REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF EMBU

FOR THE YEAR ENDED 30 JUNE 2017

KENYA NATIONAL AUDIT OFFICE
EMBU HUB
07 MAR 2018
2292
Tel: 068 - 30260
P. O. BOX 113, EMBU

COUNTY ASSEMBLY OF EMBU

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2017

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

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a) Background information

The County Assembly of Embu is constituted as per Article 176 of the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 13 others appointed by Political Parties according to their representation in the Assembly. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

b) Key Management

The County Assembly of Embu day-to-day management is under the following key organs:

County Assembly Service Board
↓
Clerk
↓
Deputy Clerk and Directors
↓
HODS
↓
Staff

c) Physical Address

County Assembly of Embu
Along James Nyaga Crescent road
Off Embu Meru Highway
Opposite Faith House
P.O. Box 140 – 60100 Embu

d) **Contacts**

Telephone: (254) 068-2231208
E-mail countyassemblyofembu@gmail.com
Website: www.assembly.Embu.go.ke

e) **Bankers**

Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60000-00200,
Nairobi, Kenya
Tel/fax: +254-20-2860000/2861000/2863000

f) **Independent Auditors**

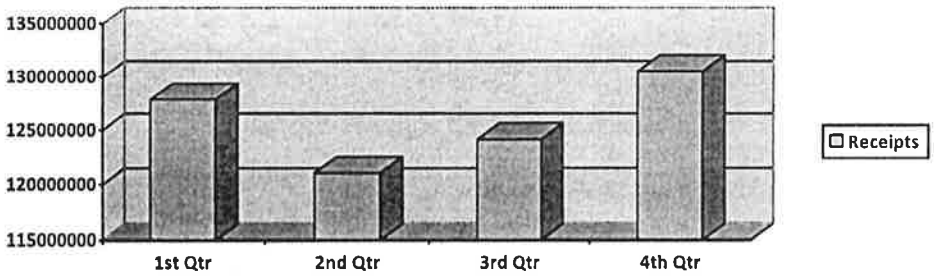
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way

Budget performance

In the financial year 2016/17 the County Assembly had a budget implementation rate of 96%.

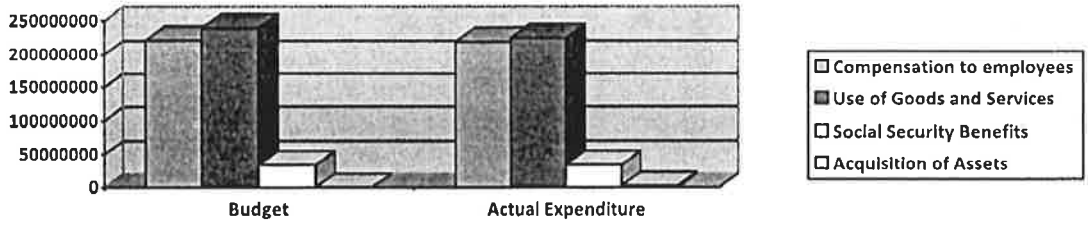
RECEIPTS

The County Assembly received Kshs. 503,661,587 which was 100% of the budget amount.



On Compensation to employees the County Assembly spent Kshs 219,635,161 against a budget of Kshs. 221,314,165 being 99%. On the Use of goods and services the actual expenditure was Kshs. 225,062,979 against a budget of 239,592,086 which was 94%.

The County Assembly spent Kshs. 34,083,089 on Social Security Benefits against a budget of 40,055,336. This was 85% of the budget. There was 100% implementation on acquisition of asset with the actual expenditure equalling the budget at 2,700,000.



Operational Performance

TYPES OF COMMITTEES IN THE ASSEMBLY

Committees in the County Assembly are collectively known as Select Committees. The outstanding differences between committees are contained in their explicit mandates.

