REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF BUNGOMA

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF AUDITOR GENERAL
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BUNGOMA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 45 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 15 nominated Members of County Assembly. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

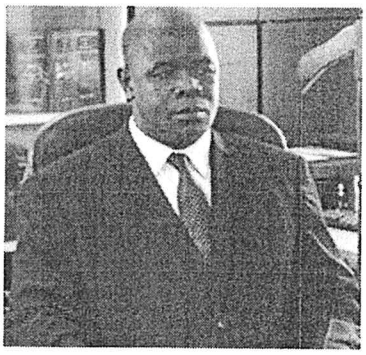
The *County Assembly's* day-to-day management is under County Assembly Service Board of Bungoma which is created under Section 12 of the County Governments Act, 2012, as a body corporate with perpetual succession and a common seal. The County Assembly Service Board comprises of four members - the Speaker who is also the Chairperson; the Majority and Minority Leaders and one external Member. The Secretary of the Service Board is the Clerk of the County Assembly

The County Assembly Service Board draws its mandate from Sec 12 of the County Governments Act, 2012 to provide services and facilities to ensure the efficient and effective functioning of the County Assembly, Constitute offices in the County Assembly Service and appoint and supervise office holders, Prepare annual estimates of expenditure of the County Assembly Service and submit them to the County Assembly for approval, exercise budgetary control over the service, and Undertake singly or jointly with other relevant organizations programmes to promote the ideal of parliamentary democracy

The Board also performs other functions:

i. Necessary for the welfare of members and staff of the County Assembly

ii. as prescribed by National Legislature



Hon. Speaker Emmanuel Situma

He was elected the 2nd Speaker of County Assembly of Bungoma in September 2017. The Speaker was elected to preside over the County Assembly Sittings and Chair the County Assembly Service Board.

Speaker Situma holds Bachelor of Law from Nagpur University, India. Before his election Mr. Situma was a practicing advocate.

Hon. Florence Wekesa - Majority Leader

She was elected MCA Maeni Ward in August 2017 and the leader of Majority in October 2017 and a member to the County Assembly Service Board.

John Mosongo –Clerk to County Assembly of Bungoma

Mr. Mosongo was seconded by the transition Authority as the Clerk to the Assembly on February 2013. He was later recruited through a competitive process as the Clerk to County Assembly of Bungoma and Secretary to the County Assembly Board on 12th January 2014. He is the CEO and the adviser to the Speaker.

Mr. Mosongo holds a Bachelor of Arts Degree from University of Nairobi. He has undertaken a Senior Management Course and Strategic Leadership Course offered by the Kenya School of Government. Mr. Mosongo is a member of the Labour relations at the Society of Clerks at the Table (SOCATT).

Hon. Francis Chemion – Minority Leader

He was elected MCA Kaptama Ward in August 2017 and the leader of Minority in October 2017 and a member to the County Assembly Service Board.

(c) Fiduciary Management

The key management personnel who held office during the year ended 30 June 2018 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	John Ongwae Mosongo	Accounting Officer
2.	Julia Naliaka Lunani (MBA)	Ag Principal Finance Officer
3.	Eric Nabiranda Wasilwa	Procurement Officer
4.	Diana Naliaka Khaemba	Fiscal Analyst

(d) Fiduciary Oversight Arrangements

i. Public Accounts Committee

The committee was formed to provide oversight on the County's finances. The members who served in the committee during the period were:

Name	Position
1. Hon Charles Nangulu	Chairman
2. Hon. Eric Wapang'ana	Vice- Chairperson
3. Hon. Peter Sindani	Member
4. Hon. Beatrice Wekesa	Member
5. Hon. Tony Barasa	Member
6. Hon. Isaiah Sudi	Member
7. Hon. Joseph Magudah	Member
8. Hon. Metrine Nangalama	Member
9. Hon. Everton Sifuma	Member
10. Hon. Bethwell Mwambu	Member
11. Hon. Winnie Nyambok	Member

ii. Budget & 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:

Name	Position
1. Hon Rosemary Khisa	Chairperson
2. Hon Jack Wambulwa	Vice Chairperson
3. Hon Joseph Juma	Member
4. Hon Meshack Simiyu	Member
5. Hon Paul Wanyonyi	Member
6. Hon Jane Chebet	Member
7. Hon Ali Machani Mutoka	Member
8. Hon Martin Pepela	Member
9. Hon Beatrice Wekesa	Member
10. Hon. Grace Sundukwa	Member
11. Hon. Hillary Kiptallam	Member

iii. Audit Committee

The audit committee was established through the gazette notice no. 2690; Public finance management act (*No.* 18 *of* 2012), Public finance management regulations 2015, Audit committee guidelines for County governments. The audit committee is established to provide assistance to the accounting officer or the governing body with its responsibilities outlined in its charter with the general feature of ensuring good corporate governance.

The members who served in the committee during the period were:

Name		Position
1.	Mr. Calistus Wekesa Waswa	Chairman Audit committee
2.	Dr. Destaings N. Nyongesa	Member Audit committee
3.	CPA Jackson Wetosi	Member Audit committee
4.	Mrs. Diana Khaemba	Member Audit committee
5.	Mr. Alfred Makokha	Secretary Audit committee

(e) Bungoma County Assembly Headquarters

P.O. Box 1886 – 50200
Former County Council Building
Moi Avenue
Bungoma, Kenya

(f) Entity Contacts

Telephone: 055 (20) 30854, 055 (20) 30309, +254 722 585582
E-mail: bungomacountyassembly@gmail.com or info@bungomaassembly.go.ke
Website: http://www.bungomaassembly.go.ke

(g) Entity Bankers

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

2. Kenya Commercial Bank of Kenya
   Bungoma Branch
   P.O. Box 201-50200
   Bungoma, Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office

Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. FORWARD BY THE CLERK OF THE ASSEMBLY

It is my pleasure to present the County Assembly of Bungoma financial statements for the year ended 30th June 2019. The financial statements present the financial performance of the County Assembly over the past year.

Budget performance

During the year under review the total recurrent budget was Ksh 874,978,131 vis a vis an expenditure of Ksh 860,394,676, an absorption rate of 98.3%. Further the total development budget was Ksh 110,102,353 while expenditure was Ksh 98,729,575 (89.7%).
The recurrent receipts compose of 98.2% while development 91.1% as tabulated above.

	RECURRENT	DEVELOPMENT
Total Exchequer Releases for quarter 1	177,359,526	23,065,872
Total Exchequer Releases for quarter 2	296,166,873	18,561,937
Total Exchequer Releases for quarter 3	109,799,056	
Total Exchequer Releases for quarter 4	276,203,359	58,650,337
	859,528,814	100,278,146

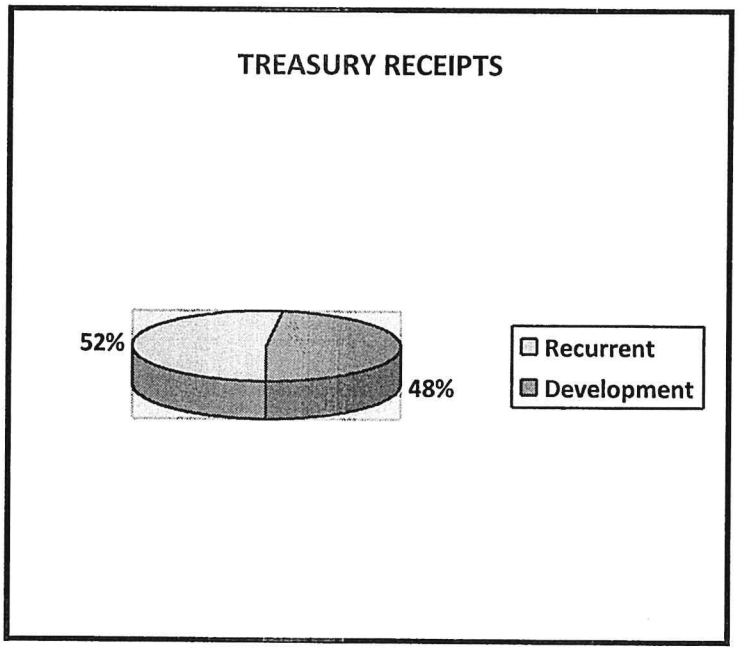


Figure 1 Treasury receipts for FY 2018/2019

Operational Performance

Under the new financial year the Members of County Assembly were inducted having successful won election and nominations. The induction training highlighted on legislative processes and ways the assembly can oversight the government to benefit the population of the County. During the year under review the annual budget was passed on 4th July 2019 having two supplementary budgets 1st

supplementary budget FY 2018/19 and 2nd Supplementary budget FY 2018/2019 passed on 23rd August 2018 and 3rd May 2019 respectively.

The motion / committee reports tracker listed below provides an overview of the status of all motions/reports/businesses facilitated by the Committees in the assembly during the Financial Year under review.

1	Tourism, Environment Water and Natural Resources	Reports by the committee on Tourism, Environment, Water and Natural Resources on the fact finding mission on the status of piped water projects in Bungoma County	4th July 2018
2	Powers and Privileges	Reports on Powers and Privileges on the Benchmarking trip to the National Assembly in April,2018	19th July 2018
3	Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development	Report by the committee on Agriculture, Livestock, Fisheries, Irrigation and Cooperatives Development regarding the livestock distribution by the Bungoma County Executive	31st July 2018
4	Joint Public Investment Committee (PIC	Report by the Joint Public Investment Committee (PIC of the Bungoma and Trans-Nzoia County Assemblies regarding the Auditor general Report on the Financial Statements of Nzoia Water Services Company Limited for the Financial Year ended 30th June 2018	2nd August 2018
5	Labour and Welfare	Report by the labour and welfare Committee regarding the interrogation of the CIC insurance Company on the provision of medical cover for the members and staff of the Bungoma County Assembly for the period ending 30th October , 2018	1st August 2018
6	Public accounts Committee	Report by the Public Accounts Committee on the Bungoma County Scholarship Prog7ramme in the FY 2017/2018	1st August 2018
7	Gender and Culture	Report by the committee Gender and Culture regarding the fact-finding mission in respect to the historical sites in Bungoma County	November 2018
8	Public Administration and ICT	Report by the Public Administration and ICT Committee on the request for the Establishment of Office and Creation and the post of the County Secretary – Investments, Resource Mobilization and Partnerships	2nd August 2018
9	Joint Committee of Budget and Appropriations	Report by the Joint Committee of Budget and Appropriations Committee, Finance and Economic Planning Committee on the County Medium Term Debt Management Strategy Paper FY 2018 /2019–2022	2nd August 2018
10	Finance and Economic Planning	Report by the Finance and Economic Planning on Bungoma County Government Quarterly Expenditure Report and Financial Statements for the period ended march 31st, 2018	3rd August 2018
11	Adjournment motion	Motion of adjournment on definite matter of urgent County Importance.	14th August 2018
12	Adjournment motion	Motion of adjournment that the House adjourns till the issue of delay of salary for the month of July is solved.	22nd August 2018
13	Budget and Appropriation	Report by Committee on Budget and Appropriation on the Bungoma County 1st Supplementary Budget FY 2018 /19	23rd August 2018
14	Liaison	Report by the Committee on Liaison on the apportionment of the budget among Committees of the Assembly for FY 2018/19	6th November 2018
15	Public Administration and ICT	Report by the Committee on Public Administration and ICT on the vetting of the nominee for the appointment to the position of Chief	7th November 2018

