REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF NAKURU

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY ASSEMBLY OF NAKURU

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)

KENYA NATIONAL AUDIT OFFICE
SOUTH RIFT HUB
20 JAN 2017
RECEIVED
P.O. BOX 1050-20100 NAKURU

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is established by Article 176 of the Constitution of Kenya 2010. The County Assembly under article 185 {1, 2, 3 & 4} has been bestowed with the legislative authority of the County Government, and oversight role over the County Executive Committee and any other County Executive organs as well as receiving and approving plans and policies on the management and exploitation of the County's resources; and the development and management of its infrastructure and institutions.

(b) Key Management

The County Assembly is steered by the County Assembly Service Board. The County Assembly Service Board consists of the Speaker of the County Assembly as the Chairperson; the Leader of the Majority party, the leader of the Minority party, and one person resident in the County, appointed by the County Assembly from among persons who have knowledge and experience in public affairs, but who is not a Member of the Count Assembly.
The County Assembly clerk is the secretary to the County Assembly Service Board.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	County Assembly Clerk	**Joseph Malinda**
2.	Principal Finance Officer	**Jane Waweru**
3.	Procurement Officer	**Annmarie Kuria**
4.	Senior Administration Officer	**Racheal Cherutich**

(d) Fiduciary Oversight Arrangements

The County Assembly Service Board prepares annual estimates of expenditure of the County Assembly and submits them to the County Assembly for approval and also exercises budgetary control over the service.

(e) County Assembly of Nakuru Headquarters

COUNTY ASSEMBLY BUILDING
P.O. Box 907-20100
GEORGE MORARA Rd.
Nakuru, KENYA

(f) Contacts

Telephone: (254) 051-2216472, 0722590098
E-mail: clerkassembly@nakurucounty.go.ke
Website: www.nakurucounty.org.ke

(g) Bankers

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

2. Co-operative Bank of Kenya Ltd
   Co-operative Bank House,
   Haile Selassie Avenue
   P.O. Box 48231
   GPO 00100
   Nairobi, Kenya

3. Family Bank of Kenya Ltd
   Family Bank Towers,
   Nakuru Finance Branch
   P.O Box 74145-00200,
   Nairobi, Kenya.

(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

County Assembly of Nakuru performance during the FY 2015-2016 saw an improvement as indicated by the funds absorption rate of slightly over sixty nine percent. The Mortgage and a Car Loan funds performed tremendously and earned a cumulative interest of KES 3.3 Million. The programme for the Compensation of employees was partly run by Assembly by way of Integrated Payroll and Personnel Database System while the payment was done by the County Treasury.

Despite the successes, the County Assembly had challenges too. The main challenge has been the disbursement of funds: as of now the funds are disbursed from the National Treasury to the County Treasury then to the County Assembly. This method has derailed the operations of the Assembly and timely execution of its core mandate of legislation, oversight and representation. Due to this aspect we recommend direct channelling of funds to County Assembly's accounts from the Central Bank.

Another challenge has been inadequacy of office space and the lack of Public gallery in the Chambers. The inherited offices of the defunct County Council have served us well but not sufficiently: the Members of County Assembly are squeezed in the offices and members of staff are sharing offices as well. The Assembly had budgeted for a public gallery in the FY 2015-2016 and plans to construct new office block in the FY 2016-2017.

The human resource has been another challenge in the Assembly. The County Assembly Service Board has recruited staff and will recruit on priority basis in the financial year 2016-2017. The optimum staff number will be attained once enough office space is available.

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 on 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 financial statements as well as the adequacy of the systems of internal financial controls.

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 quarter 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 19/1/2017 ~~2016~~

Clerk of the County Assembly

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Assembly of Nakuru set out on pages 8 to 31, 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. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the audit 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 Assembly's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1.0 Foreign Travel

1.1 Unsupported Foreign Travel Expenditure

A sum of Kshs.24,913,225 was incurred on foreign travel and subsistence, and other transport costs. Examination of expenditure records such as the cash book, payment vouchers and schedules provided however indicated that Kshs.24,913,225 was spent in the year, leading to an unexplained difference of Kshs.1,886,775. Most of the expenditure under foreign travel were in respect of air tickets, and night-outs /per diems. Some of the expenditures lacked proper/adequate documentation that would authenticate them, as discussed below:

1.1.2 Foreign Travel to London

The Assembly incurred Kshs.1,807,542 vide cheque numbers 002561 and 002564 both dated 18 August 2015 in respect of per diem paid to officers while attending training in London, United Kingdom, from 22 to 29 August, 2015. An invitation letter dated 11 August 2015 from ICPS (International Centre for Parliamentary Studies) addressed to the Clerk of Nakuru County Assembly indicated that training was for Professional Certificate in Parliamentary Affairs. Although, the management stated that the County Assembly Service Board approved the training, no evidence was provided showing the approval. Further, there was no evidence to show that the post training report was tabled for consideration by the County Assembly. It was also not clear how ICPS was able to determine the training needs and extend an invitation to the County Assembly of Nakuru without prior communication from the latter. Furthermore, the Assembly does not have a dully approved training policy.

