REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF GARISSA

FOR THE YEAR ENDED 30 JUNE 2018

GARISSA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

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

- County Assembly Service Board(CASB)
- Clerk

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Mohamud A. Santur
2.	Principal Finance Officer	Mohamed A. Idhifle
3.	Principal Accountant	Mohamed A. Birik
4.	Principal Budget Officer	Fatuma H. Dagane
5.	Principal Internal Auditor	Abdinoor Duale
6.	Principal Procurement Officer	Issack I. Yussuf
7.	Principal Human Resource Officer	Yussuf Diis Shafat

(d) Fiduciary Oversight Arrangements

1. Kenya National Audit Office
2. Audit Committee
2. Public Accounts Committee of the assembly
3. Finance Committee of the assembly
4. Budget committee of the assembly

(e) Entity Headquarters

County Assembly Building
P.O. Box 57-70100
Posta Road
Garissa, KENYA

(f) Entity Contacts

Telephone: (254) 702650013
E-mail: clerk@garissaassembly.go.ke
Website: www.garissaassembly.go.ke

(g) Entity Bankers

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

2. First Community Bank
   Kenyatta Avenue
   P.O Box 642-70100
   Garissa

3. Equity Bank
   Kenyatta Avenue
   P.O Box 700-70100
   Garissa

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Put the forward note by the Clerk of the County Assembly.

Include the following:

Budget performance
The county assembly recurrent budget for the year was Ksh. 673,922,471 of which we received Ksh. 648,474,550 representing 96%. The actual utilization was Ksh. 648,459,445 representing 99.9% against the budget. The county assembly development budget for the year was Ksh. 80,000,000 of which we received Ksh. 70,000,000 representing 87.5% but due to some challenges we spent Ksh. 49,545,063 representing 71%
Operational Performance
-Budget Statement- The assembly passed the county budget that enabled the county undertake key development projects as contained in the county integrated development plan this led the county residents enjoy a better service. -The county assembly passed the budget on June, 2017 and subsequently passed the supplementary budget on around March, 2018 -The county assembly has passed other legislation within the year.
Performance of key development projects
Expansion of chambers
Comment on value-for-money achievements
There was value for money for all projects done.
Challenges and Recommended Way Forward
Delay of funds- The assembly is in discussions with COB & CEC Finance to resolve the matter amicably. Man power Development- The human resource is carrying out capacity assessment of employees to ensure the gaps in skills is properly filled.

Sign
Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 17/12/ 2018.

Clerk of the County Assembly

REPUBLIC OF KENYA

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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 ASSEMBLY OF GARISSA FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Garissa set out on pages 1 to 32, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Garissa as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Expenditure

Included in use of goods and services of Kshs.217,094,611 is domestic travel and subsistence allowances figure of Kshs.85,575,630 which in turn includes Kshs.5,659,600 paid to Members of County Assemblies (MCAs) and other staff who travelled outside their work stations on official duties. However, it was noted that some payment schedules were not signed by the payees, venues of some meetings were not indicated and payment schedules were not made available for audit review. In addition, some payments were not supported by bus tickets or work tickets and specific nature of official duties were not disclosed to justify the payments made.

Further, included in use of goods and services is hospitality supplies and services expenditure of Kshs.6,995,350 which in turn includes Kshs.3,938,950 in respect of hotel catering services to various hotels. The payments were however, not supported with

contract agreements with the hotels and suppliers as well as proof of acknowledgement of receipts of goods/services.

In addition, included in use of goods and services of Kshs.217,094,611 is Kshs.14,674,692 which includes Kshs.1,102,000 spent on training of staff. However, it was observed that the payments were not supported properly with details of list of the officers purported to have trained.

Consequently, the accuracy of the expenditure on of goods and services for the year ended 30 June 2018 could not be to ascertained.