1. **STANDING COMMITTEES -**

Standing committees include the Budget and Appropriation committee, the Public Investment and public Accounts committee. **House Keeping committees** include the powers and privileges, House Business Committee, Liaison committee, Implementation and Delegated Legislation Committee.

BRIEF REMARKS ON EACH COMMITTEE OF THE COUNTY ASSEMBLY.

1. Assembly rules and business committee

✓ Established under standing order no. 165(1)

2. Appointment of the committee - (standing order no. 165(2)

3. Committee on selection – (standing order 166)

4. Committee on appointments – standing order no.198
5. Public accounts and investment committee – standing order no.199

Achievements and successes

a) Report of the Auditor General on the Financial Statements of Accounts of Kyeni -Water and Sewerage Company for the period ended 30th June, 2014.

b) Report of the Auditor General on the Financial Statements of Accounts of Ngagaka Water and Sanitation Company Limited for the period ended 30th June, 2014.

c) The Embu County Accountability week Policy, 2015.

6. County budget and appropriations committee
- Standing order no. 200.

Achievements and successes

a) Budget and appropriations committee report on the budget estimates for the FY 2016/2017 (July 2017).

b) Budget and appropriations committee report on the 1st Supplementary Budget Estimates for the FY 2016/2017 (18/10/2017).

c) Budget and Appropriations committee report on the 2nd Supplementary Budget Estimates for the FY 2016/2017 (30th Nov. 2017).

7. Committee on implementation – standing order no. 202
8. Committee on powers and privileges – standing orders 201
9. Committee on delegated county legislation - standing order 203

Committee achievements;

- Report on the sampled County Assembly committees on Delegated County Legislation.

- Report of the committee on Delegated County Legislation on the Public Finance Management (Embu County Women Fund) Regulations, 2016.

10. Liaison committee – standing order 205

11. Ad hoc committees - standing order no. 206

SECTORAL COMMITTEES: ((Standing Order no. 204)

All Sectoral Committee work is guided by the **subject matter** as stipulated under the Standing Orders and committees only handle work falling within those subjects. Sectoral committees also called departmental committees as they deal with issues domiciled with certain sectors/portfolios within the county government.

Tabled Reports

- Report of Sectoral Committee on Agriculture, Livestock, Fisheries and Cooperatives on the

Investigations of the CEC and Chief Officer In Charge of the Docket on the Implementation of Earth Dams 2013/14 and 2014/15 Budgets and their Engagement with AMS Machang'a. Tabled 2016.

- Report of Sectoral Committee on Agriculture, Livestock, Fisheries and Cooperatives on Fish Pond Liners and Certified Seeds Supplied to Farmers in Embu County in FY 2014/2015. Tabled 2017.

Petitions Tabled

A Petition by New Kyeni Farmers' Cooperatives Society on the continued and vast mismanagement and maladministration of their society. Tabled 2017.

1. **Committee on health**

Achievements and successes

- Reports on the budget estimates for the following fiscal years; 2016/2017

2. **Infrastructure, public works, housing and energy**

Tabled reports:

a) Report on the status of the county houses
b) Report on the progress of construction of Kibugu road

Activities:

- Benchmarked the probase technology being used in construction of Kibugu road with Miathene-Kianjai road in Meru county that used the same technology
- Visited various county road improved through the roads maintenance levy fund

3. **Committee on Administration and Public Service**

- Report on the CPSB Annual Report for period ended 31st Dec 2015
- Report on SRC Annual report for the year 2014/15

4. **Trade, tourism, investment and industrialization.**

Tabled reports

- The committee also carried out several public participation forums in respect of the Embu county alcoholic drinks control act which was passed in 2016

5. **Youth Empowerment and Sports Committee**

Tabled reports

- Report of committee on youth and sports on the Kenya inter counties sports and cultural association (KICOSCA) / County Assemblies sports association (casa) games 2015.

