REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF BUNGOMA

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF THE AUDITOR-GENERAL
P. O. Box 2106-50200 BUNGOMA
10 JAN 2019
RECEIVED

BUNGOMA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018

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 61 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. 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 two external Members who are representatives of the public.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 Public administration and political science 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.	CPA 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

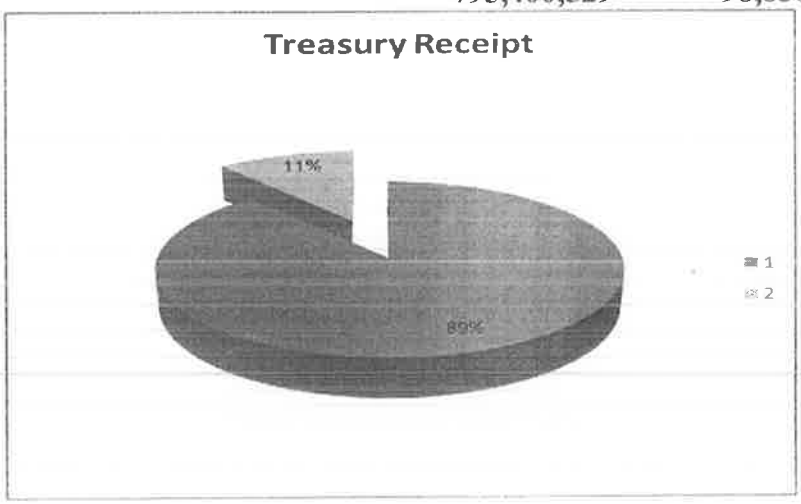
2. FORWARD BY THE CLERK OF THE ASSEMBLY

It is my pleasure to present the County Assembly of Bungoma financial statements for the year ended 30th June 2018. 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 755,249,331 vis a vis an expenditure of Ksh 795,264,194. Further the total development budget was Ksh 163,762,706 while expenditure was Ksh 97,788,687 (60%).
The recurrent receipts compose of 89% while development 11% as tabulated above.

	RECURRENT	DEVELOPMENT
Total Exchequer Releases for quarter 1	58,278,516	-
Total Exchequer Releases for quarter 2	248,884,588	26,609,400
Total Exchequer Releases for quarter 3	246,459,375	35,693,920
Total Exchequer Releases for quarter 4	241,778,050	36,527,608
	795,400,529	**98,830,928**



Operational Performance

Under the new financial year the Members of County Assembly were inducted having successfully 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 17th May 2017 having only one supplementary budget passed on 1st March 2018
Below are the roles of various committees.

(a) House Business Committee

Prepare and if necessary, from time to time adjust the County Assembly calendar with the approval of the county assembly;

Monitor and oversee the implementation of the County Assembly Business and programmes;
Implementing the Standing Orders respecting the scheduling or programming of the business of the county assembly, etc.

(b) Committee on Appointments

The committee on appointments considers for approval by the county assembly, appointments of Members of County Executive Committee, and County Secretary.

(c) Public Accounts Committee

Is responsible for the examination of the accounts showing appropriations of the sum voted by the county assembly to meet the public expenditure and of such accounts laid before the county assembly.

(d) Public Investments Committee

Examine the reports and accounts of the public investment
Examine the reports if any, of the Auditor General on the Public Investment;

(e) Budget and Appropriations Committee

Investigate, inquire into and report on all matters related to co-ordination, control and monitoring of the county budget;
Discuss and review the estimates and make recommendation to the county assembly;
Examine the County Budget Policy Statement presented to the county assembly;
Examine Bills related to the national budget, including Appropriations Bills; and
Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(f) County Assembly Procedure and House Rules Committee

The committee may propose amendments to the assembly Standing Orders with the approval of the county assembly; and
Make rules for the orderly and effective conduct of business at the county assembly.

(g) Committee on Implementation

The committee scrutinizes the resolutions of the county assembly including adopted committee reports, petitions and the undertakings given by the County Executive Committee

(h) Committee on justice and legal affairs

The committee deals with constitutional affairs, the administration of justice including the election, ethics, integrity, anti-corruption, human rights and their related petitions.

(i) Committee on Labour and Social Welfare

It deals with all matters relating to labour, trade union relations, manpower or human resource planning and social welfare.

(j) Committee on Delegated County Legislation

It deals with all the statutory instruments to see if they are in compliant with the law.

(k) Powers and Privileges Committee

Inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges;
Perform such other functions as maybe specified by an Act of parliament or any other legislation of powers, immunities and privileges of members.

(l) Liaison Committee

Guide and co-ordinate the operations, policies and mandates of all committees;
Deliberate on and apportion

(m) Finance and Economic Planning

All matters related to the mobilization of resources for funding the budgetary requirements of the county government, including putting in place mechanisms to raise revenue and resources.

(n) Education, Youth and Sports

All matters related to pre-primary education, village polytechnics, home craft centres and child care facilities.

All matters related to youth including youth empowerment and development programmes and sports.

(o) Agriculture, livestock, fisheries, irrigation, and cooperative development

All matters related to agriculture, livestock, fisheries. Irrigation and cooperative development including crop production and animal husbandry. Livestock sale yards, county abattoirs, animal control, welfare and facilities for the accommodation, veterinary services (excluding regulation of profession), care and burial of animals, plant and animal diseases control, irrigation development and cooperative societies.

(p) Roads, Transport, Infrastructure and Public Works

All matters related to county transport including county roads, street lighting, traffic and parking, public road transport; county public works services including storm water management systems in build-up areas

(q) Tourism, Environment, Water and Natural Resources.

All matters related to tourism, environment, water and natural resources including implementation of specific national government policies on natural resources and environmental conservation and forestry, control of air pollution, noise pollution and other public nuisance and outdoor advertising.

(r) Gender and Culture

All matters related to gender including implementation of policies and legislative framework for gender and social development; cultural activities, public entertainment and public amenities including regulation of betting, casinos and other forms of gambling, promotion and supervision of racing activities in the county.