1.1.3 Foreign Travel to Canada

The Assembly paid Kshs.2,349,015 (vide cheque number 002866 and 002874 both dated 12 October 2015) to the Members of the County Assembly on a working visit to the National Assembly of Quebec in Canada. The visit was to learn about parliamentary system of Quebec, industry; accountability and parliamentary control, research service and the parliamentary process. Although the management stated that the visit to Canada followed a series of correspondences between the Assembly and the Parliament of Quebec, copies of the correspondences were not provided for audit. There was no invitation letter addressed to the Clerk of the Assembly for the training. Further, it was not clear how the members of the delegation were identified since there was no evidence of approval by the County Assembly Service Board. In addition, no evidence was provided to show that the report arising from the visit was tabled in the County Assembly.

1.1.4 Foreign Travel to Australia

A payment of Kshs.766,720 vide cheque 002754 of 23/9/2015 was made to staff in respect of per diem while attending training in Australia. However, no invitation letter was attached to indicate the nature of the training, duration and those invited. It was not clear how the officers involved were identified to attend the training since there was no evidence of approval by the County Assembly Service Board. Further, the narration on the payment voucher indicated that the purpose of the visit was not only training but also fact finding mission into the academic credentials of Ms. Edith Wanjiku Kimani the County Chief Officer Department of Trade, Industrialization and Tourism. Although there was no evidence that it was tabled in the Assembly, the report arising from the trip indicated that the team was not able to establish the validity of Ms. Edith Wanjiku Kimani's academic transcripts and certificates. The purpose of the trip was therefore not achieved and the team subsequently referred the matter to the Commissioner of Higher Education, the office they ought to have consulted first. At the conclusion of training, it was agreed that a technical team be established by January 2016 to develop guidelines on areas of cooperation, but no such team was established.

1.1.5 Trip New Orleans USA

The County Assembly of Nakuru paid per diem of Kshs.2,891,832 to officers attending training at the International Legislative Drafting Institute in New Orleans USA. The undated invitation letter from The Public Law Centre (TPLC) was not addressed to the Clerk of the Assembly nor the Speaker. It was therefore not clear how the County Assembly Service Board on 10 May 2016 considered the letter to nominate Board members to attend training in New Orleans. In addition, the training programme together with daily attendance forms duly signed were not attached to authenticate what the training, reportedly held between 13 and 24 June 2016, covered. Further, there was no report arising from the training or evidence of its subsequent tabling in the County Assembly.

1.1.6 Trip to New York USA

The Nakuru County Secretary & Head of Public Service wrote letter Ref. NCG/S/MTS/VOL.VIII/76 of 21/8/2015 seeking the advice of Hon. Madam Speaker as to whether she would like some of the MCAs and herself to attend Social Accountability for Poverty Reduction and Inclusive Prosperity for First Ladies and NGOs Forum in New York USA. Subsequently, the Clerk to the Assembly vide letter Ref. CAN/EXE/1 of 26 August 2015 indicated that the Assembly nominated two MCAs to attend the forum. The MCAs were paid a total of Kshs.1,087,548 in imprests for a total of 11 days contrary to the invitation that indicated the conference was to be held for two days from 18 to 19 September 2015. Further, the management did not state the benefits that would accrue to the County Assembly as a result of the MCAs attending a forum meant for First Ladies. Also the copy of e-mail communication dated 13 September 2015 from a Mr. George Kwanya to the Principal Secretary did not indicate that there was an invitation to the County Government (and by extension, the County Assembly) to attend the said forum.

In view of the anomalies cited, it has not been possible to confirm that the expenditures constituted a proper charge on public funds.

2.0 Domestic Travel

A sum of Kshs.42,510,042 was incurred on domestic travel and subsistence allowance, and other transport costs. Examination of payment vouchers for domestic/night out allowances indicated that some expenditures incurred were not properly supported and accounted for as discussed below:

2.1 County Assembly Forum (CAF)

The Assembly paid per diem of Kshs.7,870,800 vide cheques 003497 and 003507 for Kshs.700,000 and Kshs.7,170,000 respectively to MCAs attending a County Assembly Forum (CAF) meeting in Mombasa from 22 to 27 May, 2016. Invitations to the forum were received via letter Ref. CAF/EC/148 of 18 May 2016 and letter Ref. CAF/CLERKS/284 of 17 May 2016. However, daily attendance sheets duly signed by participants were not presented for audit. Also, there was no timetable/programme to show the chronology of events. In view of these discrepancies, it is doubtful that the forum took place.

