REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF SAMBURU

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY GOVERNMENT OF SAMBURU

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)

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

Samburu County Government day-to-day management is under the following key organs:

- The Governor
- The County Assembly
- Chief Executive Committees and
- The Chief Officers

(c) Fiduciary Management

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

No.	Designation	Name
1.	Chief Officer – Finance	Daniel Lenolkirna
2.	Head of Treasury-Accounting	Joseph Lekalkuli

(d) Fiduciary Oversight Arrangements

Key fiduciary oversight arrangements in place include County Assembly that is mandated by Section 166/4(A) to be presented with quarterly financial reports not later than one month after closure of each quarter. Under the same section, the Act consequently requires that copies of the same are presented to Controller of Budgets, the National Treasury and the Commission for Revenue Allocation. The house finance and audit committee activities also provides an important oversight role as it works closely with the County Treasury in the budget preparations, engagement of public in budgeting processes, reviews of finance bills, investigative roles and follow up on audit issues. The Senate's Public Accounts Committee is also presented with audit results and mandated to make summons to the County Executives to appear before the committee as may deemed necessary.

Additionally, we have in place an internal audit department in line with provisions of PFM Act Section 155 and this department has been instrumental in day to day strengthening of our internal control systems and controls resulting to improved service delivery.

(e) Entity Headquarters

P.O. Box 3-20600

MARALAL, KENYA

(f) Entity Contacts

Telephone: (254) 712 232 058
E-mail: info@samburu.go.ke
Website: www.samburucounty.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
   P.O. BOX 260
   Maralal

(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

Preparation of annual financial reports is a key requirement of the PFM Act Section 163 which stipulates that such report should be prepared in a format prescribed by Accounting Standards Boards and shared with the relevant bodies such as The National Treasury, Controller of Budget, The County Assembly, Commission on Revenue Allocation and the auditor general by the 30th September of the subsequent financial year.

In the year 2015/16, Samburu County Government has recorded major achievements key among them include; the distribution of 132 camels that has helped in improvement and diversification of community's livelihoods and household levels in the lowland areas. Through its Agriculture department, 40 tonnes of certified seeds were distributed throughout the county in order to boost food security at household level. In livestock disease control, the County Government implemented an average of two livestock vaccination sessions each quarter in order to safeguard community's main economic activity. There were three additions in agricultural machinery intended to boost land acrage under farming.

The County Government through its Works and Roads department, successfully drilled 49 boreholes that has seen increased number of residents and their livestock access clean water. There were a total of 23 roads that were certified complete that helped open up the larger Samburu resulting in ease of mobility and improvement of security. Four drainage projects were also completed that has helped minimize erosion and the dangers associated with floods.

Major achievements the County Government has realized in the year in environmental sector include purchase of two trucks that has aided in garbage collection, development of two quarry sites to add into community access to diversified livelihoods.

In order to enhance early child hood education, the County Government has successfully built 92 ECD classrooms across the County. A total of 65 million has been disbursed to schools as Bursary to support students from needy families in school fees payment. The County Government has implemented Primary School feeding programs to over 407 ECD centres targeting a total of 38,000 children across the County.

Through its Tourism department, the County Government has supported six conservancies which are at their formative stage through purchase of vehicles, day to day operations, support e-lodges, capacity building and trainings. This will go a long way in ensuring that they are linked to external partners like the NRT and AWF that will be instrumental in their sustainability. This has also enhanced anti-poaching campaign in addition to enhanced security of the local communities following intensified patrols by the rangers. There has been development of Tourism infrastructure in Malaso and SNR headquarters. The County Government has also supported Women and Youth through funding of a total of Kes 50M in the previous year that has been used as revolving fund in the subsequent year.

Samburu County Government in its quest to achieve its goals has also gone through its fair share of challenges key among them include but not limited to rapid changes in IFMIS reengineering that has delayed payment processes as learning curves have sometime been very steep. There have been delays in cash flows from National Treasury especially in the first two quarters. There has been inadequate

number of technical staff and in their capacities too. Resource envelop has also been below expectation mainly because of failure to meet the local revenue target.

Jonathan Leisen,
CEC Finance and Economic Planning,
SAMBURU COUNTY GOVERNMENT.

III. 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, 2015. 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, 2015, 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.

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Samburu County Executive set out on pages 7 to 19, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined 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 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

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

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

Basis for Adverse Opinion

1. Failure to Meet Target in Local Revenue Collection

The County Government collected a sum of Kshs.166,836,136 against a budget of Kshs.356,585,640 as shown in the summary statement of appropriation, recurrent and development combined. This resulted in a revenue collection shortfall of Kshs.189,749,504, being 47% of the expected collections. This is shown in the table below:

Revenue Budgetary Analysis

Source	Budget Kshs	Actual Kshs	Variance Kshs	Performance (%)
Land Rates	25,500,000.00	8,479,290	(17,020,710)	33%
Contribution in Lieu of Rates	8,125,140.00	-	(8,125,140)	0%
Single Business Permits	18,470,000.00	9,556,450	(8,913,550)	52%
Total Cess Receipts	32,285,000.00	12,476,308	(19,808,692)	37%
Game Parks/Nature Reserves Fees	210,000,000.00	101,059,988.90	(108,940,011.10)	48%
Markets and Slaughter House Fees	5,235,000.00	7,180,130	1,945,130	137%
Vehicle Parking Receipts/Transport	3,063,000.00	6,000	(3,057,000)	0.2%
Wheat Cess	726,000.00	-	(726,000)	0%
Prospecting Licenses	181,500.00	-	(181,500)	0%
Tender Application Fees	2,000,000.00	414,000	(1,586,000)	21%
Liquor License	9,450,000.00	-	(9,450,000)	0%
Various Health Department Fees	9,000,000	9,272,531	(272,531)	103%
Agricultural Machinery Services	10,050,000.00	2,060,090	(7,989,910)	20%
Undertaking Fee	-	417,000	417,000	

Approval of plans and supervision	22,500,000.00	-	(22,500,000)	0%
Exhauster Fee	-	280,000	280,000	
Weight and Measures	-	235,320	235,230	
Other Direct Credits	-	14,851,028.10	14,851,028.10	
Maralal Derby	-	548,000	548,000	
Total	**356,585,640**	**166,836,136**	**(189,749,504)**	

From the above table, the following unsatisfactory matters were noted:

i) Land Rent and Rates

The County Government collected Kshs.8,479,290 as land rates against a revenue budget of 25,500,000. However, examination of land registers revealed that, land rents and rates arrears amounting to Kshs.39,028,732 remained uncollected as at 30 June 2016. The amount collected of Kshs.8,479,290 was only 21.7% of the outstanding arrears of Kshs.39,028,732. No efforts appear to have been made to collect the outstanding amount.

ii) Hotel Leases

Included in the Game Park and National Reserve fees collection of Kshs.101,059,988 is lease rentals income totalling Kshs.20,717,052 collected from the hotels in Samburu Game Park. However, lease agreements between the County Government and the hotels operating in the park were not presented for audit. It was therefore not possible to tell the number of hotels and the fees due or paid by each.