		Officer, office of the County secretary and Head of Public Service. The report had been committed under Standing Order 91(f) which is nonexistence, instead of 196(f).	
16	Gender and Culture	Report by the committee on Gender and Culture on the vetting of the nominee for the appointment to the position of Chief officer, Gender and Culture.	7th November 2018
17	Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development	Report by Committee Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development on the Vetting for the Nominee for appointment to the position of Chief Officer for Agriculture and Irrigation.	7th November 2018
18	Public Administration and ICT	Report by Committee on Public Administration & ICT on the Vetting of Nominees for the appointment to the position of the Chief Officer, Office of the County Secretary and Chief officer, ICT and Records	8th November 2018
19	Bungoma County Finance Bill	THE BUNGOMA COUNTY FINANCE BILL , 2018 A Bill of the County Assembly of Bungoma to provide for the revision of the various taxes, fees and charges for the services and for other revenue raising measures by the County Government and for matters incidental thereto be now read a third time ***(Third Reading)***	14th November 2018
20	Education, Youth and Sports	Motion that, this House adopts the report by Committee on Education, Youth and Sports on the Vetting of the Nominee for appointment to the Position of the Chief Officer, Education and Vocational Training.	14th November 2018
21	Tourism, Environment and Natural Resources	Report by Committee on Tourism, Environment and Natural Resources on the Vetting of the Nominee for appointment to the position of the Chief Officer, Tourism, Environment	14th November 2018
22	Delegated County Legislation	Report by the committee on Delegated County Legislation on the Benchmarking visit to the senate and the National Assembly of Kenya	6th December 2018
23	Delegated County Legislation	Report by the committee on Delegated County Legislation on the Bungoma and Kimilili Municipal Charters	21st December 2018
24	Public Administration and ICT	Report by the Committee on Public Administration and ICT on the Vetting of Mr. Bonee Wasike Simiyu, Nominee for Appointment to the Position of Member of the County Public Service Board	21st November 2018
25	Appointments	Report by Committee on Appointments on the Vetting of the Nominee for appointment to the Position of Country Secretary and Head of Public Service	21st November 2018
26	Public Administration and ICT	Report by Committee on Public Administration and ICT on the Vetting of the Nominee for appointment to the Position of Chief Officer, Office of Deputy Governor	22nd November 2018
27	Adjournment motion	Motion **S.O. 30** to discuss the state of the Bungoma Referral Hospital and neglect by the nurses on duty that led to the death of a patient	22nd November 2018
28	Education, Youth and Sports	Report by Committee on Education, Youth and Sports regarding the illegal deployment of ECDE Ward Coordinators in Bungoma County	22nd November 2018
29	Procedure and Rules	Report by Committee on Procedure and Rules on the revision and amendments of the Standing Orders	28th November 2018
30	Health	Report by the Committee on Health on vetting of the Chief Officer Health and Sanitation	14th November 2018
31	Lands, Urban, Physical Planning/Trade, Energy	Report by Committee on Lands, Urban, Physical Planning/Trade, Energy and Industrialization on the Bungoma County Industrialization Policy	29th November 2018
32	Adjournment motion	Motion moved that pursuant to Standing Order No.49 (1) seeking to	4th December

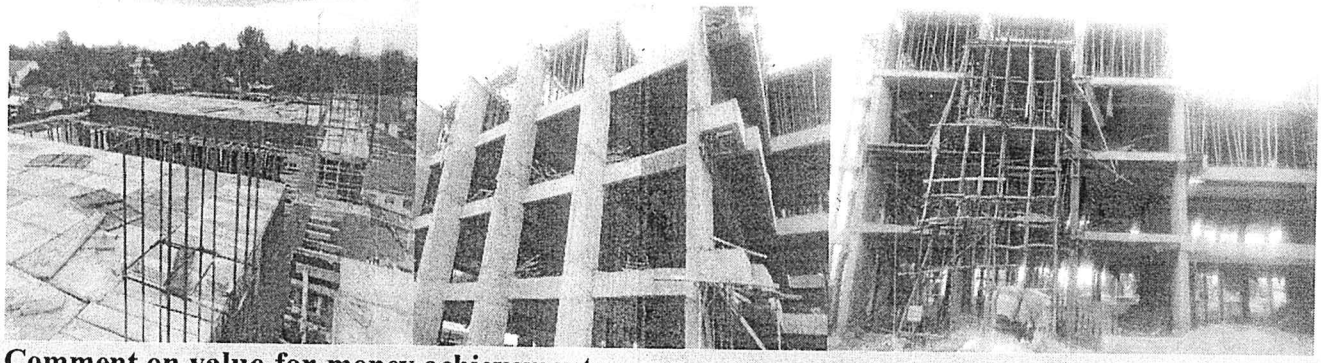
		dispense Order No.9 on the order of the day before reverting back to Order No.8	2018
33	Public Accounts Committee	Motion moved that, this House adopts the report by Committee on Public Accounts Committee on the Auditor General's Report on the Financial Statements of the County Assembly of Bungoma Car Loan and Mortgage Scheme for year ended 30th June 2017	4th December 2018
34	Adjournment motion	Motion pursuant to Standing Order No. 49 to adjourn the County Assembly sitting for one hour.	
35	County Assembly Service Board	Motion made and proposed that, this House adopts the report by the County assembly Service Board on the recruitment of the Fifth Member of the Board	5th December 2018
36	Delegated County	Motion made and proposed that, this House adopts the report by Committee on Delegated County Legislation on the Bungoma County Education support Fund regulations, 2018	2018
37	Budget and Appropriation	Motion made and proposed that, this House adopts the report by Joint Committees of Budget and Appropriation; Finance and Economic Planning on the Bungoma County Annual Development Plan FY 2019v20	6th December 2018
38	HBC	**THAT,** this House adopts the County Assembly Calendar for Third Session, 2019 by House Business Committee	12/2/2019
39	Political Leadership	Procedural motion that the House approves the names of membership to House Business Committee pursuant to Standing Order number 156(10 and 2)	13/2/2019
40	Lands, Urban, Physical Planning, Trade, Energy and Industrialization	Report by the committee on Lands, Urban, Physical Planning, Trade, Energy and Industrialization on industrialization policy	13/2/2019
41	Labour and Social Welfare	Report by the committee on Labour and Social welfare on the Benchmarking visit to the Senate	13/2/2019
42	HBC	Report by the House Business Committee on the Sessional Review Report for Sessions 1 & 2	19/2/2019
43	Address of the Governor	The County Assembly be recorded for the exposition of public policy contained in the address of the Governor	21/2/2019
44	Budget and Appropriation	Report by the Budget and Appropriation Committee on the Bungoma County Budget and Review Outlook Paper (CBROP)	27/2/2019
45	Health	Report by Health committee on the Investigatory Report on the Professional Negligence at BCRH by the Hospital staff, Purchase of a new Ambulance and utilization of HIV/AIDS and Maternity Reimbursement Funds in the FY 2017/2018	27/2/2019
46	Adjournment Motion	Motion of adjournment pursuant to Standing Order 25(4) to alter its calendar to attend the Devolution Conference at Kirinyaga County slated 4th - 8th March, 2019 and resume its sittings from 12th March, 2019 at 2.30pm.	28/2/2019
47	Finance and Economic Planning	Report by the Finance and Economic Planning Committee on the Bungoma county Government Quarterly reports and Financial statements for the period ended 30th June 2018	14/3/2019
48	PIC	Report by the PIC committee on the capacity building workshop held in Kampala Uganda.	19/3/2019
49	Implementation	Report by the Implementation Committee on the implementation of status of the House resolution on the motion of County importance approved on 20th March 2019	20/3/2019
50	Justice and Legal Affairs	Report by the Justice and Legal affairs committee on a benchmarking visit to Kakamega County Assembly	20/3/2019
51	Implementation	Report by the Committee on implementation on the implementation status of the House resolution in the Department of Health and Sanitation	27/3/2019

52	Implementation	Report by the Committee on implementation on the implementation status of the House resolution in the Department of Education and Vocational Training	27/3/2019
53	Ad-Hoc	Report by the Ad-Hoc Committee on instigated violence against members of the County Assembly	10/4/2019
54	Budget and Appropriations	Report by the Budget and Appropriations Committee on the Bungoma county Fiscal Strategy Paper FY 2019/20	10/4/2019
55	Hon. Wamusai Simiyu	**THAT,** this Honourable Assembly urges the Bungoma County Executive Departments And the County Assembly Service Board to formulate, adopt and display in a designated accessible area by the public in an elaborate service Charters to streamline the delivery of services in the County	23/4/2019
56	Joint Committee on Budget and Appropriation & Finance and Economic Planning	Report by Joint Committee on Budget and Appropriation & Finance and Economic Planning Committees on the Bungoma County Medium Term Debt Management Strategy Paper FY 2019/20 – FY 2012/22	24/4/2019
57	Budget and Appropriation	Report by Committee on Budget and Appropriation on the Bungoma County 2nd Supplementary Budget FY 2019/19	2/5/2019
58	Implementation	Report by Committee on Implementation the capacity building workshop held in Pretoria Hotel – Mbale	11/6/19
59	Powers and Privileges	Report of the Committee of Powers and Privileges regarding allegations of breach of privilege against Hon. Vitalis Wangila	12/6/19
60	Hon. Musebe Fredrick	**THAT,** the County Government of Bungoma through the Department of Tourism, Environment, Water, Forestry and Natural Resources to come up with a policy that will guide farmers in planting of eucalyptus to save the drying of water springs and other wetland areas witnessed in the entire county	12/6/19
61	Tourism, Environment, Water, Forestry and Natural Resources	Report by Committee Tourism, Environment, Water, Forestry and Natural Resources the fact finding mission on the status of the pipeline water project in Milima ward, Biliso Dumpsite and Kabuchai Dam Water Project	18/6/19
62	Justice and Legal Affairs	Report by Committee on Justice and Legal Affairs on capacity on capacity building workshop held in Kampala, Uganda	19/6/19
63	Housing and Sanitation	Report by Committee Housing and Sanitation on status of projects implemented by the Housing Department as at 30th June, 2018 (FY 2017/2018)	19/6/19
64	Agriculture, Livestock, Fisheries, Irrigation and Co–operative Development	Report by Committee on Agriculture, Livestock, Fisheries, Irrigation and Co–operative Development on the Quality, Procurement, Supply and Distribution of the Fertilizer for Bungoma Farm Input Support Programme, 2019	20/6/19
65	Powers and Privileges	Report by Committee on Powers and Privileges on the Evaluation of the Sessional Performance in the Second Session of the County Assembly	20/6/19
66	Gender and Culture	Report by Committee on Gender and Culture on the KICOSCA Games, 2018	20/6/19
67	Labour and Social Welfare	Report by Committee on Labour and Social Welfare on the Training by the County Pension Fund (CPF)	26/6/19
68	House Business	Report by committee on House Business on Capacity Building Workshop on House Procedures and Processes held in Itoya Hotel, Busia	27/6/19