(s) Health

All matters related to county health services, in particular, implementation of national policies on healthy at county level, county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria.

(t) Land, Urban, Physical Planning, Trade, Energy and Industrialization

All matters related to county planning and development including statistics, land survey and mapping, boundaries and fencing, and electricity and gas reticulation and energy regulation; trade development regulation including markets, trade licenses (excluding regulating professions) and fair trading practices.

(u) Housing and Sanitation

All matters related to housing and sanitation including county housing surveys, planning and development of housing infrastructure projects, formulation of policy on sanitation and development and enforcement of solid waste management policies, standards and regulations.

(v) Public Administration and ICT

All matters related to information communication technology, public administration including county administration, ensuring and coordinating the participation of communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

The above committees have enabled the County Government of Bungoma to come up with various policies, regulations and legislations for the smooth running of the County.

The committees have been able to interrogate matters touching on their mandate and successfully concluded with recommendations.

Performance of key development projects

During the Financial Year 2017/2018 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 with 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 on 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 activities work plan.

Limited budget resources to carter for the demand due to CRA ceilings imposed on the Assemblies.

Sign
Clerk of the County Assembly
9.1.2019

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, 2018. 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, 2018, 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 _____ 2018.

_____
Clerk of the County Assembly

9.1.19

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BUNGOMA FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Bungoma set out on pages 13 to 58, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of changes in equity, statement of cash flows and statement of comparison of budget, actual amounts: recurrent, development and combined and budget execution by programmes and sub-programmes 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 2018, 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 Financial Management Act, 2012.

Basis for Qualified Opinion

1. Lack of Fixed Assets Register

Annexure 3 of the summary of fixed assets register reflects assets totalling Kshs.428,364,291 as at 30 June 2018. However, available records indicate that the County Assembly did not maintain an updated assets register and it was not possible to ascertain the nature, number, physical location and fair value of the County 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 an assets 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.

2. Bank Balances

Note 10 to the financial statements reflects 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 Institutions (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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Pending Bills

The County Assembly has outstanding pending bills of Kshs.57,022,882 comprising pending accounts payable of Kshs.51,811,322 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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. Delayed Construction of Office Block

The acquisition of assets figure of Kshs.106,706,522 includes an amount of Kshs.77,799,114 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 Kshs.447,768,217 and was to be carried out in eighteen (18) months with expected completion date of May 2018.

However, physical verification of the project, three months after the contracted completion timeline revealed that 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 September 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 Disposals 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.

2. Delayed Utilization and Adoption of Intranet System

The acquisition of assets figure of Kshs.106,706,522 includes 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 effective April 2016 to April 2017. 90% of the contract sum would be payable on completion, training, handing over and 10% retention for 90 days 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 the 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 County Assembly failed to achieve value-for-money in the deployment of the intranet system.

3. Irregular Payment of Bulk Imprests for Hospitality Supplies and Services

The use of goods and services figure of 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.

4. Irregular Extension of Insurance Services

Included in the use of goods and services figure of Kshs.399,575,051 is insurance costs of Kshs.32,849,029 as disclosed under note 4 to the financial statements, out of which an amount of Kshs.9,760,441 was incurred in respect 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 once again renewed the insurance contract at an annual premium of Kshs.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 Assets Disposals Act, 2015 and in total disregard of the procedures outlined in Section 104 of the same Act.

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 under note 4 to the financial statements. However, the schedule of activities that were to be carried out during the trips and feedback reports of the studies 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.

6. Over Payments of Subsistence Allowance in Foreign Travel

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;

Payee	Description	Days of Workshop	Days paid	Amount payable Kshs.	Amount Paid Kshs.	Extra Amount Paid Kshs.
County Assembly of Bungoma	Elected Women Leadership Training Workshop in Kigali, Rwanda	5	10	2,677,750	5,355,500	2,677,750

In the circumstances, it was not possible to ascertain regularity of the total expenditure of Kshs.399,575,051 incurred on the use of goods and services during the year.

7. Lack of Land Ownership Documents

The acquisition of assets figure of Kshs.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.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about 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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion

section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, 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 maintaining effective 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 County Assembly's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management intends to cease operations of the County Assembly, or have no realistic alternative but to do so.

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

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 County 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.

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 skepticism throughout the audit. I also:

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

- 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 sustaining 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 sustaining its services.

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

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

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

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

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

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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/18 Kshs	2016/17 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	894,231,457	926,405,023
Other Receipts	2	1,406,866	7,900,000
TOTAL RECEIPTS		**895,638,323**	**934,305,023**
PAYMENTS			
Compensation of Employees	3	299,850,607	281,247,766
Use of goods and services	4	399,575,051	437,421,767
Transfers to Other Government Entities	5	55,623,304	80,942,930
Social Security Benefits	6	31,920,701	38,414,803
Acquisition of Assets	7	106,706,522	87,635,324
Finance Costs	8	160,826	188,454
Other Payments	9	-	7,901,018
TOTAL PAYMENTS		**893,837,011**	**933,752,062**
SURPLUS/DEFICIT		**1,801,312**	**552,961**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly 9.1.19
Assembly
Name: John Ongwae Mosongo

Ag, Principal Finance Office – County

Name: Julia Naliaka Lunani

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	2,450,891	649,579
Total Cash and cash equivalent		**2,450,891**	**649,579**
TOTAL FINANCIAL ASSETS		**2,450,891**	**649,579**
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		**2,450,891**	**649,579**
REPRESENTED BY			
Fund balance b/fwd	11	649,579	96,618
Surplus/Deficit for the year		1,801,312	552,961
NET FINANCIAL POSITION		**2,450,891**	**649,579**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly 9.1.19
Assembly
Name: John Ongwae Mosongo