2.2 Inquiry by the Finance Committee

The County Assembly's Finance Committee incurred expenditure totaling Kshs.888,300 vide cheque number 003682 of 22 June 2016 while investigating the Lease Agreement between the County Government of Nakuru and M/s Chemusian Company and M/s Cityking Realtors Ltd. The Committee was mandated to investigate actions by some County Officials to erect illegal structures at the County Parking Lot thus leading to loss of revenue. The committee was to investigate an allegation on the intention to defraud the County Government of Kshs.9,756,000. Although the Sectorial Committee on Finance spent Kshs.888,300.00 while investigating the case, and made specific recommendations, these were not acted upon. Further, physical verification revealed that the illegal structures erected on Nakuru Municipality Block 9/92 land were still in place, and therefore the plot was not utilized as parking space as expected. As a result, the County Assembly did not demonstrate the benefits that accrued from the expenditure incurred by the Sectorial Finance Committee.

2.3 Hospitality Supplies and Services

During the year under review, the County Assembly spent Kshs.112,368,747 under hospitality supplies and services against a budget provision of Kshs.128,195,325. Some expenditures incurred under hospitality supplies and services had anomalies, as discussed below:

2.3.1 Board Meetings, Conferences and Seminars

Included under hospitality supplies and services was expenditure of Kshs.21,222,883 and Kshs.72,652,784 in respect of catering services and Board Meetings, Conferences and Seminars respectively, however the following irregularities were noted in relation to the expenditure:

a) Devolution Conference

On 14 April 2016, the Assembly management made a payment of Kshs.4,284,000 through IFMIS towards the devolution conference held in Meru from 19 to 23 April 2016. However, the payment voucher was raised before the event took place that is, the imprest was accounted for before the event. Although a list of MCAs indicating payment of per diem for six (6) days totaling Kshs.3,792,600 was attached, three (3) MCAs did not sign the schedule. Further, no evidence was provided to show participation and contributions of the MCAs during the six (6) days conference. In addition, no post conference report on deliberations and action points by the County Assembly was prepared for tabling in the County Assembly.

b) Consultative Forum for Assembly and the Executive

The Assembly spent Kshs.6,109,000 (paid vide cheque 002844 of 9 October, 2015) on per diem and transport for MCAs attending a consultative forum for County Assembly and Executive members of Nakuru County in Mombasa from 12-16 October 2015. The Members of the County Assembly, Speaker and a Board member were paid Kshs.5,334,000 per diem for five (5) days. An additional Kshs.750,000 was paid to all MCAs being transport reimbursement. The regulations used by the County Assembly to determine the transport reimbursement payment of Kshs.10,000 to each MCA were not explained. Notwithstanding this, no evidence was attached to show the dates the MCAs travelled to and from Mombasa. In addition, members of staff were paid Kshs.910,000 to attend the same function, but their mode of travel was not stated or clarified. No evidence was attached to show participation, contributions and tabling of the forum's discussions. The management did not state why they had to choose Mombasa as venue for an internal consultative forum rather than utilize their own facilities. The hotel facilities costed Kshs.810,000 but there was no evidence to show how the venue was identified. In addition, no Minutes or programs were availed to show the time-table of the daily events at the forum. As a result, it has not been possible to confirm the propriety of expenditure totaling Kshs.6,109,000 incurred on the event.

2.3.2 Donations

Included under hospitality supplies and services was Kshs.13,790,000 in respect of donations budgeted at Kshs.14,550,000. Examination of Assembly records revealed that the Assembly made donations totaling Kshs.2,000,000 which however were not supported by any documentation. Furthermore, the donations breached provisions of the Public Officer Ethics Act 2003 and did not constitute a proper charge on public funds.

In view of the anomalies cited, the propriety of the expenditures cannot be confirmed.

3.0 Expenditure on Non-Essential Goods and Services

Examination of payment vouchers and cashbook revealed that the Assembly spent Kshs.1,745,243 on diaries, calendars and x-mas cards, Kshs.723,000 on refreshments, car hire and photocopying documents all totaling Kshs.2,468,243. The purchases of diaries, calendars and x-mas cards were not taken-on-charge in the stores records and were not supported by issue notes indicating the persons or offices the items were issued to. Further, although, the management explained that the refreshments, chairs, tents, address systems, printing and photocopy services were acquired for public participation forums, the signed lists of persons who attended the forms were not availed for audit verification.

As a result, the propriety of the expenditure cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the County Assembly of Nakuru as at 30 June 2016, and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Other Matter

1.0 Budgetary Control

During financial year under review, the County Assembly budgeted to receive Kshs.1,077,395,655 but received Kshs.790,927,134 leading to under-funding of Kshs.286,468,521 and budget utilization rate of 73% as shown below:

Expenditure Item	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	%tage
Recurrent	792,840,396	727,595,269	65,245,127	8%
Development	284,555,259	63,331,865	221,223,394	77%
Total	**1,077,395,655**	**790,927,134**	**286,468,521**	**27%**

Further, out of the funds received, the County Assembly was able to meet her operational needs thus suggesting that it had no capacity to fully utilize what had been appropriated.

