REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF HOMA BAY

FOR THE YEAR ENDED 30 JUNE 2017

COUNTY GOVERNMENT OF HOMA BAY

ANNUAL REPORT 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

HOMA BAY COUNTY GOVERNMENT
CHIEF OFFICER
29 SEP 2017
P.O. BOX 469-40300
HOMA BAY
DPT OF FINANCE & ECONOMIC PLANNING

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Homa Bay County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Municipal Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC–Finance is financial reporting at the County level.

Vision

"An industrialized, healthy and wealthy county."

Mission

"To build and preserve optimal conditions for accelerated, inclusive and sustainable development that guarantees safe livelihoods, dignified living and progressive pathways for all citizens of the county to thrive."

Core Values

Homa Bay County upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

(b) Key management

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

	Name	Designation	Date of
1.	H.E.CYPRIAN OTIENO AWITI.	Governor	3March2013
2.	H.E. Hamillton Orata.	Deputy Governor	3March2013
3.	Dr. David Okeyo	CEC, Finance and Economic Planning	
4.	Dr. Lawrence Koteng	CEC, Health Services	
5.	Prof. Tom Ogada	CEC, Trade, Cooperative and Investments	
6.	Mrs. Dorothy Otieno	CEC, Tourism Sports Youth and Culture	

	Name	Designation	Date of holding office
7.	Eng. Nikolas Obuya Koriko	CEC, Transport and Infrastructure	
8.	Mrs. ConsolataYambo	CEC, Lands, Housing and Physical Planning	
9.	Mr. Eliud Otieno	CEC, Agriculture, Livestock Fisheries	
10.	Mr. Naftali Mata	CEC, Education and ICT	
11.	Mrs. Beatrice Ogola	CEC, Water and Environment	

(C) Fiduciary management

The key management personnel who held office during the financial year ended 30th June2017 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	Dr. David Okeyo	CEC, Finance and Economic Planning
2.	Mr. Noah Otieno	Chief Officer, Finance and Economic Planning
3.	Mr. Daniel Owuor	Head of Accounts
4.	Mr. SamwelMainda	Assistant Head of Accounts

(d) Fiduciary oversight arrangements

The key fiduciary oversight bodies at the County for the year ended 30thJune 2017 were:

1. County Assembly of Homa Bay;
2. Audit Committee;
3. Public Accounts Committee and
4. Budget and Appropriations Committee.

(e) Entity headquarters

P.O.Box469-40300
Homa Bay County
Kenya

(f) Entity contacts

Telephone: (2540721-249-696

E-mail: governorsofficehomabaycounty@gmail.com

Website: www.homabay.go.ke

(g) Entity bankers

Central Bank of Kenya Haile Selassie Avenue P.O.Box60000

CitySquare00200

Nairobi, Kenya

2. Co-operative Bank

Homabay Branch

P.O.BOX 4168-40300

Homabay

(a) Independent Auditors
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(b) Principal Legal Adviser

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

KEY MANAGEMENT

The County Executive team during the financial year consisted of:

H.E.CYPRIAN ARCHELAUS AWITI-Governor

Cyprian Awiti was born on 14th December 1952 in Rachuonyo Sub County, Homa Bay County, in the western part of Kenya. He is a Kenyan politician and currently the Governor for **Homabay county**. He is a member of Orange Democratic Movement and a coalition member of Coalition for Reforms and Democracy.

1984- 1987: Graduate student at Manchester University, Master of Education in Management Administration.

Undergraduate student at Mombasa Technical Training Institute, Electrical Engineering. Secondary school student at Mawego Technical Institute Primary school student at Mawego Primary School in Rachuonyo.

Professional career

He was once a Country Director at Marie Stopes Kenya (he spearheaded development and Implementation of various health policies).

Between 1988 and 1994, he was the Principal at Railway Training School. Earlier between 1983- 1988, he was a Senior Education Officer, in the Ministry of Education. He was also a factory and Marketing Manager of Siemens Kenya, Senior lecturer at Mombasa Polytechnic and also a Government Electrical Inspector, Kenya's Ministry of Public Works.

Political career

Currently, as from April 2013, Mr. Awiti is serving as the 1st Governor of Homa Bay County Government. He was elected on an ODM ticket.
Subscribed to the Pulse live Newsletter

H.E Hamilton O. Orata'

PROFILE - Deputy Governor, Homa Bay County

Mr Orata, born in 1953, comes from Kanyidoto in Ndhiwa Constituency, Homa Bay County and is a married man with children. He graduated in 1976 from The University of Nairobi with a Bachelor of Commerce in Accounting. He received sponsorship from Canadian International Development Agency where he successfully completed a course in Mutual Funds and Investment Companies in Toronto. Prior to that he undertook International Executive Management Program offered by Canadian Petroleum Institute in Alberta Canada among other professional courses.

WORK EXPERIENCE

Mr Orata has immersed rich experience in management from both the private and public sector that will be an asset in steering Homa Bay County's development initiative; After graduating from UON, he joined Barclays Bank of Kenya between 1976 and 1982 as a Management Trainee to senior Management. He left BBK in 1983 for Kenya Finance Bank Group as a Branch Manager where he successfully spearheaded computerization project. He then joined Merchant Card Ltd in 1994 where he served as the General Manager before joining Trust Bank as a Branch Manager in 1987 where he was later promoted to Senior Credit Manager in 1998.In his quest for career advancement, Mr Orata left Trust Bank in 1999 for Kenya Anti-Corruption Authority where he served diligently as Chief Officer-Finance and Administration for three years before he was promoted to the position of Assistant Director – Finance & Operations. Later in 2003, Mr.Orata joined Kenya Pipeline Company as the Finance Manager before he left for private practice. In his most recent engagement, he has been a Consultant in Accounting, Auditing and Financial Management from which he has served various companies and organizations.

MR ORATA'S MAJOR ACHIEVEMENTS

While at Kenya Anti-Corruption Authority, he was part of the Task Force that prepared Public Service Integrity Programme that is currently being used by Kenyan Government in training officers in the Public Service on integrity and Corruption Prevention. He spearheaded Computerization Project while at Kenya Finance Group during the bank's upgrade/restructuring initiative between 1983 and 1984

DR. ODIWUOR DAVID OKEYO
Portfolio: **Finance and Economic Planning**

- Born in 1977 in Kaspul Division of Rachuonyo sub county in Homa Bay County
- Dr. Okeyo is married
- He holds a PhD in Horticulture from Kansas State University, USA
- Holds a Master of Science from Maseno University
- A Bachelor of Science degree from Maseno University
- Currently he is a Lecturer at Maseno University in the Department of Applied Plant Sciences
- He was a teaching Assistant and a research and extension specialist at Kansas State University
- He has made several scientific publications and Conference presentations such as: Freezing tolerance and seasonal color of experimental zoysiagrasses, Intercropping with crotalaria brevidens Benth among others
- He has had several honors and awards including membership of the American Society of Agronomy, Crop Science Society of America and Soil Science Society of America; KSU Graduate Horticulture Club; KEFRI Center of Research and Advisory Committee; Kenya Organic Agriculture Network among others.

DR. LAWRENCE OTENG'
Portfolio: **Health Services**

- Born in 1960 at Asego Division in Homa Bay Sub County in Homa Bay County
- Married with five children
- Holds a Bachelor of Medicine and Bachelor of Surgery from the University of Nairobi
- He is currently undertaking a Master of Public Health degree at Kenyatta University
- Holds a Post graduate Diploma in Sexually Transmitted Infections from the University of Nairobi
- Has worked as Medical Officer at New Nyanza General Hospital, Medical Superintendent at Nyamira District Hospital and Doctor in charge of Surgical Department and the Deputy Doctor in charge at Tabaka Mission Hospital
- He brings into the County Wealth of experience in managing health services which entail promotion of professionalism and medical ethics principles

PROFESSOR TOM PETER OGADA
Portfolio: **Trade, Industry and Investments**

- Professor Ogada was born in 1959 at Rangwe Division, Homa Bay Sub County in Homa Bay County
- He did his East African Certificate of Education and scored a Division ONE
- He holds a PhD in Chemical Engineering from Hamburg-Harburg, Germany
- Holds a Master of Business Administration degree from Moi University and Master of Science Degree in Mechanical Engineering from BPI,Minsk, USSR
- He is currently the Managing Director of T&P Innovation and Technology Management Services
- He has also worked as consultant at World Intellectual Property Organization and National Economic and Social Council
- He has served as Managing Director Kenya Industrial Research and Development Institute and Moi University Holdings Limited
- Professor Ogada brings into the County wealth of experience in Leadership and Management, enterprise creation, industrial development and value addition
- He is also a refined expert in technology business

MR. NICHOLAS OBUYA KORIKO-CEC, Transport and Infrastructure

He was initially appointed in May 2013, as the county Executive Committee Member in charge of Finance Economic Planning department until May 2016 when he was transferred to Transport and Infrastructure department.

Mr. Koriko is a renowned banker who has worked with several banking institutions in senior management positions. His last employer before joining County Government was Eco bank Kenya Limited which is an international institution.

He holds a Master's Degree in Business Administration from Maseno University. He is currently pursing PhD in Business Management – Fund Management from Moi University.
He has demonstrated acumen in fund management, financial solutions, technical design and development, and quality assurances.

	MRS. **CONSOLATA YAMBO MIGOWA** Portfolio: **Lands, Housing and Physical Planning**. • Born in 1953 in Maseno Division of Kisumu sub county in Kisumu County • Holds a master of Arts degree in Gender and Development Studies from the University of Nairobi • Holds a Bachelor of Arts Degree in political science and sociology from University of Nairobi • Has a diploma in Cultural Tourism from University of Nairobi • She worked in EL-AL Israel Airlines, a tourist industry company for 28 years • Also served as national treasurer of league of Kenya Women Voters and Forum for African Women Educationists Kenya • She is Board Member with the Kenya Roads Board • She is Board of Trustee- Green Forest Social Investment Trust • She is an Executive Director- Rural Empowerment and Socio-economic Development, a Community Based organization • She is well vast with supervisory and organizational skills
	MR. ELIUD OTIENO- CEC, Agriculture **MR. ELIUD OTIENO OCHIENG'** Portfolio: **Agriculture, Livestock and Fisheries.**Born in 1968 in Kokwanyo Location, in Kabondo Kasipul Sub County in Homabay County • Married with 5 Children • PhD Student at Jommo Kenyatta University of Agriculture and Technology • Holds a Masters of Business Administration of Kenyatta University • Holds a Bachelor of Education of Kenyatta University • He is currently the Executive Secretary of the Kenya Union of Post Primary Education Teachers (KUPPET) Homabay County • Currently he is the KUPPET National Chairman of the Strategic and Planning Committee • Part time Lecturer University of Nairobi. • Previously served Deputy Principal Kowuor Mixed Secondary School; Senior Master and Director of Studies and Head of Technical and Creative Arts at Mawego Technical; Head of Department at Uriri High School and St Albert's Girls- Ulanda High School.

	• Served as the Chairman Kasipul/Kabondo Constituency Bursary Committee • Served in various capacities in sports administration both at the County and National levels. • He has researched widely and published a number of research papers in the line of entrepreneurship • Brings with him vast of experience in research, entrepreneurship, management, coordination, team building and public participation skills.
	MR. NAPHTALY MATTAH Portfolio: **Education, Information Communication And Technology** • Born in Mfangano North Location, Mbita Sub County, Homa Bay County • He is married • He holds a Master of Arts in Theology(*translation Studies*) from Nairobi Evangelical Graduate School of Theology • He holds a Bachelor of Arts degree in Technology and Management Studies from Moi University • He has worked as high school teacher • He is the founder and Director Gethsemane Garden of Hope for Africa • He is a developer of Kenya Institute of Education (KIE) mother-tongue materials in Suba language • He brings to the County vast experience in programme design, material production, bi-lingual education, computer skills and language skills for pre-school children

	MRS. DOROTHY ATIENO OKELLO Portfolio: **Tourism, Culture and Sports** • Born in 1989 in Rangwe Division of Homa Bay sub county in Homa Bay County • Holds a bachelor of business Administration Degree with IT(management option)from Maseno University • She holds a Diploma in Human Public Relations from Regional Institute of Business Management • Currently pursuing a Master of Business Administration at Maseno University • She was appointed an Administrative Officer, JaramogiOgingaOdinga Foundation • She comes with wealth of experience in youth empowerment and resource mobilization
	MRS. BEATRICE AKINYI OYOMO **Portfolio: Water and Environment•** Born in 1968 in Asego Division of Homa Bay Sub-county in Homa Bay County •She holds a Master of Education degree in Educational Administration from the University of Nairobi •He holds a Bachelor of Education Degree from Kenyatta University •Beatrice is married with children •Has held various positions in the teaching profession •She was appointed as Director of the Board of Kenya Maritime Authority •Member of MaendeleoyaWanawake- Homa Bay District •Member of Ndhiwa Constituency Bursary Fund •Coordinator of Kayambo Development Forum •She Brings in wealth of experience the management of local human and material resources

MR.PHARESH RATEGO

Portfolio: **Energy and Natural Resources**

- Born in 1953 in Mbita Division of Mbita sub county in Homa Bay County
- He holds a Master's degree in Development Finance from Birmingham University, U.K
- Holds a Bachelor of Commerce Degree from the University of Nairobi
- He has authored two books: Business Finance and Impact of Climate Change on Long term Investments in Kenya
- Has 20 years working with USAID as a Project Management Specialist; responsible for managing United States Aid to developing countries
- He has been Chairman of Refugees Affairs Board under the Ministry of Immigration and Registration of persons where he developed comprehensive policy for managing refugee affairs

He also has worked as Chairman of Balozi Cooperative Society, Project Manager with the Development Finance Company of Kenya and a Senior Lecturer at the African Centre for Technology Studies

1. COMMENTARY BY THE CEC, FINANCE AND ECONOMIC PLANNING

It is my pleasure to present the County Government of Homa Bay financial statements for the year ended 30th June2017.The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance.