6. **Lands, water, environment and natural resources.**

Tabled reports

- Reports on the budget estimates for the following fiscal years 2016/2017

Acts passed:

- The Embu county environment management act, 2016
- The Embu county water act, 2015

7. **Committee on gender, culture, children and social services**

   Tabled reports

   - Report of sectoral committee on gender, culture, children and social services on the status of vulnerable children in Embu County, 2017.

8. **Committee on Education Science and Technology**

9. **Finance and Economic planning**
   - The report on the Embu county annual development plan 2016/2017 .the adp was also successfully approved.
   - The report on the Embu county annual development plan 2017/2018 .the adp was also successfully approved.
   - The Embu county youth trust fund act, 2014
   - The Embu county revenue authority act, 2017

Performance of key development projects

In the Financial 2016/17 there were no Capital Projects. There was a budget of Kshs. 50,000, 0000 meant to construct the Office Complex but the projects could not start off due to some legal challenges

Comment on value-for-money achievements

In terms of implementation of the budget the assembly was able to get value for money as 95% of budget was implemented

Challenges and Recommended Way Forward

- Lack of enough resources curtailing identification of programmes
- Court cases derailing the construction of the office complex
- Challenges in IFMIS and Internet Banking network. Lack of advanced infrastructure in ICT hindering processing of payments.

Sign

COUNTY ASSEMBLY OF EMBU CLERK 30 SEP 2017 P.O. BOX 140 - 60100, EMBU

Clerk of the County Assembly

STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a Government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

The County Assembly Service Board is in charge of the County Assembly of Embu and is responsible for the preparation and presentation of the Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly as at the end of the financial year ending on 30th June 2017.

This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity.
- 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.
- Safeguarding the assets of the County Assembly of Embu
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

The County Assembly Service Board accepts responsibility for the Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The County Assembly Service Board is of the opinion that the Assembly's financial statements give a true and fair view of the state of Assembly's transactions during the financial year ended June 30, 2017, and of the Assembly's financial position as at that date.

The County Assembly Service Board further confirms the completeness of the accounting records maintained for the Assembly which have been relied upon in the preparation of the Assembly financial statements as well as the adequacy of the systems of internal financial control.

County Assembly Service Board further confirms that the Assembly has complied fully with applicable Government Regulations and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

County Assembly Service Board confirms that the Assembly financial statements have been prepared in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board.

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF EMBU FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Embu set out on pages 9 to 22, which comprise the statement of assets and liabilities as at 30 June, 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Embu as at 30 June 2017, 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.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Accuracy, Completeness and Presentation of the Financial Statements

The financial statements did not include the progress on follow up on auditor recommendations and a summary of significant accounting policies and other explanatory information as required by the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

Further, the statement of comparison of budget and actuals amounts comes after the notes to financial statements against the prescribed format. Also the total of receipts in the separate statement of comparison of budget and actual amount for recurrent and development does not add up to Kshs.503,661,587 shown in the combined statement.

In addition, notes 3, 4, 5 and 6 as indicated in the statement of cash flows do not correspond with the actual notes to the financial statements.

In the circumstances, the accuracy, completeness and presentation of the financial statements could not be ascertained.

2.0 Unsupported Balance for Fixed Assets

Annex 3 to the financial statements reflects fixed assets worth Kshs.22,699,136 as at 30 June 2017. However, the fixed assets register made available for audit review showed a balance of Kshs.19,625,236 resulting into an unexplained variance of Kshs.3,073,900.

Consequently, the accuracy, existence and security of the County Assembly's fixed assets stated at Kshs.22,699,136 as at 30 June 2017 could not be confirmed.

3.0 Administration of Gratuity

The County Assembly approved budget of Kshs. 503,661,587 included an amount of Kshs.41,355,336 in respect to gratuity. However, the financial statements reflect that an amount of Kshs.25,560,546 was transferred to the Assembly in respect to gratuity during the year and was banked at Family bank, Embu Branch, in current Account No.001150079 resulting in an unexplained and unsupported over provision of Kshs.15,794,790.

