REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

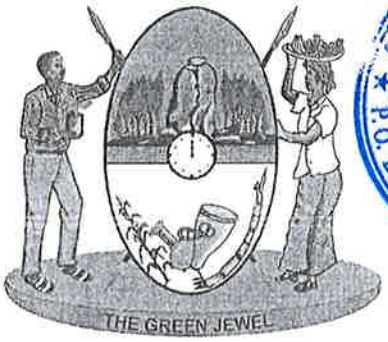
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF KAKAMEGA

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF AUDITOR GENERAL
WESTERN HUB.
11 JAN 2019
Sign
P.O. Box 2042 - 50100 KAKAMEGA



OFFICE OF AUDITOR GENERAL
11 JAN
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P.O. Box 2042 - 50100 KAKAMEGA

COUNTY GOVERNMENT OF KAKAMEGA

COUNTY EXECUTIVE

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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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

Kakamega county Governmentday-to-day management is under the following key organs:

- County Ministries/Departments
- County Sub-Counties

(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.	Chief Officer, County Treasury	Mr. John Luchisoi Imbogo
2.	Accounting Officer-Labour, Social Services, Youth and Sports	Mr. Phitalis Were Masakhwe
3.	Accounting Officer-Roads, Public Works and Energy	Eng. Joseph A. Sweta
5.	Accounting Officer-Trade, Industrialization and Tourism	Mr. Fanuel Wemali Angaya
6.	Accounting Officer-Livestock,Veterinary,Fisheries	Mr.Jeremiah Okello Namunyu
7.	Accounting Officer-Agriculture and Co-operatives	Mr.Jeremiah Okello Namunyu
8.	Accounting Officer-Lands, Housing, Urban Areas and Physical Planning	Mr. Patrick Mwanza Lukoko
9.	Accounting Officer-Environment, Natural Resources, Water & Forestry	Mr. Joseck Joab Maloba
10.	Accounting Officer-Public Service & Administration	Mr. Peter Lumumba Lukoye
11.	Accounting Officer-Health Services	Dr. Beatrice Amunga Etemesi
12.	Accounting Officer-Education, Science and Technology	Dr. Irene Ashioya
13.	Accounting Officer-Office of The Governor	Mr. Joshua Kutekha

(d) Fiduciary Oversight Arrangements

- County Assembly-Committees
- Audit and Finance committee
- Parliamentary committee
- Development partner oversight activities
- Regulatory Authorities

(e) Kakamega County Headquarters

P.O. Box 36-50100, 056 31850/31852/31853
County Headquarters
Kisumu/Kitale Highway
Kakamega, KENYA

(f) County Government of Kakamega

Telephone: 056 31850/31852/31853
E-mail: info@kakamega.go.ke
Website: kakamega.go.ke

(g) Entity Bankers

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

2. Commercial Banks;
   i) Kenya Commercial Bank-Kakamega
   ii) Equity Bank-Kakamega
   iii) National Bank-Kakamega
   iv) Cooperative Bank- Kakamega

(h) Independent Auditors

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

(i) County Attorney

Moses Sande
County Government of Kakamega
P.O Box 36-50100
Kakamega, Kenya

1. FORWARD BY THE CEC

The PFM ACT, 2012, Section 163 requires the County Treasury to prepare end year financial reports and statements in respect of all the County Government Entities.

The County Treasury therefore presents the financial reports and statements ending 30th June 2018 in accordance with the format prescribed by the Public Sector Accounting Standards Board.

Budget performance
The County Government had a budget of Ksh 12,905,263,573 for the financial year 2017/2018 after approval of the supplementary budget, comprising Ksh 5,624,385,976 (44%) for development expenditure and Ksh 7,280,877,597 (56%) for recurrent expenditure. Of the development budget the County delivered projects worth Ksh.4,339,760,729 representing 82% and Ksh.7,224,506,077 on recurrent representing 95%. Overall expenditure for the County was Ksh. 11,564,266,806 against a budget of Ksh 12,905,263,573representing 90% utilization.
Performance of key development projects
The County Government has done a number of projects since its inception among them; ➢ Completed Construction of Modern Markets in 6 Sub Counties ➢ Completion of phase one of Bukhungu stadium ➢ Upgrading of various roads to bitumen standards ➢ Construction of various bridges eg Khaunga Bridge in Mumias West Sub County ➢ Opening up of various rural access roads ➢ Construction of ECDE class rooms and Centres of excellence ➢ Construction and equipping of various County polytechnics ➢ Construction County Referral hospital and doctors flats ➢ Construction of County offices across the County ➢ Operationization of the Kakamega Dairy Development Corporation ➢ Provision of farm inputs and farm mechanization services among others ➢ Equipping hospitals with essential drugs and equipment. ➢ Rural Electrification, street lighting and High Masts in market places
Comment on value-for-money achievements
The County Government has achieved value for money through the above mentioned projects for example construction of Modern markets has made traders goods to be safe as they keep them well under a shelter, the opening of rural access roads makes it easy for citizens to reach market places with ease, hospitals have been equipped with drugs hence improved health care to its citizens, Agricultural produce has enhanced food security among the citizenry. Overall the County has achieved its value for money since its inception.

Challenges and Recommended Way Forward
The County Government faced many challenges especially delayed Exchequer releases from The National Treasury in addition to limited IFMIS uptime. Also the County experienced slowdown on development due to prolonged electioneering period in the year under review. The National Treasury should improve on its disbursements and IFMIS System downtime as well as the limited resources especially allocation from the National Treasury.

Geoffrey Omulayi
Executive Committee Member for County Treasury and Economic Planning,
County Government of Kakamega

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kakamega set out on pages 1 to 98, which comprise of the statement of 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 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 County Executive of Kakamega 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 County Government Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Lack of Assets Register

The acquisition of assets of Kshs.3,061,621,468 includes non-financial assets amounting to Kshs.1,162,234,426 capitalised during the year under review to bring the total assets to Kshs.7,029,426,326 as at 30 June 2018 as reflected in the summary of fixed assets register at annexure 5 of the financial statements. However, no assets register, either in hard copy or electronic form was maintained during the year under review for effective administration of assets acquired since inception and those inherited from the defunct local authorities.

Consequently, the completeness, accuracy and existence of the assets balance of Kshs.7,029,426,326 as at 30 June 2018 could not be confirmed.

2. Differences Between Financial Statements Figures and IFMIS Figures

The financial statements submitted for audit revealed variances with the IFMIS report in both receipts and payments. The financial statements reflected total receipts of Kshs.11,640,760,648 as compared to Kshs.12,172,060,577 in the IFMIS report resulting to an unreconciled variance of Kshs.531,299,929. The total payments as per financial statements amounted to Kshs.11,564,266,806 as compared to IFMIS report figure of Kshs.11,586,944,614 resulting to an unexplained variance of Kshs.22,677,808 as shown below:

Item	IFMIS Amount (Kshs)	Financial Statement (Kshs)	Variance (Kshs)
Receipts			
Exchequer Releases	11,281,305,475.00	9,935,800,000.00	1,345,505,475.00
Transfers From Other Government Entities	418,169,404.00	845,452,642.00	-427,283,238.00
Other Receipts	446,865,749.65	504,760,810.00	-57,895,060.35
Returns of Equity Holdings	-	177,508,731.00	-177,508,731.00
Proceeds From Domestic & Foreign Grants	25,719,948.00	177,238,465.00	-151,518,517.00
Total	**12,172,060,576.65**	**11,640,760,649.00**	**531,299,928.65**
Payments			-
Item (IFMIS)	**Total**	**Total**	**Variance (Kshs)**
Compensation of Employees	6,261,813,353.60	4,571,436,148.00	1,690,377,205.60
Acquisition of Assets	2,444,356,692.00	3,061,629,468.00	-617,272,776.00
Use of Goods and Services	1,476,828,162.75	1,651,089,390.00	-174,261,227.25
Transfers to Other Government Units	1,043,775,797.00	1,001,980,538.00	41,795,259.00
Other Grants and Transfers	104,599,500.00	825,668,304.00	-721,068,804.00
Other Payments	255,571,108.50	451,669,702.00	-196,098,593.50
Finance Costs, Including Loan Interest	-	793,256.00	-793,256.00
Total	**11,586,944,613.85**	**11,564,266,806.00**	**22,677,807.85**

In addition, it was noted from the National Treasury quality review notes that the financial statements reflected total budget for year under review of Kshs.12,905,263,573 which differed with the IFMIS reports budget figure of Kshs.6,433,650,649, resulting into un-reconciled variance of Kshs.6,471,612,924.

Consequently, accuracy of the financial statements for the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Kakamega 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 opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

1.1 Budget Absorption

During the year under review, the County Executive had an approved budget of Kshs.12,905,263,573 which comprised of recurrent vote budget of Kshs.7,280,877,597 and a development vote budget of Kshs.5,624,385,976. During the same period, the Executive recorded expenditure of Kshs.11,564,266,806 resulting to an overall under-absorption of Kshs.1,340,996,768 or approximately 10% as summarized below:

Vote	Approved Budget 2017/2018 (Kshs)	Actual Expenditure 2017/2018 (Kshs)	Under-Absorption (Kshs)	Under-absorption as %
Development	5,624,385,976	4,339,760,729	1,284,625,247	23
Recurrent	7,280,877,597	7,224,506,076	56,371,521	1
Total	**12,905,263,573**	**11,564,2666,805**	**1,340,996,768**	**10**

The under-absorption of the approved budget is an indication that some activities and projects in the annual plan were not implemented by the County Executive. This is likely to have negative effects on delivery of services to the residents of Kakamega County. There is, therefore, need for the management to re-look at its budget implementation mechanisms with a view to focus on priority areas that will enhance service delivery to the residents.

1.2 Local Revenue Collection Performance

The statement of receipts and payments reflects local revenue amount of Kshs.504,760,810 against the budgeted amount of Kshs.774,571,849 resulting to under collection of Kshs.269,811,039 or approximately 35% of the budget. Further, the local revenue budget and actual collection in the last four years has been on the decline as shown below:

Year	Budgeted Revenue (Kshs)	Actual Revenue Collected from Own Sources (Kshs)	Variance (Kshs)	Variance %
2014/2015	903,537,623	516,889,025	(386,648,598)	43%
2015/2016	1,000,000,000	504,238,292	(495,761,708)	50%
2016/2017	894,070,561	449,487,475	(444,583,086)	50%
2017/2018	774,571,849	504,760,810	(269,811,039)	35%

The management did not explain the specific measures being put in place to ensure that all the budgeted revenue is collected and accounted for to enhance service delivery to the residents. Consequently, the continued decline in budgeted local revenue and its collection may hamper or compromise service delivery.

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. Transfers to Other Government Entities

The transfers to other government units amount of Kshs.1,001,980,538 includes transfer to County Assembly of Kshs.893,516,738 as compared to the budgeted amount of Kshs.883,457,978 thus exceeding by Kshs.10,058,760. However, no reason or authority approving the excess transfer of Kshs.10,058,760 was provided for audit review.

Consequently, the propriety of the excess transfer of Kshs.10,058,760 for the year ended 30 June 2018 could not be confirmed.

2. Linda Afya ya Mama na Mtoto Programme Pending Payments

The Linda Afya ya Mama na Mtoto (Oparanya Care) program was started with the objective of reducing child malnutrition and new born mortality. The needy mothers for financial support were to be identified after attending ante natal clinic for at least four times. The support was to be provided in at least six stages at the rate of Kshs.2,000 in each stage until the new born attains the age of 18 months.
As at the time of audit in November 2018, a total of Kshs.269,331,840 was due and payable to 30,716 mothers as shown below:

	Number of Mothers	No of Stages Unpaid to Mothers	Amount (Kshs)
	3,460	1	7,162,200
	3,986	2	16,502,040
	3,581	3	22,238,010
	3,519	4	29,137,320
	3,159	5	32,695,650
	13,011	Pending Verification	161,596,620
Total	**30,716**		**269,331,840**

No verifiable reason has been provided for non-payment of the above amounts although the program was still holding Kshs.22,986,084 in bank as at 30 June 2018. In addition, during the year under review, the program did not enrol any new mothers to the program implying that mothers eligible for enrolment to the program missed out. Although it was explained that the non-enrolment was due to budget constraints, no indication has been given of the measures being made to ensure the program operates as envisaged.

Consequently, the objectives of reducing child malnutrition and new born mortality may not be achieved.

3. Rehabilitation of Malimili Market

Included in acquisition of assets figure of Kshs.3,061,629,469 is an amount of Kshs.2,804,694 paid to a construction firm in respect of rehabilitation of Malimili Market. The payment which was equivalent to the contract sum was paid in full but the following works were not completed satisfactorily;

(i) Fence and Gate

According to the bills of quantities (BQs), the concrete poles for fencing were to be of 150mm by 150mm instead of 120mm by 120mm that were used. The chain link fence was 1.8m high instead of 2.4m specified by the BQs. Further, two pedestrian steel gates of 2000mm by 2500mm were to be installed but instead of only one of 900mm by 2000mm was installed.

(ii) Revenue Office

The roof was to have 9 galvanised corrugated iron sheets instead of 9 iron sheets used. The revenue office had only one window of size 900mm by 1200mm instead of two windows of size 1200mm by 1500mm specified by the bill of quantities.

Consequently, the residents of Kakamega County did not get value for Kshs.2,804,694 incurred on the project during the year ended 30 June 2018.

4. Project Implementation Status

Records availed for audit review indicated that eleven (11) departments had planned to implement five hundred and twenty six (526) projects during the year under review out of which only one hundred and twenty three (123) projects valued at Kshs.1,300,466,560 were completed, three hundred and eleven (311) valued at Kshs.2,840,153,325 were on going as at the time of audit in November 2018, ninety one (91) projects budgeted for Kshs.127,718,133 had not started while one project valued at Kshs.675,073 had stalled and the contractor was not on site as detailed below:

			Stalled/Abandoned		Not Started		Ongoing		Completed	
No	Department	No. of Planned Projects	No	Value (Kshs)	No	Value (Kshs)	No	Value (Kshs)	No	Value (Kshs)
1	Agriculture	33	0	-	7	18,409,000.00	15	79,663,402.00	11	179,474,826.00
2	Health Services	13	0	-	0	-	13	1,774,697,557.00	0	-
3	Roads, Infrastructure & Public Works	345	0	-	73	59,909,133.75	219	524,665,045.07	53	241,606,320.98
4	Education, Science & Technology	51	0	-	11	49,400,000.00	28	-	12	191,600,000.00
5	Water Environment & Natural Resources	28	0	-	0	-	9	36,162,629.00	19	33,881,369.00
6	Lands, Housing & Urban Development	20					9	71,724,372.00	11	77,327,584.00
7	Office of the Governor	2	0	-	0	-	2	44,756,298.00	0	-
8	ICT & E-Government	3	-	-	-		3	129,142,000.00	-	-
9	Public Service & Administration	17	1	675,073.00	0	-	8	43,986,492.60	8	9,988,963.00
10	Social Services, Youth & Sports	2	0	-	0	-	0	-	2	192,169,665.00
11	Trade, Industrialization & Tourism	12	-	-	-	-	5	135,355,530.00	7	374,417,833.00
	Total	**526**	**1**	**675,073.00**	**91**	**127,718,133.75**	**311**	**2,840,153,325.67**	**123**	**1,300,466,560.98**
	% Implementation Rate		**0.2%**		**17.3%**		**59.1%**		**23.4%**	

Most of the projects were noted to be behind schedule as only 123 or approximately 23% of the 526 projects planned to be implemented had been completed.

Delay in project implementation is an indication of non-implementation of the budget which is contrary to Section 113(1) of the County Government Act, 2012 which requires that the county budget be based on the annual development priorities and objectives and performance targets set by the County. Consequently, the residents of Kakamega County may not have obtained value for money in respect of the projects that were to be implemented during the year ended 30 June 2018.

5. Stalled Project- Construction of Borehole at Likuyani

The tender for construction of a borehole project at Likuyani was awarded to a construction firm during the year 2016/2017 at a contract sum of Kshs.15,703,919. The project was to be completed in six months commencing May to November 2017. As at the time of audit in November 2018, a payment of Kshs.2,283,585 had been made to the firm in respect of certificate No.1. However, the project had stalled at capping level and the contractor was not on site.

