REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF BUNGOMA

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF THE AUDITOR-GENERAL
P. O. Box 5155-50200 BUNGOMA
20 DEC 2018
RECEIVED

COUNTY GOVERNMENT OF BUNGOMA

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)

1. KEY ENTITY INFORMATION AND MANAGEMENT ii
2. FORWARD BY THE CECM x
3. STATEMENT OF MANAGEMENT RESPONSIBILITIES xiii
4. REPORT OF THE INDEPENDENT AUDITORS ON THE COUNTY GOVERNMENT OF BUNGOMA xiv
5.0 STATEMENT OF RECEIPTS AND PAYMENTS 1
6.0 STATEMENT OF ASSETS AND LIABILITIES 2
7.0 STATEMENT OF CASH FLOWS 3
8.0 SUMMARY STATEMENT OF APPROPRAITION: COMBINED 5
9.0 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT 5
10.0 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT 6
11.0 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 7
12.0 SIGNIFICANT ACCOUNTING POLICIES 9
13.0 NOTES TO THE FINANCIAL STATEMENTS 14
17.0 OTHER IMPORTANT DISCLOSURES 28
18.0 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 31
ANNEXES 55
ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER 55
ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE 56
ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES 72
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER 81
ANNEX 5– INTER-ENTITY TRANSFERS 82
ANNEX 6– DISPENSARIES AND HEALTH CENTRES BANK BALANCES 83

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Key Management

The County Government of Bungoma's day-to-day management is under the following key officers:

S/No.	Name	Designation	Date of holding office
1.	H.E. Wycliffe Wafula Wangamati	Governor	August 2017
2.	Prof.Charles Ngome	Deputy Governor	August 2017
3.	Ms.Esther N. Wamalwa	CEC, Finance and Economic Planning	December 2017
4.	Dr. Anthony Walela	CEC, Health Services	December 2017
5.	Mr.Gregory M. Naulikha	CEC, Trade, Energy and Industrialization	December 2017
6.	Mr. Renson Makheti Wanyonyi	CEC, Tourism, Forestry, Environment and Natural resources	December 2017
7.	Mr. Collins Mukhongo	CEC, Transport, Infrastructures and Civil works	December 2017
8.	Mr. Bramuel Murgor	CEC, Lands, Urban/Physical planning Energy and Industrialization, Housing and Sanitation	December 2017
9.	Mr. Mathews C. Mukanda	CEC, Agriculture, Livestock, Fisheries and Cooperative Development	December 2017
10.	Ms. Betty Mayeku	CEC, Education, Youth Affairs and Sports	December 2017
11.	Mr. Richard S. Keya	CEC, Public Administration	December 2017
12.	Ms Everlyne Kakai	CEC, Gender and Culture	December 2017

Ms. Esther Wamalwa - CEC, Finance and Economic Planning

Ms.Wamalwa was appointed as the CEC, Finance and Economic Planning on December 21, 2017 she has since been in the same role and has been driving the Financial Management Agenda of the County.
Before her appointment, she served as the Head of Finance at the Print Exchange Limited from 2008 to 2017. She has also worked at Sotik Tea Company as Senior Finance Officer. Ms.Wamalwa holds MSc. in Commerce (Finance and Economics option) from KCA University (Nairobi). She also holds Bachelor of Commerce (Finance Option) from KCA University. She is a CPA (K) and a member of ICPAK.

Dr. Anthony Walela - CEC, Health Services

Dr. Anthony Walela was appointed the CEC of ministry of Health and Sanitation. Before joining the County Government of Bungoma. Dr. Walela has acted in the capacity of Director for the following firms; Countywide Pharmaceuticals, Mumbi house Pharmaceuticals – Nairobi, Lela Pharmacy – Bungoma, Lake Basin Development Authority – Kisumu and Pharmacy & Poison Board.
Dr. Walela has a Bachelor of Pharmacy from the University of Nairobi.

Mr. Gregory Naulikha - CEC, Trade, Energy and Industrialization

Mr. Naulikha was appointed CEC, Trade, Energy and Industrialization in December, 2017. Prior to his appointment, Mr. Naulikha was a Consultant - Baseline Survey for WFPs USDA, Mc Govern-Dole International Food for Education and Child Nutrition Program's Support in Kenya. : Programme Manager for African Digital Schools: Planned, organized, directed and managed the ADSI Programme. He has also been a Lecturer at Kenyatta University and later, Lecturer and Head of the Geography Department at Catholic University of Eastern Africa.
Mr. Naulikha holds a Bachelor of Education (Hons) Degree and a Master of Arts Degree in Economics (Agricultural Geography -Major; Rural Development Planning –Minor) from Kenyatta University and is currently pursuing PhD studies in Philanthropy and Development in Kenya

Ms. Betty Mayeku - CEC, Education, Youth Affairs, and Sports

Ms. Betty Mayeku was appointed CEC for Education Youth Affairs and Sports in December 2017. Prior to her appointment, Ms. Mayeku was a Lecturer at Kibabii University, Kenya - Department of Computer Science, School of Computing and Informatics (SCAI) , she previously worked for Oracle Academy, Kenya - Java programming Informatica Feminale (International Summer University for Women in Informatics), University of Bremen, Germany - Agile programming with Ruby on Rails, programming in PHP, Ruby and Python, Jomo Kenyatta University of Science and Technology (JKUAT) - Elearning (Training of Trainers), Web based learning and content development training
She holds: PhD. Computer Science, Georg-August University, Göttingen, Germany, M.Ed., Educational Technology, Maseno University, Kenya Bachelor of Education (science, Maseno University, Kenya Computer Studies (Major subject) & Physics (Minor subject)

Ms. Everlyne Kakai – CEC, Gender and Culture

Ms. Everlyne Kakai was appointed CEC for Gender and Culture in December 2017. Prior to her appointment she was working as head of Accounting unit in County Government of Nakuru. Ms. Everlyne Kakai holds a Bachelor of Commerce (Banking and Finance option) from Egerton University. She is currently pursuing MBA (Accounting Option).

Mr. Collins Mukhongo - CEC, Roads Transport and civil Infrastructure

Mr. Collins Mukhongo was appointed the CEC for Roads in December 2017. Prior to his appointment, he worked with Kenya Revenue Authority in various positions like; Project Management Officer, manager IT Infrastructure, Ass. Commissioner ICT, Principal Engineer among others.
Mr. Mukhongo holds an MBA from University of Nairobi. Post graduate certificate in Applied Radiation Protection, BSc. Electrical and Electronics Engineering both from University of Nairobi

Mr. Bramuel Murgor - CEC, Lands, Urban,Physical planning and Housing.

M
Mr. Murgor was appointed CEC for Lands, Urban and Physical planning in December, 2017. Prior to his appointment, He has been a Lecturer Moi University Eldoret, Mount Kenya University.He previously worked as Chief Settlement Officer and HOD Ministry of Lands and Settlement in Various stations across the country.
Mr. Murgor holds, MBA-Strategic Management from Kenya Methodist University,BA (Geography, government and Public administration)
Currently he is a PhD. Student Business Administration (Strategic Management Kisii University.

Mr. Richard Sabwami Keya – CEC, Public Administration

Mr. Richard Keya was appointed CEC for Public Administration in December 2017. Prior to his appointment he was a school Principal at St. Stephens Sikusi Secondary school. He has also been a teacher to various schools. Mr. Sabwami holds a bachelor of Education (ARTS) from Kenyatta University.

Mr. Renson Makheti – CEC, Tourism, Forestry, Environment and Natural resources

Mr. Makheti was appointed CEC,Tourism, Forestry, Enviroment and Natural Resources in December 2017. Prior to his appointment; he was Quality Assurance Coordinator, Mount Kenya University (MKU) before then he was Deputy Director MKU Garissa Campus. Previously he was the Head of Business Development Servicse Unit, Kenya Industrial Estates. Mr. Makheti holds MBA University of Nairobi 2008/09, Mount Kenya University 2014/15 BA (Hons) in Economics and Philosophy UoN.

Currently he is a PhD student in Strategic Management-JKUAT

Mr. Mathews Chirasha - CEC, Agriculture, Livestock, Fisheries and Cooperative Development.

Mr. Mathews Chirasha was appointed the CEC ministry of Agriculture in December 2018. Prior to his appointment, he worked as an Independent Consultant, a Value Chain Development Specialist with USAID. He also worked as a Regional Manager and a Business Development Advisor. He holds a degree in Business and Management from Egerton University and an MBA in Administration from the University of Nairobi among other trainings.

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were

No.	Designation	Name
1.	CEC, Finance and Economic Planning	CPA Esther N. Wamalwa
2.	Chief Officer, Finance and Economic Planning	CPA Chrispinus Barasa
3.	Deputy Head of Treasury (Accounting)	CPA Millicent Wafula

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2018 were:

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

e) County Government of Bungoma Headquarters

P.O. Box 437-50200,
Former Municipal Buildings,
Moi Avenue Street
Bungoma, KENYA

f) County Government of Bungoma Contacts

Telephone: 055-30343
E-mail: info@bungoma.go.ke
Website: www.bungoma.go.ke

g) County Government of Bungoma Bankers

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

Nairobi, Kenya

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

3. Equity Bank Ltd,
   P. O. Box 2450-50200,
   Bungoma.

4. Co-operative Bank of Kenya Ltd,
   P.O. Box 1964-50200,
   Bungoma.

5. National Bank of Kenya,
   P.O.Box 25-50200,
   Bungoma.

h) Independent Auditors

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

i) Principal Legal Adviser

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

2. FORWARD BY THE CECM

It is my pleasure to present the County Government of Bungoma financial statements for the year ended 30th June 2018. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010, under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

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

The County also finances its operations through own generated revenues. These are revenues collected within the County. They key local revenue sources for Bungoma County included business permits, land rates, cesses, market fees, parking fees, Administrative service fees, public health facilities' fees, among others.

Financial Performance

a) Revenue

In the year ended 30th June 2018, the County had projected revenues of KShs 11,229,708,340 consisting of KShs 865,554,993 from own sources and KShs 10,364,153,347 from other sources.

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

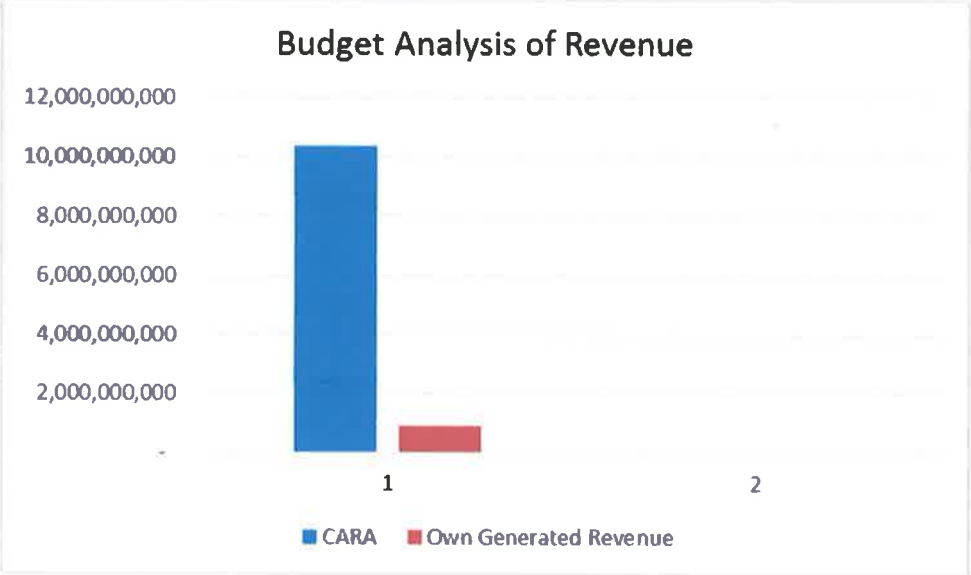

Figure 1: Bungoma County revenue sources in FY 2016/2017

CARA revenues continue to form the largest part of our revenue budget, contributing 92% towards our budget. Our own generated revenues formed 8% of our budget.

Out of the projected revenue, the County was able to realise KShs 9,871,076,328 in actual revenues, representing 88% performance. In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
CARA	10,364,153,347	9,325,850,288	90%
Own generated revenues	865,554,993	545,226,040	63%
Total	**11,229,708,340**	**9,871,076,328**	**88%**

Table 1: Revenue performance in FY 2017/2018

b) Payments

Our total expenditure for the year amounted to KShs 8,774,624,423. KShs 1,310,214,002 was spent on development expenditure while KShs 7,464,410,420 was spent on recurrent expenditure. The total budget for the financial year was Kshs.11, 229,708,334. Total budget absorption was 78%.

In the table below, we present an analysis of revenue performance during the year.

Expenditure Classification	Expenditure budget (KShs)	Actual (KShs)	Realisation (%)
Recurrent	7,746,659,098	7,464,410,420	96%
Development	3,483,049,236	1,310,214,002	38%
Total	**11,229,708,334**	**8,774,624,423**	**78%**

c) County Projects

The County Government of Bungoma undertook a number of projects during the year including issuing of bursaries to needy students amounting to Kshs.385, 969,131 as compared to Kshs. 180,000,000 issued in FY 2016/2017, overhaul and maintenance of Roads amounting to Kshs. 432,915,818, issuing of fertilizers and seeds to small scale farmers, among other projects.

d) Challenges

Implementation challenges of strategic objectives for the County Government included the following:- Inadequate and delayed Government funding to sectors, High poverty level Political interference in project prioritization and implementation, Inadequate Infrastructure, Inadequate capacity of contractors, Lack of Industrial land, Delay of procurement process among other challenges.

Sign
CEC
County Government of Bungoma

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 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 Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2018, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 27/9 2018.

County Executive Committee Member – Finance

4. REPORT OF THE INDEPENDENT AUDITORS ON THE COUNTY GOVERNMENT OF BUNGOMA

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Executive of Bungoma set out on pages 1 to 87, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, statement of appropriation: 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 Executive of Bungoma as at 30 June 2018 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accounts Payables-Deposits and Retention

The accounts payables- deposits and retentions figure of Kshs.219,985,327 differs with the confirmed bank balance figure of Kshs.141,500,862 resulting into un-reconciled difference of Kshs.78,484,675.

In the circumstances, it was not possible to confirm accuracy of the payables, deposits and retention balance of Kshs.219,985,327.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive 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 judgement are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no key audit matters to report.

Other Matter

1. Budgetary Performance and Control

1.1 Overall Budgeted Performance

During the year under review, the management budgeted for total expenditure of Kshs.11,229,708,334, comprising recurrent allocation of Kshs.7,746,659,098(69% of total budget) and development allocation of Kshs.3,483,049,236 (31% of total budget) From the approved budget, the County incurred actual total expenditure of Kshs.8,774,624,422 comprising recurrent expenditure of Kshs.7,464,410,420 (85% of total expenditure) and development expenditure of Kshs.1,310,214,002 (15% of total expenditure). The County incurred the overall actual expenditure/budget absorption ratio of 96% and 38% of recurrent and development votes respectively, resulting into significant budget absorption drop in development vote as detailed below.

	Budget Allocation 2017/2018	Actual Expenditure 2017/2018			
	Kshs.	Kshs.	Budgeted per Vote	Actual per Vote	Absorption Rate
			%	%	%
Vote					
Recurrent Expenditure	7,746,659,098	7,464,410,420	69%	85%	96%
Development Expenditure	3,483,049,236	1,310,214,002	31%	15%	38%
Total	**11,229,708,334**	**8,774,624,422**	**100%**	**100%**	**78%**

1.2 Detailed Budget Variance Analysis

There were instances where the budget was either over/under spent by more than +10% or -10% as detailed in the table below. Some expenditure lines of the County Executive were not in accordance with approved budget appropriations while others were not budgeted for at all. In addition, the compensation to employees expenditures was

Kshs.4,261,626,702 vis-a-vis budgeted amount of Kshs.4,007,384,869 resulting to an additional increase of employees cost by Kshs.254,241,833 or 6%. The over-expenditures were not approved.

Appendix I-Detailed Budget Variance Analysis				
Title and Details	**Recurrent Budget Kshs.**	**Actuals Kshs.**	**Variance Kshs.**	**Variance %**
Basic Salaries - Permanent Employees	3,715,824,594	4,046,206,882	-330,382,288	-9%
Basic Wages - Temporary Employees	155,349,505	150,001,081	5,348,424	3%
Personal Allowances paid as part of Salary	121,152,600	63,167,949	57,984,651	48%
Personal Allowances paid as Reimbursements	8,808,175	-	8,808,175	100%
Employer Contributions to Compulsory National Social Security Schemes	6,249,995	2,250,790	3,999,205	64%
	4,007,384,869	**4,261,626,702**	**-254,241,833**	**-6%**
Use of Goods & Services				
Utilities, Supplies and Services	42,473,276	41,458,720	1,014,556	2%
Communication, Supplies and Services	17,637,948	13,968,965	3,668,983	21%
Domestic Travel and Subsistence, and Other Transportation Costs	197,959,574	157,221,672	40,737,902	21%
Foreign Travel and Subsistence, and other transportation costs	11,690,508	12,445,964	-755,456	-6%
Printing , Advertising and Information Supplies and Services	59,693,240	49,706,836	9,986,404	17%
Rentals of Produced Assets	30,979,984	10,458,640	20,521,344	66%
Training Expenses	171,383,554	173,957,602	-2,574,048	-2%
Hospitality Supplies and Service	239,830,613	259,622,209	-19,791,596	-8%
Insurance Costs	23,296,268	96,670,337	-73,374,069	-315%
Specialized Materials and Supply	182,747,115	216,582,580	-33,835,465	-19%
Office and General Supplies and Services	50,906,400	34,689,394	16,217,006	32%
Fuel Oil and Lubricants	101,484,215	90,472,348	11,011,867	11%

Appendix I-Detailed Budget Variance Analysis				
Title and Details	**Recurrent Budget Kshs.**	**Actuals Kshs.**	**Variance Kshs.**	**Variance %**
Other Operating Expenses	683,310,248	287,735,185	395,575,063	58%
Routine Maintenance - Vehicles	62,565,661	24,633,783	37,931,878	61%
Routine Maintenance - Other Assets	409,961,044	49,830,776	360,130,268	88%
	2,285,919,648	**1,519,455,009**	**766,464,639**	**34%**
Other Grants & Transfers				
Other Capital Grants and Trans	1,096,101,891	646,385,558	449,716,333	41%
	1,096,101,891	**646,385,558**	**449,716,333**	**41%**
Social Security Benefits			-	
Government Pension and Retirement Benefits	44,182,355	29,034,310	15,148,045	34%
	44,182,355	**29,034,310**	**15,148,045**	**34%**
Acquisition of Assets				
Construction of Building	12,000,000	25,667,351	- 13,667,351	-114%
Refurbishment of Buildings	10,202,311	5,962,391	4,239,921	42%
Construction and Civil Works	939,412,036	433,967,149	505,444,887	54%
Overhaul and Refurbishment of Construction and Civil Works	544,023,803	156,431,209	387,592,594	71%
Purchase of Vehicles and Other Transport Equipment	6,250,000	5,500,000	750,000	12%
Purchase of Household Furniture and Institutional Equipment	794,110	1,467,901	- 673,791	-85%
Purchase of Office Furniture and General Equipment	128,234,990	49,455,208	78,779,782	61%
Purchase of Specialized Plant, Equipment and Machinery	38,150,475	4,493,837	33,656,638	88%
Purchase of Certified Seeds, Breeding Stock and Live Animals	69,091,200	62,459,300	6,631,900	10%