Further, Annex 1 of the financial statements and bank statements reflected that out of accumulated amount of Kshs. 57,844,829 in the gratuity account, only Kshs. 2,065,723 and Kshs.673 had been paid as gratuity and bank charges respectively as at 30 June 2017 both totaling Kshs.2,066,396 while the un utilized balance as at 30 June 2017 was Kshs.55,778,433.

However, the County Assembly had not entered into any formal agreement with a competent body on the management of gratuity.

In addition, the financial statements reflects Kshs.20,778,431 in respect to County Assembly Gratuity Account Number 075000034870 while the respective certificate of bank balance reflected Kshs.19,472,246 resulting to an unexplained difference of Kshs.1,306,185.

In the circumstances, the accuracy, security and propriety of Kshs.55,778,433 balance in respect to gratuity could not be ascertained as at 30 June 2017.

4.0 Construction of County Assembly Office Complex

As reported in previous year, the County Assembly entered into an agreement for construction of an office complex and specialized works under tender number CAE/001/BDG/2014-2016 on 30 March 2015 at a contract sum of Kshs.325,856,107 to be funded using long term finance as per the advice of Commission of Revenue and Allocation (CRA).

However, on 11 August 2015, the High Court at Embu granted conservatory orders that restrained the funding and the paying out of funds to any person or authority for the works and on 14 August 2015, the contractor was instructed to stop construction until further notice.

Further, the contractor issued two (2) invoices for works completed dated 25th and 27th April, 2016 for amount of Kshs.10,861,943.76 and Kshs.18,485,013.97 respectively, all totaling Kshs.29,346,957.73 but which had not been paid as on 26 February 2018.

In consequence, the County Assembly risks a claim of huge penalties and interests together with the unpaid invoices amounting to Kshs. 29,346,958 as at 30 June 2017 without receiving value for money.

5.0 **Unaccounted for Funds for Car Loan Scheme and Mortgage Scheme Fund**

As reported previously, the County Executive member for finance established the Embu County Assembly Members (Mortgage Scheme Fund) and Embu County Public Finance County Assembly Car Loan (Members) Scheme Fund Regulations 2014 as per Section 116 (1) of the Public Finance Management Act, 2012. The Board signed an agreement with Family Bank Limited for the Management of the Fund on 16 June 2014. During the financial years 2013/2014 and 2014/2015, the County Assembly transferred funds totaling to Kshs.165,000,000 to family bank account number 075000028013 in respect to the Fund. The bank balance certificate for the Fund account reflected a balance of Kshs.165, 020,733 as at 30 June 2017. A review of the bank statements showed that the amount was invested in a fixed deposit at unknown interest earning rate. Further, there were no records indicating the interest earned from the fixed deposit including any associated costs.

In addition, although the two Funds are separate entities which were created in March 2014 but wholly owned by the Assembly, no separate financial statements were submitted to the Auditor-General contrary to Section 116(7) of the Public Finance Management Act, 2012, Section 47 of the Public Audit Act, 2015 and Section 15(1) (d) and 19(1) (d) of the Car and Mortgage Scheme Fund respectively.

In the circumstances, the Assembly was in breach of the law and the propriety, security and accuracy of the Kshs.165, 000,000 deposit and any interest earned thereof including the recoverability of all outstanding amounts could not be ascertained as at 30 June 2017.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of Embu in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements, except for the matters described in the

Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

Other Matter

1.0 Weaknesses on Internal Control Effectiveness

1.1 Non–Establishment of Audit Committee

The County Assembly did not have in place an audit committee contrary to Section 155 (5) of the Public Finance Management Regulations, 2015. Further, the existing internal audit unit was not independent as it was part of finance department and lacked an internal audit charter. In addition, there was no risk assessment processes put in place hence risks may not have been identified.

As a result, the County Assembly was in contravention of Section 155 (5) of the Public Finance Management Regulations, 2015.