2.0 Car and Mortgage

2.1 Failure to Prepare Loans and Mortgages Fund Accounts

The County Assembly has established a Fund to offer Mortgages and Car Loan facilities to the MCA's and the Staff. A balance of Ksh.320,000,000 was disclosed in the financial statements as bank balance held at Family Bank of Kenya under Account No.01800055807. However, the County Assembly did not prepare financial statements for the Mortgages and Car Loan Fund as provided for in Section 167 of the

PFM Act 2012. Further, a report containing information on the financial and non-financial Performance of the Fund was not presented for audit review.

2.2 Collateral Documents for Car Loans

As previously reported, the County Assembly gave each of the 75 Members of the County Assembly (MCAs) a car loan of Kshs.2 million. However, logbooks for 15 beneficiaries were not registered jointly, as collateral, in the names of the respective beneficiaries and, the County Assembly Service Board. In the circumstance, the County Assembly is in breach of the law and public funds are at risk due to the short time remaining before the end of the term of the County Assembly.

3.0 Accountancy Services

On 30 July 2015 the County Assembly's head of accounts department raised store requisition No.3030 for consultancy services for preparation of 2014/2015 financial statements. Subsequently, the County Assembly tender committee meeting held on 5 August 2015 awarded M/s Henry Holding Ltd of P.O. Box 30243-00100 Nairobi a contract for preparation of financial statements for the period ending 30 June 2015 at a sum of Kshs.1,890,000 which was paid in whole. The firm had emerged as the lowest responsive bidder among three others. It was however not clear why the head of accounts department requisitioned for professional services, a core duty of the accounts department.

4.0 Audit Committee

In the year under review, the County Assembly of Nakuru did not have a functional audit committee as required by Clause 167 of the Public Finance Management (County Governments) Regulations, 2015. Under the circumstance, the County Assembly may not be able to effectively assess its strategic and operational risks or review the adequacy of its internal controls.

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

Nairobi

15 August 2017

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015/16 KES	2014/15 KES
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	797,619,874	769,366,903
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	3,332,540	-
TOTAL RECEIPTS		**800,952,414**	**769,366,903**
PAYMENTS			
Compensation of Employees	4	293,153,745	-
Use of goods and services	5	418,367,388	439,669,257
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	79,406,001	111,863,260
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		**790,927,134**	**551,532,517**
SURPLUS/DEFICIT		**10,025,280**	**217,834,386**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19/1/2017 ~~2016~~ and signed by:

Clerk of the Assembly

Principal Finance Office – County Assembly

IV. STATEMENT OF FINANCIAL ASSETS

	Note	2015/16 KES	2014/15 KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	330,934,112	367,951,158
Cash Balances	13B	-	-
Total Cash and cash equivalents		**330,934,112**	**367,951,158**
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		330,934,112	367,951,158
NET FINANCIAL ASSETS		**330,934,112**	**367,951,158**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**330,934,112**	**367,951,158**
REPRESENTED BY			
Fund balance b/fwd.	16	367,951,158	150,116,772
Surplus/Deficit for the year		10,025,280	217,834,386
Prior Year Adjustments	17	(47,042,326)	-
NET FINANCIAL POSITION		**330,934,112**	**367,951,158**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 19/1/2017 2016 and signed by:

Clerk of the Assembly

Principal Finance Officer – County Assembly

V. STATEMENT OF CASHFLOW

	Note	2015/16 KES	2014/15 KES
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	797,619,874	769,366,903
Other Receipts	3	3,332,540	-
Payments for operating expenses	4	(293,153,745)	-
Compensation of Employees			
Use of goods and services	5	(418,367,388)	(439,668,257)
Net cash flows from operating activities		**89,431,281**	**329,697,646**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(79,406,001)	(111,863,260)
Net cash flows from investing activities		**(79,406,001)**	**(111,863,260)**
NET INCREASE IN CASH AND CASH EQUIVALENT		10,025,280.15	217,834,386.00
Cash and cash equivalent at BEGINNING of the quarter		367,951,158.00	150,116,772.00
Adjusting Opening Balance	17	- 47,042,326.00	-
Cash and cash equivalent at END of the quarter		**330,934,111.86**	**367,951,158.00**
As per statement of assets		**330,934,111.86**	**367,951,158.00**

The explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 19/1/2017 2016 and signed by:

Clerk of the Assembly

Principal Finance Officer– County Assembly

COUNTY ASSEMBLY OF NAKURU
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016
TRIAL BALANCE