Ag, Principal Finance Office – County

Name: Julia Naliaka Lunani

5.3. STATEMENT OF CASH FLOWS

		2017-2018	2016-2017
		Kshs	Kshs
Receipts from operating income	**Note**		
Transfers from the County Treasury/Exchequer Releases	1	894,231,457	926,405,023
Other Receipts	2	1,406,866	7,900,000
Total Receipts for operating income		**895,638,323**	**934,305,023**
Payments for operating expenses			
Compensation of Employees	3	299,850,607	281,247,766
Use of goods and services	4	399,575,051	437,421,767
Transfers to Other Government Entities	5	55,623,304	80,942,930
Social Security Benefits	6	31,920,701	38,414,803
Finance Costs	8	160,826	188,454
Other Payments	9	-	7,901,018
Total Payments for operating expenses		**787,130,490**	**846,116,738**
Adjusted for:			
Adjustments during the year:			
Net cash flow from operating activities		**108,507,833**	**88,188,285**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	106,706,522	87,635,324
Net cash flows from Investing Activities		**106,706,522**	**87,635,324**
NET INCREASE IN CASH AND CASH EQUIVALENT		**1,801,312**	**552,961**
Cash and cash equivalent at BEGINNING of the year	11	**649,579**	**96,618**
Cash and cash equivalent at END of the year		**2,450,891**	**649,579**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly 9.1.019
Name: John Ongwae Mosongo

Ag, Principal Finance Office – 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	1,126,485,240	- 296,801,535	919,012,037	894,231,457	24,780,580	**97%**
Other Receipts	-	-	-	1,406,866	- 1,406,866	
TOTAL	**1,126,485,240**	**- 296,801,535**	**919,012,037**	**895,638,323**	**23,373,714**	
PAYMENTS						
Compensation of Employees	495,745,728	- 195,539,092	300,206,636	299,850,607	356,029	**100%**
Use of goods and services	324,011,773	85,588,788	409,600,561	399,575,051	10,025,510	**98%**
Transfers to Other Government Entities	-	55,000,000	55,000,000	55,623,304	- 623,304	**101%**
Social Security Benefits	28,384,648	7,857,308	36,241,956	31,920,701	4,321,255	**88%**
Acquisition of Assets	278,343,091	- 160,380,207	117,962,884	106,706,522	11,256,362	**90%**
Finance Costs	-	-	-	160,826	- 160,826	
TOTAL	**1,126,485,240**	**- 296,801,535**	**919,012,037**	**893,837,011**	**25,175,025**	
SURPLUS/ DEFICIT	-	-		**1,801,312**	**-1,801,312**	

The changes between the original and final budget are as a result of reallocations within the budget as per IPSAS 1.9.23) from development to recurrent of Ksh 55M to MCAs Car loan and Mortgage fund.

The entity financial statements were approved on _____ 2018 and signed by:

9.1.19

Clerk of the Assembly
Name: John Ongwae Mosongo

Ag, Principal Finance Office – 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	873,394,203	- 63,144,872	810,249,331	795,400,529	14,848,802	98%
Other Receipts	-	-	-	1,406,866	- 1,406,866	
TOTAL	**873,394,203**	**- 63,144,872**	**810,249,331**	**796,807,395**	**13,441,936**	
PAYMENTS						
Compensation of Employees	495,745,728	- 195,539,092	300,206,636	299,850,607	356,029	100%
Use of goods and services	324,011,773	85,588,788	409,600,561	399,575,051	10,025,510	98%
Transfers to Other Government Entities	-	55,000,000	55,000,000	55,623,304	- 623,304	101%
Social Security Benefits	28,384,648	7,857,308	36,241,956	31,920,701	4,321,255	88%
Acquisition of Assets	25,252,054	- 16,051,876	9,200,178	8,917,835	282,343	97%
Finance Costs	-	-	-	160,826	- 160,826	
TOTAL	**873,394,203**	**- 63,144,872**	**810,249,331**	**796,048,325**	**14,201,006**	
SURPLUS/ DEFICIT	-	-	-	**759,070**	**- 759,070**	

The entity financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly 9.1.19
Name: John Ongwae Mosongo

Ag, Principal Finance Office – 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	253,091,037	144,328,331	108,762,706	98,830,928	9,931,778	91%
TOTAL	**253,091,037**	**- 144,328,331**	**108,762,706**	**98,830,928**	**9,931,778**	
PAYMENTS						
Acquisition of Assets	253,091,037	144,328,331	108,762,706	97,788,687	10,974,019	90%
TOTAL	**253,091,037**	**- 144,328,331**	**108,762,706**	**97,788,687**	**10,974,019**	
SURPLUS/ DEFICIT	**-**	**0**	**0**	**1,042,241**	**-1,042,241**	

Underutilisation of development funds occurred due to delayed releases of exchequer receipts.

The entity financial statements were approved on _____ 2018 and signed by:

9.1.2019

Clerk of the Assembly
Name: John Ongwae Mosongo

Ag, Principal Finance Office – 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	674,967,024	- 151,105,876	523,861,148	528,132,377	- 4,271,229
Legislation	10,100,500	- 4,861,469	5,239,031	5,014,371	224,660
Representation and outreach services	40,656,880	4,503,167	45,160,047	33,257,058	11,902,989
Oversight	147,669,796	88,319,309	235,989,105	231,126,847	4,862,258
General Infrastructural Development	253,091,037	- 144,328,331	108,762,706	97,788,687	10,974,019
Grand Total	**1,126,485,237**	**- 207,473,200**	**919,012,037**	**895,319,339**	**23,692,697**

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Ensure this document is accurately presented to enable consolidation with other County Entities).