Consequently, the residents of Kakamega County did not get value for Kshs.2,283,585 incurred on the project.

6. Construction of Borehole at Lugari

A concrete and steel engineering firm was awarded contract for construction of a borehole water project at Lugari at a contract sum of Kshs.7,921,427 during 2016/2017. During the year under review, the contractor was paid an amount of Kshs.3,114,914. According the bills of quantities (BQs), nineteen (19) solar panels were to be installed. However, a site inspection of the project in November 2018 revealed that only nine (9) solar panels were installed instead of nineteen (19) provided for in the BQs leaving 10 solar panels uninstalled. Although it was explained that during the pump testing, it was established that only nine solar panels were required and that the value of the extra ten (10) panels was instead re-allocated and spent to extend the water pipeline, no justification was given for the changes.

Consequently, the residents of Kakamega County may not have got value for the Kshs.3,114,914 incurred on the project.

7. Expenditure on Wages and Benefits

The statement of receipts and payments for the year ended 30 June 2018 reflects compensation of employees balance of Kshs.4,571,436,148 which is approximately 39.3% of the total revenue of Kshs.11,640,760,648 and thus exceeded the recommended ratio of 35% stipulated in Section 25 (1) of the Public Finance Management (County Governments) Regulations 2015.

Consequently, the management was in breach of the law and the wage bill may not be sustainable unless adequate measures are put in place to contain the rising wage bill and increase collection of county own generated revenue.

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, 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

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 Executive's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the basis of accounting unless the management either intends to liquidate the Executive or to cease operations, 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 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 noncompliance. 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 scepticism throughout the audit. I also:

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

- 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 Executive'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 Executive to cease to continue to sustain its services.

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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

4. FINANCIAL STATEMENTS

4.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/2018 Kshs	2016/2017 Kshs
RECEIPTS			
Exchequer releases	1	9,935,800,000	9,612,093,313
Proceeds from Domestic and Foreign Grants	2	177,238,465	11,750,000
Transfers from Other Government Entities	3	845,452,642	983,782,312
Proceeds from Sale of Assets	4	-	289,897,340
Returns of Equity Holdings	5	177,508,731	-
County Own Generated Receipts	6	504,760,810	449,487,486
Returned CRF issues	7	-	348,408
TOTAL RECEIPTS		**11,640,760,648**	**11,347,358,859**
PAYMENTS			
Compensation of Employees	8	4,571,436,148	3,713,660,633
Use of goods and services	9	1,651,089,390	1,395,918,882
Transfers to Other Government Units	10	1,001,980,538	899,913,088
Other grants and transfers	11	825,668,304	1,324,308,531
Acquisition of Assets	12	3,061,629,468	4,972,115,469
Finance Costs, including Loan Interest	13	793,256	538,012
Other Payments	14	451,669,702	59,931,956
TOTAL PAYMENTS		**11,564,266,806**	**12,366,386,571**
SURPLUS/DEFICIT		**76,493,842**	**(1,019,027,712)**

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

The County Government of Kakamega financial statements were approved on 20/12/ 2018 and signed by:

Chief Officer
Name: JOHN L. IMBUSO

Head of Treasury
Name: SAMSON OBHANGA
ICPAK Member Number: 4130

4.2. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017/2018 Kshs	2016/2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	**15A**	1,625,959,172	1,582,340,523
Total Cash and cash equivalents		**1,625,959,172**	**1,582,340,523**
Accounts receivables – Outstanding Imprests	**16**	63,575,947	24,557,260
TOTAL FINANCIAL ASSETS		**1,689,535,119**	**1,606,897,783**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	**17**	**264,661,320**	**264,310,223**
NET FINANCIAL ASSETS		**1,424,873,799**	**1,342,587,560**
REPRESENTED BY			
Fund balance b/fwd	**18**	1,342,587,560	2,098,561,122
Prior year adjustments	**19**	5,792,397	263,054,150
Surplus/Deficit for the year		76,493,842	(1,019,027,712)
NET FINANCIAL POSITION		**1,424,873,799**	**1,342,587,560**

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 20/12/ 2018 and signed by:

Chief Officer
Name: JOHN L. IDABA

Head of Treasury
Name: SAMSON OBWANGA
ICPAK Member Number: 4130

4.3. STATEMENT OF CASHFLOWS

	Note	2017/2018 Kshs	2016/2017 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	9,935,800,000	9,612,093,313
Proceeds from Domestic and Foreign Grants	2	177,238,465	11,750,000
Transfers from Other Government Entities	3	845,452,642	983,782,312
Returns of Equity Holdings	5	177,508,731	-
County Own Generated Receipts	6	504,760,810	449,487,486
Returned CRF issues	7	-	348,408
Totals		**11,640,760,648**	**11,057,461,519**
Payments for operating expenses			
Compensation of Employees	8	4,571,436,148	3,713,660,633
Use of goods and services	9	1,651,089,390	1,395,918,882
Transfers to Other Government Units	10	1,001,980,538	899,913,088
Other grants and transfers	11	825,668,304	1,324,308,531
Finance Costs, including Loan Interest	13	793,256	538,012
Other Payments	14	451,669,702	59,931,956
Total		**8,502,637,338**	**7,394,271,102**
Adjusted for:			
Changes in receivables		(39,018,687)	(24,557,260)
Changes in payables		351,097	202,539,416
Prior year adjustments	19	5,792,397	263,054,150
Total Adjustments		(32,875,193)	441,036,306
Net cash flows from operating activities		**3,105,248,118**	**4,104,226,723**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	4	-	289,897,340
Acquisition of Assets	12	(3,061,629,469)	(4,972,115,469)
Net cash flows from investing activities		**(3,061,629,469)**	**(4,682,218,129)**
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		**-**	**-**
NET INCREASE IN CASH AND CASH EQUIVALENT		**43,618,649**	**(577,991,406)**

Cash and cash equivalent at BEGINNING of the year		**1,582,340,523**	**2,160,331,929**
Cash and cash equivalent at END of the year		**1,625,959,172**	**1,582,340,523**
As per statement of assets		**1,625,959,172**	**1,582,340,523**

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 20/12 2018 and signed by:

Chief Officer
Name: JOHN L. IMBOLO

Head of Treasury
Name: SAMSON OBWANGA
ICPAK Member Number 4130

4.4. 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	10,110,802,208	(175,002,208)	9,935,800,000	9,935,800,000	-	100%
Proceeds from Domestic and Foreign Grants	91,307,447	238,134,170	329,441,617	177,238,465	152,203,152	54%
Transfers from Other Government Entities	731,247,527	113,377,256	844,624,783	845,452,642	(827,859)	100%
Returns of Equity Holdings	-	-	-	177,508,731	(177,508,732)	0%
County Own Generated Receipts	952,571,849	(178,000,000)	774,571,849	504,760,810	269,811,039	65%
Returned CRF issues	1,284,026,951	(263,201,627)	1,020,825,324	-	1,020,825,324	0%
TOTAL	**13,169,955,982**	(264,692,409)	**12,905,263,573**	**11,640,760,648**	**1,264,502,925**	**90%**
PAYMENTS				-		
Compensation of Employees	4,073,236,570	315,701,021	4,388,937,591	4,571,436,148	(182,498,557)	104%
Use of goods and services	1,887,494,637	120,987,391	2,008,482,028	1,651,089,390	357,392,638	82%
Transfers to Other Government Units	1,233,457,978	-	1,233,457,978	1,001,980,538	231,477,440	81%
Other grants and transfers	1,000,000,000	-	1,000,000,000	825,668,304	174,331,696	83%
Acquisition of Assets	4,200,000,000	(501,380,821)	3,698,619,179	3,061,629,469	636,989,710	83%
Finance Costs, including Loan Interest	1,000,000	-	1,000,000	793,256	206,744	79%
Other Payments	574,766,797	-	574,766,797	451,669,701	123,097,096	79%
TOTAL	**12,969,955,982**	(64,692,409)	**12,905,263,573**	**11,564,266,806**	**1,340,996,767**	**90%**

The over expenditure on compensation of employees is attributed to the following reasons;

(a) Compensation of employee's figure went up as a result of pending bills from the previous year

The changes in the Budget between original and final were as a result of rationalization arising from the anticipated shortfall in local revenue and reserves brought forward coupled with the delays in exchequer releases that hamper budget execution.

The entity financial statements were approved on 20/12/ 2018 and signed by:

Chief Officer
Name: JOHN L EMBASO

Head of Treasury Accounts
Name: SAMSON OBWANGA
ICPAK Member Number 4130

4.5. 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	5,055,401,104	537,506,884	5,592,907,988	5,027,211,725	565,696,263	90%
Proceeds from Domestic and Foreign Grants	50,000,000	192,069,071	242,069,071	89,865,919	152,203,152	37%
Transfers from Other Government Entities	37,789,290	-	37,789,290	38,617,148	(827,858)	102%
Returns of Equity Holdings	-	-	-	177,508,731	(177,508,732)	0%
County Own Generated Receipts	476,285,925	(89,000,000)	387,285,925	257,134,736	130,151,189	66%
Returned CRF issues	1,224,712,867	(203,887,543)	1,020,825,324	-	1,020,825,324	0%
TOTAL	**6,844,189,185**	**436,688,412**	**7,280,877,597**	**5,590,338,259**	**1,690,539,338**	**77%**
PAYMENTS				-		
Compensation of Employees	4,073,236,570	315,701,021	4,388,937,591	4,571,436,148	(182,498,557)	104%
Use of goods and services	1,887,494,637	(229,012,609)	1,658,482,028	1,651,089,390	7,392,638	100%
Transfers to Other Government Units	1,233,457,978	-	1,233,457,978	1,001,980,538	231,477,440	81%
TOTAL	**7,194,189,185**	**86,688,412**	**7,280,877,597**	**7,224,506,076**	**56,371,521**	**99%**

The over expenditure on compensation of employees is attributed to the following reasons;

a) Compensation of employee's figure went up as a result of pending bills from the previous year

The changes in the Budget between original and final were as a result of rationalization arising from the anticipated shortfall in local revenue and reserves brought forward coupled with the delays in exchequer releases that humper budget execution.

The entity financial statements were approved on 20/12/ 2018 and signed by:

Chief Officer
Name: JOHN L IMBOA

Head of Treasury Accounts
Name: SAMSON OBKANGA
ICPAK Member Number: 4130

4.6. 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	5,055,401,104	(712,509,092)	4,342,892,013	4,908,588,275	(565,696,263)	113%
Proceeds from Domestic and Foreign Grants	41,307,447	46,065,099	87,372,546	87,372,546	-	100%
Transfers from Other Government Entities	693,458,237	113,377,256	806,835,493	806,835,494	(1)	100%
County Own Generated Receipts	476,285,925	(89,000,000)	387,285,925	247,626,074	142,659,852	63%
Returned CRF issues	59,314,085	(59,314,085)	-	-	-	0%
TOTAL	**6,325,766,797**	**(701,380,821)**	**5,624,385,976**	**6,050,422,389**	**(423,036,412)**	**108%**
PAYMENTS				-		
Other grants and transfers	1,000,000,000	-	1,000,000,000	825,668,304	174,331,696	83%
Acquisition of Assets	4,200,000,000	(151,380,821)	4,048,619,179	3,061,629,468	986,989,710	76%
Finance Costs, including Loan Interest	1,000,000	-	1,000,000	793,256	206,744	79%
Other Payments	574,766,797	-	574,766,797	451,669,701	123,097,096	79%
TOTAL	**5,775,766,797**	(151,380,821)	**5,624,385,976**	**4,339,760,729**	**1,289,715,092**	**77%**

The changes in the Budget between original and final were as a result of rationalization arising from the anticipated shortfall in local revenue and reserves brought forward coupled with the delays in exchequer releases that humper budget execution.

The entity financial statements were approved on 20/12/ 2018 and signed by:

Chief Officer
Name: JOHN L IMBOA

Head of Treasury Accounts
Name: SAMSON OBWANGA
ICPAK Member Number: 4180

4.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0		**Default - Non Programmatic**	**0**	**2,144,256,900.00**	**- 2,144,256,900.00**
	0	Default - Non Programmatic	0	2,144,256,900.00	- 2,144,256,900.00
101000000		**Land Policy and Planning**	**99,254,618.00**	**34,929,331.95**	**64,325,286.05**
	101010000	Development Planning and Land Reforms	83,254,618.00	34,101,631.95	49,152,986.05
	101020000	Land Information Management	16,000,000.00	827,700.00	15,172,300.00
102000000		**Housing Development and Human Settlement**	**36,986,823.00**	**13,476,759.70**	**23,510,063.30**
	102010000	Housing Development	0	0	0
	102020000	Estate Management	36,986,823.00	13,476,759.70	23,510,063.30
103000000			**248,153,790.00**	**187,729,936.40**	**60,423,853.60**
	103010000	Stalled and new Government buildings	10,000,000.00	2,470,428.00	7,529,572.00
	103020000	Building Standards and Research	33,153,790.00	23,740,909.40	9,412,880.60
	103030000		205,000,000.00	161,518,599.00	43,481,401.00
104000000			**14,433,152.00**	**91,760.00**	**14,341,392.00**
	104010000	Coastline Infrastructure Development	14,433,152.00	91,760.00	14,341,392.00
105000000		**Urban and Metropolitan Development**	**16,110,152.00**	**7,149,125.00**	**8,961,027.00**
	105010000	Urban Mobility and Transport	16,110,152.00	7,149,125.00	8,961,027.00
106000000		**General Administration Planning and Support Services**	**30,243,500.00**	**5,937,023.00**	**24,306,477.00**
	106010000	Administration, Planning & Support Services	30,243,500.00	5,937,023.00	24,306,477.00
107000000		**General Administration Planning and Support Services**	**84,660,295.00**	**31,042,128.00**	**53,618,167.00**
	107010000	Agricultural Policy, Legal and Regulatory Frameworks	36,458,439.00	23,531,299.00	12,927,140.00
	107020000	Agricultural Planning and Financial Management	48,201,856.00	7,510,829.00	40,691,027.00
108000000		**Crop Development and Management**	**22,123,388.00**	**7,016,322.00**	**15,107,066.00**
	108010000	Land and Crops Development	15,123,388.00	4,268,547.00	10,854,841.00
	108020000	Food Security Initiatives	7,000,000.00	2,747,775.00	4,252,225.00
109000000		**Agribusiness and Information Management**	**0**	**0**	**0**
	109010000	Agribusiness and Market Development	0	0	0

110000000		**Irrigation and Drainage Infrastructure**	**229,153,181.00**	**141,170,713.00**	**87,982,468.00**
	110010000	Promotion of Irrigation and Drainage Development and Management	31,000,000.00	17,035,778.00	13,964,222.00
	110020000		174,153,181.00	107,787,255.00	66,365,926.00
	110030000		24,000,000.00	16,347,680.00	7,652,320.00
120000000			**11,000,025.00**	**8,213,159.30**	**2,786,865.70**
	120010000		11,000,025.00	8,213,159.30	2,786,865.70
201000000		**General Administration, Planning and Support Services**	**1,697,631,362.00**	**1,360,922,715.80**	**336,708,646.20**
	201010000	General Administration, Planning and Support Services	600,000,000.00	431,795,946.00	168,204,054.00
	201020000	Human Resources and Support Services	3,084,326.00	1,868,802.00	1,215,524.00
	201040000	Information Communications Services	1,094,547,036.00	927,257,967.80	167,289,068.20
202000000		**Road Transport**	**3,842,110.00**	**2,932,018.90**	**910,091.10**
	202010000	Construction of Roads and Bridges	3,842,110.00	2,932,018.90	910,091.10
203000000		**Rail Transport**	**150,000,000.00**	**128,134,049.00**	**21,865,951.00**
	203010000	Rail Transport	150,000,000.00	128,134,049.00	21,865,951.00
301000000		**General Administration Planning and Support Services**	**0**	**0**	**0**
	301010000		0	0	0
302000000		**Industrial Development and Investments**	**0**	**0**	**0**
	302010000	Promotion of Industrial Development and Investments	0	0	0
303000000		**Standards and Business Incubation**	**0**	**0**	**0**
	303010000	Standardization, Metrology and conformity assessment	0	0	0
304000000		**Cooperative Development and Management**	**4,835,000.00**	**3,531,586.40**	**1,303,413.60**
	304010000	Governance and Accountability	4,835,000.00	3,531,586.40	1,303,413.60
305000000		**East African Affairs and Regional Integration**	**0**	**0**	**0**
	305010000	East African Customs Union	0	0	0
306000000		**Tourism Development and Promotion**	**24,230,707.00**	**17,043,486.95**	**7,187,220.05**
	306010000	Tourism Promotion and Marketing	17,860,707.00	13,233,111.15	4,627,595.85
	306020000	Niche tourism product development and diversification	6,370,000.00	3,810,375.80	2,559,624.20
307000000		**Trade Development and Promotion**	**237,865,736.00**	**129,931,492.60**	**107,934,243.40**
	307010000	Domestic Trade Development	237,865,736.00	129,931,492.60	107,934,243.40
	307020000	Fair Trade and Consumer Protection	0	0	0