	2015/2016	
	DR	CR
Transfers from County Treasury	-	797,619,874
Interest Earned from Car & Mortgage Fund account	-	3,332,540
Compensation of Employees	293,153,745	
Utilities, supplies and services	9,656,720	
Communication, supplies and services	5,287,287	
Domestic travel and subsistence	42,510,042	
Foreign travel and subsistence	24,913,225	
Printing, advertising and information supplies & services	13,280,720	
Rental Expenses	40,770,140	
Training expenses	7,738,486	
Hospitality supplies and services	112,368,747	
Insurance costs	22,662,892	
Specialized materials and services	3,218,116	
Office and general supplies and services	19,772,528	
Other operating expenses	962,619	
Membership Fees, Dues And Subscriptions To Professional And Trade Bodies	2,337,156	
Legal Dues/fees, Arbitration and Compensation Payments	13,859,160	
Contracted Professional Services	3,170,048	
Committee Meeting Expenses (Sitting Allowances)	78,869,329	
Routine maintenance – vehicles and other transport equipment	6,589,896	
Routine maintenance – other assets		

	2,441,628	
Fuel,oil and lubricants	7,958,649	
Refurbishment of Buildings	6,021,043	
Purchase of Vehicles and Other Transport Equipment	5,200,800	
Purchase of Office Furniture and General Equipment	2,075,594	
Purchase Of Household And Institutional Appliances	5,428,030	
Purchase of Genset And Household Appliances	8,140,437	
Purchase of Air conditioners, Fans, Heating Appliances & CCTV security Services	630,112	
Purchase of Software	2,739,600	
Construction of Cafeteria	7,132,735	
Construction of Public Gallary	2,824,222	
Purchase of Hansard Equipments	8,985,360	
CCTV Biometric security system	4,040,325	
Construction Of Access Road	625,500	
Debt Resolution	14,974,445	
Acquisition of Land and Construction of Speaker's Residence	10,587,798	
Cash at bank	10,025,280	
	800,952,414	**800,952,414**

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

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Transfers from the County Treasury/Exchequer Releases	**1,029,444,949**	**47,950,706**	**1,077,395,655**	**800,952,414**	**276,443,241**	**74%**
Use of goods and services						
Compensation to employees	303,896,000	-7,500,000	296,396,000	293,153,745	3,242,255	99%
Utilities, supplies and services	11,000,000	-434,929	10,565,071	9,656,720	908,351	91%
Communication, supplies and services	4,404,000	1,860,000	6,264,000	5,287,287	976,713	84%
Domestic travel and subsistence	49,500,000	10,100,000	59,600,000	42,510,042	17,089,958	71%
Foreign travel and subsistence	24,000,000	2,800,000	26,800,000	24,913,225	1,886,775	93%
Printing, advertising and information supplies & services	18,000,000	-3,550,000	14,450,000	13,280,780	1,169,220	92%
Rentals of produced assets	44,000,000	700,000	44,700,000	40,770,140	3,929,860	91%
Training expenses	11,500,000	-400,000	11,100,000	7,738,486	3,361,514	70%
Hospitality supplies and services	87,510,396	26,134,365	113,644,761	112,368,747	1,276,014	99%
Insurance costs	36,000,000	-13,000,000	23,000,000	22,662,892	337,108	99%
Specialized materials and services	6,600,000	-150,000	6,450,000	3,218,116	3,231,884	50%
Fuel, oil and lubricants	8,000,000	50,000	8,050,000	7,958,649	91,351	99%
Other operating expenses	2,130,000	50,000	2,180,000	962,619	1,217,381	93%
Membership Fees, Dues and Subscriptions to professional	4,000,000	-1,500,000	2,500,000	2,337,096	162,904	93%

Legal Dues/ fees, Arbitration and compensation Payments	18,000,000	0	18,000,000	13,859,160	4,140,840	77%
Contracted Professional Services	3,500,000	500,000	4,000,000	3,170,048	829,952	79%
Committee Meeting Expenses	110,000,000	-30,800,000	79,200,000	78,869,329	330,671	99%
Routine Maintenance - Other Assets	3,000,000	800,000	3,800,000	2,441,628	1,358,372	64%
Office and general Supplies and Services	17,500,000	3,150,000	20,650,000	19,772,528	877,472	96%
Routine Maintenance-Vehicles and other Transport Equipment	5,000,000	1,700,000	6,700,000	6,589,896	110,104	98%
Purchase of Motor Vehicles-	0	5,500,000	5,500,000	5,200,800	299,200	95%
Purchase of Office Furniture and Fittings	3,800,000	0	3,800,000	2,075,594	1,724,406	55%
Purchase of Computers, Printers and other IT Equipment, Hansard & Generator	16,134,552	7,240,467	23,375,019	8,985,360	14,389,659	38%
Purchase of Other tools and equipment	1,370,001	-19,437	1,350,564	630,112	720,452	47%
Construction of Speaker's House - County Assembly of Nakuru	15,000,000	6,690,000	21,690,000	10,587,798	11,102,202	49%
Construction of Public ANNEX - County Assembly of Nakuru	15,000,000	4,335,000	19,335,000	2,824,222	16,510,778	15%
Construction of Members Cafeteria - County Assembly of Nakuru	0	11,000,000	11,000,000	7,132,735	3,867,265	65%
CCTV And Biometric Security Systems	0	4,053,111	4,053,111	4,040,325	12,786	99%
Refurbishment of Buildings	10,000,000	7,456,063	17,456,063	6,021,043	11,435,020	34%
Construction Of Access Road	60,000,000		60,000,000	625,500	59,374,500	1%
Purchase Of Household And Institutional Appliances	8,600,000	-2,210,000	6,390,000	5,428,030	0	84%
Purchase of Software	2,000,000	1,200,000	3,200,000	2,739,600	0	86%
Genset	-	6,508,661	6,508,661	8,140,437	-1,631,776	125%
Debt Resolution	-	5,687,405	5,687,405	14,974,445	-9,287,040	263%