Consequently, it was not possible to confirm the completeness and accuracy of the reported revenue of Kshs.20,717,051.90 from hotels.

iii) Vehicle Parking Fees

The Sixth Schedule of the Samburu County Finance Bill, 2015 provided for vehicle parking fees for different categories of motor vehicles. However, examination of the Counterfoil Receipt Book Register (CRBR) issued to revenue collectors disclosed that revenue for the year ended 30 June 2016 totaling Kshs.675,000 in respect of parking stickers for busses/lorries, taxis, motor bikes and matatus had not been accounted for. Details of this amount are as tabulated below:

Date of Issue	Category of M.V	Receipt No.	Parking Sticker	Amount Kshs.
21/04/15	Buses/Lorries	301-350	5,000	250,000
21/04/15	Matatu	251-300	3,000	150,000
09/06/16	Taxi	201-250	2,500	125,000
09/06/16	Motor Bike	851-900	1,500	75,000
09/06/16	Motor Bike	901-950	1,500	75,000
				675,000

Evidently, the internal control system with respect to collection and accounting for parking fees is not adequate to safeguard the revenue of the County Executive of Samburu.

iv) Liquor Licence Fees

The Seventh Schedule of the Samburu County Finance Bill, 2015 provided for various categories of liquor outlets and had budgeted for collection of liquor licence fees totalling Kshs.9,450,000. However, examination of business registers disclosed that the county government did not collect any liquor licence fee during the year under review though Kshs.9,450,000 was budgeted for and liquor outlets were in operation during the year. No explanation was given for failure to license liquor outlets. Evidently, the County Executive failed to exploit a revenue potential.

v) Single Business Permits

Examination of business registers disclosed collectable revenue of at least Kshs.33,601,100 from single business permits in the year ended 30 June 2016. However, the County Executive only managed to collect Kshs.9,556,450 and thus left the balance of Kshs.24,044,650 uncollected. The actual revenue collection attained a low collection rate of 28%. No explanation has been given by management for failure to collect the whole revenue amount due. As it is, the County's revenue collection department is not operating efficiently.

vi) Tender Fees

Examination of tender registers disclosed proceeds from sale of tender documents totalling Kshs.587,000 during the year under review. However, actual income reported from the sales totaled only Kshs.414,000 resulting in an unaccounted for revenue of Kshs.173,000. No explanation has been given by management for the unaccounted for amount.

2. Cash and Cash Equivalents

2.1 Cash and Bank Balances

The statement of financial position represents a cash and bank balance of Kshs.280,388,359 as at 30 June 2016. Included in the balance is Kshs.223,338,427 held in bank accounts at the Central Bank of Kenya (CBK). Out of the balance, Kshs.3,663,800.55 was held in Central Bank of Kenya (CBK) Development Account No. 1000 170 743 while Kshs.2,878.40 was held in CBK Recurrent Account No. 1000 170 808 and Kshs.174,541,943.65 in the CBK Revenue Account No. 1000 171 437. However, the following unsatisfactory matters were noted:

a. Central Bank of Kenya Account No. 1000170743- Development Account

The statement of financial assets under Note 22A to the financial statements reflects bank balance of Kshs.3,663,800 as at 30 June 2016, which as expected tallied with the cash book balance. However, detailed examination of the cash book, bank statements and the bank reconciliation statement as at 30 June 2016 disclosed the following:

i) Payments in the bank statement but not in cash book totaling Kshs.25,745,509.05 were not reflected in the bank reconciliation statement as reconciling items.

ii) Unpresented cheques totaling Kshs.25,813,708.10 were not reflected as reconciling items in the bank reconciliation statement.

iii) Cheques of Kshs.6,379,810.30, as shown, below were posted more than once in the cashbook, and not in the bank statement even though they were not reported as reconciling items:

Cheque No.	Amount (Kshs)
10002241	1,378,793.10
10002241	1,378,793.10
10002241	1,378,793.10
10002602	1,121,715.50
10002602	1,121,715.50
Total	**6,379,810.30**

b. Central Bank of Kenya Account No. 1000170808- Recurrent Account

The statement of financial assets under Note 22 A to the financial statements reflects a bank balance of Kshs.2,878.40 which reconciled with the cash book balance. However, detailed examination of the cashbook, bank statements and the bank reconciliation statement disclosed the following:

i) Payments in the bank statement but not in cash book of Kshs.162,407,447.50 were not reflected in the reconciliation statement.

ii) Payments in cashbook not in bank (Unpresented Cheques) of Kshs.23,403,602 were not reflected in the bank reconciliation statement. Further, payments in cash totaling Kshs.97,491,765.05 could not be identified by cheque numbers or traced in the bank statements and further reconciling items were not shown in the bank reconciliation statement.

iii) Cheques amounting to Kshs.49,865,232 as shown below were credited more than once in the cashbook, even though the corresponding debits were not reflected in the bank statement: The cheques details are as follows:

Cheque Number	Amount (Kshs.)
18847	15,178,428.55
18949	4,184,356.15
22036	14,238,533.90
23180	35,917.00
23181	90,000.00
23183	16,800.00
23194	26,680.00
23195	17,400.00
23197	155,000.00
23956	319,500.00
24060	69,300.00
24066	17,306.05
24090	15,516,010.75
Total	**49,865,232.40**

c. Special Purpose Account No. 1000274597

The bank statement for the special purpose account reflects a closing balance of Kshs.16 as at 30 June 2016. However, the bank certificate for the account reflects a balance of Kshs.4,184,287 on that date. The cash book balance and the bank certificate balance were not reconciled to establish the correct closing balance.