The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA).The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Homa Bay County included business permits, land rates, business plan approval, advertising fees, cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

1) Automation of revenue collection system–the County is currently testing, as a pilot, the viability of using E-Citizen as the revenue collection system;

Financial Performance

a) Revenue

In the year ended 30th June 2017, theCounty had projected revenues of KShs 6,731,913,525 consisting of KShs 192,162,868 from own sources and KShs6,539,750,657 from other sources.

A graphical representation of the revenue budget is as shown below:

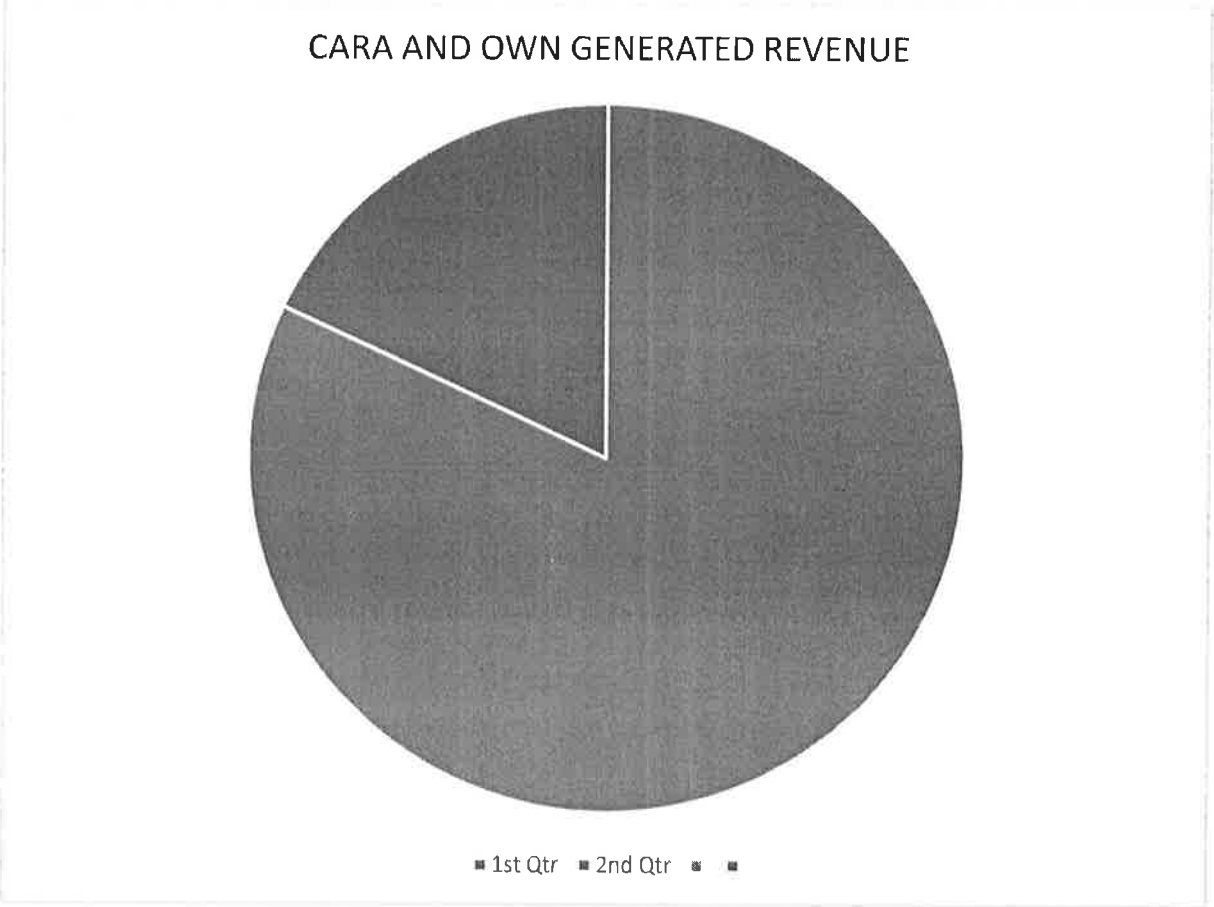


Figure1: Homa Bay County revenue sources in FY 2016/2017

CARA revenues continue to form the largest part of our revenue budget, contributing .90% towards our budget .Our own generated revenues formed 2.14% of our budget. In order to plug in the deficit, we projected revenue from borrowings of 7.86% of our budget, subject to approval by the relevant institutions.

Out of the projected revenue, the County was able to realizeKShs144,131,092 in actual revenues, representing 75% performance. This low performance was as a result of low realization of the own generated revenues whose performance was at 2.8%.In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realization (%)
CARA	6,539,750,657	6,539,750,657	100%
Own generated revenues	192,162,868	144,131,092	75%
Total	**6,731,913,525**	**6,683,881,749**	

Table1: Revenue performance in FY 2016/2017

b) Payments

Our total expenditure for the year amounted to KShs6,412,021,722 KShs 2,096,034,483 was spent on development expenditure while KShs 4,315,987,239 was spent on recurrent expenditure representing a ratio of 1: 2 respectively.

Some of the development projects in FY2016/2017 included the following:

DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES

Agriculture Mechanization Tractors for 8 Sub Counties

Artisanal Fish Cage

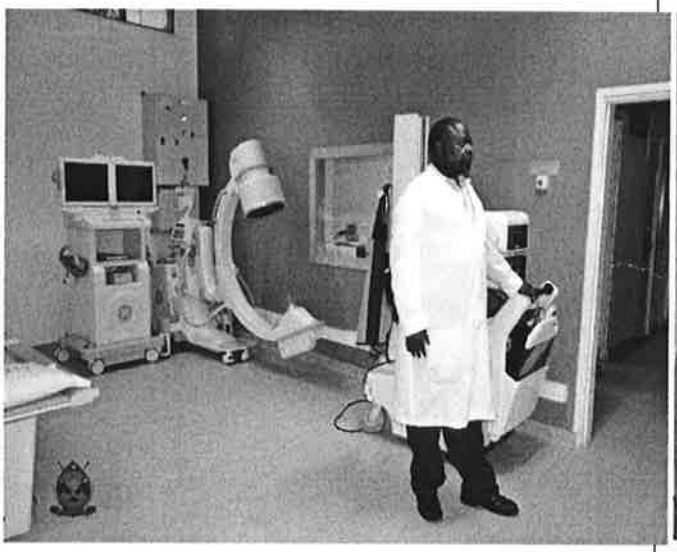
Kapita Youth Group Green House

County Referral Equipment

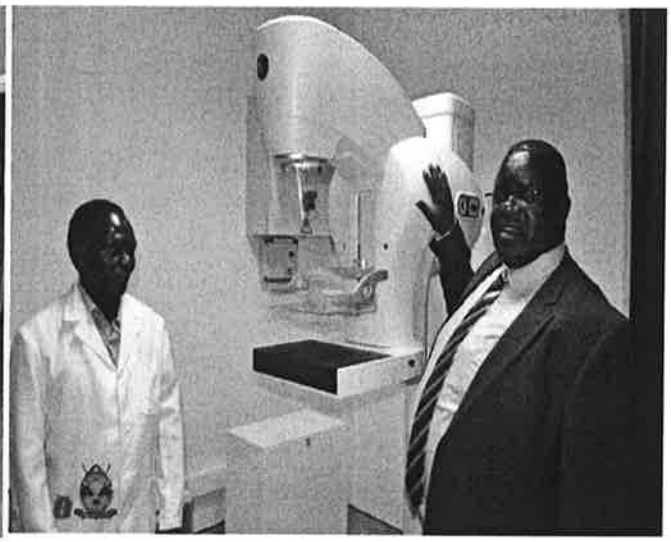
Oxygen Processing Plant Installed at Referral Hospital

