs.26,289,141. However the temporary employees wages analysis and casual payroll provided in support indicates Kshs.32,240,252, and Kshs.26,953,000 resulting in unexplained variances of Kshs.5,951,111 and Kshs.663,859 between the financial statements and the records, respectively.

2.7.3. National Social Security Fund Remittances

Information available at the County Assembly and correspondence with NSSF indicates that the Assembly owes the latter Kshs.1,578,640 in arrears and penalties. The deadline for payment of employer contributions and employee social fund deductions is on or before the 15th of the month following deductions. The Assembly is at risk of incurring hefty penalties due to the continued delay in remittance of NSSF dues.

From the foregoing, it is not possible to confirm the completeness and accuracy of the compensation of employees figure Kshs.381,080,919 for the year ended 30 June 2016.

3. Repayment of Domestic and Foreign Borrowings

The statement of receipts and payments reflects repayment of principal on domestic and foreign borrowing of Kshs.75,000,000 (Year 2014/2015 – Kshs.80,000,000). However no explanatory notes to the financial statements have been provided for the amount contrary to the guidelines issued by the Public Sector Accounting Standards Board. In addition, supporting proof of debt repayments have not been provided for audit review. From the foregoing, it is not possible to confirm whether the debt was lawfully procured and the terms of debt repayment.

4. Accounts Payables

The statement of financial assets reflects under financial liabilities accounts payables of Kshs.103,077,187 as at 30 June 2016 (Year 2014/2015 – Kshs.97,554,006) with no explanatory notes. Information available indicates that this amount is inclusive of

pending bills amounting to Kshs.98,910,961. Inclusion of the pending bills and presentation of the same as part of the accounts payable in the statement of financial assets contravenes the guidelines issued by the Public Sector Accounting Standards Board. Further, details of these pending bills of Kshs.98,910,961 have also not been provided for audit.

5. Pending bills

(i) Note 18.1 to the financial statements disclosed pending accounts payable of Kshs.221,507,276 as at 30 June 2016 (Year 2014/ 2015 – Kshs.97,734,727). Had these pending bills been settled during the year under review, the statement of receipts and payments would have reflected a deficit of Kshs.212,711,726 as opposed to the surplus of Kshs.8,795,550 now shown.

Further, an annex to pending bills has no ageing analysis of the bills, details of the goods and services rendered, movements during the year and the reasons for delay in the settlement. Consequently, accuracy and completeness of pending accounts payable of Kshs.221, 507,276 cannot be confirmed. The pending bills as of 30 June 2016 included taxes due to the Commissioner of Income Tax and salary deductions (Saccos, Lapfund, Laptrust and insurance) totalling Kshs.28,149,351 and Kshs.6,845,377 respectively. The unpaid taxes continue to attract penalties until settled fully.

6. Budgetary controls

The Assembly's total approved budget for the year ended 30 June 2016 was Kshs.882,356,591 against total expenditure of Kshs.821,678,545 for the same period resulting in an under expenditure of Kshs.60,678,046 or approximately 7% of the approved budget. The budget was split into recurrent and development of Kshs.802,156,591 (91%) and Kshs.80,200,000 (9%) with actual expenditure of Kshs.744,796,063 and Kshs.76,882,481 respectively. Detailed analysis of the individual approved budget verses the actual expenditure revealed variances of over and under expenditure on various line items as shown below:

6.1. Recurrent budget

Item Description	Approved Budget Kshs	Actual expenditure Kshs	Under/(over) expenditure Kshs	% Variance
Utilities, Supplies and Services	3,000,000	1,793,324	1,206,676	40.2%
Communication, Supplies And Services	4,704,460	4,141,210	563,250	12.0%
Domestic Travel And Subsistence	136,650,000	147,056,993	-10,406,993	-7.6%
Foreign Travel And Subsistence	30,850,000	28,655,133	2,194,867	7.1%
Printing, Advertising And Information Supplies And Services	12,312,131	10,021,480	2,290,651	18.6%
Training Expenses	30,000,000	29,937,098	62,902	0.2%
Hospitality Supplies And Services	5,800,000	3,506,522	2,293,478	39.5%