2. Irregular Procurement of Consultancy Services

Included in use of goods and services of Kshs.217,094,611 is Kshs.80,586,360 which in turn includes Kshs.5,300,000 paid in respect of consultancy services contracted for by the Assembly. It was however, noted that some payments were not supported with signed contract agreements between the Assembly and the service providers. Further, reports of the services offered, companies' registration certificates, compliance certificates, list of attendance, training programs, and copies of certificates issued to the trainees were not availed for audit review.

Consequently, it has not been possible to ascertain the propriety of the expenditure of Kshs.5,300,000.

3. Irregular Sourcing and Payment of Rental of Produced Assets

Included in use of goods and services of Kshs.217,094,611 is Kshs.1,220,000 incurred on rental of produced assets and services. However, a review of the expenditure revealed that the expenses were not well supported by invoices, lease agreements and contracts.

Under the circumstances, the probity of the expenditure amounting to Kshs.1,220,000 could not be confirmed.

4. Unaccounted for Office and General Supplies and Services

Included in use of goods and services of Kshs.217,094,611 is Kshs.639,680 for office & general supplies and services. The Assembly used low value procurement method to purchase office supplies and services. However, the S13 and S11 counter receipt vouchers and counter issue vouchers respectively were not availed for audit review and thus goods may have not been delivered for official use and thus loss of public funds.

In the circumstances, the probity of the expenditure of Kshs.639,680 could not be ascertained.

5. Unaccounted Mileage Allowance for Members of County Assemblies

Included in use of goods and services of Kshs.217,094,611 is an amount of Kshs.85,575,630 in respect of domestic Arakel and subsistence which in turn includes Kshs.1,906,127 paid to the MCAs which was not supported with approved Automobile Association of Kenya applicable rates as per Salaries and Remuneration Commission Circular, work tickets, kilometers covered and the engine capacity for the vehicles used.

In the circumstances, the authenticity of the expenditure of Kshs.1,906,127 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

During the year under review, the approved budget of the County Assembly totaled Kshs.753,322,471 out of which a sum of Kshs.673,322,471 (89.4%) was allocated to recurrent expenditure and Kshs.80,000,000 (10.6%) to development expenditure. However, it was noted that 96% of recurrent was utilized leaving a balance of 4% while 62% of development was utilized leaving a balance of 38 % unspent. No proper explanation was given for under absorption of budget which leads to denial of service delivery to county residents.

Item	Budgeted Allocation Kshs.	Actual Expenditure Kshs .	Absorption Rate	% of under absorption
Recurrent Expenses	673,322,471	648,459,445	96%	4%
Development Expenses	80,000,000	49,545,063	62%	38%
Total	**753,322,471**	**698,004,508**		

2. Maintenance of Fixed Assets Register

Annex 4 to the financial statements reflects a summary of the total fixed assets owned by the County Assembly valued at Kshs.214,962,445 as at 30 June 2018. However, the County Assembly did not update the fixed assets register. In the absence of a detailed and updated fixed asset register it was not possible to ascertain the balances and the make-up of the fixed assets disclosed. The land and some buildings inherited from the former defunct local authority had not been included in the fixed assets register.

In the circumstances, it was not possible to confirm the completeness of the fixed assets balance of Kshs.214,962,445.

3. Pending Bills

The County Assembly had accumulated pending bills amounting to Kshs.28,564,791 as at 30 June 2018 as per Annex 1 to the financial statements. However, the pending bills schedule attached did not indicate the ageing analysis and therefore it was not possible to ascertain how long the debts had been outstanding. Had the bills been paid and charged to the 2017/2018 accounts, the financial statements would have reflected a deficit and not a surplus as shown in the financial statements. Failure to pay bills in the year they relate to distorts the financial statements for the year and adversely affects the provisions for the subsequent years they have to be charged to.

In view of the above, it has not been possible to ascertain the accuracy, validity and completeness of the pending bills amounting to Kshs.28,564,791 reported in the financial statements.

