REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF NAROK

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY GOVERNMENT OF NAROK

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

The Narok County Government's day-to-day management is under the following key organs:

- The County Executive Committees;
- The County Assembly;
- The County treasury; and
- The Ministries/Departments

(c) Fiduciary Management

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

Designation	Name
1. Governor	Hon. Samuel K. Tunai
2. Deputy Governor	Hon. Evalyn Aruasa
3. County Secretary	Mr. Lenku Seki
4. CECM - Administration, Coordination, Decentralization & Disaster Management	Hon. Allan Twala
5. CECM - Tourism & Wildlife	Hon. Lena Munge
6. CECM - Finance, Economic Planning ICT & E-Government	Hon. Morgan Siloma
7. CECM - Lands, Urban Development & Physical Planning	Hon Andrew Koisamon
8. CECM - Public Works, Roads & Transport	Hon. Ezekiel Rono
9. CECM - Education, Gender & Social Services	Hon. John Marindany
10. CECM - Health, Sanitation & Medical Services	Hon. Vivian Mpetti
11. CECM - Water, Environment & Natural Resources	Hon. Rebecca Nkouwa
12. CECM - Agriculture, Livestock Development & Fisheries	Hon. Nelson Keshei
13. CECM –Trade and Industry	Hon. Richard Birir
14. Clerk – County Assembly	Mr. Shedd Simotwo

(d) Fiduciary Oversight Arrangements

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

1. Lenku Seki-County Secretary
2. Alexius Njue Stephen- chief officer , Finance
3. Poire Kakui, Senior Assistant Accountant General/ Head of Treasury

(e) Entity Headquarters

P.O. Box 898-20500
County Headquarters House
Narok-Nakuru (C57) Highway
Narok, KENYA

(f) Entity Contacts

Telephone: (254) _____
E-mail: info@narok.go.ke
Website: www.narok.go.ke

(g) Entity Bankers

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

2. Kenya Commercial Bank
   Narok Branch,
   P. O. box 406-20500
   Narok

(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 CEC

I hereby forward the Financial Statements for the county Government of Narok for the Year ended 30th June 2016.

These financial statements are prepared in accordance with the provisions of the Public finance Management act 2012 S163 and Modified cash basis accounting under the Public Sector Accounting Standards (IPSAS).

The County government was incepted in March 2013, and these financial statements relate to the third year of its operations.

The Approved budget was Ksh. 8,306,980,318, out of which Ksh 5,588,974,795 was recurrent and Ksh 2,718,005,523 was development budget. In FY 2015/16, the County Government of Narok budgeted for total revenue of Ksh 8,306,980,318; own revenue amounting to Ksh 2,344,032,784 and Central Government transfers of Ksh. 5,287,901,138. And conditional grants of Ksh 657,156,396.

In FY 2015/16 the County Government of Narok spent a total of Ksh 7,586,036,417. Out of this, Ksh 2,538,215,381 was personnel wages Ksh 2,164,264,487 related to acquisition of assets while Ksh 2,883,553,881 was spent on operations and maintenance for the county and its entities.

Total revenue collected was Ksh 7,206,655,284. This was Ksh 5,287,901,138 from central Government, Ksh 165,816,194 for conditional grants and Ksh 1,752,937,952 from local sources. In Comparing receipts against payments under the strict cut off of the financial year, there is a resultant deficit of Ksh 379,378,465, which is covered by the fund balance at the beginning of FY 2015/16.

The County Government of Narok progressed well in implementing its programmes, key of which were rehabilitation of main roads to make them passable, Improve human and livestock health, water infrastructure development and facilitation of the business community in ensuring conducive environment for doing business.

In FY 2015/16, the County Government of Narok enhanced prudent financial management by ensuring that proper procurement processes were followed and enhanced the use of IFMIS for accountability and achievement of the value-for money in all our financial operations.

The county government of Narok was however faced with various challenges in the process of actualizing its activities. Some of them included:-

- The floods that affected Narok town and claimed lives and caused damage to property for the residents thus affecting the economy which in turn adversely affected revenue.
- Prolonged drought which affected crop production in sections of Narok county.

The county government of Narok is set to manage the challenges through public participation, Civic education, expansion of drains in Narok town and participatory leadership.

Sign

CEC
Narok County Government

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 Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

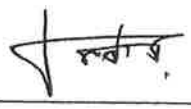
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2016, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government'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 CEC member for finance confirms that the County Government'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 CEC member for finance on _____ 2016.



County Executive Committee member – Finance

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Executive of Narok set out on pages 6 to 35, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development 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

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 misstatements, 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 judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the County Executive's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1.0 Maasai Mara Community Support Fund

The statement of receipts and payments reflects transfer to other government units balance of Kshs.780,252,940. Included in the balance is a sum of Kshs.196,495,936 that was remitted to the Maasai Mara Community Support Fund (MMCSF). The Fund was created through the Maasai Mara Community Support Fund Act, 2014. The objective of the Fund was to establish a framework for resource allocation to the local community, finance socio-economic development projects and improve health standards by allocating 19% of the entry fees collected from Maasai Mara game reserve to the Fund. However, the financial statements of the Fund were not prepared and presented for audit review as required by Section 116(7) of the Public Finance Management Act, 2012.

In the circumstances, the propriety of the expenditure amounting to Kshs.196,495,936 could not be confirmed.

2.0 Payment of Subsistence Allowances to County Public Service Board (CPSB) Members

The County Public Service Board incurred an expenditure of Kshs.2,749,800 in respect of subsistence allowance to various staff while on assignments away from their working station. However, there was no documentary evidence such as programme of work, attendance register, training programme and booking of conference facility, to justify payment of the allowances. The propriety of the expenditure was therefore in doubt.