308000000		**General Administration, Planning and Support Services**	**15,000,000.00**	**4,711,892.00**	**10,288,108.00**
	308010000	General administration planning and support services	15,000,000.00	4,711,892.00	10,288,108.00
	308020000		0	0	0
309000000			**9,660,000.00**	**3,325,046.00**	**6,334,954.00**
	309010000		9,660,000.00	3,325,046.00	6,334,954.00
310000000			**3,127,180.00**	**1,096,050.00**	**2,031,130.00**
	310010000		3,127,180.00	1,096,050.00	2,031,130.00
401000000		**Preventive & Promotive Health Services**	**60,895,562.00**	**13,440,075.00**	**47,455,487.00**
	401010000	Communicable Disease Control	7,395,562.00	0	7,395,562.00
	401020000	Health Promotion	49,500,000.00	13,440,075.00	36,059,925.00
	401030000	Non-communicable Disease Prevention & Control	3,500,000.00	0	3,500,000.00
	401040000	Government Chemist	500,000.00	0	500,000.00
402000000		**Curative Health Services**	**2,008,058,778.00**	**562,526,212.50**	**1,445,532,565.50**
	402010000	National Referral Services	0	0	0
	402020000	Mental Health	101,000,000.00	0	101,000,000.00
	402030000	Specialized services (Spinal Injury)	3,500,000.00	0	3,500,000.00
	402040000	Forensic and Diagnostics	1,903,558,778.00	562,526,212.50	1,341,032,565.50
403000000		**Health Research and Development**	**135,799,578.00**	**0**	**135,799,578.00**
	403010000	Capacity Building & Training	135,799,578.00	0	135,799,578.00
501000000		**Primary Education**	**0**	**0**	**0**
	501010000	Free Primary Education	0	0	0
502000000		**Secondary Education**	**21,074,951.00**	**18,714,270.80**	**2,360,680.20**
	502010000	Secondary Bursary Management Services	21,074,951.00	18,714,270.80	2,360,680.20
503000000		**Quality Assurance and Standards**	**159,904,278.00**	**151,567,633.00**	**8,336,645.00**
	503010000	Curriculum Development	61,404,278.00	60,093,929.00	1,310,349.00
	503020000	Examination and Certification	98,500,000.00	91,473,704.00	7,026,296.00
504000000		**University Education**	**88,500,000.00**	**88,302,200.00**	**197,800.00**
	504010000	University Education	28,500,000.00	28,302,200.00	197,800.00
	504020000	Quality Assurance and Standards	60,000,000.00	60,000,000.00	0
505000000		**Technical Vocational Education and Training**	**122,000,000.00**	**121,214,340.00**	**785,660.00**
	505010000	Technical Accreditation and Quality Assurance	87,000,000.00	87,000,000.00	0
	505020000	Technical Trainers and Instructor Services	35,000,000.00	34,214,340.00	785,660.00

702000000		**Cabinet Affairs**	**0**	**0**	**0**
	702010000		0	0	0
703000000		**Government Advisory Services**	**173,555,702.00**	**115,607,629.80**	**57,948,072.20**
	703010000	State Corporations Advisory Services	0	0	0
	703020000	Kenya-South Sudan Advisory Services	173,555,702.00	115,607,629.80	57,948,072.20
704000000		**State House Affairs**	**75,000,000.00**	**29,309,333.00**	**45,690,667.00**
	704010000	Coordination of State House Functions	75,000,000.00	29,309,333.00	45,690,667.00
705000000		**Leadership and Coordination of MDAs**	**41,261,000.00**	**0**	**41,261,000.00**
	705010000	Coordination and Supervision	41,261,000.00	0	41,261,000.00
706000000		**Economic Policy and National Planning**	**63,237,845.00**	**46,685,038.00**	**16,552,807.00**
	706010000	Economic Planning Coordination services	14,047,500.00	13,851,902.00	195,598.00
	706020000	Community Development	49,190,345.00	32,833,136.00	16,357,209.00
707000000		**National Statistical Information Services**	**190,516,547.00**	**142,125,638.00**	**48,390,909.00**
	707010000	Census and Surveys	0	0	0
	707020000		122,911,000.00	75,754,520.95	47,156,479.05
	707030000		27,957,000.00	26,686,904.30	1,270,095.70
	707040000		39,648,547.00	39,684,212.75	-35,665.75
709000000		**General Administration Planning and Support Services**	**147,009,535.00**	**82,360,313.90**	**64,649,221.10**
	709010000	Human Resources and Support Services	125,884,429.00	75,739,753.90	50,144,675.10
	709020000	Financial Management Services	21,125,106.00	6,620,560.00	14,504,546.00
710000000		**Public Service Transformation**	**883,457,978.00**	**685,314,975.10**	**198,143,002.90**
	710010000	Human Resource Management	0	0	0
	710030000	Management Consultancy Services	883,457,978.00	685,314,975.10	198,143,002.90
712000000		**Devolution Services**	**5,158,077,300.00**	**4,770,674,105.18**	**387,403,194.82**
	712010000	Management of devolution affairs	438,324,960.00	287,671,696.80	150,653,263.20
	712020000	Intergovernmental Relations	4,701,806,430.00	4,473,573,858.03	228,232,571.97
	712030000	Capacity building	17,945,910.00	9,428,550.35	8,517,359.65
713000000		**Special Initiatives**	**27,371,865.00**	**20,402,158.80**	**6,969,706.20**
	713010000	Relief & Rehabilitation	27,371,865.00	20,402,158.80	6,969,706.20
715000000			**9,689,409.00**	**9,030,860.00**	**658,549.00**
	715010000	Management of Kenya missions abroad	9,689,409.00	9,030,860.00	658,549.00
901000000		**Sports**	**15,108,571.00**	**8,611,284.00**	**6,497,287.00**
	901010000	Sports Training and competitions	15,108,571.00	8,611,284.00	6,497,287.00

902000000		**Culture**	**19,622,225.00**	**15,434,196.00**	**4,188,029.00**
	902010000	Conservation of Heritage	19,622,225.00	15,434,196.00	4,188,029.00
903000000		**The Arts**	**216,255,130.00**	**206,794,430.00**	**9,460,700.00**
	903010000	Film Services	192,400,000.00	185,469,665.00	6,930,335.00
	903020000		23,855,130.00	21,324,765.00	2,530,365.00
904000000		**Library Services**	**15,795,400.00**	**10,396,818.65**	**5,398,581.35**
	904010000	Library Services	15,795,400.00	10,396,818.65	5,398,581.35
905000000		**General Administration, Planning and Support Services**	**4,187,476.00**	**2,173,400.00**	**2,014,076.00**
	905010000	General Administration, Planning and Support Services	4,187,476.00	2,173,400.00	2,014,076.00
906000000		**Promotion of the Best Labour Practice**	**44,027,306.00**	**72,174,245.00**	**-28,146,939.00**
	906010000	Promotion of harmonious industrial relations	44,027,306.00	72,174,245.00	-28,146,939.00
907000000		**Manpower Development, Employment and Productivity Management**	**5,002,228.00**	**841,100.00**	**4,161,128.00**
	907010000	Human Resource Planning & Development	5,002,228.00	841,100.00	4,161,128.00
1001000000		**General Administration, Planning and Support Services**	-	-	-
	1001010000	Environmental Policy Management	-	-	-
1002000000		**Environment Management and Protection**	-	-	-
	1002010000	National Environment Management	-	-	-
1003000000		**Natural Resources Conservation and Management**	-	-	-
	1003010000	Forests Conservation and Management	-	-	-
1004000000		**Water Resources Management**	-	-	-
	1004010000	Water Resources conservation and Protection	-	-	-
1005000000		**Integrated Regional Development**	**27,355,198.00**	**11,594,212.00**	**15,760,986.00**
	1005010000	Integrated basin based Development	22,222,888.00	8,095,070.00	14,127,818.00
	1005020000	Land Reclamation	5,132,310.00	3,499,142.00	1,633,168.00
1006000000		**Meteorological Services**	**185,559,152.00**	**124,235,767.50**	**61,323,384.50**
	1006010000	Modernization of meteorological services	185,559,152.00	124,235,767.50	61,323,384.50
1007000000		**General Administration Planning and Support Services**	**68,629,540.00**	**22,095,074.00**	**46,534,466.00**
	1007010000	Mining Policy Development and Coordination	68,629,540.00	22,095,074.00	46,534,466.00
		Grand Total	**12,905,263,573.00**	**11,564,266,806.23**	**1,340,996,766.77**

4.8. 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 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 County Government of Kakamega. The financial statements encompass the reporting entity as specified under sections163 and 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 and when receipted and banked.

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 County Government of Kakamega and when disbursements are deposited in the county revenue fund account.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 Government of Kakamega 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 Government of Kakamega 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 retention deposits. As at 30th June 2018, this amounted to Kshs264,661,320 compared to Kshs 264,310,223 in prior period as indicated on note 17 , for retentions money.

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.

9. Pending bills

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Kakamega 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 30/6/2017 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 County Government of Kakamega actual performance against the comparable budget for the financial year under review has been included in an annex to 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 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.

4.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2017/2018	2016/2017
	Kshs	Kshs
Total Exchequer Releases for quarter 1	383,600,000	1,703,235,054
Total Exchequer Releases for quarter 2	2,984,402,053	1,653,139,905
Total Exchequer Releases for quarter 3	1,999,559,083	2,506,792,114
Total Exchequer Releases for quarter 4	4,568,238,865	3,748,926,240
Cumulative Amount	**9,935,800,000**	**9,612,093,313**

(State the amount received vis a vie amount included in the CARA)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in	2017/2018	2016/2017
		foreign currency	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
DANIDA	23.06.2017	-	39,865,919	11,750,000
Youth Polytechnic		-	28,060,821	-
World bank-THUSCP		-	50,000,000	
Kenya Devolution Support Program			59,311,725	
TOTAL		-	**177,238,465**	**11,750,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFER FROM OTHER GOVERNMENT ENTITIES

	2017/2018	2016/2017
	Kshs	Kshs
Transfers from Central government entities		
User fees	38,617,145	38,617,148
Free maternity	-	205,550,000
Road Maintenance Levy	379,552,259	147,689,748
Level 5 Hospital	427,283,238	406,936,416
MOH Doctors allowances		184,989,000
Total	**845,452,642**	**983,782,312**

4. PROCEEDS FROM SALE OF ASSETS

	2017/2018	2016/2017
	Kshs	Kshs
Receipts from Sale of Certified Seeds and Breeding Stock	-	289,897,340
Total	-	**289,897,340**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. RETURNS OF EQUITY HOLDINGS

	2017/2018	2016/2017
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations(Farm inputs subsidies)	177,508,731	-
Total	**177,508,731**	-

6. COUNTY OWN GENERATED RECEIPTS

	2017/2018	2016/2017
	Kshs	Kshs
RECEIPTS		
Interest Received	12,508,664	-
Business Permits	68,649,690	59,004,951
Cess	27,155,400	41,996,730
Plot Rents	30,774,822	25,000,067
Liquor Licences	26,667,711	13,972,281
Other Local Levies	23,615,359	39,894,208
Lease / Rental Of Council'S Infrastructure Assets	6,745,045	1,719,600
Market/Trade Centre Fee	36,910,235	46,167,693
Vehicle Parking Fees	55,681,484	59,800,975

Public Health Services	159,864,093	154,038,254
Public Health Facilities Operations (NHIF Capitation)	28,003,178	-
Slaughter Houses Administration	4,599,026	3,346,530
External Services Fees	7,548,007	4,546,197
Approval of building plans	8,250,495	
Hire fees	4,787,600	
Sugar fund receipts	3,000,001	
TOTAL	**504,760,810**	**449,487,486**

7. RETURNED CRF ISSUES

	2017/2018	2016/2017
	Kshs	Kshs
Recurrent account	-	348,408
Total	**-**	**348,408**

8. COMPENSATION OF EMPLOYEES

	2017/2018	2016/2017
	Kshs	Kshs
Basic salaries of permanent employees	4,541,679,239	3,665,825,492
Basic wages of temporary employees	29,756,909	13,383,813
Other personnel payments	-	34,451,328
Total	**4,571,436,148**	**3,713,660,633**

The variance attributed to:

a) Compensation of employee's figure went up as a result of pending bills from the previous year
b) Compensation to medical personnel after a return to work agreement was reached.

9. USE OF GOODS AND SERVICES

	2017/2018	2016/2017
	Kshs	Kshs
Utilities, supplies and services	36,725,372	54,817,250
Communication, supplies and services	34,923,454	8,750,892
Domestic travel and subsistence	249,023,095	188,642,007
Foreign travel and subsistence	12,198,939	12,986,591
Printing, advertising and information supplies & services	122,178,664	135,449,677
Rentals of produced assets	66,443,837	46,491,572
Training expenses	68,880,259	39,487,720
Hospitality supplies and services	226,667,722	126,358,152
Insurance costs	22,128,890	41,307,960
Specialized materials and services	318,091,282	277,904,232
Office and general supplies and services	82,834,285	86,717,236

Other operating expenses	304,405,816	290,068,920
Routine maintenance – vehicles and other transport equipment	36,437,073	26,617,306
Fuel Oil And Lubricants	43,379,243	41,789,650
Routine maintenance – other assets	26,771,459	18,529,717
Total	**1,651,089,390**	**1,395,918,882**

10. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017/2018	2016/2017
	Kshs	Kshs
Transfers to Other County Entities	-	-
County Assembly	893,516,738	899,913,088
Kakamega water Company	87,000,000	-
Kakamega Dairy Development Corporation	21,463,800	
TOTAL	**1,001,980,538**	**899,913,088**

11. OTHER GRANTS AND OTHER PAYMENTS

Description	2017/2018	2016/2017
	Kshs	Kshs
Scholarships and other educational benefits	386,074,477	140,100,200
Emergency relief and refugee assistance	-	12,904,750
Subsidies to small businesses, cooperatives, and self employed	-	544,349,749
Hospitals		404,453,832
Early Childhood Development		102,500,000
Kakamega Dairy Development Corporation		120,000,000
Bukura Agricultural Training Center	3,110,152	
Hospitals, Dispensaries and Health Centers	404,127,830	
Imarisha Afya ya Mama na Mtoto program- Cash transfers to mothers	22,814,500	
Directorate of Alcoholic Drinks	4,451,500	
Contribution to Council of Governors	5,089,845	
TOTAL	**825,668,304**	**1,324,308,531**

12. ACQUISITION OF ASSETS

	2017/2018	2016/2017
	Kshs	Kshs
Non Financial Assets		
Construction of Buildings	1,098,216,750	2,077,469,994
Refurbishment of Buildings	-	80,460,572
Construction of Roads	-	1,393,150,210
Construction and Civil Works	-	560,433,168
Purchase of Vehicles and Other Transport Equipment	27,030,600	48,241,355
Purchase of Office Furniture and General Equipment	15,474,500	11,822,020
Purchase of ICT Equipment	8,072,501	18,166,182
Purchase of Specialized Plant, Equipment and Machinery	13,440,075	8,643,714
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	77,649,857
Acquisition of Land	-	17,622,980
Acquisition of Intangible Assets	-	63,384,567
Sub Totals	**1,162,234,426**	**4,357,044,619**
Development Projects		
Refurbishment of Buildings	8,772,906	
Construction of Roads	1,300,860,915	