Appendix I-Detailed Budget Variance Analysis				
Title and Details	**Recurrent Budget Kshs.**	**Actuals Kshs.**	**Variance Kshs.**	**Variance %**
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	22,582,477	21,870,371	712,106	3%
Rehabilitation of Civil Works	50,135,901	-	50,135,901	100%
Acquisition of Strategic Stocks	183,941,341	172,833,000	11,108,341	6%
Acquisition of Land	40,000,000	-	40,000,000	100%
Acquisition of Other Intangible Assets	5,000,000	350,000	4,650,000	93%
	2,049,818,644	**940,457,716**	**1,109,360,928**	**54%**
Other Payments				
Supplier Credits	827,288,890	483,433,670	343,855,220	42%
Total Executive	**10,310,696,297**	**7,880,392,966**	**2,430,303,331**	24%
Transfers to County Assembly	**919,012,037**	**894,231,457**	**24,780,580**	**3%**
Grand Total Recurrent	**11,229,708,334**	**8,774,624,423**	**2,455,083,911**	22%

1.3 Expenditure Analysis Per Ministries

Further analysis by various Ministries shows that the Finance and Planning had the highest overall absorption rate of 89% while Land, urban and physical Planning had the least overall absorption rate at 25% as analyzed below:

	Budgeted Allocations		**Actual Expenditure**		**Absorption rate %**		
Ministry	**Recurrent Kshs.**	**Development Kshs.**	**Recurrent Kshs.**	**Development Kshs.**	**Rec**	**Dev**	**Overall**
Agriculture, livestock, fisheries and co-op development	404,253,214	440,655,456	385,389,161	255,526,827	95%	58%	76%
Tourism, Forestry, environment Water and natural resource	145,672,517	410,988,964	75,751,612	149,879,261	52%	36%	41%
Roads and Public works	168,672,552	1,200,287,706	148,125,625	619,191,673	88%	52%	56%
Education, Youth and sports	1,243,426,214	250,444,288	1,221,907,517	-	98%	0%	82%

	Budgeted Allocations		Actual Expenditure		Absorption rate %		
Ministry	**Recurrent Kshs.**	**Development Kshs.**	**Recurrent Kshs.**	**Development Kshs.**	**Rec**	**Dev**	**Overall**
Health	2,519,862,109	182,859,753	2,391,370,313	66,834,589	95%	37%	91%
Trade, energy and industrialization	49,555,801	157,728,284	39,294,976	101,414,968	79%	64%	68%
Lands, Urban and Physical Planning	72,146,405	182,631,796	48,418,486	16,144,128	67%	9%	25%
Gender, Culture,	104,130,398	33,844,644	69,927,371	-	67%	0%	51%
Housing and Sanitation	30,012,925	73,480,807	26,613,062	48,067,285	89%	65%	72%
County Assembly	755,249,331	163,762,706	818,778,137	75,453,320	108 %	46%	97%
Finance and Planning	1,305,443,188	323,042,936	1,323,304,849	123,597,423	98%	38%	89%
County Public Service	60,456,350	-	51,700,064	-	86%	0%	86%
Governors & D/Governor's office	409,012,755	2,598,078	348,657,058	-	85%	0%	85%
Public Administration & County Secretary	478,765,343	60,723,818	342,219,862	27,056,857	71%	45%	68%
Totals	**7,746,659,102**	**3,483,049,238**	**7,464,410,420**	**1,310,214,002**	96%	38%	78%
%			**96%**	**38%**			

1.4 Non Implementation of Budgeted Works

A review of performance under the Ministry of Roads and Infrastructure Development indicates that various projects with estimated costs totaling Kshs.200,146,661 were not implemented. These has put pressure on the subsequent years' work plans and hence delayed service delivery to residents of the County.

2. Overall Local Revenue Performance

During the year under review, the County Executive targeted to collect total revenue of Kshs.853,753,248. However, the actual collections totaled Kshs.545,226,040, resulting into a deficit of Kshs.308,527,208 (64%) hence the revenue was hugely under collected as shown below.

Receipts	**2017/2018 Budget Kshs**	**2017/2018 Actuals Kshs**	**2016/2017 Actuals Kshs**	**2017/2018 Variance Kshs**	**%**
Rents	2,708,364	1,995,261	1,456,931	713,103	74%
Other Property Income	683,439	2,394,826	7,774,090	- 1,711,387	350%

Receipts	2017/2018 Budget Kshs	2017/2018 Actuals Kshs	2016/2017 Actuals Kshs	2017/2018 Variance Kshs	%
Receipts from Administrative Fees and Charges	6,933,571	7,290,848	6,067,863	- 357,277	105%
Fines, Penalties and Forfeitures	16,747,251	9,316,464	488,167	7,430,787	56%
Business Permits	115,827,331	85,987,384	91,283,142	29,839,947	74%
Cess	76,349,148	13,031,511	42,264,755	63,317,637	17%
Poll Rates	46,503,530	21,103,340	27,837,258	25,400,190	45%
Plot Rents	828,085	871,881	443,232	- 43,796	105%
Administrative Services Fees	51,667,956	44,843,070	42,258,820	6,824,886	87%
Sales Of Council Assets	2,564,957	10,000	1,554,000	2,554,957	0%
Other Miscellaneous Receipts	15,279,981	12,586,965	2,385,419	2,693,016	82%
Market/Trade Centre Fee	57,390,047	34,563,634	35,468,042	22,826,413	60%
Vehicle Parking Fees	79,122,171	52,131,901	48,926,942	26,990,270	66%
Housing	7,481,014	5,300,350	4,916,392	2,180,664	71%
Social Premises Use Charges	252,626	280,000	152,124	-27,374	111%
Other Education-Related Fees	18,102,363	16,062,197	4,018,512	2,040,166	89%
Public Health Facilities Operations (HOSPITALS)	335,982,724	216,604,658	159,910,054	119,378,066	64%
Environment & Conservancy Administration	12,549,036	9,664,840	9,558,742	2,884,196	77%
Slaughter Houses Administration	6,676,726	5,113,010	4,268,758	1,563,716	77%
Alcohol Drinks Licence	-	5,992,900	-	-5,992,900	100%
Other Health & Sanitation Revenues	102,928	81,000	62,500	21,928	79%
Total	**853,753,248**	**545,226,040**	**491,095,743**	**308,527,208**	**64%**

Further, revenue due from the AIA's such as housing, hospital and agricultural sources have not been included into the Automated Revenue Management System hence the

County has not fully automated revenue collection.

3. Overall Project Implementation Performance for the year

The County Executive was to implement a total of 315 projects/programmes by different sectors during the financial year as shown below. Further, analysis indicates that 124 or 39% of the projects had not started, 147 or 47% of the projects were still on going and 44 or 14% of the project had been completed as at the time of audit.

	Budgeted Allocations		Budgeted projects	Actual/Implemented Projects			
Ministry/ Department	**Recurrent Kshs.**	**Development Kshs**		**Not Started**	**Ongoing**	**Completed**	**% of completed projects**
Agriculture, livestock, fisheries and co-op development	404,253,214	440,655,456	12	-	3	9	**75%**
Tourism, Forestry, environment Water and natural resource	145,672,517	410,988,964	87	2	84	1	**1%**
Roads and Public works	168,672,552	1,200,287,706	98	62	24	12	**12%**
Education, Youth and sports	1,243,426,214	250,444,288	11	-	4	7	**64%**
Health	2,519,862,109	182,859,753	64	54	2	8	**13%**
Trade, energy and industrialization	49,555,801	157,728,284	9	-	7	2	**22%**
Gender, Culture,	104,130,398	33,844,644	4	2	1	1	**25%**
Lands, Urban and Physical Planning Housing and Sanitation	102,159,330	256,112,603	20	1	19	-	**0%**
Finance and Planning	1,305,443,188	323,042,936	5	-	3	2	**40%**
County Public Service	60,456,350	-	1	-	-	1	**100%**
Governors & D/Governor's office	409,012,755	2,598,078	1	-	-	1	**100%**
Public Administration & County Secretary	478,765,343	60,723,818	3	3	-	-	**0%**
Totals	**6,991,409,771**	**3,319,286,530**	**315**	**124**	**147**	**44**	**14%**
% Implementation				**39%**	**47%**	**14%**	

In view of the above, the Executive may not have achieved its targets as approved by the Assembly hence service delivery may not be realized by the residents of the County.

4. Pending Accounts Payables

The pending accounts payables figure of Kshs.725,731,414 detailed under annex 2 to the financial statements remained outstanding as at 30 June 2018 despite the positive

liquidity status confirmed by the cash and cash equivalents balance of Kshs.1,890,018,447 (Note 13A statement of assets and liabilities).

Further, it was noted that the pending accounts payables figure of Kshs.725,731,412 includes Kshs.94,173,642 in respect of commitments which were yet to be incurred from the budgetary allocation as stated below:

Department	Financial Statement Balance Kshs.	Actual Pending Bills Kshs.	Commitments Kshs.
Trade	13,010,495	17,106,177	- 4,095,682
Housing & Sanitation	18,403,780	19,503,780	- 1,100,000
Ministry of Water	145,059,265	136,371,476	8,687,789
Roads & Public Works	289,714,004	119,968,980	169,745,024
Governor	20,815,233	28,805,685	- 7,990,452
Public Administration	22,170,355	27,678,184	- 5,507,829
Lands, Urban And Physical Planning	27,021,936	4,350,649	22,671,287
Ministry of Health	138,938,768	235,368,085	- 96,429,317
Gender and Culture Youth & Sports	1,936,322	-	1,936,322
Ministry of Education Youth & Sports	6,256,500	-	6,256,500
CPSB	6,218,509	6,218,509	-
Ministry of Finance	36,186,245	36,186,245	-
Total	**725,731,412**	**631,557,770**	**94,173,642**

In the circumstances, the accuracy of the pending accounts balance of Kshs.725,731,412 could not be confirmed.

5. Long Outstanding Un-Collected Revenue Arrears

Included in the Executive's own generated receipts of Kshs.545,226,040 is property rates and rent and cess collections totaling Kshs.9,690,437 and Kshs.13,031,511 respectively. However, the Executive had arrears not collected since the inception of the County Government totaling Kshs.221,347,558 as at 30 June 2018 as highlighted below: Further, accrued penalties and interests could not be accurately ascertained.

A	Property rates arrears	Kshs
1	Kanduyi	129,765,622
2	Sirisia	114,688
3	Bumula	11,027,205
4	Tongaren	5,000,993
5	Kabuchai	342,602

6	Kimilili	6,268,862
7	Webuye	14,156,858
8	Mt.Elgon	304,350
	Total	**166,981,180**
B	**Cess defaulters**	
	Mumias Sugar Co. Ltd	30,614,569
	Nzoia Sugar Co. Ltd	12,364,707
	Mastermind Kenya Ltd	5,000,000
C	**Total**	**47,979,276**
D	Rent Arrears -Various estates	6,387,102
	Grand Total	**221,347,558**

Consequently, non-collection of all due revenue may have denied the County Executive funds for service delivery to its residence.

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. Failure to Adhere to the Fiscal Responsibilities Principles

During the year under review and as disclosed in the statements of appropriations: recurrent, development and combined for the year ended 30 June 2018, the County Executive incurred actual total expenditure of Kshs.8,774,624,422 comprising recurrent expenditure of Kshs.7,464,410,420 (85% of total expenditure) and development expenditure of Kshs.1,310,214,002 (15% of total expenditure). The actual expenditure on development was lower that the prescribed minimum of 30% required by Section 107(2) of the Public Finance Management Act, 2015.

Further, and as disclosed in the statement of receipts and payments for the year ended 30 June 2018, In addition, the compensation to employees expenditure was Kshs.4,261,626,702 of which the amount was 43% of the actual total revenue of Kshs.9,871,076,328 contrary to the maximum limit of 35% set by Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.

2. Unauthorized Re-allocations of Vote Heads

The County Executive incurred various expenditures totaling Kshs.53,343,017 in different vote heads instead of the approved budget lines hence contravening the provisions and requirements of the Public Finance Management Act, 2012.

3. Long Outstanding Imprests

The accounts receivables balance in the statement of assets and laibilities of Kshs.203,180,108 includes long outstanding imprest figure of Kshs.125,250,064, held by staff for up to six (6) months after their due dates had lapsed, contrary to the provisions of Regulation 93 (5) of the Public Finance Management (County Governments) Regulations 2015 in regards to imprest management. Further, Management has not explained measures it has taken to recover the amounts as required by Regulation 93(6) of the same regulations.

Management is, therefore, in breach of the law.

4. Under Utilization of Mechanical and Transport Fund

Included in other grants and transfers figure of Kshs.646,385,558, under Note 9 to the financial statements is the other capital grants transfers of Kshs121,105,480 which in turn includes Mechanical and Transport Fund (MTF) user fees for opening and grading amount of Kshs.65,668,325 for 206km of road and opening, grading and gravelling of Kshs.6,098,360 for a 5km road. However, only 190km of opening and grading roads has been completed, leaving 21km of roads not done in various wards costing approximately Kshs.11,157,230.

In the circumstances, residents of Bungoma County may not be getting the expected benefits from the completion of the roads.

5. Irregular Award of Scholarships

The management, through Ministry of Education spent Kshs.22,675,734 to cater for scholarship of the bright and needy students. However, verification of the scholarship records revealed the following anomalies.

(i) The Ministry awarded scholarship yet no scholarship policy had been formulated and the criteria on how the scholarships were awarded was not availed for audit verification.

(ii) The Ministry did not provide acknowledgment of receipts from schools, evidence that the funds benefited the intended students.

(iii) No admission letters from the students was availed for audit verification to authenticate that the applicants were indeed students in the schools listed.

(iv) Imprests amounting to Kshs.9,900,00 meant to cater for educational benefits and expenses of the students was not surrendered after 7 days of the official assignment and had not been cleared by the County Treasury which is against the regulations.

6. Completed Projects not Operational

6.1 Incomplete Development of a Data Centre

The County made payment of Kshs.4,975,490 to a local computer dealer for setting up a data center. However, physical verification of the project under implementation revealed that the following equipment were supplied but were not installed for use.

Item	Remarks	Kshs.
2 Rack severs	Not functional	1,600,000
3 air conditioners	The floor standing not working. 2 wall-mount conditioners put in the office and not the server room	885,000
1 Router 29 series	Not functional	499,500
Software and licenses	not installed cox of lack of electricity	300,000
1 CCTV Camera	not installed.	50,000
Auxiliary Equipment	though available, are items are just lying idle	300,000
Total		**3,634,500**

Consequently, the County Executive has not obtained value for money on Kshs.3,634,500 spent on the equipment.

6.2 Dairy Commercialization Project Not Operational

The County made a payment of Kshs.9,377,350 to a local contractor for dairy commercialization area network at Bukembe. However, physical verification of the project under implementation revealed that the project is not operational not withstanding full settlement of the contact price.

6.3 Mihuu Water Project Completed and not Operational

The County paid Kshs.4,111,580 for Mihuu Water Project. However, physical verification of the project revealed that it was not operational. In addition, the bills of quantities raised had no specifications on the dimensions and the extent of works to be done in the power house Kshs.500,000, water pump Kshs.1,200,000 and water kiosk Kshs.350,000.

Further, the Department of Water and Natural Resources did not provide documents from the other bidders to confirm whether the contractor was competitively procured.

6.4 Variation on Construction of Slaughterhouse Road

A local company was paid a total of Kshs.47,680,180 for the construction of slaughterhouse road measuring 2.4km in Kimilili Sub-County at a contract price of Kshs.86,256,910. However, review of the project status inspection report revealed the following:

(i) The contractor deserted the site for unknown reasons after completing 1.1km only.

(ii) The contract was eventually terminated without putting the contractor to account as per the terms of award of contract.

(iii) At the point of termination, the works done were estimated to be less than 45% of the total while payment made was estimated at 55%. No steps were taken against the contractor to recover the overpayment.

(iv) The County Executive advertised for the same contract and it was awarded to another contractor for the remaining works at a contract price of Kshs.66,000,000 and subsequently paid Kshs.18,337,721. The total amount spent on the project was Kshs.104,000,000, resulting into budget overrun and cost escalation by over 21%.

6.5 Irregular Partitioning of Leased Office Space

A local contractor was paid Kshs.13,518,652 for partitioning a leased office space. However, the following anomalies were noted in the transaction: -

(i) The lease agreement between the County Executive and landlord was dated 27th June 2017 yet the contract award for partition was issued on 26th April, 2016 which way ahead of lease agreement.

(ii) The agreement is dated but did not state the period of the works. Inspection and Acceptance Committee report is dated 17th May 2017 and certificate of works dated 2nd May 2017 all before the lease was agreed upon.

(iii) The payment was made in June 2018 though not listed among the pending bills as at 30th June 2017. Therefore, the payment had not been budgeted during the year under review.

6.6 Un-operational Sanitation Units

Under the Ministry of Lands, Housing and Sanitation the following projects had been completed but have never been utilized despite the contract price been paid in full.

Project	Kshs.
a) Manyanga Mkt-Ablution Block	3,409,924
b) Boyofu Mkt-Erection of Pit latrines	1,266,232
c) Webuye Town-construction of ablution block	3,490,706
d) Chwele-ablution block	3,375,478
e) Tongaren Mkt-Pit latrines	1,486,644
Total	**13,028,984**

In view of the above, the Executive may not have achieved its targets and service delivery may not have been obtained by the residents of the County.

7. Procurement of Goods, Works and Services

7.1 Direct Procurement of Furniture

A local supplier was paid a total of Kshs.2,378,000 to supply furniture. However, the Ministry of Agriculture used direct procurement to procure the furniture contrary to the Section 91 of the Public Procurement and Assets Disposal Act, 2015. Further, the Executive did not provide for audit review, notification to the authority to use direct procurement, the appointment and minutes of the ad-hoc evaluation committee.

Consequently, the regularity of the expenditure of Kshs.940,457,716 on acquisition of assets during the year could not be confirmed.

7.2 Direct Procurement of Legal Expenses

The County Executive sourced for legal services and paid Kshs.10,076,080 under the case, Kisumu E and LRC constitutional petition No.45 of 2017 and another case which have been going on since 23rd September 2015. However, no explanation was provided on how the County Executive came up with the legal fees outside the advocates remunerations order.

7.3 Purchase of Corrugated Steel Pipes

A local supplier was paid Kshs.46,064,273 for the supply and delivery of corrugated steel pipes. However, scrutiny of the payment records revealed the following:

(i) The County Executive did not provide a needs assessment on how it intended to utilize the pipes which are still in the yard since 30 August 2017 when they were delivered.

(ii) The corrugated steel pipes were not in the procurement plan and the budget for the financial year.

(iii) The County Executive did not maintain proper stores record to determine usage and stock balance as at 30 June 2018.

In the circumstances, the value for money in relation to purchase of corrugated steel pipes totaling Kshs.46,064,273 may not have been achieved.

8. Compensation of Employees

The County Executive recruited twenty-seven (27) employees in different groups. However, the following irregularities were identified in the recruitment:

- There was no approved recruitment plan and indents from the Ministers;
- the positions were not advertised to ensure competitive recruitment;
- there were no shortlisting minutes, interview score sheets and authority from County Public Service Board to the County Secretary to appoint employees

Further, it was noted that six (6) staff members were not appointed to the correct job groups.

In addition, the County Executive absorbed four hundred and two (402) casual employees into permanent and pensionable terms during the year under review without following necessary recruitment procedures such as advertising for vacant positions to pave way for competitive recruitments, gender and regional balancing of staff.

Consequently, the legality and competiveness of the recruitment process could not be verified.

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 Conclusion on Effectiveness of Internal Controls, Risk Management and Governance 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.