3.0 Motor Vehicle Repairs and Maintenance

The statement of receipts and payments under use of goods and services included payments to various merchants were paid a total of Kshs.6,893,692 in respect of repairing and maintaining motor vehicles. However, inspections reports from the mechanical department requisition for repairs by the users and the conditions before and after the repairs, were not presented for audit verification. Therefore, the propriety of the repairs costs could not be confirmed.

4.0 Fixed Assets

Annex 4 to the financial statements shows that the fixed asset balance increased from Kshs.32,377,594,479 as at 30 June 2015 to Kshs.34,021,688,145 as at 30 June 2016, being an addition of Kshs.1,644,093,666. However, the statement of receipts and payments reflects an expenditure of Kshs.2,174,760,423 which differs with the increase in fixed assets of Kshs.1,644,093,666 at Annex 4 by Kshs.530,666,757. Further, and as reported previously, the County Government did not maintain a fixed assets register. In addition, the details of the assets and liabilities inherited from the

defunct local authorities under the jurisdiction of Narok County have not been formally determined and taken over by the County Government. Therefore, the completeness, accuracy and existence of the balance of fixed assets of Kshs.34,021,688,145 as at 30 June 2016 could not be confirmed.

5.0 Cash and Cash Equivalents

5.1. Lack of Bank Reconciliations

The statement of assets reflected cash and cash equivalents balance of Kshs.125,709,547 whose breakdown was reflected under explanatory note 22A to the financial statements. However, the bank confirmation certificates, bank reconciliation statements and cashbook extracts for the 23 bank accounts under the explanatory note were not presented for audit confirmation.

5.2 Recurrent and Development Accounts at Central Bank of Kenya

The recurrent bank account No.1000171348 held at Central Bank of Kenya (CBK) had a balance of Kshs.1,215,722 as shown under note 22A to the financial statements. According to the bank certificate, the balance for the account was Kshs.141,371,519 as at 30 June 2016. Similarly, the financial statements reflects a cash balance of Kshs.4,046,248 in respect of the CBK Development A/c No. 1000 171 324, while the bank certificate reflects Kshs.81,179,048 as at 30 June 2016. However, no bank reconciliation statements were prepared in respect of the two accounts to authenticate the balances reported in the financial statements.

5.3 Outstanding Imprests

The statement of assets reflected outstanding imprests balance of Kshs.4,041,530 whose breakdown is provided under note 23 to the financial statements. However, the list of the imprest holders did not specify the warrant numbers and the date when the imprest were taken. Therefore, it was not possible to verify the age of imprest and whether or not the imprests had been utilised for the intended purpose and accounted for.

6.0 Foreign Travel

Included in the balance under use of goods and services is cost on foreign travel amounting to Kshs.37,068,419. Out of this amount an expenditure of Kshs.15,769,534, was incurred to pay for air tickets for various foreign destinations. However, the expenditure was not supported by relevant documents such as copies of invitation letters, programmes, boarding passes and copies of passports as a justification of the amount incurred. In the circumstance, the expenditure of Kshs.15,769,534 on foreign trips could not be confirmed to be a proper charge to public funds.

7.0 Pending Bills

Annex I to the financial statements shows that as at 30 June 2016, the County government of Narok had pending bills of Kshs.502,260,000, out of which Kshs.370,060,000 was for supply of goods and services while Kshs.132,200,000 was for development expenditure. However, the pending bills of Kshs.502,260,000 was not supported with a schedule of individual creditors, contract agreements, LPOs and

LSOs. In addition, a status report for road works, indicated that the amount owed to road contractors alone was Kshs.1,939,090,627 which differs significantly to what is reported as pending bills. Therefore, the completeness, accuracy and existence of the balance of pending bills of Kshs.502,260,000 at Annex I may be grossly understated as at 30 June 2016.

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 County Executive of Narok as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Other Matter

1.0 Revenue Anaysis

1.1 Budgetary Performance – Revenue

The statement of receipts and payments for the year ended 30 June 2016 reflected receipts of Kshs.7,206,655,284, which was made up of exchequer release of Kshs.5,287,901,138. Transfers from other Government Entities of Kshs.165,816,194 and local revenue of Kshs.1,752,937,952. This was an increase of Kshs.938,190,529 (or 15%) over the total receipts in the previous financial year 2014/2015. While exchequer releases increased by 14% from Kshs.4,629,250,045 to Kshs.5,287,901,138, local revenue increased by 7% from Kshs.1,639,214,710 in the financial year 2014/2015 to kshs.1,752,937,952 in the financial year 2015/2016 as summarized below:

Receipts	**Budget Kshs.**	**Actual Kshs.**	**Variance Kshs.**	**%**
Exchequer	5,305,791,138	5,287,901,138	17,890,000	100%
Transfer from other government Entities	657,156,396	165,816,194	491,340,202	25%
Local	2,344,032,784	1,752,937,952	591,094,832	75%
Total	**8,306,980,318**	**7,206,655,284**	**1,100,325,034**	**87%**

Therefore, the County needs to increase its performance by ensuring local revenues are realized at the fullest.