1.2 Information, Communication and Technology (ICT) Environment

Review of the County Assembly's ICT environment revealed that there was no formal approved ICT policy in place as at 30 June 2017 which includes data security policy and disaster recovery plans. Further, the ICT organization structure was not provided for review.

In the circumstances, the integrity, security and reliability of the County Assembly's financial data including its Management Information System could not be ascertained as at 30 June 2017.

Responsibilities of Management and those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Assembly's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Assembly's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the County Assembly's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Nairobi

16 July 2018

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016/2017	2015/2016
		Kshs	Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	503,661,587	519,312,222
TOTAL RECEIPTS		**503,661,587**	**519,312,222**
PAYMENTS			
Compensation of Employees	2	219,635,161	193,341,105
Use of goods and services	3	225,062,979	231,733,280
Social Security Benefits	4	34,083,229	45,356,333
Acquisition of Assets	5	2,700,000	1,813,362
TOTAL PAYMENTS		**481,481,369**	**472,244,080**
SURPLUS/DEFICIT		**22,180,218**	**47,068,142**

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/ 2017 and signed by:

30 SEP 2017
Sign:.....

Clerk of the Assembly

Director - Finance and Accounting Services

ICPAK No. 8494

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2016/2017	2015/2016
FINANCIAL ASSETS		**Kshs**	**Kshs**
Cash and Cash Equivalents			
Bank Balances	6	22,180,218	49,112,070
Total Cash and cash equivalents		**22,180,218**	**49,112,070**
TOTAL FINANCIAL ASSETS		**22,180,218**	**49,112,070**
REPRESENTED BY			
Fund balance b/fwd	7	49,112,070	2,043,928
Surplus / Deficit for the year		22,180,218	47,068,142
Prior year adjustments	8	49,112,070	
NET FINANCIAL POSITION		**22,180,218**	**49,112,070**

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 30/9 2017 and signed by:

COUNTY ASSEMBLY OF EMBU
30 SEP 2017
Sign:.....
P.O. Box 140-60100, EMBU

Clerk of the Assembly

Director - Finance and Accounting Services

ICPAK No. **8494**

STATEMENT OF CASHFLOWS

	Note		2016/2017 Kshs	2015/2016 Kshs
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from operating income				
Transfers from the County Treasury/Exchequer Releases	1		503,661,587	519,312,222
			503,661,587	**519,312,222**
Payments for operating expenses				
Compensation of Employees	3		219,635,161	193,341,105
Use of goods and services	4		225,062,979	231,733,280
Social Security Benefits	5		34,083,229	45,356,333
			478,781,369	**470,430,718**
Adjusted for:				
Adjustments during the year		-	49,112,070	
Net cash flows from operating activities		-	**24,231,852**	**48,881,504**
CASHFLOW FROM INVESTING ACTIVITIES				
Acquisition of Assets	6	-	2,700,000	1,813,362
Net cash flows from investing activities		-	**2,700,000**	**1,813,362**
NET INCREASE IN CASH AND CASH EQUIVALENT		-	**26,931,852**	**47,068,142**
Cash and cash equivalent at BEGINNING of the year			**49,112,070**	**2,043,928**
Cash and cash equivalent at END of the year			**22,180,218**	**49,112,070**
As per statement of assets			**22,180,218**	**49,112,070**
Control			***0***	

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 30/9/ 2017 and signed by:

Clerk to the Assembly

Director - Finance and Accounting Services

ICPAK No. **8494**

COUNTY ASSEMBLY OF EMBU CLERK 30 SEP 2017 Sign: P.O. BOX 140 - 60100, EMBU

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE EXCHEQUER

	2016/2017	2015/2016
	Kshs	Kshs.
Total Exchequer Releases for quarter 1 Recurrent	127,853,071	150,349,939
Total Exchequer Releases for quarter 2	121,064,440	75,000,000
Total Exchequer Releases for quarter 3	124,161,241	148,914,514
Total Exchequer Releases for quarter 4	130,582,835	110,047,769
Total Exchequer Releases Development	-	35,000,000
Total	**503,661,587**	**519,312,222**