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

Irregular Procurement of Routine Maintenance of Other Assets

Included in use of goods and services of Kshs.217,094,611 is Routine maintenance - other assets of Kshs.3,165,213 which further includes payments of Kshs.1,370,000 made in respect of supply of items for the repair of Hansard system as per the local purchase order No.3033904 dated 28 September 2018 and invoice No.719 of 2 October 2017 from a local supplier. It was noted that the mode of procurement used was request for quotations. However, scrutiny of the quotations revealed that they lacked floating dates,

date of return and also the opening dates and time were not indicated. The quotations therefore appeared incomplete which may lead to unfair award of contracts contrary to Public Procurement and Assets Disposal Act, 2015 which emphasizes on fairness, equitable, transparent and competitive manner on award of contracts of any nature.

Under the circumstances, the probity of the expenditure of Kshs.1,370,000 could not be ascertained.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

ICT Environment and Data Security

Review of the County ICT environment revealed that there was an ICT Policy document in place. However, data security policy and disaster recovery plans were not spelt out. Further, formally documented and approved processes to manage upgrades made to all financial performance information systems were not provided for audit review.
The Assembly may fail to undertake adequate measures to safeguard its resources in the event of unforeseen disasters and lack of a consistent approach towards the addressing of handling ICT issues.

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.

In preparing the financial statements, management is responsible for assessing the Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting.

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 money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional 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 Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/18 KShs	2016/17 KShs
RECEIPTS		718,474,550	669,500,000
Transfers from the County Treasury/Exchequer Releases	1	-	-
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**718,474,550**	**669,500,000**
PAYMENTS			
Compensation of Employees	4	355,726,192	376,611,657
Use of goods and services	5	217,094,611	212,331,422
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	1,299,344
Social Security Benefits	9	23,864,049	14,535,377
Acquisition of Assets	10	101,319,656	55,026,832
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		**698,004,508**	**659,804,632**
SURPLUS/DEFICIT		**20,470,042**	**9,695,368**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2017/2018 KShs	2016/17 KShs
Cash and Cash Equivalents			
Bank Balances	13A	21,081,664	611,622
Cash Balances	13B	-	-
Total Cash and cash equivalents		**21,081,664**	**611,622**
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		-	-
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15		-
NET FINANCIAL ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd	16	611,622	-9,083,746
Surplus/Deficit for the year		**20,470,042**	**9,695,368**
NET FINANCIAL POSITION		**21,084,664**	**611,622**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Officer – County Assembly
Name:
ICPAK Member Number:

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	718,474,550	669,500,000
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	(355,726,192)	(376,611,657)
Use of goods and services	5	(217,094,611)	(212,311,422)
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	(1,299,344)
Social Security Benefits	9	(23,864,049)	(14,535,377)
Finance Costs	11	-	-
Other Payments	12	-	(22,691,724)
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		-	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	101,319,656	55,026,832
Net cash flows from investing activities		101,319,656	55,026,832
NET INCREASE IN CASH AND CASH EQUIVALENTS		**20,470,042**	**-12,976,356**
Cash and cash equivalent at BEGINNING of the year	13	**611,622**	**13,587,978**
Cash and cash equivalent at END of the year		**21,081,664**	**611,622**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	790,322,471	(36,400,000)	753,322,471	718,474,550	95%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**790,322,471**	**(36,400,000)**	**753,322,471**	**718,474,550**	**95%**
PAYMENTS					
Compensation of Employees	369,692,237	-	369,692,237	355,726,192	96%
Use of goods and services	303,494,611	(86,400,000)	217,094,611	217,094,611	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	31,504,375	-	31,504,375	23,864,049	76%
Acquisition of Assets	85,631,248	50,000,000	135,631,248	101,319,656	75%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**790,322,471**	**(36,400,000)**	**753,322,471**	**698,004,508**	**93%**
SURPLUS/ DEFICIT				**20,470,042**	

The changes between the original and final budget is as a result of supplementary budget passed and reallocations.