1.2 Review of Local Revenue Collection

The statement of receipts and payments shows that the County Executive of Narok collected local revenue amounting to Kshs.1,752,937,932 as detailed under note II, comprising various revenue sources as shown in the table below:

Revenue Stream	Budget 2015/16 (Kshs)	Actual 2015/2016 (Kshs)	Actual 2014/2015 (Kshs)	(%)
Single Business Permits	32,500,000	17,121,396	21,472,633	53
Cess Revenue	77,000,000	81,606,866	29,113,872	106
Markets & slaughter fees	65,400,000	9,032,073	9,380,220	14
House Rents	18,000,000	420,950	1,655,695	2
Conservancy & Solid Waste	24,500,000	4,757,985	0	19
Vehicle Parking fees	40,000,000	2,776,930	6,887,024	7
Agricultural Produce Cess	24,500,000	19,335,516	4,344,968	79
Plot Rates	163,900,000	48,406,435	13,732,696	30
Miscellaneous income	252,704,596	159,147,542	8,784,364	63
Mara Game Reserve	1,645,528,188	1,544,667,775	1,543,843,238	94
Total	**2,344,032,748**	**1,752,937,952**	**1,639,214,710**	**75**

The local revenue collected increased by Kshs.113,723,242 from Kshs.1,639,214,710 in the previous financial year 2014/15 to Kshs.1,752,937,952 in 2015/16. This is a 6% change. However, although the actual revenue for the year increased by 6% over the previous year, it was 25% below the budgeted target of Kshs.2,344,032,784. The biggest shortfall was in the following items: collection of house rent with a deficit of 98%, vehicle parking fees deficit of 93% and Markets & Slaughter fees deficit of 86%. This is not satisfactory. Therefore, the County Government needs to improve in several revenue streams to achieve optimal revenue collection levels.

1.3. Single Business Permits (SPB)

A review of the summary of the business register shows that the County Government of Narok had profiled 78 categories of businesses from which the expected annual revenue was Kshs.28,578,435. However, the County government had a budget of Kshs.32,500,000 from the SBP but collected only Kshs.17,121,396, implying that the revenue fell short by Kshs.11,707,389 (or 41%) of the expected amount. However, primary documents to support the actual amount collected were not provided for audit review.

In the circumstance, the accuracy and validity of the revenue of Kshs.17,121,396 from SBP could not be confirmed.

1.4 Revenue from Cess

Other receipts as detailed under note II includes Kshs.81,606,866 in respect of revenue from Cess which exceeds the budgeted amount of Kshs.77,000,000 by Kshs.4,606, 866 (or 6%). Although, the fifth schedule of County Finance Bill for the year outlined the chargeable cess rates, the accuracy and validity of the revenue of Kshs.81,606,866 could not be confirmed since primary data like the number of barriers, receipt books, machines and collection at each barrier were not provided for audit review.

1.5 Market and Slaughter Fees

Other receipts also include actual markets and slaughter fees of Kshs.9,032,073 against budget of Kshs.65,400,000 implying a performance of 14%. However, there was no list of the barter markets and slaughterhouses, which serve as a basis of the budgeted revenue. The accuracy and validity of the revenue balance of Kshs.9,032,073 could not be confirmed.

1.6. Rental Income

The housing register of Narok County Government shows that it owns 465 residential housing units. The bedsitters include one-bedroom of 103 units, two-bedroom of 46 units and three-bedroom of 46 units. A computation of the chargeable market rent shows that the revenue receivable from these houses is Kshs.930,240 per month or Kshs.11,162,880 per annum. However, according to the budget, the rent receivable was Kshs.1,000,000. In addition, the actual rent collected in the year was an insignificant Kshs.19,400, giving a shortfall of Kshs.11,143,480 below the potential revenue.

1.7 Plot Rates

During the year, the County Executive review of the plot rates register shows that there are 10,729 plots in 49 trading centres from which the County Executive of Narok collects rates. At an average annual rate of Kshs.1,500 per plot, the revenue collectable is estimated to be Kshs.14,777,500. It was further noted that as at 30 June 2016, the plot rate arrears stood at Kshs.119,168,237. There is no evidence that Narok County Executive has taken effective measures to enforce the collection of plot rates. Evidently, the County Executive is losing a lot of revenue on rates and every effort should be made to improve the situation.

1.8 Maasai Mara Game Reserve

The statement of receipts and payment under note II shows that a sum of Kshs.1,544,667,775 was collected from Maasai Mara game reserve during the year/ constituting 88% of the total local revenue collection. The amount was collected from various streams as tabulated below:

Particulars	Budgeted	Actual 2015/2016	Prior Year 2014/2015	Performance: Actual / Budget (%)
	Kshs	Kshs	Kshs	%
Lodge Tarrifs	100,000,000	97,975,912	62,349,911	98
Park Entry fees	1,365,055,410	1,382,088,983	1,450,889,281	101
Filming fes	11,000,000	30,000	2,111,841	0.2
Camping fees	30,000,000	11,419,596	1,048,897.00	38
Serena Levies	69,480,000	18,054,775	17,408,458	26
Balloon landing fees	69,992,778	35,098,509	10,034,850	50
Totals	**1,645,528,188**	**1,544,667,775**	**1,543,843,238**	94

Although the revenue realized 94% of the budgeted amount, the filming fees realized Kshs.30,000 (0.2%) out of a budget of Kshs.11,000,000.00, Serena Levies realized 26%, Camping fees 38% and Balloon Landing fees 50% of the budget figures. This was an indicator of unsatisfactory performance in these categories and the County Government needs to enhance controls to achieve optimal revenue collection levels.

Further, the actual park entry fees of Kshs.1.382,088,983 reflects a performance of 101%. However, although monthly summary reports were provided for audit, there was no comparative analysis of the primary daily or weekly reports to confirm the figures in the reports and the corresponding bankings.