Sindo Sub County Ambulance

Ndhiwa Maternity Ward

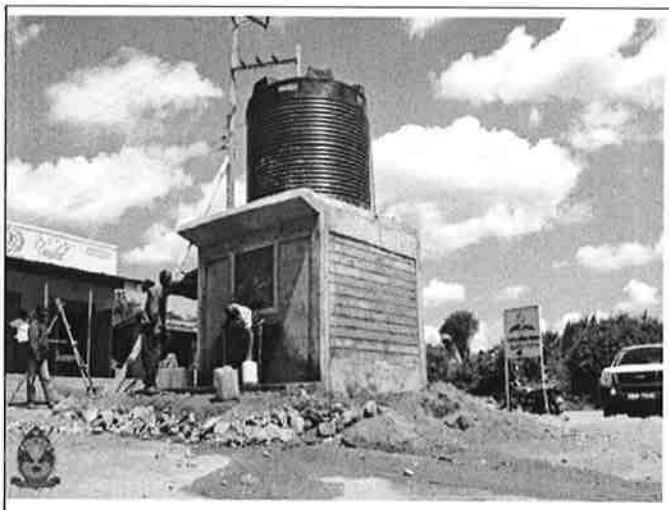


County Referral Equipment

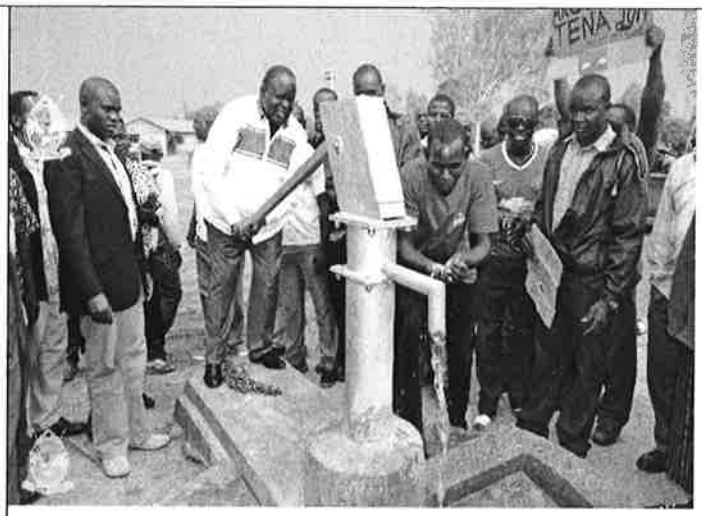


County Referral Equipment

DEPARTMENT OF WATER AND ENVIRONMENT

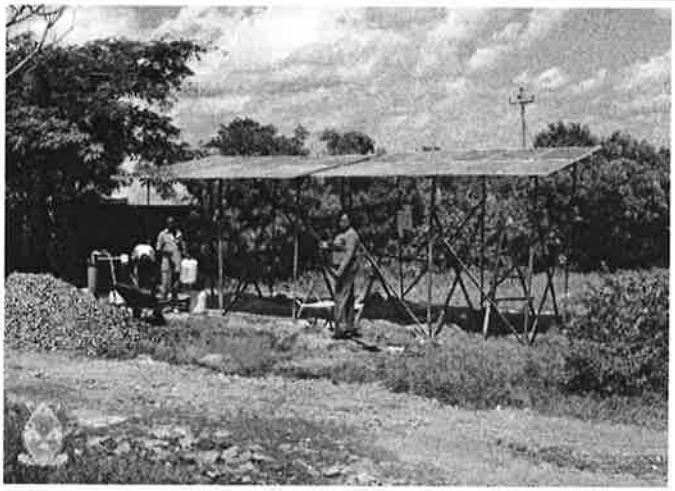


Water Kiosk at Oriang Market



Kanyaluo Water Project

Kochia Water Pan



Solar Powered Water Pump

DEPARTMENT OF ROADS AND INFRUSTRUCTURE

Grader for Homa Bay County

Grader for Homa Bay County

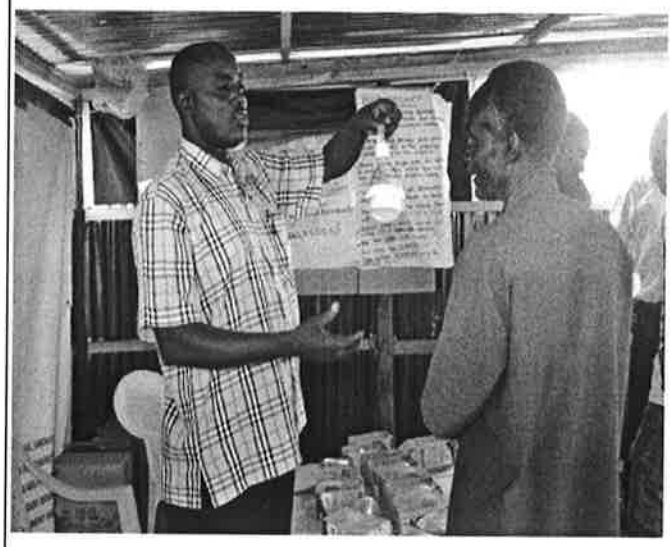
Grader for Homa Bay County

Bridge Under Construction in Arujo Ward

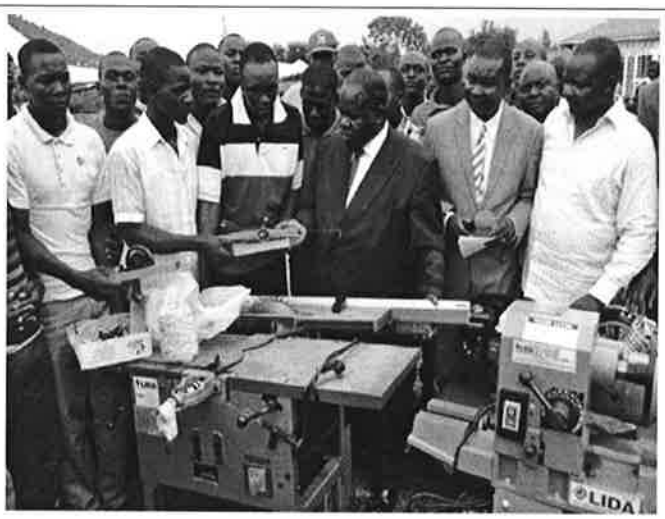
Tarmac Road of Kadongo Gendia Road

Grader for Homa Bay County

DEPARTMENT OF ENERGY AND NATURAL RESOURCES



DEPARTMENT OF TRADE,INVESTMENT AND COOPERATIVE



Motor vehicle purchased for Homa bay bodaboa Youth

DEPARTMENT OF ENERGY AND NATURAL RESOURCES

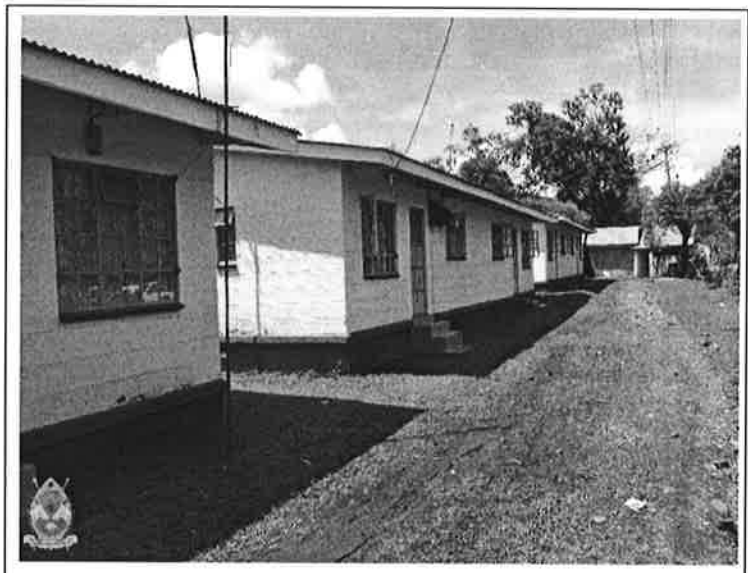


Figure2: County Government Flagship projects completed in FY2016/2017

Past one year. Additionally, the County has hired more ECD teachers to bridge the gaps. An ultra- modern market centres was constructed at accost of KShs50million.This will go a long way in creating jobs for the youth and opening opportunities for the farmers. The County Government also commissioned the Homa Bay County ECD Classes.

Much of the recurrent budget was spent on compensation for employees. This was as a result of salary increments awarded to Doctors and Nurses over the past year.However,we appreciate that a well remunerated work force is necessary for service delivery. As such, we are committed to

Improving the welfare of our staff.

c) Accounts receivables

Imprest management is a critical area of focus in Homa Bay County. Our aim is to adhere to the PFM regulations on imprest management. We appreciate that there is still room for improvement in this area. The main challenge has been to get staff and the Honourable Members of County Assembly to account for the imprests on time. Going into FY 2017/2018, we will place more emphasis on complying with the PFM regulations with regards to imprests.

d) Pending bills

We have reduced the pending bills from KShs466,745,778 million to KShs 452,884,231 million. Our focus as a County is to settle the bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of old outstanding pending bills.

e) Fixed assets

Homa Bay County has made significant investments in fixed assets since coming into office in 2013. Additionally, we inherited so many assets from the defunct Local authorities. We are in the process of developing a comprehensive asset management policy, which we hope to finalize in FY 2017/2018. The policy will among other things incorporate physical verification of all assets,

Valuation of assets, tagging of assets and maintenance of an asset register

Operational performance

The County's operations are structured in terms of departments which are headed by a County Executive Committee member. For seamless service delivery, all departments have to work in unison and synergize .

In the table below, we summarize the key activities carried out by each department during the year:

Department	Key activities
Health Services	• Four new Maternities were constructed • Diagnosis equipment in the level 5 hospital • 5 new dialysis machines • Implementation of the Doctors' and the Nurses' CBA • Upgrading County Referral Hospital
Trade, and Industry	• Marketing Homa Bay County as a key tourist destination • Automation of business permit issuance
Transport andInfrastructure	• Refurbishment of access roads • Tarmacking of KadongoGendia Road□ • Opening of County Roads
Lands, Housing and Physical Planning	• Refurbishment of County houses • Automation of business plan approval process
Agriculture and Water	• Each sub county now has at least two boreholes • Supply of subsidized fertilizer to farmers • Assistance to farmers in exporting their produce
Education, Youth Affairs, Sports and Culture	• Homa Bay Countycultural day

Table 2: Departmental performance in FY2016/2017

Despite the notable achievements, we have experienced some challenges during the year. These include:

1) Poor own revenue collection– the actual revenue collected during the year was 53% of the projected revenues. We are exploring ways of boosting revenue collection as mentioned earlier;

2) We have also experienced challenges with IFMIS as a result of down times and poor internet connectivity.

3) Political processes– there were delays in approving the budget for FY 2016/2017 due to disagreements between the MCAs. This delayed some development projects scheduled for FY 2016/2017;

4) Staff turnover– staff turnover was high in expert and specialization positions due to the inability by the County to offer huge compensation packages compared to other private sector.

Conclusion

FY 2016/2017 was a good year in general. Good progress was made and the momentum has been created to enable Homa Bay County continues on a trajectory into prosperity. We have identified gaps and areas to improve on in the sub sequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support .I would also want to thank my colleagues, the County Executive Committee Members incharge of other departments who we have worked hand in hand to ensure that Homa Bay County achieves its mission.

I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Homa Bay County

County Executive Committee Member for Finance and Economic Planning

County Government of Homa Bay

2. STATEMENT OF CORPORATE GOVERNANCE

Homa Bay County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly and County Executive. The County Assembly (CA) consists of the Members of County Assembly (MCAs) who are elected by the people to represent them in the Assembly. The CA is headed by the Speaker.

The County Executive is structured in terms of departments, headed by a County Executive Committee (CEC) Member. The CECs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution.

The County Assembly

The County Assembly is made of the Members of County Assembly. It is headed by the Speaker who is elected by the Members of County Assembly. The County Assembly is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent. The CA is especially critical in the budgeting process. The Members of County Assembly meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the County Assembly hasthe following oversight committees:

1. Public Accounts Committee

2. Budget and Appropriations Committee

Public Accounts Committee

The committee was formed to provide oversight on the County's finances .The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

No	Name	Position
1	Hon SilvanceWanjalaKasera	Chairperson
2	Hon Julius Odhiambo Gaya	Vice chairperson
3	Hon George Otieno	Member
4	Hon Beatrice Murende	Member
5	Hon Johnson Ochola	Member

Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

No	Name	Position
1	Hon SamwelOkumu	Chairperson
2	Hon EmeldaNyabwa	Vice chairperson
3	Hon Julius Nyambok	Member
4	Hon Christopher Mbata	Member
5	Hon Joel Wanga	Member

Table4: Budget and appropriations committee members

In addition to the above two committees of the County Assembly, the County Government has an independent Audit Committee which was constituted in 2016 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Audit Committee

The audit committee was constituted in 2016. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held four meetings in FY

2016/2017.The committee members during FY 2016/2017 were:#

No	Name	Position
1	Dr David Oyima	Chairperson
2	Dr Maurice Adoyo	Vice chairperson
3	Mr Erick Omondi	Member
4	Mr Julius Polo	Member

Table5: Audit Committee members

Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programs and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in February 2017 where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

3. STATEMENT OF COMPLIANCE

The County Government is regulated by various laws and regulations. As a County Government, we are committed to ensuring that we have complied with all the laws and regulations governing County Governments.

a) Financial reporting– Section 166 of the PFM Ac t(2012) requires the County Treasury to submit quarterly reports to the County Assembly and deliver copies to the Controller of Budget,NationalTreasury and the Commission on Revenue Allocation(CRA),not later than one month after the end of each quarter. Homa Bay County complied with this requirement and submitted the quarterly reports within the stipulated timelines.

b) Fiscal responsibilities– Section107 of the PFM Act (2012) stipulates the requirements of the County Treasury in enforcing fiscal responsibility.

- "The county government's recurrent expenditure shall not exceed the county government's total revenue" –in FY2016/2017, Homa Bay County complied with this requirement whereby the recurrent expenditure

  was KShs4,315,987,239 against total revenues of KShs 6,731,913,525

- "A minimum of thirty percent of the county government's budget shall be allocated to the development expenditure"– in FY 2016/2017, KShs2,096,034,483 (31%) was allocated to development expenditure against a total budget of KShs6, 731,913,525.

4. 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 30,2017, 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 fin 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 financial control.

Approval of the financial statements

The County Government Financial Statement were approved and signed by the CEC member for Finance on 30th September 2017

County Executive Committee Member -Finance and Economic Planning

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF HOMA BAY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of the County Executive of Homa Bay set out on pages 1 to 23, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

In addition, as required by Article 229(6) of the Constitution, I am not able to confirm that public money has been applied lawfully and in effective way.

Basis of Disclaimer of Opinion

1. Inaccuracies in Several Financial Statement Balances

i. The following differences were noted between some of the balances in the financial statements brought forward from the previous year and the respective account balances reflected in the previous year's statements:

	Opening Balance 2016-2017 (Kshs)	Audited Balance 2015-2016 (Kshs)	Difference (Kshs)
6.2 Statement of Assets and Liabilities	4,500,000	64,887,427	60,387,427
Cash and cash equivalent			
Accounts Receivables-Outstanding Imprest			

Total Financial Assets	162,222,378	164,121,726	1,899,348
Notes 13 and 15			
Fund balance Figure	534,220,371	102,722,378	(431,497,993)
Note 15 (2015-2016)			
Account Payable (Deposits)	0	4,500,000	4,500,000
Note 11			
Executive Car Loan and Mortgage	63,000,000	55,000,000	(8,000,000)
Note 4			
County Own Generated Receipts			
Other Receipts Not Classified	0	21,432,069	21,432,069
Various Fees	21,432,069	6,834,810	(14,597,259)

ii. The following differences were noted between the budget execution report extracted from Integrated Financial Management Information System (IFMIS) and the summary statement of comparison of budget and actual amounts presented in the financial statements:

Item	Budget Kshs.	IFMIS Kshs.	Difference Kshs.
Development budget	2,098,073,095	2,077,611,600	20,461,495
Recurrent budget	4,633,840,430	3,698,581,090	935,259,340

iii. Also, the aggregate development and recurrent expenditure balances reported in the financial statements differ with those reflected in the IFMIS as tabulated below:

Item	Amount as per Financial Statements	Amounts as per IFMIS	Difference
	Kshs.	Kshs.	Kshs.
Development Expenditure	2,008,537,814	1,230,127,057	778,410,757
Recurrent Expenditure	4,430,744,956	3,582,631,340	848,113,616

These financial statement figures are therefore not supported by IFMIS which is the principal reporting system for the County Executive. No plausible explanations have been provided by management for these discrepancies.

1.1 Receivables (Outstanding Imprests)

The total financial assets balance of Kshs.4,251,000 reflected in the statement of assets and liabilities under accounts receivables (outstanding imprests) includes Kshs.142,800 issued to an officer in the Executive Service department being the only amount in the list of outstanding imprests and Kshs.178,500 issued under warrant number 2357230. The two balances are captured in the Integrated Financial Management System (IFMIS) in the imprest register but not in the list of outstanding imprests, hence the remainder imprests totaling Kshs.4,108,200 were processed outside the IFMIS system contrary to the requirements of the County Financial Accounting and Reporting Manual.

1.2 Prior-Year Adjustments

The statement of assets and liabilities includes a credit of Kshs.12,542,175 described as a prior-year adjustment. In the previous year's (2015-2016) financial statements, the account reflected a debit balance of Kshs.534,220,370. However, the balance is not supported with documentation to show how the it changed from a debit to a credit balance. Consequently, the accuracy and validity of the prior-year adjustment cannot be confirmed.

1.3 Unexplained Adjustment in the Summary Statement of Appropriation – Combined

Included under receipts in the summary statement of appropriation recurrent and development combined is a final budget balance of Kshs.6,731,913,525 which includes an adjustment of Kshs.87,991,188 for the previous (2015/2016) year. However, the balance is not explained and further, it has the effect of overstating the receipts final budget balance by the same amount. No explanation has been provided by management concerning the figure.

In view of these discrepancies, the accuracy and validity of the financial statements cannot be confirmed.

2. Inaccuracy of Health Appropriations –in –Aid Revenues

Included in the statement of receipts and payments under Note 4 to the financial statements are other receipts which include Kshs.40,000,000 from public health operations and Kshs.5,588,734 from public health services thus raising the total amount in the financial statements to Kshs.45,588,734. An analysis of revenues collected per health facility indicated that a total of Kshs.68,575,668 was collected by health facilities during the year under review. Therefore, the total collections reported

in the financial statements are less than those on record by Kshs.22,986,934 which difference which has not been explained.

Consequently, the accuracy and validity of revenue collections totaling Kshs.45,588,734 reported during the year under review cannot be confirmed.

2.1 Under Receipt of Free Maternity Funds

Included under Note 3 to the financial statements is transfer from other government entities balance of Kshs.327,901,940 which includes an amount of Kshs.121,290,000 received by the County Executive for free maternity health care against an annual budget allocation of Kshs.128,736,441 resulting to a difference of Kshs.7,446,441.The shortfall had not been disbursed as at 30 June 2017.

As a result of the delay in disbursing the funds totaling Kshs.7,446,441, free maternity health care facilities available to residents of Homa Bay County during the year under review were constrained.