Performance of key development projects

During the Financial Year 2018/2019 undertook capital projects whose end result would impact on

service delivery by the County Assembly. The projects included refurbishment of County Assembly, construction of office block, purchase of office furniture and ICT infrastructure.



Comment on value-for-money achievements

Bungoma County Assembly funds were utilised in accordance to the Public Financial Management Act and the purpose for which they were intended for.

Challenges and Recommended Way Forward

The major implementation challenges faced by the County Assembly during the Financial Year 2017/2018 included but not limited to; Poor coordination of key actors in budgeting including members of public who have low public knowledge how funds are raised and spent. Supplementary budgets taking long to be finalised due to other engagements by Members of County Assemblies.

Delays in Exchequer releases thus harbouring efficiency and effectiveness of development activities work plan. Operational risk due to lack of enough skills capacity in the department of Finance and Accounts

Sign

Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

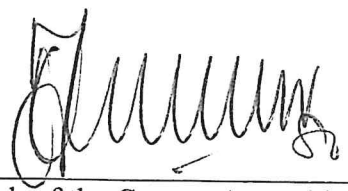
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2019, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30.09 2019.



Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BUNGOMA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Bungoma set out on pages 1 to 27, which comprise the statement of financial assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of changes in assets and liabilities, statement of cash flows and statement of comparison of budget and actual amounts recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Bungoma as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Foreign Travel and Accommodation Allowances

As disclosed in Note 4 to the financial statements, the statement of receipts and payments under the use of goods and services balance of Kshs.461,012,872 constitutes foreign travel and subsistence amount of Kshs.3,140,486 which includes Kshs.576,200 in respect of foreign travel accommodation for two officers who attended a seminar on executive security and open source intelligence techniques from 13 to 17 May, 2019 at Emerald Hotel Kampala, Uganda for five days at the invitation of the Kenya Institute of Management. The amount of Kshs.576,200 was not supported by the relevant travel documents together with a return to office report.

In the circumstances, the propriety in the utilization of Kshs.576,200 could not be ascertained.

2. Reconciliation of Balances on Acquisition of Assets

As disclosed under Note 7 to the financial statements, the statement of receipts and expenditure reflects an expenditure of Kshs.103,380,386 under acquisition of assets which includes construction of building and refurbishment of building expenses of Kshs.77,181,965 and Kshs.9,403,426 respectively. However, it was noted that these balances do not agree with the supporting schedules leading to an unreconciled variance of Kshs.9,640,259 as tabulated below:

Details	Financial Statements Kshs.	Supporting Schedule Kshs.	Difference Kshs.
Construction of Buildings	77,181,965	85,724,405	8,542,440
Refurbishment of Buildings	9,403,426	10,501,245	1,097,819
Total			**9,640,259**

In the circumstances, the ownership, accuracy and completeness of the total assets figure of Kshs.77,181,965 as at 30 June, 2019 could not be ascertained.

3. Variances in the Bank Balances

As disclosed in Note 9A to the financial statements, the statement of assets and liabilities reflects a bank balance of Kshs.1,560,549 as at 30 June, 2019. Review of the bank reconciliation statements attached as Annexure 6 to the financial statements revealed that the Management used the bank certificate balances instead of the reconciled cash book balances for both the Central Bank development and recurrent bank account leading to a variance of Kshs.161,046 as tabulated below;

Bank Account	Bank Certificate Balance Kshs.	Reconciled Balance Kshs.	Variance Kshs.
Central Bank-Development	1,549,071	1,130,501	418,570
Central Bank-Recurrent	4,378	261,902	(257,524)
			161,046

In the circumstances, it was not possible to ascertain the accuracy of the reported bank balance of Kshs.1,560,549 reported as at 30 June, 2019.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of Bungoma Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Performance and Control

During the year under review, the Management of the County Assembly had a balanced budgeted of receipts and expenditure of Kshs.985,080,484, comprising recurrent allocation of Kshs.874,978,131 or 89% of total budget, and development allocation of Kshs.110,102,353 or 11% of the total budget. However, the County Assembly actual receipts amounted to Kshs.959,877,909 or 97% or the budgeted receipts.

The Assembly incurred an actual total expenditure of Kshs.959,124,251 which was 99.9% of actual receipts but 97% of the budget. Whereas the County Assembly incurred an overall actual expenditure/budget absorption ratio of 97%, instances of poor performance were noted mainly on transfer to Other Government Entities which registered a performance rate of 48%. There were also instances where the budgeted amounts were exceeded on social security benefits, acquisition of assets and finance costs.

Management has attributed the overexpenditure to the settlement of award in a court case for a Member of County Assembly while the finance cost relates to withholding Value Added Tax (VAT) of 6%.

2. Other Pending Payables

As disclosed under Note 5.10 - Other Important Disclosures and Annexure 3 to the financial statements, the County Assembly had outstanding pending bills balance of Kshs.29,289,892 comprising of Kshs.9,591,024 and Kshs.19,698,868 due to the Assembly Staff Car and Mortgage Fund and Assembly MCA Car and Mortgage Fund respectively as at June, 2019.

However, a review of the previous year's report indicated that an amount of Kshs.81,128,709 constituting Kshs.73,529,415 and Kshs.7,599,294 for the Assembly MCA Car and Mortgage Fund and the Assembly Staff Car and Mortgage Fund respectively, had remained outstanding at the end of the year. However, during the year under review an amount of Kshs.4,484,276 was remitted. From the foregoing, the outstanding balance ought to have been Kshs.76,644,433 and not the balance of Kshs.29,289,892 reported in the financial statements.

In absence of any reconciliation between the two records, it was not possible to ascertain accuracy of other pending payables balance of Kshs.29,289,892 reported in the financial statements.

3. Outstanding Imprests

Note 10 to the financial statements indicates that the Assembly had outstanding imprests amounting to Kshs.464,000 as at 30 June, 2019. No explanation was provided why the amount still remained unaccounted for in contravention of Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015) which requires a holder of a temporary imprest to account or surrender it within seven (7) working days after returning to duty station.

4. Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Report on Lawfulness and Effectiveness in the Use of Public Resources and basis for qualified opinion sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Acquisition of Assets

1.1 Purchase of Motor Vehicle and Other Transport Equipment

Note 7 to the financial statements reflects acquisition of assets figure of Kshs.103,380,386 which includes an amount of Kshs.10,942,500 paid in respect of purchase of motor vehicles and other transport equipment. Out of this, the County Assembly procured a 33-seater luxury bus at a total cost of Kshs.4,980,000 during the year from a contracted local dealer.

However, review of the Tender Evaluation Committee's Minutes dated 5 March, 2019 revealed that the supplier had been disqualified as non-responsive and was thus not subjected to technical and commercial evaluation, and it was recommended that the contract be awarded to another dealer at a price of Kshs.5,455,000.

Further, another bidder was disqualified at the technical evaluation stage on the grounds that the submitted bid indicating HINO brand instead of Isuzu make. The user

technical specifications did not restrict the model. In addition, the Inspection and Acceptance Committee Certificate was not availed for audit review.

Consequently, the Management contravened Section 80(1) of the Public Procurement and Asset Disposal Act, 2015 that requires the Evaluation Committee to evaluate and compare the responsive tenders and Section 48(1 & 3) which requires the Accounting Officer to establish an Inspection and Acceptance Committee to inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract.

1.2 Refurbishment of County Assembly Speaker's Residence

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects acquisition of assets figure of Kshs.103,380,386 which includes an amount of Kshs.9,403,426 paid in respect of refurbishment of buildings. Out of this, the Assembly awarded a contract to a local contractor to refurbish the Speaker's residence on 30 April, 2018 vide contract No. CA/BGM/PUR/281/2018-2019 at a cost of Kshs.1,984,060. However, the engineer's estimates and procurement documents were not availed for audit review. Audit verification procedure planned on the site could not be done due to non-cooperation from the client. As a result, it was not possible to ascertain whether value for money was achieved in the application of the refurbishment expenditure.

1.3 Delayed Construction of Office Block

Note 7 to the financial statements reflects acquisition of assets figure of Kshs.103,380,386 which includes an amount of Kshs.77,181,965 paid in respect of construction of buildings as part of contract awarded to a local contractor at a contract sum of Kshs.447,768,217. The contract was to be carried out in eighteen (18) months with expected completion date of May, 2018 but which was later revised to 127 weeks pushing the completion period to 13 May, 2019.

However, documentation for application and approval of a revised completion date in line with the provisions of Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity, on the recommendation of an Evaluation Committee, to approve the request for the extension of contract period accompanied by a certificate from the tenderer was not provided for audit verification.

Consequently, Management was in breach of the law.

2. Use of Goods and Services

2.1 Hospitality Supplies and Services

As disclosed in Note 4 to the financial statements, included in the use of goods and services balance of Kshs.461,012,872 is a hospitality supplies and services expenditure amounting to Kshs.260,462,788. However, examination of the

expenditure revealed the following anomalies on non-compliance and ineffective application of resources:

2.1.1 Misallocation of Funds to Foreign Travel and Subsistence

Review of payment records revealed that Kshs.43,697,320 of funds budgeted under hospitality supplies and services were misapplied towards foreign travel and accommodation without evidence of request and subsequent approval of the re-allocations by the County Treasury.