Basis for Conclusion

1. Internal Controls on Revenue Collections

The Executive has designated persons as receivers of revenue and further officers designated as authorized receivers of revenue. A review of the Ministry of Health and other health facilities shows that over Kshs.200 million was collected from various sources. However, these amounts were not supported by monthly returns, quarterly returns and receiver of revenue accountability statements showing total receipts and transfers to the exchequer or County Revenue Fund.

Consequently, non-accountability of all due revenue may have denied the Executive necessary funds for service delivery to the residents.

2. Incomplete Fixed Assets Register

According to the Public Finance Management Act Regulations, 2015, Section 143(1), the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. A review of the fixed assets register indicated that various respective departments were still verifying the data. However, the following issues were noted.

a) The asset in heritage from the Defunct Local Authorities and National Governments are still being verified to ascertain completeness of the assets.

b) L/R number for most of land and buildings have not been indicated in the reference section hence we could not confirm the ownership.

c) The depreciation and net value of the assets have not been factored into in determining the valuation of these assets.

Consequently, in the absence of a complete and verified register, we were unable to confirm the completeness and accuracy of assets belonging to the County Executive.

3. Management of All County Insurance of Assets

The County Executive paid Kshs.19,671,437 to different insurance companies contracted by various Ministries to insure its assets. Had the Executive centralized these service, they would have enjoyed economies of scales in negotiations, avoid variant agency fees and ease in management of insurance.

In view of the forgoing, the management should come up with an effective and efficient ways to insure its assets as the current system is too decentralized.

4. Internal Controls on Air Travel

The air travel by various ministries amounting to Kshs.14,212,379 had no approval from the accounting officers despite the County having designed a form to ensure compliance.

Furthermore, no boarding passes were attached as proof of travel and there were instances where some staff who were not within the approved job groups were allowed to use this mode of travel.

5. Under-recruitment of the Accounting Officers

Our review of the County Governance showed that some Ministries were under one accounting officer as follows:

Ministry	Accounting Officer
Agriculture, Livestock, Fisheries and Co-operative Development Public Administration and County Secretary Governor's and Deputy Governor's office	One Accounting Officer
Tourism, Forestry, Environment Water and Natural Resource Trade, Energy and Industrialization Lands, Urban and Physical Planning Housing and Sanitation	One Accounting Officer
Education, Youth and Sports Gender, Culture and Cooperatives	One Accounting Officer
Roads and Public works Health	One Accounting Officer

Consequently, week governance by the Senior Management may affect the Executive's operation and subsequently service delivery.

6. County Executives Policies

The following policies and guidelines have not been developed or are in draft form awaiting approval and adoption. Further, there was no evidence that the risk management policy and framework is operational despite having been completed.

a) Policy framework for Co-operative Societies
b) ICT Revenue Frameworks
c) Policy framework for Vocational Training Centers
d) County Training Policy
e) County Transport Policy
f) Trade Development Policy
g) Urban Development Policy
h) County Public Land Policy
i) Supply Chain Management Policy
j) County Housing Policy
k) County Energy Development Policy
l) County Livestock Management Policy

The County Executive thus manages its resources and operates with lack of clear operating guidelines.

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 Executive's ability to continue sustaining 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 Executive, 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 Executive'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 County Executive's policies and procedures may deteriorate.

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

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

- 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 Executive'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 Executive 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 Executive 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

5.0 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/2018 Kshs	2016/2017 Kshs
RECEIPTS			
Exchequer releases	1	8,758,000,000	8,282,207,063
Proceeds from Domestic and Foreign Grants	2	265,711,233	55,228,000
Transfers from Other Government Entities	3	268,856,143	219,836,840
Reimbursements and Refunds	4	33,282,912	220,190,412
County Own Generated Receipts	5	545,226,040	491,095,743
Returned CRF issues			
TOTAL RECEIPTS		**9,871,076,328**	**9,268,558,058**
PAYMENTS			
Compensation of Employees	6	4,261,626,702	3,174,351,674
Use of goods and services	7	1,519,455,009	1,978,227,461
Transfers to Other Government Units	8	894,231,457	926,405,023
Other grants and transfers	9	646,385,558	1,474,044,786
Social Security Benefits	10	29,034,310	2,977,921
Acquisition of Assets	11	940,457,716	1,394,689,685
Other Payments	12	483,433,670	342,357,573
TOTAL PAYMENTS		**8,774,624,423**	**9,293,054,123**
SURPLUS/DEFICIT		**1,096,451,905**	**- 24,496,065**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27/9 2018 and signed by:

Chief Officer
Name: Chrispinus Barasa
ICPAK Member Number: 19812

Head of Treasury Accounts
Name: Rosslyne Akoth Oluoch
ICPAK Member 21813

6.0 STATEMENT OF ASSETS AND LIABILITIES

	Note	2017/2018 Kshs	2016/2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	**13A**	1,885,385,107	941,148,626
Cash Balances	**13B**	4,633,340	2,558,464
Total Cash and cash equivalents		**1,890,018,447**	**943,707,090**
Accounts receivables – Outstanding Imprests	**14**	203,180,108	12,319,511
TOTAL FINANCIAL ASSETS		**2,093,198,556**	**956,026,601**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	**15**	219,895,327	179,175,277
NET FINANCIAL ASSETS		**1,873,303,229**	**776,851,324**
REPRESENTED BY			
Fund balance b/fwd	**16**	776,851,324	801,347,389
Surplus/Deficit for the year		1,096,451,905	- 24,496,065
NET FINANCIAL POSITION		**1,873,303,229**	**776,851,324**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27/9 2018 and signed by:

Chief Officer
Name: Chrispinus Barasa
ICPAK Member Number: 19812

Head of Treasury Accounts
Name: Rosslyne Akoth Oluoch
ICPAK Member 21813

7.0 STATEMENT OF CASH FLOWS

	Note	2017/2018 Kshs	2016/2017 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	8,758,000,000	8,282,207,063
Proceeds from Domestic and Foreign Grants	2	265,711,233	55,228,000
Transfers from Other Government Entities	3	268,856,143	219,836,840
Reimbursements and Refunds	4	33,282,912	220,190,412
County Own Generated Receipts	5	545,226,040	491,095,743
Payments for operating expenses			
Compensation of Employees	6	- 4,261,626,702	- 3,174,351,674
Use of goods and services	7	- 1,519,455,009	- 1,978,227,461
Transfers to Other Government Units	8	- 894,231,457	- 926,405,023
Other grants and transfers	9	- 646,385,558	- 1,474,044,786
Social Security Benefits	10	- 29,034,310	- 2,977,921
Other Payments	12	- 483,433,670	- 342,357,573
Adjusted for:			
Changes in receivables		- 190,860,597	11,745,806
Changes in payables		40,720,050	85,803,456
Total Adjustments		**- 150,140,547**	**97,549,262**
Net cash flows from operating activities		**1,886,769,074**	**1,467,742,882**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	- 940,457,716	- 1,394,689,685
Net cash flows from investing activities		**- 940,457,716**	**- 1,394,689,685**
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**946,311,357**	**73,053,197**
Cash and cash equivalent at BEGINNING of the year	13	**943,707,090**	**870,653,893**
Cash and cash equivalent at END of the year	16	**1,890,018,448**	**943,707,090**
As per statement of assets		**1,890,018,447**	**943,707,090**

8.0 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	8,838,771,660	(80,771,660)	8,758,000,000	8,758,000,000	-	100%
Proceeds from Domestic and Foreign Grants	330,231,936	467,639,822	797,871,758	265,711,233	532,160,525	33%
Transfers from Other Government Entities	127,250,840	3,173,202	130,424,042	268,856,143	(138,432,101)	206%
Reimbursements and Refunds	-	94,210,008	94,210,008	33,282,912	60,927,096	35%
County Own Generated Receipts	731,897,495	133,657,498	865,554,993	545,226,040	320,328,953	63%
Returned CRF issues	-	583,647,539	583,647,539	-	583,647,539	0%
TOTAL	**10,028,151,931**	**1,201,556,409**	**11,229,708,340**	**9,871,076,328**	**1,358,632,012**	**88%**
PAYMENTS				88%		
Compensation of Employees	3,465,707,655	541,677,214	4,007,384,869	4,261,626,702	2,924,030,441	106%
Use of goods and services	2,151,166,684	134,752,964	2,285,919,648	1,519,455,009	2,016,413,720	66%
Transfers to Other Government Units	1,126,485,240	(207,473,203)	919,012,037	894,231,457	1,333,958,443	97%
Other grants and transfers	1,055,210,864	40,891,027	1,096,101,891	646,385,558	1,014,319,837	59%
Social Security Benefits	39,754,283	4,428,072	44,182,355	29,034,310	35,326,211	66%
Acquisition of Assets	2,189,827,206	(140,008,562)	2,049,818,644	940,457,716	2,329,835,768	46%
Other Payments	-	827,288,890	827,288,890	483,433,670	(827,288,890)	58%
TOTAL	**10,028,151,932**	**1,201,556,402**	**11,229,708,334**	**8,774,624,423**	**8,826,595,530**	**78%**

(a) The changes in initial and final budget is as a result of reallocations and supplementary budget.
(b) There is over-expenditure in Personnel expenses as a result of casual wages paid in Dispensaries and health centres which were never budgeted for.
(c) There is underutilization in Acquisition of Assets as a result of delay of procurement process, lack of enough staff under the procurement process and failure by Ministries to initiate and forward documents for procurement processing on time.

The entity financial statements were approved on 27/9 2018 and signed by:

Chief Officer
Name: Chrispinus Barasa
ICPAK Member Number: 19812

Head of Treasury Accounts
Name: Rosslyne Akoth Oluoch
ICPAK Member Number: 21813

9.0 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	5,341,479,825	(66,529,063)	5,274,950,762	5,274,950,762	-	100%
Proceeds from Domestic and Foreign Grants	330,231,936	14,337,498	344,569,434	138,824,753	205,744,681	40%
Transfers from Other Government Entities	-	-	-	-	-	0%
Reimbursements and Refunds	-	94,210,008	94,210,008	33,282,912	60,927,096	35%
County Own Generated Receipts	731,897,495	133,657,498	865,554,993	545,226,040	320,328,953	63%
Returned CRF issues	-	-		-	-	
TOTAL	**6,403,609,256**	**175,675,941**	**6,579,285,197**	**5,992,284,467**	**587,000,730**	**91%**
PAYMENTS						
Compensation of Employees	3,465,707,655	541,677,214	4,007,384,869	4,261,626,702	(254,241,833)	106%
Use of goods and services	2,110,648,866	(176,886,602)	1,933,762,264	1,519,321,055	414,441,209	79%
Transfers to Other Government Units	873,394,203	(118,144,872)	755,249,331	818,778,137	(63,528,806)	108%
Other grants and transfers	1,000,000	856,377,679	857,377,679	537,844,818	319,532,861	63%
Social Security Benefits	39,754,283	4,428,072	44,182,355	29,034,310	15,148,045	66%
Acquisition of Assets	40,355,090	54,931,409	95,286,499	155,833,269	(60,546,770)	164%
Other Payments	-	53,416,101	53,416,101	141,972,130	(88,556,029)	266%
TOTAL	**6,530,860,097**	**1,215,799,001**	**7,746,659,098**	**7,464,410,420**	**282,248,678**	**96%**

(a) The changes in initial and final budget is as a result of reallocations and supplementary budget.
(b) There is over expenditure in Personnel expenses as a result of casual wages paid in Dispensaries and health centres which were never budgeted for.
(c) There is over expenditure in Acquisition of Assets and other Payments (supplier credits) as a result of the following:- Payments charged on Development budget but paid through Recurrent Bank Account.

The entity financial statements were approved on 27/9 2018 and signed by:

Chief Officer
Name: Chrispinus Barasa
ICPAK Member Number: 19812

Head of Treasury Accounts
Name: Rosslyne Akoth Oluoch
ICPAK Member Number: 21813

10.0 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,497,291,835	(14,242,597)	3,483,049,238	3,483,049,238	-	100%
Proceeds from Domestic and Foreign Grants	-	453,302,324	453,302,324	126,886,480	326,415,844	28%
Transfers from Other Government Entities	127,250,840	3,173,202	130,424,042	268,856,143	(138,432,101)	206%
Reimbursements and Refunds	-	-	-	-	-	
County Own Generated Receipts	-	-	-	-	-	
Returned CRF issues	-	583,647,539	583,647,539	-	583,647,539	0%
TOTAL	**3,624,542,675**	**1,025,880,468**	**4,650,423,143**	**3,878,791,861**	**771,631,282**	**83%**
				83%		
PAYMENTS						
Compensation of Employees	-	-	-	-	-	
Use of goods and services	40,517,818	311,639,566	352,157,384	133,954	352,023,430	0%
Transfers to Other Government Units	253,091,037	(89,328,331)	163,762,706	75,453,320	88,309,386	46%
Other grants and transfers	1,054,210,864	(815,486,652)	238,724,212	108,540,740	130,183,472	45%
Social Security Benefits	-	-		-	-	0%
Acquisition of Assets	2,149,472,116	(194,939,971)	1,954,532,145	784,624,448	1,169,907,698	40%
Other Payments	-	773,872,789	773,872,789	341,461,540	432,411,249	44%
TOTAL	**3,497,291,835**	**(14,242,599)**	**3,483,049,236**	**1,310,214,002**	**2,172,835,234**	**38%**

(a) The changes in initial and final budget is as a result of reallocations and supplementary budget.
(b) There is underutilization in Development expenditure as a result of delay of procurement process, lack of enough staff under the procurement process and failure by Ministries to initiate and forward documents for procurement processing.
(c) There is over expenditure in Acquisition of Assets and other Payments (supplier credits) as a result of the following: - Payments charged on Development budget but paid through Recurrent Bank Account.

The entity financial statements were approved on 27/9 2018 and signed by:

Chief Officer
Name: Chrispinus Barasa
ICPAK Member Number: 19812

Head of Treasury Accounts
Name: Rosslyne Akoth Oluoch
ICPAK Member No: 21813

11.0 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilzation Difference	%age Budget Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	%
General Administration, Planning and support services	4,434,435,993	311,830,123	4,746,266,116	4,280,398,276	473,867,840	90%
Infrastructure Development	76,406,250	- 6,000,000	70,406,250	40,417,389	29,988,861	57%
Roads Maintainance and Development	661,389,405	433,599,832	1,094,989,237	929,481,683	165,507,554	85%
Agricultural Institutions and Development	47,855,554	- 14,755,554	33,100,000	25,763,189	7,336,812	78%
Antenatal care	-	3,250,000	3,250,000	-	3,250,000	0%
Blood bank services.	240,000	-	240,000	-	240,000	0%
Capacity development	7,000,000	- 3,257,032	3,742,968	3,742,968	-	100%
Communicable and non communicable disease control.	26,261,000	51,945,680	78,206,680	78,206,680	-	100%
Community Health services	-	5,842,000	5,842,000	5,842,000	-	100%
Co-operative development and management	10,285,987	- 2,000,000	8,285,987	1,544,951	6,741,037	19%
County Executive Committee Affairs	20,714,672	18,220,564	38,935,236	36,285,371	2,649,865	93%
County physical planning and infrastructure development	101,750,000	1,662,811	103,412,811	97,412,811	6,000,000	94%
County Public Financial Management	343,000,000	80,985,837	423,985,837	423,985,837	-	100%
County Strategic and Service Delivery	34,239,996	7,711,643	41,951,639	41,333,055	618,584	99%
Crop development and management	274,335,107	- 54,139,036	220,196,071	218,386,280	1,809,791	99%
Cultural Development and Management	11,000,000	2,500,000	13,500,000	4,283,510	9,216,490	32%
Disaster and Emergency Management services	3,170,000	- 119,278	3,050,722	-	3,050,722	0%
Disease Survillance	-	7,737,000	7,737,000	7,737,000	-	100%
Economic Policy and County planning services	82,396,637	18,000,000	100,396,637	100,396,637	-	100%
Education science and technology	147,089,427	- 124,089,427	23,000,000	22,973,520	26,480	100%
Energy acess industrial development and investment	19,940,209	325,865	20,266,074	15,459,780	4,806,294	76%
Environmental Management and conservation/protection	12,122,685	- 1,241,939	10,880,746		10,880,746	0%
family planning services	5,120,000	- 3,773,000	1,347,000	1,347,000	-	100%

Fisheries development and management	14,194,662	- 12,194,662	2,000,000	-	2,000,000	0%
Gender Equality and Empowerment of vulnerable groups	64,300,000	- 15,233,581	49,066,419	-	49,066,419	0%
Health promotion services	5,000,000	- 721,000	4,279,000	4,279,000	-	100%
Hiv Awareness		44,844,032	44,844,032	44,844,032	-	100%
housing development and management	36,324,418	9,754,963	46,079,381	8,037,439	38,041,942	17%
Immunization services	3,145,000	1,972,000	5,117,000	5,117,000	-	100%
Institutional Development and Support Services	50,682,792	6,000,000	56,682,792	39,504,501	17,178,291	70%
Institutional strenghtening, Community Development and management	46,913,184	28,000,000	74,913,184	61,532,578	13,380,606	82%
Intergrated solid waste management	21,762,060	-	21,762,060		21,762,060	0%
Irrigation and drainage Development	5,224,776	-	5,224,776	5,033,350	191,426	96%
Land resource management and survey	70,645,000	1,154,489	71,799,489	24,908,149	46,891,340	35%
Livestock resource management and development	42,103,578	- 2,000,000	40,103,578	30,141,000	9,962,578	75%
Market Infrastructure Development Management and Maintainanace	50,713,846	828,772	51,542,618	48,542,618	3,000,000	94%
maternity services	3,295,000	3,060,600	6,355,600	6,355,600	-	100%
Monitoring and eveluation services	8,000,000	10,000,000	18,000,000	18,000,000	-	100%
Human Resource Management and Development	9,400,821	7,000,000	16,400,821	16,333,627	67,194	100%
Governance and National Values	1,000,000	1,000,000	2,000,000	1,100,330	899,670	55%
Public Participation Civic Education and outreach services	64,544,342	26,403,858	90,948,200	60,012,809	30,935,391	66%
Research	1,250,000	- 1,000,000	250,000		250,000	0%
Routine medical services	279,006,840	- 62,901,813	216,105,027	169,873,138	46,231,889	79%
sanitation development and management	24,940,672	8,033,967	32,974,639	13,227,644	19,746,995	40%
Skilled Deliveries		6,500,000	6,500,000		6,500,000	0%
Sports Development and management	24,482,900	-	24,482,900	14,863,840	9,619,060	61%
Tourist site and product identification and development	11,000,000	-	11,000,000		11,000,000	0%
Trade Development and promotion	52,096,700	851,371	52,948,071	47,948,071	5,000,000	91%
Ward Development Fund	852,000,000	233,858,921	1,085,858,921	1,042,584,651	43,274,270	96%
Water and Narural Resources Management and Development	211,786,179	- 1,267,798	210,518,381	151,877,707	58,640,674	72%
Youth Development and Empowerment	30,203,795	160,507,799	190,711,594	180,000,000	10,711,594	94%
TOTAL	**8,302,769,487**	**1,188,688,006**	**9,491,457,493**	**8,329,115,020**	**1,170,342,473**	88%

12.0 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 receivables and payables are disclosed in the Statement of Assets and Liabilities.

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 Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in 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 County 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 County 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 219,895,327 compared to KShs 179,175,277 in prior period as indicated on note 15.

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 County 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 developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 27th June 2017 for the period 1st July 2017 to 30 June 2018 as required by law. There was 1 number of supplementary budgets passed in the year.

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 the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National 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.