2.2 Unsupported Transfer of Funds

During the year under review, funds were transferred from the County's Central Bank accounts to twelve (12) departmental bank accounts maintained in commercial banks from which expenditures totaling Kshs.651,114,087 were paid out through cheques. However, contrary to Section 51 of the Public Finance Management Act (County Government Regulations 2015) which requires that no public officer shall spend or commit funds until he or she has been properly authorized by means of an Authority to Incur Expenditure (AIE) , the transfers were not supported by authority to incur expenditure (AIE) showing the votes on which the funds were to be spent. Also payment of the transfers by cheque contravened Government policy which requires all payments to be made online through the internet banking platform. Further, cash books, payment vouchers and other related documents were not made available for audit verification and as a result the accuracy and authenticity of the reported transfers could not be confirmed.

Consequently, the management breached the law by making payments without Authority to Incur Expenditure (AIE) and using cheques instead of the online internet banking platform and further, the propriety of the transfers could not be confirmed.

2.3 Omissions of Facilities Improvement Fund Expenditure in the Financial Statements

Revenues collected by health facilities under Facilities Improvements of Funds (FIF) were not banked into the County Revenue Fund bank account but were instead spent at source by the health facilities through approvals granted by the Chief Officer Health. In addition, an analysis of the AIEs indicated that a total of Kshs.59,223,505 was spent by health facilities during the year under review. However, these

expenditures were not incorporated in the financial statements despite the respective AIAs revenues of Kshs.46,039,714 having been included in the statement of receipts and payments under other receipts item.

Consequently, the accuracy of FIF expenditure in the financial statements cannot be confirmed.

2.4 Irregular Transfer of Funds to County Assembly

The Department of Transport and Infrastructure transferred a total of Kshs.43,000,000 voted for construction of roads to Homa Bay County Assembly contrary to the provisions of Section 154 (1) of the Pubic Finance Management Act, 2012 which prohibits unapproved transfers of budgeted funds from one county government entity to another. Therefore, the management breached the law.

2.5 Irregular Transfer of Funds to other Departments

During the year under review, the County made transfers of funds totaling Kshs.336,500,000 from six (6) to four (4) of its departments contrary to Section 154(1) of the Public Finance Management Act, 2012 which provides that an Accounting Officer shall not authorize the transfer of appropriated funds to another county government entity or person without authority of the County Assembly. The transfers are shown in the table below:

From	To	Amount (Kshs)
Transport & Infrastructure Dept	Homa Bay County Assembly	60,000,000
Transport & Infrastructure Dept	Finance and economic planning	9,700,000
Health Department	Homa Bay County Assembly	50,000,000
Health Department	Executive Services	65,800,000
Health Department	Finance and Economic Planning	10,000,000
Agriculture	Finance and Economic Planning	40,000,000
Education	Water Department	10,000,000
County Executive	Finance and Economic Planning	41,000,000
Lands	Finance and Economic Planning	50,000,000
	Total	**336,500,000**

Consequently, the transfer breached the law and adversely affected service delivery by the respective departments.

3. Unbudgeted Expenditure for Compensation of Employees

Included in the statement of receipts and payments is compensation of employees' expenditure balance of Kshs.2,491,138,011 which however exceeds the approved

budget of Kshs.2,316,095,924 by Kshs.175,042,087, resulting to an over – expenditure. No evidence has been presented to confirm that the over-expenditure was approved by the County Assembly.

Consequently, the propriety of the excess expenditure of Kshs.175,042,087 cannot be confirmed.

3.1 Unsupported Remittance of Statutory and Loan Deductions

Included under Note 6 to the financial statements is a balance of Kshs.2,491,138,011 which includes Kshs.597,861,576 being payroll deductions for the National Hospital Insurance Fund (Kshs.40,530,596), co-operatives, the Higher Education Loans Board, banks and other loan deductions (Kshs.112,518,618), share contributions (Kshs.44,818,952) and Pay as You-Earn (Kshs.399,993,410). However, supporting documents namely, payment vouchers, bank statements and related evidence to confirm remittance of the amounts to the respective institutions were not made available for audit verification.

Consequently, the accuracy and validity of the statutory remittances cannot be confirmed.

3.2 Unsupported New Appointments

The compensation of employees balance of Kshs.2,491,138,011 reflected in the Statement of Receipts and Payments increased by Kshs.383,132,007 during the year under review. However, the County Public Service Board did not provide the list of applicants, short listed and successful candidates and their qualifications and appointment letters for audit verification.

In absence of the vital documents, it was therefore not possible to ascertain the number of new recruits and verify the accuracy and propriety of the increase in personnel emoluments expenditure during the year under review.

4. Unsupported Expenditure on Domestic and Foreign Air Travel

Included in use of goods and services balance of Kshs.992,473,945 under Note 7 to the financial statements is expenditure of Kshs.103,372,760 and Kshs.24,394,000 incurred on domestic and foreign travel which in turn includes domestic expenditure of Kshs.503,130.00 and foreign expenses of Kshs.8,450,000.00 all totaling to Kshs.8,953,130. However, supporting schedules and payment vouchers for the Kshs.8,953,130 were not made available for audit review. In addition, IFMIS records revealed the supplier's (Agencies Company Limited) account on record was Kshs.32,900,000 resulting to a difference of Kshs.23,946,870 reported as the amount spent on purchase of air tickets during the year.

Consequently, the accuracy and validity of the air tickets expenditure of Kshs.32,900,000 cannot be confirmed.

4.1 Unsupported Supply of Non-Pharmaceutical Items

Aby-Meds Suppliers was awarded tenders for supply of Non-pharmaceutical items through various local purchase orders with an aggregate value of Kshs.6,641,500.00 by the Department of Health. An amount of Kshs.1,411,400.00 was paid in the year under review leaving a pending balance of Kshs.5,230,100 for the department of health as at 30 June 2017. Examination of the supporting documents revealed the following inconsistencies:

(i) The inspection and acceptance committee minutes attached to the payment vouchers were photocopies instead of the original documents.

(ii) All the transactions shared the same invoice date, LPO date, delivery note date and S13 date which in reality is not possible because the supplier would ordinarily require time to package and deliver goods

(iii) Order No's 2430462, 2430461, 2430460 and 2430463 were delivered on 4 September 2015, 4 September 2015, 28 September 2015 and 4 September /2015 respectively whereas inspection is indicated as having been done on 21 August 2015 which was way before the items were delivered.

(iv) Order No 2430460 was not supported by an inspection certificate

(v) All the orders relate to 2014/2015 and 2015/2016 financial years and management has not provided explanations for the delay in payment of the supplier. An approved requisition from the user was not attached to the voucher.

Consequently, the propriety of the expenditure of Kshs.1,411,400 cannot be confirmed.

5. Unaccounted for Expenditure on Acquisition of Assets

Included in the statement of receipts and payments is an acquisition of assets balance of Kshs.2,008,537,814. However, relevant documents namely; payment vouchers, procurement documents and related tender records have not been made available for audit verification.

Consequently, the accuracy, validity and the propriety of the expenditure of Kshs.2,008,537,814 for the year ended 30 June 2017 cannot be confirmed.

5.1 Payments for Works Not Done

Included in acquisition of assets are road reconstruction costs totaling Kshs.479,303,273 which in turn include a payment of Kshs.3,901,903 to M/s Chrisot Agencies made through voucher No.10003602 for heavy grading, gravel patching and ditch cleaning of Murram-Disii road. However, physical verification revealed that the works were not done. In addition, another contractor, Pasho Limited was paid Kshs.4,594,082 through voucher No. 10003554 for ditch cleaning at Kshs.1,360,000, gravel patching at Kshs.2,704,014 and heavy grading of Paga-Kipasi Road at Kshs.180,000. However physical verification revealed that ditch cleaning budgted for at a cost of Kshs.1,360,000 was not done.

Consequently, the propriety of the total roads construction expenditure of Kshs.5,261,903 cannot be confirmed.

5.2 Unaccounted for Expenditure

The development appropriation account reflects actual total expenditure of Kshs.2,008,537,814 out of which Kshs.67,750,605 was not supported. A fire incident that burnt vital documents was cited by management as the main reason for the omission. The analysis is as shown below:

Date	Voucher no.	Item	Payee	Amount Kshs.
11-Nov-16	10003322	Capital Transfer - Other (Building)	Equity Bank Limited	8,250,605.50
10-Jan-17	10003516	Capital Transfer - Other (Building)	Homa Bay County Government	6,000,000.00
27-Jan-17	10003558	Capital Transfer - Other (Building)	Homa Bay County Government	11,500,000.00
31-Jan-17	10003573	Capital Transfer - Other (Building)	Department of Finance and Economic Planning	5,000,000.00
27-Feb-17	10003591	Capital Transfer - Other (Building)	Equity Bank Limited	20,000,000.00
13-Mar-17	10003597	Capital Transfer - Other (Building)	Department of Finance and Economic Planning	10,000,000.00
21-Mar-17	10003607	Capital Transfer - Other (Building)	Department of Finance and Economic Planning	7,000,000.00
		Total		**67,750,605.50**

The following additional issues were noted during the audit:

The abstract from police records OB No. CR 617/181/2017 CF 480/2017 of 11 December 2017 did not specifically point to the person(s) responsible for the fire. In absence of records said to have been destroyed by fire, the accuracy and completeness of the balances in the financial statements cannot be confirmed.

5.3 Delayed Construction of Kadongo- Gendia Road

The County Executive awarded three firms the tender for, construction of Kadongo-Gendia Road to bitumen standards in the year 2015 at a combined cost of Kshs.687,270,372.60. The contractors three total sums were; Nairobi Logistics and Construction Limited Kshs.240,145,731.00, Bridgestone Construction company Kshs.207,765,465.60 and Pepeta Holdings Limited Kshs.239,359,176. The contract period was 12 months between October 2015 and October 2016. The length of the road was 33 (thirty-three) kilometres and each contractor was expected to work on eleven kilometers.

At the time of physical verification on 15 December 2017, furniture works costing a total of Kshs.23,900,000 to be done by the three contractors were yet to be installed. In addition, Pepeta Limited had not tarmacked three kilometers of its section. Further, the road seemed not to have been done to the expected standard as some sections had cracks and had peeled off before the works were completed. During the year under review, Bridgestone Construction Company were paid Kshs.5,000,000, Nairobi Logistics were paid Kshs.28,700,000 while Pepeta Holdings Limited were paid Kshs.34,768,965.50. The total contract sum was Kshs.687,270,372.60 and cumulatively, the contractors had been paid Kshs.302,843,516(Bridgestone Construction Company Kshs.78,000,000; Nairobi Logistics Kshs.117,653,989.94; and Pepeta Holdings Limited Kshs.107,189,526) equivalent to 44% of the total contract price as at 30 June 2017.

As is evident completion of the works was unduly and this may occasion escalation of costs. Further, defects, on work done, if any, are unlikely to be corrected since the County Executive has not made provision on the Court Case which were not availed for audit verification and on money relating to the contract that was lost through fraud in the year 2014.

Consequently, the public may not obtain value for the money invested in this project.

5.4 Unsupported Renovation of County Referral Hospital

During the year under review, the Health Department budget totaling Kshs.250 million included an amount of Kshs.47 million set aside for renovation of the County Referral Hospital that had been awarded to M/s Nyobu Enterprises in 2014/2015 at a cost of Kshs.111 million. According to the project implementation status report, the amount certified and paid to the contractor amounted to Kshs.17,886,444 out of which Kshs.5 million was paid to the contractor during the year under review. The

contractor was not on site at the time of the audit, having only completed the car park while the construction of the gate estimated to cost Kshs.1,500,000 had stalled. Consequently, the propriety of the expenditure of Kshs.1,500,000 incurred on the project could not be confirmed.

5.5 Unsupported Payments-Ministry of Tourism

Included in the statement of receipts and payments under Note 10 is acquisition of assets expenditure totaling Kshs.2,008,537,814 which includes construction and civil works of Kshs.686,494,603 which also includes Kshs.9,123,523 in the detailed payments generated from IFMIS and paid from the development vote of the Department of Tourism. However, documents supporting the later payment were not made available for audit verification.

As a result, the propriety of the expenditure of Kshs.9,123,523 cannot be confirmed.

5.6 Stalled Project-Fencing Stadium and Other Works

On June 20 2016, the County Executive awarded Manjano Enterprises Limited a tender for construction of a perimeter wall fencing and related works for the County Stadium in Homa Bay at a cost of Kshs.28,228,308. The firm was paid a total of Kshs.5,856,744 which sum is reflected in the statement of receipts and payments and Note 10 to the financial statements. However, the respective payment vouchers were not availed for audit verification. A visit to the stadium on 4 January 2018 revealed that the contractor erected columns (Pillars) covering half of the stadium perimeter only but had thereafter abandoned the site.

In view of the situation observed, the propriety of the expenditure of Kshs.5,856,744 incurred on the project during the year under review cannot be confirmed. Further, the residents of Homa Bay County are yet to obtain any value from the sum of Kshs.5,856,744 spent on the project.

5.7 Delayed Payment to Contractor - Outpatient and Consultancy Block – Rachuonyo District Hospital

The summary statement of appropriation reflects a development vote acquisition of assets balance of Kshs.2,098,073,095 which includes a provision of Kshs.64 million for construction of Rachuonyo Outpatient and Consultancy Block.

Nyawaka Enterprises was awarded the tender for construction of an outpatient and casualty Block at Rachuonyo District Hospital –Oyugis by the Rachuonyo South tender meeting held on 20 April 2012 at a cost of Kshs.19,816,800.00 with Kshs.7,900,000.00 being made available for the project at the time. The commencement date was 24 April 2012 and a contract period of 16 weeks to 24 August 2012. The contract was taken over by the County Government of Homabay after which the total contract sum was revised and rose above the initial contract

sum by Kshs3,182,961 to Kshs.22,999,761. The contractor raised a works certificate for Kshs.5,093,125.00 which was certified by the County Works Officer on 29 August 2014. At the time of the audit, the payment was outstanding and the project had stalled.