2. COMPENSATION OF EMPLOYEES

	2016/2017	2015/2016
Basic salaries of permanent employees	98,882,360	83,184,965
Basic wages of temporary employees	15,543,896	16,936,275
Personal allowances paid as reimbursements	104,812,792	90,450,429
Personal allowances paid as reimbursements	396,113	2,750,606
Pension and other social security contributions		
Compulsory national social security schemes		18,830
Compulsory national health insurance schemes		
Social benefit schemes outside government		
Other personnel payments		
Total	**219,635,161**	**193,341,105**

3. USE OF GOODS AND SERVICES

	2016/2017	2015/2016
	Kshs	Kshs
Utilities, supplies and services	1,048,000	1,040,999
Communication, supplies and services	464,556	420,236
Domestic travel and subsistence	108,247,971	93,484,289
Foreign travel and subsistence	8,734,532	15,720,920

Printing, advertising and information supplies & services	3,705,160	6,656,058
Rentals of produced assets	6,172,763	10,747,772
Training expenses	17,916,100	5,248,422
Hospitality supplies and services	10,384,224	16,406,188
Insurance costs	19,545,586	16,112,618
Specialized materials and services	706,475	45,943
Office and general supplies and services	14,426,198	17,811,843
Other operating expenses	33,253,366	46,526,860
Routine maintenance	458,048	1,511,132
Total	**225,062,979**	**231,733,280**

4. SOCIAL SECURITY BENEFITS

	2016/2017	2015/2016
	Kshs	**Kshs**
Government pension and retirement benefits	9,541,026	9,694,160
Gratuity for Members and Contractual employees	24,542,203	35,662,173
Employer Social Benefits in cash and in kind		
Total	**34,083,229**	**45,356,333**

5. ACQUISITION OF ASSETS

	2016/2017	2015/2016
Non Financial Assets	**Kshs**	**Kshs**
Purchase of Buildings		
Construction of Buildings	-	
Purchase of Household Furniture and Institutional Equipment		344,990
Purchase of Office Furniture and General Equipment	2,302,000	598,382
Purchase of ICT Equipment, Software and Other ICT Assets	398,000	869,990

Purchase of Specialised Plant, Equipment and Machinery		
Total	**2,700,000**	**1,813,362**

6. BANK ACCOUNTS

Name of Bank, Account No. & Currency		**2016/2017 Kshs**	**2015/2016 Kshs**
Central Bank of Kenya Ac/ No. 1000195328	Recurrent	22,180,218	14,112,070
Co-operative Bank of Kenya Ac/ No.	Operations		
Central Bank of Kenya Ac/ No. 1000195339	Developme nt	-	35,000,000
Total		**22,180,218**	**49,112,070**

GRATUITY ACCOUNT (Annex 1)

	2016/2017 Kshs	**2015/2016 Kshs**
Family Bank A/c No. 075000034870	20,778,431	30,059,044
FDR Account	35,000,000	
Location 3		
Total	**55,778,431**	**30,059,044**

7. FUND BALANCE BROUGHT FORWARD

	2016/2017 Kshs	**2015/2016 Kshs**
Balance b/f	**49,112,070**	**2,043,928**
Surplus for the year	22,180,218	47,068,142
Prior year adjustments		
Accounts Payables		
Total	**71,292,288**	**49,112,070**

8: PRIOR YEAR ADJUSTMENTS

Adjustments on bank account balances(Transfer to CRF)	49,112,070	
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (specify)		
TOTAL	**49,112,070.45**	0

9: PENDING ACCOUNTS PAYABLE (See Annex 2)