13.0 NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

Description	2017/2018	2016/2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	-	1,407,975,201
Total Exchequer Releases for quarter 2	2,014,340,000	1,366,564,165
Total Exchequer Releases for quarter 3	2,408,450,000	2,070,551,766
Total Exchequer Releases for quarter 4	4,335,210,000	3,437,115,931
Cumulative Amount	**8,758,000,000**	**8,282,207,063**

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	2017/2018	2016/2017
	Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)		
DANIDA	34,350,249	7,375,000
World Bank (Primary Health Care)	-	47,853,000
World Bank (Universal Health Care)	50,000,000	-
World Bank (Kenya Devolution Support Programme)	54,474,504	-
World Bank (NARIGP)	50,609,855	-
Grants Received from other levels of government		
Ministry of Education (Youth Polytechnic support programme)	76,276,625	-
TOTAL	**265,711,233**	**55,228,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2017/2018	2016/2017
	Kshs	Kshs
Transfers from Central government entities		
Ministry of Health (Doctors and Nurses Allowance)	-	92,586,000
Ministry of Transport (Fuel Levy)	268,856,143	127,250,840
Total	**268,856,143**	**219,836,840**

4. REIMBURSEMENTS AND REFUNDS

	2017/2018	2016/2017
	Kshs	Kshs
Reimbursement within Central Government	-	-
Ministry of Health (Free maternity healthcare)	-	186,907,500
Ministry of Health (User fees)	33,282,912	33,282,912
Total	**33,282,912**	**220,190,412**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. COUNTY OWN GENERATED RECEIPTS

	2017/2018	2016/2017
	Kshs	Kshs
RECEIPTS		
Rents	1,995,261	1,456,931
Other Property Income	2,394,826	7,774,090
Receipts from Administrative Fees and Charges	7,290,848	6,067,863
Fines, Penalties and Forfeitures	9,316,464	488,167
Business Permits	85,987,384	91,283,142
Cess	13,031,511	42,264,755
Poll Rates	21,103,340	27,837,258
Plot Rents	871,881	443,232
Administrative Services Fees	44,843,070	42,258,820
Sales Of Council Assets	10,000	1,554,000
Other Miscellaneous Receipts	12,586,965	2,385,419
Market/Trade Centre Fee	34,563,634	35,468,042
Vehicle Parking Fees	52,131,901	48,926,942
Housing	5,300,350	4,916,392
Social Premises Use Charges	280,000	152,124
Other Education-Related Fees	16,062,197	4,018,512
Public Health Facilities Operations	216,604,658	159,910,054
Environment & Conservancy Administration	9,664,840	9,558,742
Slaughter Houses Administration	5,113,010	4,268,758
Alcohol Drinks License	5,992,900	-
Other Health & Sanitation Revenues	81,000	62,500
TOTAL	**545,226,040**	**491,095,743**

Other Miscellaneous Receipts includes changes in Opening and Closing Balances of Revenue Collection Bank Accounts, opening bank balances from County Assembly CBK Accounts (swept back into CRF Account at the close of financial year 2016/2017) and RMLF balance from KCB Account swept into RMLF CBK Account

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. COMPENSATION OF EMPLOYEES

	2017/2018	2016/2017
	Kshs	Kshs
Basic salaries of permanent employees	4,046,206,882	2,979,474,915
Basic wages of temporary employees	150,001,081	101,457,406
Personal allowances paid as part of salary	63,167,949	77,478,495
Pension and other social security contributions	2,250,790	15,940,858
Total	**4,261,626,702**	**3,174,351,674**

There were 537 casuals and 6,064 permanent employees in FY 2016/2017 compared to 162 casuals and 6,551 permanent employees in the current financial year. Other reasons for increase in personnel expenses include promotions, yearly increments, new SRC salary review circular phase 1 effected 1st July 2017, new SRC circular on house allowance, Nurses and Health service allowance increase from Sh.12,000 to 20,000 per nurse and new employments (replacement in the office of the Governor and Department of Health.

7. USE OF GOODS AND SERVICES

	2017/2018	2016/2017
	Kshs	Kshs
Utilities, supplies and services	41,458,720	97,532,416
Communication, supplies and services	13,968,965	11,696,920
Domestic travel and subsistence	157,221,672	261,173,820
Foreign travel and subsistence	12,445,964	85,870,590
Printing, advertising and information supplies & services	49,706,836	29,609,315
Rentals of produced assets	10,458,640	14,233,432
Training expenses	173,957,602	201,320,557
Hospitality supplies and services	259,622,209	363,386,200
Insurance costs	96,670,337	20,692,079
Specialized materials and services	216,582,580	321,840,762
Office and general supplies and services	34,689,394	46,825,309
Other operating expenses	287,735,185	354,477,682
Fuel Oil and Lubricants	90,472,348	90,947,098
Routine maintenance – vehicles and other transport equipment	24,633,783	30,307,404
Routine maintenance – other assets	49,830,776	48,313,877
Total	**1,519,455,009**	**1,978,227,461**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017/2018	2016/2017
	Kshs	Kshs
Transfers to Bungoma County Assembly from CRF Account	894,231,457	926,405,023
TOTAL	**894,231,457**	**926,405,023**

These are the Exchequer Releases apportioned for the County Assembly transferred from the CRF Account.

9. OTHER GRANTS AND OTHER PAYMENTS

Description	2017/2018	2016/2017
	Kshs	Kshs
Scholarships and other educational benefits	385,969,131	180,000,000
Current grants to semi autonomous Government Agencies	14,119,928	-
Emergency relief and refugee assistance	125,191,019	97,633,932
Other capital grants and transfers	121,105,480	1,196,410,854
TOTAL	**646,385,558**	**1,474,044,786**

These are funds which are transferred to other Accounts in aid of bursaries, emergency services, medical services and other critical functions for the County.

10. SOCIAL SECURITY BENEFITS

	2017/2018	2016/2017
	Kshs	Kshs
Government pension and retirement benefits	29,034,310	2,977,921
Total	**29,034,310**	**2,977,921**

These funds are gratuity for Chief Officers and CECMs paid to CPF (Lap trust Pension Fund) paid upon expiry of their contracts/terms.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. ACQUISITION OF ASSETS

	2017/2018	2016/2017
	Kshs	Kshs
Non Financial Assets		
Construction of Buildings	25,667,351	-
Refurbishment of Buildings	5,962,391	70,800,301
Construction of Roads	432,915,818	644,161,318
Overhaul and Refurbishment of Construction and Civil Works	157,482,541	297,643,681
Purchase of Vehicles and Other Transport Equipment	5,500,000.00	57,115,067
Purchase of Household Furniture and Institutional Equipment	1,467,901.00	611,934
Purchase of Office Furniture and General Equipment	2,866,555.00	19,132,757
Purchase of Specialized Plant, Equipment and Machinery	51,082,490.00	50,117,535
Purchase of Certified Seeds, Breeding Stock and Live Animals	62,459,300	68,393,000
Research, Studies, Project Preparation, Design & Supervision	21,870,371	38,614,812
Acquisition of Strategic Stocks and commodities	172,833,000	144,899,280
Acquisition of Land	350,000	3,200,000
Total	**940,457,716**	**1,394,689,685**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. OTHER PAYMENTS

	2017/2018	2016/2017
	Kshs	Kshs
Other expenses	483,433,670	342,357,573
Total	**483,433,670**	**342,357,573**

Other expenses represents Supplier Credits broken down as follows:-

DESCRIPTION	*AMOUNT*
Accommodation	*1,672,759*
Advertising, Awareness and Publicity Campaigns	*5,510,694*
Boards, Committees, Conferences and Seminars	*295,000*
Catering Services (receptions), Accommodation, Gifts, Food and Drinks	*6,296,010*
Contracted Guards and Cleaning Services	*37,088,075*
Contracted Professional Services	*20,954,968*
Dressings and Other Non-Pharmaceutical Medical Items	*275,000*
Food and Rations	*212,650*
General construction works	*103,313,616*
General Office Supplies (papers, pencils, forms, small office equipment etc)	*5,181,140*
Legal fees/dues	*1,961,500*
Maintenance Expenses - Motor Vehicles	*5,745,286*
Maintenance of Computers, Software, and Networks	*606,510*
Maintenance of Roads, Ports and Jetties	*8,751,320*
Medical Drugs	*4,330,970*
Motor Vehicle Insurance	*12,041,686*
Other Fuels (wood, charcoal, cooking gas etc?)	*123,608*
Other Infrastructure and Civil Works	*29,269,601*
Overhaul of Plant, Machinery and Equipment	*8,492,530*
Overhaul of Roads and Bridges	*98,782,891*
Plant, Equipment and Machinery Insurance	*3,075,847*
Publishing & Printing Services	*8,051,810*
Purchase of Certified Crop Seed	*1,200,000*
Purchase of Computers, Printers and other IT Equipment	*1,172,150*
Purchase of Fire fighting Vehicles and Equipment	*20,206,000*
Purchase of Lighting Equipment	*25,285,495*
Purchase of Medical and Dental Equipment	*15,414,231*
Purchase of Office Furniture and Fittings	*4,060,025*
Refined Fuels and Lubricants for Transport	*8,674,097*
Refurbishment of Non-Residential Buildings	*25,411,608*
Rents and Rates - Non-Residential	*960,000*

Research	*72,408*
Supplies and Accessories for Computers and Printers	*2,055,461*
Supplies for Production	*243,400*
Telephone, Telex, Facsimile and Mobile Phone Services	*60,840*
Travel Costs (airlines, bus, railway, mileage allowances, etc.)	*3,931,913*
Water Supplies and Sewerage	*12,652,571*
Grand	***483,433,670***

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CASH AND BANK BALANCES

13A. BANK BALANCES

	Amount in bank account currency	Indicate whether recurrent or development, deposits, receipts, etc	2017/2018	2016/2017
Name of Bank, Account No. & Currency			**Kshs**	**Kshs**
1. Central Bank of Kenya Account No. 1000171006	KES	Revenue	1,370,824,031	174,983,410
2. Central Bank of Kenya Account No. 1000170921	KES	Recurrent	1,527,828	24,437,387
3.Central Bank of Kenya Account No. 1000171518	KES	Development	726,396	597,726,010
4. Bumula Health Centre Dev Community	KES	FIF	433,883	1,852,590
5. Mt. Elgon District Health Services	KES	FIF	365,277	1,513,135
6. Kimilili Health Management Services	KES	FIF	7,010,975	6,955,456
7. Health Care Services Webuye	KES	FIF	1,510,366	479,241
8. MOH Hospitals(Bungoma Referral)	KES	FIF	25,641,742	13,202,669
9. Bokoli Sub-District Hospital	KES	FIF	152,331	854,562
10. Med Sup Nait. Cost Sharing Account	KES	FIF	16,527	44,287
11. Sirisia Sub-District Hospital CA MoE/ School Accounts	KES	FIF	162,757	27,985
12. Chwele Sub-Distrcit Hospital - BGM	KES	FIF	401,580	23,680
13. Cheptais Sub-Distrct Hospital	KES	FIF	100,440	1,546,665
14.Cheptais Sub County Hospital Collection Account	KES	FIF	485,343	-
15. Bungoma HSSF(Consolidated)	KES	FIF	33,676,185	12,312,697
16. Mabanga Agricultural Training Centre KCB	KES	FIF	510,812.70	2,437,573
17. Bungoma County Agriculture Mechanization Centre Equity	KES	FIF	187,598.60	720,219
18.Chwele Sub County Hospital Collection account (Co-op. Bank)	KES	FIF	144,390.00	-
19. Ministry of Health, Water & Sani. KCB 1156993393	KES	FIF	771,483	771,483

20. Co-operative Bank of Kenya Account No. 01141669167100	KES	Revenue Collection	444,305	-
21. Kenya Commercial Bank Account No. 1177737930	KES	Revenue Collection	1,648,196	26,725
22. Equity Bank Account No. 0480261006908	KES	Revenue Collection	1,493,884	23,195
23. National Bank of Kenya Account No. 01001113676000	KES	Revenue Collection	14,164	428,844
24. Central Bank of Kenya	KES	Deposits	141,500,862	100,780,813
25. Bungoma County DANIDA Fund Account 1000342099	KES	Fund	15,388,909	-
26. Bungoma County NARGIP Account 1000368446	KES	Fund	41,115,415	-
27. Bungoma County RMLF Account 1000338784	KES	Fund	239,129,429	-
Total			**1,885,385,107**	**941,148,626**

NB: Check Annex for breakdown in bank balances for Bungoma HSSF (Dispensaries & Health Centres).

13B. CASH IN HAND

	2017/2018	2016/2017
	Kshs	Kshs
Cash in Hand – Held in domestic currency	4,633,340	2,558,464
Total	**4,633,340**	**2,558,464**

This cash is analysed as follows:-

	2017/2018	2016/2017
	Kshs	Kshs
Bulondo Dispensary	*21,000*	-
BUMULA HEALTH CENTRE	*2,628,318*	*2,063,320*
Bukembe Dispensary	-	*1,000*
CHEMOGE DISPENSARY	*143,000*	-
Chemworemo Dispensary	*4,500*	-
Chepkube Dispensary	*30*	*24*
Chepkutumi Dispensary	*10*	-
Chesikaki Dispensary	*500*	-
Chesinende Dispensary	-	*500*
Kaboywo Dispensary	*1,500*	-
Karima Dispensary	-	*200*
KABUCHAI HEALTH CENTRE	*424,120*	*182,987*
Kabula Dispensary	*153,963*	*33,631*
Kamenjo Dispensary	*2,000*	-
Kimaeti Health Centre	-	*63,481*
Kamukuywa Dispensary	*102,000*	-
KAPCHEBON DISPENSARY	*118,000*	-
Kapsambu Dispensary	*800*	-
Khalala Dispensary	*110,900*	-
Khalumuli Dispensary	*16*	-
Kibingei Dispensary	*4,500*	*4,500*
Kibisi Dispensary	*3,244*	-
Kibuke Dispensary	*6*	-
KIMALEWA HEALTH CENTRE	*34,000*	-
Kolani Dispensary	*5,000*	*11,000*
Kopsiro Dispensary	*31,518*	-
Lukhokwe Dispensary	*9*	-
Lukhuna Dispensary	*87,000*	-
Lukusi Dispensary	*28,000*	-
LUNAKWE Dispensary	*46,000*	-
LUNGAI DISPENSARY	*7,723*	*6,223*
Luucho Dispensary	*500*	-
Lwanda Dispensary	*500*	-
Lwandanyi Dispensary	*142,045*	*111,730*
Machakha Dispensary	*(52)*	-
Maeni Dispensary	-	*4,500*
Makhanga Dispensary	*8,707*	*19,028*

MAKHONGE HEALTH CENTRE	*7,951*	-
Makutano Dispensary	*35,797*	*197*
Mayanja Dispensary	*40*	*40*
Mechimeru Dispensary	*2,351*	*11,013*
MILO HEALTH CENTRE	*500*	-
Miluki Dispensary	*69,543*	-
Mihuu Dispensary		*28*
Muanda Dispensary	*5,435*	-
Mukwa Dispensary	-	*10,000*
Mukhe Dispensary	*95,000*	-
Mulachi Dispensary	*5*	-
Mwikhupo Dispensary	*200*	-
MWOMO DISPENSARY	*1,000*	-
Nalondo Dispensary	*7*	*7*
Namang'ofulo Dispensary	*500*	-
Namarambi Dispensary	*41,000*	-
NASAKA DISPENSARY	*556*	-
Nasianda Dispensary	*18,160*	-
NDALU HEALTH CENTRE	*68,000*	*30,000*
Ndegelwa Dispensary	*6,030*	-
Ngalasia Dispensary	*500*	-
Pwani Dispensary		*1,457*
Ruanda Dispensary	*1,296*	*1,296*
Sacha Dispensary	*1,000*	-
Sango Kabuyefwe Dispensary	*108,000*	-
Siboti Dispensary	*3*	*300*
Sirakaru Dispensary	*1,992*	*1,792*
Tabani Dispensary	*8,007*	-
Talitia Dispensary	*48,455*	*121*
TONGAREN HEALTH CENTRE	*2,656*	*89*
Total	***4,633,340***	***2,558,464***

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

	2017/2018	2016/2017
	Kshs	Kshs
Government Imprests	203,180,108	12,319,511
Total	**203,180,108**	**12,319,511**

There is a change in opening balance of imprests outstanding as a result of imprests relating to the previous years being surrendered in the current year.

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
AGRICULTUTRE		*9,424,470*	-	*9,424,470*
EDUCATION		*13,922,000*	-	*13,922,000*
FINANCE		*14,899,450*	-	*14,899,450*
GENDER		*25,657,725*	-	*25,657,725*
GOVERNORS		*47,482,132*	-	*47,482,132*
HEALTH		*22,150,300*	-	*22,150,300*
LANDS		*1,469,200*	-	*1,469,200*
P/ADMIN		*58,556,521*	-	*58,556,521*
ROADS		*945,200*	-	*945,200*
TOURISM		*2,224,750*	-	*2,224,750*
TRADE		*380,000*	-	*380,000*
WATER		*6,068,360*	-	*6,068,360*
Total		***203,180,108***	-	***203,180,108***

See Annex for more details

15. ACCOUNTS PAYABLE

	2017/2018	2016/2017
	Kshs	Kshs
Deposits	219,895,327	179,175,277
Total	**219,895,327**	**179,175,277**

Deposits analysed as follows:-

Retention 2015/2016	*93,371,820.90*
Retention 2016/2017	*100,780,813.00*
Retention 2017/2018	*7,755,467.45*
Retention 2017/2018 3rd Quarter	*24,656,533.15*
Retention 2017/2018 4th Quarter	*44,051,522.00*
Total Retention	***270,616,156.50***
Less	
Retention Paid in 2016/2017	*14,977,356.65*
Retention Paid in 2017/2018 1st & 2nd Quarter	*4,932,106.25*
Retention Paid in 2017/2018 3rd Quarter	*12,291,870.85*
Retention paid in 2017/2018 4th Quarter	*18,519,496.05*
Accounts Payable/Deposits (Outstanding Retention)	***219,895,326.70***

16.0 FUND BALANCE BROUGHT FORWARD

	2017/2018	2016/2017
	Kshs	Kshs
Bank accounts-Central Bank	897,927,620	773,315,802
Commercial Bank Accounts-FIF	42,742,242	89,443,952
Commercial Bank Accounts-Revenue	478,764	6,868,137
Commercial Bank Accounts-Funds	-	-
Cash in hand	2,558,464	1,026,002
Accounts Receivables	12,319,511	24,065,317
Accounts Payables	- 179,175,277	- 93,371,821
Total	**776,851,324**	**801,347,389**

17.0 OTHER IMPORTANT DISCLOSURES

17.1 PENDING ACCOUNTS PAYABLE (See Annex 2)

	2017/2018	2016/2017
	KShs	KShs
Construction of buildings	52,306,520	63,311,189
Construction of civil works	399,418,992	329,802,758
Supply of goods	99,050,502	128,125,511
Supply of services	174,955,399	237,202,471
	725,731,414	**758,441,929**

17.2 PENDING STAFF PAYABLES (See Annex 3)

	2017/2018	2016/2017
	KShs	KShs
Senior management	37,445,526	9,907,761
Middle management	91,327,444	54,000
Unionisable employees	67,556,450	2,360,000
	203,180,108	**12,321,761**

17.3 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 Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	2017/2018	2016/2017
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	75,495,376	100,497,077
	75,495,376	**100,497,077**
Transfers to related parties		
Transfer to the County Assembly	894,231,457	926,405,021
Transfers to other County Government Entities	298,456,315	-
Transfers to Development Projects		
Transfers to non reporting entities e.g schools and welfare		
Transfers to County Water Service Providers		
Expenses paid on behalf of County Water Service Providers		
Total Transfers to related parties	**1,192,687,772**	**926,405,021**
Transfers from related parties		
Transfers from the Exchequer	8,758,000,000	8,282,207,063
Transfers from MDAs	567,850,288	495,525,252
Transfers from SCs and SAGAs- National Government		
(Insert any other transfers received)		
Total Transfers from related parties	**9,325,850,288**	**8,777,732,315**