As a result, , the locals have not got value for the money invested in the project despite an additional provision of Kshs.64 million made after the project stalled.

5.8 Unsupported Supply of Oxygen Materials-Homabay District Hospital

Included in the statements of receipts and payments under Note 10 to the financial statements is acquisition of assets balance of Kshs.2,008,537, 814 which includes purchase of specialized plant, machinery and equipment valued at Kshs.132,896,919 and Kshs.3,506,000 being supply, delivery and installation of oxygen plant materials to Homabay District Hospital. The items were delivered on 10 October 2016, inspected by the inspection and acceptance committee on 26 October 2016 and received in the stores on 9 February, 2017 through S13 No 8830196.

Physical verification of the items at the Hospital on 3rd January, 2018 revealed the following unsatisfactory matters:

(i) The County Hospital stores could not provide a distribution list showing the number of equipment issued to various sections within the Hospital and therefore the validity of the deliveries could not be confirmed.

(ii) The oxygen plant supplies were not put to use due to breakdown of the oxygen production plant at the hospital. One year after the purchase, the hospital management were referring patients to Kisumu County hospitals or private hospitals despite the huge costs it had incurred on purchase of the equipment. Consequently, the existence of the assets and the value-for-money to the locals could not be confirmed.

In view of these anomalies, it has not been possible to confirm the propriety of the expenditure of Kshs.132,896,919 incurred on purchase of the specialized equipment.

5.9 Unsupported Supply, Delivery and Commissioning of Cotton Processing Plant-Kendu Bay

Included in the statement of receipts and payments and Note 10 to the financial statements is acquisition of assets balance of Kshs.2,008,537,814 which includes purchase of specialized plant, machinery and equipment of Kshs.132,896,919 that was to include purchase and installation of a cotton processing plant at Kshs.5,000,000. The County Government of Homabay entered into a contract agreement for supply, delivery, installation and commissioning of cotton processing

plant at Kendu Bay at a contract price of Kshs.21,021,520 with M/s Log Associates on 5 March 2015. All correspondences relating to the execution of the contract on behalf of the County were done by the Chief Officer /Accounting Officer, Department of Trade, Industrialization, Investment and Cooperatives.

Examination of the payment voucher/invoice revealed the following unsatisfactory matters:

(i) The procedure through which the contractor was identified and awarded the tender was not disclosed.

(ii) The contractor presented terms and conditions of payments which were signed by the Chief Officer in the department.

(iii) The equipment were not delivered despite the contractor having been paid Kshs.5,000,000 on 5 March 2015 to leave a pending bill of Kshs.5,000,000 as at 30 June 2017.

Physical verification of the project on 9 January 2018 revealed that the purported cotton processing plant did not exist and no construction site was attributed to the plant.

Consequently, the propriety of the expenditure of Kshs.5,000,000 reported to have been incurred on the plant cannot be confirmed.

5.10 Unaccounted for Solar Lighting Equipment

The County Executive awarded a contract for supply, installation, testing and commissioning of 170 solar flood lights to several markets in 40 county wards to M/S Horizon in the year 2014-2015 at a .contract sum of Kshs.46,638,589.

However, no records were made available to show the, sites the floodlights were installed. As a result, the floodlights were not accounted for.

Consequently, it has not been possible to confirm propriety of the expenditure and whether the residents of Homa Bay County obtained value-for-money from the expenditure.

6. Unsupported Car Loans and Mortgages

Included in the statements of receipts and payments under Note 11 is Kshs.92,633,000 incurred in respect of car loans and mortgages. However, schedules supporting this figure were not availed for audit verification and confirmation. Further, analysis of the bank statements for car loans and mortgage (A/C No 0980265695510) revealed that a total of Kshs.98,193,721.80 was transferred to the account during the year under review. Further, management did not avail the list of the persons who benefited from the loans and mortgages and

their respective loan balances as at 30 June 2017. Also, the regulations governing the fund were not availed for audit verification.

Consequently, the failure to recover the loans may lead to loss of funds if the members leave without paying the unsecured loans. Further, absence of regulations for the Fund could mean that no proper procedures are applied in managing the Fund's operations.

In view of these discrepancies, it is not possible to confirm the accuracy of the Car Loan and Mortgages account balance as at 30 June 2017.

7. Unreconciled Cash and Cash Equivalent Balances

i. Included in the cash and cash equivalent balance of Kshs.236,771,852 are six bank accounts whose reported balances do not tally with the balances reflected in the respective bank reconciliation statements. In addition, the balance held in the Okok Dispensary - Co-operative Bank Account No.1141047986500 has been included twice in the schedule supporting cash and cash equivalent.

ii. Included in the cash and cash equivalent under Note 13 to the financial statements is an amount of Kshs.954,765 held in a Bursary Fund account as at 30 June 2017. This is double accounting since the entire amount of Kshs.34,500,000 transferred to the bursary fund was expensed in the financial statements.

iii. Included in the cash and cash equivalent balance of Kshs.236,771,852 are fifteen bank accounts holding cash totaling Kshs.222,645,211 as at 30 June 2017. However, the accounts are not supported by cash books, bank reconciliations and certificate of balances. In addition, the cash and cash equivalent balance includes an amount of Kshs.43,553,704 held in the County Revenue Fund Account No. 1000171065 as at 30 June 2017 but the corresponding bank statement balance shows a balance of Kshs.513,593,704 resulting to a variance of Kshs.470,040,000 that has however not been supported by a bank reconciliation statement.

Consequently, the accuracy and validity of cash and cash equivalent of Kshs.236,771,852 cannot be confirmed.

8. Inaccuracy of Deposits and Retention

The statement of assets and liabilities reflects accounts payables on deposits and retention as a nil balance. However, examination of payment vouchers revealed that the County government retention amount totaling to Kshs.1,585,302.00 were not disclosed against seven (7) contractors and were also not paid by the County

Executive to a separate retention account as required under Section 6.11 on contract retention fund of the County Financial Accounting and Reporting Manual of 2015. Further, the management did not retain a retention register.

Consequently, the management breached the law by not maintaining a separate retention account for accountability and disclosure in the financial statements as stipulated in the reporting template prescribed by the Public Accounting Board.

9. Understatement of Pending Bills-KEMSA

The financial statements reflect pending bills totaling Kshs.452,884,231 as at 30 June 2017. However, a sum of Kshs.91,620,619 owed to Kenya Medical Supplies Agency(KEMSA) as per the Agency's statement dated 21 December 2017 was not included in the pending bills balance. As a result, the bills were understated by Kshs.91,620,619 as indicated in KEMSA's statement of account.

In view of the omission, the accuracy and validity of the pending bill balance of Kshs.452,884,231 as at 30 June 2017 cannot be confirmed.

Further, the bank balance of Kshs.236,771,852 on 30 June 2017 was less than the pending bills balance of Kshs.452,884,231 reported in the financial statements. It was not clear how the difference of Kshs.216,112,379 would be funded as no evidence was provided for audit review.

9.1 Unsupported Pending Bill for Construction of Grain Handling Facility-Kigoto

During the year under review, the County Executive' Department of Agriculture, Livestock and Fisheries awarded M/s Go Construction Company the tender for construction of a grain handling facility in Kigoto, Suba Sub-county at a contract sum of Kshs.23,139,179.

However, a site inspection done on 20 December 2017 revealed that the contract sum of Kshs.23,139,179 included costs of construction of an office estimated at Kshs.866,960.00 in the tender document. Although construction of the office located at Lentil Stage had began at the time of the audit, there were no building materials on site. Work on the grain handling facility was yet to begin. However, the pending bill list indicated that the contractor was owed Kshs.5,500,000 which had not been paid at the end of the financial year under review. However, the bill was in excess of the estimated cost of the Office building which was Kshs.866,960. Further, construction of the Office was far from complete, which was ample proof that the budgeted cost would be exceeded. Further, there is no evidence in the statement of appropriation indicating that the factory was budgeted for during the year under review.

As a result of the anomaly, the propriety of the pending bill of Kshs.5,500,000 cannot be confirmed.

10. Limitation of Scope-Burnt Documents

i. Homa Bay County Executive headquarters suffered a fire incident on 8 September 2017 which razed down important finance department records including financial documents, tender documents, assortments of procured materials, equipment, furniture and stationary as detailed below:

Items	Number (Units)
Payment Vouchers FY 2014/2015,2015-2016 & 2016-2017 for all Ministries in the Executive	-
Cash Books for General Bank Accounts Revenue, Recurrent and Development for FY 2015-2016 TO 2017-2018 1st Quarter	-
Creditors ledger Deposited upto July 2017	-
Debtors ledger posted upto July 2017	-
Assets ledger posted upto August 2017	-
Imprest register posted upto August 2017	-
Imprest Warrant files for Unsurrendered Imprest upto August 2017	-
Cheque Books Unused for Standing Imprest Account	-
Bank statements for Central Bank Accounts, Revenue, Recurrent and Development for 2013-2014,2014-2015, 2015-2016 and 2016-2017	-
Tables executive	11
Chairs executive	7
Laptop	1
Cabinet	13
Desk top	3
Banners	-
Payment Vouchers/Cheques Counter foils	-
Payments Cashbook	-
Bank statements and reconciliation files	-

As a result of the fire, it was not possible to confirm the status of funds receipted and confirm particulars of all transactions that occurred at the cash office during the year under review.

11. Unfair Domination of Staff Establishment by the Local Community

The staff establishment in County Executive is dominated by the local ethnic community which constitutes ninety-nine (99) percent of the work force.

Consequently, the County recruitment procedures set in Section 65 (1e) of the County Government Act, 2012 have not been adhered to.

12. Unfunded Sub-County Hospital AIEs

The department of Health Services issued AIE No 797456 of Kshs.2.8 million to Mbita Sub-county Hospital and AIE No 797455 of Kshs.3.6 million to Sindo Sub-county Hospital but each hospital only received Kshs.500,000 of its allocation . Consequently, the underfunding of Kshs.5.4 million denied the sub-counties some health services due to them. Further, management did not explain how the unremitted balance of Kshs.5.4 million was used for the year ended 30 June 2017.

Other Matter

1. Budget Performance Analysis

During the year under review, the approved budget for the County Executive of Homa Bay was Kshs.6,731,913,525.However, casting of budget figures revealed a sum of Kshs.5,776,192,690 with Kshs.3,698,581,090 (64%) allocated to recurrent and Kshs.2,077,611,600 (36%) to development expenditures respectively. The difference of Kshs.955,720,835 between the aggregate approved budget figure and the sum arrived at after casting individual budget item figures was not explained. Further, no documentary evidence was provided to indicate how the development funds were utilized.

1.1 Development Expenditure as per Departments

An analysis of expenditure absorption rates for development expenditure per department are shown below.

Item	Budget Kshs.	Actual Kshs.	Over Expenditure Kshs.	Under Expenditure Kshs.	Absorption %
County Executive (Governor)	65,000,000	59,604,134		5,395,866	92
Finance and Planning	79,419,452	108,757,546	29,338,094		137
Agriculture	164,000,000	113,377,424		50,622,576	69
Water and Environment	490,000,000	161,369,458		328,630,542	33

Education and ICT	135,599,000	44,945,045		90,653,955	33
Health Services	250,000,000	124,964,888		125,035,112	50
Lands and Housing	71,000,000	61,714,377		9,285,623	87
Transport and Infrastructure	570,990,400	511,459,157		59,531,243	90
Trade, Industry, Investments and Cooperatives	132,741,700	0			
Tourism, Culture and Sports	52,823,500	9,207,684		43,615,816	17
Energy and Natural Resource	66,037,548	34,727,344		31,310,204	53
Total	**2,077,611,600**	**1,230,127,057**	**29,338,094**	**744,080,937**	**59**

As the table shows, the County Executive overspent on one (1) department by 37% without approval.

i. In addition, four (4) departments only spent 50% of their respective budgets or less and thus denied locals benefits of development funds availed to them.

ii. In addition, under Water and Environment, the County Executive used unspent allocations to pay Kshs.187,006,192 to clear pending bills for the period 2015-2016 and Kshs.168,255,339 to clear bills for the period 2014-2015 without authority as the two expenditures were not budgeted for. Bills totaling 52,823,500 reported under Tourism, Culture and Sports include Kshs.8,207,684 for pending bills without authority.

iii. Total pending bills for the period 2015-2016 cleared without authority amounted to Kshs.187,006,192.

iv. The county set aside Kshs.63,000,000 and Kshs.130,000,000 for bursaries and car/mortgage activities during the year respectively but only transferred Kshs.34,500,000 to the bursary fund and Kshs.92,633,000 to the car loan/mortgage fund.

No plausible explanation has been provided by management for the failure to spend the allocated funds.

1.0 Recurrent Expenditure

An analysis of absorption rates for recurrent expenditure per department are shown below:

Item	Budget Kshs	Actual Kshs	Over Expenditure Kshs	Under Expenditure Kshs	Level of Absorption %
County Executive	486,166,772	617,943,591	131,776,819		127
Finance and Planning	552,782,952	528,860,813		23,922,139	96
Agriculture	168,095,440	157,859,228		10,236,212	94
Water and Environment	100,347,804	95,156,568		5,191,236	95
Education and ICT	337,153,548	290,519,081		46,634,467	86
Health Services	1,653,670,232	1,522,464,425		131,205,807	92
Lands and Housing	49,704,332	48,370,725		1,333,607	97
Transport and Infrastructure	41,335,725	59,147,440	17,811,715		143
Trade, Industry, Investments and Cooperatives	131,967,876	124,997,224		6,970,652	95
Tourism, Culture and Sports	63,076,964	53,121,177		9,955,787	84
Energy and Natural Resource	25,117,088	21,187,550		3,929,539	84
County Public Service Board	89,162,357	63,003,518		26,158,839	71
Total	**3,698,581,090**	**3,582,631,340**	**149,588,534**	**265,538,284**	**97**

The table shows that two departments' namely County Executive and Transport and Infrastructure and exceeded their budgeted provisions by 27% and 43% respectively. Management have not provided a plausible explanation for the excess expenditure.