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 Bungoma County Assembly 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.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2018, this amounted to Kshs 5,907,152.80 however these funds are held at the County Treasury since the Assembly does not have an account. 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 Bungoma County Assembly 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 Bungoma County Assembly's budget was approved as required by Law. The original budget was approved by the County Assembly on Bungoma for the period 1st July 2017 to 30 June 2018 as required by law. There was one supplementary budget passed in the year. A high-level assessment of the Bungoma County Assembly'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

	2017 - 2018	2016 - 2017
	Kshs	Kshs
July Exchequer Releases	-	58,254,731
August Exchequer Releases	28,040,154	89,173,278
September Exchequer Releases	30,238,362	72,688,777
Total Exchequer Releases for quarter 1	**58,278,516**	**220,116,786**
October Exchequer Releases	46,135,374	83,045,348
November Exchequer Releases	107,666,662	58,640,159
September Exchequer Releases	121,691,952	74,389,061
Total Exchequer Releases for quarter 2	**275,493,988**	**216,074,568**
January Exchequer Releases	26,439,862	141,962,668
February Exchequer Releases	106,705,460	89,978,527
March Exchequer Releases	149,007,973	49,156,700
Total Exchequer Releases for quarter 3	**282,153,295**	**281,097,895**
April Exchequer Releases	55,211,948	70,511,700
May Exchequer Releases	94,467,629	57,156,401
June Exchequer Releases	128,626,081	81,447,673
Total Exchequer Releases for quarter 4	**278,305,658**	**209,115,774**
Cumulative amount	**894,231,457**	**926,405,023**

The analysis of exchequer receipts is tabulated below;

	RECURRENT	DEVELOPMENT
Total Exchequer Releases for quarter 1	58,278,516	
Total Exchequer Releases for quarter 2	248,884,588	26,609,400
Total Exchequer Releases for quarter 3	246,459,375	35,693,920
Total Exchequer Releases for quarter 4	241,778,050	36,527,608
	795,400,529	**98,830,928**

2. OTHER RECEIPTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Other Receipts II: Recoveries from MCAs / Staff	-	7,900,000
Other Receipts III: Over the Counter deposit at CBK Kisumu	1,000	-
Other Receipts IV: Surplus receipt from Imprest A/C	1,405,866	-
Total	**1,406,866**	**7,900,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The recoveries from MCAs FY 2016-17 are as per recommendation from senate to surcharge MCAs of unwarranted allowances received. In the FY 2017-18 are recoveries from staff from advances disbursed.

3. COMPENSATION OF EMPLOYEES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic salaries of permanent employees	244,031,353	149,392,614
Basic wages of temporary employees	20,007,507	-
Personal allowances paid as part of salary	35,811,747	131,855,152
Total	**299,850,607**	**281,247,766**

The Assembly had no new recruits; however, one resignation of Upset Wanyonyi was reported.

4. USE OF GOODS AND SERVICES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	-	123,000
Communication, supplies and services	1,440,328	246,500
Domestic travel and subsistence	16,503,876	6,154,832
Foreign travel and subsistence	7,469,252	1,440,980
Printing, advertising and information supplies & services	2,628,119	3,729,802
Rentals of produced assets	555,060	528,442
Training expenses	29,340,822	33,761,541
Hospitality supplies and services	231,126,847	318,480,960
Insurance costs	32,849,020	10,435,451
Specialized materials and services	13,198	237,900
Office and general supplies and services	3,187,093	3,574,175
Fuel and oil lubricants	593,070	181,470

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other operating expenses	71,491,053	48,271,853
Routine maintenance – vehicles and other transport equipment	977,569	1,572,212
Routine maintenance – other assets	1,399,744	743,489
Supply for credit	-	7,939,160
Total	**399,575,051**	**437,421,767**

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
End of year CBK Account balances refunded to CRF	623,304	31,360
County Assembly MCA/Staff Car Loan & Mortgage Fund Account	55,000,000	80,911,570
Total	**55,623,304**	**80,942,930**

Ksh 55,000,000 was transferred to Car Loan and Mortgage funds of Members of County Assemblies.

6. SOCIAL SECURITY BENEFITS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Government pension and retirement benefits	20,209,781	9,901,571
Social security benefits in cash and in kind	11,710,920	28,513,232
Total	**31,920,701**	**38,414,803**

NSSF benefit contributions amounted to Ksh 297,200 while Ksh 30,522,801 was sent to other Pension schemes. However, Ksh 1,070,700 was sent to NHIF.

7. ACQUISITION OF ASSETS

Non-Financial Assets	2017 - 2018	2016 - 2017
	Kshs	Kshs
Construction of Buildings	77,799,114	62,873,391
Refurbishment of Buildings	10,054,228	9,315,181

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Purchase of Office Furniture and General Equipment	58,793	-
Purchase of ICT Equipment, Software and Other ICT Assets	12,794,387	7,246,000
Acquisition of Land	6,000,000	-
Supply for credit		8,200,752
Total	**106,706,522**	**87,635,324**

8. FINANCE COSTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank Charges	13,066	38,969
Other Finance costs	147,760	149,485
Total	**160,826**	**188,454**

Other finance costs relate to taxes due paid out.

9. OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Other expenses	-	7,901,018
Total	-	**7,901,018**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CASH AND BANK BALANCES

10 BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017 - 2018	2016 - 2017
		Kshs	Kshs
CBK Account No.1000283041 - kshs (Development)	Development Acc	1,042,241	610,676
CBK Account No.1000194103 - Kshs (Recurrent)	Recurrent Acc	1,000	12,628
KCB,Account No.1180534050 - Kshs (Imprest A/C)	Commercial Bank Accs.	1,407,650	25,422
Co-operative Bank Account No.01141535357400 - Kshs (closed)	Commercial Bank Accs.		852
Total		2,450,891	649,579

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FUND BALANCE BROUGHT FORWARD

Description of the adjustment	2017 - 2018	2016 - 2017
	Kshs	Kshs
Adjustments on bank account balances	649,579	96,618
Total	**649,579**	**96,618**

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	21,081,813	6,400,000
Construction of civil works	2,563,041	3,000,000
Supply of goods	2,959,050	5,474,203
Supply of services	25,207,419	13,176,100
Total	**51,811,322**	**28,050,303**

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
MCAs TSA to Arusha refund to Car and Mortgage	5,101,560	
Jack Wambulwa	110,000	
Total	**5,211,560**	**429,600**

3. ACCOUNTS PAYABLE

Assembly does not hold a retention account and thus these funds are held by County Treasury on its behalf Ksh 5,907,152.80

