REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF MOMBASA

FOR THE YEAR ENDED 30 JUNE 2016

OFFICE OF THE AUDITOR GENERAL
KENYA NATIONAL AUDIT OFFICE
05 JAN 2017
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MOMBASA HUB

COUNTY ASSEMBLY OF MOMBASA

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

(b) Key Management

The *entity's* day-to-day management is under the following key organs:

- Legislation
- Oversight and
- Representation

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Salim Juma Mwalimu-Dec'15 to date
2.	Accounting Officer	Tubmun Otieno Ochogo-2013-Dec'15
3.	Ag.Principal Finance Officer	Babu Ali Said
4.	Accountant I	Paul Mutungi Mulila

Fiduciary Oversight Arrangements

Pursuant to section 12(1) of the County Government Act, The Clerk of the County Assembly is the secretary of the County Assembly Service Board and the Accounting officer of County Assembly.
The Clerk assists the Speaker to run the house proceedings including having thorough knowledge of the rules of the House and tabling all documents presented to the house.
Clerk helps the Speaker and Members of the Assembly to organize the order of business including providing advice on house procedure, drafts private members bills and amendments as well as certifying the passage of bills through the Assembly.
The Clerk also assists with ceremonial occasions such as opening of the Assembly and is required to swear oath of allegiance administered by the Speaker to new Members of the County Assembly.
The County Assembly Clerk has also fiduciary oversight arrangements on the following:-

- *Expenditure control and Debt Management of County Assembly of Mombasa.*
- *Internal Audit and Financial Planning of County Assembly of Mombasa.*
- *Safeguarding Assets of the County Assembly of Mombasa.*

(d) Entity Headquarters

P.O. Box 90440
County Assembly Building
80200 Mombasa
KENYA

(e) Entity Contacts

Telephone: (254) 041-2311025
E-mail: Countyassemblymombasa@gmail.com
Website: www.mombasaassembly.go.ke

(f) Entity Bankers

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

2. Cooperative Bank of Kenya
   Nkrumah Road of Mombasa
   P.O Box 87771
   GPO 80100
   Mombasa

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

II. FOREWORD BY THE CLERK OF THE ASSEMBLY

It is with pleasure that I present the inaugural Financial Statements of the County Assembly of Mombasa, pursuant to Section 163,164 and 165 of the Public Finance Management Act,2012.
The Financial Statements cover the period from July 1, 2015 to June 30, 2016 and account for KSh.130 million disbursed to County Assembly of Mombasa from the exchequer, through County Treasury, Mombasa.
Disbursements for the Period from July 1,2015 to December 31,2015 from the exchequer were channelled through the Executive arm of the County Government of Mombasa and have been duly accounted for by the Executive, including County Assembly personnel emoluments (salaries) for the year under review.
Of the KSh.130m received from the exchequer, 94% was absorbed in respective County Assembly Programmes, 4.8% held as un surrendered staff imprest and only KSh.1.18million (0.02%) was the balance in the County Assembly Bank account.

The County Assembly of Mombasa like all other devolved units experienced challenges related to devolution, such as in adequate funding, delays in release of funds from the exchequer thus hampering the smooth implementation of County Assembly programmes. There were also challenges as regards to the autonomy of the County Assembly, with County Assembly funds being disbursed to County government which in turn would further delay in disbursing the same to the County Assembly with similar consequences as afore mentioned.

Devolution being a new concept has also provided challenges related to staff training, with those absorbed from the defunct Municipal Council requiring training as well as those recruited by the Assembly so as to enable them discharge their duties and responsibilities efficiently, effectively and consistently.
On the same breath it is worthwhile to mention that the budgetary ceilings set up by the CRA and the National Senate has adversely affected the smooth operations of the Assembly. Under the circumstances, the entity has been unable to fulfil its mandate and responsibilities as required by the Law. We note that for example the budget for Mombasa County Assembly has been pegged at a staff establishment of 80 personnel instead of the actual number on the ground of 118 personnel. This in turn has made our staff emoluments go comparatively higher with maintenance and operations costs getting affected since the same has a cascading effect.
The assembly has started to see light at the end of the tunnel as progress has been made since January 2016 when funds meant for County Assembly have been directly remitted to County Assembly's Central Bank Account for use in implementation of County Assembly programmes.
The Assembly is trying to address the problem of budgetary ceilings by engaging with the relevant authorities.
Going forward, the Assembly envisages that with timely disbursements and appropriate budget ceilings, there will be tremendous improvement in its entire operations and thus enhance achievement of its core mandates of Legislation, Oversight and Representation.

Sign

Clerk of the County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Assembly shall prepare financial statements of Mombasa County Assembly in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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 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 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 June 30, 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 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 that the County Assembly'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 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 **September 28, 2016.**

Clerk of the County Assembly

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Assembly of Mombasa set out on pages 1 to 30, which comprise, the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flow statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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 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 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.

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

1.0 Inaccuracies in the Financial Statements

1.1 Unreconciled Variance

The financial statements for the year ended 30 June 2016 and which were availed for audit review contained discrepancies amounting to Kshs.757,296,160 compared with IFMIS report as summarized below:

Details	Financial Statements Amount (Kshs)	IFMIS report Amounts (Kshs)	Variance (Kshs)
Exchequer releases	500,000,000	130,000,000	330,000,000
Recurrent expenditure	122,464,374	546,578,001	424,113,627
Development expenditure	0	3,182,533	3,182,533
Total	**622,464,374**	**679,760,534**	**757,296,160**

It was not clear and the management has not explained why the figures in the IFMIS varied with expenditure figures in the financial statements.

1.2 Fund Balance Brought Forward

The statement of financial assets as at 30 June 2016 reflects nil balance in respect of fund balance brought forward. However, according to the 2014/2015 audited financial statements for County Government of Mombasa, the County Assembly had a bank balance of Kshs.262,000 as at 30 June 2015. It's not clear and the management has not explained why the balance was not reflected in these financial statements. Consequently, the accuracy and completeness of the financial statements for the year ended 30 June 2016 could not be ascertained.