17.4 ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and resolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established	Location	Accounting Officer responsible
1. Bungoma County Youth Empowerment Fund	01/06/2014	County Headquarters	Stella Mutsotso
2. Bungoma County Women Empowerment Fund	01/06/2014	County Headquarters	Stella Mutsotso
3. Bungoma County Disability Empowerment Fund	01/03/2015	County Headquarters	Stella Mutsotso
4. Bungoma County Trade Loans Scheme	01/10/2014	County Headquarters	Christine Wasike
5. Bungoma County Emergency Fund	06/3/2015	County Headquarters	Chrispinus Barasa
6. Bungoma County Community Empowerment Fund	06/11/2015	County Headquarters	Chrispinus Barasa
7. Bungoma County Bursary Fund	01/02/2014	County Headquarters	Stella Mutsotso

18.0 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)*
13/14	Oversight and Governance Structure	The Audit Committee is already set up	The County Governor	Resolved	
13/14	Lack of ICT Policy	There is already a Draft ICT Policy in place	Director of ICT	Not resolved	1 year
13/14	Lack of an approved Scheme of Service for all cadres and a Policy on Casual employees	• The County uses an approved Scheme of Service of the National Government • There is already a Draft Policy on Casual employees	Director of Human Resources Secretary, County Public Service Board	Not resolved	1 year
13/14	Outstanding Imprests-Kshs.34,461,236	The imprests were fully recovered/surrendered.	Respective Accounting Officer	Resolved	
13/14	Failure to maintain an Assets Register	The County Treasury has an Assets Register in place	The County Treasury	Resolved	
13/14	Under collection of Locally Generated Revenues by KShs.1,288,001,284	The management has improved the collections by having ideal forecasts, putting legislations in place,	The County Treasury	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)*
		automating the revenue management and enforcing the revenue collection mechanisms			
14/15	Inaccuracy and incompleteness of the Financial Statements in IFMIS	Some of the modules in IFMIS were not activated e.g. the Cash Management Module and the Accounts Receivable Module at the time of preparing the 14/15 Financial Statements. Some of the transactions were incurred by the lowest units of operation such as dispensaries. The Management has undertaken to ensure that all transactions are captured in IFMIS and that together with the National Treasury after full activation of all IFMIS modules the County Treasury will produce accurate Financial Statements	The County Treasury	Not resolved	1 year
14/15	Failure to disclose 134 Bank Accounts	The 134 Bank Accounts were Fund Accounts. Most of the Accounts are currently closed. The Accounts were not disclosed because the	The County Treasury	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)*
		Financial Statements referred to were Executive Stand Alone Statements. The issue has been solved through preparation of Separate Financial Statements for the County Public Funds whose accounts are declared through Consolidation			
14/15	Pending bills of KShs. 95,494,683	The pending bills did not affect the budget implementation for the successive year as their corresponding budgetary allocations are carried forward to the subsequent financial year. All the bills are currently resolved and the balance is nil.	The County Treasury	Resolved	
14/15	Lack of a well maintained asset register	The County Government has an updated asset register. The management has an Asset Management System that updates the information in real time	The County Treasury	Resolved	
14/15	Under-expenditure by 30%	The management continues to experience difficulties in the absorption of funds caused by	The County Treasury	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)*
		delayed exchequer releases, slowed IFMIS towards the end of the financial year, under-collection of local revenues among other. However, the management will always endeavour to improve the absorption rate			
14/15	Under-collection of local revenue by 39%	The management has improved the administrative aspects of revenue administration that has seen the under-collection fall.	The County Treasury	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 Financial Statements	The Statement of Receipts and Payments in the financial statements reflects expenditures totalling to Kshs. 8,658,690,395 for the financial year	The County treasury liaises with national treasury to fully implement the IFMIS modules as a requirement for prudent financial management and strictly adhere to the guidelines of the National treasury within	The County Treasury	Not Resolved	1 year

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)*
	ended June 2016. However, expenditures amounting to Kshs. 194,867,503 were not posted in the IFMIS system but posted in the financial statements after manual reconciliation resulting to a variance of 194,867,503.Consequently, the accuracy and completeness of the Financial statements for the year ended 30th June 2016 cannot be confirmed.	a period of thirty days from the adoption of the report failure to which the respective accounting officer will be held personally liable.			
2.0 Outstanding imprest	Reflected the statement of assets and disclosed under note 14 to the financial statement balance of Ksh 24,065,317 described as accounts receivable inform of un-surrendered imprests comprised of Ksh	i. All imprest should be administered as per section 93 of PFM regulations. ii. All un-surrendered imprest should be recovered immediately from the payroll of the imprest holders.	The County Treasury	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)*
	6,835,801 incurred in the year 2014-2015 hence long outstanding and Ksh 17,229,515 incurred in the year under review. However analyses of imprests, including details of impress holders and issues dates were not provided for audit review. In the circumstance, the accuracy and recoverability of the outstanding imp rest totalling Ksh 24,065,317 cannot be confirmed				
3.0 Pending Accounts Payable	The pending accounts payable disclosed under note 17.1 to the financial statements amounting Ksh 45,957,982. Were outstanding as at 30th June 2016. Further note	i. The accounting officers to ensure that the pending bills are cleared within the year the finances are appropriated in order to ensure the programs of the county are stalled.	i) Respective Accounting Officers ii) The County Treasury	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)*
	17.2 indicates staff pending payables of Ksh 24,065,317 which balance is identical to the accounts receivables balance under note14 to the financial statements. It is not clear why there are pending account payables were outstanding despite the positive liquidity position of cash and cash equivalents balance of cash 870,653,893 as at 30th June 2016. No explanation has been provided for this anomaly. In addition, the statements of assets reflect accounts payables-deposits and retention of Ksh 93,371,821 that have not been analyzed and supported. Under the	ii. The county treasury to ensure all the procedures of obtaining funds are done on time to fast track the exchequer release from the national Treasury			

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)*
	circumstances the accuracy, completeness and validity of the pending accounts payables balance of Ksh 45,957,983 cannot be confirmed.				
4.0 Fixed assets	The summary fixed assets balance of Ksh 3,163,099,384 reflected in the financial statements for the two years ending 30th June 2016 excludes those that were taken over from the defunct local authorities, further –no hand over report was available for audit review to show how the assets and liabilities of of the defunct local authorities were taken over by the county executive of Bungoma. In the circumstances, the completeness and	i.Assets whose ownership has not been confirmed to be transferred to the County Government and ensure that titles are acquired. Furthermore, the assets encroached on to be recovered and secured by the County Government. ii. The fixed assets register to be harmonized with the County assets Valuation Report after it has been concluded by the engaged consultant. iii.The County government to start clearing all pending liabilities immediately.	The County Treasury	Not resolved	1 year

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)*
	accuracy of the fixed assets balance of Ksh 3,163,099,395 as at 30th June 20196 cannot be confirmed.				
5.1 department of education, ,Youth and Sports	During the year under review, the department of education, youth and sports procured food supplies for children from Susera Supplies of Ksh 2,500,000. However, the department used direct procurement to purchase the feeds but did not provide to show the receipt and utilization of feeds could not be ascertained	i.The chief Officer in charge of the department of Education, Youth and sports flouted procurement laws and could not account for the expenditure of Ksh 2,500,000 in respect to procurement of food supplies for children from Susera Supplies and therefore should be surcharged the amount immediately. ii. The committee further recommends that the chief officer is unfit to hold the public office and administrative action to9 be taken against the officer as provided for under section 149 (2) (3) (4) of the Public Finance Management Act 2012.	The County Treasury	Pending	6months

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)*
5.2 Department of water and Natural Resources	Arotum General Contractors was paid Ksh 1,482,745 for renovation of Miendo Dispensary. However, the payment was not supported with original minutes of the tender evaluation committee dully signed to verify the competitiveness of awarding this tender.	The chief officer in charge of the department of health to fast track the deployment of additional staff to the dispensary so that there is value for money from the project.	Accounting officer Health	Resolved	
5.3 Department of water and natural recourses	During the year under review, the department procured works totalling Ksh 3,006,509. However the tender evaluation minutes were not provided for audit review. As a result, the competiveness and fairness in the award of contracts could not be verified. In view of the foregoing, the authenticity of the	i.All Accounting officers in charge of the department to always retain copies of documents and this to be enhanced through having the offsite backup system as per provisions of Section 149 (2) of the PFM Act 2012. ii. The water springs to be renovated by the Department of Water and Natural Recourses in Order to realize value of money from projects constructed. iii.Ethics and Corruption	Respective 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)*
	expenditure and value for money from the transactions cannot be ascertained.	Commission to be tasked to avail investigations that was being carried out.			
6.0 Uncompleted projects	The Department of Roads, Transport, Infrastructure and public Works carried out various project during the year under review. However, the following projects had some anomalies: i. Saryda Traders Ltd was awarded tender for upgrading of Kimilili Bus Park access road at a contract sum Ksh 66,958,891. However a physical visit to the project revealed that the bus park is not in use as matatus and buses still park in town centre while picking and dropping passengers. This suggested that a	i.The department of Public Administration to deploy enforcement officers to enhance immediate utilization of this infrastructure. Further, the various departments in the county should always work in collaboration in ensuring that the projects are implemented fully.	Accounting officer, Roads Infrastructure and Public Works	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)*
	proper feasibility study was not done by the county government before the big project, which turned out to be of no value to county residents was initiated ii. Safari Plies Ltd was awarded to maintenance of River Khalaba-Kabula (C33)-Sioya-Mateka vide contract number BGM/CNTY/132/2013-14 at a contract sum of Ksh 18,952,141 and paid Ksh 16,485,774. Physical verification at the time of audit revealed that the road works for grading and gravelling was only done for 6.6 kilometres out of work not completed despite being paid 89% of total value of the contract.	Comprehensive Feasibility study should be done on all projects in order to ensure accurate bills quantities are developed which reflects the actual situation on the ground. Any forms of variations on the project should be dully authorised by the requisite officers.			

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)*
	In the circumstance, the County residents did not get value for money from the uncompleted projects worth Ksh 85,911,032 developed by the county Executive during the year review.				
7.0 Purchase of motor bicycles still not delivered	During the year under review the county purchased motor bicycles from Toyota Kenya Ltd at a cost of 2,230,150. However, the supplier did not supply the motor cycles reportedly because withholding tax withheld by KR was not reflecting in the suppliers statement of account. In the circumstance, ownership by the County Government is going to repay the funds. Further delay to	The committee observed that the motorcycles were delivered and logbooks verified. The committee recommends that in future, delivery of items purchased should be prompt.	Respective 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)*
	repay the fund. Further, failure to deliver the motor cycles constrained delivery of services due to the residents of the county.				
8.0 Un-refunded Borrowings Department of Health	The Department of Health through various letters borrowed monies totalling kshs 3,999,400 during the year under review from Bungoma Referral Hospital without passing through the County Treasury the funds have not been refunded to the hospital. No tangible plan was availed on how the County Government is going to repay the funds. Further delay to repay the fund constrains the Hospital from delivering services	The accounting officer should be surcharged the balance of kshs 1M for the unpaid borrowings which are long overdue	The County Treasury	Not Resolved	6 Months

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)*
	to County residents				
9.1 Loan Repayments Defaults	During the year under review, the total amount of loans disbursed to youth and women groups, was kshs 23,750,000 and kshs 23,450,000 respectively each youth and women groups received kshs 50,000 at beginning of the year. The loans were to be recovered before the end of the financial year. However, as of 30th June 2016 only kshs 7,987,144.00 and kshs 13,862,856 and kshs 10,032,016 owed by youth and women groups respectively. There is high risk of default in the repayment of loans extended under the programmer is high.	i. The disbursement of funds to be put on hold until sanity and proper assessment of the fund is done. ii. The County Executive should consider partnering with a financial institution to help in managing the funds.	The County Treasury	Not Resolved	1 Year

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)*
9.2 sustainability of the youth and women funds	The fund receives income in form of interest withheld and incurs expenditure in the form of staff expenses. The fund recorded deficits of income under both youth and women during the year under review of ksh 3,461,500 and 3,220,375 respectively. In the circumstance sustainability of the women and youth fund and its capacity to deliver services to the residents of Bungoma county is doubtful.	I. Regulations should be amended to consider merging all the funds for effective management II. Recoveries should be made by the Chief Officer in the Department of Gender and Culture and a report on the status of recoveries submitted to the County Assembly within 90 days. III. The committees on Gender and Culture and Education, Youth and Sports to review the status reports quarterly in ensuring recoveries are made and the funds are sustainable. IV. All overdue funds be traced and repaid immediately to ensure sustainability of the	Accounting officer Gender	Pending	1 Year

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)*
		funds before further disbursement is done.			
1.0 Budget and Budgetary performance	The County Executive spent a total kshs 8,658,690,394 against a budget of ksh 10,053,695,196 representing under expenditure of kshs 1,395,004,796 or 14%. Subsequently, recurrent and development expenditure was underspent by ksh 856,920,915b0r 7% and kshs 947,395,060 or 24% respectively	i. Accounting officer to ensure the budget is fully implemented as approved by the County Assembly ii. The Accounting Officer should put proper infrastructure to enable reliable connectivity in IFMIS and e-procurement systems for effective service delivery	i)Accounting officers ii)The National Treasury IFMIS department	Resolved	
2.0 Overall Revenue Performance	The County's actual revenue collection during the year under review was kshs 7,999,091,818 against the budget of kshs. 10,053,695,196 thus depicting under collection of kshs.	i.The county Treasury should ensure all the procedures of obtaining funds are done on time to fast track the exchequer release from the National Treasury.	The County Treasury	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)*
	749,779,734 or 10.5% mainly due to less receipt from the exchequers, low proceeds from domestic and foreign grants and low collections local revenue.				
3.0 Local Revenue performance	Actual Local revenue collection target of kshs 446,713,873 fell short of the target by 31% or kshs 136,555,584 with some items having huge variances and poor performance	ii.The County Government should put in place robust and aggressive measure to meet the local revenue budgeted targets and subsequently increase the revenue base.	The County Treasury	Resolved	
4.0 Automated Revenue Management System	The County purchased an automated Revenue Management System to enhance collection and management of revenue from Tritek Consulting Limited. However, review and interrogation on the performance of the	i.The programs modules that had not been automated should be rolled out. Proper mapping of areas for collections to be outlined and adhered to. ii.Purchase of additional machines and recruitment of more revenue officers should be done to help address	The County Treasury	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)*
	system revealed that some of the modules supported by this system were not fully utilized as they were still being tested and developed. In view of this, value for money in automation may not be realized since efficiency in revenue collection may not be achieved.	infrastructure deficiency and cater for understaffed regions respectively.			
4.0 financial performance	During the year under review, the County Executive collected revenue totalling kshs 7,999,091,818 against total expenditure of kshs 8,658,690,395 thus resulting in deficit of kshs 659,598,577. Management have not explained the large increase in deficit (2015: kshs 88,230,629) and how it	The matter has been properly explained to the committee and resolved.	The County Treasury	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)*
	was funded.				
5.0 Project implementation and management	The County Executive was to implement a total of 1112 projects/programs through different County Department during financial year under review. Further analysis indicated that 20 or 2% of projects had not started, 341 or 31% of the projects were ongoing and 751 or 68% of the projects had been completed as at the time of audit in December 2016. Consequently as at 30th June 2016, the County Executive had not achieved its projects completion targets and could therefore not provide County residents with all the	i. The accounting Officers to strive and ensure project implementation is strictly adhered to the work plans and approved budgets. ii. All developed plans such as the county spatial plans and valuation Rolls be forwarded to the Assembly for adoption iii. All departments to always forward quarterly project implementation reports to assembly.	Respective Accounting Officers	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)*
	services planned and budgeted for the year then ended.				
6.1 Casual Employees	As reported in the previous years, the county executive has many casual employees with the majority having worked for more than three months contrary to employment Act 2007. The County Executive risks penalties for non-compliance with the law.	The county to strictly adhere to section 37 of the Employment Act and casuals should only be acquired on need basis and renewed appropriately	Respective Accounting officers/ Directorate of Human Resource	Resolved	
6.2 staff establishment and appraisal	The County Executive has not published its staff establishment to indicate staff requirements and placement. Further, the County Executive does not carry out annual staff appraisal to assess staff performance as	i. The County Executive to put in place a staff establishment that indicates staff requirements and placement ii.The County Executive to come up with proper staff appraisal system	Directorate of Human Resource	Not Resolved	1 Year

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)*
	required under public service regulations. As a result, performance of the County's human resource could not be confirmed. Further , corrective measures to ensure optimal performance were not identified and instituted				
7.0 non establishment of audit committee	The County executive audit committee has not been established as required by section 167 of the county public financial Management Regulations of march 2015. Further, the management has not developed and implemented a risk management framework and policy to guide the achievement of the county Executive's strategic goals and objectives.	The County to finalize the risk management policy framework and implement it as required within 90 days	i)The County executive audit committee is Fully established ii) Risk Management policy	i)Resolved ii) Not Reolved	3 months

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)*
8.1 Irregularities in recruitment by CPSB	The County Public service board recruited 120 Early Childhood Development Center ECD teachers whose positions were advertised internally. As a result, the recruitment was not conducted competitively and the best available talent could not have missed selection	The matter was in court and the committee did not deliberate on it since it was sub judice hence the query is still outstanding.	County Service Board	Resolved	
8.2 Procurement of legal services	The county Public Service Board Procured legal services from a firm at a cost of kshs 3,035,230. However, the firm was not among legal firms prequalified by the County Executive to offer legal services. Also, the CPSB did not provide procurement documents	The matter was in court and the committee did not deliberate on it since it was sub judice, hence the query is still outstanding.	County Public Service Board	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)*
	for audit to confirm that the firm was procured competitively.				