This was in contravention of Section 154(2b) of the Public Finance Management Act, 2012 which provides that an Accounting Officer for a County Government entity may re-allocate funds between programs, or between sub-votes, in the budget for a financial year, but only if a request for the re-allocation has been made to the County Treasury explaining the reasons for the re-allocation and the County Treasury has approved the request.

2.1.2 Unauthorised Transfer of Funds

In addition, the Assembly paid Kshs.5,000,000 to the County Assemblies Forum being annual subscription for the 2018/2019 financial year under hospitality and supplies vote. However, review of the approved budget revealed that the expenditure was not budgeted for.

Consequently, the Management contravened Regulation 43(2) of the Public Finance Management (County Governments) Regulations, 2015 that requires a County Government entities to execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the County Emergency Fund or supplementary estimates.

2.1.3 Irregular Overpayment of Travel and Subsistence Allowances

Included in the figure of hospitality and supplies are payments towards travel and subsistence for MCAs and staff totalling Kshs.65,415,110 out of which there was an overpayment of Kshs.57,376,570 arising from either payment of subsistence allowance for activities carried out within the County Headquarters or application of wrong subsistence rates. In addition, some payments were not properly supported with either participants' invitation letters, approval documents, stamped foreign travel documents, original work tickets, signed attendance registers, original receipts or activity reports.

As a result, Management failed to comply with the provisions of Regulation 93(3) of the Public Finance Management (County Governments) Regulations, 2015 which provides that temporary imprests be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses. Further, the Assembly did not adhere to the

rates as provided by SRC Circular No.SRC/ADM/CIIR/1/13VOL.IV(1) of 20 November, 2017 that reviewed rates and cluster classification for all the cadres in County Public Service.

Further, there was violation of Regulation 104(1) of Public Finance Management (County Governments) Regulations, 2015 which requires that all receipts and payment vouchers of public moneys be properly supported by pre-numbered receipts and payment vouchers and properly supported by the appropriate authority and documentation to authenticate the expenditure.

2.2 Other Operating Expenses

Included in the use of goods and services balance of Kshs.461,012,872 are other operating expenses of Kshs.94,068,180 as disclosed in Note 4 to the financial statements. However, review of records and information revealed the following anomalies:

2.2.1 Irregular Payment of Task Force Allowance

The Assembly incurred an amount of Kshs.531,300 in respect of allowances to members of a task force composed of own staff to audit paid and pending hotel bills. However, the allowances were calculated using wrong rates leading to overpayment of Kshs.315,300. In addition, it was noted that the taskforce terms of reference included routine tasks that can be performed by internal auditors within their normal work. Further, the task force report was not availed for audit verification.

Consequently, the Assembly contravened the provisions of Circular No. MSPS.2/1A.VOL.XLVOL.III/(119) dated 2 August, 2013 issued by the Ministry of Devolution and Planning that states that taskforces can only be appointed with clear justification and assigned tasks that are not routine in nature as well as the Salaries and Remuneration Commission (SRC) Circular No. SRC/ADM/CIR/1/13(122) of 16 April, 2014 which specifies the rates for payments of allowances to members of a task force.

2.2.2 Irregular Payment for County Assembly Service Board (CASB) Allowances

The Assembly is noted to have paid sitting allowances amounting to Kshs.674,000 to the members of the County Assembly Service Board for internal sittings on 26 June, 2019. The payment was for two (2) sittings in February, 2019, five (5) sittings in March, 2019 and one (1) sitting by Chair and Secretary as required. The meeting held on 26 February, 2019 had no substantive agenda while the meeting held on 12 March, 2019 was held without prior notice and had no minutes and thus contravening Regulation 104(1) of Public Finance Management (County Governments) Regulations, 2015 which requires that all receipts and payment vouchers of public moneys to be properly supported by pre-numbered receipts and payment vouchers and authorised by the appropriate authority .

Further, two County Assembly Service Board (CASB) members were paid a commuter allowance of Kshs.10,000 per sitting for 16 sittings totalling Kshs.320,000 in contravention of Clause 4 of the circular referenced SRC/TS/CGOVRT/3/61 Vol. IV (49) dated 8 December, 2017 that nullified the earlier provisions by letters and or circulars on remuneration packages for part time/external members of CASB, including the commuter allowance at the rate of Kshs.10,000 per sitting.

3. Compensation of Employees

3.1. Irregular Compensation of Basic Salary and Allowances

Note 3 to the financial statements reflects compensation of employees' figure of Kshs.302,663,670 which includes an amount of Kshs.285,456,410 paid in respect of basic salaries of permanent employees.

Out of this, the Assembly paid a total of Kshs.3,211,000 to an external member of the County Assembly Service Board (CASB) for basic salary and allowances for the period between July, 2017 and October 2018, the period within which the petition against her dismissal/appointment was being considered.

The first term of the external member elapsed on 8 August, 2017, the day of the General Elections in line with Section 48(2) of the County Assembly Services Act, 2017 which provides that external members shall continue to serve as members of the CASB upon commencement of the Act on 27 July, 2017 and before the first General Elections held on 8 August, 2017.

There was thus no basis for such payment since her term ended with the General Elections of August, 2017 and her new appointment commenced in 24 October, 2018 after the petition against her was dispensed with by the High Court of Kenya at Bungoma with express orders that each party should bear their own costs.

3.2. Management of Employee Pension, Gratuity and Social Security Schemes

A review of the County Assembly's payroll revealed that twenty (20) employees engaged on permanent and pensionable terms were not members of any pension scheme as at September, 2018 in contravention of Section 26 of the County Assembly Services Act, 2017, which requires the County Assembly Services Board to establish a contributory pension scheme for all its employees.

Further, the employees were not contributors to National Social Security Fund. Thus, the Assembly was in breach of Section 19(1) and (5) of the NSSF Act, 2013 which requires every employer, who under a contract of service, employs one employee or more to register with the Fund as a contributing employer and further register the employees as members of the Fund. Every employee should be registered with the Fund.

The Assembly did not make provisions for the ward office staff gratuity amounting to Kshs.2,812,320 in respect of the year under review and yet the letter of appointments for ward office staff provides that the successful candidates are entitled to a gratuity payment at the end of their engagement period.

3.3. Failure to Deduct PAYE Tax from Gratuity Paid to Members of County Assembly

The Assembly has a memorandum of understanding with the Local Authority Pension Trust Fund (LAPFUND) to manage MCA gratuities and make monthly transfers towards the same. However, the Assembly paid Kenya Revenue Authority a total of Kshs.4,507,963 for tax and penalty on non-remitted tax on gratuity. It is not clear why the penalty was not borne by LAPFUND given that they have the full delegated responsibility over the management of the gratuity.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit so as to obtain assurance as to whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance and Basis for qualified opinion sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Fixed Asset Register

Annexure 4 on the summary of fixed asset register reflects assets totalling Kshs.531,744,677 as at 30 June, 2019. However, the Assembly did not avail an updated asset register for audit verification and hence it was not possible to ascertain the nature, number, physical location and fair value of the Assembly's assets contrary to Regulation 136(1) of the Public Finance Management Regulations, 2015 which requires that the accounting officer shall be responsible for maintaining a register of assets under his/her control or possession.

2. Internal Audit Function

The Audit Committee had not developed, communicated and implemented a risk management policy and framework. Consequently, the internal audit function did not effectively discharge its management oversight role.

3. Information and Communication Technology Control Environment

Review of governance documents and interviews with the Management revealed the following significant weaknesses in the Information and Communication Technology (ICT) control environment;

- Non-establishment of an ICT Strategic Committee at the Board Level.
- Non-establishment of an ICT Strategic Plan.
- Roles and responsibilities for each ICT function not defined.
- There is no process in place to ensure up-to-date security on all systems software including patch management process, only manual methods are used.
- There is no formal change request documentation completed indicating the change to be made and the reasons for all changes to the financial systems for any system upgrades.
- No documented and tested emergency procedure has been put in place.
- The entity does not have an ICT Continuity and Disaster Recovery Plan.
- No Back-Up and Retention Strategy.
- No online back-ups in place. Back-ups are not secured in an offsite storage facility.

As a result, the Assembly's ICT infrastructure and resources are not managed in line with the best practices.

4. Management of Ward Office Operations

Field visits to twenty-six (26) out of forty five (45) wards during the period under review revealed the following anomalies in the management of the Ward Operations Fund;

- Failure by the Ward Managers to engage the department of lands, housing and urban development in estimating the market lease/rent rates for the occupied offices. In addition, no lease/rent agreements for the visited offices were availed for audit verification.

- Non-adherence to the County Service Board circular on the staffing of ward offices. While the circular set the maximum number of staff at three, most of the wards engaged extra staff without appropriate authority. In addition, the letters of appointments for the staff were not availed for audit verification.

- Failure to withhold rental income tax at the rate of 10% as required.

- Failure to remit NHIF and NSSF contributions on a monthly basis for all employees. The County Assembly did not remit NSSF contributions, employees' or employer's share, in respect of the 135-ward staff for the year under review, amounting to Kshs.648,000.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal control, risk management and overall governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those charged with Governance

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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or to cease operations.

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

Those charged with governance are responsible for overseeing the Assembly's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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 Assembly's internal control.