Construction and Civil Works	445,942,885	
Purchase of Certified Seeds, Breeding Stock and Live Animals	49,700,005	
Acquisition of Intangible Assets	94,118,331	
Ward Based Projects		615,070,849
Sub Totals	**1,899,395,042**	**615,070,849**
Grand Total	**3,061,629,468**	**4,972,115,469**

13. FINANCE COSTS, INCLUDING LOAN INTEREST

	2017/2018	2016/2017
	Kshs	Kshs
Bank service and commissions	793,256	538,012
Total	**793,256**	**538,012**

14. OTHER PAYMENTS

	2017/2018	2016/2017
	Kshs	Kshs
Other expenses	12,576,843	2,149,100
Promotion of Tourism	458,000	1,078,950
Promotion of Sports	42,077,667	53,842,906
Pre-feasibility, feasibility appraisal	32,738,053	
Disaster Management	1,413,838	
Health facilities- Universal Health care	74,680,049	
Shelter improvement program	2,753,200	
Devolution support program	47,849,196	
Farm input expenses	237,122,856	
Investments promotion		2,000,000
Cash in Transit		861,000
Total	**451,669,702**	**59,931,956**

15. CASH AND BANK BALANCES

15A. BANK BALANCES

	Number	Indicate whether recurrent or development, deposits, receipts, etc	Ex. rate (if in foreign currency)	2017/2018	2016/2017
Name of Bank, Account No. & Currency			Kshs	Kshs	Kshs
KCB Revenue collections Account	1141473194	Revenue		20,368,289.45	1,079,047.23
Central Bank Revenue Fund	1000171383	Revenue		1,029,616,209.10	879,442,379.00
Central Bank Reccurrent Account	1000170786	Recurrent		4,670.85	71,661.50
Central Bank Development Account	1000170727	Development		639,644.10	38,204,323.50
Cooperative Bank Operations Account	1141545302400	Recurrent		861,408.15	173,249.90
Cooperative Bank Development Account	1141545462600	Development		901,305.00	4,935,996.80
Central Bank County Special Purpose Universal Care Account				10,459,368.50	
Central Bank County Polytechnics Special Purpose Account				8,101.00	
Cooperative bank Retention account	1141545302401	Development		203,775,790.95	111,999,912.05
Emergency Fund Account	1141545480000	Development		34,059,608.02	12,074,288.60

Centtral Bank Recurrent Assembly					
Cooperative Bank - Assembly Devt. Account	1141545627300	Development		46,614.55	58,882.00
CGH KCB Imprest Account	1152009362	Recurrent		53,093.20	308,653.65
Public Service Board – KCB	1162095482	Recurrent		438.85	103,689.75
CGH Development Account National Bank	1001088987000	Development		110,277.12	1,731,592.12
Assembly operation	1141545120500	Recurrent		2,580,083.00	2,580,083.00
CGH Development Account Cooperative Bank	1141632331300	Development		3,206,341.50	252,151.00
Linda Afya Ya Mama Na Mtoto	1148241272	Recurrent		22,986,084.50	4,041,453.36
Medical School	1001088987100	Development		1,550.00	70,341,713.00
Sugar Development Fund	1141631142100	Development		108,999,967.20	153,492,128.20
Directorate of Alcoholic Drinks	1020110619200	Recurrent			4,451,500.00
Bukura ATC	500262374653	Recurrent		240,012.63	5,062,597.18
Farm Input-Collection account	1141632689500			86,188,147.50	91,528,441.50
Farm mechanisation Account				103,967.50	
Farm input expense account				36,770,766.37	
10KM Ward based projects	1178747425	Development		24,301.70	3,716,227.15
Road maintenance levy fund	1000275545	Development		40,301,105.50	31,231,318.45
Health Services		Recurrent		51,671.50	56,670,682.18
Mumias West Hospital Development		Development		44,009.35	26,458,323.35
Shamakhubu Health Centre Development		Development		19,953,695.73	22,317,409.73
Townships					
Kakamega Township		Recurrent		3,670.00	8,241.00
Mumias Township		Recurrent		208,149.50	14,615.50
Subcounties					
Lurambi Subcounty		Recurrent		837.00	482.50
Mumias East Subcounty		Recurrent		6,677.00	1,624.50

Butere Sub County		Recurrent		878.00	7,074.00
Ikolomani Sub County		Recurrent		1,058.00	1,029.50
Khwisero Sub County		Recurrent		1,295.00	191.50
Likuyani Sub County		Recurrent		60,918.50	2,384.50
Lugari Sub County		Recurrent		370.00	472.00
Malava Sub County		Recurrent		2,011.00	2,480.00
Matungu Sub County		Recurrent		1,699.00	876.00
Mumias West Sub County		Recurrent		416.00	- 1,164.00
Navakholo Sub County		Recurrent		1,588.50	883.50
Shinyalu Sub County		Recurrent		4,092.05	5,285.05
Ward development projects					
Shirugu/Mugai		Development		243,561.00	947,918.00
Chemuche		Development		24,795.05	917,223.00
South Kabras		Development		87,837.50	1,415,343.00
East Kabras		Development		53,919.50	1,239,991.00
West Kabras		Development		11,952.90	928,930.00
Butali Chegulo		Development		42,559.00	718,215.00
Manda Shivanga		Development		160,188.50	807,060.00
Isukha Central		Development		71,675.70	7,431,048.70
Isukha South		Development		273.05	2,332,999.90
Isukha East		Development		1,506,197.45	9,783,670.70
Isukha West		Development		2,830.50	7,030,037.50
Muranda		Development		5,450.04	- 535,757.58
Isukha North		Development		45,505.10	5,359,819.80
Mautuma		Development		-	1,528.85
Lumakanda		Development		18,426.00	6,866.10
Lugari		Development		9,462.01	70,820.11
Chekalini		Development		37,329.00	413.00
Chevaywa		Development		354,803.00	193.65
Lwandeti		Development		37,320.04	28,896.84

Idakho Central		Development		34,772.05	98,959.25
Idakho South		Development		52,741.40	806,039.40
Idakho North		Development		138,032.11	1,501,805.01
Idakho East		Development		242,604.40	2,873,875.40
Musanda		Development		159.60	43,159.60
Etenje Ward		Development		3,272.80	1,330,820.80
Mumias Central		Development		33.50	441,075.05
Mumias North		Development		0.70	3,424.70
Butsotso Central Ward		Development		(91.30)	998,162.70
Mahiakalo Ward		Development		0.04	- 38,294.56
Butsotso East Ward		Development		916.60	181,244.60
Butsotso South Ward		Development		3,717.60	1,089,106.60
Shirere Ward		Development		1,914.40	1,293,028.40
Shieywe Ward		Development		1,082.00	1,000,877.00
Kisa Central		Development		4,364.10	468,251.50
Kisa East		Development		2,000.60	808,134.60
Kisa West		Development		3,438.50	303,033.50
Kisa North		Development		12,627.55	334,847.69
Marama North		Development		78.23	2,393.23
Marama South		Development		2,709.55	497,763.40
Marama West		Development		848.65	1,265,746.20
Marama Central		Development		29.23	2,228,373.78
Shianda Marenyo		Development		3,158.00	259,509.30
Bunyala Central		Development		80.00	44,015.55
Bunyala East		Development		-	1,797,237.15
Ingotse/Ematia		Development		-	10,637.00
Bunyala West		Development		-	6,180.00
Esumeyia Shinoyi		Development		0.15	1,310.15
Namamali		Development		981.50	16,338.50
Mayoni		Development		2,365.95	48,755.95

Khalaba		Development		5,933.05	753,935.55
Kholera		Development		1,951.69	11,039.69
Koyonzo		Development		2,233.64	130,069.64
Nzoia Ward		Development		37,081.05	509,629.05
Sinoko Ward		Development		(6,681.70)	- 6,177.15
Kongoni Ward		Development		(1,510.50)	15,456.30
Likuyani Ward		Development		39,203.50	213,165.50
Sango Ward		Development		0.90	93,100.90
Malaha/Isongo		Development		162.49	45,162.49
East Wanga		Development		1,141.13	1,140.60
Lusheya/Lubinu		Development		3,551.15	791.35
Total				**1,625,959,172.00**	**1,582,340,522.69**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

	2017/2018	2016/2017
	Kshs	Kshs
Government Imprests	3,575,947	24,557,260
Kenya Power Ltd	60,000,000	
Total	**63,575,947**	**24,557,260**

Breakdown of unsurrendered imprest

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
Cooperative Bank Operations		1,830,000	-	1,830,000
Central Bank County Special Purpose Universal Care Account		71,358	-	71,358
Linda Afya Ya Mama Na Mtoto		271,209	-	271,209
CGH Imprest Account		300,865	-	300,865
Sub counties		965	-	964
Public Service Board – KCB		194,654	-	194,654
Farm Input-Collection account		438,896	-	438,896
Farm input Mechanisation a/c		468,000	-	468,000
TOTAL		**3,575,947**	-	**3,575,946**

17. ACCOUNTS PAYABLE

	2017/2018	2016/2017
	Kshs	Kshs
Inter-transfers Payables		152,310,311
Closing Bank Balance 2017/18	203,775,790.95	111,999,912
Inter Bank Transfers	60,885,529.05	
Total	**264,661,320.00**	**264,310,223**

Retention relates to amounts paid in respect of contractors and suppliers to cater for any would be defects in builder's works on projects.

The Ksh 60,885,529.05 comprises of transfers made from the Retentions account to operations account and are returnable during the year.

18. FUND BALANCE BROUGHT FORWARD

	2017/2018	2016/2017
	Kshs	Kshs
Bank accounts	1,428,848,395	2,135,109,847
Sugar Revolving fund	153,492,128	-
Accounts Receivables	24,557,260	25,222,082
Accounts Payables	(264,310,223)	(61,770,807)
Total	**1,342,587,560**	**2,098,561,122**

[Provide short appropriate explanations as necessary]

19. PRIOR YEAR ADJUSTMENTS

	2017/2018	2016/2017
	Kshs	Kshs
Adjustments on bank account balances	5,792,397	263,054,150
Total	**5,792,397**	**263,054,150**

The prior year adjustments of Ksh 5,792,397 relates to farm inputs bank account balances which were expensed in previous year on disbursement and now capitalised in the current year.

4.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017 – 2018	2016–2017
	KShs	KShs
Construction of buildings	176,211,580.66	127,301,577.16
Construction of civil works	99,449,533.14	264,453,182.00
Supply of goods	103,938,289.95	231,454,347.78
Supply of services	211,460,972.19	176,212,837.16
Purchase of Land	2,890,000.00	-
TOTAL	**593,950,375.94**	**799,421,944.10**

2. 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 Kshs	2016 – 2017 Kshs
Transfers to related parties		
Transfer to the County Assembly	893,516,738.00	899,913,088.00
Expenses paid on behalf of County Water Service Providers	87,000,000.00	-
Total Transfers to related parties	**980,516,738.00**	**899,913,088.00**
Transfers from related parties		
Transfers from the Exchequer	9,935,800,000.00	9,612,093,313.00
Transfers From Danida	39,865,919.00	11,750,000.00
Transfers from Ministry of Health –Level 5 Hospital	427,283,238.00	406,936,416.00
World Bank THUSCP	50,000,000.00	-
Ministry of Transport -Road maintenance Fuel Levy	379,552,257.00	147,689,748.00
Ministry of Education Youth Polytechnics	28,060,821.00	
Ministry of Health-User fees foregone	38,617,148.00	38,617,148.00
Ministry of Health-free maternal Health Care Allocation		205,550,000.00
Ministry of Health-Doctors Allowance		184,989,000.00
KDSP	59,311,725.00	-
Total Transfers from related parties	**10,958,491,109.00**	**10,607,625,625.00**

3. 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
Kakamega Dairy Development Corporation	1/9/2015	Kakamega Town Sahajanand building	Mr. George Onunga
Directorate of Alcoholic Drinks Control	8/9/2014	Kakamega Town Sahajanand building	Mr.Gabriel Kinayia
Trade Loan Fund	14/10/2016	Kakamega Town Sahajanand building	M/s Ebby Khavai

6 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

Ref No.	Issue/Observations from Auditor	Management Comment	Focal Person	Status of resolution/Comment(e.g resolved-required evidence available presented or not resolved(reason)	Date / Time frame for issue to be resolved
1.0	Cash and Cash Equivalents	Cashbooks and respective bank reconciliation statements were presented to the auditor for verification	Treasury/PSA Accountant	Unresolved awaiting auditors feedback.	FY 2018/19
		Opening balances for County Assembly,Directorate of Alcoholic Drinks and Farm Input were taken after considering reconciling items after doing bank reconciliation hence the variance between the financial statement and bank balances	Respective accounting officers	Unresolved awaiting auditors feedback.	FY 2018/19

2.1	Lack of Assets Register	Preparation of fixed asset management policy completed in September 2018 awaiting stakeholder approval. Preparation of actual fixed asset register is underway after receipt of the validated fixed assets report from County Assets and Liabilities Committee(CALC)	Head of Treasury	Unresolved awaiting auditors feedback.	FY 2018/ 19
2.2	Construction of Governors Residence	• The Likuyani advert was uploaded on 28/04/2016 and opened on 18/5/2016 i.e. TENDER NO; CGK/OG/2015/2016/001. • The Lugari advert was uploaded on 24/2/2017 and opened on 13/3/2017 i.e. TENDER NO CGKK/OG/16/17/002. It was also not tendered and opened on the same date. However, it was realized the advert referred to in LIKUYANI was wrongly advertised and hence cancelled. Note the first location was changed to a central place in Lugari after it was wrongly documented and advertised .It was later corrected and re- advertised during the following Financial Year. • The first advert was cancelled and re-advertised as explained above. • The confusion on opening same date may have arisen because of the word on the adverts stating "Tenders in plain sealed envelopes with marked tender number on the right hand side corner and bearing no indication of the tenderer should be addressed to ; COUNTY HEAD OF SUPPLY CHAIN MANAGEMENT FOR ACCOUNTING OFFICER P.O BOX 36-50100 KAKAMEGA And placed in the tender box on Wednesday, 18th and on Wednesday, 13th march instead of the word 'by'	County Secretary	Unresolved awaiting auditors feedback.	FY 2018/ 19

		a) The documents on land ownership The land on which the residence is being constructed belongs to the Kenya Forest Service. The land was alienated from the forest and earmarked for settlement. Part of the land was reserved for Lugari County Council. Part of the land was planned for the provincial administration. The DC's office was constructed on that piece of land. During consultations between the transition authority, provincial administration and the local community, it was resolved that the County Government the DCs office and the Kenya Medical College be allotted the land. A Physical development plan showing these allotments was duly prepared and submitted to national assembly for approval. However, the term of the previous parliament lapsed before it was debated and approved. The ministry of Land in the national government has advised the County Government to prepare a new physical plan to facilitate formal allotments to all the allottees including the county Government. A draft physical plan which has allotted the piece of land to the County Government has been prepared and submitted and is currently under review by the National Lands Commission. b) Fencing of one side of the residence Fencing (Hoarding) is ongoing but will cover the entire compound as leaving one area free will become a security risk d) Public participation was conducted by the transition authority. Documentation on the same was not handed over, However, we have contacted them to provide the report e) The Engineers estimates: Attached hereby find a detailed Bills of Quantities for the proposed Governor's residence. f) Changes in verandah measurements Architects drawings show the carport at the front is 2.8mwide (column centres) which was observed to be too narrow to			

		accommodate a car. These were provisional measurements were awaiting the completion of the slab so that a complete variation shall be undertaken, which includes other services such as electrical conduiting and drainage points.			
2.3	Construction of County Headquarters	The observation Quotes Sec 60 (1) of the Procurement and Disposal Act 2015 which became in force by December 2015 whereas the Procurement process of the proposed construction of the County Headquarters had been completed. The Procurement process commenced as below:- (i) Tender Advertisement - Date – 5th March 2015 (ii) Tender Opening – Date – 10th April 2015 (iii) Evaluation – Date – 17th November 2015 (Refer Evaluation Report Annex 2.3 (i)) The law which was applicable was the Procurement and Disposal Act 2005 of which Sec 62 (1) & (2), 63 (1), (2) & (3) provides for the findings that were observed. Additional errors 1. The winning bidder M/S Lafey Construction Ltd bidded Kshs. 125,740,280.00 and was awarded the same amount against the corrected errors amount of Kshs. 126,512,715.00. This is provided for the Procurement and Disposal Act 2005 Sec 62 (1) & (2), 63 (1) where stated as below:- Sec. 62 (i) The Procuring Entity may request a clarification of a Tender to assist in the Evaluation and comparison of Tender (ii) A Clarification may not change the substance of the Tender. Sec 63 (1)	Chief Chief Officer Public Service & Administration	Unresolved awaiting auditors feedback.	FY 2018/19