In addition, the County Executive had a revenue lodge tafiffs budget of Kshs.100,000,000 expected from the lodges in the Maasai Mara out of which Kshs.97,975,912 was realised. However, the management did not provide a list of the lodges and the contract agreements with the respective owners that the budget estimate was based on. In addition, the amount was not supported by a schedule of collections and receipt of fees per lodge. Therefore, the accuracy and validity of the revenue collected of Kshs.97,975,912 as at 30 June 2016 could not be confirmed. Further, the County had a revenue budget of Kshs.69,480,000 in respect of Serena Levies against which as Kshs.18,054,775, or 26% performance was realized. However, the accuracy and validity of these figures could not be confirmed since the management did not provide the contract agreement with Serena, a statement for the collection of the levies for the period July, 2015 – June 2016 and evidence of bankings.

The County Executive had a revenue Baloon Landing fees budget of Kshs.69,992,778 expected from fees from balloon operators in the Maasai Mara against which Kshs.35,098,509 (or 59%) performance was realized. However, the management did not provide a list of the operators and the respective contract agreements that the budget estimate was based on. Similarly, the amount was not supported by a schedule of collections and receipt of fees for specific flights. Therefore, the accuracy and validity of the revenue collected of Kshs.35,098,509 as at 30 June 2016 could not be confirmed.

2.0 Expenditure Analysis

2.1 Comparison between Budget and Actual Expenditure

The statement of receipts and payments for the year ended 30 June 2016 reported expenditure of Kshs.7,586,033,749, as tabulated:

Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Payments				
Compensation of Employees	2,931,495,913	2,538,215,381	(393,280,532)	87%
Use of goods and services	1,943,675,467	1,947,805,005	4,129,538	100%
Transfers to Other	1,365,477,344	790,748,876	(574,728,468)	58%

Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Government Units				
Other grants and transfers	220,000,000	145,000,000	(75,000,000)	66%
Acquisition of Assets	1,846,331,594	2,164,264,487	317,932,893	117%
Total	**8,306,980,318**	**7,586,033,749**	**(720,946,569)**	**91%**

Analysis of the budget performance indicates a budget of Kshs.8,306,980,318 against an actual of Kshs.7,586,033,749. The unrealized budget of Kshs.720,946,569 represents a 9% under absorption of funds of the total budget.

Compensation of employees revealed 87% utilization of the budget while acquisition of assets was at 117%, Use of goods and services, 100% while transfers to other Government units had 58% utilization level. Other grants and transfers had sixty six percent (66%) utilization of funds. Therefore, during the financial year 2015/2016 the county exceeded the budgeted on Development expenditure by attaining 117% utilization which had the effect under expenditure on recurrent budget. The County Government should endeavor to achieve a one hundred percent (100%) utilization on both recurrent and development for the purpose of effective service delivery.

2.2 Comparison of Expenditure between Current and Previous Financial Year

During the financial year 2015/2016 the wage bill increased by Kshs.393,178,482 (18%) from Kshs.2,145,036,899 reported in the financial year 2014/2015. Transfer to other government units increased by 20% while other grants and transfers decreased by 34%. Acquisition of assets increased by 69% while subsidies decreased by 100%. The overall increase in expenditure was 18% from Kshs.6,428,053,455 reported in the financial year 2014/2015 to Kshs.7,586,033,749 reported in the financial year 2015/2016 as tabulated below:

Description	Actual 2014/2015	Actual 2015/2016	Change	% change
Expenditure Item	**Kshs**	**Kshs**	**Kshs**	
Compensation for Employees	2,145,036,899	2,538,215,381	393,178,482	18
Use of goods and Services	2,095,491,791	1,947,805,005	(147,686,786)	(7)
Transfer to Other Government units	656,735,248	790,748,876	134,013,628	20
Other Grants and Transfers	220,000,000	145,000,000	(75,000,000)	(34)
Acquisition of Assets	1,283,189,517	2,164,264,487	881,074,970	69
Subsidies	27,600,000	0.00	(27,600,000)	(100)
Finance Cost	0	0.00	0	
Total	**6,428,053,455**	**7,586,033,749**	**1,604,675,499**	18

2.3 Expenditure Analysis in the Office of the Governor

The office of the governor was allocated Kshs.327,763,309 for recurrent expenditure. The actual expenditure for the year was Kshs.278,883,490 creating an under-expenditure of Kshs.48,879,819.

The major expenditure in this Vote was salaries and wages for County Executive Committee Members that took about 84%. Other expenditures are per the table below:

Title and Details	Approved Estimates Kshs.	Actual Expenditure Kshs.	Under Kshs.
County Executive			
County Executive Headquarters			
Basic Salaries County Executive Service	234,101,000	210,103,094	23,997,906
House Allowance	24,000,000	22,817,119	1,182,881
Transport Allowance	350,000	308,283	41,717
Leave Allowance	200,000	189,187	10,813
Electricity	260,000	239,231	20,769
Water and Sewerage Charges	1,500,000	1,077,940	422,060
Gas expenses	100,000	0	100,000
Utilities, Supplies- Other	1,800,000	984,000	816,000
Telephone, Telex, Facsimile and Mobile Phone Services	1,500,000	1,496,000	4,000
Internet Connections	500,000	200000	300,000
Courier & Postal Services	100,000	0	100,000
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	4,000,000	3,200,000	800,000
Accommodation - Domestic Travel	4,500,000	2,947,850	1,552,150
Passage & Transfer Expenses	1,500,000	520,740	979,260
Field Allowance	4,300,000	2,546,750	1,753,250
Foreign Travel and Subs.- Others	4,196,555	3,196,555	1,000,000
Publishing & Printing Services	1,468,554	1,168,554	300,000
Printing, Advertising - Other	700,000	490,000	210,000
Hire of Transport, Equipment	3,000,000	2,765,036	234,964
Training Expenses - Other (Bud	2,000,000	1850000	150,000
Catering Services (receptions), Accommodation, Gifts, Food and Drinks	2,500,000	1,527,490	972,510
Boards, Committees, Conferences and Seminars	3,100,000	1,272,200	1,827,800
Hospitality Supplies - Other	4,300,000	3,771,053	528,947
Specialized Materials - Other	400,000	397,200	2,800
General Office Supplies (papers, pencils, forms, small office equipment etc)	2,500,000	2,286,000	214,000
Supplies and Accessories for Computers and Printers	1,000,000	601,207	398,793
Refined Fuels and Lubricants for Transport	4,510,100	2,510,100	2,000,000
Medical Expenses	3,500,000	2,497,153	1,002,847