2.0 Presentation of the Financial Statements

The financial statements presented for audit for the year ended 30 June 2016 had the following anomalies:

2.1 Statement of comparison of budget and actual amounts indicated nil actual expenditure for the year ended 30 June 2016 while the actual expenditure as per statement of receipts and payments amounted to Kshs.122,464,374. This was contrary

to the International Public Sector Accounting Standards No.24 which require a comparison of the approved estimates against actual expenditure;

2.2 Summary of fixed assets was missing in the financial statements as prescribed by Public Sector Accounting Standards Board. Audit review of assets register maintained by the County Assembly revealed that the asset register did not indicate the location, serial number of electronic equipment and the custodian of the assets. It was also noted that land and buildings were missing in the asset register. The asset register was incomplete contrary to Section 149 (2)(O) of the Public Finance Management Act, 2012 which requires the accounting officer to maintain and update accurate asset register of entity's assets.

Consequently, the financial statements presented for the year ended 30 June 2016 do not comply with the requirements of International Public Sector Accounting Standards Board (Cash basis) No.1 on the presentation of the financial statements.

3.0 Bank Balances

The statement of financial assets as at 30 June 2016 reflects a balance of Kshs.1,184,326 in respect of bank balances. According to note 13A to the financial statements, the balance of Kshs.1,184,326 include a balance of Kshs.1,187,540 in respect of Central Bank account and Kshs.(3,214.08) for Co-operative bank. However, the audit examination revealed that there was no a cashbook maintained for the Central Bank account and neither were bank reconciliations prepared for the period under audit.

Further, it was observed that the Co-operative bank's negative cash book balance of Kshs.3,214.08, which was not approved, was netted off the Central bank of Kenya's balance of Kshs.1,187,540 contrary to the International Public Sector Accounting Standards No. 1 on presentation of the financial statements.

In the circumstances, the accuracy and completeness of bank balance of Kshs.1,184,326 as at 30 June 2016 could not be confirmed.

4.0 Impest

4.1 Long Outstanding Imprest

Statement of financial assets as at 30 June 2016 reflects a balance of Kshs.6,351,300 in respect of accounts receivables – outstanding imprest. However, audit verification of imprest ledger revealed that imprest amounting to Kshs.2,269,900 had been outstanding for several months contrary to Section 93 (5) of the Public Financial Management Regulations, 2015 which require a holder of a temporary imprest to account or surrender within 7 working days after returning to duty station.

4.2 Omitted Imprest

Audit examination of list of imprest holders at Annex 5 to the financial statements for the year ended 30 June 2016 revealed that un-surrendered imprest amounting to

Kshs.957,200 issued to seven (7) officers had been omitted from the list of outstanding imprest. It was not clear why the imprest was omitted from the list.

4.3 Failure to Disclose Imprest Holders

Annex 5 to the financial statements provides analysis of outstanding imprest as at 30 June 2016. However, the names of imprest holders were missing on Annex 5 to the financial statements as prescribed by Public Sector Accounting Standards Board. It was not possible to determine who the imprest holders were.

4.4 Imprest Signed on Behalf of Other Officers

It was also observed that during the period under audit, imprest amounting to Kshs.16,510,000 was issued to staff of the County Assembly on behalf of members of the county assembly contrary to Section 91(2) of the Public Finance Management Regulations, 2015 which states, "that the officer authorized to hold and operate imprest shall make a formal application for imprest through an imprest warrant". It was not clear why members of the county assembly could not take responsibility for their imprests. It was further noted that there were no clear security arrangements while carrying such large amounts of cash to avoid loss of public funds as stipulated in Section 89 of the Public Finance Management Regulations, 2015 on security for cash in transit. The County Assembly was therefore in breach of the law.

In the circumstances, the accuracy, regularity and completeness of accounts receivables – outstanding imprest balance of Kshs.6,351,300 as at 30 June 2016 could not be confirmed.

5.0 Deposit for Car Loans

According to the 2014/2015 financial statements of the County Government of Mombasa, a deposit of Kshs.20 million was receivable from Chase bank in respect of car loans to members of the county assembly. However, this has been omitted from the balance of receivables and it was not clear and the management has not explained how the deposit has been accounted for in these financial statements. In addition, audit review of the IPPD loan repayment report revealed an outstanding balance of Kshs.33,969,638 as at 30 June 2016 which was pegged on a presumed term ending 31 March 2018. The term of office for the Members of County Assembly may end before they clear the outstanding loan.

Further, the financial statements for the Fund were not submitted to the Auditor-General for audit, contrary to Section 167 (1) of the Public Finance Management Act, 2012 which requires the administrators of funds to prepare financial statements for each financial year and submit the same to the Auditor-General.

As a result, the Assembly was in breach of the law.

6.0 Unaccounted Transfers to Ward Offices

Documents availed for audit review revealed that during the period under audit, the County Assembly of Mombasa made transfer to Ward offices amounting to

Kshs.42,000,000 out of which transfers to nine (9) ward offices amounting to Kshs.10,800,000 were not accounted for. In addition, surrenders from six (6) other ward offices amounting to Kshs.7,200,000 was not supported with rent receipts, signed salary vouchers and utilities payment receipts, contrary to Section 152 (4) of Public Finance Management Act, 2012 which requires that a public officer shall return the balance of the cash advanced together with signed supporting documents for the cash expended.

As a result, the Assembly is in breach of the law.

7.0 Pending Bills

According to Annex 1 to the financial statements, pending accounts payable amounted to Kshs.74,758,322. However, audit verification of the pending accounts payable revealed that the same were not supported with relevant documents including LPOs, LSOs, supplier invoices, and delivery notes. It was therefore not possible to confirm the validity of the balance.

Further, according to Annex 2 to the financial statements, pending staff payables totaled Kshs.11,582,172.55. However, the payable was not supported with relevant supporting documents including imprest warrants, IPPD payroll or claim payment vouchers as evidence of expenditure.