2.0 Revenue Analysis

Analysis of the County Executive budget against financial statements data revealed significant variances between budgeted and actual receipts as shown in the table below. Further, all budgeted exchequer releases and donor funds were received except for transfers from other government entities that were under-collected by Kshs.42,911,152 or 37%.

Item	Budget Kshs	Actual Kshs	Over collection Kshs	Under collection Kshs	Collection %
Danida (Proceeds from foreign grants	12,385,000	12,385,000			
Exchequer releases	6,080,193,774	6,080,193,774			
Transfer from other government entities	370,813,092	327,901,940		42,911,152	73
Rents	8,011,159	4,074,200		3,936,959	51
Other Property Income	0	0			
Receipts from Administrative Fees and Charges	1,829,492	3,796,100	1,966,608		207
Receipts from sale of Incidental Goods	1,119,867	0		1,119,867	
Fines, Penalties and Forfeitures	637,131	1,495,445	858,314		235
Business Permits	23,295,013	12,786,700		10,508,313	55
Cesses	5,885,041	20,200,000	14,314,959		343
Poll Rates	4,284,294	1,200,432		3,083,862	28
Plot Rents	0	0			

Other Local Levies		623,915	623,915		
Various Fees	8,776,569	3,765,400		5,011,169	43
Council's Natural Resources Exploitation		0			
Lease/Rental of Council's Infrastructure Assets	106,000	2,500		103,500	2
Other Miscellaneous Revenue	1,095,361	3,254,076	2,158,715		297
Market/Trade Centre Fee	34,850,625	19,000,000		15,850,625	55
Vehicle Parking Fees	22,689,084	13,980,000		8,709,084	62
Other Receipts not classified elsewhere	17,712,823	5,769,000		11,943,823	33
Other Education-Related Fees	46,424	20,400		26,024	44
Public Health Services		5,588,734	5,588,734		
Public Health Facilities Operations	50,880,000	40,000,000		10,880,000	79
Environment & Conservancy Administration	667,480	578,000		89,480	87
Administration	6,068,720	4,654,371		1,414,349	77
Slaughter Houses Administration	1,613,792	1,464,240		149,552	91
Water Supply Administration	7,791	0		7,791	
Sewerage Administration	179,129	445,834	266,705		249
Other Health & Sanitation Revenues	553,317	450,980		102,337	82

Technical Services Fees	1,853756	980,765		872,991	53
Total	**6,655,554,734**	**6,564,611,806**	**25,777,950**	**116,720,878**	**99**

The total revenue budget was Kshs.6,655,554,734 against actual collections of Kshs.6,564,611,806 reflected in the financial statements. The management had budgeted to collect Kshs.192,163,869 of own revenue but only managed to collect Kshs.144,131,092 resulting in a shortfall in revenue collection by Kshs.48,031,776. Management has not provided explanations for the huge shortfall in revenue collection.

3.0 Previous Year Matters

The Executive did not indicate the status and follow-up of audit issues reported in the previous year's (2015/2016) financial statements as required in the reporting template prescribed by the Public Sector Accounting Standards Board.

4.0 Implementation of County Projects

The County failed to avail status of all projects implemented in the year under review. Consequently, the propriety and accuracy of expenditure on development funds for the year cannot t be confirmed.

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 County Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern accounting assumption.

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 County 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 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 offering 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 offering 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 of the entities or business activities to express an opinion on the financial statements.

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 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

6. FINANCIALSTATEMENTS
6.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants (DANIDA)	1	12,385,000	24,770,000.00
Exchequer releases	2	6,080,193,774	5,634,960,034.00
Transfers from Other Government Entities	3	327,901,940	185,866,232.00
Bank Balances from previous year	5	0	534,220,371.00
Other Receipts	4	144,131,092	192,704,817.00
TOTAL REVENUES		**6,564,611,806**	**6,572,521,454**

PAYMENTS

Compensation of Employees	6	2,491,138,011	2,108,006,004.00
Use of goods and services	7	992,473,945	1,556,772,634.00
Transfers to Other Government Units	8	820,000,000	849,803,085.00
Other grants and transfers(Bursaries)	9	34,500,000	63,000,000.00
Acquisition of Assets	10	2,008,537,814	1,837,217,534.00
Car Loan/ Mortgage	11	92,633,000	55,000,000.00
TOTAL PAYMENTS		**6,439,282,770**	**6,469,799,257.00**
SURPLUS/DEFICIT		**125,329,036**	**115,264,553**

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 September 2017 and signed by:

Chief Officer - Finance

Head of Treasury Accounting

HOMA BAY COUNTY GOVERNMENT
CHIEF OFFICER
29 SEP 2017
P.O. BOX 464-40300
HOMA BAY
DPT OF FINANCE & ECONOMIC PLANNING

6.2. STATEMENT OF ASSETS AND LIABILITIES

	Note	FY2016/2017 KShs	FY2015/2016 KShs
FINANCIALASSETS			
Cash and Cash Equivalents			
Bank Balances	12	236,242,589	115,264,553
Total Cash and cash equivalent		**236,242,589**	**115,264,553**
Accounts receivables-- Outstanding imprests and debtors	13	4,351,000	4,500,000
TOTAL FINANCIAL ASSETS		**240,593,589**	**119,764,553**
FINANCIALLIABILITIES			
Accounts Payables–Deposits and retention		0	4,500,000
NET FINANCIAL ASSETS		**240,593,589**	**115,264,553**
REPRESENTEDBY			
Fund balance b/f	**14**	**115,264,553**	**534,220,370**
Surplus/Deficit for the year		**125,329,036**	**115,264,553**
Prior year Adjustments		**0**	**(534,220,370)**
NET FINANCIAL POSITION		**240,593,589**	**115,264,553**

The accounting policies and explanatory notes to these financial statements form an integral part ofthe financial statements. The entity financial statements were approved on 30th September 2017 and signedby:

Chief Officer-Finance **Head of Treasury Accounting**

HOMA BAY COUNTY GOVERNMENT CHIEF OFFICER 29 SEP 2017 P.O. BOX 464-40300 HOMA BAY DPT OF FINANCE & ECONOMIC PLANNING

6.3.STATEMENT OF CASHFLOWS

		FY2016/2017 KShs	FY2015/2016 Kshs
Receipts for operating income			
Proceeds from Domestic and Foreign Grants (DANIDA)	1	12,385,000	24,770,000
Exchequer Releases	2	6,080,193,774	5,634,960,034
Transfers from Other Government Entities	3	379,939,106	185,866,232
Bank Balances from Previous Year	5	0	534,220,371
Other Revenues	4	144,131,092	192,704,816
Payments for operating expenses			
Compensation of Employees	6	(2,491,138,011)	2,108,006,004
Use of goods and services	7	(992,473,945)	1,556,772,451
Transfers to Other Government Units	8	(820,000,000)	849,803,085
Other Grants and Transfers (Burseries)	9	(34,500,000)	63,000,000
Adjusted for:			
Decrease/(Increase)in Accounts receivable		149,000	50,499,998
Increase/(Decrease)in Accounts Payable			4,500,000
Net cash flow from operating activities			
CASHFLOWFROMINVESTINGACTIVITIES			
Acquisition of Assets	10	(2,008,537,814)	(1,837,217,534)
Net cash flows from Investing Activities		**(2,008,537,814)**	**(1,837,217,534)**
CASHFLOWFROMBORROWINGACTIVITIES			
Net cash flow from financing activities			
NETINCREASEINCASHANDCASHEQUIVALENT		**270,148,202**	212,722,377
Cash and cash equivalent at BEGINNING of the year	14	**115,264,553**	**534,220,371**
Prior year Adjustments			**(534,722,377)**
Cash and cash equivalent at END of the year		**125,329,036**	**115,264,553**

The accounting policies and explanatory notes to these financial statements form an integral part

Ofthe financial statements. The entity financial statements were approved on 30th September 2017

Chief Officer Finance **Head of Treasury Accounting**

HOMA BAY COUNTY GOVERNMENT CHIEF OFFICER 29 SEP 2017 P.O. BOX 408-40300 HOMA BAY DPT OF FINANCE & ECONOMIC PLANNING

6.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/ExpensesItem	Original Budget	Adjustments	FinalBudget	ActualonComparable Basis	Budget Utilization difference	%of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
RECEIPTS						
ProceedfromDomesticandForeignGrants (DANIDA)	12,385,000	-	12,385,000	12,385,000		100%
Exchequer releases	6,080,193,774	-	6,080,193,774	6,080,193,774		100%
Transfers from Other Government Entities	336,292,646	110,879,237	447,171,883	327,901,940	119,269,943	73%
OtherReceipts	280 154 056	-87,991,188	192,162,868	144,131,092	48,031,776	75%
TOTAL	**6,696,640,476**		**6,731,913,525**	**6 ,564 ,611,806**		
PAYMENTS						
Compensation of Employees	2,271,138,011	241,763,827	2,512,901,838	2,491,138,011	21,673,827	98%
Use of goods and services	1,178,708,535	-206,490,778	972,217,757	992 ,473,945	-20,256,188	102%
Transfers to Other Government Units	955,720,835	0	955,720,835	820,000,000	135,720,835	86%
Other grants and transfers (Bursary)	63,000,000	0	63,000,000	34,500,000	28,500,000	76%
Acquisition of Assets	2,098,073,095		2,098,073,095	2,008,537,814	89,535,281	98%
Executive car loan/Mortgage	130,000,000	0	130,000,000	92,633,000	367,000	76%
TOTAL	**6,696,640,476**		**6,731,913,525**	**6,439,282,770**	**125,329,036**	**92.93%**

Chief Officer Finance **Head of Treasury Accounting**

HOMA BAY COUNTY GOVERNMENT
CHIEF OFFICER
29 SEP 2017
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HOMA BAY
DPT OF FINANCE & ECONOMIC PLANNING

6.5. SUMMARYSTATEMENTOFAPPROPRIATION: RECURRENT

Receipt/ExpensesItem	Original Budget	Adjustments	FinalBudget	ActualonComparable Basis	Budget Utilization difference	%of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
RECEIPTS						
ProceedfromDomesticandForeignGrants (DANIDA)	12,385,000	0	12,385,000.00	12,385,000		100%
Exchequer releases	3,819,735,820	295,362,318	4,115,098,138	4,075,542,815	39,555,323	99%
Transfers from Other Government Entities	277,097,926	37,096,499	314,194,425	234,479,803	79,714,622	75%
OtherReceipts	233,541,640	-41,378,773	192,162,867	144,131,092	48,031,775	100%
TOTAL	**4,342,760,386**		**4,633,840,430.00**	**4,466,538,710**		
PAYMENTS						
Compensation of Employees	2,271,138,011	241,763,827	2,512,901,838	2,491,138,011	61,891,902.60	98%
Use of goods and services	922,901,540	9,188,141	972,217,757	992,473,945	20,256,188	102%
Transfers to Other Government Units	955,720,835	0	955,720,835	820,000,000	135,720,835	86%
Other grants and transfers (Bursary)	63,000,000	0	63,000,000.00	34,500,000	28,500,000	76%
Executive car loan/Mortgage	130,000,000	0	130,000,000	92,633,000	37,367,000	71%
TOTAL	**4,342,760,386**		**4,633,840,430.00**	**4,430,744,956**	**35,793,754**	**92.93%**

Chief Officer Finance **Head of Treasury Accounting**

HOMA BAY COUNTY GOVERNMENT
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29 SEP 2017
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6.6. SUMMARYSTATEMENTOFAPPROPRIATION: DEVELOPMENT

Receipt/ExpenseItem	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilizatio	%of Utilization
	a	b	c=a+b	d	e=c-	f=d/c%
RECEIPTS						
Exchequer releases	2,260,457,954	-255,806,995	2,004,650,959	2,004,650,959	-	100%
Transfer from Other Government Entities (RMLF)	93,422,137		93,422,137	93,422,137	0	100%
Other Receipts Other Receipts						
TOTAL	**2,098,073,095**		**2,098,073,095**	**2,098,073,095**		100%
Acquisition of Assets	2,098,073,095		2,098,073,095	2,008,537,814	89,535,281	99%
TOTALS	**2,098,073,095**		**2,098,073,095**	**2,008,537,814**	**89,535,281**	**99%**

Chief Officer Finance Head of Treasury Accounting

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29 SEP 2017
P.O. BOX 408-40300
HOMA BAY
DPT OF FINANCE & ECONOMIC PLANNING

6.7. SIGNIFICANTACCOUNTINGPOLICIES

Theprincipleaccountingpoliciesadoptedinthepreparationofthesefinancialstatementsareset out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payablesthat included deposits and retentions.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling.

The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the Homa BayCounty Government. The financial statementsencompass the reporting entity as specified in therelevant legislation PFM Act 2012 and comprises of (County Executive of Homa Bay, County Assembly of Homa Bay , and the Car loan and mortgage fund)

The consolidated financial statements include all budgetary entities controlled by the County Government.detailedschedule of consolidated entities is included under appendix4.