Construction of a modern Office Complex	30,000,000.00		30,000,000		30,000,000	0%
Drilling & Equipping of a bore hole	5,000,000.00		5,000,000		5,000,000	0%
Chambers Configuration	15,000,000.00		15,000,000		15,000,000	0%
Members of staff Mortgage & car loan	80,000,000.00		80,000,000		80,000,000	0%
	1,029,444,949	**47,950,706**	**1,077,395,655**	**790,927,134**	**286,468,521**	**74%**

(a) The Utilization of the Development vote head was the lowest at 26% because of late disbursement of the development account funds as well as the long tendering process involving construction as stipulated in the Public Procurement and Disposal Act.

The entity financial statements were approved on 19/1/2017 ~~2016~~ and signed by:

Clerk of the Assembly

Principal Finance Officer– County Assembly

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

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Transfers from the County Treasury/Exchequer Releases	**792,810,397**	**29,999**	**792,840,396**	**727,595,269**	**65,245,127**	**92%**
Use of goods and services						
Compensation to employees	303,896,000	-7,500,000	296,396,000	293,153,745	3,242,255	99%
Utilities, supplies and services	11,000,000	-434,929	10,565,071	9,656,720	908,351	91%
Communication, supplies and services	4,404,000	1,860,000	6,264,000	5,287,287	976,713	84%
Domestic travel and subsistence	49,500,000	10,100,000	59,600,000	42,510,042	17,089,958	71%
Foreign travel and subsistence	24,000,000	2,800,000	26,800,000	24,913,225	1,886,775	93%
Printing, advertising and information supplies & services	18,000,000	-3,550,000	14,450,000	13,280,780	1,169,220	92%
Rentals of produced assets	44,000,000	700,000	44,700,000	40,770,140	3,929,860	91%
Training expenses	11,500,000	-400,000	11,100,000	7,738,486	3,361,514	70%
Hospitality supplies and services	87,510,396	26,134,365	113,644,761	112,368,747	1,276,014	99%
Insurance costs	36,000,000	-13,000,000	23,000,000	22,662,892	337,108	99%
Specialized materials and services	6,600,000	-150,000	6,450,000	3,218,116	3,231,884	50%
Fuel, oil and lubricants	8,000,000	50,000	8,050,000	7,958,649	91,351	99%
Other operating expenses	2,130,000	50,000	2,180,000	962,619	1,217,381	93%
Membership Fees, Dues and Subscriptions to professional	4,000,000	-1,500,000	2,500,000	2,337,096	162,904	93%
Legal Dues/ fees, Arbitration and compensation Payments	18,000,000	0	18,000,000	13,859,160	4,140,840	77%
Contracted Professional Services	3,500,000	500,000	4,000,000	3,170,048	829,952	79%
Committee Meeting Expenses	110,000,000	-30,800,000	79,200,000	78,869,329	330,671	99%
Routine Maintenance - Other Assets	3,000,000	800,000	3,800,000	2,441,628	1,358,372	64%
Office and general Supplies and Services	17,500,000	3,150,000	20,650,000	19,772,528	877,472	96%
Routine Maintenance-Vehicles and other	5,000,000	1,700,000	6,700,000	6,589,896	110,104	98%

Transport Equipment						
Purchase of Motor Vehicles-	0	5,500,000	5,500,000	5,200,800	299,200	95%
Purchase of Office Furniture and Fittings	3,800,000	0	3,800,000	2,075,594	1,724,406	55%
Purchase of Computers, Printers and other IT Equipment, Hansard & Generator	9,500,000	5,050,000	14,550,000	0	14,550,000	0%
Purchase of Other tools and equipment	1,370,001	-19,437	1,350,564	630,112	720,452	47%
Purchase of Software	2,000,000	1,200,000	3,200,000	2,739,600	460,400	86%
Purchase Of Household And Institutional Appliances	8,600,000	-2,210,000	6,390,000	5,428,030	961,970	84%
	792,810,397	**29,999**	**792,840,396**	**727,595,269**	**65,245,127**	**92%**