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

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

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

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

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

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

06 November, 2020

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019 Kshs	2017-2018 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	959,806,960	894,231,457
Other Receipts	2	70,949	1,406,866
TOTAL RECEIPTS		**959,877,909**	**895,638,323**
PAYMENTS			
Compensation of Employees	3	302,663,670	299,850,607
Use of goods and services	4	461,012,872	399,575,051
Transfers to Other Government Entities	5	40,492,580	55,623,304
Social Security Benefits	6	51,060,187	31,920,701
Acquisition of Assets	7	103,380,386	106,706,522
Finance Costs	8	514,556	160,826
TOTAL PAYMENTS		**959,124,251**	**893,837,011**
SURPLUS/DEFICIT		**753,658**	**1,801,312**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.09 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIANALIAKA LUNANI

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9A	1,560,549	2,450,891
Total Cash and cash equivalent		**1,560,549**	**2,450,891**
Accounts receivables – Outstanding Imprests	10	464,000	-
TOTAL FINANCIAL ASSETS		**2,024,549**	**2,450,891**
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		**2,024,549**	**2,450,891**
REPRESENTED BY			
Fund balance b/fwd	11	1,270,891	649,579
Surplus/Deficit for the year		753,658	1,801,312
NET FINANCIAL POSITION		**2,024,549**	**2,450,891**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.09 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIA NALIAKA LUNANI

5.3. STATEMENT OF CASH FLOWS

	Note	2018-2019 Kshs	2017-2018 Kshs
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	959,806,960	894,231,457
Other Receipts	2	70,949	1,406,866
Payments for operating expenses			
Compensation of Employees	3	302,663,670	299,850,607
Use of goods and services	4	461,012,872	399,575,051
Transfers to Other Government Entities	5	40,492,580	55,623,304
Social Security Benefits	6	51,060,187	31,920,701
Finance Costs	8	514,556	160,826
Adjusted for:			
Adjustments during the year:			
Changes in Receivable		-464,000	-
Net cash flow from operating activities		**103,670,044**	**108,507,833**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	103,380,386	106,706,522
Net cash flows from Investing Activities		**103,380,386**	**106,706,522**
NET INCREASE IN CASH AND CASH EQUIVALENT		**289,658**	**1,801,312**
Cash and cash equivalent at BEGINNING of the year	11	**1,270,891**	**649,579**
Cash and cash equivalent at END of the year		**1,560,549**	**2,450,891**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.09. 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIA NALIAKA LUNANI

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	A	B	c=a+b	D	e=c-d	f=(d/c*%)
RECEIPTS	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**%**
Transfers from the County Treasury/Exchequer Releases	1,109,729,358	-	985,080,484	959,806,960	25,273,524	**97%**
Other Receipts	-	-	-	70,949	-70,949	
TOTAL	1,109,729,358	-	985,080,484	959,877,909	25,202,575	**97%**
PAYMENTS						
Compensation of Employees	300,137,015	-6,136,000	294,001,015	302,663,670	-8,662,655	**103%**
Use of goods and services	476,868,267	-5,364,000	471,504,267	461,012,872	10,491,395	**98%**
Transfers to Other Government Entities	54,960,003	28,798,570	83,758,573	40,492,580	43,265,993	**48%**
Social Security Benefits	33,274,047	11,500,000	44,774,047	51,060,187	-6,286,140	**114%**
Acquisition of Assets	244,190,026	-153,447,444	90,742,582	103,380,386	-12,637,804	**114%**
Finance Costs	300,000		300,000	514,556	-214,556	**172%**
TOTAL	1,109,729,358	-124,648,874	985,080,484	959,124,251	25,956,233	**97%**
SURPLUS/ DEFICIT	-		-	753,658	- 753,658	

(a) Compensation of Employees and social securities: CAB Member was paid her dues from; Court case that awarded Hon MCAs plenary sittings

(b) Finance costs relate to 6% Withholding VAT that was paid but the Net amount stopped in IB

(The changes between the original and final budget are as a result of reallocations within the budget as per IPSAS 1.9.23).

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.9.- 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIA NALIAKA LUNANI

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	B	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**%**
Transfers from the County Treasury/ Exchequer Releases	860,129,329	-	874,978,131	859,528,814	15,449,317	**98%**
Other Receipts	-	-	-	70,449	-70,449	
TOTAL	860,129,329	-	874,978,131	859,599,263	15,378,868	**98%**
PAYMENTS						
Compensation of Employees	300,137,015	-6,136,000	294,001,015	302,663,670	- 8,662,655	**103%**
Use of goods and services	476,868,267	-5,364,000	471,504,267	461,012,872	10,491,395	**98%**
Transfers to Other Government Entities	30,000,000	14,848,802	44,848,802	31,270,891	13,577,911	**70%**
Social Security Benefits	33,274,047	11,500,000	44,774,047	51,060,187	-6,286,140	**114%**
Acquisition of Assets	19,550,000	-	19,550,000	13,872,500	5,677,500	**71%**
Finance Costs	300,000	-	300,000	514,556	-214,556	**172%**
Other Payments	-	-	-	-	-	
TOTAL	860,129,329	14,848,802	874,978,131	860,394,676	14,583,455	**98%**
SURPLUS/ DEFICIT	-		-	-795,413	795,413	

(The changes between the original and final budget are as a result of reallocations within the budget as per IPSAS 1.9.23)

(a) Compensation of Employees and social securities: CAB Member was paid her dues from; Court case that awarded Hon MCAs plenary sittings

(b) Finance costs relate to 6% Withholding VAT that was paid but the Net amount stopped in IB

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.09 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIA NALIAKA LUNANI

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	B	c=a+b	D	e=c-d	f=(d/c*%)
RECEIPTS	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**%**
Transfers from the County Treasury/ Exchequer Releases	249,600,029	-	110,102,353	100,278,146	9,824,207	**91%**
Other Receipts	-	-	-	500	-500	
TOTAL	249,600,029	-	110,102,353	100,278,646	9,823,707	**91%**
PAYMENTS						
Transfers to Other Government Entities	24,960,003	-13,949,768	11,010,235	9,221,689	1,788,546	**84%**
Acquisition of Assets	224,640,026	-125,547,908	99,092,118	89,507,886	9,584,232	**90%**
Finance Costs	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTAL	249,600,029	-139,497,676	110,102,353	98,729,575	11,372,778	**90%**
SURPLUS/ DEFICIT	-		-	1,549,071	-1,549,071	

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2019 and signed by:

Clerk of the Assembly
Name: JOHN ONGWAE MOSONGO

Senior Accounts Controller – County Assembly
Name: JULIA NALIAKA LUNANI

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2017/18		**2017/18**	**30th June 2018**	
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**
General Administration Planning and Support Services	557,810,470	6,506,249	564,316,719	426,676,161	137,640,558
Legislation	40,000,000	(32,000,000)	8,000,000	1,573,000	6,427,000
Representation and outreach services	87,535,740	(19,037,307)	68,498,433	67,464,247	1,034,186
Oversight	174,783,119	59,379,860	234,162,979	260,462,788	(26,299,809)
General Infrastructural Development	249,600,029	(139,497,676)	110,102,353	98,729,575	11,372,778
Grand Total	**1,109,729,358**	**(124,648,874)**	**985,080,484**	**854,905,771**	**130,174,713**

5.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with 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) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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 Bungoma County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

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/ County Treasury

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises 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, shall be disclosed as pending bills.

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 a non-exchange transaction for nil or nominal 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.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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 /restricted from 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.

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

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

8. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pending bills

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

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law. The original budget was approved by the County Assembly on 4th July 2019 for the period 1st July 2017 to 30 June 2018 as required by law. There was two (2) number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the 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.

14. 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.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018-2019	2017-2018
	Kshs	Kshs
Total Exchequer Releases for quarter 1	200,425,398	58,278,516
Total Exchequer Releases for quarter 2	314,728,810	275,493,988
Total Exchequer Releases for quarter 3	109,799,056	282,153,295
Total Exchequer Releases for quarter 4	334,853,696	278,305,658
Cumulative amount	**959,806,960**	**894,231,457**

A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in 'other important disclosures' of this report.

2. OTHER RECEIPTS

Description	2018-2019	2017-2018
	Kshs	Kshs
Other Receipts: Over the Counter deposit at CBK Kisumu	500	1,000
Other Receipts IV: Surplus receipt from Imprest A/C	70,449	1,405,866
Total	**70,949**	**1,406,866**

Surplus receipts arose from borrowed funds to support operation activities as indicated in other important disclosures - (3) other pending payables

3. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic salaries of permanent employees	285,456,410	244,031,353
Basic wages of temporary employees	-	20,007,507
Personal allowances paid as part of salary	17,207,259	35,811,747
Total	**302,663,670**	**299,850,607**

4. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, supplies and services	705,597	-
Communication, supplies and services	588,843	1,440,328
Domestic travel and subsistence	19,824,841	16,503,876
Foreign travel and subsistence	3,140,486	7,469,252
Printing, advertising and information supplies & services	5,768,067	2,628,119
Rentals of produced assets	-	555,060
Training expenses	24,193,081	29,340,822
Hospitality supplies and services	260,462,788	231,126,847
Insurance costs	40,541,436	32,849,020
Specialized materials and services	155,027	13,198
Office and general supplies and services	4,797,205	3,187,093
Fuel, Oil and lubricants	3,312,883	593,070
Other operating expenses	94,068,180	71,491,053
Routine maintenance – vehicles and other transport equipment	1,123,034	977,569
Routine maintenance – other assets	2,331,404	1,399,744
Total	**461,012,872**	**399,575,051**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

	2018-2019	2017-2018
	Kshs	Kshs
End of year CBK Account balances refunded to CRF	1,270,891	623,304
Bungoma County Assembly Employee Car Loan and Mortgage	30,000,000	55,000,000
Bungoma County Government Rention Account	9,221,689	
Total	**40,492,580**	**55,623,304**

6. SOCIAL SECURITY BENEFITS

	2018-2019	2017-2018
	Kshs	Kshs
Government pension and retirement benefits	27,101,274	20,209,781
Gratuity - Members of county Assemblies	23,958,913	11,710,920
Total	**51,060,187**	**31,920,701**

7. ACQUISITION OF ASSETS

Non-Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Construction of Buildings	77,181,965	77,799,114
Refurbishment of Buildings	9,403,426	10,054,228
Purchase of Vehicles and Other Transport Equipment	10,942,500	-
Purchase of Office Furniture and General Equipment	1,225,000	58,793
Purchase of ICT Equipment, Software and Other ICT Assets	4,627,495	12,794,387
Acquisition of Land	-	6,000,000
Total	**103,380,386**	**106,706,522**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCE COSTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank Charges	63,349	13,066
Other Finance costs:	451,207	147,760
Total	**514,556**	**160,826**

Bank charges incurred in the Imprest account
Other Finance Costs relates to Transfers to KRA on account of withholding VAT however net payments were not realised in IB

9. CASH AND BANK BALANCES

9A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018-2019	2017-2018
		Kshs	Kshs
CBK Account No.1000283041 - Kshs (Development)	Development Acc	1,549,071	1,042,241
CBK Account No.1000194103 - Kshs (Recurrent)	Recurrent Acc	4,378	1,000
KCB, Account No.1180534050 - Kshs (Imprest A/C)	Imprest	7,100	1,407,650
Total		**1,560,549**	**2,450,891**

10. ACCOUNTS RECEIVABLE

	2018-2019	2017-2018
	Kshs	Kshs
Government Imprests	464,000	-
Total	**464,000**	-

**See Annex 6 for a detailed analysis of the outstanding imprests.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FUND BALANCE BROUGHT FORWARD

Description of the adjustment	2018-2019	2017-2018
	Kshs	Kshs
Adjustments on bank account balances	2,450,891	649,579
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-1,180,000	-
Total	**1,270,891**	**649,579**

In the last financial year 2017-2018 the Imprest Account closing bank balance was captured in err now duly corrected.