4. 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.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2017- 2018 Kshs	2016- 2017 Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	328,103,776	352,806,006
Key Management Compensation(Clerk and Heads of departments)	24,878,116	23,693,442
Total Compensation to Key Management	**352,981,892**	**376,499,448**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	55,000,000	80,911,570
Transfers to County Corporations		
Total Transfers to related parties	**55,000,000**	**80,911,570**
Transfers from related parties		
Transfers from the County Executive- Exchequer	894,231,457	926,405,023
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties	**834,231,457**	**926,405,023**

5. 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)*
1.0	**Accuracy and completeness of the Financial Statements**				
1.1	**Difference between IPPD and the Compensation of employees in the Financial Statements**	The management would like to clarify that the difference in figures between IPPD and the financial statements was as a result of the payments that were made to the staff that are contracted and their salaries could not be processed through IPPD.	Abraham Simiyu Wekesa - Payroll Manager	Resolved	
1.2	**Cash and Cash Equivalents**	The management agrees that the following bank A/C No 011415357400 in Co-operative bank is dormant but the management had written to the C.E.C in charge of finance for the closure of the same.	John Ongwae Mosongo	Resolved	
2.0	**Delays in Construction of Office Block**	Lunao Enterprises Limited was awarded the tender to construct County Assembly Office block and signed the contract on 15th December 2016. The site handing	John Ongwae Mosongo – Accounting Officer	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)*
	by M/s Lunao Enterprises	over meeting was carried out by the County Assembly service board and the Contractor began the work in earnest. The site managers Brick House Ltd were visiting the site after every forth night to ascertain the progress of the works. During every site meeting, our works officer clerk of works was always in attendance- Minutes of the site meeting have been attached. After sometime, the board sat and decided to change the site manager's team lead by one Arch Ham Wesonga who was sourced competitively. Attached are tender minutes that procured their services. This was however followed by a case in court that was filed by Brickehause Consortium, and consequently a court order stopping the construction of the Office block until the case has heard and determined. This			

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)*
		has been the cause of the delay for the project implementation. The case has so far been settled and construction resumed.			
3.0	**Supply of Intranet Portal by M/s Bami Ventures Limited**	***IFMIS*** *and* ***IPPD*** are Financial and Personnel Management **ERPS** developed and run by the National Government issued to the County Government to help run its operations. The Intranet developer's financial breakdown clearly indicates integration of IFMIS module to the system which has not been achieved, *hence a total figure of KES. 850,000.00 to be withheld as per the Intranet implementation status report.(See Attached:* ***Annex i)***	CASB John Ongwae Mosongo – Accounting Officer Ariel Sharon Wekesa – Ag. Senior ICT Officer	Not 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)*
		The need for a Financial and Human Resource module on the **Intranet** system is best informed by the Assembly needs that are not captured by Government systems above; *for the organizations internal use.* For instance; *i. The need of an automated ledger in place of the current manual ledger book, etc.* *ii. The need of a system to auto-calculate the attendance captured by the BAR system; to aid in generation of sitting allowances to be factored into the Member of County Assembly pay slip.* *iii. To enable User departments make e-*			

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)*
		requests to Procurement that will facilitate the Assembly going ***paperless****.* *Also, keep record of all internal supply chain processes while facilitating monitoring and evaluation of the whole procurement process.* 1. *(Attached:* ***Annex ii)*** is a list of trained personnel that comprises of only a section of the staff establishment; hence a hindrance to the intranet implementation. Also, failure of a switch in the server room switch prevented connectivity in some of the Assembly offices; procurement process has been carried out and delivery of the item is duly expected. 2. The system has not been commissioned; hence, a			

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)*
		delay in its implementation. This best informs the lack of technical documentation and manuals, and the dire need for re-training of all Users/ Staff. 3. Payment was approved as per the directive from the INTRANET IMPLEMENTATION STATUS REPORT for a meeting dated 16th November, 2016 and received in the Clerk's office on 21st November, 2016. This report clearly elaborates that the system delivered is fully functional save a number of Government modules whose integration is not feasible due to denied rights of access to their API (Application Programmable Interface) by the organizations. *(See report attached: **Annex iii**).* 4. There is no evidence of extended works, since			

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)*
		there was a delay in handover, due to a delay in making part payment after the Contractor had trained a section of Users on the system. This led to the project surpassing its intended handover period (Payment was done around June, 2017) and currently in the process of scheduling a retraining of the Users and an official handover exercise. 5. There exists a **Service Level Agreement** document signed by the Contractor and the Assembly; and **Scope of Work** stated in the tender document (*as attached: **Annex iv**).* Also, a purchase requisition highlighting the general requirements used in acquiring the Intranet system. (*See attached: **Annex v**).*			

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)*
		6. The Intranet system developer carried out a requirements gathering exercise before development as indicated in a document referenced BCA/CC/SECT/9 VOL.II (123) dated 24th April, 2016. *(See Attached: **Annex vi**).* Therefore, the Intranet System vendor has been asked to officially hand over the system to the Assembly ICT team, its documentation and manuals and retrain Users			
4.0	**Sourcing of Medical Insurance Services by Jubilee Insurance**	This case was handled conclusively by other Government Agencies and I think it is in order for it to be deleted from the list. How because you have asked questions about it, I have the following answers. The tender was advertised in the Standard newspaper on 11th Saturday 2016. There were 7 respondents who were taken through both bid evaluation and technical	Resolved	John Ongwae Mosongo – Accounting Officer	

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)*
		evaluation criteria as per the tender document. After all the two stages of evaluation it was only M/s Jubilee Insurance that qualified for commercial evaluation. The other 6 bidders failed to meet the set criteria hence they could not compete at Commercial evaluation stage. The tender was indeed awarded to Jubilee Insurance, and the Letter of Offer was sent to Jubilee Insurance and County Assembly of Bungoma received the acceptance of the same from Jubilee Insurance. Now when it comes to payment, Jubilee Insurance, Kisumu through the regional office appointed as agent through which payment was made.			
5.0	**Sourcing of Car Loans and Mortgage Scheme Insurance by M/s Johncele**	This was an open tender. The tender was evaluated after they were opened and only 3 bidders had responded. The contract was signed and entered into. Copy of the Contract is hereby attached.	Resolved	Eric Nabiranda Wasilwa – Procurement Officer	