The entity financial statements were approved on 19/1/2017 ~~2016~~ and signed by:

Clerk of the Assembly

Principal Finance Officer– County Assembly

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

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Transfers from the County Treasury/Exchequer Releases	**236,634,552**	**47,920,707**	**284,555,259**	**63,331,865**	**221,223,394**	**65%**
Acquisition of Assets						
Construction of Speaker's House - County Assembly of Nakuru	15,000,000	6,690,000	21,690,000	10,587,798	11,102,202	49%
Construction of Public ANNEX - County Assembly of Nakuru	15,000,000	4,335,000	19,335,000	2,824,222	16,510,778	15%
Construction of Members Cafeteria - County Assembly of Nakuru	-	11,000,000	11,000,000	7,132,735	3,867,265	65%
CCTV And Biometric Security Systems	-	4,053,111	4,053,111	4,040,325	12,786	99%
Purchase of Hansard Equipments	6,634,552	2,190,467	8,825,019	8,985,360	-160,341	102%
Refurbishment of Buildings	10,000,000	7,456,063	17,456,063	6,021,043	11,435,020	34%
Construction Of Access Road	60,000,000		60,000,000	625,500	59,374,500	1%
Genset	-	6,508,661	6,508,661	8,140,437	-1,631,776	125%
Debt Resolution	-	5,687,405	5,687,405	14,974,445	-9,287,040	263%
Construction of a modern Office Complex	30,000,000.00		30,000,000		30,000,000	0%
Drilling & Equipping of a bore hole	5,000,000.00		5,000,000		5,000,000	0%

Chambers Configuration	15,000,000.00		15,000,000		15,000,000	0%
Members of staff Mortgage & car loan	80,000,000.00		80,000,000		80,000,000	0%
	236,634,552	**47,920,707**	**284,555,259**	**63,331,865**	**221,223,394**	**22%**

VIII. 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. 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 Nakuru. 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 Governments standard chart of accounts.
2. **Recognition of revenue and expenses**
   The County Assembly of Nakuru recognizes all revenues from the various sources when the event occurs and the related cash has actually been received by the County Assembly of Nakuru. In addition, the County Assembly of Nakuru recognizes all expenses when the event occurs and the related cash has actually been paid out by the County Assembly of Nakuru.
3. **In-Kind contributions**
   In-Kind contributions are donations that are made to the County Assembly of Nakuru in the form of actual goods and/services rather than in money or cash terms. These donations may include vehicles, equipment/personal services. Where the financial value received for in-kind contributions can be reliably determined, the *County Assembly of Nakuru* includes such value in the statements 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 purpose of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as 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 have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an

enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. **Non-current assets**

Noncurrent assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the County Assembly of Nakuru 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 *County Assembly of Nakuru* 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 receipt 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 *County Assembly of Nakuru's* budget was approved as required by Law and as detailed In the Government of Kenya Budget Printed Estimates. A high-level assessment of the *County Assembly of Nakuru'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**

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

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.

IX. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from the County Treasury/Exchequer Releases

	2015/16 KES	2014/15 KES
Ist Quarter	219,365,084	153,576,863
2nd Quarter	214,750,436	193,679,866
3rd Quarter	183,424,436	59,570,000
4th Quarter	180,079,918	362,540,174
Cumulative Amount	**797,619,874**	**769,366,903**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 PROCEEDS FROM SALE OF ASSETS

	2015/16 Kshs	2014/15 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	-	-

3 OTHER RECEIPTS

	2015/16 Kshs	2014/15 Kshs
Interest received from Car and Mortgage Fund Account	3,332,540	-
Total	**3,332,540**	-

4 COMPENSATION OF EMPLOYEES

	2015/16 Kshs	2014/15 Kshs
Basic salaries of permanent employees	177,662,438	-
Basic wages of temporary employees	-	-
	74,818,476	
Personal allowances paid as part of salary		-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	1,321,920	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	39,350,911	-
Total	**293,153,745**	-

5 USE OF GOODS AND SERVICES

Utilities, supplies and services	9,656,720	3,808,712
Communication, supplies and services	5,287,287	3,152,606
Domestic travel and subsistence	42,510,042	85,506,304
Foreign travel and subsistence	24,913,225	34,029,034
Printing, advertising and information supplies & services	13,280,720	13,446,205
Rentals of produced assets	40,770,140	67,347,970
Training expenses	7,738,486	7,361,026
Hospitality supplies and services	112,368,747	136,495,237
Insurance costs	22,662,892	18,541,936
Specialized materials and services	3,218116	2,028,404
Office and general supplies and services	19,772,528	1,493,876
Other operating expenses	962,619	41,629,388