Item Description	Approved Budget Kshs	Actual expenditure Kshs	Under/(over) expenditure Kshs	% Variance
Insurance - General/Gpa/Medical	28,000,000	24,057,298	3,942,702	14.1%
Fuel, Oil And Lubricant	5,500,000	4,404,783	1,095,217	19.9%
Ward Office Rent And Expenses	14,400,000	14,488,450	-88,450	-0.6%
Office And General Supplies And Services	5,500,000	5,172,448	327,552	6.0%
Other Operating Expenses	22,140,000	18,798,598	3,341,402	15.1%
Specialised Materials And Supplies – Uniforms	3,100,000	956,845	2,143,155	69.1%
Routine Maintenance - Vehicles And Other Transport Equipment	4,000,000	3,264,028	735,972	18.4%
Routine Maintenance/Repairs - Other Assets	2,000,000	1,147,738	852,262	42.6%
Sub Total	**307,956,591**	**297,401,948**	**10,554,643**	3.4%
Basic Salaries - Permanent Employees	154,000,000	154,043,786	-43,786	0.0%
Basic Wages - Temporary Employees	38,672,000	26,289,141	12,382,859	32.0%
Personal Allowances Paid As Part Of Salary	158,856,000	160,769,908	-1,913,908	-1.2%
Other Personnel Payments		1,619,631	-1,619,631	0.0%
Sub Total	**351,528,000**	**342,722,466**	**8,805,534**	2.5%
Government Pension And Retirement Benefits	29,672,000	29,671,650	350	0.0%
Sub Total	**29,672,000**	**29,671,650**	**350**	0.0%
Other Transfers - MCAs And Staff Mortgage	113,000,000	75,000,000	38,000,000	33.6%
Sub Total	**113,000,000**	**75,000,000**	**38,000,000**	33.6%
Total Recurrent Vote	**802,156,591**	**744,796,063**	**57,360,527**	7.2%

6.2. Development Budget

Item description	Approved Budget Kshs	Actual expenditure Kshs	Under/(over) expenditure Kshs	% Variance
Construction of Buildings-parking Shed	36,500,000	36,049,530	450,470	1%
Refurbishment of Buildings (Non Residential)	6,400,000	8,666,507	-2,266,507	-35%
Purchase of Vehicles	12,700,000	13,307,519	-607,519	-5%
Purchase of Office General Furniture	3,000,000	1,626,950	1,373,050	46%
Purchase of Computers, Printers and other IT Equipment	5,000,000	16,616,341	-11,616,341	-232%
Purchase of Security Equipment	1,000,000	0	1,000,000	100%
Purchase Of Software- Library Management System	3,500,000	0	3,500,000	100%
Purchase of Household and	1,500,000	615,634	884,366	59%

Item description	Approved Budget Kshs	Actual expenditure Kshs	Under/(over) expenditure Kshs	% Variance
Institutional Appliances				
Purchase of Exchanges and other Communications Equipment	10,600,000		10,600,000	100%
Sub total	**80,200,000**	**76,882,481**	**3,317,519**	**4%**

The material variances on the individual budget line of above 10% have not been explained. Underutilization of budget results in non-provision of planned goods and services, which negatively affects service delivery to the public.

7. Unresolved Prior Year Issues

7.1. Members of County Assembly Attendance Register

As reported in the previous years, various committee meetings registers had revealed inconsistencies in the signatures of the attending Members of the County Assembly (MCAs), in that in one day of sitting the signature would differ from the next or previous sitting. There was, therefore, no clear pattern of the signatures by the Members of the County Assembly who attended meetings casting doubts on the authenticity of the payments. Recommendation to the County Assembly to confirm signatures of MCAs and have those who fail to attend sittings denied sitting allowances is yet to be implemented.

7.2. Subsistence Allowances

7.2.1. Unsupported Conference Fee for World Ploughing Championship in Bordeaux, France

As reported in the previous year, three Members of the County Assembly were paid conference fees totalling Kshs.756,000 while attending conference for World Ploughing Championship in Bordeaux, France. The expenditure was not supported by documentary evidence to confirm that the event took place.