5.10. OTHER DISCLOSURES

1. DETAILED TRANSFERS TO COUNTY TREASURY TO COUNTY ASSEMBLY

	2018-2019	2017 - 2018
	Kshs	Kshs
July Exchequer Releases	-	-
August Exchequer Releases	52,063,450	28,040,154
September Exchequer Releases	148,361,948	30,238,362
Total Exchequer Releases for quarter 1	**200,425,398**	**58,278,516**
October Exchequer Releases	95,620,408	46,135,374
November Exchequer Releases	115,112,211	107,666,662
September Exchequer Releases	103,996,191	121,691,952
Total Exchequer Releases for quarter 2	**314,728,810**	**275,493,988**
January Exchequer Releases	40,604,455	26,439,862
February Exchequer Releases	-	106,705,460
March Exchequer Releases	69,194,601	149,007,973
Total Exchequer Releases for quarter 3	**109,799,056**	**282,153,295**
April Exchequer Releases	91,675,075	55,211,948
May Exchequer Releases	70,808,379	94,467,629
June Exchequer Releases	172,370,242	128,626,081
Total Exchequer Releases for quarter 4	**334,853,696**	**278,305,658**
Cumulative amount	**959,806,960**	**894,231,457**

2. OTHER PENDING ACCOUNTS PAYABLES (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	10,868,876	21,081,813
Construction of civil works	418,570	2,563,041
Supply of goods	7,826,800	2,959,050
Supply of services	35,010,073	25,207,419
Total	**54,124,319**	**51,811,323**

3. OTHER PENDING STAFF PAYABLES (See Annex 2)

Name of staff	2018-2019	2017-2018
	Kshs	Kshs
Hon. Stephen Wamalwa	6,000.00	
Hon. Rebah Wabwire	138,000.00	
Hon. Rebah Wabwire	152,000.00	

Kennedy Taracha	18,900.00	
Oscar Sifuma	26,800.00	
Mark Sikolia	2,100.00	
Oscar Sifuma	2,100.00	
Ariel Wekesa	183,600.00	
Elijah Odera	481,600.00	
Francis Tome	548,100.00	
Philip Sinoya Liani	1,060,500.00	
Paul Khakhole Mudoga	1,140,000.00	
Oscar Sifuma	1,226,000.00	
Elijah Odera	1,648,100.00	
Mercy Motum	4,000.00	
Kennedy Taracha	1,000.00	
Mark Sikolia	2,000.00	
Oscar Sifuma	3,000.00	
MCAs TSA to Arusha refund to Car and Mortgage		5,101,560
Jack Wambulwa		110,000
Total	**6,643,800**	**5,211,560**

4. OTHER PENDING PAYABLES (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
Amounts due to County Government entities: MCAs	19,698,868	-
Amounts due to County Government entities: staff	9,591,024	-
	29,289,892	-

5. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and

- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

Entity	2018-2019	2017-2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	307,706,802	328,103,776
Key Management Compensation (Clerk and Heads of departments)	29,111,552	24,878,116
Total Compensation to Key Management	**336,818,354**	**352,981,892**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	30,000,000	55,000,000
Transfers to County Corporations		-
Transfers to non-reporting entities e.g. ECD centres, welfare centres etc.		-
Total Transfers to related parties	**30,000,000**	**55,000,000**
Transfers from related parties		
Transfers from the County Executive-Exchequer	959,806,960	894,231,457
Payments made on behalf of the County Assembly by other Government Agencies		-
(Insert any other transfers received)		-
Total Transfers from related parties	**959,806,960**	**894,231,457**

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Qualified Opinion					
1. Lack of Fixed Assets Register	Annexure 3 of the summary of fixed asset register reflects assets totaling Kshs.428,364,291 as at 30 June 2018. However, available records indicate that the County Assembly does not maintain an updated asset register and it was not possible to ascertain the nature, number, physical location and fair value of the Assembly's assets contrary to regulation 136(1) of the Public Financial Management Regulations, 2015 which requires that the accounting officer shall be responsible for maintaining of an asset register. In the circumstances, it was not possible to ascertain accuracy and completeness of the total assets balance of Kshs.428,364,291 as at 30 June 2018	The Assembly has a manual asset register and the department has requested the budget for allocation of procurement of automated asset register.	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly	Not Resolved	30-Jun-20

2. Bank Balances	Note 10 to the financial statements reflect a bank balance of Kshs. 2,450,891 as at June 30 2018. However, the certificate of bank balances for the three bank accounts were not availed for verification. In addition, the bank reconciliation statement for the imprest account at Kenya Commercial Bank was provided for review. Consequently, the accuracy of the cash and bank balance as at 30 June 2018 could not be confirmed. The audit was conducted in accordance with International Standards of Supreme Audit Institution (ISSAIs). I am independent of the County Assembly of Bungoma in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence i have obtained is sufficient and appropriate to provide a basis for my qualified opinion	The Assembly provided certificate of balance for the Imprest Account but for the Accounts held at Central Bank of Kenya certificates was issued later on request of the County Assembly of Bungoma herein attached. The error on the closing balance reported in the Financial statement has been noted and corrected in the Financial Statement for FY 2018/2019	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly; Julia Naliaka Lunani - Senior Accounts Controller	Resolved	
Other Matter : Pending Bills	The County Assembly has an outstanding pending bills totaling to Kshs.57,022,882 comprising of pending accounts payable of Kshs.51,811,3322 and pending staff payables of Kshs.5,211,560 as at 30 June 2018 as disclosed in annexure 1 and 2 to the financial statements respectively. However, no explanation was given for failure to settle these debts, considering that the County Assembly realized 97% of the budgeted exchequer releases during the year under review. Further, it is not clear how the County Assembly intends to clear the pending bills without affecting the subsequent year's budget.	The management agrees with the audit finding. However, the pending bills have been reported and scheduled in the 1st supplementary budget thus affecting the preceding budget but the County Assembly will limit its supply of goods and services to reduce the limits to pending bills.	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly	Resolved	
Report on Lawfulness and Effectiveness in Use of Public Resources					

1. Delayed Construction of Office Block	The acquisition of assets figure of Kshs. 106,706,522 includes an amount of Kshs. 77,799,144 paid in respect of construction of a modern office block as analysed in note 7 to the financial statement. The contract was awarded to a local contractor at a contract sum of Ksh 447,766,217 and was to be carried out in eighteen (18) months with expected completion date of months with expected completion date of May 2018. However, physical verification of the project, three months after the contracted completion timeline revealed that the construction was still on going and the building had reached fourth floor with columns erected. Though the management explained that the contract period had been extended by a year from 14 May 2018 to 14 May 2019 on 21 Sep 2018, the extension of the contract period was not done in line with the provisions of Section 139 (2) of the Public Procurement and Assets Disposal Act, 2015 which requires an accounting officer of a procuring entity on the recommendation of an evaluation committee, to approve the request for the extension of contract period accompanied by a certificate from the tenderer	Lunao Enterprises Limited was awarded the tender to construct County Assembly Office block and signed the contract on 15th December 2016. The site handing over meeting was carried out by the County Assembly service board and the Contractor began the work in earnest.	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly	Resolved	
2. Delayed Utilization and Adoption of Intranet System	The acquisition of assets figure of Kshs. 106,706,522 includes an amount of Kshs. 12,794,387 for purchase of ICT equipment, software and other ICT assets, which in turn includes an amount of Kshs 4,150,000 paid to a local ICT dealer in respect of purchase of ICT equipment, software and other ICT assets. Further, a local consultant firm was awarded a contract of Kshs 11,150,000 to develop an Intranet system and deploy a functional Enterprise Resource Planning at the County Assembly which would perform services including; (i) Visitor Management (ii) Biometric Attendance Register (iii) Human Resource Management (iv)Financial Management (v)Inventory and Asset Management (vi) Internal Messaging (vii) Project Management The form of agreement provided that the contract period was to last for 12 months (April 2016 to April 2017). 90% of the contract sum would be payable on completion, training, handing over and 10% retention for 90days trouble free. However, it was noted at the time of audit in October 2018, the consultant had been fully paid the total contract sum of Kshs. 11,150,000 before issuance of completion certificate by the receipt and acceptance committee. The defect liability certificate had also not been released to the contractor after 12 months. In addition, all the applications had not been integrated into the intranet and the modules had not been rolled out and fully adopted by the County Assembly. Consequently, the Assembly failed to achieve value-for-money in the deployment of the intranet system.	The construction of the office block delayed following a case in court that was filed by Brickehaus Consortium, and consequently a court order stopping the construction of the Office block for approximately 1 year until when the case was heard and determined. The case has so far been settled and construction resumed. However, the contractor requested for an extension of time which was granted as per attached letter from the project manager.	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly		

3. Irregular Payment of Bulk Imprest for Hospitality Supplies and Services	The use of goods and services totaling to Kshs.399,575,051 includes Kshs.231,126,847 in respect of hospitality supplies and services. However, review of the payment records revealed that an amount of Kshs.180,874,306 was paid to staff of the County Assembly on behalf of the Members of the County Assembly (MCAs) to cater for travelling and accommodation expenses contrary to Regulation 91(2) of the Public Financial Management (County Regulations), 2015 which states 'that the officer authorized to hold and operate imprest shall make a formal application for imprest through an imprest warrant'. Further, it was noted that there was no clear security arrangement while carrying such large amounts of cash to avoid possible loss of funds as stipulated in Regulation 89 of the same regulations on security of cash in transit. Consequently, the County Assembly was therefore in breach of the law.	The process of imprest and cash handling of the same by County Assembly staff has been improving over the years and in the new financial year has seen the process being refined to allow committee clerks to take standing imprests and account for activities held by committees which will lead to improved accountability. Further, all funds sent to Imprest holders are transferred to the beneficiaries and thus no cash handling of huge imprest	John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly	Resolved	