Sign……

Date 27/9/2018

CEC, County Treasury

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Periodic	Equitable share	DANIDA	Level 5 hospitals allocation	Total Transfers from the National Treasury
	Kshs	Kshs	Kshs	Kshs
Exchequer Releases for quarter 1	-	-	-	-
Exchequer Releases for quarter 2	2,014,340,000	-	-	2,014,340,000
Exchequer Releases for quarter 3	2,408,450,000	72,161,451	-	2,480,611,451
Exchequer Releases for quarter 4	4,335,210,000	-	-	4,335,210,000
Total	**8,758,000,000**	**72,161,451**	**-**	**8,830,161,451**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

PENDING BILLS AS AT 30TH JUNE 2018

	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance JUNE 30TH 2018	Outstanding Balance 2016	Comments
Construction of Buildings						
MS WILKORI BUILDING AND CIVIL ENGINEERING.	38,713,724		22,176,232.08	16,537,492		proposed erection and completion of residential units and external works
Jewi Supplies and contractors limited	441,200		-	441,200		proposed minor repairs of county residential house no BUNG/MOW/8A&8B,BUNG/MOW/1/17A&17B
M/S Lunao Enterprises	53,294,758		53,214,464	80,294		Construction of aperimeter fence at the BCRH
Two calves limited	70,659,329		67,785,842	2,873,487		Construction of casaul wards
M/S Open Yard Developers	3,939,621		2,814,809	1,124,812		Erection and completion of a maternity wing and construction of $ door pit latrine at mayanja
M/s Ndarumanya co limited	3,997,708		3,767,390	230,318		Completion of butieli health centre
M/s Renja holdings	3,869,134		3,129,402	739,732		Completion of 1 no. block for mungore health centre
M/s Kevleah Agencies	746,042		-	746,042		Construction of 4 door Pit Latrine for Kamuneru dispensary
M/s Boku construction limited	3,183,248		1,041,054	2,142,194		Erection and completion of a male ward at nasusi dispensary
Ferdtech Engineering	2,747,796		1,005,766	1,742,030		Renovation works for Nasyanda dispensary
Ba Lenrich Investment	2,800,066		1,872,008	928,058		Renovation works for Ndalu dispensary
M/S BA Lenrich Contractors	1,604,536		1,424,799	179,737		Renovation works for Sikusi Dispensary
DYNAMIC GENERAL CONTRACTION	12,422,753		10,562,356.8	1,860,396		Renovation of Matisi market in bungoma County
KANDUYI ENTERPRISES P.O BOX 1027 - 50200 BUNGOMA	16,692,817		14,260,309.3	2,432,508		Renovation of Myanga market in Bungoma County
SAMOZEK LTD	1,946,480		926,666.4	1,019,814		Renovation works for Bukembe market in Bungoma county
MID FIRM ENTERPRISES	10,526,431		7,832,412.8	2,694,018		Renovation of ndalu market in Bungoma County
Butalink Contractors	1,127,909			1,127,909		construction of peadeatric wing
Tresser investment ltd, box 2274, bungoma	50,487		-	50,487		Erection and completion of ECDE classroom at bukuruma pri

Cyanel solutions limited, box 79457	195,901		-	195,901		Proposed erection and completion of market stalls
Filtego group ltd,	588,848		-	588,848		Proposed erection and completion of kamusinde health centre
Cyanel solutions limited, box 79457	587,215		-	587,215		Proposed erection and completion of market stalls
Lunao Enterprises ltd	13,984,027		-	13,984,027		Renovation of governors office
TOTAL	**244,120,031**		**191,813,510.98**	**52,306,520**		
Construction of civil works						
SAMMOYA KENYA	2,499,777		-	2,499,777		EXTENSION OF MUSIKOMA WATER PROJECT
ASSACY ENTERPRISE LTD BOX 800 WEBUYE	3,649,167		-	3,649,167		EXTENSION OF CENTRAL NAITIRI WATER PROJECT
EUROPH HOLDINGS LTD BOX 1976 BUNGOMA	3,255,040		-	3,255,040		REHABILITATION OF CHELEBEL-NAMWELA WATER PROJECT
MAMOFA CONSTRUCTION LTD	7,001,470		-	7,001,470		REHABILITATION OF CHEPTAIS LWAKHAKHA WP
MS SWALIBORA AND MWASAME (K) LTD	38,390,917		19,195,450.50	19,195,467		CONSTRUCTION OF INTAKE, PIPELINE AND TANKS AT CHEBUKWABI-KIBINGEI WATER PROJECT PHASE II
KONTINAM ACCESS CONSTRUCTION COMPANY	17,304,764		-	17,304,764		EXTENSION OF SITIKHO WATER PROJECT
Ziyale Investment	1,601,500		1,361,275	240,225		Drilling of Mutonyi borehole
Ziyale Investment	1,601,500		1,441,350	160,150		Drilling of Sengeteti Borehole
Makson Enterprises	4,900,440		0	4,900,440		Construction of East Bukusu Water Project
Haad Enterprise	1,549,938		1,084,957.30	464,981		Protection of 10 water Springs
Rubina Investment	1,928,755		1,735,000	193,755		Protection of 10 water Springs and Construction of 1Shallow wells
Ronex Enterprise	6,415,786		3,207,893	3,207,893		Upgrading of mateka borehole to electrical pumping system
Ndarumanya Company	3,529,200		3,051,900	477,300		Extension of nzowasco pipeline to kimaeti market
Lamlex Logistics	3,512,000		2,107,200	1,404,800		Rehabilitation of Machwele water Project
Tinman general contractor & supplies ltd	11,696,695		5,848,213	5,848,483		Kibingei Chepkwabi water –construction of intake works and laying of main pipe line
M/S Shana builders and Contractors	2,664,200		2,397,780	266,420		Drill 2No borehole at pwani market and nyange primary school and equip with hand pump

Tinman General Contractors	4,235,800		3,812,220	423,580		Protection of 10 water springs and drilling of 2 boreholes at Mabusi and Birunda Secondary and equip with hand pumps
Mandx – East African contractors co.ltd	3,447,044		3,102,340	344,704		Nakoyonjo W/s
Kitekesy Investment	3,361,203		3,159,531	201,672		Protection of 10 water Springs, 2 Shallow wells, and rehabilitate borehole (Hand pump) and 1 water supply
Jambo Construction Company	448,180		358,544	89,636		Sitikho piped scheme
M/S Shana Builders and Contractors	2,317,000		2,085,300	231,700		Up grading of Syekumulo borehole
P. G. Mals Contractors	3,480,000		3,132,000	348,000		Drilling and equip Kibabii TTC borehole
Zebby infor systems ltd	1,424,910		712,455	712,455		Protection of 8 water Springs and 2No roof catchments
Efficient Contractors Ltd	2,483,300		1,241,800	1,241,500		Upgrading of Maeni Community Water Project
M/S Thomajem limited	1,611,600		966,960	644,640		Protection of 10 water Springs
PG Mals	4,300,340		3,870,310	430,030		CONSTRUCTION OF EMIA CHANGEYWO WATER PROJECT AND CHEPYUK KAPKATENY WATER PROJECT.
Intercity Construction Ltd	36,034,960		-	36,034,960		Rehabilitation and augmentation of Kaberwa, Maeni, kamenju, chesamis,Kamkuywa water supply
Ambe General Merchant Ltd	25,821,760		24,536,432	1,285,328		Rehabilitation of Mabanga-Kanduyi, Kibabii Water Project
Infrastructure Engineering	2,487,136			2,487,136		Construction of 5Roof catchment and 50m3 Masonry tank.
Racban	2,737,127			2,737,127		Construct 5No Roof catchment Construct 1No Masonry tank
Racban	1,981,350			1,981,350		Drilling of Namangofulo Boreholes
M'BIG LTD	49,171,701		44,309,686.22	4,862,015		Rehabilitation of Moi Avenue Road. - Bungoma
Two Calves Investment Ltd	73,020,631		63,096,085.00	9,924,546		Upgrading of Marell - Namuyemba Rd
Homeland Africa Ltd	7,976,795		2,397,517.00	5,579,278		Construction of Box Culvert on Kewaanikoy Kabukwo River
Ambe General Merchants	7,815,245		7,109,845.00	705,400		Construction of Box Culvert on Masielo - Siboti River
Kanduyi Enterprises Ltd	28,332,993		25,159,936.00	3,173,057		Construction of Wamocha Bridge
Image Innovations Ltd	36,106,026		33,204,082.40	2,901,944		Upgrading of Chwele Mkt Rds
MALILI CONSTRUCTION & ENGINEERING WORKS LTD	82,969,436		72,193,197.00	10,776,239		Upgrading of ACK - Nabuyole Road
CHERANGANI HILLS LTD	82,688,442		72,445,724.00	10,242,718		Construction of fire station complex

M'big Ltd	51,077,111		48,138,596.00	2,938,515		Upgrading of Kapsokwony Rds-Retention
Nicholas Wakhungu Mukhwana	250,000		-	250,000		Acquisition of Murram
Patrick Wanambisi Kisongoji	125,000		-	125,000		Acquisition of Murram
Adriano Khaoya	250,000		-	250,000		Acquisition of Murram
David Muyundo	125,000		-	125,000		Acquisition of Murram
JOSIAH YONA	250,000		-	250,000		Acquisition of Murram
ALFRED W SIMIYU	250,000		-	250,000		Acquisition of Murram
FRANCIS WABWIRE	250,000		-	250,000		Acquisition of Murram
HESBON WAMUKOTA	250,000		-	250,000		Acquisition of Murram
ALEX WANGILA	250,000		-	250,000		Acquisition of Murram
DAVID WAMALWA	125,000		-	125,000		Acquisition of Murram
STEPHEN M. WAMALWA	250,000		-	250,000		Acquisition of Murram
WYCLIFFE MUKHWANA MUCHANGA	125,000		-	125,000		Acquisition of Murram
MOSES MORNING WAMALWA	375,000		-	375,000		Acquisition of Murram
CLEOPHAS MANYONGE	250,000		-	250,000		Acquisition of Murram
ISAAC W YEBEKO	125,000		-	125,000		Acquisition of Murram
JOSEPH BARASA EUPPA	250,000		-	250,000		Acquisition of Murram
RASHID WAWIRE KHISA	250,000		-	250,000		Acquisition of Murram
HENRY OGOT MUPALIA	62,500		-	62,500		Acquisition of Murram
Mungos CO. LTD	6,278,303		-	6,278,303		Periodic Maitenance of Roads in Bumula ward
Nabcos Co. LTD	7,036,630		-	7,036,630		Periodic Maitenance of Roads in Township ward
Shirsamo Agencies	9,283,352		-	9,283,352		Periodic Maitenance of Roads in Naitiri/Kabuyefwe ward
Dynacorp Ltd	7,999,946		-	7,999,946		Periodic Maitenance of Roads in Kapkateny ward

Kanduyi Construction Ltd	7,775,712		-	7,775,712		Periodic Maitenance of Roads in Ndivisi ward
Jessisham Enterprises Ltd	6,475,132		-	6,475,132		Periodic Maitenance of Roads in Elgon ward
Grip Ventures Kenya Ltd	11,305,841		-	11,305,841		Periodic Maitenance of Roads in East Sangalo ward
Stan Holdings Co. Ltd	9,754,109		-	9,754,109		Periodic Maitenance of Roads in Mukuyuni ward
Ziggiemo Ltd	8,653,281		-	8,653,281		Periodic Maitenance of Roads in Tongaren ward
Bamuchi Data Solutions	12,164,562		-	12,164,562		Periodic Maitenance of Roads in Ndalu/Tabani ward
Moonster light Gen Service Ltd	7,522,010		-	7,522,010		Periodic Maitenance of Roads in Kaptama ward
Hanal Investments Ltd	10,389,309		-	10,389,309		Periodic Maitenance of Roads in Sitikho ward
Kamukuywa Enterprise Ltd	2,789,415		-	2,789,415		Periodic Maitenance of Roads in Chesikaki ward
M/S Lunao Enterprises	9,605,878		-	9,605,878		Periodic Maitenance of Roads in Khasoko ward
M/s Twin Master Enterprises ltd	11,293,296		-	11,293,296		Periodic Maitenance of Roads in Matulo ward
M/s Xavier group Ltd	8,604,591		-	8,604,591		Periodic Maitenance of Roads in Namwela ward
M/s Depalk Consortium Ltd	13,934,529		-	13,934,529		Periodic Maitenance of Roads in Khalaba ward
M/s Nekome Investments Ltd	2,665,593		-	2,665,593		Periodic Maitenance of Roads in Maeni ward
M/s Dawson Company Ltd	6,110,706		-	6,110,706		Periodic Maitenance of Roads in Kamukuywa ward
M/S Phelamix Investments Ltd	9,174,828		-	9,174,828		Periodic Maitenance of Roads in Bokoli ward
M/S Coitech Civil Works Ltd	3,816,968		-	3,816,968		Periodic Maitenance of Roads in West Sangalo ward
M/S Makanaka Investment ltd	7,583,268		-	7,583,268		Periodic Maitenance of Roads in Kimilili ward
M/S Yonak Kenya Ltd	2,502,503		-	2,502,503		Periodic Maitenance of Roads in Musikoma ward
M/s Hill Holdings Ltd	4,086,877		-	4,086,877		Periodic Maitenance of Roads in Kimaeti ward
M/S Crowada Construction Ltd	5,455,422		-	5,455,422		Periodic Maitenance of Roads in Soysambu/Mitua ward
M/s Evaru Ltd	5,230,579		-	5,230,579		Periodic Maitenance of Roads in Kabula ward
M/s Olichem Enterprises Ltd	2,654,022		-	2,654,022		Periodic Maitenance of Roads in Bukembe East ward

PG MALS ENTERPRISES LTD	3,805,525		3,514,220.00	291,305		Periodic Maintenance of Bondeni - Lukokwe Lower - Mukuyuni
Gochi Agency Ltd	4,158,252		3,115,887.60	1,042,364		Periodic Maintenance of Wamangoli - Malaha Mkt - Lugulu Jaggery
Taxan Investment	19,067,559		18,617,878.00	449,681		Periodic Maintenance of Wabukhonyi Makuselwa with box culvert
Sakam Enterprises	88,796,010		88,752,192.18	43,818		Periodic maintenance of moi avenue webuye
MURIDEN CONTRACTORS LTD	4,115,622		3,432,429.56	683,192		Periodic Maintenance of Nangili Khamoto Road
SUPPLY KINGS LIMITED	4,450,572		3,413,748.92	1,036,823		Periodic Maintenance of Kongoli - Babuya - Paile Spring Road
Kiteri ltd	4,881,724		3,817,676.00	1,064,048		Maintenance of Old market catholic church C42 road
Silke Investment Ltd	27,855,080		18,032,200.00	9,822,880		Periodic maintenance of Kapkateny - Cheptonon - Kaimukul
Megalaser International	1,389,680		1,250,712.00	138,968		Rehabilitation of Mayanja Auction Ring
Enville Ventures	1,718,656		1,546,791.00	171,865		rehabilitation of Kimilili Auction Ring
Hanal Investments	2,133,820		1,920,438.00	213,382		Rehabilitation of Webuye auction ring
Ndarumanya	2,845,480		-	2,845,480		Rehabilitationof Kapkateny auction ring
Neko Investments	2,611,740		-	2,611,740		Rehabilitation of Chwele Auction ring
Bumula Building Contractors and Civil Engineering	3,290,229		-	3,290,229		Rehabilitation of 7 Boreholes and Busakala/Nakitumba Water Project
Xerox ventures 52964 bungoma	296,315		-	296,315		Drilling and equiping of boreholes with a hand pump
Thomajem enterprises, box 777, kimilili	96,696		-	96,696		Construction and protection of springs in kibingei ward
Xerox ventures 3930 bungoma	993,382		-	993,382		Drilling and equiping of borehole with a hand pump
TOTAL	**1,003,296,744**		**603,877,752.18**	**399,418,992**		
Supply of services						
Mahogany technologies limited	1,399,888		-	1,399,888		Proposed consultancy service on feasibility study of county houses
EMICO Mechanical Consultants	740,544		-	740,544		Maintenance of Motor Vehicles and Machines
CMC Motors Group Ltd	596,170		-	596,170		Maintenance of Motor Vehicles and Machines
Star Newspaper	160,892		0	160,892		Advertisement for Tenders

Standard Newspaper	206,827		0	206,827		Advertisement for Recruitment
Ocharo Kebira & CO. Advocates	398,550		0	398,550		Legal Fees
The Star Newspaper td	684,028			684,028		Placement of adverts on the media
Hotel perch	1,024,000			1,024,000		Provision of catering services
CMC Motors Group Ltd	514,588		-	514,588		Maintenance of Motor Vehicles and Machines
Terranova Autospare Ltd	49,026		-	49,026		Maintenance of Motor Vehicles and Machines
Terranova Autospare Ltd	26,255		-	26,255		Maintenance of Motor Vehicles and Machines
Terranova Autospare Ltd	21,497		-	21,497		Maintenance of Motor Vehicles and Machines
Achellis Materials Handling	3,471,428		-	3,471,428		Maintenance of Machineries
Betterline Insurance	6,400,008		-	6,400,008		Supply of various insurance policies
Betterline Insurance	195,315		-	195,315		Supply of Insurance 39CG042
Hillview Hotel	75,400		-	75,400		Half Board & conference facility
Machona Insurance	5,000		-	5,000		Supply of Insurance KAB 086 Q Renault Fire Lorry
Machona Insurance	276,278		-	276,278		Supply of Insurance Toyota Fortuner 39CG009A
Machona Insurance	7,981,835		6,000,000.00	1,981,835		Supply of insurance
Machona Insurance	475,000		-	475,000		Insurance of KBZ 996D
Sulwe	29,000		-	29,000		Advertising
Sulwe FM	29,000		-	29,000		Advertising
Sulwe	683,240		-	683,240		Advertising
Kenya Institute of Supplies Management	96,860		-	96,860		Tuition Fee
Sulwe	87,000		-	87,000		Advertising
Asembo Motor Vehicle Auto Garage	50,000		-	50,000		Servicing of Motor Vehicle
Nation Media Group	1,360,000		-	1,360,000		Advertising

KTN	800,000		-	800,000		Advertising
Bungoma West Medical Services	171,230		-	171,230		medical bill
African Touch Safaris	902,800		-	902,800		Air services
Baraza Limited	2,320,000		-	2,320,000		Advertising
J.O.Makali & Co. Advocates	350,000		-	350,000		Provision of legal representations
Kika Hotel	139,500			139,500		Provision of catering services
The Standard	1,352,560		-	1,352,560		Advertising
African Touch Safaris	510,200		-	510,200		Air services
Telkom Kenya Ltd	48,000		-	48,000		Wifi Activation
Four M insuarance Ltd	451,400		-	451,400		Insurance Services
Great Lounge Resort	45,000		-	45,000		Catering and conference services
Kika Hotel	117,300		-	117,300		Catering and conference services
Terranova Autospares Limited	578,997		-	578,997		Repair of Prado kby 367C
West Media Ltd	290,000		-	290,000		Telecasting Governor's Xmas Message
Radio Mambo	58,000		-	58,000		Telecasting Governor's Xmas Message
West Media Ltd	127,600		-	127,600		Spot adverts - Radio & TV
Terranova Autospares Limited	113,952		-	113,952		Repairs to 39CG015A and KBU692T
Hotel Joventure	100,000		-	100,000		Conference facilities
Terranova Autospares Limited	999,483		-	999,483		repair of KBU692T
Makokha Wattanga and Co. Advocates	7,000,000		-	7,000,000		Legal Services
cmc motors	1,372,074		-	1,372,074		repair of KBV 316
CMC Motors ltd	543,115		-	543,115		repair of K39CG 046A
CMC Motors ltd	121,183		-	121,183		repair of K39CG 024A

CMC Motors ltd	181,943		-	181,943		repair of K39CG 021A
Ayoti Contractors	46,541,273		41,887,145.70	4,654,127		Solar streetlighting across the county
Ba Lenrich	2,712,050		2,440,845.00	271,205		Map ammendment Centre
Alpine Insurance	652,500			652,500		Insurance
Alpine Insurance	402,568			402,568		Provision of insurance for KCA899F,KCH 040U, KCG573W AND KCD127G
Nation Media	226,200			226,200		ADVERTISEMENT
THE star	338,720			338,720		ADVERTISEMENT
Wesco Property Co	267,500			267,500		VALUATION OF LAND
CHRISCA REAL ESTATES	40,250			40,250		VALUATION OF LAND
Hotel Joventure	525,000			525,000		Provision of catering services during budget interogation
Ms Ocharo,Kebira and Co. Advocates	525,225			525,225		legal fees
Tourist Hotel	70,000			70,000		Provision of catering services during K.U.S.P meeting
Britam insurance company	1,400,000			1,400,000		providing comprehensive insurance cover for Beyond Zero Truck
Betterline insurance	719,000			719,000		providing insurance cover
Cads motors –kakamega	44,685			44,685		motor vehicle repairs
Cads Motors Limited Kakamega	39,000			39,000		Maintenance of motor vehicle
CIC Motors Group Ltd	143,800		-	143,800		Motor vehicle expense
Icpak	179,900			179,900		Tution fee for gilbert and otieno
kenya institute of supplies management	84,100			84,100		Tution fee oduor
Kenya School of Government	54,600			54,600		tuition fees for stuff undergoing senior mgf course
Kenya School of Government	54,600			54,600		tuition fees for stuff undergoing senior mgf course.
Kenya School of Government	112,000			112,000		tuition fees for stuff undergoing senior mgf course (Grace .M. Wanjala)
Machona Insurance	83,213			83,213		motor vehicle insurance