Contracted Guards and Cleaning Services	700,000	90,000	610,000
Legal Dues/fees, Arbitration and Compensation Payments	1,500,000	1,276,000	224,000
Management Fees	1,727,100	1,227,100	500,000
Contracted Professional Services	1,500,000	386,650	1,113,350
Other Operating Expenses - Others	1,000,000	387,052	612,948
Maintenance Expenses - Motor Vehicles	2,750,000	2,589,585	160,415
Donations	3,000,000	1,000,000	2,000,000
Gratuity - Ministers	3,000,000	640,360	2,359,640
Refurbishment of Non-Residential Buildings	200,000	90,000	110,000
Purchase of Office Furniture and Fittings	100,000	0	100,000
Purchase of Computers, Printers and other IT Equipment	50,000	0	50,000
Purchase of Cash Boxes	100,000	0	100,000
Purchase of other Office Equipment	250,000	234,001	15,999
	327,763,309	**278,883,490**	**48,879,819**

3.0 Compensation of Employees

The statement of receipts and payments includes compensation of employees balance of Kshs.2,538,215,381 or 35% of the total revenue as at 30 June 2016 (Kshs.2,145,036,899 in the financial year 2014/2015) which is 35% of the total revenue. However, the County Government did not set a specific percentage regarding the expenditure on wages and employee benefits to control the expenditure. This was contrary to section 107(2)(c) of the Public Finance Management (PFM) Act, 2012 which provides that the expenditure on wages and benefits shall not exceed a percentage of the total revenue as prescribed by the county executive committee member for finance in regulations and approved by the County Assembly. Therefore, the County Government did not exercise fiscal responsibility principle regarding expenditure on employee wages and benefits as required by the law.

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

Nairobi

30 August 2017

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Receipts	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	-	-
Exchequer releases	4	5,287,901,138	4,629,250,045
Transfers from Other Government Entities	5	165,816,194	-
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	-	-
Proceeds from Sale of Assets	8	-	-
Reimbursements and Refunds	9	-	-
Returns of Equity Holdings	10	-	-
Other Receipts	11	1,752,937,952	1,639,214,710
TOTAL RECEIPTS		**7,206,655,284**	**6,268,464,755**
PAYMENTS			
Compensation of Employees	12	2,538,215,381	2,145,036,899
Use of goods and services	13	1,947,805,005	2,095,491,791
Subsidies	14	-	-
Transfers to Other Government Units	15	780,252,940	656,735,246
Other grants and transfers	16	145,000,000	247,600,000
Social Security Benefits	17	-	-
Acquisition of Assets	18	2,174,760,423	1,283,189,516
Finance Costs, including Loan Interest	19	-	-
Repayment of principal on Domestic and Foreign borrowing	20	-	-
Other Payments	21	-	-
TOTAL PAYMENTS		**7,586,033,749**	**6,428,053,454**
SURPLUS/DEFICIT		**(379,378,465)**	**(159,588,700)**

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

Chief Officer

Head of Treasury

II. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	125,709,547	504,541,569
Cash Balances	22B	-	-
Total Cash and cash equivalent		125,709,547	504,541,569
Accounts receivables – Outstanding Imprests	23	4,041,530	4,587,973
TOTAL FINANCIAL ASSETS		**129,751,077**	**509,129,542**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	24	-	-
NET FINANCIAL ASSETS		**129,751,077**	**509,129,542**
REPRESENTED BY			
Fund balance b/fwd	25	509,129,542	668,718,241
Surplus/Deficit for the year		(379,378,465)	(159,588,700)
NET FINANCIAL POSITION		129,751,077	509,129,542

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

Chief Officer

Head of Treasury

III. STATEMENT OF CASHFLOW

		2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts for operating income			
Tax Revenues	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	-	-
Exchequer Releases	4	5,287,901,138	4,629,250,045
Transfers from Other Government Entities	5	165,816,194	-
Reimbursements and Refunds	9	-	-
Returns of Equity Holdings	10	-	-
Other Revenues	11	1,752,937,952	1,639,214,710
Payments for operating expenses			
Compensation of Employees	12	2,538,215,381	2,145,036,899
Use of goods and services	13	1,947,805,005	2,095,491,791
Subsidies	14	-	-
Transfers to Other Government Units	15	780,252,940	656,735,246
Other grants and transfers	16	145,000,000	247,600,000
Social Security Benefits	17	-	-
Finance Costs, including Loan Interest	19	-	-
Other Expenses	21	-	-
Adjusted for:			
Changes in receivables		-	-
Net cash flow from operating activities		**1,795,381,958**	**1,123,600,819**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets	18	(2,174,760,423)	(1,283,189,517)
Net cash flows from Investing Activities		**(2,174,760,423)**	**(1,283,189,517)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	-	-
Repayment of principal on Domestic and Foreign borrowing	20	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**(379,378,465)**	**(159,588,699**
Cash and cash equivalent at BEGINNING of the year	24	**509,129,542**	**668,718,242**
Cash and cash equivalent at END of the year	25	**129,751,077.19**	**509,129,542**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/ 2016 and signed by:

Chief Officer

Head of Treasury

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	5,492,241,132	17,890,000	5,305,791,138	5,287,901,138	17,890,000	100%
Transfers from Other Government Entities		452,816,402	657,156,396	165,816,194	(491,340,202)	25%
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts	3,507,104,596	1,163,071,812	2,344,032,784	1,752,937,952	(591,094,832)	75%
TOTAL	8,999,345,728	692,365,410	8,306,980,318	7,206,655,284	(1,100,325,034)	87%
PAYMENTS						
Compensation of Employees	2,576,304,703	355,191,210	2,931,495,913	2,538,215,381	(393,280,532)	87%
Use of goods and services	1,884,211,027	59,464,440	1,943,675,467	1,947,805,005	4,129,538	100%
Subsidies						
Transfers to Other Government Units	1,327,339,994	38,137,350	1,365,477,344	780,252,940	(574,728,468)	57%
Other grants and transfers	145,000,000	75,000,000	220,000,000	145,000,000	(75,000,000)	66%
Social Security Benefits						
Acquisition of Assets	3,066,490,000	1,220,158,406	1,846,331,594	2,174,760,423	317,932,893	118%
Finance Costs, including Loan Interest						

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments						
TOTAL	**5,061,181,795**	**527,793,000**	**5,588,974,795**	**5,157,376,793**	**(431,598,002)**	**92%**

The entity financial statements were approved on _____ 2016 and signed by:

Chief Officer

Head of Treasury Accounts

V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	5,492,241,132	17,890,000	5,305,791,138	5,287,901,138	17,890,000	100%
Transfers from Other Government Entities		452,816,402	657,156,396	165,816,194	(491,340,202)	25%
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts	3,507,104,596	1,163,071,812	2,344,032,784	1,752,937,952	(591,094,832)	75%
TOTAL	8,999,345,728	692,365,410	8,306,980,318	7,206,655,284	(1,100,325,034)	87%
PAYMENTS						
Compensation of Employees	2,576,304,703	355,191,210	2,931,495,913	2,538,215,381	(393,280,532)	87%
Use of goods and services	1,884,211,027	59,464,440	1,943,675,467	1,947,805,005	4,129,538	100%
Subsidies						
Transfers to Other Government Units	455,666,065	38,137,350	493,803,415	526,356,407	32,552,992	107%
Other grants and transfers	145,000,000	75,000,000	220,000,000	145,000,000	(75,000,000)	66%
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on Domestic and Foreign borrowing						

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Repayment of principal on Domestic and Foreign borrowing						
Other Payments						
TOTAL	8,999,345,724	692,365,406	8,306,980,318	7,586,033,749	(720,946,569)	91%

The entity financial statements were approved on _____ 2016 and signed by:

Chief Officer

Head of Treasury Accounts

VI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Units	871,673,929		871,673,929	253,896,533	(640,532,555)	27%
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets	3,066,490,000	1,220,158,406	1,846,331,594	2,174,760,423	(317,932,893)	118%
Finance Costs, including Loan Interest						
Repayment of principal on Domestic and Foreign borrowing						

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments						
TOTALS	**3,938,163,929**	**-1,220,158,406**	**2,718,005,523**	**2,428,656,956**	**-322,599,662**	**89%**

The entity financial statements were approved on _____ 2016 and signed by:

Chief Officer

Head of Treasury Accounts

VII. 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 *entity* and all values are rounded to the nearest thousand (Kshs'000). 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 revenue and expenses**
The *entity* recognises all revenues 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 expenses 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**

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.

VIII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Taxes on Income, Profits and Capital Gains	-	-
Taxes on Property	-	-
Taxes on Goods and Services	-	-
Taxes on International Trade and Transactions	-	-
Other Taxes (not elsewhere classified)	-	-
	-	-
Total	-	-

2 SOCIAL SECURITY CONTRIBUTIONS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts for Health Insurance Contribution	-	-
Receipts to NHIF for Health Insurance Contributions	-	-
Receipts from Govt Employees to Social & Welfare Schemes in Govt	-	-
	-	-
Total	-	-

3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2015 - 2016 Kshs	2014 - 2015 Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Grants Received from Multilateral Donors (International Organisations)				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Grants Received from other levels of government				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Total				-

4 EXCHQUER RELEASES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	423,032,091	576,717,506
Total Exchequer Releases for quarter 2	1,824,325,892	1,161,190,011
Total Exchequer Releases for quarter 3	846,064,182	1,253,464,812
Total Exchequer Releases for quarter 4	2,194,478,973	1,637,877,716
Total	**5,287,901,138**	**4,629,250,045**

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 201 Ksh
Transfers from Central government entities		
(RMLF)	67,173,929	
(User Fees)	19,834,915	
GOK_Free Maternity	22,780,000	
DANIDA HSSF	56,027,350	
Transfers from Counties		
(insert name of budget agency)	-	
(insert name of budget agency)	-	
TOTAL	**165,816,194**	-