	2016/2017	**2015/2016**
	Kshs	**Kshs**
Construction of buildings		
Construction of civil works		
Supply of goods	29,884,010	30,573,356
Supply of services		
Total	**29,884,010**	**30,573,356**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs		Kshs	
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases			503,661,587	503,661,587	100
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	-	-	**503,661,587**	**503,661,587**	100
PAYMENTS					
Compensation of Employees			221,314,165	219,635,161	99
Use of goods and services			239,592,086	225,062,979	94
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits			40,055,336	34,083,229	85
Acquisition of Assets			2,700,000	2,700,000	100
Finance Costs					
Other Payments					
TOTAL	-	-	**503,661,587**	**481,481,369**	96

The entity financial statements were approved on 30/9/17 2017 and signed by:

COUNTY ASSEMBLY OF EMBU
CLERK
30 SEP 2017
P.O. Box 1 - 60100, EMBU

Clerk to the County Assembly

Director - Finance and Accounting Services

ICPAK No. **8494**

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases			503,661,587	484,312,222	96
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	-	-	**503,661,587**	**484,312,222**	96
PAYMENTS					
Compensation of Employees			221,314,165	219,635,161	99
Use of goods and services			239,592,086	225,062,979	94
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits			40,055,336	34,083,229	85
Acquisition of Assets			2,700,000	2,700,000	100
Finance Costs					
Other Payments					
TOTAL	-	-	**503,661,587**	**481,481,369**	96

The entity financial statements were approved on 30/09/ 2017 and signed by:

COUNTY ASSEMBLY OF EMBU
CLERK
30 SEP 2017
Box 140-60100, EMBU

Clerk to the County Assembly

Director - Finance and Accounts Services
ICPAK No. 8494

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	35,000,000	-	35,000,000		-
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	**35,000,000**	-	**35,000,000**	-	-
PAYMENTS					
Compensation of Employees					
Use of goods and services					
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits					
Acquisition of Assets					
Finance Costs					
Other Payments					
TOTAL	-	-	-	-	-

The entity financial statements were approved on 30/09 2017 and signed by:

COUNTY ASSEMBLY OF EMBU
CLERK
30 SEP 2017
Sign:.....
P.O. Box 140 - 60100, EMBU

Clerk of the Assembly

Director - Finance and Accounting Services
ICPAK No. 8494

ANNEX 1

ANALYSIS OF THE GRATUITY ACCOUNT

	DETAILS	Kshs.	Kshs.
	Opening Balance		30,059,045
	Amount transferred from Treasury		25,560,546
	Interest Earned		2,225,238
Less	Amount paid as Gratuity	2,065,723	
	Bank Charges	673	
	Transfer to FDR	35,000,000	37,066,396
	Balance as per Statement		**20,778,433**

ANNEX 2

PENDING BILLS AS AT 30/06/2017

Particulars	Vote head	AMOUNT
Ward Operations - April, May & June 2017	2211104	2,400,000
Per diems & Meal Allowances- MCA'S - HB, CAF	2210302	936,300
Per diems & Meal Allowances - Staff attached to committee's	2210302	248,900
Per diems & Meal Allowances – Staff	2210302	4,843,600
Milk- May 2017	2210801	45,500
Mileage Allowance	2110315	77,441
Attic tours	2210301	117,600
Uniglobe	2210401	849,770
Nation Media	2210504	115,000
The star	2210504	194,880
Neno	2210604	10,000
Mountain Breeze	2210801	515,600
KSMS	2210802	93,960
Kenya School of government	2210802	60,900
Utalii Hotel	2210802	1,168,500