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)*
	Insurance Brokers				
6.0	**Unsupported air travel tickets**	The management agrees that as at the time of audit some of the payments for the purchase of air tickets were not fully supported by boarding passes because they had not been surrendered by the beneficiaries. A follow up has been made and now the same have been attached for verification.	Resolved	Eric Nabiranda Wasilwa – Procurement Officer	
7.0	**Outsourcing of ICT Services**	The management agrees that the services were outsourced but since December 2016 the service has been done internally.	Resolved	Ariel Sharon Wekesa -	
8.0	**Usage of Imprests and its control**	The management agrees that at the time of audit some of the imprests had not been posted in the imprest register but the same has now been done and it is available for audit verification. The management wishes to respond that the imprest system was not used to pay suppliers but the county	Resolved	Julia Naliaka Lunani – Ag Principal Finance Officer	

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)*
		assembly only used the imprest account through RTGS to pay some of the suppliers who had threatened to go to court because of the delay in their payments which had been caused by the breakdown of the IFMIS system at that particular time.			
9.0	**Cash payment of MCA's Allowances**	The management agrees that at the time of audit some of the MCAs and staff were paid via cash as they had not been defined in the system and this would have caused delays in their facilitation. But currently we are conforming to electronic transfers.	Resolved	Julia Naliaka Lunani	
10.0	**Payments Made Outside IFMIS**	The management agrees that at the time of audit there were some payments that were made outside the IFMIS system and this was because some of the suppliers had threatened to go to court and the IFMIS system had broken-down but the management promises that the same will be rectified.	Resolved	Julia Naliaka Lunani John Ongwae Mosongo	

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)*
11.0	**Ward Operation Expenses**	The management agrees that at the time of audit the above amount had been disbursed to various wards for operation purposes but there were some – compliance matters that came up but the same have been rectified as per attached.	Resolved	John Ongwae Mosongo	
12.0	**Pending Bills**	The management agrees with the audit and has noted the recommendation set out, and that necessary procedures will be followed as stipulated.	Resolved	Julia Naliaka Lunani	
13.0	**Borrowings from the MCA's Car loans and Mortgage Fund by the Assembly**	The management agrees with findings and has made efforts to clear the borrowed funds as per attached minutes.	On-going	Julia Naliaka Lunani John Ongwae Mosongo	Last Instalments to be forwarded in the FY 2018/2019
14.0	**Employee Costs**				
14.1	**Non-conformity to**	True non-conformity was there and it was occasioned	On going	Ann Wekesa Nang'oni –	

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)*
	the a Third Basic Rule Policy	by the end of term of MCAs, thus the recovery of the Assembly money.		Human Resource Manager	
14.2	**Irregularities in New Appointments**	The management would like to agree that at the time of recruitment there was no consideration of at least 30% of employees from non-dominant communities, but this as a result that the institution was unable to compel candidates from other communities to apply.	On going	CASB	Ensure future appointments meet the threshold
14.3	**Irregular Payments to Employee Under Contract**	The management would like to clarify that there was no irregular payment of employees under contract since there was proper engagement through letters as attached.	Resolved	Abraham Simiyu Wekesa	
14.4	**None Recovery of Members of County Assembly (MCA's)**	The management agrees that at the time of audit the recovery of advances had not been done through IPPD but the same has now been rectified.	Resolved	Abraham Simiyu Wekesa	

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)*
	Advances through IPPD.				
	Other Matter				
1.0	**Budgetary Control and Performance**	The management agrees with the observations but confirms that the re-allocations were regularized in the supplementary budget as per attachments herein.	Resolved	Diana Naliaka Khaemba – Finance/Planning Officer	
2.0	**County Assembly Policies**	The management agrees that by the time of audit the policies and guidelines are not in place but the user departments have made request to have policies in place while policies like the service charter, overtime policy and organogram are awaiting full establishment of the County Assembly Service Board to be adopted.	On going	CASB	

Clerk of the County Assembly

Sign.....

Date.....9.1.2019

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings						
1. MS LUNAO ENTERPRISES	21,081,813		-	21,081,813		Amounts relates to 3rd certificate
Sub-Total	**21,081,813**		**-**	**21,081,813**		
Construction of civil works						
2. TRITEK CONSULTING LTD	950,000		-	950,000		
3. M\S NAMAMUKA AGENCIES LIMITED	1,613,041		-	1,613,041		
Sub-Total	**2,563,041**			**2,563,041**		
Supply of goods						
MFI DOCUMENT SOLUTION LTD	46,400			46,400		
CONTECH INFORMATION SYSTEM	474,500			474,500		
SETERA IT SOLUTION	133,000			133,000		
TRUNEX	806,400			806,400		
DELYCE AGENCIES	45,000			45,000		
DEBEMARCH VENTURES	48,800			48,800		
TARANA HOLDINGS LTD	80,000			80,000		
ELGON REFRESH	75,000			75,000		
JULIE CLASSIC	36,000			36,000		
SHEDAMAT	120,000			120,000		
NAWEE ENTERPRISES LTD	27,000			27,000		
VIVO ENERGY	192,000			192,000		
KADCELL INVESTMENT LIMITED	773,950			773,950		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
DEMALINK GENERAL SUPPLIES	101,000			101,000		
Sub-Total	**2,959,050**			**2,959,050**		
Supply of services						
AFRICAN TOUCH SAFARIS LTD	1,128,970			1,128,970		
MINATA HOTEL	372,600			372,600		
IKO RESORT	165,000			165,000		
AFRIQUE HOTEL LIMITED	278,700			278,700		
HOTEL JOVENTURE	1,931,980			1,931,980		
VICTORIA COMFORT INN	242,550			242,550		
HOTEL SANTOS	103,300			103,300		
COUNTY COMFORT HOTEL	306,740			306,740		
LAW SOCIETY KENYA	89,980			89,980		
ICPAK	69,950			69,950		
INSTITUTE OF HUMAN RESOURCE MGT	11,600			11,600		
NATION MEDIA GROUP LDT	671,930			671,930		
THE STANDARD GROUP	255200			255200		
LEDEUX	116,000			116,000		
CHEPNAK CONSULTATION	950,000			950,000		
GEOFREY KOLOLI WANYAMA $ ANDREW SIFUNA	300,000			300,000		
COMMISIONER OF VAT	351,644			351,644		
FOUR M INSURANCE BROKERS LTD	9,760,441			9,760,441		
WESTFIELD MOTORS LIMITED	1,551,154			1,551,154		
AFRIQUE CONFORTS	58,500			58,500		
BUSY BUBBLE LAUNDRY	389,200			389,200		
PRIDE KINGS SERVICE LTD	2,195,880			2,195,880		
ELEGANT HOTEL	37,700			37,700		
BRELLAM ENTERPRISES	68,400			68,400		
INFINIX INDEX LIMITED	3,800,000			3,800,000		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Sub-Total	25,207,419			25,207,419		
Grand Total	51,811,322			51,811,322		