In the circumstances, the accuracy and validity of the pending bills balance of Kshs.74,758,322 and staff payables of Kshs.11,582,172.55 as at 30 June 2016 could not be confirmed.

8.0 Transfers from County Treasury / Exchequer

The statement of receipts and payments reflects an amount of Kshs.130,000,000 in respect of transfers from County Treasury / Exchequer for the year ended 30 June 2016. However, the report by the Controller of Budgets indicates that the County Assembly received recurrent exchequer of Kshs.500,000,000 resulting to unexplained nor unreconciled balance of Kshs.370,000,000. It's not clear and the management has explained how the balance of Kshs.370,000,000 was accounted for in these financial statements.

Consequently, the validity and accuracy of the transfers from County Treasury/ Exchequer of Kshs.130,000,000 for the year ended 30 June 2016 could not be confirmed.

9.0 Compensation to Employees

9.1 Unreconciled Variance

The statement of receipts and payments reflects an amount of Kshs.9,054,767 in respect of compensation to employees for the year ended 30 June 2016. However, according to the vote book, total expenditure on compensation to employees amounted to Kshs.322,025,489 resulting in unexplained and unreconciled variance of Kshs.312,970,722 as detailed below:

Balance	Balance as per financial statement	Balance as per IFMIS	Variance
Basic salaries of permanent employees	nil	166,090,722	166,090,722
Basic wages of temporary employees	nil	6,000,000	6,000,000
Personnel allowances paid as part of salary	nil	138,834,855	138,834,855
Pension and other social security schemes.	9,054,767	11,099,912	2,045,145
Total	**9,054,767**	**322,025,489**	**312,970,722**

Consequently, the accuracy and completeness of compensation to employees' figure of Kshs.9,054,767 for year ended 30 June 2016 could not be ascertained.

9.2 Committee Meetings Held Outside Mombasa County

Note 4 to the financial statements reflects nil balance in respect of personnel allowances paid as part of salary for the year ended 30 June 2016. However, information available indicates that an expenditure of Kshs.3,577,200 was incurred in respect of five (5) sittings of Committees of the County Assembly held outside Mombasa County Assembly chambers. Further, there was not proper justification for holding the meetings outside the County Assembly chambers contrary to the Standing Orders No. 163 which requires that any committee of the Assembly held outside the precincts of the house must be approved by the Speaker. In addition, there was no evidence of how the venues were identified and selected contrary to Section 103 (1) of Public Procurement and Asset Disposal Act, 2015 which states that, "A procuring entity may use direct procurement as allowed under sub-section (2) as long as the purpose is not to avoid competition". The County Assembly incurred unnecessary expenditure on the travel, venue costs and subsistence allowance at the expense of service delivery to the residents of the Mombasa County.

In the circumstances, the propriety and legality of the expenditure of Kshs.3,577,200 for the period ended 30 June 2016 could not be confirmed.

9.3 Extraneous Allowance

Note 4 to the financial statements reflects nil balance in respect of personnel allowances paid as part of salary for the year ended 30 June 2016. However, documents availed for audit indicated that payments of extraneous allowance amounting to Kshs.10,169,880 was paid to the County Assembly staff through payment vouchers although the staff are not eligible for such allowances as per SRC Circulars; SRC/011/11/2013 dated 29/07/2013 on remuneration and benefits of staff serving in the County Assembly. It is not clear and the management has not explained the basis for paying the extraneous allowance, a benefit that is not contained in the employment contract.

In the circumstances, the accuracy, propriety and completeness of compensation to employees' figure of Kshs.9,054,767 for the period ended 30 June 2016 could not be confirmed.

10.0 Use of Goods and Services

10.1 Domestic Travel and Subsistence

The statement of receipts and payments reflects a figure of Kshs.113,406,393 in respect of use of goods and services for the year ended 30 June 2016. Note 5 to the financial statements indicates that the use of goods and services figure of Kshs.113,406,393 includes domestic travel and subsistence amount of Kshs.32,544,063. However, according to the County Assembly's vote book for the year ended 30 June 2016, total expenditure on domestic travel and subsistence amounted to Kshs.32,857,085 resulting to unreconciled or explained variance of Kshs.313,022.

Consequently, the accuracy and completeness of domestic travel and subsistence balance of Kshs.32,544,063 for the year ended 30 June 2016 could not be confirmed.

10.2 Training Expenses

Note 5 to the financial statements reflects training expenses amount of Kshs.4,392,490. Included in the training expenses of Kshs.4,392,490 is expenditure amounting to Kshs.3,260,100 for sponsorship of thirty (30) members of the county assembly for a twelve 12 months diploma course at KCA University. However, audit verifications revealed that there was no evidence of any training need assessment done to identify the type of training and persons to be trained contrary to Section 1.3 of the County Human Resource Manual, 2013 which states that, "Training in the County Public Service shall be based on training needs assessment which shall be conducted every two years in each County Department". It is not clear how the training programmes and beneficiaries were selected in the absence of training needs assessment.

Therefore, the regularity of the expenditure on sponsorship amounting to Kshs.3,260,100 for the year ended 30 June 2016 could not be determined.

10.3 Insurance

Note 5 to the financial statements indicates expenditure of Kshs.19,494,963 was incurred in respect of insurance for the year ended 30 June 2016. However, the County Assembly's vote book for the year ended 30 June 2016 reflects insurance expenditure of Kshs.30,428,714 resulting in unexplained variance of Kshs.10,933,751.

Consequently, the validity and accuracy of the insurance balance of Kshs.19,494,963 for the year ended 30 June 2016 could not be confirmed.