The entity financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	760,322,471	(86,400,000)	673,322,471	648,474,550	96%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**760,322,471**	**(86,400,000)**	**673,922,471**	**648,474,550**	**96%**
PAYMENTS					
Compensation of Employees	369,692,237	-	369,692,237	355,726,192	96%
Use of goods and services	303,494,611	(86,400,000)	217,094,611	217,094,611	100%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	31,504,375	-	31,504,375	23,864,049	76%
Acquisition of Assets	55,631,248	-	55,631,248	51,774,593	93%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**760,322,471**	**(86,400,000)**	**673,322,471**	**648,459,445**	**96%**
Surplus/ Deficit				**15,105**	

The changes between the original and final budget is as a result of supplementary budget passed and reallocations.

The entity financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	30,000,000	50,000,000	80,000,000	70,000,000	88%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**30,000,000**	**50,000,000**	**80,000,000**	**70,000,000**	**88%**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	30,000,000	50,000,000	80,000,000	49,545,063	62%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**30,000,000**	**50,000,000**	**80,000,000**	**49,545,063**	**62%**
SURPLUS/ DEFICIT				**20,454,937**	

The changes between the original and final budget is as a result of supplementary budget passed.

The entity financial statements were approved on 17/12 2018 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
0000000000	-	-	-	-	-
0000000000					
0101000000	-	-	-	-	-
0101000000					
0701000000	-	-	-	-	-
0701020000					
0707000000	**306,084,370.00**		**306,084,370.00**	**295,303,113.30**	**10,781,256.70**
0707010000	306,684,370.00		306,684,370.00	295,303,113.30	10,781,256.70
0710000000	**447,238,101.00**		**447,238,101.00**	**402,701,394.70**	**44,536,706.30**
0710030000	447,238,101.00		447,238,101.00	402,701,394.70	44,536,706.30
	753,322,471.00		**753,322,471.00**	**698,004,508.00**	**55,317,963.00**

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

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

Restriction on cash

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

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 Garissa county assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Garissa county assembly budget was approved as required by Law. The original budget was approved by the County Assembly on June, 2017 for the period 1st July 2017 to 30 June 2018 as required by law. There was one number of supplementary budgets passed in the year.

A high-level assessment of the Garissa county assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2017/18	2016/17
	KShs	KShs
Transfers from the County Treasury for Q1	63,360,206	106,500,000
Transfers from the County Treasury for Q2	215,750,138	168,000,000
Transfers from the County Treasury for Q3	167,100,000	116,000,000
Transfers from the County Treasury for Q4	272,264,206	279,000,000
Cumulative Amount	**718,474,550**	**669,500,000**

2. PROCEEDS FROM SALE OF ASSETS

	2017/18	2016/17
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

3. OTHER RECEIPTS

	2017/18	2016/17
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18	2016/17
	KShs	KShs
Basic salaries of permanent employees	173,068,658	223,558,461
Basic wages of temporary employees	12,600,000	22,183,590
Personal allowances paid as part of salary	155,551,297	117,614,210
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	14,506,237	13,255,396
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**355,726,192**	**376,611,657**

5. USE OF GOODS AND SERVICES

	2017/18	2016/17
	KShs	KShs
Utilities, supplies and services	1,715,887	2,750,000
Communication, supplies and services	-	874,000
Domestic travel and subsistence	85,575,630	97,000,000
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	6,680,690	2,386,049
Rentals of produced assets	1,220,000	8,947,193
Training expenses	14,665,756	12,243,965
Hospitality supplies and services	6,995,350	14,280,050
Insurance costs	14,674,692	17,859,888
Specialized materials and services	659,000	499,560
Office and general supplies and services	639,680	6,913,460
Other operating expenses	80,586,360	37,071,432
Routine maintenance – vehicles and other transport equipment	606,353	1,472,473
Routine maintenance – other assets	3,165,213	10,033,352
Total	**217,094,611**	**212,331,422**