7.2.2. Media Partnership with M-Government Abu Dhabi 2014

As earlier reported, Members of the County Assembly made a trip to Abu Dhabi from 23 December 2014 to 3 January 2015 and were paid per diems amounting to Kshs.2,673,900. However, there was no report produced to support what the County Assembly gained from the trip despite having spent such significant amount of money.
An additional claim of Kshs.150,000 was also made and paid to the Members as miscellaneous expenses despite full per diem of Kshs.590,400 having been paid. Some of these miscellaneous expenses were for personal effects.

7.3. Irregular Procurement of Security Services

As reported previously, the County Assembly paid a total of Kshs.3,633,850 for security services in 2014/2015, of which amounts of Kshs.742,400 and Kshs.413,983 were paid

to two security companies. The tender committee minutes for the meeting held on 3 February 2015 awarded the security tender to other company at Kshs.12,500 per guard per month. The committee further resolved to contract the company for one year with effect from February 2015. The County Assembly, however, continued to engage the services of the earlier two companies that had not tendered at the monthly rates of Kshs.16,000 and Kshs.13,000 per guard up to June 2015, contrary to the resolution of the tender committee. These security companies were paid amounts of Kshs.222,720 and Kshs.192,983 for the service provided after February 2015 and as consequence, Kshs.415,703 was irregularly incurred against the recommendations of the tender committee.

These security expenditures should be incurred in accordance with the Public Finance Management Act, 2012, and financial and procurement rules and regulations. Further, although losses incurred by the County Assembly arising from failure to adhere to rules and regulations should be recovered from the responsible officers, there was no evidence to show these recovered were done as at 30 June 2016.

7.4. Overseas Travelling and Subsistence Allowances

The County Assembly Members and staff made various foreign trips during the previous years. It was observed in a number of cases where the members were double paid per diems while at the same time a travel agency had been contracted to provide for full package of the trip including airport transfers, local transport and full board accommodation all totalling Kshs.24,287,027. Recommendation to recover the over payment from the concerned MCAs and staff of Kshs.24,287,027 is yet to be effected.

7.5. ICT Internal Control Environment

The following weaknesses were identified in the County Assembly's IT internal control environment:

- Lack of a formally approved IT security policy to ensure data confidentiality, integrity and availability.
- Non-existence of an Information Technology strategic committee.
- Failure to implement an IT strategic plan that supports business requirements and ensures that IT spending remains within the approved IT strategic plan.
- Lack of training program to build IT capacity.
- Lack of a formally documented and approved process to manage upgrades and system changes made to all financial / performance information systems.
- There was no backup and retention policy. The Assembly also Lacks a documented schedule for routine maintenance for IT infrastructure.

Recommendations to the County Assembly to develop an IT policy to address the above gaps is yet to be addressed by management.

7.6. Fraud Assessment

As reported in the previous period, the Machakos County Assembly has no system for identifying and responding to the risks of fraud within the entity. It is, therefore highly exposed to fraud related risks and hence cases of fraud and errors may go undetected.

7.7. Internal Audit Function

The following weaknesses were identified regarding the functioning of the internal audit unit:

- The scope of internal audit function did not include evaluating and reporting on internal controls applicable to high risk areas as identified by management.
- Audits for the financial year in the annual audit plan were not finalized.
- Although progress audit reports conducted during the year were made available responses from the management on the issues raised were not availed for audit verification.
- Internal audit unit is understaffed with only one auditor hence it may not have the necessary capacity to carry out the internal audit mandate.
- No confirmation that there is written provision from the accounting officer providing the unit unrestricted access to all records and assets of the County Assembly.
- No audit committee is in place to discuss the reports of the internal audit.

Disclaimer of Opinion

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

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

Nairobi

30 August 2017

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Revenues		-	-
Social Security Contributions		-	-
Proceeds from Domestic and Foreign Grants		-	-
Transfers from National Treasury	1	827,023,521	475,714,660
Transfers from Other Government Entities	3	12,921,071	210,109,352
Proceeds from Domestic Borrowings	3	5,000,000	-
Proceeds from Foreign Borrowings		-	-
Proceeds from Sale of Assets		-	-
Reimbursements and Refunds		-	-
Returns of Equity Holdings		-	-
Other Revenues		-	-
TOTAL REVENUES		**844,944,592**	**685,824,012**
PAYMENTS			
Compensation of Employees	4	381,080,919	320,625,325
Use of goods and services	5	297,401,947	326,955,589
Subsidies		-	-
Transfers to Other Government Units		-	-
Other grants and transfers		-	-
Social Security Benefits		-	-
Acquisition of Assets	10	76,882,481	44,208,041
Finance Costs, including Loan Interest		-	-
Repayment of principal on Domestic and Foreign borrowing		75,000,000	80,000,000
Other Expenses	11	5,783,694	2,214,113
TOTAL PAYMENTS		**834,892,086**	**774,003,068**