		(i) The Procuring entity may correct an arithmetic error in a Tender. 2. The variance of Kshs. 817,580 (Kshs. 126,512,715 – 125,740,2800 was a result of correction of errors in the bid document as provided for in the Procurement and Disposal Act 2005 Sec 63 (1), (2) & (3). Stated as; (i) The Procuring Entity may correct Arithmetic Errors in a tender. (ii) The Procuring Entity shall give prompt notice of the correction of an error to the person who submitted the tender (iii)If the person who submitted the tender rejects the correction, the tender shall be rejected and the persons tender security forfeited. Therefore, Lafey contractors Ltd was awarded Kshs. 125,740,280.00 and be Accepted the Award. *(Refer Annex PSA 2.3 (0)* Evaluation of the project 1. The project has one (1) Evaluation Report (Refer Annex PSA 2.3 (i). The date on 10th April 2015 is captured in the Evaluation Report as the date of the tender opening minutes where there are listed 16 bidders with Lunao Enterprises being bidder No. 1 Quoting Kshs. 126,672,473.40. The Engineers Estimates appear twice as Kshs. 73,150,000 and Kshs. 120,000,000. Kshs. 73,150,000 is the Estimates for the main works excluding services while Kshs. 120,000,000 is the estimates of the entire project inclusive of services (PC Sums) and the specialized works. 2. The report dated 25th January 2016 is the tender committee minutes. In these minutes Lunao Enterprises appear to			

		have bidded Kshs. 51,858,786 which was an error of posting. 3. The project has one (1) Evaluation Report (Refer Annex PSA 2.3 (i). 4. The report dated 25th January 2016 is the tender committee minutes. In these minutes Lunao Enterprises appear to have bidded Kshs. 51,858,786 which was an error of posting. The engineers Estimates recorded Kshs. 73,150,000 was for the builders works excluding estimates for the specialized services (Refer Annex PSA 2.3 (ii). Bidder No. 1 Lunao Enterprises Ltd quoted Kshs. 126,672,473 as shown in the Tender opening minutes where Lunao Enterprises was represented by Mr. Augustine Nyongesa who did not raise any objection when the Kshs. 126,672,473 was read. Therefore, the Kshs. 51,858,786 was an error caused at posting. Bidder No. 1 Lunao Enterprises Ltd was evaluated (See page 6 of the Evaluation Report) and was found non Responsive on account of (i) No registration with NCA (ii) No company Registration provided (iii)No Valid Tax Compliance certificate Lunao Enterprises Ltd was eliminated at the preliminaries. *(Refer Annex PSA 2.3(i) Page 6)* 5. The Engineers estimate did not change from Kshs. 120,000,000 to Kshs. 73,250,000. The Engineers Estimates for the entire building inclusive of the specialized services is Kshs. 120,000,000. *(Refer Annex PSA 2.3(i))* 6. As at 30th June 2017 the level of completion was 72%. The project Managers report by 5th December 2017 indicates 92% see annex.			

		(Refer Annex PSA 2.3(iii) 7. The project Managers report by 5th December 2017 indicates 92% see annex. *(Refer Annex PSA 2.3(iii)* 8. As at December 2017/January 2018 the project was not complete due to the following exogenous factors:- (i) Bad weather (ii) Prolonged Electioneering period (iii)Delays in disbursement of Ex-chequer funds (iv)Delay in nomination of Sub-contractors for the specialized services *(Refer Annex PSA 2.3(iv))* Completion period of the project 1. The project has extended beyond the completion date due to the following reasons:- (i) Difficulties in transporting materials during election period skirmishes (ii) Delay in approvals (iii) Bad weather (iv) Delay in nomination of Sub-Contractors (v) Delay in payments to the contractor - IFMIS *(Refer Annex PSA 2.3(iv))* 2. The letter dated 23rd November 2017 is from the contractor Lafey Construction Ltd requesting for an extension period and is addressed to the Chief Officer, Ministry of Transport, Infrastructure, Public Works and Energy as the Project Manager and a copy forwarded to the Chief Officer, Public Service & Administration as the client. *(Refer Annex PSA 2.3(iv))* 3. The project has extended beyond the completion date due to the following reasons:- (i) Difficulties in transporting materials during election period skirmishes			

		(ii) Delay in approvals (iii) Bad weather (iv) Delay in nomination of Sub-Contractors (v) Delay in payments to the contractor - IFMIS *(Refer Annex PSA 2.3(iv))* 4. The progress of the works was very slow due to the following factors:- (i) Closure of IFMIS and Procurement system. This slowed the phase of nominating Sub-contractors. (ii) Prolonged Electioneering period (iii) Bad weather (iv) Introduction of new changes to the structure *(Refer Annex PSA 2.3(iv))* Special Preliminaries (SP)- Kshs 6,570,000.00 1. The amount of Kshs 6,570,000.00 Special Preliminaries as prescribed in the Bills of Quantities were omitted and transferred to contingencies by the Project Manager (Attached is the copy of variation order) *(Refer Annex PSA 2.3(v))* 2. The contractors cost and profit of Kshs. 460,000 was also omitted. *(Refer Annex PSA 2.3(v))* 3. The extra sums for unforeseen contingencies will be utilized with instruction from the Project Manager. 4. Extra items amounting to Kshs. 1,192,000 was omitted and transferred to contingencies *(Refer Annex PSA 2.3(v))* 5. Sum of Kshs. 150,000 were omitted and transferred to contingencies.			

		(Refer Annex PSA 2.3(v)) 6. The variance of Kshs. 68,000 in the Additions translating from Kshs. 6,570,000 is an error corrected in the Bills of Quantities hence is provided by the Procurement and Disposal Act 2005 Sec. 62 (1) (2) & 63 (1). 7. The Kshs. 6,570,000 for Special Preliminaries were omitted to contingencies which will be accounted for in the Final Accounts. The project is ongoing. Changes in design 1. The changes in Design were requested by the Client: Public Service and Administration Vide letter Ref : CGK/OG/6/2(64) dated 15th November 2017 and was instructed upon by the Project Manager vide site instructions dated 30th November 2017 addressed to the contractor Lafey Construction Company Ltd. *(Refer Annex PSA 2.3(vi))* 2. Cost implication in the changes in Design will be ascertained at the completion of the project in the Final Accounts *(Refer Annex PSA 2.3(vi))*			
2.4	Irregular Purchase of Laptops and Accessories	The program is currently being implemented in 25 facilities and it was to be expanded to additional 24 facilities in the financial year 2016/2017. To facilitate the expansion, 24 laptops were to be procured and they were budgeted for. Other financial requirements for the expansion were recruitment of additional data clerks and training them and money was to be set aside for the additional mothers to be registered.	Chief Officer Health Services.	Unresolved awaiting auditors feedback.	FY 2018/ 19

		The expansion was put on hold due to the pending bills amounting to Kshs 253,031,510. There was no additional allocation and since the program was allocated Kshs. 86,715,370, but only Kshs 50,000,000 was disbursed to the proramme. The procurement of the laptops was done by the County Procurement Office and by the time the expansion was being put on hold the procurement process was on-going. The expansion was put on hold for adequate resources to be allocated in the next financial year. The program expansion was put on hold and not cancelled since it was in the County Integrated Development Plan (CIDP) and has still been captured in the current CIDP 2018 -2023. The additional laptops procured are still going to be used in the expansion. Out of the 24 laptops, 6 are currently in use.			
2.5	Purchase of Motorcycles	The contract between the County Government and Toyota Kenya was informed by the supplies Branch contract with Toyota Kenya dated 20th Jan 2017. All supplies to Government departments and Institutions for Motorcycles as and when required were to be governed by this contract for a period of two years. Attached is a copy of the contract with specific models and unit prices; (Appendix I). We confirm that the LPO was raised on 3rd February 2017. However, we clarify that the pro-forma invoice from Toyota Kenya was dated 21st December 2016 and not 6th February 2017 as indicated. See attached document (Appendix II). The delivery was made months later in August 2017 due to the fact that payments for both Toyota Motor vehicles and motorcycles have to be settled prior to delivery. The payment processing for purchase of these units delayed due to factors already pointed out before i.e delayed exchequer disbursements. The County	C hief Officer Social Services	Unresolved awaiting auditors feedback.	FY 2018/ 19

		Treasury was only able to settle the invoice in August 2017 after which the deiiveries were promptly made. The motorcycles have not been registered or issued to respective officers to date. The was due to the fact that a draft motorcycle loan scheme for extension officers prepared by the Ministry had been forwarded to the Department of Public Service for their input and eventual submission to Cabinet for approval, took longer than anticipated. However, the Ministry has now received clear direction from the Ministry of Public Service recommending that we register the motorcycles under the County Government, issue them out to officers under custody and management of Sub county heads. See attached communication ref OG/CGK/ 22/VOL.I (106) dated 10th January 2018. (Appendix III). The Ministry has already liaised with Toyota Kenya to have the motorcycles registered promptly and thereafter distributed to field Officers The requisition made by the user is in file. The same was made vide communication ref CGK/LP/PROC/VOL I/12 dated 9th December 2016 and was approved by the then Chief Officer, Livestock department MsFrantinaMachwenu. See attached approval document (Appendix IV). The Cabinet in its 21st Executive Committee Meeting on 24th November 2016 approved a budget of Ksh 107.8M that included a Ksh 12M for procurement of 48 Motorcycles for the Livestock Production Department. See attached communication ref: OG/CGK/ECM/2/3/VOL. VI (93) dated 2nd December 2017 (Appendix V).			

2.6	County Enterprise Resource Planning	The contract was signed on 27th, May 2016 which marks the commencement date. In addition, the contract is valid for five years. We could not avail the required documents because they are still with the Ethics & Anti-Corruption Commission for investigation. The County paid an accumulated amount due to cash flow challenges caused by consistently delayed exchequer releases.	Chief Officer Treasury	Unresolved awaiting auditors feedback.	FY 2018/ 19
2.7	Projects Implementation Status	The details provided in the Project status report were provided by the respective departments and details enriched with findings from supervision reports, inspection reports, Monitoring and Evaluation reports. The department is working on an updated report.	Chief Officer Economic Planning	Unresolved awaiting auditors feedback.	FY 2018/ 19
2.8	Variance in Assets and Payments	The County Government acquired assets worth Kshs 4,972,115,469 during the year as supported by respective audit schedules and payment vouchers.	Chief Officer Treasury	Unresolved awaiting auditors feedback.	FY 2018/ 19
2.9	Stalled/Abandoned/Deserted Projects		Chief Officers Education.	Unresolved awaiting auditors feedback.	FY 2018/ 19

S/NO	Name of Project	Source of Funding	Contract Value	Expenditure	Current Status
1	Construction of dormitory - Musingu Boys	CGK	22,000,000.00	19,206,286.40	Terminated and retendered and is currently at finishing and fittings (Annex 1:copy of award letter and certificate of payment).

		2	Construction of Administration and Tuition block - Buchifi Girls	CGK	20.000.000.00	15,000,000.00	Terminated and retendered and is currently at roofing stage (Annex 2:copy of award letter and certificate of payment).				
		3	Construction of Administration and Tuition block- Shirugu Secondary	CGK	20.000.000.00	15,000,000.00	Terminated and retendered and is currently at finishes and fittings (Annex 3:copy of award letter and certificate of payment).				
		4	Renovation of a dormitory - St. Kizito Lusumu	CGK	6.000.000.00	1,000,000.00	The money was given as agrant to renovate adomitory however the school management decided to invest in the construction of anew domitory which has stalled due to lack				
		5	Construction of 3 No classroom and 2 ECD Classrooms - Munanga Primary	CGK	5.000.000.00	5,000,000.00	completed and commisioned (Annex 4:copy of certificate of completion).				
		6	Construction of 3 No classroom and 2 ECD Classrooms - Kuvasali Primary	CGK	5,000.000.00	638,390.00	In the process of termination and retendering				

		7	Completion of 5 No class room. - Ichina Primary	CGK	5,000,000.00	5,000,000.00	Terminated and retendered and is currently at finishes and fittings (Annex 5:copy of award letter and certificate of payment).			
		8	Construction of 5 No of classroom - Kakunga Girls	CGK	5,000,000.00	-	In the process of termination and retendering			
		9	Construction of the ECD Block – Angayu ECD	CGK	2,000,000.00	430,894.00	Terminated ,retendered and is complete and read for commisioning (Annex 6:copy of award letter and certificate of payment).			
		10	Construction of the ECD Block – Shinyikha ECD	CGK	2,000,000.00	-	completed and commisioned (Annex 7:copy of certificate of completion).			
		11	Construction of the ECD Block – Chepsai ECD	CGK	2,000,000.00	330,801.35	completed and ready for commisioning (Annex 7: certificate of completion).			
		12	Construction of the ECD Block – Makuche ECD	CGK	2,000,000.00	785,846.00	Terminated and comenced the preparation of Tender documents for retendering.(Annex 8: Termination letter)			

		13	Construction of the ECD Block – Emasera ECD	CGK	2,000,000.00	1,033,267.00	Terminated and retendered and is currently ongoing (Annex 9:copy of award letter and recent certificate of payment).			
		14	Construction of the ECD Block – Emukaba ECD	CGK	2,000,000.00	1,053,057.00	Terminated and retendered and is currently ongoing (Annex 10:copy of award letter and recent certificate of payment).			
		15	Construction of the ECD Block – Nyayo Tea Zone ECD	CGK	2,000,000.00	730,000.00	Terminated and retendered and is currently ongoing (Annex 11:copy of award letter and recent certificate of payment).			
		16	Construction of the ECD Block – Milimani ECD	CGK	2,000,000.00	50,200.00	completed and commisioned (Annex 12:copy of certificate of completion).			
		17	Construction of the ECD Block – Lwanda 'K' ECD	CGK	2,000,000.00	859,289.00	completed and commisioned (Annex 13:copy of certificate of completion).			
		18	Construction of the ECD Block – Ichina ECD	CGK	2,000,000.00	-	Terminated and retendered and is currently at finishes and fittings (Annex 14:copy of award letter and recent certificate of payment).			

		19	Construction of the ECD Block – Tanga ECD	CGK	2,000,000.00	2,000,000.00	Terminated ,retendered and is complete and ready for commisioning (Annex 15:copy of award letter and certificate of payment).			
		20	Construction of the ECD Block – Shikomari ECD	CGK	2,000,000.00	2,000,000.00	Terminated ,retendered and is complete and ready for commisioning (Annex 16:copy of award letter and certificate of payment).			
		21	Construction of the ECD Block – Mutonyi ECD	CGK	2,000,000.00	2,000,000.00	Completed and read for commisioning (Annex 17:copy of award letter and certificate of payment).			
		22	Construction of the ECD Block – Lugusi ECD	CGK	2,000,000.00	433,884.00	Terminated and retendered and is currently ongoing (Annex 18:copy of award letter and recent certificate of payment).			
		23	Construction of the ECD Block – Eburangasi ECD	CGK	2,000,000.00	2,000,000.00	Terminated and retendered and is currently at roofing (Annex 19:copy of award letter and recent certificate of payment).			
		24	Construction of the ECD Block – Shikalakala ECD	CGK	2,000,000.00	359,000.00	Terminated and retendered and is currently ongoing (Annex 20:copy of award letter and recent certificate of payment).			