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2015 - 2016 Kshs	2014 - 201 Kshs
Borrowing within General Government	-	
Borrowing from Monetary Authorities (Central Bank)	-	
Other Domestic Depository Corporations (Commercial Banks)	-	
Borrowing from Other Domestic Financial Institutions	-	
Borrowing from Other Domestic Creditors	-	
Domestic Currency and Domestic Deposits	-	
Total	-	

7 PROCEEDS FROM FOREIGN BORROWINGS

	2015 - 2016 Kshs	2014 - 201 Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	
Foreign Borrowing - Direct Payments	-	
Foreign Currency and Foreign Deposits	-	
Total	-	

8 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016 Kshs	2014 - 2015 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	-	

9 REIMBURSEMENTS AND REFUNDS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 RETURNS OF EQUITY HOLDINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Returns of Equity Holdings in Domestic Organisations	-	
Returns of Equity Holdings in International Organisations	-	
Total	-	

11 OTHER REVENUES

	2015 - 2016 Kshs	2014 - 201 Kshs
Interest Received	-	
Profits and Dividends	-	
Rents	-	
Other Property Income	-	13,747,6
Sales of Market Establishments	-	
Receipts from Administrative Fees and Charges	-	
Receipts from Administrative Fees and Charges - Collected as AIA	-	
Receipts from Incidental Sales by Non-Market Establishments	-	
Receipts from Sales by Non-Market Establishments	-	
Receipts from Sale of Incidental Goods	-	
Fines Penalties and Forfeitures	-	
Receipts from Voluntary transfers other than grants	-	
Business permits	17,121,396	21,472,63
Cesses	81,606,866	33,458,84
Poll rates	-	
Plot rents	48,406,435	
Other local levies	-	
Administrative services fees	-	
Various fees	-	
Council's natural resources	1,429,667,775	1,543,843,23
Exploitation	-	
Sales of council assets	-	
Lease / rental of council's	-	
Infrastructure assets	-	
Other miscellaneous revenues	159,147,542	8,769,364
Other miscellaneous revenues	-	
Insurance claims recovery	-	
Medium term loans (1-3 yr repayment)	-	
Long term loans (over 3 yr rpayment)	-	
Transfers from reserve funds	-	
Donations	-	
Fund raising events	-	

Other revenues from financial assets loan	9,032,073	9,380
Market/trade centre fee	2,776,930	6,887
Vehicle parking fees	420,950	1,655
Housing	-	
Social premises use charges	-	
School fees	-	
Other education-related	-	
Other education revenues	-	
Public health services	-	
Public health facilities operations	4,757,985	
Environment & conservancy	-	
Administration	-	
Slaughter houses administration	-	
Water supply administration	-	
Sewerage administration	-	
Other health & sanitation	-	
Technical services fees	-	
External services fees	-	
	1,752,937,952	1,639,214,

12 COMPENSATION OF EMPLOYEES

	2015 - 2016 Kshs	2014 - 201 Kshs
Basic salaries of permanent employees	2,368,149,703	2,118,9(
Basic wages of temporary employees	24,275,811	26,133
Personal allowances paid as part of salary	14,899,085	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	3,564,000	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	127,326,782	-
Total	**2,538,215,381**	**2,145,03**

13 USE OF GOODS AND SERVICES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	39,254,590	19,613,569
Communication, supplies and services	12,284,454	1,052,688
Domestic travel and subsistence	178,602,173	235,727,776
Foreign travel and subsistence	37,068,419	11,653,680
Printing, advertising and information supplies & services	41,671,758	42,484,704
Rentals of produced assets	44,501,143	117,452,074
Training expenses	96,415,171	147,183,371
Hospitality supplies and services	97,756,640	132,850,954
Insurance costs	4,107,680	7,459,963
Specialised materials and services	322,990,990	128,595,018
Office and general supplies and services	15,050,431	38,919,524
Other operating expenses	1,014,969,101	1,177,688,999
Routine maintenance – vehicles and other transport equipment	9,574,584	34,809,472
Fuel Oil and Lubricants	14,085,080	
Routine maintenance – other assets	19,472,792	-
Total	**1,947,805,005**	**2,095,491,791**

14 SUBSIDIES

Description	**2015 - 2016 Kshs**	**2014 - 2015 Kshs**
Subsidies to Public Corporations		
See list attached		
(insert name)	-	-
	-	-
Subsidies to Private Enterprises		
See list attached		
(insert name)	-	-
	-	-
TOTAL	-	-

15 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to Central government entities		
See attached list	-	20,666,501
Transfers to Counties/schools		
MMCSF		373,333,745
HSSF	196,495,936	250,000,000
Assembly Recurrent	12,120,000	12,735,000
Assembly Development	514,236,407	
RMLF 2015/16	24,000,000	
	33,251,095	
TOTAL	**780,252,940**	**656,735,246**

16 OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Scholarships and other educational benefits	145,000,000	247,600,000
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	**194,677,989**	**247,600,000**

17 SOCIAL SECURITY BENEFITS

	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	-	-

18 ACQUISITION OF ASSETS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Non Financial Assets		
Purchase of Buildings	-	-
Construction of Buildings	636,678,800	13,095,525
Refurbishment of Buildings	17,569,361	44,818,245
Construction of Roads	940,231,381	1,122,771,708
Construction and Civil Works	22,118,344	25,390,461
Overhaul and Refurbishment of Construction and Civil Works	339,704,510	-
Purchase of Vehicles and Other Transport Equipment	12,327,586	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	21,231,497	32,239,411
Purchase of ICT Equipment	15,816,375	8,866,270
Purchase of Specialised Plant, Equipment and Machinery	101,147,543	7,712,224
Rehabilitation and Renovation of Plant, Machinery and Equip.		1,140,024
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	5,250,000
Rehabilitation of Civil Works	67,935,027	21,904,650
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	2,174,760,423	1,283,189,517