SURPLUS/DEFICIT	**8,795,550**	**(88,179,056)**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembl

V. STATEMENT OF FINANCIAL ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	8,769,133	(2,849,703)
Cash Balances	13B	26,417	42,688
Total Cash And Cash Equivalents		**8,795,550**	**(2,807,015)**
Outstanding Imprest and Clearence Accounts	14	2,716,167	-
TOTAL FINANCIAL ASSETS		**11,511,717**	**(2,807,015)**
LESS: FINANCIAL LIABILITIES			
Accounts Payables		103,077,187	(97,554,006)
NET FINANCIAL ASSETS		**(91,565,470)**	**(100,361,021)**
REPRESENTED BY			
Fund balance b/fwd		**(100,361,021)**	**(7,181,965)**
Surplus/Defict for the year		**8,795,550**	**(88,179,056)**
Housing Fund Account			**(5,000,000)**
Prior year adjustments		**0**	**0**
NET FINANCIAL POSSITION		**(91,565,470)**	**(100,361,021)**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 14th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

VI. STATEMENT OF CASHFLOW

	Note	2015-2016 Kshs	2014-2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues		-	-
Social Security Contributions			
Proceeds from Domestic and Foreign Grants		-	-
Transfers from National Treasury	1	827,023,521	475,714,660
Transfers from Other Government Entities	3	12,921,071	210,109,352
Reimbursements and Refunds		-	-
Returns of Equity Holdings		-	-
Other Revenues		-	-
		839,944,592	**685,824,012**
Payments for operating expenses			
Compensation of Employees	4	381,080,919	320,625,325
Use of goods and services	5	297,401,947	326,955,589
Subsidies		-	-
Transfers to Other Government Units		-	-
Other grants and transfers		-	-
Social Security Benefits		-	-
Finance Costs, including Loan Interest		-	-
Other Expenses	11	5,783,694	2,214,113
		684,266,560	**649,795,027**

Adjusted for:			
Changes in receivables	14	2,716,167	-
Changes in payables	15	(4,166,226)	-
Adjustments during the year		-	-
		82,816,501	**649,795,027**
Net cash flow from operating activities		**157,128,090**	**36,028,985**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	**10**	(76,882,481)	(44,208,041)
Net cash flows from Investing Activities		**(76,882,481)**	**(44,208,041)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	**3**	5,000,000 -	5,000,000
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		(75,000,000)	(80,000,000.00)
Net cash flow from financing activities		**(70,000,000)**	**(85,000,000.00)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**10,245,609**	**(93,179,055.80)**
Cash and cash equivalent at BEGINNING of the year		**(100,361,021)**	**(7,181,964.80)**
Cash and cash equivalent at END of the year		**(90,115,411)**	**(100,361,021)**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts	-	-	-	-	-	0%
	Social Security Contributions	-	-	-	-	-	0%
	Proceeds from Domestic and Foreign Grants	-	-	-	-	-	0%
	Exchequer releases	798,232,131	28,267,540	769,964,591	764,964,592	-5,000,000	99%
	Transfers from Other Government Entities	-	113,000,000	113,000,000	75,000,000	-38,000,000	66%
	Proceeds from Domestic Borrowings	-	-	-	5,000,000	-	0%
	Proceeds from Foreign Borrowings	-	-	-	-	-	0%
	Proceeds from Sale of Assets	-	-	-	-	-	0%
	Reimbursements and Refunds	-	-	-	-	-	0%
	Returns of Equity Holdings	-	-	-	-	-	0%
	Other Receipts	-	-	-	-	-	0%
	Total Receipts	798,232,131	84,732,460	882,964,591	844,964,592	-43,000,000	95%