		25	Construction of the ECD Block – Mapengo ECD	CGK	1,973,000.00	403,894.00	Terminated ,retendered and is complete and ready for commisioning (Annex 20:copy of award letter and certificate of payment).			
	Stalled project-Ministry of Transport	Stalled/deserted projects department of transport – Kambi ya Mwanza, Butali,Nambirima, Kongoni, Panpaper and Nangili Markets. The above referred projects have so far been completed and completion certificate issued (appendix 35). Payment of the same have been made vide payment certificate attached (appendix 36)						Chief Officer-Roads	Unresolved awaiting auditors feedback.	FY 2018/19
2.10.1	Bunyala West ward office	The proposed construction of Bunyala West Ward Office Contract No. CGK/17/15-16 was awarded on 10th August 2016 (Refer to Annex i) at a contract cost of Ksh.3,900,000 (Three million, nine hundred thousand only. (Refer to Annex ii). The site was officially handed over to the contractor on 24 January, 2017(Refer to attached minutes Annex iii) Despite the site handover, the Contractor did not proceed to do the works (Refer to Annex iv). Efforts to recall the contractor to site bore no fruits as he promised to be on site on 17th May, 2017 of which became fruitless. (Refer to Annex iv). The Contractor was then served with a letter of termination via the contract clause No.33.1(a) of the terms of contract. (Refer to Annex v)						Chief Officer-Public Service and Administration	Unresolved awaiting auditors feedback.	FY 2018/19

		In this regard, it is a submission that the proposed construction of Bunyala West Ward office did not pick up nor proceed hence the stated30% level of completion is not applicable to this project.			
2.1 0.2	Lwandeti ward office	The proposed construction of Lwandeti Ward Office Contract No. CGK/012/2014-15 that was awarded at a contract cost of Ksh.2,953,998.00 (Two million, nine hundred and fifty-three thousand, nine hundred and ninty-eight only. The project was done to a completion rate of 60% (the project is roofed) and a private developer filled suit No.Kakamega ELC CASE NOL. 194 of 2015 Claiming Ownership Of The Plot Parcel No. N/Kablas/Lwandeti/2969.After a while, the out of court settlement. (Refer to Annex (i) and (iii)).	Chief Officer-Public Service and Administration	Unresolved awaiting auditors feedback.	FY 2018/19
3.0	Compensation of Employees	Kshs. 2,091,078 was meal allowances paid to specified County employees, whose duties dictates that they work long and during odd hours (week-ends and public holidays included). Kshs.34,451,328 being tax penalty for delayed remittance of pay as you earn (PAYE) was charged under employees benefits which is the relevant cost centre. Some employees were paid out the system due to delays in capturing their data in the IPPD system, by the Directorate of personnel management.	Chief Officer-Public Service and Administration	Unresolved awaiting auditors feedback.	FY 2018/19
4.1	Unreconciled rent payments	According to the schedules used in the preparation of final accounts the correct amount for Rental of produced assets is Ksh 46,491,572 and is hereby attached.The schedule of Ksh. 40,887,079 refers to only rent for premises under the Ministry of Public Service and Administration. The balance of Ksh.	Chief Officer-Public Service and	Unresolved awaiting auditors feedback.	FY 2018/19

		5,604,493 relates to other Ministries. All rented premises are fully occupied by various County departments	Administration		
4.2	Consultancy Services on ward projects	We could not avail the documents required because the documents are with the EACC for investigation	Chief Officer-Public Service and Administration	Unresolved awaiting auditors feedback.	FY 2018/19
4.3	Provision of Training services	The institute trained 600. The process of booking of the exam is done online. The 150 delayed to open emails to facilitate the booking of exams and release of interim licenses. The interim licenses and payment of Ksh.2,100,000 will be done once they sit for their exams. There is need to do it at once, given time to the remaining trainees to get their interim driving licenses, which are being processed but at a slow pace.	Chief Officer Social Services	Unresolved awaiting auditors feedback.	FY 2018/19
4.4	Supply of car wash machine and water tanks	The tender was advertised and awarded to Royal Brooks Agencies who were unable to supply the Car Wash Machines. Later on the tender was re-advertised and awarded to Naraya General Limited	Chief Officer Social Services	Unresolved awaiting auditors feedback.	FY 2018/19
4.5	Construction of ECDE at Mwiyala Primary School	During the 2014/2015 FY, the CGK allocated Mwiyala Primary School Kshs 5 Million to construct 3 NO. Classrooms at kshs.3M and an ECDE block at Kshs 2 M. The school procured the construction of 3 NO. Classrooms at a cost of Ksh 2,876,280. However on 25th June,2015, the school received a disbursement of Ksh 2 Million on 1st July,2015 leaving a deficit of Kshs 876,280 Annex 4.1A. During the Financial Year 2016/17, the	Chief Officer Education	Unresolved awaiting auditors feedback.	FY 2018/19

		department of Education Science and Technology disbursed Kshs.2.5 Million to Mwiyala primary through payment voucher number D574 dated 9thjune 2017 to construct an ECDE block. Kshs 867,830.00 was used to clear the outstanding balance on the construction of 3 no. classrooms leaving a balance of kshs1, 864,805 for the construction of a 2.5 M ECDE Block leaving a deficit of Ksh 800,000. The Ministry has since budgeted to construct the ECDE Block during the 2017/2018 FY			
5.0	Variance in the financial statements and payment through IFMIS	The use of IFMIS in processing payments posses another challenge in that not all postings made in IFMIS are successful as they do not transit into internet banking system from where actual movement of funds is effected. This calls for an auto reconciliation process which the National Treasury is assisting to resolve	Chief Officer - Treasury	Unresolved awaiting auditors feedback.	FY 2018/ 19
6.0	Monitoring and Evaluation Reports	Regular monitoring and checks have been undertaken and reports prepared. There are many other reasons affecting project implementation and also limiting M&E activities. These include few technical supervisors and inadequate funding hence cannot adequately supervise all projects. The irregular and delayed exchequer releases have greatly interfered with project implementation. *(See attached reports)*	Chief Officer- Economic Planning.	Unresolved awaiting auditors feedback.	FY 2018/ 19
7.0	Pending Bills	At the time of submitting the accounts of 2016/2017 Imarisha Afya Ya mama na Mtoto had not submitted their pending bills of Ksh 253,031,510.00 comprising payment due to qualifying mothers. The auditor's table above appears also to have interchanged figures between recurrent and development for example Ministry of Treasury recurrent should be Ksh 29,309,332.00 and Ksh 13,175,104.00 for development. We are in the process of reconciling the figures to determine the	Chief Officer- Treasury	Unresolved awaiting auditors feedback.	

		correct value of pending bills. Attached is a new reconciled list of pending bills to be included in amended financial statements. (Appendix 3)			
	OTHER MATTERS				
1.1	Budget Performance Analysis -Under/Over Expenditure	For under-expenditure the County could not meet its budgetary obligations as a result of late disbursement of funds by the National Government coupled with frequent with IFMIS down time. For over absorption of the compensation of employees was attributed to the doctors and nurses strike return to work agreement which was subsequently compensated by additional exchequer releases	Chief Officer-Treasury	Unresolved awaiting auditors feedback.	FY 2018/19
1.2	Under collection of Receipts	The table below shows a detailed variance analysis of respective revenue streams and there mitigating factors to enhance revenue collection.	Official Receiver of Revenue	Unresolved awaiting auditors feedback.	FY 2018/19
2.1	County Teaching and Referral Hospital-Foundation Variation	All sub-structure works are provisionally measured and are subject to re-measurements. The process of carrying out re-measurements of these works is underway and the client will be fully appraised on any cost implications arising from this Variation.	Chief Officer-Health Services	Unresolved awaiting auditors feedback.	FY 2018/19
2.2.1	CGH Renovation-Amenity Block A,B,C,OPD,Pharmacy ,Fencing,Surgical Theatre and Gate-Change of Design	Contractor's attention has been drawn to the veranda finish and remedial measures are being addressed. Information on "as built" and/or as installed" drawings for CGH was not available and the consultant developed data that could be derived though measurements and survey to inform the design process. However, at the stage of excavation for	Chief Officer-Health Services	Unresolved awaiting auditors feedback.	FY 2018/19

		foundations it was noted that foul drainage line passed through the site layout of the facility. Change of quantities and cost implications are part of the financial appraisal which is in process			
3.0	Irregularity in Procurement of construction of Modern Markets	The letter written by County Secretary dated 16th Februar with reference OG/CGK/ECM/2/3/Vol.V was in relation to the report which was compiled by a Cabinet Sub-committee chaired by the Deputy Governor which had been set up to look into delays in completion of the initial six Modern Markets as well as address the problem of the crucial components of the markets such as ablution blocks, restaurants and perimeter which had been left out from the original designs. The Sub-committee was required to look into those works and recommend a feasible way of resolving the matter The Sub-committee came up with a report in which it captured that extra works had been carried out on the subject markets by the same contractors which needed to be processed as a variation of the original contract sums. It should be noted that the works that were erroneously referred to as extra works in the 1st report were variations within the legally accepted 25% margin of the original contract sum. In its report, the Sub-committee noted that it would be prudent for the current contractors to undertake the additional works due to the following: • Time constraints • Demand caused pressures from the displaced business community for the completion of the market	Chief Officer-Trade	Unresolved awaiting auditors feedback.	FY 2018/19

		• Some of the additional works were tied to the original works eg increase in the number of stalls/worktops. Negotiations with the subject contractors would have to be undertaken by the tender committee guided by the Engineers estimates. Subsequently, the tender committee carried out the negotiations with the contractors who granted various levels of discounts before arriving at the tender sum. The tender minutes showing negotiation and award of tender for the six modern markets are hereby attached at Appendix III.			
4.0	Contracts above Engineer's estimates	The contractors who emerged the lowest evaluated bidders were engaged into negotiations which lowered further the contract sum. The audit report may not have taken into account the results of these negotiations. The successful bidders in each case were involved in negotiations which led to the contract amounts being brought down further as per the table below.	Chief Officer Trade	Unresolved awaiting auditors feedback.	FY 2018/ 19

S/No	Market	Contract Sum for extra work	Engineer's Estimate	[illegible]
1	Butere	10,085,273.00	12,025,137.68	-
2	Mulwanda	6,954,080.00	5,900,000.00	[illegible]

		3	Matunda	12,260,316.00	9,547,131.76	28.4		
		4	Butali	13,617,588.00	15,341,842.00	-11.2		
		5	Malinya	36,576,067.40	31,805,276.00	15.0		
		6	Shianda	8,713,126.00	9,560,831.00	-8.9		
		It should be noted that Section 70, Sub Section 6 (b) of The Public Procurement and Asset Disposal Act, 2015 states that if works are being procured, relevant drawings and bills of quantities shall be disclosed and the projects total estimated cost evaluated only on the basis of criteria disclosed, but a person shall not be disqualified on the basis that a bidder quoted above or below a certain percentage of engineer's estimates; See the attached excerpt as appendix X As regards Malinya, the tender had to be refloated since it involved change of location from Lidambitsa to Malinya which had different sizes of land. Following the retendering of the project, Superior Africa Products emerged the lowest evaluated bidder with a bid of Kshs. 39,429,452.00. It was decided that the bid be subjected to a negotiation process with a view of bringing it down. Following the negotiation, the contractor accepted to give a discount of 7.61% bringing the figure to Kshs. 36,429,452. Superior Product Africa was therefore awarded at the negotiated figure and a contract executed at that amount. (Please see a copy of that contract and the Cabinet Directive that inspired the relocation of the market from Lidambitsa to Malinya in Appendix XI)						
5.0	Renogotiated Contracts	Due to financial constraints, the Cabinet during its 12th Executive Committee held on 9th June, 2016 resolved that Kipkaren, Nambacha, Mumias and Bukura Modern Markets be				Unresolved awaiting	FY 2018/19

		renegotiated to allow for execution of works of around Kshs. 30,000,000. This necessitated scaling down/phased implementation of the said projects. In order to implement this directive, the consultant for the markets was requested to come up with a schedule of works which would be implemented through the said limited financing. In response to this, the consultant came up with the following breakdown of works per each individual market bukura		auditors feedback.

bill no.	description	page no.	amount (kshs)
i.	general and particular preliminaries	p/21	1,350,000
ii.	market shed	ms/21	19,534,291
iii.	stalls	st/17	1,925,390
iv.	restaurant	rt/24	3,896,447
v.	civil works	t/25	1,289,435
vi.	prime cost & provisional sums	cw/10	5,850,000

	contract sum (including v.a.t) carried to form of tender		33,845,563

mumias

bill no.	description	page no.	amount (kshs)
i.	general and particular preliminaries	p/24	2,000,000
ii.	market shed	ms/22	23,679,700
iii.	stalls	st/23	2,645,200
iv.	restaurant	rt/25	4,956,021.63
v.	toilet block	t/25	4,096,910
vi.	civil works	cw/16	3,308,290
vii.	prime cost & provisional sums	pc/1	5,200,000

			contract sum (including v.a.t) carried to form of tender		46,186,122			

nambacha

bill no.	description	page no.	amount (kshs)
i.	general and particular preliminaries	p/24	1,120,000
ii.	market shed	ms/21	13,448,990
iii.	stalls	st/21	3,117,770
iv.	restaurant	rt/25	4,522,484
v.	toilet block	t/25	4,237,410
vi.	civil works	cw/16	2,496,050
vii.	prime cost & provisional sums	pc/1	4,300,000

	contract sum (including v.a.t) carried to form of tender		33,632,704

kipkaren

bill no.	description	page no.	amount (kshs)
i.	general and particular preliminaries	p/24	800,000
ii.	market shed	ms/22	13,631,291
iii.	stalls	st/23	3,651,262
iv.	restaurant	rt/25	3,793,344
v.	toilet block	t/25	3,058,160
vi.	civil works	cw/16	2,319,050
vii.	prime cost & provisional sums	pc/1	4,760,000

	contract sum (including v.a.t) carried to form of tender		32,373,107

malinya

bill no.	description	page no.	amount (kshs)
i.	general and particular preliminaries	p/24	
ii.	market shed	ms/21	13,626,345
iii.	stalls - 3 stalls to be done	st/21	2,032,939
iv.	restaurant	rt/25	4,686,942
v.	toilet block	t/25	2,963,200
vi.	civil works	cw/16	2,695,850
vii.	prime cost & provisional sums	pc/1	5,800,000
	contract sum (including v.a.t) carried to form of tender		31,805,276

The above phased implementation was brought to the attention of the 4 contractors where negotiations between the County Government and the respective contractors took place (See copy of the minutes of the meeting held between the County

		Government Officials and the respective Contractors at Appendix XII). The contractors acceded to the phased implementation. See the acceptance letters from the four contractors attached at Appendix XII. Arising out of the above, the County Government and the Contractors executed an addendum for the said phased implementation for the respective markets as per the copies at Appendix XII As regards Malinya, the tender had to be refloated since it involved change of location from Lidambitsa to Malinya which had different sizes of land. Following the retendering of the projects, Superior Africa Products emerged the lowest bidder with a bid of Kshs. 39,429,452. Iit was decided that the bid be subjected to a negotiation process with a view of bringing it down. Following the negotiation, the contractor accepted to give a discount of 7.61% Bringing the figure to Kshs. 36,429,452. Superior Product Africa was therefore awarded at the negotiated figure and a contract executed at that amount. (Please see a copy of the contract at Appendix XIII) Please note that the renegotiated figures were based on revised Bills of Quantities and drawings as attached in Appendix XIV b. As indicated above, the criteria followed was based on the Financial ceiling provided by the Cabinet as per the above referenced Cabinet Directive as per Appendix XV c. The Engineer's estimates as provided by the consultant as per the costed BQs were used to guide the evaluation of the works. Note that the engineer's estimates were to fit within the original BQs given that they informed Phase I of the implementation. Please see the copies of the attached BQs in Appendix XIV. d. The negotiation committee was appointed by the Cabinet and led by the County Secretary.			

		e. The details of the Phase II works are provided at Appendix XVI. It should be noted that the said works ie Phase II of the four modern market projects shall be undertaken during the following Financial Year 2017/18. (f) The certificate number one dated November relates to Nambacha Market. The initial contract sum for the project was Kshs.40,935,770. When it was subjected to scaled down/phased implementation the figure was reduced to Kshs. 33,632,704 and not Kshs. 32,504,770 as indicated in the audit query. The variance ought to have been Kshs. 7, 303,066 which was as a result of the reduced works. Please refer to the audit report's table under 3.3 which captured the figures correctly. The Kshs. 32,504,971 indicated in the said certificate was therefore an error. (g) Tender documents for Kipkaren Modern Market are available for audit and the file pertaining to the same is hereby provided for audit purpose in Appendix XVII			
6.0	Failure to reconcile reported development expenditure	The amount of kshs 452,286,071.95 is brought about by the payments of 526,939,673.95 outside IFMIS which is analysed below ITEM — AMOUNT KSHS Payments outside IFMIS — 526,939,673.95 LESS- Payments outside IFMIS but later Journalized in IFMIS — 254,107,257.50 Payments outside IFMIS but lump sum in IFMIS — 246,107,400.00 Rebankings — 9,483,440.00	Chief Officer-Treasury	Unresolved awaiting auditors feedback.	FY 2018/19