d. Undisclosed Bank Accounts

The following bank accounts were not disclosed in the financial statements despite the Accountant-General having advised of their inclusion through his letter Ref. No.AG/FS/4210/VOL.1 dated 25 November 2016:

Bank Name	Account Name	Account Number	Balance as at 30 June 2016 (Kshs)
Kenya Commercial Bank	Samburu County Government	1144505623	112,655.00
Kenya Commercial Bank	Samburu County Government	1147720185	2,000.00
Kenya Commercial Bank	Samburu County Government	1162918217	4,207,929.00
Kenya Commercial Bank	Samburu County Government	1180998030	592,879.00
Kenya Commercial Bank	Samburu County Government	1116674564	487.68
Equity Bank Limited	Samburu County Maralal	1100261379532	0.0

	International Camel Derby		
Total			**4,915,950.68**

No explanation has been given for failure to disclose the bank accounts with a total balance of Kshs.4,915,950.68 as at 30 June 2016. Further, it was not possible to establish whether the failure to disclose the accounts was intentional and in addition, whether revenues collected into and payments made from these accounts were legitimate and regular and were accounted for properly.

In view of these anomalies, the accuracy and completeness of the reported balance of cash-and-cash equivalents of Kshs.223,338,426.60 as at 30 June 2016 could not be established.

3. County Deposit Account

Examination of the deposit account disclosed cash book balances of Kshs.95,250,144.75 and a bank statement balance of Kshs.64,387,675.60 as at 30 June 2016. However, the cash book balance of Kshs.95,250,144.75 was not included in the financial statements for the year ended 30 June 2016. The bank reconciliation statement, as at 30 June 2016 indicates that the reconciling difference of Kshs.30,862,469.15 arose from payments drawn from the bank in favour of various undisclosed payees but which payments were not posted in the cash book. Further, the identities of the deposit holders and the amounts owed to each one of them were not provided for audit review. The expenditure was therefore irregular as payments should not be made from the deposit account since the monies therein are kept as retentions against liabilities that may arise during the liability period.

The County may therefore be unable to refund contractors their retention monies after the default liability period.

4. Domestic Travel and Subsistence Allowances

Expenditure totalling Kshs.8,545,500 was incurred in respect of subsistence allowances paid to various officers. However, the payments were not made through the payees accounts but through other officers' bank accounts. Although, the County Government explained that the payments were eventually passed on to the rightful officers, no evidence was presented to show how this happened. It was not clear why payments for beneficiaries who are not identified in the Integrated Financial Systems (IFMIS) were not made to the cashier.

Further, expenditure of Kshs.3,162,500 was incurred in payment of allowances to various officers through other officers' bank accounts. Although, a payment schedule in respect of the payments was presented for audit verification, expenditure amounting to Kshs.1,756,200 was incurred irregularly as follows:

i) Kshs.1,100,000 was spent on lunch allowances for officers working at their duty station.

ii) Kshs.656,000 was spent on journeys which were not supported with bus or work tickets.

In the circumstance, the propriety of the expenditure of Kshs.10,301,700 could not be confirmed.

5. County Youth Enterprise Development Fund – Non-Performing Loans

During the year 2015/2016, a sum of Kshs.5,000,000 was paid to the Samburu County Youth and Women Enterprise Development Fund. Out of this amount, Kshs.4,700,000 was disbursed as loans to various self-help groups on diverse dates. However, it was noted that the groups had not started repaying the loans even after the expiry of the one (1) month grace period as required. No efforts appear to have been made by the Fund Committee to recover the outstanding amount from the loan defaulters.

Failure by the committee to have the loans repaid not only denies other interested groups benefits due from the Fund but results to loan defaults which in turn lead to loss of public funds.

6. Pending Bills

Examination of records at the County Government of Samburu revealed pending bills balance of Kshs.179,152,049 and Kshs.1,046,938,624.10 under recurrent and development accounts respectively, all totaling Kshs.1,226,090,673.10 as at 30 June 2016. However, the County Government has not included an annexure on pending bills in the financial statements presented for audit as required by the reporting format prescribed by the Accounting Standards Board. Therefore the County has breached this accounting disclosure requirement.

7. Unaccounted for Expenditure

The County Government paid a sum of Kshs.10,233,965 to various payees as shown below. However, as the table shows not all payments were accounted for by way of complete delivery of goods and services.

Payee	Amount	Purpose	Comment
Samburu University	1,000,000	Outright Programme	Expenditure returns not presented for audit
Tanad Transport Limited	4,310,000	Purchase of Livestock for Self-help Group	Beneficiary not verified
Ligwaras Enterprise Ltd	988,965	Construction of Sanitary Block	Job incomplete but full payment made

Naliapa Company Limited	2,160,000	Purchase of 800 Dustbins	Full payments were made but all dustbins paid for were not received
Llowaras Limited	1,775,000	500 Dustbins	Full payments were made but all dustbins paid for were not received
Total	**10,233,965**		

In the circumstance, it has not been possible to confirm propriety of the expenditure totaling Kshs.10,233,965 incurred on the cited supplies of goods and services during the year under review.

8. Outstanding Imprest

The statement of financial assets as at 30 June 2016 reflected outstanding imprests totalling Kshs.41,522,530, as detailed under Note 23 to the financial statements. However, only a sum of Kshs.9,190,644 of the imprests is traceable in the imprest register while a balance of Kshs.32,231,886 is not in the register. Although management has explained that the balance of Kshs.32,231,866 was made up of outstanding imprests for the years 2013/2014 and 2014/2015, it was not clear why the long outstanding imprests had not been recovered from the defaulters' salaries as required by Government Financial Regulations and Procedures. The County Treasury has therefore breached regulations on management of imprests.