	Payments						
21	Compensation of Employees	372,000,000	(20,472,000)	351,528,000	351,409,269	(118,731)	100%
22	Use of goods and services	233,232,131	74,724,460	307,956,591	297,409,269	(10,554,644)	97%
25	Subsidies	-	0	0	0	0	0
263	Transfers to Other Government Units	113,000,000	0	113,000,000	75,000,000	(38,000,000)	66%
261/2/4	Other grants and transfers	-	0	0	0	0	-
27	Social Security Benefits	25,000,000	4,672,000	29,672,000	29,671,650	(350)	100%
31	Acquisition of Assets	168,000,000	(87,192,000)	80,808,000	76,882,481	(3,925,519)	95%
55	Repayment of principal on Domestic and Foreign borrowing	-	0	0	0	0	-
28	Other Expenses- Bank charges			0	5,783,694	5,783,694	0%
Grand Total		**911,232,131**	**28,267,540**	**882,964,591**	**834,792,086**	**(46,815,550)**	**95%**

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

(a) N/A

(b) N/A

The entity financial statements were approved on 18th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts						-
	Social Security Contributions						-
	Proceeds from Domestic and Foreign Grants						-
	Exchequer releases	630,232,131	58,924,460	689,156,591	684,156,591	- 5,000,000	99%
	Transfers from Other Government Entities	-	113,000,000	113,000,000	75,000,000	- 38,000,000	66%
	Proceeds from Domestic Borrowings	-	-	-	5,000,000	-	-
	Proceeds from Foreign Borrowings	-	-	-	-	-	-
	Proceeds from Sale of Assets	-	-	-	-	-	-
	Reimbursements and Refunds	-	-	-	-	-	-
	Returns of Equity Holdings	-	-	-	-	-	-
	Other Receipts	--	-	-	-	-	-
	Total Receipts	630,232,131	171,924,460	802,156,591	764,156,591	(43,000,000)	95%
	Payments						
21	Compensation of Employees	372,000,000	20,472,000	351,528,000	351,409,269	(118,731)	100%

22	Use of goods and services	233,232,131	74,724,460	307,956,591	297,401,947	(10,554,644)	97%
25	Subsidies	-	-	-		-	-
263	Transfers to Other Government Units	-	-	-	-	-	-
261/2/4	Other grants and transfers	-	-	-		-	-
27	Social Security Benefits	25,000,000	4,672,000	29,672,000	29,671,650	- 350	100%
31	Acquisition of Assets	-	-	-		-	-
55	Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	-
28	Other Expenses	-	-	-	-	-	-
Grand Total		**630,232,131**	**58,924,460**	**689,156,591**	**678,482,866**	**(10,673,725)**	**98%**

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

(a) N/A

(b) N/A

The entity financial statements were approved on 18th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts						0%
	Social Security Contributions						0%
	Proceeds from Domestic and Foreign Grants						0%
	Exchequer releases	168,000,000	(87,192,000)	80,808,000	80,808,000	0	100%
	Transfers from Other Government Entities						0%
	Proceeds from Domestic Borrowings						0%
	Proceeds from Foreign Borrowings						0%
	Proceeds from Sale of Assets						0%
	Reimbursements and Refunds						0%
	Returns of Equity Holdings						0%
	Other Receipts						0%
	Total Receipts	168,000,000	(87,192,000)	80,808,000	80,808,000	0	100%
	Payments						
21	Compensation of Employees						0%
22	Use of goods and services						0%
25	Subsidies						0%

263	Transfers to Other Government Units						0%
261/2/4	Other grants and transfers						0%
27	Social Security Benefits						0%
31	Acquisition of Assets	168,000,000	(87,192,000)	80,808,000	76,882,481	(3,925,519)	95%
55	Repayment of principal on Domestic and Foreign borrowing			-		-	0%
28	Other Expenses			-		-	0%
Grand Total		**168,000,000**	**(87,192,000)**	**80,808,000**	**76,882,481**	**(3,925,519)**	**95%**

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

(a) N/A
(b) N/A

The entity financial statements were approved on 18th July 2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

X. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from the County Treasury/Exchequer Releases