		Payments outside IFMIS but Lump sum in IFMIS 2015/2016 — 6,640,240.00 Net payments outside IFMIS for the financial year 2016/2017 is — 10,601,336.45 appendix 12.6.1			
7.0	Failure to prepare Budget Estimates and Financial Statements	The amount allocated to the polytechnic for capitation was arrived at by a study on the Total Unit Course Cost of training per trainee per year = direct teaching per subject + direct operating per year + indirect Cost per year. The same is used by the TVET institutions. ANNEX 12.10.1.1 The amount disbursed to each polytechnic depends on total trainee enrolment in the Polytechnic. During the Financial Year under review, the County Polytechnics did not prepare budgets due to lack of staff capacity. The ministry of Education has since recruited and trained the Principals, Boards of Management and deployed Finance Officers in Sub counties in preparation for rolling out Budgeting process by County polytechnics with effect from 2018/2019 FY.	Chief Officer Education	Unresolved awaiting auditors feedback.	FY 2018/19

KAKAMEGA COUNTY REVENUE COMPARISON FOR FY 2015/16 & 2016/17

	Revenue stream	FY 2015/16	FY 2016/17	VARIANCE	% variance	Comments	Mitigating factors
1	Single Business permit	71,470,748	59,014,951	(12,455,797)	-17.43	It was a political year which negatively affected businesses and enforcement programmes.	Sensitization clinics for the public on need to comply and enforcement programmes to increase compliance
2	Barter fee	32,420,117	31,881,938	(538,179)	-1.66	Election related challenges	Concerted enforcement programmes
3	Property rates	19,080,702	17,214,604	(1,866,098)	-9.78	The absence of updated valuation roll.	The valuation enabling laws are being enacted to allow updating the valuation roll
4	Cess	44,527,176	41,996,730	(2,530,446)	-5.68	West Kenya Sugar Company was on factory maintainance for a period of three months	Establishing additional cess collection points along the highways
5	Housing	13,505,493	7,560,675	(5,944,818)	-44.02	Some county houses were converted into offices and others underwent refurbishment	Increased rates for refurbished houses and strengthened collection mechanism
6	Market stalls	434,084	298,600	(135,484)	-31.21	Renovation of existing markets, construction of new markets	Renovation completed
7	Kiosks	3,889,700	4,203,940	314,240	8.08	Growth in the number of kiosks	Sustained enforcement programmes
8	Slaughter	1,431,130	1,982,950	551,820	38.56	Consistent enforcement and licensing of private slabs	Sustained enforcement programmes
9	Bus park	48,351,260	50,541,615	2,190,355	4.53	enhanced enforcement exercise	enhanced enforcement exercise
10	Parking fees	8,925,394	9,162,290	236,896	2.65	enhanced enforcement exercise	enhanced enforcement exercise
11	Liquor	3,082,700	14,443,981	11,361,281	368.55	Growth in the number of liquor outlets	enhanced enforcement exercise
12	Health services	155,693,134	132,193,415	(23,499,719)	-15.09	Prolonged Industrial action by Doctors and nurses	Normalcy has been restored hence expected increase in revenue
13	Stock sales	-		-			
14	Noise control	-		-			
15	Meat inspection	-		-			
16	Plan approval	-		-			
17	Hire of Machinery	7,832,156	1,719,600	(6,112,556)	-78.04	County engaged its machines to do its own works rather than hiring out	The machines will be hired out now that they are available
18	Nursery fees	-		-			
19	Advertisement	-		-			
20	ATC	-		-			
21	Interest	-		-			
22	Other revenues	105,596,213	77,272,186	(28,324,027)	-26.82	Election related challenges	Normalcy has returned hence expected increase in revenue
		-	-	-			
		-	-	-			
	TOTAL OWN REVE	516,240,007	449,487,475	(66,752,532)	-12.93		

CEC, County Treasury

Sign.....

Date.....20/12/2018

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	383,600,000.00	-	-	383,600,000.00
Exchequer Releases for quarter 2	2,984,402,053.00	-	-	2,984,402,053.00
Exchequer Releases for quarter 3	1,999,559,082.50	-	-	1,999,559,082.50
Exchequer Releases for quarter 4	4,568,238,864.50	39,865,919.00	427,283,238.00	5,035,388,021.50
Total	**9,935,800,000.00**	**39,865,919.00**	**427,283,238.00**	**10,402,949,157.00**

ANNEX 2–ANALYSIS OF PENDING ACCOUNTS PAYABLE

PAYEE	DETAILS	Ksh.
Construction of buildings		
Boybridge investment ltd	Renovation of vet lab	3,970,320.40
Interlink suppliers ltd	Construction of shirere market	4,476,804.16
Kelani limited	Construction of boda boda sheds	2,750,980.60
Alindos gen. Contractors ltd	Construction of modern public tiolet in mumias	1,020,326.00
Western cross express co. Ltd	Renovation of social hall	6,471,582.00
Thelmax contractors ltd	Renovation of butere police houses	4,670,206.00
Sammonga building contractors	Renovation of police office	2,885,511.00
Lakeways commercial agencies	Renovation of kakamega town offices	1,986,494.00
Elle enterprises	Construction of 5no. Pit latrines	2,694,130.00
Sammonga building contractors	Construction of pit latrines	2,292,478.00
Deltah county cleaners	Partitioning of cec office	2,919,135.00
M'big ltd	Rehabilitation and expansion of kch-lot 1 certificate no 6	11,265,619.00
Widole contractors	Construction of the opd block at chepkombe dispensary cet. No 3	1,606,824.00
Crje ltd	Construction-kctrh-cert no 22	89,575,964.00
Thelmax contractors limited	Construction of ikolomani sub county office	8,262,535.00
Lafey construction limited	Construction of county head quarters	3,153,815.50
High octane engineering	3th payment construction of bukura market	2,498,732.00
Superior product africa	Construction of malinya modern market 1 st payment certificate	9,596,471.00
Wesba enviro ltd	Construction of navakholo ecdc centre	843,088.00
Benchi enterprises	Construction of office block	1,269,437.00
Rudami enterprises	Construction of car park bukhungu stadium	12,001,128.00
Total		176,211,580.66

CONSTRUCTION OF CIVIL WORKS

Mowels global enterprise	Perimeter fancing-retention	270,008.10
Renja holdings ltd	Cons. Of nadunda water project	1,382,885.32
Mahavir transporters & contractors ltd	Construction of sabatia bus park	12,000,000.00
Lakeways commercial agencies	Landscaping	9,125,604.00
Tsalwa gen. Contractors	Restoration of guard rails	1,653,000.00
Deltah county cleaners	Landscaping in mumias	1,836,425.00
Jabros enterprises	Refurbishment of houses in mudiri	2,423,831.00
Westleinc dali ventures	Fencing of housing offices	745,758.00
Skypower	Networking of gis lab	2,300,000.00
Mowls global enterpri	Retention fees	188,606.72
Roadmaster construction	Completion of 10km lugari	31,367,763.00
Thelmax const.ltd	Construction of hill school logma rd	21,907,668.00
Matracon enterprises	Supply of fine quarry dust	871,450.00
Matracon enterprises	Hire of road equipments	522,000.00
Open yard developers(k) ltd	Construction of lumakanda bridge	10,788,464.00
Tida company ltd	Flushing & test pumping of mulwanda mkt borehole	180,000.00
Bilma general contractors	Installation of litter bins	1,498,050.00
Boybridge investment ltd	Erection of directional signs	388,020.00
Total		99,449,533.14

SUPPLY OF GOODS

Arm cement	Top dressing fertilizer	27,447,238.00
Makan limited	Supply of wooden pallets	460,000.00
Blackkhawk investments ltd	Supply of laptops (ig sacco	989,999.00
Elyphasras g.b co ltd	Supply of equipment	650,000.00
Tea research institute	Supply of tea seedlings	4,000,000.00
Labedcash marine enterprises	Suuply of fishing gears	409,500.00
Esri eastern africa	Supply & installation of g.i.s	7,089,200.80
Esri eastern africa	Supply of g.i.s server	583,422.00
Faram e.a limited	Blood donation chair and motor	2,150,000.00
Crown healthcare	Supply of hospital beds	2,064,000.00
Helland ltd	Supply of brochures and other promotional material	218,892.00
Milken enterprises ltd	Supply & delivery of tools & equipment	2,065,500.00
Sabema international	Supply delivery and installation of generator	5,803,934.00
Rockmax	Supply of food stuff for charitable children institutions	1,657,980.00
Shivan contractors	Supply of food stuff for vrc	704,500.00
Safaricom limited	Samsung s9 plus	189,998.00
Jolof enterprises	Supply of stationery	497,350.00
Total kenya ltd	Supply of fuel	340,000.00
Intercom investments	Supply of computers	162,186.00
Kakamega county water	Water bill	4,740.00
Safaricom limited	Sumsung tabulet a10"	37,999.00
Tusker mattresses	Sanitary materials	69,763.00
Seal honey ltd	Office furniture	564,789.00
Kakamega county water	Water bill- lurambi	7,160.00
Kakamega county water	Water bill- butere	3,250.00
Safaricom limited	Airtime	257,250.00
Safaricom limited	Airtime	257,250.00
Kingsway tyres ltd	Supply of tyres	161,499.99

Tusker mattresses	Catering items	600,520.00
Kingsway tyres ltd	Supply of tyres	161,500.00
Annasharo company ltd	Supply of uniform	327,000.00
Vickiat electronics	Supply of show items	152,950.00
Ricma investments	Supply of toners	288,800.00
Hadassah ltd	Supply of protection gear	228,000.00
Total kenya ltd	Fuel	623,700.00
Safaricom limited	Airtime	110,000.00
Lake victoria north water services	Water bill	12,000.00
Livetech business solutions	Supply of stationery	150,600.00
Kingsway tyres ltd	Supply of tyres	171,692.92
Kingsway tyres ltd	Supply of tyres	171,692.32
Kingsway tyres ltd	Supply of tyres	171,692.92
Jolof enterprises	Supply of computers	444,000.00
Stella covenant	Supply of stationaries	38,200.00
Stella covenant	Supply of stationaries	85,400.00
Mochamo agencies	Supply of stationaries	141,705.00
Safaricom limited	Airtime	109,600.00
Wickysha investment	Supply of stationaries21/01/2018	249,000.00
Stella covenant	Supply of tonners	39,200.00
Safaricom limited	Supply of ipad & phone	192,998.00
Car & general	Supply of brush cutter	65,000.00
Lenox general supplies	Supply computers	310,000.00
Lyeve enterprises ltd	Supply of office equipments	410,000.00
Hadassah	Supply of stationery	268,200.00
Aquilla holdings ltd	Supply of stationery	117,629.00
Lenox general supplies	Supply of computers	310,000.00
Mfi document solution	Supply of tonners	46,400.00
Mfi document solution	Supply on photocopier	307,600.00

Jasab stationery centre	Supply of tonners	168,350.00
Absolute works co. Ltd	Supply of uniforms	173,000.00
Absolute works co. Ltd	Supply of uniforms	200,000.00
Mfi document solution	Supply of kyocera tonner	139,200.00
Kemsa	Supply of medical drugs and non pharm-cgh	6,704,100.00
Kemsa	Supply of medical drugs and non pharm-cgh	5,821,500.00
Kemsa	Supply of medical drugs and non pharm-cgh	7,496,600.00
Kemsa	Supply of medical drugs and non pharm-cgh	4,698,406.00
Fean systems	G.o.s	553,500.00
Tarian ventures	Supply of office equip	450,800.00
Rasama computer supplies	Computer accessories	33,000.00
Hartlane pharmaceuticals ltd	Lab reagents	390,300.00
Elegance technology ltd	Supply and delivery of teardrop banners	136,000.00
Safaricom ltd	Purcchase of phone	46,999.00
Mfi document solutions	Supply and delivery of kyocera	139,200.00
Branding design ltd	Business cards and complimentary notebooks	82,500.00
Mfi document solutions	Purchase and delivery of ecosystemprinter black and white copy scan	69,600.00
Lenox general suppliers	Laptops core 8gbram 1 tb hard disk	399,200.00
Lenox general suppliers	Laptops	199,600.00
County holdings	Stationery - liason	61,400.00
Worf technology	Smart ups	130,000.00
Shijoni enterprises	Supply of stationery	311,485.00
Julika automobiles	Supply of fuel	30,000.00
Amini agencies	Supply of tonner tk 630s	96,000.00
Kakamega ict investment ltd	Supply of stationery	307,370.00
Kakamega ict	Supply ofmadaraka day speech cards	816,300.00
Kakamega ict	Supply of stationery	203,500.00
Kingway tyres	Supply of tyres for 37cg 028a	167,384.00
Kingway tyres	Supply of tyres	232,923.00

Philip k maiy0	Supply of sodas and water during madaraka day	350,600.00
Fean system ltd	Supply of stationery	239,725.00
Syntax agencies	Supply of computers	788,600.00
Bellarose investment	Clothing and uniforms	97,000.00
Total kenya	Fuel	120,000.00
Safaricom ltd	Airtime	224,550.00
Safaricom ltd	Supply of ipads	189,988.00
Worf technology co ltd.	Supply of lap tops	180,000.00
M/s tronic communications ltd	Supply of office equipments	581,100.00
Lenacha & sons building contractors	Supply of furniture & stationery	498,720.00
M/s tronic communications ltd	Supply of computers & dispenser	453,580.00
M/s tronic communications ltd	Computers & other accessories	1,283,150.00
Balynn company limited	Supply & delivery of stationery	530,762.00
Bilma general contractors	Supply & delivery of tree seedlings	385,000.00
Safaricom house	Supply of i pads & smart phones	189,998.00
Hamalasa enterprises	Supply & delivery of t-shirts	480,000.00
React branding enterprises	Supply of t-shirts and banners	846,000.00
Wickysha	Supply and delivery of stationerry	429,620.00
Splushy	Supply of stationery	180,000.00
Safaricom	Supply of ipad fo cec	84,999.00
Mfi ducuments	Supply of toners	139,200.00
Lenacha & sbc	Supply of office furniture	255,000.00
Total		**103,938,289.95**

SUPPLY OF SERVICES

Bukura atc-kcams meeting	Catering facilities	197,000.00
M.korongo & co. Adv	Legal services	555,000.00
Namatsi & co adv	Legal services	464,400.00
Idal	Spartial plan of mumias town	22,676,761.00
Osango & co .adv	Legal services	526,075.00

K.mberia	Legal services	504,000.00
Phoebe munihu	Legal services	551,000.00
Osango & co .adv	Legal services	700,150.00
Pluton ict company ltd	Networking of kakamega town offices	1,412,280.00
Tunai tours & travels	Demolition of illegal structures	590,000.00
Pambu electricals contractors	Removal of non-approved kiosks	380,000.00
Jolof enterprises	Demolition of illegal structures	560,000.00
Planet distributors ltd	Demolition of illegal structures	530,000.00
Melwood properties	Development control at nzoia market	967,556.00
Plano consultancy	Consultance services rehabilitation and expansion of kcgh	4,308,409.00
Dama services	Consultance services-kctrh-cert no 16	10,000,000.00
Dama services	Consultance services-kctrh-cert no 21	10,000,000.00
Dama services	Consultance services-kctrh-cert no 22	10,000,000.00
Dama services	Consultance services-kctrh-cert no 23	10,000,000.00
Dama services	Consultance services-kctrh-cert no 24	10,000,000.00
Kenya power	Construction of doctors staff houses	23,082,297.00
Afridigitel systems ltd	Digitization of cgh	3,675,000.00
Pinecone hotel	Conference facility-development of staff plan workshop	2,357,500.00
Miss tourism kenya	2018 county delegates training ,coordination and facilitation fee	232,000.00
Osango advocates	Legal fees	584,075.00
Kenya power	Power supply	170,466.00
Namatsi &co advocates	Legal fees	124,275.00
K mberia & partners advoca	Legal fees	519,000.00
Namatsi & advocates	Legal fees	365,400.00
Khakafe women enterprises	Catering services	606,300.00
Maximum driving school	2nd and final payment for training of bodaboda rider in the county	1,050,000.00
Royal media services	Broadcasting services during cecafa tournament	928,000.00
Kenya Music and Cultural festivals	Registration fee for teams that participated in the music festivals	660,000.00
The standard media	Advertisement for the 2nd phase of bukhungu	127,600.00