3. Basis of consolidation

This consolidation is based on unaudited financial statements submitted by the individual entities to the Office of the Auditor General as at 3 0thSeptember2017with a copy to the Controller of Budget, the County Treasury and the Commission on Receipts Allocation.

The financial statements are aggregated on a line by line basis with the inter-entity transactions of receipts and payment being eliminated at consolidation level to avoid overstatement of receipts or payments.

The entities' accounting policies have been adjusted to form a consistent basis, where their effect is deemed material to this consolidated financial statement.

4. Elimination

Material balances between entities includedin this consolidation have been eliminated. This has been informed by the inter-entity elimination template that is completed by the entities and submitted to the County Treasury.

5. Recognition of receipts and payments a)

Recognitionof receipts

The County Government recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received.Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received.Cash is considered as received when paymentadvice is received by the recipient entity or by the beneficiary.In case of grant /donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the valued ate indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds,sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under developmentwhere conditions have been satisfied or their ongoing satisfactionishighlylikelyandtheprojectisanticipatedtocontinuetocompletion. During the year ended

30thJune2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licenses, cess,fees, propertyincomeamongothersgeneratedbytheCountyGovernmentfromitscitizenry.Thesearerecognizedint hefinancialstatementsthetimeassociatedcashisreceived.

b)Recognition of payments

The entity recognizes all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed,shallbe disclosed as pending bills.

Interest on borrowing

Borrowing costs thatinclude interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in anon-exchange transaction for nil or no final consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

6. In-kind contributions

In-kind contributions are donations that are made to the entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or

Personnelservices.Wherethe financial value received for in-kind contributions can be reliably determined, the entity includes such value in the statement of receipts and payments both as receipts and as anexpense in equal and opposite amounts; otherwise, the contribution is not recorded.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited/restrictedfrom being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

There were no other restrictions on cash during the year

8. Accounts Receivable

For the purposes of the se financial statements, imprests and advances to authorize publicofficers and/or institutions which were not surrendered or accounted for at the end of the financial year istreated as receivables. This is in recognition of the government practice where theimpresstpayments are recognized as payments when fully accounted for by the imprestor AIE holders. Thisisanenhancementtothecashaccountingpolicy.Otheraccountsreceivablesaredisclosedin the financial statements.

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining apportion of contracted services and works pending fulfillmentof obligations by the contractorand to hold deposits on behalf of third parties .This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However,theacquisitions and disposals are reflected in the

Entityfixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

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

12. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Lawandas detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on for the period1st July2017 to30th June
2017as required by law. There was one of supplementary budgets passed in the year. High-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

13. Comparative figures

Wherenecessarycomparativefiguresforthepreviousfinancialyearhavebeen amendedorreconfiguredtoconformtotherequiredchangesinpresentation.

14. Subsequent events

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

15. Errors

Material prior period errors shall be corrected retrospectively in the first set of financialstatements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; originthe error occurred before the earliest prior period.
presented, restating the opening balances of assets, liabilities and net assets /equity for the earliest prior period presented

16. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

17. Disclosure of entities included in consolidation

The County Government consolidated financial statements consist of a total of three entities consolidated for the financial year ended 30thJune2017 that are considered as budgetary entities. These entities, together with their results for the year are disclosed under appendix 4.

18. Disclosure of entities excluded from consolidation

None of the entities eligible for consolidation under the County Government budgetary cluster for the year ended 30thJune2017has been excludedromconsolidation.

6.8. NOTES TO THE FINANCIAL STATEMENTS

1. PROCEEDSFROMDOMESTICANDFOREIGNGRANTS

These refer to grants received from domestic and foreign donors. The funds include grants received directly by the County Government and those that are received by the National Government first and disbursed to the County.

Grants Received from Bilateral Donors	FY2016/2017 KShs	FY2015/2016 KShs
Danida Fund	12,385,000	24,770,000
Total	**12,385,000**	**24,770,000**

2. EXCHEQUER RELEASES

Exchequer releases refer to funds disbursed by the National Treasury to the County Government from the Exchequer. These funds are part of the allocations stipulated in County Allocation of Revenue Act (CARA) 2016.The exchequer releases include Equitable Share, DANIDA health funds and Level 5 hospital allocation and Road maintenance Levy Fund

Description	FY2016-2017 Kshs	FY2015-2016 Kshs
Total Exchequer Releases for quarter 1	1,520,048,444	893,305,519
Total Exchequer Releases for quarter 2	1,064,033,911	1,501,552,496.00
Total Exchequer Releases for quarter 3	1,520,048,444	1,408,740,009.00
Total Exchequer Releases for quarter 4	1,976,062,975	1,831,362,010.00
Total	**6,080,193,774**	**5,634,960,034**

3. TRANSFERSFROMOTHERGOVERNMENTENTITIES

These refer to funds disbursed to the County Government from other government entities. These transfers are part of the conditional allocations stipulated in CARA2016.In FY2016/2017, Homa bay County received funds from the National Government's Ministry of Health and the State Department of Infrastructure as shown below:

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers from National Government entities		185,866,232
User fees	22, 616,804	-
Road Maintenance Levy Fund	93, 422,137	
Free Matarnal Heath Care	121,290,000	
TOTAL	**327,901,940**	**185,866,232**

4. COUNTY OWN GENERATED RECEIPTS

The balance relates to funds generated from the County's local sources.

	FY2016/2017	FY2015/2016
	KShs	KShs
Rents	4,074,200	5,074,766
Other Property Income	0	3,961,600
Receipts from Administrative Fees and Charges	3,796,100	674,610
Receipts from Sale of Incidental Goods	0	4,563,190
Fines Penalties and Forfeitures	1,495,445	1,495,445
Business Permits	12,786,700	17,786,733
Cesses	20,200,000	25,159,431
Poll Rates	1,200,432	1,312,424
Plot Rents	0	347,915
Other Local Levies	623,915	623,915
Various Fees	3,765,400	21,432,069
Council's Natural Resources Exploitation		6,834,810

Lease/Rental Of Council's Infrastructure Assets	2,500	2,500
Other Miscellaneous revenue	3,254,076	3,254,076
Market/Trade Centre Fee	19,000,000	34,329,515
Vehicle Parking Fees	13,980,000	18,984,018
Other receipts not classified elsewhere	5,769,000	
Other Education–Related Fees	20,400	23,350
Public Health Services	5,588,734	5,588,734
Public Health Facilities Operations	40,000,000	30,849,418
Environment &Conservancy Administration	578,000	378,550
Administration	4,654,371	5,936,522
Slaughter Houses Administration	1,464,240	1,364,550
Water Supply Administration	0	103,095
Sewerage Administration	445,834	261,300
Other Health &Sanitation Revenues	450,980	700,170
Technical Services Fees	980,765	1,662,110
Total	**144,131,092**	**192,704,816**

5. BANK BALANCE FROM PREVIOUS YEAR

	2016/2017	2015 /2016
	Kshs	Kshs
Bank Balances from previous Year	0	534,220,371

6. COMPENSATIONOF EMPLOYEES

This relates to the compensation paid to employees. The balance comprises of staff salaries, allowances, social security contributions and other personnel related payments.

	FY2016/2017 KShs	FY2015/2016 KShs
Basic salaries of permanent employees	2,305,534,263	1,955,910,968
Basic wages of temporary employees	185,603,748	84,000,000
Compulsory national social security schemes	0	14,037,776
Compulsory national health insurance schemes	0	54,057,260
Total	2,491,138,011	2,108,006,004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. USE OF GOODS AND SERVICES

The balance relates to the cost incurred on general office supplies, airtickets, subsistence allowances, and cost of services, routine maintenance of assets andother expenditure incurred on a recurring basis.

	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	128,137,710	335,118,846.00
Communication, supplies and services	37,418,000	29,453,346
Domestic travel and subsistence	103,372,760	107,928,644
Foreign travel and subsistence	24,394,000	118,888,491
Printing, advertising and information supplies & services	68,500,000	67,900,867
Rentals of produced assets	0	17,230,067
Training expenses	105,173,954	101,098,756
Hospitality supplies and services	75,328,985	55,625,253
Insurance costs	92,998,111	71,776,655
Specialized materials and services	107,335,290	193,987,123
Office and general supplies and services	171,913,669	108,278,733
Other operating expenses	598,573	157,990,665
Routine maintenance – vehicles and other transport equipment	26,088,044	88,923,088
Routine maintenance – other assets	19,705,759	102,572,100
Fuel oil and lubricants	31,509,090	
Total	**992,473,945**	**1,556,772,634**

8. TRANSFER TO OTHER GOVERNMENT ENTITIES (COUNTY ASSEMBLY)

This refers to transfers made by the County Government to other County Government Entities, which have not been consolidated in this set of financial statements. The transfers were made to Homa Bay County Assembly.

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfer to CountyAssembly	820,000,000	849,803,085
TOTAL	**820, 000,000**	**849,803,085**

9. OTHERGRANTSANDOTHERPAYMENTS

This refers to grants and other transfers made by the County Government. These grants and transfers are made for a specific purpose. They include scholarship and bursary grants.

	2016-2017	2015-2016
	Kshs	Kshs
Bursary	34, 500,000	63, 000,000
Total	**34,500,000**	**63,000,000**

10. ACQUISITION OF ASSETS

This refers to the development expenditure incurred by the County Government. This has been classified intermsof the assets acquired by the County government in the year.

	2016-2017	2015-2016
	Kshs	Kshs
Non Financial Assets		
Refurbishment of Buildings	27,226,108	101,208,364
Construction of Roads	479,303,273	619,140,898
Construction and Civil Works	686,494,603	398,938,576
Overhaul and Refurbishment of Construction and Civil Works	458,110,419	245,221,626
Purchase of Vehicles and Other Transport Equipment	34,700,000	0

Purchase of Office Furniture and General Equipment	14,674,741	9,825,638
Purchase of ICT Equipment	13,060,000	44,999,203
Purchase of Specialised Plant, Equipment and Machinery	132,896,919	175,424,754
Rehabilitation and Renovation of Plant, Machinery and Equip.	56,000,000	119,640,772
Research, Studies, Project Preparation, Design & Supervision	45,340,688	63,000,000
Réhabilitation of Civil Works	60,731,063	4,817,703
Total	**2,008,537,814**	**1,837,217,534.00**

11. EXECUTIVE CAR LOAN AND MORTGAGE

	2016-2017	2015-2016
	Kshs	**Kshs**
Transfer to Car Loan and Mortgage	92,633,000	63,000,000
Total	**92,633,000**	**63,000,000**

CASH AND CASH EQUIVALENTS.
12. BANK ACCOUNTS BALANCES

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Central Bank-Development A/C No. 1000170611	979,045.10	389,019.00
Central Bank-Recurrent A/C No. 1000170627	140,899,296.10	57,790.00
Central Bank County Revenue Fund A/C No. 1000171065	43,553,703.85	28,276,529.00
Cooperative Bank Standing Imprest A/C No. 011414566000	25,557,426.11	20,582,700.00
Kenya Commercial Bank Local Reveneu A/C No. 1140763555	792,810	521,569.00
Department of Finanace and Economic Planning -COOP Bank A/C No. 1141589338400	56,938.85	707,912.36
Department of Education and ICT -Equity Bank A/C No.9802086811721	1,200.20	1,610.20
Department of Transport And Infrastructure- Equity Bank A/C No.980263681703	875,543.00	3,258,986.00
Department of Trade, Indutrialization and Cooperatives- Equity Bank A/C No.980203681992	12,001.32	2,270,522.77
Department of Lands and Physical Planning - Equity Bank A/C No.980263681992	0	106,639.95
Department of Energy and Natural Resources - Equity Bank A/C No.980263681592	0	86,416.50
Department of Agriculture Livestock and Fisheries - Equity Bank A/C No.980263682688	0	1,915,434.00
County Public Service Board - Equity Bank A/C No.98026718929	11,100.55	3,170.75
Department of Health Srvices - Equity Bank A/C No.9802353681654	1,089,258.65	900,640.65
Department of Tourism Sports and Culture - Equity Bank A/C No.980235681654	0	1,210,928.22
Department of Water Services and Environment - Equity Bank A/C No. 980263681691	3,038.23	0
Department of Executive Services - Equity Bank A/C No. 980268738509	3,563.90	0
Executive Loan Account -A/C No.0980265695534	199,449.65	2,496,700.00

Education Bursary Fund -Equity Bank A/C No.0980263410113	954,765.00	6,990,750.00
Emergency Fund Account-Equity Bank A/C No.	1,810.00	0
Road Maintenance Levy Fund(RMLF)- Co op Bank A/C No. 01141590003700	195,592.15	0
SUB COUNTY HOSPITALS	0	0
Homa Bay District Hospital -Coop Bank A/C No.1141589382900	9,515,812.55	9,475,594.20
OgongoSubcounty Hospital -Coop Bank A/C No.1141331281300	946,701.15	527,026.35
RangweSubcounty Hospital -Coop Bank A/C No.11415893800	0	399,085.00
KenduSubcounty Hospital -Coop Bank A/C No.1141589338400	0	1,478,459.00
Rachuonyo District Hospital -Coop Bank A/C No.1141589338400	0	5,911,281.85
Kisegi Level 4 Hospital -KCB Bank A/C No.1164813048	0	117,614.82
Kandiege 4 Hospital -KCB Bank A/C No.1164813048	1,235,030.00	1,475,781.00
Nyagoro Health Centre-COOP Bank A/C No.1141048044200	150,708.85	554,650.85
Oridi Community Health Centre-COOP Bank A/C No.1109076500500	60,316.83	101,029.33
Got Oyaro Health Centre-KCB Bank A/C No.11422554171	128,780.00	83,538.00
Kadhola Community Health Centre-COOP Bank A/C No.11000047804900	0	100,977.00
Nyatoto Health Centre-COOP Bank A/C No.1141330077300	101,261.50	265,257.50
Seka Health Centre-COOP Bank A/C No.11410763372500	71,030.00	247,857.00
God Bura Health Centre-COOP Bank A/C No.1141076437300	124,593.00	445,151.00
Magunga Health Centre-COOP Bank A/C No.1141076455000	0	337,119.00
Ndiru Health Centre-COOP Bank A/C No.1141076464600	268,429.00	32,451.00
Usao Health Centre-COOP Bank A/C No.1141330271000	124,178.00	67,867.00