6. SUBSIDIES

Description	2017/18	2016/17
	KShs	KShs
Subsidies to County Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18	2016/17
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	-
(insert name of budget agency)	-	-
TOTAL	-	-

8. OTHER GRANTS AND TRANSFERS

	2017/18	2016/17
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Other grants and transfers	-	1,299,344
Total	**-**	**1,299,344**

9. SOCIAL SECURITY BENEFITS

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	23,864,049	14,535,377
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**23,864,049**	**14,535,377**

10. ACQUISITION OF ASSETS

Non Financial Assets	2017/18	2016/17
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	30,689,802	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	49,545,063	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	5,390,454	6,500,000
Purchase of Office Furniture and General Equipment	13,774,138	21,985,384
Purchase of ICT Equipment, Software and Other ICT Assets	-	
Purchase of Specialised Plant, Equipment and Machinery	1,920,200	26,740,968
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets	-	
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total	**101,319,656**	**55,226,352**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18	2016/17
	KShs	KShs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	-	-

12. OTHER PAYMENTS

	2017/18	2016/17
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
Total	-	-

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017/18	2016/17
		KShs	KShs
Central Bank, Account No. 1000238992 Kenya Shilling	Recurrent Acc	55,501	333,422
Central Bank, Account No. 1000323868 Kenya Shilling	Development Acc	20,733,137	278,200
First Community Bank, Account No.2977778701 Kenya Shilling	Commercial Bank Accs	169,377.35	
Equity Bank, Account No.0580266155162 Kenya Shilling	Commercial Bank Accs.	123,649.10	
Total		**21,081,664**	**611,622**

The audited FY16/17 had a balance of Ksh. 23,283,346 which included amounts already paid in IFMIS that had not actualized in bank. Subsequently this cleared and the actual bank balance was Ksh. 611,622.

13B. CASH IN HAND

	2017/18	2016/17
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2017/18	2016/17
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. ACCOUNTS RECEIVABLE

	2017/18	2016/17
	KShs	KShs
Government Imprests	-	-
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	-	-

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

15. ACCOUNTS PAYABLE

	2017/18	2016/17
	KShs	KShs
Deposits and Retentions	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18	2016/17
	KShs	KShs
Bank accounts	21,081,664	611,622
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	**21,081,664**	**611,622**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18	2016/17
	KShs	KShs
Adjustments on bank account balances	611,622	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	**611,622**	-

The audited FY16/17 had an error balance of Ksh. 23,283,346 which included amounts already paid in IFMIS that had not actualized in bank. Subsequently this cleared and the actual bank balance was Ksh. 611,622.

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	-	-
Construction of civil works	11,644,623	9,137,654
Supply of goods	1,372,716	4,951,559
Supply of services	15,547,452	3,185,583
Total	**28,564,791**	**17,274,796**

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
MCAs mileage allowance		3,799,958
Ward offices rent		-
Total		**3,799,958**

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18	2016/17
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Total	-	-

4. RELATED PARTY DISCLOSURES

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

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

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2017- 2018	2016- 2017
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	295,000,000	275,000,000
Key Management Compensation(Clerk and Heads of departments)	118,000,000	110,000,000
Total Compensation to Key Management	**413,000,000**	**385,000,000**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	**-**	**-**
Transfers from related parties		
Transfers from the County Executive- Exchequer	718,474,550	669,500,000
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	**718,474,550**	**669,500,000**