Jumeira Ltd	2210801	44,100
Izaac Walton	2210802	64,700
Slopes villa	2210802	2,750
Sunstar	2210802	990,000
Monarch	2210901	256,187
APA Insurance	2210910	1,887,073
C.F.C	2210912	385,158
Pioneer Insurance-Life Assurance	2210912	788,399
Nechal Enter	2211101	73,316
Astiques ventures	2211101	49,700
Government Supplies Branch	2211101	15,200
Timerich	2211103	131,030
totoways- August 2015-March 2016	2211305	480,000
Oil Libya	2220205	100,000
Specicom Technologies-2013/2014	3111002	296,700
Muchoki Kang'ata	2211308	6,675,000
Jubilee Insurance -2016/2017	2210912	811,024
New orleans	2210801	20,800
African tours	2210301	20,500
Hammer cop	2210301	133,470
Dash Dev enterprises	2211101	94,500
CAF	2211306	2,200,000
SOCCAT	2211306	300,000
Yogesh Patel-	2210603	2,018,052
Moses Munyao Wambua May 16 to Oct 16-Makima	2210603	11,000
Julius Macharia Waweru- Kirimari	2210603	40,000
James Njue Robert- Nginda	2210603	20,000
Mutema Murage- Gaturi South	2210603	10,000
Martin Njiru Mwea- Kithimu	2210603	24,000
John Mbaluku Ndithi- Mbeti South	2210603	14,000
Justus N. Ngiavi – Mavuria	2210603	14,000
Charles Mutembei Nyaga - Kyeni South	2210603	20,000
Joel Ngatiari – Evurore	2210603	20,000
Mary Muthoni - Gaturi North	2210603	48,000
Agapio Njiru Kirogoh - Kyeni North	2210603	12,000

Njagi Rurima - Ruguru/Ngandori	2210603	20,000
Nicholus Kamuti Mwenda - Kagaari North	2210603	20,000
Nawiri Sacco – Runyenjes	2210603	13,400
Jeremiah Njeru Karukenya - Kagaari South	2210603	20,000
Samuel wambua – Mwea	2210603	11,000
Phides Muthoni Muriuki –Nthawa	2210603	14,000
Fredrick Nyaga Ngari – Muminji	2210603	14,000
Njue Nyaga – Kiambere	2210603	12,000
Moses Kelly Ngethe - Mbeti North	2210603	11,000
		29,884,010

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost FY2016/2017	Historical Cost FY2015/2016
Balance B/f	**19,999,136**	**18,185,774**
Land		
Buildings and structures		-
Transport equipment		
Office equipment, furniture and fittings	2,302,000	943,372
ICT Equipment, Software and Other ICT Assets	398,000	869,990
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total Acquisitions for the year	**2,700,000**	**1,813,362**
Balance c/d	**22,699,136**	**19,999,136**

ANNEX 4

COUNTY ASSEMBLY OF EMBU MORTGAGE AND CAR LOAN ACCOUNT

2013/14

DATE	DETAILS	SHS	CTS	DATE	DETAILS	SHS	CTS
06-12-14	Embu CG Recurrent	66,000,000		30/06/14	Balance c/d	106,000,000	
17/06/14	Embu CG Recurrent	40,000,000					
		106,000,000				106,000,000	

COUNTY ASSEMBLY OF EMBU MORTGAGE AND CAR LOAN ACCOUNT

2014/15

DATE	DETAILS	SHS	CTS	DATE	DETAILS	SHS	CTS
07-01-14	Balance b/f	106,000,000		30/06/15	Balance c/d	165,000,000	
09-09-14	Embu CG Recurrent	25,500,000					
30/10/14	Embu CG Recurrent	10,000,000					
12-03-14	Embu CG Recurrent	6,000,000					
17/06/15		17,500,000					
		165,000,000				165,000,000	

COUNTY ASSEMBLY OF EMBU MORTGAGE AND CAR LOAN ACCOUNT

2015/16

DATE	DETAILS	SHS	CTS	DATE	DETAILS	SHS	CTS
01-07-15	Balance b/f	165,000,000		30-06-16	Balance c/d	165,000,000	
		165,000,000				165,000,000	

COUNTY ASSEMBLY OF EMBU MORTGAGE AND CAR LOAN ACCOUNT

2016/17

DATE	DETAILS	SHS	CTS	DATE	DETAILS	SHS	CTS
01-07-16	Balance b/f	165,000,000		30-06-17	Balance c/d	165,000,000	
		165,000,000				165,000,000	