4. Irregular Extension of Insurance Services	Included in the use of goods and services figure of Kshs.399,575,051 is an insurance costs of Kshs.32,849,029 as disclosed in note 4 to the financial statements, out of which an amount of Kshs. 9,760,441 was incurred in respect provision of general insurance services. However, scrutiny of the respective records revealed that the County Assembly entered into a contract with a local principal insurance firm and a broker on 7 March 2016 for the provision of General Insurance cover. The annual contract sum payable was Kshs 9,769,441 This contract allowed a one-year extension on successful performance. On 4 April 2017, the insurance policy was renewed for the one-year period initially provided for in the contract for a total sum of Kshs 9,760,441 to cater for general insurance for the financial period of 2017/2018. On 19 March 2018, the County Assembly of Bungoma once again renewed the insurance contract for a total sum of Ksh 9,760,441 without inviting fresh bids in identifying the provider since the prior contract had lapsed and was not due for renewal. In the circumstances, the contract was awarded through direct procurement method without meeting the conditions set out in section 103 of the Public Procurement and Asset Disposals Act, 2015 and in total disregard of the procedures outlined in section 104 of the same Act.		John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly	Not Resolved	
5. Ineffective Foreign Travel Expenditure	The use of goods and services balance of Kshs.399,575,051 includes foreign travel and subsistence of Kshs.7,469,252 as disclosed in note 4 to the financial statements. However, the schedule of activities that were to be carried out during the trips and conferences were not provided for audit review. Consequently, it was not possible to ascertain whether value for money was achieved in the expenditure of Kshs.7,469,252.		John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly		

<table>
<tr>
<td>6. Overpayments of Subsistence Allowance in Foreign Travel</td>
<td>The use of goods and services figure of Kshs.399,575,051 includes foreign travel and subsistence expenditure of Kshs.7,469,252 as disclosed under note 4 to the financial statements, out of which an amount of Kshs. 5,355,500 was incurred in respect of Elected Women Leadership Training Workshop in Kigali, Rwanda. However, it was noted the participants who travelled out of the country for official assignments were paid daily subsistence allowance for double the duration which was originally envisaged in the trip as analyzed below;
<table>
<tr><th>Payee</th><th>Description</th><th>Days of Workshop</th><th>Days paid</th><th>Amount payable Kshs.</th><th>Amount Paid Kshs.</th><th>Extra Amount Paid Kshs.</th></tr>
<tr><td>County Assembly of Bungoma</td><td>Elected Women Leadership Training Workshop in Kigali, Rwanda</td><td>5</td><td>10</td><td>2,677,750</td><td>5,355,500</td><td>2,677,750</td></tr>
</table>
In the circumstance, it was not possible to ascertain whether value for money was achieved in the expenditure of Kshs 7,469,252.</td>
<td></td>
<td>John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Lack of Land Ownership Documents</td>
<td>The acquisition of assets figure of Ksh 106,706,522 includes an amount of Kshs 6,000,000 paid in respect of acquisition of land from a local company. However as at the time of audit, the transfer process had not been finalized and the County Assembly was not in possession of the title deed for the parcel of land. Under the circumstances the ownership of the land could not be confirmed.</td>
<td>Yes we agree at the time of the Audit, there was no title deed in the name of County Assembly but happy to report that the consent has been obtained hence sub-division will be any time soon and the Assembly will have its title deed.</td>
<td>John Ongwae Mosongo - Accounting Officer / Clerk to County Assembly</td>
<td>Not Resolved</td>
<td></td>
</tr>
</table>

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Clerk of the County Assembly

Sign.....

Date.....30.09.2019.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	a	B	c	d=a-c		
Construction of buildings						
Lunao Enterprises	8,572,605	15/6/2016	208,095,194	8,572,605	-	CA/BGM/PUR/79/2016-2017 {Construction Of Administration Block}
M/S Mahadi Investment Limited	2,296,271	-	-	2,296,271	-	Erection and Completion Of Gallery
Sub-Total	**10,868,876**	-	-	**10,868,876**	-	
Construction of civil works						
Infinity Index	142,694	-	-	142,694	142,694	6% Withholding VAT {Amount not reflected in IB}
Infinity Index	275,876	-	-	275,876	275,876	Retention Due
Sub-Total	**418,570**	-	-	**418,570**	**418,570**	
Supply of goods						
Sesa Elimu Centre	29,400	2018-2019	-	29,400	29,400	Supply of Newspapers
Manchester Outfitters Ltd	1,193,860	Mar 2018/19	-	1,193,860	1,193,860	Supply Of Uniforms
E/S Digital Company Ltd	95,000	5/2/2019	-	95,000	95,000	Printed Diaries
Westfield Motors Ltd	335,640	Jul 2018/19	-	335,640	335,640	Supply of Tyres of Vehicles
Nabukokho General Enterprise	16,000		-	16,000	16,000	Supply of Stamps
MFI Document Solutions	46,400	Jul 2018/19	-	46,400	46,400	Supply of cartridge
Calmos Enterprises Ltd	120,000	Sep 2018/19	-	120,000	120,000	Tonners and Cartridges

Nucor Limited	493,000	Apr 2018/19	-	493,000	493,000	Delivery of Canon X A11 Compact
Calmos Enterprises Ltd	5,396,500	15/11/2018	-	5,396,500	5,396,500	Supply of Computers
Demalink General Supplies	101,000		-	101,000	101,000	Supply of ICT Items
Sub-Total	**7,826,800**	-	-	**7,826,800**	**7,826,800-**	
Supply of services						
Jamii Telecommunications Limited	200,100	Jul 2018/19	-	200,100	200,100	Internet Services
African Touch Safaris	281,570	Jul 2018/19	-	281,570	281,570	Air Tickets
African Touch Safaris	517,170	Jul 2018/19	-	517,170	517,170	Air Tickets
African Touch Safaris	35,400	Jul 2018/19	-	35,400	35,400	Air Tickets
Le Deux Republic	58,000	Jul 2018/19	-	58,000	58,000	Advertisement of Public Participation
The Standard Group	255,200	Jul 2018/19	-	255,200	255,200	Advertisement of Tenders
Nation Media Group	212,280	Jul 2018/19	-	212,280	212,280	Advertisement of Tender Note 2017/2020
Nation Media Group	734,512	Jul 2018/19	-	734,512	734,512	Advertisement Services
The Star Publications	342,014		-	342,014	342,014	Advertisement For Public Participation
National Industrial Training Authority	158,438		-	158,438	158,438	Training Fee
Institute of HR Management	139,200	Feb 2018/19	-	139,200	139,200	Participation Fee
Lloyds Fire Equipment and Security Management	236,640	Feb 2018/19	-	236,640	236,640	Training Fee
Kenya School of Government	64,960	-	-	64,960	64,960	Training Fee
Institute of Certified Public Accounts	64,950	-	-	64,950	64,950	Training Fees
Public Relation Society of Kenya	80,000	-	-	80,000	80,000	Workshop
County Comfort Hotel	3,220		-	3,220	3,220	Provision of catering services
Victoria Comfort Inn	178,000	Jul 2018/19	-	178,000	178,000	Public Investment Committee
Minata Hotels	91,800	Jul 2018/19	-	91,800	91,800	Pic Committee
Devolution Administration Institute	600,000	Mar 2018/19	-	600,000	600,000	Public Investment

Devolution Administration Institute	801,000	Mar 2018/19	-	801,000	801,000	Justice and Legal Affairs
Devolution Administration Institute	600,000	Apr 2018/19	-	600,000	600,000	Powers and Privileges Committee
Afrique Hotel Ltd	334,000	Jul 2018/19	-	334,000	334,000	Powers and Privileges Committee
Itoya Hotel	446,000	May 2018/19	-	446,000	446,000	Agriculture Committee
Minata Hotels	108,000	Mar 2018/19	-	108,000	108,000	Education Committee
Afrique Hotel Ltd	107,100		-	107,100	107,100	Education Committee
Kenya Industrial Estates Ltd	41,000		-	41,000	41,000	Pac/Pic/Lands Committee
Santamara Resort	89,200	Jun 2018/19	-	89,200	89,200	Delegated Facilities
Elegant Hotel Ltd	50,400	May 2018/19	-	50,400	50,400	Implementation Committee
Kika Hotel	123,000	-	-	123,000	123,000	Budget Committee
Kika Hotel	98,200	-	-	98,200	98,200	Labour and Social Welfare
Santamara Resort	137,100	May 2018/19	-	137,100	137,100	Lands Committee
Santamara Resort	153,200	Apr 2018/19	-	153,200	153,200	PAC Committee
Santamara Resort	65,500	Apr 2018/19	-	65,500	65,500	PAC Committee
Santamara Resort	109,350	May 2018/19	-	109,350	109,350	Conference Facilities To Staffs
Santamara Resort	58,000	May 2018/19	-	58,000	58,000	Delegated Committee
Afrique Hotel Ltd	120,000	-	-	120,000	120,000	Tourism And Water Committee
Minata Hotels	153,900	Sep 2018/2019	-	153,900	153,900	Adhoc Committee
Joventure Hotel	195,000	-	-	195,000	195,000	Tourism Committee
Victoria Comfort Inn	84,000	-	-	84,000	84,000	Delegated Committee
Iko Resort	74,800	Aug 2018/19	-	74,800	74,800	Tourism Committee
Iko Resort	91,600	Sep 2018/19	-	91,600	91,600	Education Committee
Devolution Administration Institute	600,000	Sep 2018/19	-	600,000	600,000	Liaison Committee

Minata Hotels	275,400		-	275,400	275,400	PIC Committee
Devolution Administration Institute	344,000	Feb 2018/19	-	344,000	344,000	Consultancy Fees
Victoria Comfort Inn	110,000	-	-	110,000	110,000	CASB Members Accommodation {Amounts Already Recovered From Members}
Kika Hotel	766,050	-	-	766,050	766,050	Budget Committee
Kika Hotel	274,800	-	-	274,800	274,800	Loans Committee
Hotel Santos	104,860	May 2018/19	-	104,860	104,860	Conference Facilities
Kika Hotel: Commissioner of VAT	161,360	-	-	161,360	161,360	Tax Not Reflected In IB Transactions
Wigot Gardens	64,862	Aug 2018/19	-	64,862	64,862	Catering Services
Santamara Resort	94,650	Aug 2018/19	-	94,650	94,650	Catering Services For PAC Committee
Hotel Santos	309,100	Aug 2018/19	-	309,100	309,100	Conference Facilities
Bussy Bubble	152,800	Aug 2018/19	-	152,800	152,800	Dry Cleaning
Bussy Bubble	172,500	2018/19	-	172,500	172,500	Laundry Services
Bussy Bubble	89,300	2018/19	-	89,300	89,300	Laundry Services
Heros Laundry Services	33,570	Apr 2018/19-	-	33,570	33,570	Laundry Services
Westfield Motors Ltd: Commissioner of VAT	3,115	-	-	3,115	3,115	Tax Not Reflected In IB Transactions
Association of External Board Members	50,000	-	-	50,000	50,000	Annual Subscription Fee
Law Society Of Kenya	20,360	-	-	20,360	20,360	Membership Fee
Prof Tom Ojienda And Associates	18,048,646	-	-	18,048,646	18,048,646	Payment of an Appeal
Situma And Company	1,000,000	-	-	1,000,000	1,000,000	Bungoma Petition
Omundi Bw Onchiri	2,800,000	-	-	2,800,000	2,800,000	Petition Fees
Milele Ltd	525,000	-	-	525,000	525,000	Consultancy Services
Nilam Enterprises	59,931	5/9/2019	-	59,931	59,931	Servicing Motor Vehicles
Westfield Motors Ltd	415,966	5/9/2019	-	415,966	415,966	Repair Services