Adverse Opinion

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

Other Matter

1. Budget Analysis for Recurrent Expenditure

Examination of the County Government vote book shows that during the year under review, a sum of Kshs.2,166,695,979 was allocated to various departments of the County Government for recurrent expenditure against the recurrent budget of Kshs.2,215,802,202. The Department of Health recorded the highest over-expenditure of 8% while the department of Finance and Economic Planning had the least variance of 1% as follows:

Department	Budgeted	Actual	Over/ (Under) Expenditure	Absorption rate %
	Kshs.	Kshs.	Kshs.	
CPSB	391,146,222	394,867,233	(3,721,011)	101%
Samburu - Finance and Economic Planning	336,689,071	334,326,173	2,362,838	99%
Samburu - Agriculture, Livestock and Fisheries	145,039,844	138,823,341	6,216,503	96%
Samburu - Environment and Natural Resources	39,909,364	34,066,911	5,842,453	85%
Samburu - Education, Youth Affairs and Sports	308,632,076	300,982,727	7,649,349	98%
Samburu - Health Services	571,916,563	616,189,622	(44,273,059)	108%
Samburu - Physical Planning, Housing and Urban Development	85,616,998	78,043,728	7,573,270	91%
Samburu - Public Works, County Roads and Water	157,538,085	157,786,937	(248,852)	100%
Samburu - Trade, Tourism and Co-operative Development	107,633,881	111,608,456	(3,974,575)	104%
Samburu - Gender, Culture and Social Services	71,680,098	61.299,790	10,380,308	86%
Sub Total	**2,215,802,202**	**2,166,695,979**	**10,380,308**	

However, the actual recurrent expenditure of Kshs.2,166,695,979 reflected in the vote book differed with the corresponding balance in the summary statement of appropriation recurrent which was Kshs.2,829,503,186 resulting in an unexplained and unreconciled difference of Kshs.662,887,207.

In the circumstance, it has not been possible to confirm the accuracy of the recurrent expenditure balance.

1.1 Budget Analysis for Development Expenditure

Examination of the County Government's vote book revealed that a sum of Kshs.1,244,952,468 was allocated to various departments of the County Government for development expenditure against the budget of Kshs.1,778,648,352.

Department	Budgeted Kshs	Actual Kshs	Over/Under Expenditure Kshs	Absorption rate %
County Assembly	50,000,000	39,348,139	10,651,861	79%
County Executive	15,000,000	13,737,490	1,262,510	92%
Finance and Economic Planning	20,500,000	13,737,490	5,581,176	67%
Agriculture, Livestock and Fisheries	186,243,052	146,161,221	40,081,831	78%
Environment and Natural Resources	55,511,714	26,540,126	28,971,588	49%
Education, Youth Affairs and Sports	208,380,523	116,084,086	92,296,437	56%
Health Services	125,511,499	96,597,156	28,914,343	77%
Physical Planning, Housing and Urban Development	112,942,921	114,738,981	(1,796,060)	102%
Public Works, County Roads and Water	799,662,980	508,171,573	291,491,407	64%
Trade, Tourism and Co-operative Development	176,595,663	168,534,872	8,060,791	95%
Gender, Culture and Social Services	28,300,000	120,000	28,180,000	0.4%
Sub Total	**1,778,648,352**	**1,244,952,468**	**533,695,884**	

The following anomalies were noted in relation to the expenditure:

i. The actual expenditure of Kshs.1,244,952,468 reflected in the vote book differed with the reported expenditure of Kshs.1,083,624,202 in the summary statement of appropriation - development of Kshs.161,328,226 which has not been explained.

ii. The development vote recorded an under expenditure of Kshs.533,695,884 according to the vote book which implies that not all projects earmarked for implementation were implemented.

iii. The total development expenditure of Kshs.1,083,624,202 compared with the total expenditure of Kshs.3,913,127,388 gives 27.7% which is below the 30% threshold set under the fiscal responsibility principle stated in the Public Financial Management Act, 2012. The County Executive therefore breached the law.

2. Transfer of Funds to Community Support Fund

The County Government paid a sum of Kshs.53,557,664 to various community conservancies during the year under review. However, it was observed that there was no legislation to support the transfers and therefore the funds were transferred irregularly contrary to Section 116 (1) of the Public Finance Management Act, 2012. In addition, the

County Executive did not prepare separate fund account financial statements for audit as required by the regulations. The operations of the fund were therefore unauthorized and illegal as they were not backed by any law.

3. Samburu County Car and Mortgage Loan Scheme

3.1 Executive

An outstanding loan balance due from thirteen (13) members of the county executive as at 30 June 2016 stood at Kshs.84,770,466.80. The loans are not secured by moveable or immoveable property financed. Further, the loans were granted without mortgage fire protection insurance policies. Due to the short period remaining before the expiry of employment contracts of the executive committee members, there is a high chance of default. The County Executive is therefore likely to lose some public funds as a result of not complying with the lending conditions.

3.2 Other Staff Loans

Outstanding loan balances due from nineteen (19) other officers stood at Kshs.78,179,983 as at 30 June 2016. However, the officers did not deposit with the administrator of the fund ownership documents of assets financed by the loan fund. Similarly, loans were granted without mortgage protection and fire policies which were mandatory under the loans conditions.

In the absence of security guarantees for the loans, the County Government may lose some public funds in case of default.

4. County Government Projects

4.1 Construction of Model Health Facility at Achers Post

A construction company based in Nairobi, was awarded a contract for the construction of a Model Health Facility at Achers Post on 17 March 2015 at a contract price of Kshs.49,382,825 for a duration of 48-52 weeks. Subsequently, Local Service Order number 1077305 was issued on 31 March 2015 and soon after the contractor took possession of the site. However, physical verification of the project on 20 September 2016, twenty three (23) weeks after the expiry of the contract period, revealed that the project was approximately 45% complete and only three (3) masons were on site at the time. Although the slow progress of project implementation has been attributed to budgetary constraints and the phased manner of the project's implementation, the invitation to tender and the contract agreement had not indicated that the project would be implemented in phases.

Further, examination of project records disclosed the following unsatisfactory matters:

i) Only Kshs.13,500,000 had been provided for in the approved budget for the year 2014/2015 although the contract agreement entered into between the contractor and the Samburu County Government on17 March 2015 was for Kshs.49,382,825.

ii) The last site visit by the technical team overseeing the implementation of the project was on 13 July, 2016 and the slow progress of work was noted but no action appears to have been taken against the contractor.

It would appear that the County Government contracted for the project without first having set aside sufficient funds for its execution. This is contrary to requirements of the Public Finance Management Regulations.

In view of this, there is the risk that the costs of the project may escalate and the contractor may abandon the site resulting in waste of public funds.