10.4 Office and General Supplies and Services

Note 5 to the financial statements indicates use of goods and services expenditure of Kshs.113,406,393 which includes Kshs.17,858,597 in respect of office and general

supplies and services for the year ended 30 June 2016. Audit verification revealed that the amount of Kshs.17,858,597 includes a payment of Kshs.1,596,000 for supply of two hundred (200) reams of conqueror yellow papers at a price of Kshs.7,980 per ream. However, according to the Public Procurement Oversight Authority price index for 2014/2015, conqueror yellow papers, price was set at Kshs.1,132 per ream. Therefore, the County Assembly of Mombasa may have lost a total of Kshs.1,369,600 through this procurement process.

As a result, the propriety and regularity of the excess expenditure of Kshs.1,369,600 for use of goods and services could not be confirmed.

10.5 Other Operating Expenses

Note 5 to the financial statements indicates expenditure of Kshs.4,416,247 in respect of other operating expenses for the year ended 30 June 2016. Audit verification revealed that the expenditure of Kshs.4,416,247 includes payment of Kshs.1,400,009 to County Assembly Forum and Kshs.300,000 to Society of Clerks at the Table (SOCATT) both totaling to Kshs.1,700,009 recorded under memberships and subscriptions. Although the management indicates that the expenditure was budgeted for under subscriptions, it was not clear why membership subscription to private membership association other than a professional body was paid for using public funds. Consequently, propriety, and regularity of memberships and subscriptions amount of Kshs.1,700,009 for the year ended 30 June 2016 could not be confirmed.

11.0 Budgetary Controls and Performance

According to the County Assembly's IFMIS Vote book, the County Assembly of Mombasa had a total budget of Kshs.719,379,916 comprising of Kshs.684,379,916 for recurrent expenditure and Kshs.35,000,000 for development expenditure as summarized below:

Item	Budgeted Allocation as Per Vote Book 2015/2016 Kshs	Actual as Per Vote Book 2015/2016 Kshs	Under Absorption	Under Absorption %	As % of Total Expenditure
Recurrent	684,379,916	546,578,001	137,801,915	20	82
Development	35,000,000	3,182,533	31,817,467	90	18
Total	**719,379,916**	**549,760,534**	**169,619,382**	**24%**	

In overall, the County Assembly under spent on all votes to a tune of Kshs.169,619,382 or 24%.

The funds could have been allocated to other deserving areas that would improve goods and services delivery to the residents of Mombasa County. This may also be an

indication of improper budgeting and the management may need to re-think on its budget making process with a view to focusing on more priority areas.

11.1 Development Vote

Records availed for audit review indicated that out of Kshs.35,000,000 allocated for development vote, only Kshs.3,182,533 or 9% had been committed leaving a balance of Kshs.31,817,467 unutilized as analyzed below:

Budget line	Approved Estimates	Expenditure As At 30-06-2016	Balance As At 30-06-2016	Under Absorption In %
Purchase of office furniture and fittings	3,000,000	0	3,000,000	100%
Refurbishment of non- residential buildings	9,000,000	3,182,533	1,817,467	21%
Other infrastructure and civil works	10,000,000	0	10,000,000	100%
Purchase of computers, printers, and IT equipment	1,500,000	0	1,500,000	100%
Purchase of Exchanges and other communication Equipment	11,000,000	0	11,000,000	100%
Purchase of software	500,000		500,000	100%
Total	**35,000,000**	**3,182,533**	**31,817,467**	

The above analysis indicates that the County Assembly of Mombasa did not utilize a total of Kshs.31,817,467 voted for development.

Although the management has attributed the under-absorption of funds to lack of financial autonomy at the start of the financial year, this may have affected the intended purpose of budget allocation and service delivery to the residents of Mombasa County.

11.2 Recurrent Vote

A detailed review of the vote book revealed that expenditure on following votes equaled the budget:

Vote	Approved Estimated	Total Expenditure	Balance
Late Duty Allowance	6,704,906	6,704,906	0
Internet Connections	100,000	100,000	0
Travel Allowance	300,000	300,000	0
Casual Labour – Others	6,000,000	6,000,000	0
Accommodation	3,030,000	3,030,000	0
Daily Subsistence Allowance	2,000,000	2,000,000	0
Hire of Transport, Equipment	600,000	600,000	0
Total	**18,734,906**	**18,734,906**	**0**

It is not clear how the budget could accurately equal the expenditure. This is a clear indication that the management had not kept proper records to capture the actual expenditure something which may not reflect the true financial performance of the County Assembly.

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

15 August 2017

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015/2016 Kshs	2014/2015 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	130,000,000	-
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**130,000,000**	**-**
PAYMENTS			
Compensation of Employees	4	9,054,767	-
Use of goods and services	5	113,406,393	-
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	-	-
Finance Costs	11	3,214	-
Other Payments	12	-	-
TOTAL PAYMENTS		**122,464,374**	**-**
SURPLUS/DEFICIT		**7,535,626**	**-**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

IV. STATEMENT OF FINANCIAL ASSETS

FINANCIAL ASSETS	Note	2015/2016 Kshs	2014/2015 Kshs
Cash and Cash Equivalents			
Bank Balances	13A	1,184,326	-
Cash Balances	13B	-	-
Total Cash and cash equivalents		-	-
Accounts receivables – Outstanding Imprests	14	6,351,300	-
TOTAL FINANCIAL ASSETS		**7,535,626**	-
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**7,535,326**	-
REPRESENTED BY			
Fund balance b/fwd	16	-	-
Surplus/Deficit for the year		7,535,326	-
NET FINANCIAL POSITION		**7,535,326**	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

V. STATEMENT OF CASHFLOW

	Note	2015/2016 Kshs	2014/2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	130,000,000	-
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	(9,054,767)	-
Use of goods and services	5	(113,406,393)	-
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	(3,214)	-
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year-cash held as imprests		(6,351,300)	-
Net cash flows from operating activities		**1,184,326**	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	-
Net cash flows from investing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**1,184,326**	-
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		**1,184,326**	-
As per statement of assets		**1,184,326**	-
Control		-	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	130,000,000	-	130,000,000	0	100%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	130,000,000	-	**130,000,000**	**0**	**100%**
PAYMENTS					
Compensation of Employees	-	-	-	0	100%
Use of goods and services	113,406,393	-	113,406,393	0	100%
Subsidies					
Transfers to Other Government Entities	-	-	-		0%
Other grants and transfers	-	-	-	0	0%
Social Security Benefits	9,054,767		9,054,767		100%
Acquisition of Assets	-	-	-	0	0%
Finance Costs	3,214		3,214		100%
Other Payments					
TOTAL	122,464,374		**122,464,374**	**0**	**94%**

Of the KSh.130million disbursed to the County Assembly,94% was absorbed in the respective Assembly programmes of Legislation,Oversight and Representation.