	2015/16	2014/15
	Kshs	Kshs
Total Exchequer Releases for quarter 1	168,953,120	52,167,500
Total Exchequer Releases for quarter 2	209,918,020	139,028,919
Total Exchequer Releases for quarter 3	120,537,533	114,518,241
Total Exchequer Releases for quarter 4	327,614,848	170,000,000
Cumulative Amount	**827,023,521**	**475,714,660**

2 PROCEEDS FROM SALE OF ASSETS

	2015/16	2014/15
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS

	2015/16	2014/15
	Kshs	Kshs
Other Receipts I- Paid projects on behalf by County Treasury	12,921,071	210,109,352
Other Receipts II- Inter Account Borrowing	5,000,000	5,000,000
Other Receipts III	-	-
Other Receipts IV	-	-
Other Receipts XXXX	-	-
Total	**17,921,071**	**215,109,352**

4 COMPENSATION OF EMPLOYEES

	2015/16	2014/15
	Kshs	Kshs
Basic salaries of permanent employees	154,043,786	205,017,378
Basic wages of temporary employees	26,289,141	10,133,258
Personal allowances paid as part of salary	160,769,908	94,767,651
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	7,536,070	-
Compulsory national social security schemes	1,150,734	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	29,671,650	7,985,690
Other personnel payments	1,619,631	2,721,348
Total	**381,080,919**	**320,625,325**

5 USE OF GOODS AND SERVICES

	2015/16	2014/15
	Kshs	Kshs
Utilities, supplies and services	1,793,324	5,538,156
Communication, supplies and services	4,141,210	66,450
Domestic travel and subsistence	147,056,993	149,760,540
Foreign travel and subsistence	28,655,133	33,747,778
Printing, advertising and information supplies & services	10,021,480	7,902,220
Rentals of produced assets	-	-
Training expenses	29,937,098	28,311,271
Hospitality supplies and services	3,506,522	7,445,081
Insurance costs	24,057,298	21,869,433
Specialized materials and services	956,845	-
Office and general supplies and services	5,172,448	7,607,588
Other operating expenses	18,798,598	53,859,636
Routine maintenance – vehicles and other transport equipment	3,264,028	4,243,831
Routine maintenance – other assets	1,147,738	1,603,605
Ward office rent and expenses	14,488,450	-
Fuel, Oil and Lubricants	4,404,783	-
Total	**297,401,947**	**326,955,589**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 SUBSIDIES

Description	2015/16	2014/15
	Kshs	Kshs
Subsidies to Public Corporations	-	-
See list attached	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises	-	-
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015/16	2014/15
	Kshs	Kshs
Transfers to National Government entities	-	-
See attached list		
Transfers to Counties	-	-
(insert name of budget agency)	-	-
(insert name of budget agency)		
TOTAL	-	-

8 OTHER GRANTS AND TRANSFERS

	2015/16	2014/15
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Other current transfers, grants	-	-
Other capital grants and transfers	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 SOCIAL SECURITY BENEFITS

	2015/16	2014/15
	Kshs	Kshs
Government pension and retirement benefits		
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
Total		

10 ACQUISITION OF ASSETS

Non Financial Assets	**2015/16**	**2014/15**
	Kshs	**Kshs**
Purchase of Buildings	-	-
Construction of Buildings	36,049,530	-
Refurbishment of Buildings	8,666,507	6,863,222
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	13,307,519	19,962,728
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	615,634	-
Purchase of Office Furniture and General Equipment	1,626,950	5,116,534
Purchase of ICT Equipment, Software and Other ICT Assets	16,616,341	4,019,885
Purchase of Specialized Plant, Equipment and Machinery	-	5,283,158
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	2,962,514
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
Total	**76,882,481**	**44,208,041**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FINANCE COSTS

	2015/16	2014/15
	Kshs	Kshs
Bank Charges	5,783,694	2,214,113
Exchange Rate Losses	-	-
Other Finance costs	-	-
Total	**5,783,694**	**2,214,113**