4.2 Fencing of Wamba Health Centre and Swari Dispensaries

A construction company was awarded a contract of Kshs.3,602,450 for fencing of Wamba Health Centre and Swari Dispensary. The contract duration was 3 months from the date of the Local Service Order No.1243025 dated 29 June, 2016. Physical verification of the projects on 19 September 2016 of the Wamba Health Centre disclosed that the work had not commenced two and half months after the contract was awarded, and no fencing had been done at the Dispensary. Although it has been explained by management that the two projects were completed after the audit, evidence in form of completion certificates was not provided for verification.

In the absence of completion certificates, it is not possible to confirm that projects were completed as planned.

4.3 Construction of Staff House at Swari Health Centre

A construction company was awarded a contract costing Kshs.2,110,689 for construction of a staff house at Swari Health Centre. The duration of the contract was five months from the date of the Local Service Order No.1243013 of 27 May, 2016 and the expected date of completion set for 27 October, 2016. Physical verification at the Health Centre on 19 September 2016 revealed that the project had not commenced and the contractor was not on site three and half months after the L.S.O was issued. However, the project implementation status report indicated that the project was 70% complete at the time. The project implementation status report was therefore incorrect and misleading.

Although it has been explained by management that the project has since been completed, evidence in form of completion certificates has not been provided for verification. In the absence of the completion certificate, it is not possible to confirm that the project was completed as planned.

4.4 Fencing Works at Lolkunono and Lolgese Dispensaries

An engineering company was awarded a contract for Kshs.1,808,860 for fencing works at Lolkunono and Lolgese Dispensaries. The contract duration was three months from the date of the Local Service Order (LSO) No.1065798 dated 18 April, 2016. Physical verification of Lolkunono Dispensary on 21 September 2016 disclosed that the fencing work had started but the contractor was not on site.

Physical verification of Lolgese Dispensary fencing work on the same date revealed that no fencing work had been done at all and the contractor was not on site one and half months after the expiry of the contract period. Also there were no materials on site.

Although it has been explained that the two projects have since been completed, evidence in form of completion certificates has not been presented for audit verification. In the absence of the respective completion certificates, it is not possible to confirm that the projects were executed and completed as planned.

4.5 Construction of Lmisigiyio Dispensary, a Staff House and Pit Latrines

A local company was awarded a contract of Kshs.3,964,203 for the construction of Lmisigiyio Dispensary, a staff house and pit latrines under tender No.SCG/T/050/2015-2016. The contract duration was five months from the date of issue of the Local Service Order (LSO) No.1065799 dated 20 April, 2016. Physical verification carried out on 21 September 2016 revealed that the building had been put up and roofed, partly plastered and electrical wiring done. In addition, it was observed that the five months contract duration expired on 20 September, 2016 yet the contractor had not completed the works. Although it has been explained that the project was completed after the audit, no completion certificate has been presented for audit verification and therefore it is not possible to confirm that the works were completed as planned.

4.6 Construction of Arsim Irrigation Scheme

A general construction and irrigation consulting company, was paid Kshs.18,361,662 through payment vouchers no. 2255 and 6471 in respect to contract No.SCG/T/204/2014-2015 for construction of Arsim Irrigation Scheme.

Physical verification of the project on 16 September,2016 revealed that the water intake, pipeline and a reservoir tank had been constructed. However, the land intended for irrigation was not disclosed for audit verification and it was therefore not clear why the project was earmarked for implementation before the land to be irrigated was identified. Although management has indicated that the Arsim community had donated the land during a public meeting held on 28 August 2015, the acreage of the land and its location was not disclosed. Further, ownership documents for the land alleged to have been donated by the community were not provided for audit verification and the existence of the land could therefore not be confirmed.

In the absence of the land earmarked for irrigation, the propriety of the expenditure of Kshs.18,361,662 incurred on the project could not be confirmed.

5. Irregular Re-allocation of Funds

i. The Department of Environment procured a Double Cab Truck from Toyota Kenya Limited through Local Purchase Order No.2325806 dated 3 January 2016 at a cost of Kshs.5,092,046. Examination of financial records at the County Treasury revealed that there was no budget allocation for the item. Instead, funds meant for purchase of one exhauster truck were utilized irregularly to purchase the Double Cab Truck.

ii. A construction company based in Maralal was awarded contract No.SCG/7/150/2015/16 for construction of a kitchen store and office and a fence at Naiborkenju ECD Centre in Naiborkenju -Lodokejek Ward at a contract price of Kshs.2,454,088. A payment of Kshs.2,354,088 vide voucher no.7058 dated 29 June 2016 had been made against certificate No.1 of the same amount. However, a site visit on 14 September 2016 revealed that no work had been done at Naiborkenju ECD Centre but the funds were diverted to do similar works at Nkiroriti ECD Centre in the same Ward. However, authority from the County Treasury detailing the reasons for diverting the funds as required by the Public Finance Management Act, 2012 were not presented for audit.

6. Wasteful Expenditure

An expenditure of Kshs.746,800 was incurred vide payment voucher no.6794 in procuring tree seeds from a local company in Maralal for establishment of a tree nursery. Physical verification carried out in the County stores on 14 September 2016 disclosed that the seeds were delivered to the stores on 15 April 2016 but had not been taken on charge in the stores records.

Although it has been explained that ownership of the land in Noomotion where the nursery is situated is in dispute, it was not made clear why the seeds were procured before the dispute was resolved. In the circumstances, the expenditure of Kshs.746,800 incurred on purchase of the seeds could turn out to have been a waste of public funds.

7. Inherited Assets and Liabilities from Defunct Local Authorities

As reported previously, the Samburu County Executive inherited assets and liabilities of undetermined value from defunct local authorities located in the County. However, no identification, validation, valuation and formal handing over by the Transition Authority to the County Executive has been done to date even though the assets have been put to use.

Failure to identify, validate, value and record the assets and liabilities of the defunct local authorities implies that there was no valid basis for the opening balances reflected in these financial statements and therefore the statements do not reflect a true and fair view of the financial affairs of the County Government as at 30 June 2016.