The entity financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	130,000,000	-	130,000,000	0	100%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	**130,000,000**	-	**130,000,000**	**0**	**100%**
PAYMENTS					
Compensation of Employees	-	-	-	0	-
Use of goods and services	113,406,393	-	113,406,393	0	100%
Subsidies					
Transfers to Other Government Entities	-	-	-		0%
Other grants and transfers	-	-	-	0	0%
Social Security Benefits	9,054,767	-	9,054,767		100%
Acquisition of Assets	-	-	-	0	0%
Finance Costs	3,214		3,214		100%
Other Payments					
TOTAL	**122,464,374**		**122,464,374**	**0**	**94%**

Of the KSh.130million disbursed to the County Assembly,94% was absorbed in the respective Assembly programmes of Legislation,Oversight and Representation.

The entity financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	-	-	-	-	-
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	-	-	-	-	-

The entity financial statements were approved on **September 28, 2016** and signed by:

Clerk of the Assembly

Principal Finance Officer

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. **Statement of compliance and basis of preparation**
   The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. 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 Assembly of Mombasa. 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.

2. **Recognition of receipts and payments**
   The *entity* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *entity*. In addition, the *entity* recognises all payments when the event occurs and the related cash has actually been paid out by the *entity*.

3. **In-kind contributions**
   In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non current assets

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

8. Pending bills

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

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

10. Comparative figures

This is the first time the County Assembly is preparing its full year financial statements. Being a first time adopter, there are no comparative amounts for the previous year.

11. Subsequent events

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

X. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from the County Treasury/Exchequer Releases

Description	2015/2016	2014/2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	0.00	-
Total Exchequer Releases for quarter 2	25,000,000.00	-
Total Exchequer Releases for quarter 3	35,000,000.00	-
Total Exchequer Releases for quarter 4	70,000,000.00	-
Total	**130,000,000.00**	**-**

2 PROCEEDS FROM SALE OF ASSETS

Description	2015/2016	2014/2015
	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

Description	2015/2016 Kshs	2014/2015 Kshs
Interest from Bank-Car Loan/Mortgage Account	0	
Other Receipts II		
Other Receipts III		
Other Receipts IV		
Other Receipts XXXX		
Total	**0**	-

4 COMPENSATION OF EMPLOYEES

Description	2015/2016 Kshs	2014/2015 Kshs
Basic salaries of permanent employees	-	-
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	9,054,766.60	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**9,054,767**	-

5 USE OF GOODS AND SERVICES

Description	2015/2016 Kshs	2014/2015 Kshs
Utilities, supplies and services	2,497,544.50	-
Communication, supplies and services	1,779,000.00	-
Domestic travel and subsistence	32,544,063.85	-
Foreign travel and subsistence	1,710,146.00	-
Printing, advertising and information supplies & services	5,271,859.45	-
Rentals of produced assets	21,100,000.00	-
Training expenses	4,392,490.00	-
Hospitality supplies and services	2,734,649.25	-
Insurance costs	19,494,963.85	-
Specialized materials and services	4,970,335.80	-
Office and general supplies and services	17,858,597.10	-

Description	2015/2016 Kshs	2014/2015 Kshs
Other operating expenses	4,416,247.35	-
Routine maintenance – vehicles and other transport equipment	397,781.50	-
Routine maintenance – other assets	590,014.30	-
Domestic travel and subsistence-Un surrendered 30th Jun'16	(6,351,300.00)	-
Total	**113,406,393**	-

6 SUBSIDIES

Description	2015/2016 Kshs	2014/2015 Kshs
Subsidies to Public Corporations		
See list attached		
	-	-
	-	-
Subsidies to Private Enterprises		
See list attached	-	-
	-	-
TOTAL	-	-

7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015/2016 Kshs	2014/2015 Kshs
Transfers to National Government entities		
See attached list	-	-
Transfers to Counties		
County Assembly Car Loan Fund Account	-	-
(insert name of budget agency)	-	-
TOTAL	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER GRANTS AND TRANSFERS

Description	2015/2016 Kshs	2014/2015 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	-	-

9 SOCIAL SECURITY BENEFITS

Description	2015/2016 Kshs	2014/2015 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

Description	2015/2016 Kshs	2014/2015 Kshs
Non financial assets		
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-

Description	2015/2016 Kshs	2014/2015 Kshs
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
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	-	-

11 FINANCE COSTS

Description	2015/2016 Kshs	2014/2015 Kshs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance Costs	3,214.08	-
Total	3,214.08	-

12 OTHER PAYMENTS

Description	2015/2016 Kshs	2014/2015 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	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13A BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2015/2016	2014/2015
		Kshs	Kshs
CENTRAL BANK OF KENYA-KSh A/C 1000244941	Recurrent	1,187,540.45	-
CENTRAL BANK OF KENYA-KSh A/C 1000283262	Recurrent	0.00	-
COOPERATIVE BANK OF KENYA-KSh A/C 0114144545000	Recurrent	(3,214.08)	-
Total		**1,184,327**	**-**

13B CASH IN HAND

Description	2015/2016	2014/2015
	Kshs	Kshs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	**-**	**-**

Cash in hand should be analysed as follows:

Description	2015/2016	2014/2015
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	**-**	**-**