12 OTHER PAYMENTS

	2015/16	2014/15
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
Total	-	-

13A BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2015/16	2014/15
		Kshs	Kshs
COOPERATIVE BANK - 01141277998900	GENERAL A/C-	-	(2,852,796.76)
COOPERATIVE BANK - 01141277998901	DEVELOPMENT A/C-	-	3,094.18
CBK - 1000240393	RECCURRENT A/C -	23,726.05	-
CBK – 100026598	DEVELOPMENT A/C-	3,433,095.50	-
COOPEARTIVE BANK-	IMPREST ACCOUNT -	5,312,311.28	-
Total		**8,769,132.83**	**(2,807,015)**

13B CASH IN HAND

	2015/16	2014/15
	Kshs	Kshs
Cash in Hand – Held in domestic currency	26,417	42,688
Cash in Hand – Held in foreign currency		
Total	**26,417**	**42,688**

Cash in hand should be analysed as follows:

	2015/16	2014/15
	Kshs	Kshs
Location 1- Cashiers office	26,417	42,688
Location 2	-	-
Location 3	-	-
Total	26,417	42,688

14 ACCOUNTS RECEIVABLE

	2015/16	2014/15
	Kshs	Kshs
Government Imprests		
Clearance Accounts		
Staff Advances	2,716,166.50	
Other Advances		
Total		

**See Annex 6 for a detailed analysis of the outstanding imprests.*

15 ACCOUNTS PAYABLE

	2015/16	2014/15
	Kshs	Kshs
Deposits and Retentions	4,166,226	(97,554,006)
Total		

16 FUND BALANCE BROUGHT FORWARD

	2015/16	2014/15
	Kshs	Kshs
Bank accounts	(2,849,703)	4,198
Cash in hand	42,688	131,534
Accounts Receivables	-	-
Accounts Payables	-	-
Total	(2,807,015)	135,732

18 OTHER IMPORTANT DISCLOSURES

18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015/16	2014/15
	Kshs	Kshs
Construction of buildings	129,115,550	-
Construction of civil works	-	-
Supply of goods	6,152,224	-
Supply of services	46,300,853.25	-
Statutory/ Salary deductions	34,994,728.08	-
MCAS and Staff allowances	4,943,921	-
Supply of goods and Services		97,734,727.40
Total	221,507,276.33	97,734,727.40

18.2: PENDING MCAS/STAFF PAYABLES (See Annex 2)

	2015/16	2014/15
Name of staff	Kshs	Kshs
Total		

18.3: OTHER PENDING PAYABLES (See Annex 3)

	2015/16	2014/15
	Kshs	Kshs
Amounts due to National Government entities	xxx	xxx
Amounts due to County Government entities	xxx	xxx
Amounts due to third parties	xxx	xxx
Total	**xxx**	**xxx**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Q1	Q2	Q3	Q4
Land	-	-	-	-
Buildings and structures	-	-	17,861,730	18,187,800
Transport equipment	-	-	-	13,307,519
Office equipment, furniture and fittings	847,750	461,800		371,400
ICT Equipment, Software and Other ICT Assets	1,893,000	3,903,602		10,819,740
Other Machinery and Equipment	-	-	-	615,634
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	6,933,665	5,987,406	17,861,730	46,099,680

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPREST

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	***Kshs***	***Kshs***
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Total				**Xxx**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report from IFMIS)