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

Nairobi

30 August 2017

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Revenues	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	19,659,898	-
Transfers from National Treasury	4	3,722,707,369	3,107,466,532
Transfers from Other Government Entities	5	63,437,485	-
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	-	-
Proceeds from Sale of Assets	8	-	-
Reimbursements and Refunds	9	-	2,746,680
Returns of Equity Holdings	10	-	-
Other Receipts	11	-	175,037,733
TOTAL REVENUES		**3,805,804,752**	**3,285,250,945**
PAYMENTS			
Compensation of Employees	12	983,084,203	973,274,607
Use of goods and services	13	867,168,903	693,414,741
Subsidies	14	-	-
Transfers to Other Government Units	15	654,509,640	212,408,428
Other grants and transfers	16	217,077,361	154,076,506
Social Security Benefits	17	16,842,368	6,435,734
Acquisition of Assets	18	1,148,024,716	1,570,987,297
Finance Costs, including Loan Interest	19	-	-
Repayment of principal on Domestic and Foreign borrowing	20	-	-
Other Expenses	21	26,420,197	13,334,850
TOTAL PAYMENTS		**3,913,127,388**	**3,623,932,164**
SURPLUS/DEFICIT		**- 107,322,637**	**- 338,681,219**

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 30th Sept 2016 and signed by:

Chief Officer

Head of Treasury Accounts

STATEMENT OF FINANCIAL POSITION

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	223,338,427	355,379,109
Cash Balances	22B	-	-
Total Cash And Cash Equivalents		223,338,427	355,379,109
Accounts Receivables - Outstanding Imprest and Clearence Accounts	23	57,049,932	32,331,886
TOTAL FINANCIAL ASSETS		280,388,359	387,710,995
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	24		
NET FINANCIAL ASSETS		**280,388,359**	**387,710,995**
REPRESENTED BY			
Fund balance b/fwd	25	**387,710,995**	**726,392,214**
Surplus/Defict for the year		- **107,322,637**	- **338,681,219**
Prior year adjustments		-	-
NET FINANCIAL POSSITION		**280,388,359**	**387,710,995**
		0	0

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

Chief Officer

Head of Treasury Accounts

STATEMENT OF CASH FLOW

	Note	2015-2016 Kshs	2014-2015 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	-	-
Social Security Contributions	2		
Proceeds from Domestic and Foreign Grants	3	19,659,898	-
Transfers from National Treasury	4	3,722,707,369	3,107,466,532
Transfers from Other Government Entities	5	63,437,485	-
Reimbursements and Refunds	9	-	2,746,680
Returns of Equity Holdings	10	-	-
Other Revenues	11	-	175,037,733
		3,805,804,752	**3,285,250,945**
Payments for operating expenses			
Compensation of Employees	12	983,084,203	973,274,607
Use of goods and services	13	867,168,903	693,414,741
Subsidies	14	-	-
Transfers to Other Government Units	15	654,509,640	212,408,428
Other grants and transfers	16	217,077,361	154,076,506
Social Security Benefits	17	16,842,368	6,435,734
Finance Costs, including Loan Interest	19	-	-
Other Expenses	21	26,420,197	13,334,850
		2,765,102,673	**2,052,944,867**
Adjusted for:			
Changes in receivables		24,718,046	32,331,886.00
Changes in payables		-	#REF!
Adjustments during the year		-	#REF!
Net cashflow from operating activities		**1,015,984,033**	**1,199,974,192**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets	18	1,148,024,716	1,570,987,297
Net cash flows from Investing Activities		**1,148,024,716**	**1,570,987,297**
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		**- 132,040,683**	**- 371,013,105**
Cash and cash equivalent at BEGINNING of the year	24	**355,379,109**	**726,392,214**
Cash and cash equivalent at END of the year	25	**223,338,427**	**355,379,109**
Control		*0*	*0*

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

Chief Officer

Head of Treasury Accounts

Budget execution - Combined - FY 2015/16

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts	-	-	-		-	#DIV/0!
	Social Security Contributions	-	-	-		-	#DIV/0
	Proceeds from Domestic and Foreign Grants	102,792,418	-	102,792,418	19,659,898	- 83,132,520	19%
	Exchequer releases	3,528,125,964	-	3,528,125,964	3,555,871,233	27,745,269	101%
	Transfers from Other Government Entities	64,529,390	-	64,529,390	63,437,485	- 1,091,905	98%
	Proceeds from Domestic Borrowings	-	-	-		-	#DIV/0!
	Proceeds from Foreign Borrowings	-	-	-		-	#DIV/0!
	Proceeds from Sale of Assets	-	-	-		-	#DIV/0!
	Reimbursements and Refunds	-	-	-		-	#DIV/0!
	Returns of Equity Holdings	-	-	-		-	#DIV/0!
	Other Receipts	356,585,640	-	356,585,640	166,836,136	- 189,749,504	47%
	Total Receipts	**4,052,033,412**	-	**4,052,033,412**	**3,805,804,752**	**- 246,228,660**	**#DIV/0!**
	Payments						
21	Compensation of Employees	1,078,642,121	- 103,475,783	975,166,338	983,084,203	7,917,865	101%
22	Use of goods and services	725,615,564	192,648,498	918,264,062	867,168,903	- 51,095,159	94%
25	Subsidies	-	-	-	-	-	
263	Transfers to Other Government Units	177,300,000	23,000,000	200,300,000	654,509,640	454,209,640	
261/2/4	Other grants and transfers	62,000,000	-	62,000,000	217,077,361	155,077,361	350%
27	Social Security Benefits	32,526,948	- 12,200,000	20,326,948	16,842,368	- 3,484,580	
31	Acquisition of Assets	1,451,660,940	- 14,505,280	1,437,155,660	1,148,024,716	- 289,130,944	80%
55	Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
28	Other Expenses	1,500,000	24,920,450	26,420,450	26,420,197	- 253	
Grand Total		**3,529,245,573**	**110,387,885**	**3,639,633,458**	**3,913,127,368**	**273,493,930**	**108%**

control 0

0

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/06/2016 and signed by:

Chief Officer

Head of Treasury Accounts

Budget execution - Recurrent - FY 2015/16

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts						#DIV/0!
	Social Security Contributions						#DIV/0!
	Proceeds from Domestic and Foreign Grants	102,792,418	-	102,792,418	19,659,898		19%
	Exchequer releases	1,912,743,390	-	1,912,743,390	3,555,871,233		186%
	Transfers from Other Government Entities	64,529,390	-	64,529,390	63,437,485		98%
	Proceeds from Domestic Borrowings						#DIV/0!
	Proceeds from Foreign Borrowings						#DIV/0!
	Proceeds from Sale of Assets						#DIV/0!
	Reimbursements and Refunds						#DIV/0!
	Local Revenues						#DIV/0!
	Other Receipts	193,319,862	-	193,319,862	166,836,136		86%
	Total Receipts	**2,273,385,060**	-	**2,273,385,060**	**3,805,804,752**	-	#DIV/0!
	Payments						
21	Compensation of Employees	1,078,642,121	- 103,475,783	975,166,338	983,084,203	7,917,865	101%
22	Use of goods and services	657,415,564	183,196,835	840,612,399	816,043,508	- 24,568,891	97%
25	Subsidies			-		-	
263	Transfers to Other Government Units	102,300,000	3,000,000	105,300,000	563,018,774	457,718,774	
261/2/4	Other grants and transfers	62,000,000		62,000,000	217,077,361	155,077,361	350%
27	Social Security Benefits	32,526,948	- 12,200,000	20,326,948	16,842,368	- 3,484,580	
31	Acquisition of Assets	200,481,347	- 14,505,280	185,976,067	207,016,775	21,040,708	111%
55	Repayment of principal on Domestic and Foreign borrowing			-		-	
28	Other Expenses	1,500,000	24,920,450	26,420,450	26,420,197	- 253	
Grand Total		**2,134,865,980**	**80,936,222**	**2,215,802,202**	**2,829,503,186**	**613,700,984**	**128%**

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

Chief Officer

Head of Treasury Accounts

Budget execution - Development - FY 2015/16

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Tax Receipts						#DIV/0!
	Social Security Contributions						#DIV/0!
	Proceeds from Domestic and Foreign Grants	-	-	-	-		#DIV/0!
	Exchequer releases	1,615,382,574	-	1,615,382,574	1,337,685,430		100%
	Transfers from Other Government Entities	-	-	-	-		#DIV/0!
	Proceeds from Domestic Borrowings						#DIV/0!
	Proceeds from Foreign Borrowings						#DIV/0!
	Proceeds from Sale of Assets						#DIV/0!
	Reimbursements and Refunds						#DIV/0!
	Returns of Equity Holdings						#DIV/0!
	Other Receipts (Local Revenue)	163,265,778	-	163,265,778	135,199,089		100%
	Total Receipts	**1,778,648,352**	**-**	**1,778,648,352**	**1,472,884,519**	**-**	**#DIV/0!**
	Payments						
21	Compensation of Employees			-			
22	Use of goods and services	68,200,000	9,451,663	77,651,663	51,125,395	- 26,526,268	66%
25	Subsidies			-		-	#DIV/0!
263	Transfers to Other Government Units	75,000,000	20,000,000	95,000,000	91,490,866	- 3,509,134	96%
261/2/4	Other grants and transfers			-		-	#DIV/0!
27	Social Security Benefits			-		-	#DIV/0!
31	Acquisition of Assets	1,251,179,593		1,251,179,593	941,007,941	- 310,171,652	75%
55	Repayment of principal on Domestic and Foreign borrowing			-		-	#DIV/0!
28	Other Expenses			-	-	-	#DIV/0!
Grand Total		**1,394,379,593**	**29,451,663**	**1,423,831,256**	**1,083,624,202**	**- 340,207,054**	**76%**

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

Chief Officer

Head of Treasury Accounts

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)				
Danida			10,990,000	
World Bank - Health Fund			8,669,898	
Grants Received from other levels of government				
(Insert name of donor)			-	-
(Insert name of donor)			-	-
Total			**19,659,898**	-

[Provide short appropriate explanations as necessary]

4 EXCHEQUER RELEASES

Description and reference of the transfer		Date of transfer	2015 - 2016 Kshs	2014 - 2015 Kshs
1st quarter transfer			320,825,591	666,254,154
2nd quarter transfer			950,307,052	759,219,850
3rd quarter transfer			1,109,299,947	840,996,264
4th quarter transfer			1,342,274,778	840,996,264
Total			**3,722,707,369**	**3,107,466,532**

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description			2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers from Central government entities				
Ministry of Roads - RMFL			45,129,788	-
Ministry of Health - Free Maternal			13,087,500	-
Ministry of Health - User fees foregone			5,220,197	
Transfers from Counties				
(insert name of budget agency)			-	-
(insert name of budget agency)			-	-
TOTAL			63,437,485	-

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

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2015-2016 Kshs	2014-2015 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	-	-
Domestic Accounts Payable	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

7 PROCEEDS FROM FOREIGN BORROWINGS

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

[Provide short appropriate explanations as necessary]

8 PROCEEDS FROM SALE OF NON-FINANCIAL 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	-	-

[Provide short appropriate explanations as necessary]

[Provide short appropriate explanations as necessary]

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		2,746,680
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	2,746,680

[Provide short appropriate explanations as necessary]

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	-	-

[Provide short appropriate explanations as necessary]

11 OTHER REVENUES

	2015-2016 Kshs	2014-2015 Kshs
Interest Received	-	-
Profits and Dividends		-
Rents		-
Other Property Income		175,037,733
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		-
Other Receipts Not Classified Elsewhere		-
Business Permits	-	-
Cesses	-	-
Poll Rates	-	-
Plot Rents	-	-
Other Local Levies	-	-
Administrative Services Fees	-	-
Various Fees	-	-
Council'S Natural Resources Exploitation	-	-
Sales Of Council Assets	-	-
Lease / Rental Of Council'S Infrastructure Assets	-	-
Other Miscellaneous Revenues	-	-
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	-	-
Market/Trade Centre Fee	-	-
Vehicle Parking Fees	-	-
Housing	-	-
Social Premises Use Charges	-	-
School Fees	-	-
Other Education-Related Fees	-	-
Other Education Revenues	-	-
Public Health Services	-	-
Public Health Facilities Operations	-	-
Environment & Conservancy Administration	-	-
Slaughter Houses Administration	-	-
Water Supply Administration	-	-
Sewerage Administration	-	-
Other Health & Sanitation Revenues	-	-
Technical Services Fees	-	-
External Services Fees	-	-
System Required Revenue A/cs	-	-
Total	-	**175,037,733**

[Provide short appropriate explanations as necessary]

12 COMPENSATION OF EMPLOYEES

	2015-2016 Kshs	2014-2015 Kshs
Basic salaries of permanent employees	629,340,331	755,090,937
Basic wages of temporary employees	2,000,000	10,914,563
Personal allowances paid as part of salary	351,638,872	205,389,203
Personal allowances paid as reimbursements	105,000	1,761,711
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	118,193
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**983,084,203**	**973,274,607**