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	B	c	d=a-c		
COUNTY ASSEMBLY OF BUNGOMA					5,101,560		Relates to Transport and subsistence allowance for MCAs to Arusha Refund to Car and Mortgage fund
JOB WAMBULWA					110,000		Induction Retreat
Sub-Total					**5,211,560**		
Grand Total					**5,211,560**		

ANNEX 3 – 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)
	2016/2017			2017/2018
Land	90,000,000	6,000,000		96,000,000.00
Buildings and structures	136,759,984	87,853,342		224,613,326.00
Transport equipment	24,000,000			24,000,000.00
Office equipment, furniture and fittings	41,098,796	58,973		41,157,769.00
ICT Equipment, Software and Other ICT Assets	23,886,809	12,794,387		36,681,196.00
Other Machinery and Equipment	5,912,000			5,912,000.00
Heritage and cultural assets				-
Intangible assets				-
Total	**321,657,589**	**106,706,702**	**-**	**428,364,291.00**

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 10 on acquisition of assets during the year and subsequently the statement of receipts and payments

ANNEX 4 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)

REPUBLIC OF KENYA
BANK RECONCILIATION STATEMENT
STATION: BUNGOMA COUNTY ASSEMBLY
ACCOUNT NAME: BUNGOMA COUNTY ASSEMBLY RECURRENT
ACCOUNT NUMBER: 1000194103

PERIOD

	BALANCE AS PER BANK CERTIFICATE		1,482,327.90
LESS 1	PAYMENTS IN CASHBOOK NOT IN BANK		(1,318,526.05)
2	RECEIPTS IN BANK NOT RECORDED		-
ADD 3	PAYMENTS IN BANK NOT IN C/BK		22,000.00
4	RECEIPTS IN C/BOOK NOT IN BANK		-
	BALANCE AS PER CASH BOOK		185,801.85

NOTES

NOTE 1: PAYMENTS IN CASHBOOK NOT IN BANK

DATE	PAYEE	AMOUNT
10-Nov-17	WESTFIELD MOTORS(*Withholding Tax)*	2,206.25
10-Nov-17	MISIKHU ELECTRICAL WORKS(*Withholding Tax)*	5,555.15
10-Nov-17	BEJAMU AGENCY COMPANY LTD(*Withholding Tax*)	30,413.80
10-Nov-17	BEJAMU AGENCY COMPANY LTD(*Withholding Tax)*	30,413.80
10-Nov-17	BEJAMU AGENCY COMPANY LTD*(Withholding Tax)*	30,413.80
6-Dec-17	NATION MEDIA GROUP*(Withholding Tax)*	3,780.00
6-Dec-17	NATION MEDIA GROUP(*Withholding Tax*)	7,380.00
6-Dec-17	NATION MEDIA GROUP(*Withholding Tax)*	44,460.00
21-Dec-17	COUNTY COMFORT HOTEL(*Withholding Tax)*	2,089.65

21-Dec-17	COUNTY COMFORT HOTEL(*Withholding Tax)*	2,962.75
21-Dec-17	MEDABRIKE HOLDINGS LTD(*Withholding Tax)*	5,689.65
21-Dec-17	COUNTY COMFORT HOTEL(*Withholding Tax)*	16,631.90
21-Dec-17	PRIDE KINGS SECURITY SERVICES(*Withholding Tax)*	17,310.00
21-Dec-17	PRIDE KINGS SECURITY SERVICES(*Withholding Tax)*	17,310.00
2-Feb-18	NABUKOKHO GENERAL ENTERPRISE(*Withholding Tax)*	905.15
22-Feb-18	ELGON REFRESH(*Withholding Tax*)	2,637.95
22-Feb-18	COUNTY COMFORT(*Withholding Tax*)	4,655.15
22-Feb-18	JAMII TELECOMMUNICATION LTD*(Withholding Tax)*	9,000.00
8-Mar-18	TRUNEX LTD(*Withholding Tax)*	2,741.40
8-Mar-18	CALMOS ENTERPRISES LTD(*Withholding Tax)*	3,206.90
8-Mar-18	MINATA HOTELS(*Withholding Tax)*	3,351.70
8-Mar-18	ELEGANT HOTEL(*Withholding Tax)*	3,668.80
8-Mar-18	ELGON REFRESH(*Withholding Tax)*	3,775.85
8-Mar-18	KENYA SCHOOL OF GOVERNMENT(*Withholding Tax)*	4,080.00
8-Mar-18	TRUNEX LTD(*Withholding Tax*)	5,482.75
8-Mar-18	ROYAL MEDIA SERVICES LTD(*Withholding Tax)*	5,586.20
8-Mar-18	WIGOT GARDENS LIMITED*(Withholding Tax)*	5,586.20
8-Mar-18	THE COUNTY COMFORT HOTEL(*Withholding Tax)*	5,681.90
8-Mar-18	LYANON INVESTMENT(*Withholding Tax)*	5,689.65
8-Mar-18	WESTFIELD MOTORS(*Withholding Tax)*	6,287.00
8-Mar-18	LYANON INVESTMENT(*Withholding Tax*)	6,465.50
8-Mar-18	SOUL DOVE ENTERPRISES(*Withholding*	6,879.30