PEDING BILLS			Supply of Goods	Supply of Services
Kilukumi & Co. Advocates				16,470,000.00
KCA				3,123,500.00
Kamande & CO. Advocates				4,292,573.00
Nyuki Legi				3,777,172.41
Simply Travel				1,907,250.00
67 Airport hotel				321,000.00
Heritage Insurance Co.				28,949.00
CPST				270,000.00
Persim Consultancy				110,000.00
Bus Park Auto Garage				255,970.00
Touron Ltd			26,731.00	
Rim East Africa			45,240.00	
Payam Logistics			106,238.00	
Core Computer garage			254,000.00	
The Star				116,000.00
The standard Group Ltd				202,768.00
Nation media				169,838.00
SAI Rock Hotel				145,380.00
Kenya institute of supplies management				350,144.00
Vekaria Auto Garage			260,435.00	
Government Printer				348,000.00
Postal Corporation of kenya				6,960.00
Patka General Agencies			214,000.00	
Trackom Auto Garage ltd			82,490.00	
TELKOM KENYA				28,253.84
MFI Document Solutions LTD				152,308.00
Sky Deluxe Agencies			276,500.00	
Malka International			185,000.00	
Koe & sons Enterprises			82,330.00	
Josgeto			150,000.00	
Jasrice			202,700.00	
mamsnram international business machines ltd			85,480.00	
budget furniture ltd			297,000.00	
gelian hotel			72,360.00	
TELKOM KENYA				116,232.00
ICPAK			509,500.00	
Kitchen link enterprises			356,600.00	
kenya toner and ink suppliers			86,400.00	
watchloo			73,500.00	
tella enterprises			97,440.00	
Matsue enterprises			94,000.00	
Intec investments			43,600.00	
Mwovas contactors co.ltd			99,850.00	
Top force security				39,000.00
Bobby Guards ltd				58,000.00
Institute of Internal Auditors			127,600.00	
Motion			2,223,230.00	
Hon. Samson Kimanzi				1,486,608.00
Eagle Insurance				524,947.00
Chase Bank Inter- Account borrowing				10,000,000.00
BRITAM- Medical Insurance cover				2,000,000.00
TOTAL			6,152,224.00	46,300,853.25
OTHERS				
Commissioner of Income Tax- Other			7,846,698.02	
Commissioner of Income Tax- PAYE			20,302,653.01	
Salary deductions(Saccos, Lapfund, Laptrust, Insurances)			6,845,377.05	
Staff allowances			3,991,921.00	
MCAS Allowances			952,000.00	
TOTAL			39,938,649.08	
TOTAL PENDING BILLS			92,391,726	

TRIAL BALANCE	DR	CR
UTILITIES,SUPPLIES AND SERVICES	1,793,324.00	
COMMUNICATION, SUPPLIES AND SERVICES	4,141,210.00	
DOMESTIC TRAVEL AND SUBSISTENCE	147,056,994.00	
FOREIGN TRAVEL AND SUBSISTENCE	28,655,133.00	
PRINTING, ADVERTISING AND INFORMATION SUPPLIES AND SERVICES	10,021,480.00	
TRAINING EXPENSES	29,937,098.00	
HOSPITALITY SUPPLIES AND SERVICES	3,506,522.00	
INSURANCE COSTS	24,057,298.00	
FUEL	4,404,783.00	
SPECIALISED MATERIALS	956,845.00	
SECURITY		
OFFICE FURNITURE		
WARD OFFICE RENT AND EXPENSES	14,488,450.00	
OFFICE AND GENERAL SUPPLIES AND SERVICES	5,172,448.00	
OTHER OPERATING EXPENSES	18,798,598.00	
INTER A/C BORROWING		
BASIC SALARIES OF PERMANENT EMPLOYEES	154,043,786.00	
BASIC WAGES OF TEMPORARY EMPLOYEES	26,289,141.00	
PERSONAL ALLOWANCES PAID AS PER OF SALARY	160,769,908.00	
WAGES OF CONTRACTUAL EMPLOYEES		
WARD EMPLOYEES		
OTHER PERSONNEL PAYMENTS	1,619,631.00	
PENSION- LAPFUND AND LAPTRUST	7,536,070.00	
NSSF	1,150,734.00	
GRATUITY	29,671,650.00	
REPAIRS OF MOTOR VEHICLE AND OTHER ASSETS	3,264,028.00	
REPAIR OF OTHER ASSETS	1,147,738.00	
ACQUISITION OF ASSETS	76,882,481.00	
ACCOUNT RECEIVABLES- SALARY ADVANCE	2,716,166.50	
SURPLUS CONTRA	8,795,550.00	
BANK CHARGES	5,783,694.00	
HOUSING FUND ACCOUNT	75,000,000.00	
DIRECT TRANSFERS FROM COUNTY TREASURY		827,023,523.50
INDIRECT TRANSFER FROM COUNTY TREASURY		12,921,071.00
SURPLUS (CONTRA)		8,795,550.00
INTER A/C BORROWING		5,000,000.00
CASH	26,417.00	
BANK	8,769,133.00	
ACCOUNTS PAYABLES		4,166,226.00
OTHER CURRENT LIABILITIES		98,910,961.00
DEFICIT (CONTRA)		
RESERVES	100,361,021.00	
TOTAL	**956,817,331.50**	**956,817,331.50**