[Provide short appropriate explanations as necessary]

13 USE OF GOODS AND SERVICES

	2015-2016 Kshs	2014-2015 Kshs
Utilities, supplies and services	4,873,101	5,383,925
Communication, supplies and services	8,870,802	6,843,783
Domestic travel and subsistence	111,026,812	86,054,619
Foreign travel and subsistence	38,604,016	45,751,040
Printing, advertising and information supplies & services	18,502,817	21,650,929
Rentals of produced assets	4,834,437	13,019,678
Training expenses	70,271,538	38,523,530
Hospitality supplies and services	18,052,684	21,668,828
Insurance costs	33,009,702	33,085,232
Specialised materials and services	192,299,260	118,812,671
Office and general supplies and services	19,893,143	14,166,135
Other operating expenses	246,136,368	179,259,609
Routine maintenance – vehicles and other transport equipment	30,559,597	31,461,324
Fuel Oil and Lubricants	50,302,748	24,943,083
Routine maintenance – other assets	19,931,880	52,790,356
Other Costs	-	
Total	**867,168,903**	**693,414,741**

[Provide short appropriate explanations as necessary]

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			-	-

[Provide short appropriate explanations as necessary]

15 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description			2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to Central government entities				
See attached list			94,918,967	32,046,698
Transfers to Counties				
Other Capital grants and transfers			87,900,766	180,361,730
(insert name of budget agency)			-	-
Transfers to County Assembly of Samburu			471,689,907	
TOTAL			**654,509,640**	**212,408,428**

16 OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Scholarships and other educational benefits	61,600,000	68,787,966
Emergency relief and refugee assistance		-
Subsidies to small businesses, cooperatives, and self employed	14,393,611	-
Domestic Loans to Individuals and Households	141,083,750	85,288,540
Total	**217,077,361**	**154,076,506**

[Provide short appropriate explanations as necessary]

17 SOCIAL SECURITY BENEFITS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Government pension and retirement benefits	15,697,995	6,435,734
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	1,144,373	-
Total	**16,842,368**	**6,435,734**

[Provide short appropriate explanations as necessary]

18 ACQUISITION OF ASSETS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Non Financial Assets		
Purchase of Buildings		-
Construction of Buildings	237,859,975	315,364,461
Refurbishment of Buildings	32,770,792	20,628,784
Construction of Roads	127,330,504	278,790,571
Construction and Civil Works	300,300,198	366,769,895
Overhaul and Refurbishment of Construction and Civil Works	15,885,000	79,899,043
Purchase of Vehicles and Other Transport Equipment	80,520,126	139,133,588
Overhaul of Vehicles and Other Transport Equipment		-
Purchase of Household Furniture and Institutional Equipment	86,158	522,380
Purchase of Office Furniture and General Equipment	17,369,987	48,681,674
Purchase of Specialised Plant, Equipment and Machinery	16,230,107	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	234,340	176,891,336
Purchase of Certified Seeds, Breeding Stock and Live Animals	65,976,246	-
Research, Studies, Project Preparation, Design & Supervision	141,411,375	40,288,201
Rehabilitation of Civil Works	112,049,908	28,049,654
Acquisition of Strategic Stocks and commodities		75,967,711
Acquisition of Land		-
Acquisition of Intangible Assets		-
Purchase of ICT Equipment		
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	**1,148,024,716**	**1,570,987,297**

[Provide short appropriate explanations as necessary]

19 FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016 Kshs	2014 - 2015 Kshs
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	-	-

[Provide short appropriate explanations as necessary]

16 OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Scholarships and other educational benefits	61,600,000	68,787,966
Emergency relief and refugee assistance		-
Subsidies to small businesses, cooperatives, and self employed	14,393,611	-
Domestic Loans to Individuals and Households	141,083,750	85,288,540
Total	**217,077,361**	**154,076,506**

[Provide short appropriate explanations as necessary]

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Total	**16,842,368**	**6,435,734**

[Provide short appropriate explanations as necessary]

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Rehabilitation of Civil Works	112,049,908	28,049,654
Acquisition of Strategic Stocks and commodities		75,967,711
Acquisition of Land		-
Acquisition of Intangible Assets		-
Purchase of ICT Equipment		-
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	**1,148,024,716**	**1,570,987,297**

[Provide short appropriate explanations as necessary]

19 FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016 Kshs	2014 - 2015 Kshs
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	**-**	**-**

[Provide short appropriate explanations as necessary]

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	-	-

[Provide short appropriate explanations as necessary]

21 OTHER EXPENSES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Budget Reserves	-	
Civil Contingency Reserves	-	-
Other expenses	26,420,197	13,334,850
Domestic Accounts	-	-
	26,420,197	13,334,850

[Provide short appropriate explanations as necessary]

22A Bank Accounts

Name of Bank, Account No. & currency		Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c	2015 - 2016	2014 - 2015
			Kshs	Kshs
Central Bank of Kenya, Ac. No 1000170743(Kshs)		xxx	3,663,800.55	4,910,497.00
Road Levy		xxx	45,129,788.00	4,071.45
Central Bank of Kenya, Ac. No 1000170808(Kshs)		xxx	2,878.40	17,325.85
Special Purpose Account			16.00	-
Deposit Account			-	
Revenue Account			174,541,943.65	350,447,215.10
Total			**223,338,426.60**	**355,379,109.40**

[List all bank account held by the entity]

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	0	0

Cash in hand should also be analysed as follows:

			2015 - 2016 Kshs	2014 - 2015 Kshs
Location 1				
Location 1				
Total			-	-

[Provide cash count certificates for each]

23 Outstanding Imprests

Description			2015 - 2016 Kshs	2014 - 2015 Kshs
Government Imprests			41,522,530.00	32,331,886.00
Receivables from County Assembly			15,527,401.90	
Total			**57,049,931.90**	**32,331,886.00**

[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*
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Total				xxx

[Provide short appropriate explanations as necessary]

24 Accounts Payables

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	-	-
TOTAL	-	-

25 BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	355,379,109	704,527,736
Cash in hand	-	-
Receivables - Outstanding Imprests	32,331,886	21,864,478
Payables - Deposits	-	-
Receivables - From County Assembly	-	
Total	**387,710,995**	**726,392,214**