5 USE OF GOODS AND SERVICES (Continued)

	2015/16 Kshs	2014/15 Kshs
Membership Fees, Dues and Subscriptions to professional	2,337,156	
Legal Dues/ fees, Arbitration and compensation Payments	13,859,160	
Contracted Professional Services	3,170,048	
Committee Meeting Expenses	78,869,329	
Routine maintenance – vehicles and other transport equipment	6,589,896	4,328,871
Routine maintenance – other assets	2,441,628	10,953,886
Fuel, oil and lubricants	7,958,649	9,545,805
Total	**418,367,388**	**439,669,257**

6 SUBSIDIES

Description	2015/16 Kshs	2014/15 Kshs
Subsidies to Public Corporations	-	-
Subsidies to Private Enterprises	-	-
TOTAL	-	-

7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015/16 Kshs	2014/15 Kshs
Transfers to National Government entities	-	-
Transfers to Counties	-	-
TOTAL	-	-

8 OTHER GRANTS AND TRANSFERS

	2015/16 Kshs	2014/15 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

	2015/16 Kshs	2014/15 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
		KES	KES
Refurbishment of buildings		6,021,043	16,075,045
Purchasing of Vehicles and other transport Equipment		5,200,800	2,700,000
Purchasing of Office Furniture and General Equipment		2,075,594	1,413,860
Purchasing of Household and Institutional Appliance		5,428,030	-
Purchasing of Genset and household Appliances		8,140,437	15,260,337
Purchasing of Air condition, Fan, heating Appliances and CCTV security service		630,112	-
Purchasing of software		2,739,600	
Construction of cafeteria		7,132,735	4,000,000
Construction of public gallery		2,824,222	1,665,000
Purchase of Hansard Equipment		8,985,360	9,309,534
CCTV Biometric Security system		4,040,325	4,846,889
Construction of access road		625,500	-
Debt Resolution (Tax penalties arrears)	17	14,974,445	15,312,595
Acquisition of Land and construction of Speaker Resident		10,587,798	41,280,000
Total		**79,406,001**	**111,863,260**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FINANCE COSTS

	2015/16	2014/15
	Kshs	Kshs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Total	-	-

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	Account Type	2015/16 Kshs	2014/15 Kshs
Co-operative bank of Kenya, Recurrent account No 01141506140000 currency Kenya shillings	Recurrent	2,618	47,951,158
Co-operative bank of Kenya and Development Account No 01141493959300 currency Kenya shillings	Development	7,598,496	-
Family Bank of Kenya ltd Car loan and Mortgage Account No 01800055807	Recurrent	320,000,000	320,000,000
Interest on Mortgage and Car Loan Account 01800067410 Currency Kenya shilling	Deposits	3,332,540	-
Central Bank of Kenya Account No 1000239778	Recurrent	458	-
Total		**330,934,112**	**367,951,158**

13B CASH IN HAND

	2015/16 Kshs	2014/15 Kshs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

14 ACCOUNTS RECEIVABLE

	2015/16 Kshs	2014/15 Kshs
Government Imprests	-	-
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	-	-

15 ACCOUNTS PAYABLE

	2015/16 Kshs	2014/15 Kshs
Deposits and Retentions	-	-
Total	-	-

16 FUND BALANCE BROUGHT FORWARD

	2015/16 Kshs	2014/15 Kshs
Bank accounts – Balance b/fwd.	150,116,772	150,116,772
Surplus/Deficit for the Year	217,834,386	-
Total	**367,951,158**	**150,116,772**

17.1 Prior Year Adjustment

County Assembly of Nakuru has been using bank balances when reporting the Cash and Cash equivalents which are different from cashbook balances due to unpresented cheques. We have adjusted the opening balances by taking the cashbook balances.

17.2 Pending Accounts Payable

Acquisition of Land and Construction of Speakers Residence (Perimeter Wall)	2,748,199

17.3 Debt Resolution

County Assembly of Nakuru incurred sh 14,974,445 against a budget of 5,687,405. The budget was in respect of principal payment on Value added Tax (VAT). County Assembly paid sh 5,060,254 which was the principal amount while KRA recovered sh 9,914,191 from the assembly as penalties. This was a contingent liability.

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Q1	Q2	Q3	Q4	TOTAL
Land	5,720,483			5,492,815	11,213,298
Buildings and structures	6,162,938	4,091,514	1,231,237	4,492,311	15,978,000
Transport equipment				5,200,800	5,200,800
Office equipment, furniture and fittings			290,000	7,853,736	8,143,736
ICT Equipment, Software and Other ICT Assets	2,646,985	1,433,340		11,674,960	15,755,285
Other Machinery and Equipment	5,644,910	1,855,401		640,126	8,140,437
Heritage and cultural assets					
Intangible assets		5,060,254		9,914,191	14,974,445
Total	20,175,316	12,440,509	1,521,237	45,258,939	79,406,001