14 ACCOUNTS RECEIVABLE

Description	2015/2016	2014/2015
	Kshs	Kshs
Government Imprests	6,351,300.00	-
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	6,351,300.00	-

See Annex 5 for a detailed analysis of the outstanding imprests.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 ACCOUNTS PAYABLE

Description	2015/2016 Kshs	2014/2015 Kshs
Deposits and Retentions	-	-
Total	-	-

16 FUND BALANCE BROUGHT FORWARD

Description	2015/2016 Kshs	2014/2015 Kshs
Bank accounts	-	
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	-	-

17 OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2015/2016 Kshs	2014/2015 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

Description / Name of Staff	2015/2016 Kshs	2014/2015 Kshs
Total		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.3: OTHER PENDING PAYABLES (See Annex 3)

Description	2015/2016	2014/2015
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Total	-	-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Outstanding Balance 2015	Outstanding Balance 2016
	a	d=a-c	
Construction of buildings			
Sub-Total			
Construction of civil works			
JAFCOM KENYA LIMITED-OFFICE REFURBISHMENT	1,828,812		1,828,812
SOLLITES (K) LTD-TOILETS REFURBISHMENT	2,642,051		2,642,051
JYAN CONSTRUCTION SERVICES	3,387,147		3,387,147
Sub-Total	**7,858,010**		**7,858,010**
Supply of goods			
BINGLEY LIMITED	83,500		83,500
ROSE PRINTING SERVICES	848,000		848,000
OUTERSPACE TECHNOLOGY	1,614,000		1,614,000
TOP TIME ENTERPRISES LTD	2,120,000		2,120,000
DALSAN GENERAL SUPPLIES LTD	397,430		397,430
DALSAN GENERAL SUPPLIES LTD	651,332		651,332
CELLNET LTD	710,000		710,000
ATHMAK ENTERPRISES	957,664		957,664
HANAD INVESTMENTS	1,136,410		1,136,410
SADAMA INVESTMENTS	1,236,590		1,236,590
FONE FUN AND GENERAL SUPPLIES	1,409,612		1,409,612
HAM INVESTMENT	1,940,172		1,940,172
KAMACHI AGENCIES	2,050,172		2,050,172
ROLIAN AGENCIES	3,010,776		3,010,776
BRYCAR INTERNATIONAL LTD	80,603		80,603
OUTERSPACE TECHNOLOGY	72,500		72,500
ATHMAK ENTERPRISES	1,073,000		1,073,000
BESTBUYS TECHNOLOGIES	1,200,000		1,200,000
FAIRATE SUPPLIER LTD	147,172		147,172
FARIE INVESTMENT LTD	701,000		701,000

HAM INVESTMENTS	2,987,466		2,987,466
ISLAND UNIFORMS LTD	57,000		57,000
MARWAA GENERAL SUPPLIES LTD	2,480,000		2,480,000
MILDSTORM LIMITED	190,000		190,000
MACRO STEPS ENTERPRISES	952,160		952,160
NUNET COMPUTER SYSTEMS	500,000		500,000
OCEAN DRIVE INVESTMENT LTD	2,162,069		2,162,069
PONG AGENCIES	500,000		500,000
PONG AGENCIES	352,000		352,000
PENTIUM SYSTEMS	454,000		454,000
PENTIUM SYSTEMS	957,664		957,664
PENTIUM SYSTEMS	179,400		179,400
SOUTH URBAN LOGISTICS	660,000		660,000
SOUTH URBAN LOGISTICS	1,665,400		1,665,400
THE PRINT EXPERTS	995,690		995,690
URBAN FORCE GROUP LIMITED	330,000		330,000
UNCLE RIVERSIDE INVESTMENT LTD	776,000		776,000
Sub-Total	**37,638,782**		**37,638,782**
Supply of services			
RADIO MAISHA	110,200		110,200
SALAMA BEACH HOTEL	80,000		80,000
NATIONAL COUNCIL FOR LAW REPORTING	348,700		348,700
NORTH COAST BEACH HOTEL , MOMBASA	70,000		70,000
NORTH COAST BEACH HOTEL , MOMBASA	276,500		276,500
COUNTY ASSEMBLY FORUM(C.A.F)	500,000		500,000
KENYA BROADCASTING CORPORATION (KBC)	66,893		66,893
MASUMALI MEGHJI INSURANCE BROKERS	9,074,620		9,074,620
APOLLO MWINDE NGONZE	250,000		250,000
KENYA INSTITUTE OF SUPPLIES MANAGEMENT (KISM)	145,000		145,000
ZARAS TRAVELS	60,785		60,785
DIANI SEA RESORT	202,500		202,500
CENTER FOR ADVANCED PROCUREMENT STUDIES	132,000		132,000
MEDIAMAX NETWORK LTD	154,000		154,000
INSTITUTIONAL CONSULTANTS	180,000		180,000
SATGURU TRAVELS AND TOURS SERVICES LTD	202,160		202,160