Wape garage	529,000			529,000		Motorvehicle Mantainance
Wape Garage	27,650			27,650		Motorvehicle Mantainance
Wape Garage	19,500			19,500		Motorvehicle Mantainance
Wape Garage	16,940			16,940		Motorvehicle Mantainance
Wape Garage	14,600			14,600		Motorvehicle Mantainance
Wape Garage	16,900			16,900		Motorvehicle Mantainance
Wape Garage	15,500			15,500		Motorvehicle Mantainance
Wape Garage	60,380			60,380		Repair of Motor vehicle
Wape garage & general supplies	15,920			15,920		Repair of motorvehicle
Wape Garauge and General Services	360,380			360,380		vehicle maintenance
Westfied motors Limited	42,103			42,103		Repair of Motor vehicle
Zabibu Restaurant	175,000			175,000		Catering services
Zabibu Restaurant	337,000			337,000		Catering services
Hotel Joventure	495,000			495,000		Catering services
Alphine Insurance brokers	1,689,146			1,689,146		Provision of motor vehicle insurance cover
Nabwa Enterprise	316,000			316,000		catering services
Elegant Hotel	203,000			203,000		Provision for catering services activity with partners
Star Newspaper	160,892		0	160,892		Advertisement for Tenders
Standard Newspaper	206,827		0	206,827		Advertisement for Recruitment
Ocharo Kebira & CO. Advocates	398,550		0	398,550		Legal Fees
C.M.C Motors	460,662		0	460,662		Maintenance of motor vehicles
Evalble Building & Construction	8,286,808		0	8,286,808		Garbage collection
Kassim Sifuma & Co. Advocates	1,045,440		0	1,045,440		Rent

Cosal kenya limited	5,162,000			5,162,000		Plan design for refferal centre
Johncele insurance charges	2,610,000			2,610,000		INSURANCE SERVICES
CENTRAL FARMES GARAGE LTD	41,760			41,760		SERVICE OF COUNTY VEHICLES
JOVENTURE HOTEL	333,000			333,000		CATERING SERVICE
ZABIBU HOTEL	18,600			18,600		CATERING SERVICE
ZABIBU HOTEL	25,750			25,750		CATERING SERVICE
STRACOM CONSULTING CO LTD	6,222,510			6,222,510		CONSULTANCY SERVICE
Wape garage and general supplies, box 547 bungoma	88,000			88,000		Repair and service of motor vehicle 39CG025A
Mayabra enterprises limited, box 1130, bungoma	1,119,500			1,119,500		Repair and service of motor vehicles KAN 075P and KAW 223Z
Mayabra enterprises limited, box 1130, bungoma	877,000			877,000		Repair and service of vehicle KAW 660Z and KAM 081T
Hotel joventure	412,500			412,500		Rovision of conference services for finance and eco planning
Wape garage and general supplies, box 547 bungoma	21,340			21,340		Repair and service of Motor vehicle
KTN baraza ltd	1,276,000			1,276,000		Provision of advertising services
The standard group ltd , box 30080, Nairobi	255,200			255,200		Provision of advertising services
Hotel joventure	165,000			165,000		Provision of conference services for finance committee
Hotel joventure	900,000			900,000		Provision of conference services for M&E
Noble hotel	1,799,200			1,799,200		Provision of conference services for tender evaluation comm
Ng'arisha sacco ltd	184,785			184,785		Provision of office space
Annah magero and advocates	25,000			25,000		Provision of legal services
TRITEK CONSULTING CO LTD	12,000,000			12,000,000		System Maintanance
TOTAL	**149,378,493**		**50,327,991**	**99,050,502**		
Supply of goods						
Lionel General Office Stationery	391,862			391,862		Supply of general office stationery

PARITY PERFORMANCE LTD	8,994,228		3,990,468.4	5,003,760		Automation of Trade Loan scheme
Dawn Rise Two Enterprises	193,000			193,000		supply of toners
Clark and Colman	42,700,050		31,620,030.00	11,080,020		Solar street lighting in 18 markets
Khetias Crossroads	32,797		-	32,797		SUPPLY OF Tropies
Makhaneidher Co. Ltd	298,340			298,340		supply of catering items
Fantastic Smart enterprise	95,000			95,000		Supply and delivery of Tonners
Mifa Agencies	32,000			32,000		General office supplies
Jessisham Enterprises	132,000			132,000		Supply and delivery of staff uniforms
Mifa Agencies	322,850			322,850		Purchase of Catering items
Fairdeal Furniture	239,960			239,960		Supply of office furniture
Felveeck Enterprises	180,000			180,000		supply and delivery of laptops
Mid Firm	584,600			584,600		Supply and delivery of ICT items.
Fair Deal Furnitures Ltd	699,246			699,246		supply and delivery of office furniture
Amylin chemist	418,045			418,045		purchase of non-pharms
Bioline Agency limited	172,400			172,400		Supply of lab reagents
Bioline Agency ltd	748,470			748,470		supply of lab reagents to BCRH
Bioscan diognostics E.A CO.ltd	774,400			774,400		purchase of lab reagents
Swiftcode agencies	288,750			288,750		supply of office stationeries
Intertech business center Service	149,900			149,900		Supply Of Laptops
BAROWEST SUPPLIES LTD	6,256,500			6,256,500		PAYMENT FOR SUPPLY OF ECD MATERIALS
West end consultancy	3,405,371			3,405,371		Development of BQS & plans
M/S Sedisherry Collection and Varied Supply	424,510			424,510		Supply of office stationery
CPF Individual Pension scheme	191,100			191,100		One yeaar pension payable to Nancy Simiyu for one year contract term.

Sesa Elimu	25,200		-	25,200		supply of newspapers
BLUE CROSS	1,318,160		-	1,318,160		TREE PLANTING
WESTDROP SOLUTIONS ENTERPRISES	235,000		-	235,000		TREE PLANTING
FANTASTIC LIMITED	483,000		-	483,000		TREE PLANTING
LIONEL GENERAL OFFICE STATIONERY	385,000		-	385,000		TREE PLANTING
BBOM WOMEN GROUP	1,648,650		-	1,648,650		TREE PLANTING
GOMERI ENTERPRISES	394,000		-	394,000		TREE PLANTING
NAFUU CLEANING GENERAL	272,000		-	272,000		TREE PLANTING
EVARU INVESTMENT LIMITRD	1,240,560		-	1,240,560		TREE PLANTING
MAFUWA GENERAL SUPPLIES	1,492,788		0	1,492,788		TREE PLANTING
NESO LIMITED	192,000		0	192,000		TREE PLANTING
MT.ELGON BODA BODA	1,707,760		0	1,707,760		TREE PLANTING
Glamax E nterprises	496,750		0	496,750		Supply of stationeries
Cool & Smartech Agencies	299,300		0	299,300		Supply of Computers,Printers,Laptop and IT Equipments
BBOM Women Group	358,500		0	358,500		Supply of stationeries
M,big limited	400,000		0	400,000		Supply of fuel
GG Steel Company	285,290		0	285,290		Supply of ICT equipments
WESTDROP SOLUTIONS ENTERPRISES	39,350		0	39,350		Supply of cleaning materials
Augumary Enterprises	57,600		-	57,600		Supply of Newspapers
Blodwen Enterprises	182,300		-	182,300		Supply of Stationery
Dawnrise two enterprises	34,080		-	34,080		Supply of Stationery
Monata Enterprises	48,494		-	48,494		Supply of Stationery
Chem labs limited	195,200			195,200		Supply of lab reagents

Chem labs limited	102,000			102,000		Supply of lab reagents
Chem labs limited	531,856			531,856		Supply of lab reagents
Chem labs limited	140,795			140,795		Supply of lab reagents
Chem labs limited	55,846			55,846		Supply of lab reagents
chem labs ltd	102,000			102,000		supply of lab reagents to bcrh
chem labs ltd	728,497			728,497		purchase of lab reagents
Chemlab Limited	796,132			796,132		Supply of lab reagents
MFI	50,000		-	50,000		Supply of Tonner
Crown health care	239,772			239,772		Supply of lab reagents
Devbees solutions	542,375			542,375		supply of food and rations
Eden furnitures	2,393,000		-	2,393,000		Supply of Furniture to dispenseries
Faram E.A Limited	260,064			260,064		Supply of lab reagents
Jesta E.A ltd	94,000			94,000		purchase of xray materials
Jesta East Ltd	1,171,400			1,171,400		Lab reagents
Kemsa	5,612,500			5,612,500		Non pharmaceaticals
Kitanyi Agencies	175,000			175,000		Tonners 130A
Leotech Supplies	495,000			495,000		Supply Of Non-Pharms
Leotech Supplies	474,600			474,600		Supplies Of Non-Pharms
M/s Biotec laboratories	2,236,250			2,236,250		Lab reagents
M/s Bioscan Diagnostic Ea Co.ltd	1,594,000			1,594,000		Supply of lab reagents
M/s Davechem international	10,235,191			10,235,191		Non pharmaceaticals
Kemsa	50,000,000			50,000,000		Supply of Medicinal drugs
malina trading company	225,000			225,000		supply of t-shirts

Medionic healthcare limited	1,281,300			1,281,300		Supply of lab reagents
Medix E.A Ltd	272,700			272,700		Supply of lab reagents
medix E.A ltd	137,840			137,840		purchase of lab reagents
Medix East africa limited	620,820			620,820		supply of lab reagents
Mikima Enterprises	563,000			563,000		Supply of non pharms to county
Nyeupe packers	1,207,100			1,207,100		purchase of non pharms
Nyeupe packers	419,000			419,000		purchase of non pharmaceuticals
Puritec logistics	390,000			390,000		supply of tshirts
science scope limited	325,000			325,000		Supply of lab reagents
Winowy general supplies ltd	60,000			60,000		tonners 90A
Mwanyonyi enterprises	192,600			192,600		supply of food and rations
Wasser E.A systems	650,000			650,000		Supply of computers
Kemsa	17,542,204			17,542,204		Pharmaceuticals to main hospitals
Kemsa	4,683,280			4,683,280		Pharmaceuticals to main hospitals
M/S Marquee Tent & Décor Enterprises.	750,000			750,000		Maternity towels
Kevleah Agencies	5,016,200		-	5,016,200		Supply of Fire Equipment
Non such printers	5,275,000			5,275,000		Mother to child booklets
FAIRDEAL FURNITURE LTD	38,995			38,995		SUPPLY OF FURNITURE
FAIRDEAL FURNITURE LTD	72,985			72,985		SUPPLY OF FURNITURE
FAIRDEAL FURNITURE LTD	119,980			119,980		SUPPLY OF FURNITURE
FAIRDEAL FURNITURE LTD	786,965			786,965		SUPPLY OF FURNITURE
FAIRDEAL FURNITURE LTD	132,475			132,475		SUPPLY OF FURNITURE
Mwawaza enterprises, box 1177, bungoma	1,995,000			1,995,000		Supply and delivery of complimentary slips and visitors books

Biomax africa limited, 91131-80103-mombasa	4,899,315			4,899,315		Supply, install, test and commision 4NO. 12m Solar high mast
Monata enterprises, box 22024, nairobi	171,000			171,000		Supply and delivery of staff uniforms
Mwonyonyi enterprise, box 945, bungoma	551,000			551,000		Supply and delivery of ict Items
Wasser E.A system	32,500			32,500		Supply and delivery of ict Items
Kitanyisupplies agencies, box 372 bungoma	1,504,200			1,504,200		Supply and delivery of binding materials
Print options limited, box 16117-00100 nrb	1,610,000			1,610,000		Supply and delivery of tamper proof accountable documents
Sylivion investment co. Ltd box 2006, bungoma	96,000			96,000		Supply and delivery of ict Items
Quidbob agencies, box 3613, bungoma	700,000			700,000		Supply and delivery of tyres
GROWTH SPIKES LTD	697,800		0	697,800		TREE PLANTING
TOTAL	**210,565,898**	**-**	**35,610,498**	**174,955,399**		
GRAND TOTAL	**1,607,361,166**	**-**	**881,629,752**	**725,731,414**		

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Staff Classification	Original Amount KShs.	Amount Paid To-Date KShs.	Outstanding Balance 2017/2018 KShs.
Middle Management					
ALEXINAH SIMIYU	k	middle	2,000,000	-	2,000,000
ALEXINAH SIMIYU	k	middle	3,000,000	-	3,000,000
ANDREW SIMIYU	K	middle	50,000	-	50,000
ANNE N. WAKORA	L	middle	200,000	-	200,000
ARNOLD MUKHEBI	L	middle	40,000	-	40,000
ARNOLD MUKHEBI	N	middle	5,059,500	-	5,059,500
BRIAN WALUMOLI	K	middle	109,750	-	109,750
CAROLINE N. SITUMA	K	middle	1,000,000	-	1,000,000
CAROLYNE WANYONYI	L	middle	1,369,200	-	1,369,200
CATHERINE ANDATI	K	middle	1,000,000	-	1,000,000
CATHERINE ANDATI	K	middle	2,000,000	-	2,000,000
CATHERINE ANDATI	K	middle	2,000,000	-	2,000,000
COLLINS BUSURU	K	middle	205,000	-	205,000
DAN OSWANA	M	middle	300,000	-	300,000
DAN OSWANA	M	middle	770,400	-	770,400
DAN OSWANA	M	middle	929,600	-	929,600
DAN OSWANA	M	middle	500,000	-	500,000
DAN OSWANA	M	middle	1,000,000	-	1,000,000
DAVID MAKOKHA	M	middle	932,500	-	932,500
DAVID ODEKE	K	middle	288,800	-	288,800
DAVID WEFWAFWA	L	middle	770,400	-	770,400
DENNIS BARASA	L	middle	650,000	-	650,000
DR JOSEPH GANDA	M	middle	165,000	-	165,000
DR TUWEI K.PHILIP	l	middle	238,500	-	238,500
DR WYCLIFFE N. WAKHUNGU	M	middle	58,000		58,000

				-	
DR WYCLIFFE WAKHUNGU	N	middle	285,600	-	285,600
EMMANUEL NYONGESA	M	middle	540,000	-	540,000
EUNICE NAIBEI	K	middle	1,060,000	-	1,060,000
EUNICE NAIBEI	K	middle	1,615,000	-	1,615,000
EVELYNE OPOLOI	L	middle	500,000	-	500,000
EVELYNE OPOLOI	L	middle	500,000	-	500,000
EVERLYNE OPOLOI	K	middle	500,000	-	500,000
EVERLYNE OPOLOI	K	middle	3,000,000	-	3,000,000
EVERLYNE T WEKESA	M	middle	360,850	-	360,850
FAITH NAFULA WEKESA	L	middle	176,400	-	176,400
FELISTUS BUTALI	K	middle	300,144	-	300,144
GEOFREY WANYAMA	L	middle	100,000	-	100,000
GEOFREY WANYONYI	L	middle	34,000	-	34,000
GETRUDE WANYONYI	k	middle	78,000	-	78,000
GILBERT CHESARI	L	middle	199,200	-	199,200
GODWILL ERIMA	K	middle	364,000	-	364,000
HUMPHREY SITUMA	K	middle	101,200	-	101,200
ISAAC SIMIYU MAKOKHA	K	middle	92,400	-	92,400
JOHN W. NDOMBI	K	middle	50,000	-	50,000
JONATHAN NAIMUKA SIRENGO	M	middle	223,000	-	223,000
JUDITH KHISA	L	middle	100,000	-	100,000
JULIET KIBUYE	L	middle	30,000	-	30,000
JULIET NYONGESA	K	middle	2,000,000	-	2,000,000
JUNIOR JACOB	J	middle	105,000	-	105,000
KATE BARASA	L	middle	1,585,000	-	1,585,000
KELVIN NYONGESA	K	middle	50,000	-	50,000
KEN MAIRURA	N	middle	2,730,000	-	2,730,000
KEN MAIRURA	N	middle	2,845,000	-	2,845,000
KERRY MULEHANE	L	middle	163,000	-	163,000

LAIKONG SOKWONY	M	middle	960,000	-	960,000
LILIAN MUKHEBI	N	middle	2,592,000	-	2,592,000
LUCILA WAKOLI	K	middle	43,600	-	43,600
LUCILA WAKOLI	k	middle	65,400	-	65,400
LUCILA WAKOLI	k	middle	100,000	-	100,000
MAKOKHA TIMOTHY	K	middle	2,000,000	-	2,000,000
MARTIN SICHANGI	M	middle	894,000	-	894,000
MARYSTELLA N. WAMALWA	K	middle	113,100	-	113,100
MARYSTELLA WANJALA	K	middle	50,000	-	50,000
MATUMBAI WYCLIFE	K	middle	490,000	-	490,000
MATUMBAI WYCLIFF	k	middle	92,000	-	92,000
MERCY MUKHWANA	K	middle	800,000	-	800,000
MERCY MUKHWANA	L	middle	195,000	-	195,000
MERCY MUKHWANA/MUMBWANI	K	middle	1,000,000	-	1,000,000
MICHAEL NDEKE	L	middle	176,400	-	176,400
MILSANE KIPLAI	M	middle	6,026,000	-	6,026,000
MOSES WANYONYI	K	middle	4,160,000	-	4,160,000
MUNIALO WASIKE	M	middle	930,000	-	930,000
NAFTALI MOMANYI	L	Middle	155,000	-	155,000
NICKSON DICK OLUTUKAI	L	Middle	4,277,500	-	4,277,500
NYONGESA WARABA	K	Middle	1,500,000	-	1,500,000
NYONGESA WARABA	J	Middle	1,825,000	-	1,825,000
PAULINE WAMALWA	M	Middle	216,000	-	216,000
PERITA BARASA	L	Middle	300,000	-	300,000
PRICILLAH WASIKE	L	Middle	119,000	-	119,000
RAMADHAN IMATEI	K	Middle	364,400	-	364,400
ROGANSIA MADEDA	K	Middle	50,000	-	50,000
ROSE WAFULA	N	Middle	4,500,000	-	4,500,000
SAMMY KIMTAI CHESETO	L	middle	100,000	-	100,000
SAMMY WANJALA MASOLO	L	middle	140,000		140,000

				-	
SAMSON WANJALA	K	middle	57,400	-	57,400
SILAS MUTAMBO	N	middle	3,955,000	-	3,955,000
SIMIYU MUTAkI	K	middle	500,000	-	500,000
SIMON SIMIYU	K	middle	100,000	-	100,000
SOSPETER CHEPRUTO	M	middle	222,900	-	222,900
STAN WEPUNDI	M	middle	580,000	-	580,000
STANLUS WEPUNDI	K	middle	719,200	-	719,200
STANLUS WEPUNDI	K	middle	2,000,000	-	2,000,000
SUSY NANGEKHE	K	middle	430,000	-	430,000
THOMAS WARABA	K	middle	400,000	-	400,000
THOMAS WARABA	K	middle	800,000	-	800,000
TIMOTHY MACHI	K	middle	800,000	-	800,000
WEKESA MARK	K	middle	309,100	-	309,100
YAHYA MUTALI	K	middle	1,845,000	-	1,845,000
YAHYA MUTALI	L	middle	50,000	-	50,000
		middle Total	91,327,444	-	91,327,444
Senior Management					
ALBERT SESE	P	senior	100,000	-	100,000
ALBERT SESE	P	senior	132,000	-	132,000
ALBERT SESE	Q	senior	132,000	-	132,000
ALBERT SESE	Q	senior	153,100	-	153,100
ALBERT SESE	Q	senior	901,200	-	901,200
ALICE WAFULA	P	senior	24,000	-	24,000
BEN ARENICO	P	senior	75,000	-	75,000
BENJAMIN WAFULA	P	senior	190,000	-	190,000
CAROLYNE MALANGACHI	J	senior	2,000,000	-	2,000,000
DONALD KAPTEN BULIMO	Q	senior	92,023	-	92,023
ELECTOR MANDILAH	R	senior	199,000	-	199,000
GEORGE BARASA	P	senior	200,000	-	200,000