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
4	Unsupported expenditure on hospitality, supplies and services	Adequate Supporting for the expenditure is done	Issak Ismail-Principal Proc. Officer	Not resolved	Waiting for Senate call
5	Unsupported training expense	Adequate Supporting for the expenditure is done	Issak Ismail-Principal Proc. Officer	Not resolved	Waiting for Senate call
6	Unsupported Mileage Allowance	Adequate Supporting for the expenditure is done	Mohamed A. Birik-Principal Accountant	Not resolved	Waiting for Senate call
7	Irregular and Unaccounted for Office Furniture & General Equipment	Adequate Supporting for the expenditure is done	Issak Ismail-Principal Proc. Officer	Not resolved	Waiting for Senate call
8	Doubtful Subsistence Allowance	Adequate Supporting for the expenditure is done	Mohamed A. Birik-Principal Accountant	Not resolved	Waiting for Senate call
9	Irregular Payment of Consultancy Services	Adequate Supporting for the expenditure is done	Issak Ismail-Principal Proc. Officer	Not resolved	Waiting for Senate call
10	Unaccounted for Goods	Adequate Supporting for the expenditure is done	Issak Ismail-Principal Proc. Officer	Not resolved	Waiting for Senate call

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
11	Payments for Security Allowance	Adequate Supporting for the expenditure is done	Mohamed A. Birik- Principal Accountant	Not resolved	Waiting for Senate call
12	Payment for Legal Services	Adequate Supporting for the expenditure is done	Mohamed A. Idhifle- Principal Finance Officer	Not resolved	Waiting for Senate call
13	Payment for Rental Premises	Adequate Supporting for the expenditure is done	Mohamed A. Idhifle- Principal Finance Officer	Not resolved	Waiting for Senate call
14	Hire of Transport Services	Adequate Supporting for the expenditure is done	Mohamed A. Idhifle- Principal Finance Officer	Not resolved	Waiting for Senate call

Guidance Notes:

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

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

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

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

Clerk of the County Assembly

Sign.....

Date.....17/12/2018.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016/17	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4. BURA CONTRACTORS LIMITED	18,551,392	07/08/2015	16,403,221	2,148,171	2,148,171	Pending work
5. SINAY CONSTRUCTION LIMITED	14,482,973	20/12/2017	10,000,000	0	4,482,973	Pending work
6. MANSUR CONSTRUCTION COMPANY LIMITED	10,013,479	04/01/2017	5,000,000	5,013,479	5,013,479	Pending work
Sub-Total				**7,161,650**	**11,644,623**	
Supply of goods						
7. HIROLA BOOK SELLERS	238,400	08/12/2017	0	0	238,400	Lack of funds
8. WAMO KENYA AGENCIES	536,916	23/05/2018	0	0	536,916	Lack of funds
9. WATERPOINT KENYA	389,400	31/05/2018	0	0	389,400	Lack of funds
10. BOGIB COMPANY LIMITED	867,000	29/09/2017	659,000	0	208,000	Lack of funds
Sub-Total					**1,372,716**	
Supply of services						
11. TAKAFUL INSURANCE	8,764,852	16/10/2017	4,500,000	0	4,264,852	Lack of funds
12. PRECISION COMMUNICATION SOLUTION	3,000,000	23/03/2018	1,000,000	0	2,000,000	Lack of funds
13. NOMAD PALACE HOTEL	1,170,600	12/02/2018	0	0	1,170,600	Lack of funds
14. MULTIMEDIA UNIVERSITY	112,000	16/04/2018	0	0	112,000	Lack of funds
15. NHIF	17,000,000	28/06/2018	9,000,000	0	8,000,000	Lack of funds

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016/17	Outstanding Balance 2017/18	Comments
Sub-Total				7,161,650	15,547,452	
Grand Total				**7,161,650**	**28,564,791**	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	B	c	d=a-c		
-						-	
Sub-Total						-	
Grand Total							

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		A	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land	-	-	-	-
Buildings and structures	10,169,992	80,234,865	-	90,404,857
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	37,242,384	19,164,592	-	56,406,976
ICT Equipment, Software and Other ICT Assets	51,230,412	-	-	51,230,412
Other Machinery and Equipment	15,000,000	1,920,200	-	16,920,200
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	**113,642,788**	**101,319,657**	-	**214,962,445**

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total				-

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)