19 FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016 Kshs	2014 - 2015 Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total	-	-

20 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2015 - 2016 Kshs	2014 - 2015 Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

21 OTHER EXPENSES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other expenses	-	-
	-	-

22A: Bank Accounts

Name of Bank, Account No. & currency	Account currency	Indicate whether recurrent, Development, deposit, revenue e.t.c	Exc rate (if in foreign currency)	2015- 2016	2014 - 2015
				Kshs	Kshs
Narok County Revenue Fund-CBK 1000171693	Kes	Revenue	-	61,497,671.65	428,476,130.30
Narok County Recurrent- CBK 1000171348	Kes	Recurrent	-	1,215,722.25	213,079.60
Narok County Development- CBK 1000171324	Kes	Development	-	4,046,248.00	781,605.30
RMLF CBK 1000282967	Kes	Special purpose		33,251,095	
Narok county revenue Collection Account-Coop 010141338976600	Kes	Revenue		2,200,868.00	837,297.67

Narok county Standing Imprest account-KCB 1140090933	Kes	Revenue		12,781.00	73,931.02
Narok county revenue Collection Account-KCB 1140091263	Kes	Revenue		15,315,113.00	2,268,916.35
Narok county revenue Collection Account-KCB 1143225325	USD	967.62	101	97,729.62	6,462,624.85
Operations roads and transport KCB 1167422651	Kes			1,865.00	1,000.00
Bursary Fund KCB 1146679335	Kes			3,666.35	62,068,043.00
Agriculture Livestock $Fisheries KCB 1167422821	Kes			1,769.00	2,780.00
Health and sanitation KCB 1167422937	Kes			76,040.00	630
Education and Social services Coop 01141660233200	Kes			53,960.00	5,675.00
Public service Management Coop01141660212900	Kes			1,218.91	4,158.00
Tourism and trade Coop01141660212800	Kes			1,286.50	850.8
Lolgorian sub county hospital Coop 01141480193900	Kes			4,244,807.50	1,700,322.80
Trans mara west subcounty hospital Coop 01141480194000	Kes			3,674,517.50	1,652,607.50
Trade and Industrialization Coop01141339290600	Kes			0.55	925
County public service board TNB 161684	Kes			13.00	
ICT and E-government TNB 161715	Kes			115.00	
Environment, water and natural resourcesTNB 161689	Kes			219.00	
Maasai Mara Community Support Fund-TNB 0161434001	Kes			10,335.02	-9,008.00

Maasai Mara Game Reserve KCB1180568575	Kes			2,505.00	-
Total				**125,709,546.85**	**504,541,569.19**

22B: CASH IN HAND

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

Cash in hand should also be analysed as follows:

	2015 - 2016 Kshs	2014 - 2015 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify*)	-	-
Total	-	-

[Provide cash count certificates for each]

23: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	**2015 - 2016**	**2014 - 2015**
	Kshs	**Kshs**
Government Imprests	4,041,530	4,587,973
Clearance accounts	-	-
Total	**4,041,530**	**4,587,973**

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

Name of Officer or Institution	***Date Imprest Taken***	***Amount Taken***	***Amount Surrendered***	***Balance***
		Kshs	***Kshs***	***Kshs***
Regina Kiissio	dd/mm/yy	500,000.00	-	500,000.00
David Letuati		329,000.00	-	329,000.00
Hilder Nini		400,000.00	-	400,000.00
Caroline Shunet		200,000.00	-	200,000.00

Ruth Sankaire	dd/mm/yy	300,000.00	-	300,000.00
Brenda Amogola	dd/mm/yy	300,000.00	-	300,000.00
Philemon Kosgei(IMP)	dd/mm/yy	1,691,180.00	-	1,691,180.00
daniel nkere	dd/mm/yy	230,350.00	-	230,350.00
Innocent Letura	dd/mm/yy	91,000.00	-	91,000.00
Total				**4,041,530.00**

24. ACCOUNTS PAYABLE

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	-	-
Total	-	-

25. FUND BALANCE BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	504,541,569	656,030,:
Cash in hand	-	
Accounts Receivables	4,587,973	12,687,8
Accounts Payables	-	
Total	**509,129,,542**	668,718,2

26. OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015 – 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	xxx	-

26.2: PENDING STAFF PAYABLES (See Annex 2)

	2015 – 2016	2014 - 2015
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (*specify*)	-	-
	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3)

	2015 – 2016	2014 - 2015
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (*specify*)	-	-
	-	-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5. Development expenditure						
6.				132,200,000		
Sub-Total						
Supply of goods						
7. Supplies						
8.				370,060,000		
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total				502,260,000		

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (*Specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	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 (Kshs) 2015/2016	Historical Cost (Kshs) 2014/2015
Land	**30,015,879,200.00**	**30,015,879,200.00**
Buildings and structures	**740,796,539.00**	**689,479,007.00**
Transport equipment	**366,574,167.00**	**354,246,581.00**
Office equipment, furniture and fittings	**110,962,345.00**	**88,182,388.00**
ICT Equipment, Software and Other ICT Assets	**66,589,824.00**	**40,743,608.00**
Other Machinery and Equipment	**100,986,877**	**13746877**
Heritage and cultural assets	**0.00**	
Intangible assets	**0.00**	
Construction of Roads	**2,619,899,193.00**	**1,175,316,818.00**
Totals	**34,021,688,145.00**	**32,377,594,479.00**