GLORIA NEKESA WANJALA	P	senior	6,740,000	-	6,740,000
GREGORY WAFULA	P	senior	444,450	-	444,450
HENRY WEKESA WACHINA	P	senior	100,000	-	100,000
JANE NALIAKA SIMIYU	P	senior	61,550	-	61,550
JANE NAMUKI	P	senior	92,000	-	92,000
JOCEPH MUKENDE LUUCHO	Q	senior	28,460	-	28,460
JOEL PEKA	Q	senior	943,000	-	943,000
JOYCE NAFULA BARASA	S	senior	250,000	-	250,000
JULITA WAMALWA	Q	senior	144,000	-	144,000
JULIUS K. WANYAMA	Q	senior	101,200	-	101,200
JULIUS WAFULA	P	senior	6,740,000	-	6,740,000
KEVIN SIMIYU	P	senior	5,984,800	-	5,984,800
LEONARD MASINDE	Q	senior	380,000	-	380,000
LILIAN WANJALA	P	senior	100,000	-	100,000
MARY JANET NAFULA	P	senior	27,100	-	27,100
MARY SIMIYU	P	senior	65,700	-	65,700
MATHEWS C. WANJALA	T	senior	485,070	-	485,070
MOSES O. ONGORO	R	senior	101,200	-	101,200
MOSES WANYAMA	Q	senior	84,400	-	84,400
MOSES WANYONYI	P	senior	223,800	-	223,800
MWALIMU JUMA MAFIMBO	Q	senior	101,200	-	101,200
SAMSON KUNYU	P	senior	63,400	-	63,400
SELLAH MUTSOSO	Q	senior	54,400	-	54,400
SIMBI KUSIMBA	N	senior	982,073	-	982,073
SIMIYU MUTAkI	P	senior	3,000,000	-	3,000,000
SIMON ABWAO	Q	senior	481,800	-	481,800
SONNY WERE	T	senior	370,000	-	370,000
STEPHEN MUNERIA	P	senior	65,700	-	65,700
VIOLET WAFULA	T	senior	5,031,900	-	5,031,900
		senior Total	37,445,526		37,445,526

				-	
Unionisable Employees					
ABIUD SIMIYU	J	Unionisable Employees	2,000,000	-	2,000,000
ABIUD SIMIYU	J	Unionisable Employees	7,900,000	-	7,900,000
AMOS JUMA WANJALA	J	Unionisable Employees	30,000	-	30,000
ANNAH N. NYONGESA	J	Unionisable Employees	30,000	-	30,000
ANTHONY MULATI	J	Unionisable Employees	1,698,000	-	1,698,000
ANTHONY SHIKUKU	J	Unionisable Employees	299,600	-	299,600
BARBARA NAMWENYA	J	Unionisable Employees	511,125	-	511,125
BEN TENGE	J	Unionisable Employees	46,500	-	46,500
BENARD BARASA	J	Unionisable Employees	5,200	-	5,200
BENSON P. MALECH	J	Unionisable Employees	575,500	-	575,500
BRAMUEL MUKHWANA	H	Unionisable Employees	100,000	-	100,000
BRAMUEL NATWALI KHISA	J	Unionisable Employees	553,500	-	553,500
CAROLINE N. KHAEMBA	j	Unionisable Employees	1,049,000	-	1,049,000
CAROLYNE MALANGACHI	J	Unionisable Employees	30,000	-	30,000
CATHERINE ANDATI	J	Unionisable Employees	101,800	-	101,800
CELESTINE SIMIYU MUTAKI	J	Unionisable Employees	150,000	-	150,000
DAN KINGO	H	Unionisable Employees	62,000	-	62,000
DAVID K. WAMALWA	J	Unionisable Employees	1,516,000	-	1,516,000
DAVID OTIENO	H	Unionisable Employees	35,000	-	35,000
DISMAS NGEYWO	H	Unionisable Employees	1,900,000	-	1,900,000
EDGAH BARASA	J	Unionisable Employees	3,618,000	-	3,618,000
EDWIN SIMIYU	J	Unionisable Employees	186,600	-	186,600
EDWIN WAFULA	j	Unionisable Employees	131,800	-	131,800
ELIZABETH MASINDE	J	Unionisable Employees	2,273,300	-	2,273,300
EMILY K. WAPATA	J	Unionisable Employees	30,000	-	30,000
EMMAH SITAWA	J	Unionisable Employees	1,185,000	-	1,185,000
EMMANUEL KISEBE	G	Unionisable Employees	299,500	-	299,500
ENOCK M. WEPUKHULU	C	Unionisable Employees	114,700	-	114,700

ESNAS WAMALWA	j	Unionisable Employees	925,000	-	925,000
ESTHER MUKHULA/MWAKA	J	Unionisable Employees	184,600	-	184,600
EUNICE NAIBEI	j	Unionisable Employees	300,000	-	300,000
EVELYNE OPOLOI	J	Unionisable Employees	30,000	-	30,000
EVERLYNE OPOLOI	j	Unionisable Employees	208,100	-	208,100
EVERLYNE OPOLOI	J	Unionisable Employees	240,000	-	240,000
FELISTUS BUTALI	J	Unionisable Employees	184,900	-	184,900
FELIX MUKHEBI	D	Unionisable Employees	178,000	-	178,000
FRED KUNDU	J	Unionisable Employees	62,500	-	62,500
FREDRICK MUNYIFU	J	Unionisable Employees	3,953,000	-	3,953,000
GEOFREY WANYAMA WAFULA	J	Unionisable Employees	215,500	-	215,500
GEORGE MUKHAWEKA	j	Unionisable Employees	176,000	-	176,000
GERINE M. WANJALA	J	Unionisable Employees	30,000	-	30,000
GETRUDE WANJALA OKOMBA	J	Unionisable Employees	998,500	-	998,500
GEVINE MACHUMA WANJALA	J	Unionisable Employees	2,069,500	-	2,069,500
GLADYS OKONGO	j	Unionisable Employees	100,000	-	100,000
GLADYS SITUMA	J	Unionisable Employees	4,033,700	-	4,033,700
GLORIA KIBEU	J	Unionisable Employees	651,800	-	651,800
GLORIA NASAMBU	J	Unionisable Employees	2,984,400	-	2,984,400
GODFREY MWIBANDA SIMIYU	D	Unionisable Employees	134,000	-	134,000
GRACE WASIKE	J	Unionisable Employees	200,000	-	200,000
HILLARY MASAI ARAP BOKOSE	J	Unionisable Employees	1,200,000	-	1,200,000
ISAAC MUCHUMA MANYU	J	Unionisable Employees	63,600	-	63,600
ISAAC SIMIYU	J	Unionisable Employees	100,000	-	100,000
JACINTA SIMIYU	H	Unionisable Employees	100,000	-	100,000
JACOB JUNIOR	J	Unionisable Employees	35,500	-	35,500
JOAN NALIAKA BARASA	J	Unionisable Employees	267,000	-	267,000
JONATHAN CHENJENI	J	Unionisable Employees	50,000	-	50,000
JOY WATITWA	H	Unionisable Employees	54,100	-	54,100
JUDITH NAFULA	J	Unionisable Employees	30,000		30,000

				-	
JULIA N. NABWANA	J	Unionisable Employees	30,000	-	30,000
KAREN WASWA	A	Unionisable Employees	33,200	-	33,200
LENNAH M. NASONGO	J	Unionisable Employees	3,722,600	-	3,722,600
LILIAN KHAKASA KITUYI	J	Unionisable Employees	30,000	-	30,000
MILLICENT MAJUMA	A	Unionisable Employees	8,900	-	8,900
MILLICENT WAFULA	J	Unionisable Employees	114,000	-	114,000
MUGE K.M	E	Unionisable Employees	208,500	-	208,500
MURUMBA CHIULI	T	Unionisable Employees	460,000	-	460,000
MUTABASI JUMA	j	Unionisable Employees	412,000	-	412,000
NAOMI BHOkE	J	Unionisable Employees	3,940,000	-	3,940,000
NICHOLAS MAGHAS	J	Unionisable Employees	4,787,800	-	4,787,800
OSCAR SIFUMA	J	Unionisable Employees	410,000	-	410,000
OSCAR SIFUMA	J	Unionisable Employees	857,600	-	857,600
PAUL WASIKE	G	Unionisable Employees	329,800	-	329,800
PETER CHRISTOPHER BARASA	J	Unionisable Employees	121,000	-	121,000
PETER SMITH	J	Unionisable Employees	130,800	-	130,800
PETER SMITH	J	Unionisable Employees	197,500	-	197,500
PRISCILLAR NAMALWA	J	Unionisable Employees	21,000	-	21,000
ROSE MAYEKU	J	Unionisable Employees	40,000	-	40,000
ROSE N. MURAYA	J	Unionisable Employees	1,353,000	-	1,353,000
ROSE WAFULA	H	Unionisable Employees	62,125	-	62,125
ROSE WAFULA	J	Unionisable Employees	136,000	-	136,000
RUTH BARASA	J	Unionisable Employees	84,000	-	84,000
SALOME BWABI	H	Unionisable Employees	60,000	-	60,000
SAMMY KEMBOI	G	Unionisable Employees	318,000	-	318,000
SIMIYU MUTAkI	J	Unionisable Employees	50,600	-	50,600
TOM BARASA	J	Unionisable Employees	320,000	-	320,000
TOM WANJALA	H	Unionisable Employees	94,000	-	94,000
VINCENT SHIKANDA	H	Unionisable Employees	477,000	-	477,000

WESLEY G. ONYIGWA	H	Unionisable Employees	345,500	-	345,500
WINROSE WANAMBISI	H	Unionisable Employees	80,000	-	80,000
WINROSE WANAMBISI	J	Unionisable Employees	200,000	-	200,000
FRED SIKUTA		Unionisable Employees	1,929,700	-	1,929,700
		Unionisable Employees Total	67,556,450	-	67,556,450
		Grand Total	196,329,420	-	196,329,420

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical cost b/f (KShs)	Additions during the year (KShs)	Disposals during the year (KShs)	Historical cost c/f (KShs)
	2016/2017	2017/2018	2017/2018	2017/2018
Land	11,661,930,014	350,000	-	11,662,280,014
Buildings and structures	-	622,028,101	-	622,028,101
Transport equipment	555,317,907	5,500,000	-	560,817,907
Office equipment, furniture and fittings	267,151,010	4,334,456	-	271,485,466
ICT Equipment, Software and Other ICT Assets	210,932,600	-	-	210,932,600
Other Machinery and Equipment	191,401,755	51,082,490	-	242,484,245
Heritage and cultural assets	-	-	-	-
Intangible assets	-	21,870,371	-	21,870,371
Others	-	235,292,300	-	235,292,300
Total	**12,886,733,286**	**940,457,718**	**-**	**13,591,898,704**

NB: The buildings and some of the land parcels are still undergoing valuation. There were no disposals during the financial year.

ANNEX 5– INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred	Amount Confirmed as received	difference	explanation
						KShs	KShs		
1	County Assembly Recurrent	58,278,516	248,884,588	217,854,566	293,760,467	**818,778,137**	818,778,137	-	
2	County Assembly Development	7,209,400	19,400,000	35,693,920	13,150,000	**75,453,320**	75,453,320	-	
5	RMLF	-	106,876,391	176,064,680	116,339,114	**399,280,185**	399,280,185	-	
6	DANIDA	-	-	72,161,451	-	**72,161,451**	72,161,451	-	
7	NARGP	-	-	-	55,609,855	**55,609,855**	55,609,855	-	
8	Empowerment Fund	-	5,206,315	-	-	**5,206,315**	5,206,315	-	
9	Bursary Fund	-	-	158,985,892	223,250,000	**382,235,892**	382,235,892	-	
10	Emergrncy Fund	-	-	-	50,000,000	**50,000,000**	50,000,000	-	
11	User fees				33,241,409	**33,241,409**	33,241,409		
9	**Total**	**65,487,916**	**380,367,294**	**660,760,509**	**785,350,845**	**1,891,966,564**	**1,891,966,564**	-	

ANNEX 6– DISPENSARIES AND HEALTH CENTRES BANK BALANCES

	FACILITY	OPENING BALANCE Kshs	CLOSING BALANCE Kshs
1	Luuya Dispensary	59,122	152,397
2	Lukhome Dispensary	141,828	216,699
3	Ngalasia Dispensary	55,383	295,925
4	Sinoko Dispensary	95,023	363,691
5	Mahanga Dispensary	59,379	323,042
6	Kibisi Dispensary	56,309	0
7	LUNGAI DISPENSARY	67,494	438,296
8	Pwani dispensary	56,219	196,615
9	Tamlega Dispensary	106,352	352,643
10	Kaptanai Dispensary	293,906	811,572
11	Kapkateny Dispensary	55,429	228,394
12	Chesikaki Dispensary	55,649	192,472
13	Kapsambu Dispensary	-	27
14	Tuikut Dispensary	63,113	222,719
15	Kang'anga Dispensary	56,295	285,623
16	Kamuneru Dispensary	58,131	317,956
17	Kaborom Dispensary	-	391
18	Sango Naitiri Dispensary	148,683	1,011,012
19	Sirakaru Dispensary	56,745	311,741
20	Lukhuna Dispensary	10,841	156,886
21	Mihuu Dispensary	271,443	549,813
22	Makhanga Dispensary	85,379	327,058
23	Kaboywo Dispensary	65,560	224,022
24	Kabula Dispensary	303,689	990,674

25	Kibuke Dispensary	113,978	336,847
26	Miluki Dispensary	58,480	670,820
27	Nasianda Dispensary	57,369	459,690
28	Siboti Dispensary	268,436	1,133,852
29	Lwanda Dispensary	1,354	205,451
30	Nalondo Dispensary	101,494	570,912
31	Sikulu dispensary	58,010	295,334
32	Bukembe Dispensary	-	76
33	Bulondo Dispensary	83,340	500,952
34	Ekitale Dispensary	282,312	784,967
35	Mayanja Dispensary	57,385	438,092
36	Mechimeru Dispensary	79,839	963,209
37	Mumbule Dispensary	56,192	367,973
38	Korosiandet Dispensary	62,084	309,101
39	Lwandanyi Dispensary	175,702	488,412
40	Chepkube Dispensary	59,952	256,769
41	Karima Dispensary	2	0
42	Kopsiro Dispensary	63,552	276,857
43	Bahai Dispensary	58,031	8,711
44	Bituyu Dispensary	59,463	244,221
45	Kibingei Dispensary	280,383	551,992
46	Maeni Dispensary	58,029	346,016
47	Nasusi Dispensary	75,709	46,633
48	Kamenjo Dispensary	55,214	161,811
49	Kaptalelio Dispensary	92,891	260,597
50	Sacha Dispensary	57,311	249,767
51	Makutano Dispensary	70,455	494,799
52	Khaoya Dispensary	56,068	230,557
53	Lurare Dispensary	99,474	170,966

54	Miendo Dispensary	137,530	409,757
55	Mukhe Dispensary	57,029	459,947
56	Kayaya Dispensary	161,727	180,173
57	Ranje Health Centre	7,042	190,524
58	Kongoli Dispensary	66,177	335,034
59	Ndegelwa Dispensary	70,997	292,348
60	Musikoma Dispensary	68,397	295,244
61	Kapkota community Dispensary	68,507	126,029
62	Ruanda Dispensary	3,346	193,938
63	Kubura Dispensary	1,184	181,066
64	Wasio Dispensary	67,860	72,008
65	Chesinende Dispensary	67,871	211,995
66	Chemworemo Dispensary	67,353	222,547
67	Chemses Dispensary	66,897	282,883
68	Koshok Dispensary	87,381	138,465
69	Kolani Dispensary	47,667	212,642
70	Machakha Dispensary	-	6,000
71	Chepkutumi Dispensary	-	2,891
72	Muanda Dispensary		45,390
73	Mukwa Dispensary	12,745	128,891
74	Talitia Dispensary	455	117,762
75	Kitabisi Dispensary	42,480	162,056
76	Kambini community Dispensary	64,754	93,440
77	Kamasielo Dispensary	63,952	111,446
78	Sulwe Dispensary	53,178	128,181
79	Chebukwabi Dispensary	81,529	196,235
80	Sango Kabuyefwe Dispensary	65,998	249,179
81	Mwikhupo Dispensary	53,118	128,496
82	Lukhokwe Dispensary		69,297

83	Tabani Dispensary	57,679	198,796
84	Nabiswa Dispensary		0
85	Makololwe Dispensary	1,928,008	123,771
86	Chemwa Bridge Dispensary	15,952	46,344
87	Luucho Dispensary	88,993	208,716
88	Sikusi Dispensary	-	14,345
89	Makhonge dispensary	724	285,877
90	Mulachi Dispensary	98,855	154,808
91	Namarambi Dispensary	108,559	57,400
92	Lukusi Dispensary	-	305
93	Misikhu Dispensary	91,330	164,907
94	Matulo Dispensary	207,057	289,526
95	Khalumuli Dispensary	-	272,083
96	Kamukuywa Dispensary	53,434	159,673
97	Khalala Dispensary	67,273	147,327
98	LUNAKWE Dispensary	880	71,702
99	Kakimanyi(webuye West)	9,325	148,433
100	KITUNI DISPENSARY		177
101	MARIGO DISPENSARY	1,325	72,398
102	Namang'ofulo Dispensary	-	259
103	MATISI DISPENSARY	-	116,542
104	SITIKHO DISPENSARY	-	19,321
105	MWOMO DISPENSARY	-	40,675
106	CHEPKERER DISPENSARY	-	110,341
107	LWAKHAKHA DISPENSARY	-	49
108	GK PRISON DISPENSARY	-	112,389
109	CHEMOGE DISPENSARY	-	393
110	NAMWATIKHO DISPENSARY	-	23
111	NASAKA DISPENSARY	-	64,962

112	CHWELE FRIENDS DISPENSARY	-	144,608
113	KONGIT DISPENSARY	-	62,915
114	KAPCHEBON DISPENSARY	-	65,394
115	MWAIMWAI DISPENSARY	-	148,415
116	BUTIELI DISPENSARY	-	73,731
117	BUKOKHOLO DISPENSARY	-	6,768
	TOTAL DISPENSARIES	**8,979,049**	**27,422,283**
	HEALTH CENTRES		
1	MILO HEALTH CENTRE	208,169	840,005
2	MALAKISI HEALTH CENTRE	374,376	586,840
3	WEBUYE HEALTH CENTRE	221,332	1,147,677
5	KIMAETI HEALTH CENTRE	727,561	29
6	TONGAREN HEALTH CENTRE	226,648	634,663
7	NDALU HEALTH CENTRE	542,392	949,452
8	MAKHONGE HEALTH CENTRE	306,292	558,413
9	KIMALEWA HEALTH CENTRE	369,369	555,465
10	KABUCHAI HEALTH CENTRE	349,853	980,571
	TOTAL HEALTH CENTRES	**3,325,992**	**6,253,115**
	CHMT BUNGOMA	7,657	788
	TOTALS	**12,312,697**	**33,676,185**