Tom Mboya Health Centre-COOP Bank A/C No.1141076983500	0	251,971.50
Sena Health Centre-COOP Bank A/C No.1141076847900	94,356.00	103,028.00
OkikiAmayoMemmorial Health Centre-KCB Bank A/C No.1105031985	132,688.40	132,908.40
Got Kojowi Health Centre-COOP Bank A/C No.1141047961001	7,867.75	139,018.75
Wagwe Health Centre-KCB Bank A/C No.11354498822	248,672.50	249,189.00
KogwenoOriang Health Centre-KCB Bank A/C No.1135720134	79,089.00	78,708.00
Kitare Health Centre-COOP Bank A/C No.1141293509000	0	270,670.00
Tom Mboya Health Centre-KCB Bank A/C No.1164404172	0	309,355.00
Othoro Health Centre-KCB Bank A/C No.117926311	589,358.00	80,120.00
Kokwanyo Health Centre-KCB Bank A/C No.1135297665	69,798.75	188,862.00
Marindi Health Centre-COOP Bank A/C No.1141076050000	260,440.05	459,530.00
Makongeni Health Centre-COOP Bank A/C No.1141456943000	189,058.00	11,860.00
Homa Lime Health Centre-COOP Bank A/C No.1134076370600	76,033.70	143,263.00
God Ber Health Centre-KCB Bank A/C No.1125322063	197,872.90	107,227.40
Pala Masogo Health Centre-COOP Bank A/C No.1141456915700	0	1,363.00
Obanga Health Centre-COOP Bank A/C No.1141076442400	0	29,687.00
Nyabola Health Centre-COOP Bank A/C No.1142303187	67,334.00	4,647.00
Nyangiela Health Centre-KCB Bank A/C No.1135164363	234,900.00	153,547.00
Suba District Hospital-KCB Bank A/C No.1163886289	14,477.95	0
LwandaGwasi Community Health Centre-COOP Bank A/C No.1141292209600	72,453.00	120,400.00

Nyarut Health Centre-COOP Bank A/C No.1141456958100	118,443.50	0
KaumaRamba Health Centre-KCB Bank A/C No.1118240472	0	0
KokechMirondo Health Centre-COOP Bank A/C No.1141455701300	8,369.00	0
Ngere Health Centre-Equity Bank A/C No.760199725773	113,010.00	0
Misare Health Centre-COOP Bank A/C No.1141076462200	112,600.00	0
Orego Health Centre-COOP Bank A/C No.1141589806500	66,802.00	0
Miriu Health Centre-KCB Bank A/C No.1109937040	235,323.50	0
Ober Health Centre-K CB Bank A/C No.1105527441	86,460.55	59,430.55
DISPENSARIES	0	
Ngeta Dispensary -Coop Bank A/C No.1141455147800	27,733.50	116,781.50
Oyuma Dispensary -KCb Bank A/C No.1135663493	80,564.50	66,984.00
Kasewe Dispensary -KCb Bank A/C No.1150482435	1,779.00	
Kiasa Dispensary -COOP Bank A/C No.1141047305400	0	142,286.50
Wikoteng Dispensary -C OOPv Bank A/C No.1141456962100	67,701.00	
Kosele Dispensary -KCB Bank A/C No.1149786728	91,888.50	53,280.00
Lela Dispensary -KCB Bank A/C No.1138855383	72,710.50	74,413.00
Olando Dispensary -KCB Bank A/C No.1141944987	74,589.00	34,025.00
Kisaku Dispensary -COOP Bank A/C No.1141330081700	226,656.00	94,155.50
Okok Dispensary -COOP Bank A/C No.1141047986500	86,360.50	
Omboga Dispensary -COOP Bank A/C No.1141017265700	0	
Kwamo Community Dispensary -COOP Bank A/C No.1141076487800	89,495.50	101,076.50
Nguku Dispensary -COOP Bank A/C No.1141047412700	139,232.00	100,334.00

Kobodo Dispensary -COOP Bank A/C No.1141434893500	204,456.25	
Kome Dispensary -COOP Bank A/C No.1100047430100	68,461.04	113,306.89
Ndere Dispensary -KCB Bank A/C No.1176945742	28,409.50	80,120.00
LwandKobita Dispensary -COOP Bank A/C No.1100047432600	0	103,750.00
Adiedo Dispensary -KCB Bank A/C No.11355740984	0	430,651.00
Unga Dispensary -KCB Bank A/C No.1101511818	42,806.50	100,000.00
Ndhuru Dispensary -COOP Bank A/C No.1141047938100	230.65	
Alum Beach Dispensary -KCB Bank A/C No.1135908486	40,700.50	880,702.00
Okok Dispensary -COOP Bank A/C No.1141047986500	86,360.50	182,626.50
Chuoye Dispensary -KCB Bank A/C No.1113917709	277,668.70	343,816.20
ChuthBer Dispensary -COOP Bank A/C No.1141456703000	122,331.00	122,331.00
OmboKachieng Dispensary -COOP Bank A/C No.1100047460000	89,534.92	
Maram Dispensary -COOP Bank A/C No.1141292824200	125,123.00	101,769.50
LwandaAwiti Dispensary -COOP Bank A/C No.1141433196200	0	914.00
Kodulla Community Dispensary -KCB Bank A/C No.1177332183	30.00	
Nyalgosi Dispensary -KCB Bank A/C No.1119816920	0	17,349.40
Ponge Dispensary -COOP Bank A/C No.1141293504300	819.50	
Ponge Community Dispensary -National Bank A/C No.1248046522200	109,136.00	100,901.44
Wikondiek Dispensary -COOP Bank A/C No.1141454777900	0	211,970.00
Kachuth Dispensary -COOP Bank A/C No.1141434476800	85,494.50	101,706.50
Rangwe Dispensary -KCB Bank A/C No.1134787510	0	859.55

Otange Dispensary -COOP Bank A/C No.1141433929000	304.50	100,939.50
Nyawango Dispensary -COOP Bank A/C No.1141454182600	66,924.35	49,556.35
Randung Dispensary -COOP Bank A/C No.1141047451300	97,945.50	3,425.50
Kimonge Dispensary -KCB Bank A/C No.1119674980	0	878,685.45
Masogo Dispensary -KCB Bank A/C No.1119612144	122,148.00	23,511.00
Kangire Community Dispensary -COOP Bank A/C No.1141589149300	391.50	30,506.50
Malela Dispensary -KCB Bank A/C No.1143762061	0	121,084.00
Kobuya Community -KCB Bank A/C No.1119685103	0	111,617.05
Lambwe Dispensary -COOP Bank A/C No.1141076920800	0	12,370,406.00
Nyamrisra Dispensary -Equity Bank A/C No.7602954582	785.00	
Rariew Dispensary -COOP Bank A/C No.1141047963500	503.50	18,615.00
Kigwa Dispensary -COOP Bank A/C No.1141047336800	36,224.00	88,246.00
Got Kamondi Dispensary -KCB Bank A/C No.114268509	250.60	111.00
Yala Dispensary -COOP Bank A/C No.1141266172400	401.40	
Angiya Dispensary -COOP Bank A/C No.1141330090300	155,906.00	
Waware Dispensary -COOP Bank A/C No.1141076827400	18,368.00	78,556.00
Ngodhe Dispensary -COOP Bank A/C No.1141076982600	102,035.00	40,583.00
Nyawawa Dispensary -COOP Bank A/C No.11414569800	0	111,060.50
Yokiya Self Help Dispensary -Equity Bank A/C No.760193043171	147,417.75	
Obalwanda Dispensary -Equity Bank A/C No.760293733003	77,344.50	
Nduga Dispensary -COOP Bank A/C No.1141456912500	68,664.00	103,318.00

Ragwe Dispensary -KCB Bank A/C No.1134787510	58.05	
Miniambo Community -COOP Bank A/C No.114292373900	1,907.00	105,574.00
Kijawa Dispensary -COOP Bank A/C No.1141076526800	0	106,574.00
Nyalkinyi Dispensary -COOP Bank A/C No.1141293642900	0	81,688.00
Nyawango Dispensary -COOP Bank A/C No.1141454182600	66,924.35	
Ojwando Dispensary -KCB Bank A/C No.1149802065	1,195.50	
Nyamasi Dispensary -COOP Bank A/C No.1141047485101	135,189.00	7,142.00
Wiga Dispensary -COOP Bank A/C No.11411048182000	86,396.50	83,243.00
GK Prison Dispensary -COOP Bank A/C No.1141293996600	8,998.00	9,721.00
Omiro Dispensary -KCB Bank A/C No.1118846257	152,512.00	16,459.00
On'gamo Dispensary -KCB Bank A/C No.11366686991	58,609.50	5,846.00
Lambwe Forest Dispensary -COOP Bank A/C No.1141292949900	69,612.25	147,459.25
Tala Dispensary -KCB Bank A/C No.1136084053	7,929.50	
Gongo Dispensary -COOP Bank A/C No.1141047541500	192,812.00	149,531.00
Ombek Dispensary -KCB Bank A/C No.1136985387	8,095.80	
Malongo Community Dispensary -COOP Bank A/C No.1141293502200	0	292.25
NYS Lambwe Dispensary Project -COOP Bank A/C No.1100048228500	0	100,780.00
Kiwa Island Dispensary -KCB Bank A/C No.1113031379	0	5,083.10
Ngegu Dispensary -COOP Bank A/C No.1141848163300	99,960.00	191,988.00
Nyadenda Dispensary -Equity Bank A/C No.760295131198	101,851.00	403,473.00
Obunga Dispensary -COOp Bank A/C No.11000472212200	352,980.49	324,004.31

Sino Dispensary -KCB Bank A/C No.1119724015	29,717.80	394,932.00
Oneno Dispensary -COOP Bank A/C No.1141456109600	3,822.00	38,421.00
Atella Dispensary -KCB Bank A/C No.1137863021	144,907.00	47,190.00
Randu Dispensary -COOP Bank A/C No.1100047451300	0	123,704.06
Adiedo Dispensary -KCB Bank A/C No.1135740984	0	262,051.00
Remba Dispensary -COOP Bank A/C No.1141331134300	242,530.00	111,770.00
Nyangajo Dispensary -KCB Bank A/C No.2345261161	0	100,500.00
Kajiei Dispensary -KCB Bank A/C No.11388330453	0	127,840.00
Nyakweri Dispensary -COOP Bank A/C No.1141330561600	0	20,798.00
SimbiKogembo Dispensary -KCB Bank A/C No.1137002360	105,723.50	20,798.00
Koywech Dispensary -KCB Bank A/C No.1135095639	122.00	6,933.50
Agao Dispensary -KCB Bank A/C No.1135766940	115,995.14	2,621.64
Nyambare Dispensary -COOP Bank A/C No.1141456964600	0	100,478.00
Obwanda Dispensary -Equity Bank A/C No.760993733003	130,062.65	68,483.50
Total	**236,242,589**	**115,264,553.34**

13.ACCOUNTS RECEIVABLES/OUTSTANDING IMPRESTS

12. B .IMPREST OUTSTANDING FOR FINANCIAL YEAR 2016 -2017

Name of Officer	*Date ImprestTaken*	*AmountTaken*	*AmountSurrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Moses OdhiamboObura	23/01/2017	142,800.00		142,800.00
Gordon OukoNgou	05/03/2017	150,000.00		150,000.00
	05/03/2017	86,200.00		86,200.00
		236,200.00		***236,200.00***
Assa Otieno Ongola	05/07/2016	150,000.00		150,000.00
Dan Odhiambo Ochieng	22/12/2016	200,000.00		200,000.00
	07/04/2017	150,000.00		150,000.00
		350,000.00		***350,000.00***
Irene Cabots	13/05/2017	50,000.00		50,000.00
Moses OdhiamboObura	10/12/2016	100,000.00		100,000.00
	05/01/2017	200,000.00		200,000.00
		300,000.00		***300,000.00***
Benedict OkumuOkoth	23/12/2016	543,710.00		543,710.00
		543,710.00		***543,710.00***
Hanna AkinyiOuma	19/08/2016	60,000.00		60,000.00
	09/03/2017	35,000.00		35,000.00
		95,000.00		***95,000.00***
John Otieno Oywa	16/12/2016	300,000.00		300,000.00
ZedekiaOduomaAduo	05/11/2016	150,000.00		150,000.00
		150,000.00		**150,000.00**
Abel OduomaAduo	09/11/2016	150,000.00		150,000.00
John Oloo Apollo	11/08/2016	105,290.00		105,290.00
Anne Muga	09/11/2016	50,000.00		50,000.00
		150,000.00		***150,000.00***
EdgerOmbisiAmbuyo	09/10/2016	100,000.00		100,000.00
Willis HinsleyBolo	16/12/201	878,000.00		878,000.00
Judith AkinyiOuma	09/11/2016	150,000.00		150,000.00
Geoffrey Omwandho	25/08/2016	500,000.00		500,000.00
GRAND TOTAL		**4,351,000.00**		**4,351,000.00**

14.FUND BALANCE BROUGHT FORWARD

Fund balance brought forward comprise refer to the closing Fund balance as at the end of previous year which is carried forward to the following year

	2016/2017	2015/2016
Bank Account	236,242,589	115,264,553
	236,242,589	**115,264,553**