TIWI BEACH HOTEL /HILL PARK HOTEL	227,586		227,586
ZARA'S TRAVEL	238,980		238,980
NORTH COAST BEACH HOTEL	258,879		258,879
NATION MEDIA GROUP LTD	275,000		275,000
THE STANDARD GROUP LTD	288,970		288,970
NATION MEDIA GROUP LTD	309,540		309,540
SHIMASY TRAVEL COMPANY LTD	378,200		378,200
CAPITAL GRAPHICS LTD	469,397		469,397
NATION MEDIA GROUP	98,600		98,600
ZARA'S TRAVEL	88,485		88,485
TOYOTA KENYA LTD	74,077		74,077
GASARO HOTEL LTD	73,966		73,966
ZARA'S TRAVEL	63,985		63,985
NORTH COAST BEACH HOTEL	59,741		59,741
AAR INSURANCE KENYA LTD	3,500,000		3,500,000
DOLPHIN GLOBAL VENTURES	56,897		56,897
GASARO HOTEL	36,983		36,983
CENTER FOR PARLIAMENTARY STUDIES	35,000		35,000
NORTH COAST BEACH HOTEL	29,871		29,871
AYMAKOP ENTERPRISES	81,245		81,245
AYMAKOP ENTERPRISES	49,513		49,513
ARTFUL EYES PRODUCTIONS LTD	174,800		174,800
BEAUMONT RESORT LTD	110,000		110,000
CASTLE ROYAL HOTEL	54,000		54,000
COUNTY ASSEMBLY FORUM	914,900		914,900
GALINA INTERNATIONAL LIMITED	1,706,897		1,706,897
JAMBOSEL GLOBAL AGENCIES	227,360		227,360
JAMBOSEL GLOBAL AGENCIES	30,000		30,000
JAMBOSEL GLOBAL AGENCIES	50,000		50,000
JKUAT MOMBASA CBD CAMPUS	656,000		656,000
KENYA SAFARI LODGES & HOTELS	170,000		170,000
KLASS TRAVEL AND TOURS (MSA) LTD	183,390		183,390
KLASS TRAVEL AND TOURS (MSA) LTD	245,000		245,000
KLASS TRAVEL AND TOURS (MSA) LTD	167,320		167,320
KLASS TRAVEL AND TOURS (MSA) LTD	61,500		61,500
KLASS TRAVEL AND TOURS (MSA) LTD	254,235		254,235
KENYA METHODIST UNIVERSITY	840,000		840,000
MEDIAMAX NETWORK LIMITED	255,200		255,200

MEDIAMAX NETWORK LIMITED	435,000		435,000
MEDIAMAX NETWORK LIMITED	87,000		87,000
NISSAN KENYA CROWN MOTORS GROUP LTD	400,549		400,549
PARIBAS INTERNATIONAL	30,000		30,000
SATGURU TRAVELS AND TOUR SERVICE LTD	211,140		211,140
SATGURU TRAVELS AND TOUR SERVICE LTD	187,530		187,530
SATGURU TRAVELS AND TOUR SERVICE LTD	194,155		194,155
THE DIRECTOR GENERAL-NITA	8,050		8,050
THE STANDARD GROUP LTD	90,480		90,480
THE SUN PUBLISHERS	150,730		150,730
THE SUN PUBLISHERS	308,418		308,418
THE SUN PUBLISHERS	150,730		150,730
THE SUN PUBLISHERS	308,418		308,418
TUM ENTERPRISES LTD	818,675		818,675
THE STAR	124,960		124,960
TRAVART INTERNATIONAL LTD	82,320		82,320
TRAVELLERS BEACH HOTEL	876,000		876,000
UNION BUREAU ENTERPRISES	68,500		68,500
UNIVERSITY OF NAIROBI (MOMBASA CAMPUS)	80,000		80,000
Sub-Total	**29,261,529**		**29,261,529**
Grand Total	**74,758,322**		**74,758,322**

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Outstanding Balance 2015	Outstanding Balance 2016
		a	d=a-c	
FADHILI M. MAKARANI		11,575.55		11,575.55
DHULKIFLY HEMED		60,000.00		60,000.00
JABES M. ODUOR		16,000.00		16,000.00
MWINYI BABU		12,600.00		12,600.00
CHRISTINE MUDUDA		8,900.00		8,900.00
CHRISTINE MUDUDA		26,997.00		26,997.00
KASSIM UMEYA		30,600.00		30,600.00
PATRICIAH NZIOKA		70,000.00		70,000.00
KASSIM UMEYA		60,000.00		60,000.00
ANTONY MUSAU		117,000.00		117,000.00
ABDALLAH KHAMISI		26,000.00		26,000.00
JANE SAMIRA KAVEZAH		56,800.00		56,800.00
MAIMUNA MWAWASI		79,000.00		79,000.00
IBRAHIM KONDO		100,000.00		100,000.00
CHRISTINE MUDUDA		34,000.00		34,000.00
CHRISTINE MUDUDA		8,100.00		8,100.00
ISRAEL RUHU		17,200.00		17,200.00
ISRAEL RUHU		4,500.00		4,500.00
EVE SEBBY		211,600.00		211,600.00
PENINAH MWIKALI		512,500.00		512,500.00
CORNELLIUS OMWERI		16,600.00		16,600.00
MARIAM MENZA		83,000.00		83,000.00
PATIENCE MSHENGA		16,600.00		16,600.00
MARY KAROTHI		66,000.00		66,000.00
BERNARD OGOLA		80,400.00		80,400.00

JUMA SHEE		20,500.00		20,500.00
JILO KIDAI		39,000.00		39,000.00
PAUL MULILA		75,600.00		75,600.00
ABDALLAH KHAMIS ABDALLAH		147,900.00		147,900.00
LEAH WANJA		136,500.00		136,500.00
JILO KIDAI		136,500.00		136,500.00
HUDSON KARUME		132,740.00		132,740.00
JACKSON MWANGI		34,000.00		34,000.00
PENINAH MWIKALI		150,500.00		150,500.00
EVE SEBBY		174,300.00		174,300.00
NASRA OMAR		174,800.00		174,800.00
FATUMA OMARI		201,600.00		201,600.00
NASRA AHMED		323,400.00		323,400.00
MARIAM MENZA		441,000.00		441,000.00
HASSAN MWACHIMAKO		1,214,500.00		1,214,500.00
SALMA MARO		76,000.00		76,000.00
HASSAN MWACHIMAKO		71,400.00		71,400.00
VINCENZA TUBMUN		70,000.00		70,000.00
SERAH NYAMVULA		70,000.00		70,000.00
ISRAEL RUHU		69,100.00		69,100.00
PENINAH MWIKALI		68,000.00		68,000.00
JILO KIDAI		62,000.00		62,000.00
MOVINE ATIENO		46,200.00		46,200.00
PAUL MUTUNGI MULILA		28,400.00		28,400.00
ISRAEL RUHU		28,400.00		28,400.00
JACKSON MWANGI		28,200.00		28,200.00
JACKSON MWANGI		24,200.00		24,200.00
ISRAEL RUHU		21,500.00		21,500.00
CHRISTINE MUDUDA		16,900.00		16,900.00
EMILY SIALO.		304,000.00		304,000.00
DAVID MANGI.		148,200.00		148,200.00
DAVID MANGI.		148,200.00		148,200.00