	Tax)	
8-Mar-18	ABEM ENGINEERING CONSTRUCTION	8,834.50
8-Mar-18	DAVELYNE VENTURES	9,100.85
8-Mar-18	CALMOS ENTERPRISES LTD	9,310.35
8-Mar-18	WESTFIELD MOTORS	9,744.50
8-Mar-18	CALMOS ENTERPRISES LTD(*Withholding Tax)*	12,413.80
8-Mar-18	EMINET VENTURES(*Withholding Tax)*	15,206.90
8-Mar-18	DAVELYNE VENTURES(*Withholding Tax)*	16,717.75
8-Mar-18	PRIDE KINGS SERVICES LTD(*Withholding Tax)*	18,930.00
8-Mar-18	PRIDE KINGS SERVICES LTD(*Withholding Tax)*	18,930.00
8-Mar-18	FANO LINK LTD(*Withholding Tax)*	19,655.15
8-Mar-18	OFFICEMAX LTD(*Withholding Tax)*	25,448.30
8-Mar-18	BEYOND DESIGN(*Withholding Tax)*	28,624.15
8-Mar-18	DYNAMITE SECURITY(*Withholding Tax)*	29,327.60
8-Mar-18	SIMSPUR LTD(*Withholding Tax*)	61,163.80
8-Mar-18	SOUL DOVE ENTERPRISES(*Withholding Tax)*	65,405.15
8-Mar-18	FLAME TREE COMPANY LTD(*Withholding Tax)*	20,855.15
3-Apr-18	AFRIQUE CONFORTS(*Withholding tax)*	1,293.10
3-Apr-18	TRUNEX LTD(*Withholding tax)*	2,741.40
3-Apr-18	KIKA HOTEL(*Withholding tax)*	4,417.25
3-Apr-18	LYANON INVESTMENT((*Withholding tax)*	5,948.30
3-Apr-18	KIKA HOTEL(Withholding tax)	6,413.80
3-Apr-18	STANDARD GROUP LTD(Withholding tax)	6,900.00
3-Apr-18	OFFICEMAX LTD(Withholding tax)	7,448.30

3-Apr-18	JOVENTURE HOTEL(Withholding tax)	7,740.00
12-Apr-18	DELYCE SUPPLIES(Withholding tax)	1,241.40
12-Apr-18	ELEGANT HOTEL(Withholding Tax)	1,800.00
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	3,705.00
12-Apr-18	VICTORIA CONFORT INN*(Withholding Tax)*	4,551.70
12-Apr-18	VICTORIA CONFORT INN*(Withholding Tax)*	4,965.50
12-Apr-18	OTUNGO ENTERPRISES*(Witholding Tax)*	5,151.70
12-Apr-18	BCH LOGIC STUDIOS*(Withholding Tax)*	5,172.40
12-Apr-18	MINATA HOTELS(Withholding Tax)	5,446.55
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	5,520.00
12-Apr-18	CENTRICA HOTEL*(Withholding Tax)*	5,778.10
12-Apr-18	CENTRICA HOTEL*(Withholding Tax)*	9,051.70
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	11,430.00
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	16,395.00
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	20,820.00
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	42,438.10
12-Apr-18	JOVENTURE HOTEL(Withholding tax)	63,570.00
12-Apr-18	KIKA HOTEL(Withholding tax)	64,444.90
12-Apr-18	KIKA HOTEL(Withholding tax)	108,521.65
23-Apr-18	WESTFIELD MOTORS LTD*(Withholding Tax)*	33,092.35
23-Apr-18	TRITEK CONSULTING LTD*(Withholding Tax)*	149,013.80
26-Apr-18	ELGON REFRESH(Withholding Tax)	3,687.95
26-Jun-18	PRIDE KINGS SERVICES LTD(Withholding Tax)	18,930.00
26-Jun-18	PRIDE KINGS SERVICES LTD(Withholding Tax)	18,930.00
		1,318,526.05

NOTE 2: PAYMENTS IN BANK NOT IN CASHBOOK

DATE	PAYEE	AMOUNT
11-Apr-18	COUNTY ASSEMBLY OF BUNGOMA(Hilary Kiptalam)	22,000.00
		22,000.00

I certify that I have verified the Balance in the Cashbook, Bank Balance and that the above reconciliation is correct.

Signature	Designation	Date
	ACCOUNTANT	9/1/2019

REPUBLIC OF KENYA
BANK RECONCILIATION STATEMENT
STATION: BUNGOMA COUNTY ASSEMBLY
ACCOUNT NAME: BUNGOMA COUNTY ASSEMBLY DEVELOPMENT
ACCOUNT NUMBER: 1000283041

PERIOD

	BALANCE AS PER BANK CERTIFICATE		1,042,241.35
LESS 1	PAYMENTS IN CASHBOOK NOT IN BANK		(1,042,241.35)
2	RECEIPTS IN BANK NOT RECORDED		-
ADD 3	PAYMENTS IN BANK NOT IN C/BK		-
4	RECEIPTS IN C/BOOK NOT IN BANK		-
	BALANCE AS PER CASH BOOK		0.00

NOTES

NOTE 1: PAYMENTS IN CASHBOOK NOT IN BANK

DATE	PAYEE	AMOUNT
6-Dec-17	BRICKEHAUS LTD (*Withholding Tax*)	672,413.80
24-Apr-18	TRITEK CONSULTING LTD (*Withholding Tax*)	155,172.40
24-Apr-18	BAMI VENTURES LTD(*Withholding Tax*)	214,655.15
	TOTAL	**1,042,241.35**