Nation media	Advertisement for recruitment of county service men and women	128,412.00
Sybl	Erp	51,291,333.31
Makumi agencies ltd	M/v repair gka690h	122,000.00
Julika automobiles	M/v repair gka205d	63,000.00
Agricultural society of kenya	County participation fee at ask	150,000.00
Westfield motors	M/v repair gka690h	22,773.00
Jabbbria motors	M/v repair gk 579 s	95,000.00
Al-sam motors	M/v repair gk b918j	135,140.00
Kenya farmers agencies	Kakamega ask show	88,000.00
Kenya power & lighting co	Electricity bill	33,407.00
Tusker mattresses	Kakamega ask show	143,080.00
Kenya power & lighting co	Electricity bill	20,699.00
Postal corporation	Postal bill	16,586.00
Kenya power & lighting co	Electricity bill	4,185.00
Africa commercial motor	M/v repair gk 393r	26,000.00
Franc salama enterprise	Rental house	120,000.00
Jabbria motors	M-cycle kbz 274d	30,000.00
Jabbria motors	M/v repair gk a970m	16,000.00
Madison insurance	Insurance cover 13 vehicles	113,006.00
Kakamega ict	Printing of pamphlets	150,000.00
Jabbria motors	M/v repair gk a970m	169,000.00
Double shasa	Printing of implementation guides	40,000.00
Ats travel	Travel cost	18,900.00
Kenya power & lighting co	Electricity bill-lurambi	16,406.00
Kenya power & lighting co	Electricity bill-shinyalu	16,399.00
Kenya power & lighting co	Electricity bill-khwisero	16,399.00
Kenya power & lighting co	Electricity bill-butere	16,399.00
Kenya power & lighting co	Electricity bill-matungu	16,399.00
Kenya power & lighting co	Electricity bill-navakholo	16,399.00

Kenya power & lighting co	Electricity bill-malava	16,399.00
Kenya power & lighting co	Electricity bill-likuyani	16,399.00
Kenya power & lighting co	Electricity bill-matete	16,392.00
Kenya power & lighting co	Electricity bill-matete	37,000.00
Green without borders	Agribusiness expo	15,000.00
Sailo gaurage and apairs	M/v repair gk. 524s	119,800.00
Hotel ebenezer	Catering facilities	6,600.00
Kakamoni holdings	Catering services	28,000.00
MFI document solutions	Renewal services	34,800.00
Pine cone	Catering	105,000.00
Rasama computer solutions	Printer repair & Service	22,700.00
Rasama computer solutions	Printer repair & service	26,500.00
African touch safaris	Air ticketing	262,500.00
Safaricom limited	Installation of wfi	162,400.00
African touch safaris	Flight services	62,000.00
African touch safaris	Flight services	78,129.00
African touch safaris	Flight services	23,870.00
Diamond rock	Supply of lunch	13,650.00
African touch safaris	Airticketing	39,100.00
Nation media	Advertisement services07/03/2018	452,400.00
Diamond rock	Supply of breakfast	29,700.00
Diamond rock	Supply of lunch	13,650.00
Diamond rock	Catering services	65,000.00
Stella covenant	Repair of computer	23,800.00
Standard media group	Advertisment	448,630.00
Jabria motors	Repair of vehicle	237,000.00
African touch safaris	Airticketing	57,100.00
African touch safaris	Airticketing	94,800.00
Pricewaterhouse Coopers	Consultancy services	1,272,082.00

Misigo motors garage	Repair of vehicle	29,000.00
Sunset hotel	Catering services	158,000.00
Golf hotel	Accommodation services	99,000.00
Diamond rock resort	Catering	90,000.00
Diamond rock resort	Catering	60,000.00
Golf hotel kakamega	Catering	100,000.00
Golf hotel kakamega	Catering	37,500.00
Julika automobiles	Vehicle maintenance	353,100.00
Nation media group ltd	Advert awareness	73,080.00
Cardioscope medical supplies	Generator maintenance	305,822.00
Uphill engineering services	Routine generator service	73,741.00
Makumi agencies	M/vehicle maitenance	215,500.00
Bhogals autoworld	M/vehicle maitenance kbv 219 r	70,219.00
Three and four barrels	Catering	161,000.00
Diamond rock resort	Catering	26,500.00
Stellah caterers	Catering	60,000.00
Kenya redcross	Ambulance	6,573,990.99
Kenya redcross	Ambulance	6,502,525.00
Broad land and automobiles	Repairs of m/v no gk053f	96,200.00
Viscot international ltd	Production services 4th devolution conference	400,000.00
Korongo & co advocates	Legal fees	398,000.00
Golf hotel ltd	Catering services	114,350.00
African touch safaris	Payment for airticket services	25,900.00
Kakameg ict	4th devolution conference support	500,000.00
Dt dobie	Motor vehicle maintainance	91,615.00
Nabcos ltd	Catering services	70,500.00
Roddys eco cover	Provision of lunches	100,000.00
Council of governors	Intergovernmental contribution support 3rd quarter jan-march 2018	2,500,000.00
Telkom kenya	Internet of kotecha	556,800.00

Pinecone hotel ltd	Workshop to draft service delivery charter	75,000.00
Wileun enterprises ltd	Printing and branding executive visitors and banners	57,000.00
Bhogals autoworld	Service for motorvehicle 37cg013a	79,001.80
Bhogals autoworld	Replacement of gearbox for kbu 901t	409,248.00
Dt dobie	Service for 037f	118,991.90
Westfield motors ltd	Service for 37cg0054	109,172.00
Cmc motors ltd	Service for 37cg015a	91,447.10
Ats travel ltd	Air tickets for liason	8,500.00
Ats travel ltd	Airtickets for ict	45,900.00
Ats travel ltd	Airtickets for ict	24,800.00
Ats travel ltd	Airtickets for ict	29,900.00
Ats travel ltd	Airtickets for governor	44,000.00
Ats travel ltd	Airtickets for planning	10,200.00
Ats travel ltd	Airtickets for governor	63,500.00
Ats travel ltd	Airtickets for deputy governor	44,600.00
Ats travel ltd	Airtickets for planning	33,000.00
Ats travel ltd	Airtickets for governor	94,600.00
Ats travel ltd	Airtickets for joshua	27,800.00
Ats travel ltd	Airtickets for cs	25,000.00
Ats travel ltd	Airtickets for cs	8,800.00
The standard group ltd	Advertisement for county digital platform and connectivity	675,120.00
The standard group ltd	Live transmission	1,200,000.00
University of nairobi	Tuition fees for kevin marango	315,000.00
Golf hotel	Provision of catering services	440,000.00
Up hill engineering services	Servising of county generator	50,808.00
Kakamega county water and sanitation co.	Water bill for the month of may 2018	289,707.10
Postal corporation of kenya	Postal charges for may 2018	26,960.00
Rentakil initial	Provision of washroom services	221,345.40
M/s westfield motors limited	Service of county vehicle 37cg068a	27,106.00

Ps department ofhousing	June 2018 deductions	212,770.00
Ps department ofhousing	May deductions	322,850.00
Kakamoni holdings	Provision of catering services	21,000.00
Golf hotel	Provision of conference facilities	80,000.00
Makumi agencies	Service of county vehicle 37cg029a	155,450.00
Cmc motors group ltd	Service of county vehicle 37cg 031a	147,641.00
Mfi document	Renewal service charge for kyocere mono machine	33,500.00
Kakamoni holdings	Catering services	25,200.00
Kakamoni holdings	Catering services	42,000.00
Kakamoni holdings	Catering services	22,050.00
Branding design	Branding at the entrance	29,500.00
African touch safaris	Airtickrting services	17,200.00
African touch safaris	Airtickrting services	48,000.00
African touch safaris	Airtickrting services	36,200.00
African touch safaris	Airtickrting services	13,000.00
African touch safaris	Airtickrting services	53,100.00
African touch safaris	Airtickrting services	23,500.00
Patrick mutebi	Rent for shinoyi shikomari ward office	48,480.00
Blessed essie	Supply of chairs and tents during mashujaa day	125,000.00
Liswan enterprises	Supply of sodas and water during mashujaa day	112,000.00
Double cs agency ltd	Electrical installation at matiha ward office	206,816.40
Jabbria motors	Normal service	30,500.00
Kenya power	Electricity bill for matunda market	18,074.76
Cmc motors group	Service of vehicle kby 662c	16,244.00
Kenya power	Paymeny for electricity bills for various markets	261,404.20
Pinecone hotel	Conference services	180,000.00
Golf hotel	Conference services	19,000.00
Cmc motors group	Service of vehicle	52,000.00
Jabbria motors	Servive of vehicle 37cg057a	35,550.00

Cmc motors group	Service of vehicle	43,120.00
African touch safaris	Airticket services	84,300.00
African touch safaris	Airticket services	22,800.00
Jabbria motors	Service of vehicle 37cg081a	33,850.00
Grand royal swiss hotel	Conference services	195,000.00
Makumi agencies	Major service for gka591t	241,500.00
African touch safaris	Provision of air ticket	24,700.00
Nabcos co.ltd	Catering	90,000.00
Cic general insurance ltd	Insurance	7,534.00
Cyelda motor services	Repair of m/v reg kbl 519w	305,700.00
Safaricom ltd	Supply of airtime	221,550.00
Diamond resort	Cattering	15,000.00
African touch safaris	Air tickets	47,600.00
Diamond resort	Cattering	88,000.00
Diamond resort	Cattering	15,000.00
African touch	Air tickets	45,900.00
African touch	Air tickets	19,800.00
Cic genal insurance ltd	Supply of insurance cover	20,130.00
Cic group	Payment for insurance services	234,794.00
Cic group	Payment for insurance services	30,296.00
Cic group	Payment for insurance services	495,876.00
African touch safaris	Payment for airticketing services	237,450.00
African touch safaris	Payment for airticketing services	35,500.00
African touch safaris	Payment for airticketing services	52,700.00
African touch safaris	Payment for airticketing services	28,200.00
African touch safaris	Payment for airticketing services	38,900.00
African touch safaris	Payment for airticketing services	41,600.00
African touch safaris	Payment for airticketing services	25,800.00
African touch safaris	Payment for airticketing services	25,800.00

African touch safaris	Payment for airticketing services	39,700.00
African touch safaris	Payment for airticketing services	35,700.00
African touch safaris	Payment for airticketing services	35,700.00
African touch safaris	Payment for airticketing services	56,600.00
African touch safaris	Payment for airticketing services	12,800.00
African touch safaris	Payment for airticketing services	33,700.00
African touch safaris	Payment for airticketing services	24,900.00
African touch safaris	Payment for airticketing services	19,700.00
African touch safaris	Payment for airticketing services	19,900.00
African touch safaris	Payment for airticketing services	55,800.00
African touch safaris	Payment for airticketing services	10,000.00
African touch safaris	Payment for airticketing services	10,000.00
The standard group	Advertising service	473,200.00
Pinecone hotel	Catering services	120,000.00
Golf hotel	Catering services	30,000.00
Golf hotel	Catering services	81,000.00
Golf hotel	Catering services	37,500.00
Sunset hotel limited	Catering services	85,000.00
Kakamega automobile ltd	Servicing & repair of vehicles	22,100.00
Kakamega automobile ltd	Servicing & repair of vehicles	29,800.00
African touch safaris ltd	Flight services	37,800.00
African touch safaris ltd	Flight services	42,600.00
Elegant hotel	Catering services	144,000.00
Bhogals autoworld	Repair & maintenance of vehicles	714,975.00
Tabasamu hotel	Catering services	105,900.00
Golf hotel	Catering services	71,800.00
Branding design	Installation of banners	60,000.00
Nabcos co. Limited	Catering services	522,580.00
Ask	Participation fee	75,400.00

Bestway millenium	Motor vehicle repair	24,000.00
Snack stop	Catering service during staff meeting	27,000.00
Snack stop	Catering service during staff meeting	30,000.00
African touch safaris	Air ticket services	69,000.00
African touch safaris	Air ticket services	57,800.00
Golf hotel	Catering services during labour day	113,000.00
Golf hotel	Accommodation for caf officials	30,600.00
Golf hotel	Accommodation for afc official	58,500.00
Royal flew hotel	Accommodation to afc during official launch of bukhungu	177,000.00
Siaya guest house	Accommodation afc players	694,000.00
Milimani resort	Accommodation afc players	116,000.00
Makumi agencies	Service of kaw 204z	197,500.00
Shamfic enterprises	Catering services during the day of the african child	100,000.00
Pinecone hotel	Conference package during review of pfm act	82,500.00
Pinecone hotel	Conference package	160,000.00
Nabcos co. Ltd	Catering services for the ist lady	101,000.00
Radio mamdo	Advertisement during openning of bukhungu	90,000.00
Kingsway tyres ltd	Supply of tyres for kaw204z	146,769.23
Tom mboya labour college	Conference package during labour laws meeting	253,000.00
Total		**211,460,972.19**
Romulus imbandu	Purchase of land mung'ang'a	2,890,000.00
Total		**2,890,000.00**
Grand Total		**593,950,375.94**

ANNEX 4 (A)–ACCOUNTS RECIEVABLES

The county Government of Kakamega is owed an estimated Ksh 1,562,057,776 in long outstanding land rates. Determination of the exact amount owed depends on the findings of the intergovernmental relations and technical committee who carried out verification of the county assets and liabilities. These are historical debts inherited from the defunct local authorities whose accuracy and collectability is yet to be ascertained

NO	SUB-COUNTY	ARREARS
1	KAKAMEGA TOWNSHIP	1,472,145,925.00
2	LUGARI-LIKUYANI	32,293,835.00
3	MUMIAS EAST	2,647,493.00
4	BUTERE	2,968,677.00
5	KHWISERO	4,066,339.00
6	MUMIAS WEST	1,404,765.00
7	MUMIAS TOWN	46,530,742.00
	TOTAL	**1,562,057,776.00**

ANNEX 5 – 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	66,903,980.00	-	--	66,903,980.00
Buildings and structures	2,714,102,528.52	1,098,216,750.40	-	3,812,319,278.92
Transport equipment	210,695,708.20	27,030,600.00	-	237,726,308.20
Office equipment, furniture and fittings	26,980,727.54	15,474,500.00	-	42,455,227.54
ICT Equipment, Software and Other ICT Assets	43,850,361.30	8,072,501.05	-	51,922,862.35
Other Machinery and Equipment	8,643,714.00	13,440,075.00	-	22,083,789.00
Heritage and cultural assets				-
Intangible assets	68,221,767.00			**68,221,767,.00**
Infrastructure	**2,569,682,684.05**			**2,569,682,684.05**
Refurbishment of buildings	**80,460,572.40**			**80,460,572.40**
Certified Seeds, Breeding stocks and Live animals	77,649,856.95			**77,649,856.95**
Total	5,867,191,899.96	**1,162,234,426.45**	-	**7,029,426,326.41**

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17on acquisition of assets during the year.

ANNEX 6 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred KShs	Amount Confirmed as received KShs	differ ence	explanation
1	County Assembly	127,243,000	237,242,996	359,629,692	169,401,050	893,516,738	893,516,738	-	Reconciled
2	Kakamega County Water Company	-	-	-	87,000,000	87,000,000	87,000,000	-	Reconciled
3	Kakamega Dairy Development Corporation	-	-	--	21,463,800	21,463,800	21,463,800	-	Reconciled
9	Total	127,243,000	237,242,996	359,629,692	277,864,850	1,001,980,538	1,001,980,538	-	Reconcilled

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)