Ngeton Electrical Services	66,000	5/9/2019	-	66,000	66,000	Repair and Maintenance of generator
Elgotec Ltd	170,000	15/2/2019	-	170,000	170,000	Servicing of Hansard Systems
Elgotec Ltd	4,000	15/2/2019	-	4,000	4,000	Repair of Hansard Equipment
Sub-Total	**35,010,073**	-	-	**35,010,073**	**35,010,073**	
Grand Total	**54,124,319**	-	-	**54,124,319**	**54,124,319**	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		A	B	C	d=a-c		
Hon. Stephen Wamalwa	P	6,000	4 Apr 19	-	6,000	6,000	Fuel Refund
Hon. Rebah Wabwire	P	138,000	15 Mar 19	-	138,000	138,000	CAF Meeting
Hon. Rebah Wabwire	P	152,000	9 Jun 19	-	152,000	152,000	CAF Meeting
Kennedy Taracha	J	18,900	24 Jun 19	-	18,900	18,900	Finance Committee Meeting
Oscar Sifuma	M	26,800	27 Jun 19	-	26,800	26,800	Claim for Reimbursement
Mark Sikolia	K	2,100	11 Jun 19	-	2,100	2,100	Travel for Official Duty
Oscar Sifuma	M	2,100	11 Jun 19	-	2,100	2,100	Travel for Official Duty
Ariel Wekesa	N	183,600	11 Jun 19	-	183,600	183,600	Installation and Supply of Desktops In Wards
Elijah Odera	L	481,600	7 May 19	-	481,600	481,600	PIC Committee for Interrogation
Francis Tome	Q	548,100	28 May 19	-	548,100	548,100	Facilitation of Public Administration and ICT Committee
Philip Sinoya Liani	N	1,060,500	12 Jun 19	-	1,060,500		Education Committee to Busia for Report Writing
Paul Khakhole Mudoga	N	1,140,000	10 Jun 19	-	1,140,000	1,140,000	PAC Committee For

							Interrogation of the Auditors Generals Report
Oscar Sifuma	M	1,226,000	14 Aug 19	-	1,226,000	1,226,000	Retreat on Interrogation of the CASB
Elijah Odera	L	1,648,100	4 Jun 19	-	1,648,100	1,648,100	PIC Committee for Report Writing
Mercy Motum	K	4,000	29 Jun 19	-	4,000	4,000	Insurance Certificate of Vehicles
Kennedy Taracha	J	1,000	25 Jun 19	-	1,000	-	Reimbursement of Fuel
Mark Sikolia	K	2,000	21 May 19	-	2,000	-	Reimbursement of Fuel Purchase
Oscar Sifuma	M	3,000	28 Jun 19	-	3,000	-	Reimbursement of Fuel
Sub-Total		**6,643,800**			**6,643,800**	**6,643,800**	
Grand Total		**6,643,800**			**6,643,800**	**6,643,800**	

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		A	B	c	d=a-c		
Amounts due to County Govt Entities							
MCAs Car Loan and Mortgage Scheme	Borrowed to facilitate operational activities	-	-	-	19,698,868	-	
Employee Car Loan and Mortgage Fund	Borrowed to facilitate operational activities		-	-	9,591,024	-	
Grand Total		-			**29,289,892**	-	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
	2017/2018			2018/2019
Land	96,000,000	-	-	96,000,000
Buildings and structures	224,613,326	86,585,391	-	311,198,717
Transport equipment	24,000,000	10,942,500	-	34,942,500
Office equipment, furniture and fittings	41,157,769	1,225,000	-	42,382,769
ICT Equipment, Software and Other ICT Assets	36,681,196	4,627,495	-	41,308,691
Other Machinery and Equipment	5,912,000	-	-	5,912,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	428,364,291	103,380,386	-	531,744,677

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Martin Wamukota	21-Dec-18	590,100	560,700	29,400
Nicholas Maghas	21-Dec-18	652,200	644,700	7,500
Martin Wamukota	21-Dec-18	1,610,700	1,558,900	51,800
Nicolas Maghas {Elvis Werunga}	30-Jan-19	774,000	689,000	85,000
Antony Mulati	05-Mar-19	48,300	-	48,300
Wanyika Simiyu	05-Mar-19	223,100	-	223,100

Sospeter Saenyi Malaba	07-Jun-19	37,800	18,900	**18,900**
Total				**464,000**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF BUNGOMA
COUNTY GOVERNMENT OF BUNGOMA
BANK RECONCILIATION STATEMENT
AS AT 30TH JUNE 2019
ACCOUNT NAME: BUNGOMA COUNTY ASSEMBLY DEVELOPMENT
ACCOUNT NO: 1000283014

FO 30

	AMOUNT
Balance as per Bank Certificate	1,549,071
LESS:	
COLUMN I:	
Payment in the Cash Book not in bank	418,571
COLUMN II:	
Receipt in the Bank Statement not yet recorded in the Cash Book	-
ADD:	
COLUMN III:	
Payment in the Bank Statement not yet recorded in the Cash Book	-
COLUMN IV:	
Receipt in the Cash Book not yet recorded in the Bank Statement	-
Balance as per The Cash Book	1,130,501
Cash book Balance	1,130,501
Difference	-

COLUMN I

Date	Payee	Details	CBN	Amount
28-Jun-19	Infinity Index	10% Retention	11	275,876.00
28-Jun-19	Infinity Index	6% Withholding VAT	11	142,694.50
				418,570.50

COLUMN II

Date	Payee	Details	Cheque No.	Amount
				-

COLUMN III

Date	Payee	Details	PVN	Amount
				-

COLUMN IV

Date	Payee	Details	Cheque No.	Amount
				-

I certify that I have verified the Bank Balance in the cash Book with the Bank Statement and that the above reconciliation is correct.

Signature Clerk of Assembly **Designation** 30.09.2019 **Date**

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF BUNGOMA

FO 30

COUNTY GOVERNMENT OF BUNGOMA
BANK RECONCILIATION STATEMENT
AS AT 30TH JUNE 2019
ACCOUNT NAME: BUNGOMA COUNTY ASSEMBLY RECURRENT
ACCOUNT NO: 1000194103

Balance as per Bank Certificate	4,378
LESS:	
COLUMN I:	
Payment in the Cash Book not in bank	222,840
COLUMN II:	
Receipt in the Bank Statement not yet recorded in the Cash Book	-
ADD:	
COLUMN III:	
Payment in the Bank Statement not yet recorded in the Cash Book	480,365
COLUMN IV:	
Receipt in the Cash Book not yet recorded in the Bank Statement	-
Balance as per The Cash Book	261,902
Cash book Balance	261,902
Difference	-

COLUMN I

Date	Details	CBN	Amount
22-Oct-18	Nation Media Group	169	12,615.00
22-Oct-18	Nation Media Group	170	22,140.00
04-Dec-18	ELGON REFRESH	258	4,289.65
05-Apr-19	Westfield Motors	485	3,114.70
05-Apr-19	Wigot Gardens	487	3,537.95
12-Jun-19	Westfield Motors	811	3,847.50
12-Jun-19	Westfield Motors	810	11,935.90
28-Jun-19	Kika Hotel	805	161,359.65
			222,840.35

COLUMN II

Date	Details	Cheque No.	Amount

COLUMN III

Date	Details	PVN	Amount
01-Nov-18	TFRS	BCA 199	2,531.90
04-Mar-19	TFRS	BCA 621	3,847.50
04-Mar-19	TFRS	BCA 366	4,189.65
04-Mar-19	TFRS	BCA 624	11,935.90
04-Mar-19	TFRS	BCA 404	28,448.30
04-Mar-19	TFRS	BCA 406	36,206.90
04-Mar-19	TFRS-INFINITY INDEX	BCA 407	190,000.00
04-Mar-19	TFRS-INFINITY INDEX	BCA 407	196,551.70
06-Jun-19	TFRS	BCA 622	3,114.70
06-Jun-19	TFRS	BCA 767	3,537.95
			480,364.50

COLUMN IV

Date	Details	Cheque No.	Amount

I certify that I have verified the Bank Balance in the cash Book with the Bank Statement and that the above reconciliation is correct.

Signature | Clerk of Assembly **Designation** | 30.09.2 **Date**

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF BUNGOMA
COUNTY GOVERNMENT OF BUNGOMA
BANK RECONCILIATION STATEMENT
AS AT 30TH JUNE 2019
ACCOUNT NAME: COUNTY ASSEMBLY OF BUNGOMA IMPREST
ACCOUNT NO: 1180534050

FO 30

Balance as per Bank Certificate	7,100
LESS:	
COLUMN I:	
Payment in the Cash Book not in bank	-
COLUMN II:	
Receipt in the Bank Statement not yet recorded in the Cash Book	-
ADD:	
COLUMN III:	
Payment in the Bank Statement not yet recorded in the Cash Book	-
COLUMN IV:	
Receipt in the Cash Book not yet recorded in the Bank Statement	-
Balance as per The Cash Book	7,100
Cash book Balance	7,100
Difference	-

COLUMN I

Date	Details	CBN	Amount
			-

COLUMN II

Date	Details	Cheque No.	Amount
			-

COLUMN III

Date	Details	PVN	Amount

COLUMN IV

Date	Details	Cheque No.	Amount

I certify that I have verified the Bank Balance in the cash Book with the Bank Statement and that the above reconciliation is correct.

Signature | Clerk of Assembly **Designation** | 30.09.19 **Date**