DAVID MANGI.		62,000.00		62,000.00
TRIZER MWANYIKA.		10,000.00		10,000.00
DOROTHY AUMA.		30,000.00		30,000.00
LUCY CHIZI.		174,800.00		174,800.00
DOROTHY AUMA.		32,000.00		32,000.00
AHMED OMAR.		48,000.00		48,000.00
ABDALLA ALI.		64,800.00		64,800.00
ABDALLA KHAMIS.		62,000.00		62,000.00
DICKSON MUTUNE		799,800.00		799,800.00
THADEUS RAJWAYI		39,600.00		39,600.00
CLARA MWACHOKI		68,000.00		68,000.00
PAUL MULILA		20,000.00		20,000.00
DICKSON MUTUNE		50,400.00		50,400.00
CHRISTINE MUDUDA		23,500.00		23,500.00
ISRAEL RUHU		20,000.00		20,000.00
UMMI BASHIR		23,500.00		23,500.00
EVE SEBBY		500,800.00		500,800.00
JIMMY WALIAULA		30,000.00		30,000.00
NASRA AHMED		152,692		152,692
DOROTHY ADHOCH		177,992		177,992
MSWABAH RASHID		177,992		177,992
ZAINAB MUMBA		177,992		177,992
ZAINAB SAID ALI		177,992		177,992
EVE SEBBY		236,800		236,800
RHODA VINCENZA		538,000		538,000
MORRIS SHEHE		822,400		822,400
VINCENT NDEGE		124,000.00		124,000.00
ISRAEL RUHU		115,200.00		115,200.00
TRIZER MWANYIKA		96,000.00		96,000.00
SALMA MARO		96,000.00		96,000.00
BERNARD OGOLA		87,600.00		87,600.00
SALMA MARO		72,000.00		72,000.00
EMILY SIALO		60,800.00		60,800.00

Sub-Total		11,582,172.55		11,582,172.55
Grand Total		11,582,172.55		11,582,172.55

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	Historical Cost FY2015/2016 KShs	Historical Cost FY2015/2016 KShs
Land	-	-
Buildings and structures	-	-
Transport equipment	-	-
Office equipment, furniture and fittings	-	-
ICT Equipment, Software and Other ICT Assets	-	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	-	-

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*
HRH SENSITIZATION MEETING.	21/01/2016	45,000.00		45,000.00
GLOBAL YOUTH SUMMIT-PLERIMINARY DISCUSSION.	21/01/2016	174,800.00		174,800.00
CPST TRAINING FOR PIC/PAC CTEE IN NAKURU.	28/01/2016	296,100.00		296,100.00
AD HOC CTEE TO PROBE CPSB CHAIRPERSON.	03/02/2016	300,000.00		300,000.00
BENCHMARKING VISIT TO KILIFI-PIC/PAC CTEE.	03/02/2016	176,000.00		176,000.00
VISIT TO NATIONAL TREASURY.	10/02/2016	48,000.00		48,000.00
CPST TRAINING FOR CLERK ASSISTANTS.	17/02/2016	208,000.00		208,000.00
BENCHMARKING ON BEST PRACTISE FOR CASB-UAE.	04/03/2016	286,068.00	268,068.00	18,000.00
BENCHMARKING ON BEST PRACTISE FOR CASB-UAE.	04/03/2016	244,292.00	224,292.00	20,000.00
VALIDATION OF LEGISLATIVE GUIDE-KILIFI.	04/03/2016	874,000.00		874,000.00
BENCHMARKING ON BEST PRACTICE FOR CASB-UAE.	04/03/2016	244,292.00	224,292.00	20,000.00
BENCHMARKING ON BEST PRACTICE FOR CASB-UAE.	04/03/2016	244,292.00	226,292.00	18,000.00
BENCHMARKING ON BEST PRACTICE FOR CASB-UAE.	04/03/2016	244,292.00	226,292.00	18,000.00
KICOSCA/ELASCA MEETING NAIVASHA.	07/03/2016	66,000.00		66,000.00
TRAVEL TO NAIROBI FOR CHAIRMAN OF TOURISM,DEVELOPMENT & CULTURE.	15/03/2016	48,000.00		48,000.00
MENTORSHIP PROGRAMME FOR WOMEN MCAs	23/03/2016	20,000.00		20,000.00
MENTORSHIP PROGRAMME FOR WOMEN MCAs	23/03/2016	20,000.00		20,000.00
LAUNCHING OF CA STRATEGIC PLAN.	06/05/2016	1,177,600.00		1,177,600.00
KICOSCA/ELASCA MEETING-KIAMBU	13/05/2016	436,400.00		436,400.00
BENCHMARKING VISIT TO KISUMU COUNTY-CTEE ON IMPLEMENTATION	16/06/2016	500,800.00		500,800.00
KICOSCA MEETING IN KIAMBU	23/06/2016	436,400.00		436,400.00
TASK FORCE TO DELIBERATE ON AUDIT QUERIES FOR THE FY 2013/14	24/06/2016	822,400.00		822,400.00
STRATEGIC LEADERSHIP AND DEVT PROGRAM AT KSG	24/06/2016	96,000.00		96,000.00

PREPARATION OF CASHFLOW PROJECTION FOR THE FY 2016/17	24/06/2016	330,200.00		330,200.00
CBK FOLLOW UP FOR FUNDING	08/06/2016	87,600.00		87,600.00
KICOSCA MEETING IN KIAMBU	23/06/2016	94,000.00		94,000.00
Total		**7,520,536.00**	**1,169,236.00**	**6,351,300.00**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report from IFMIS)