REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF LAIKIPIA

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB
13 NOV 2019
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P.O. Box 267 - 10100, NYERI

LAIKIPIA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

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

- Office of the Speaker
- Office of the Clerk
- Directorate of Legislative Procedures & Committee services
- Directorate of Finance & Accounting services
- Directorate of Human Resources & Administration and
- Directorate of Research and Information Technology

(c) Fiduciary Management

The key management personnel who held office during the year ended June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Jasper Mutuiri
2.	Deputy Clerk	Gichuki Waweru
3.	Director Finance	Ndiritu Kimondo
4.	Director Human R	Miriam Mwangi
5.	Director ICT & R	Danilo Legei

(d) Fiduciary Oversight Arrangements

- *County assembly service board CASB*
- *An established Audit committee*
- *A risk management policy in place*

(e) Entity Headquarters

COUNTY ASSEMBLY BUILDING
P.O. Box 487-10400
NANYUKI
KENYA

(f) Entity Contacts

Telephone: (254) 716311702, +254 716311703
E-mail: assembly@ca.laikipiacounty.go.ke
Website: www.laikipiaassembly.go.ke

(g) Entity Bankers

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

2. Equity Bank Kenya Limited
   Nanyuki

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

In the financial year 2018/2019, the county assembly has an initial total budget of Ksh 471,000,000. Out of the amount Ksh 5,000,000 was budget under development to operationalize the assembly cafeteria and Ksh 25,000,000 for staff car and mortgage scheme. The budget was supplemented to Ksh 476,170,031 to appropriate Ksh 5,170,031 balance carried from 2017/2018 financial.

The assembly achieved 100% recurrent budget absorption with an expenditure of Ksh 469,203,295.00. Under development 25% was absorbed with the low percentage attributed in delay in approval of funds from the controller of budget and procurement challenges.

Operational Performance

1. LAWS PASSED BY THE ASSEMBLY

The following Bills were introduced in the House during the period under review:

1. The Laikipia County Finance Bill, 2018
2. The Laikipia County Supplementary Budget, 2018/2019
3. The Laikipia County Water Services Bill, 2018
4. The Laikipia County Trade Bill, 2018
5. The Laikipia County Sand Harvesting Bill, 2018
6. The Laikipia County Outdoor Advertising Bill, 2018.

The following laws were passed in the same period:-

1. The Laikipia County Appropriations Act, 2018.
2. The Laikipia County Finance Act, 2018.
3. The Laikipia County Supplementary Act, 2019

2. DATE OF ADOPTION OF THE BUDGET ESTIMATES FOR 2018/2019

The budget estimates were adopted on 27th June 2018
Supplementary budget was approved by the county assembly on 21st March 2019

1. COUNTY ASSEMBLY LEADERSHIP AND COMMITTEES

LEADERSHIP

SPEAKER : PATRICK WAIGWA
DEPUTY SPEAKER : DANIEL NYAUSI LEPANYAN

1. Leader of Majority : Hon. Peter Thomi
2. Deputy Leader of Majority : Hon. John Mutahi
3. Majority Whip : Hon. Charubo Kaparo
4. Deputy Majority Whip : Hon. Joseph Suge
5. Leader of Minority : Hon. Jacob Endom

SPEAKER'S PANEL

1. Hon. Patrick Waigwa : Speaker
2. Hon. Daniel Nyausi : Deputy Speaker
3. Hon. Veronicah Ikunywa
4. Hon. Cathryn Nyawira
5. Hon. Peter Matunge
6. Hon. John Mutahi

	Sectoral Committees	Areas of focus	Current membership
1	**Finance and County Planning**	County finance and planning, development including statistics; land survey and mapping; boundaries and fencing; housing and electricity and gas reticulation and energy regulation	**Hon. Joseph Kiguru-Chair** Hon. Joseph Suge Hon. George Karuiru Hon. Charubo Kaparo Hon. Mary Samkem
2	**Trade , Tourism and Cooperative s**	Trade development and regulation including the markets; trade licenses (excluding regulation of professions); fair trading practices, local tourism and cooperative societies	**Hon. Stephen Ndiritu-Chair** Hon. Simon Kanyutu Hon. Joseph Kiguru Hon. Irene Wacuka Hon. Christopher Mark
3	**Labor, Social Welfare and Community Services**	All matters relating to labor, trade union relations, manpower or human resource planning, gender, culture and social welfare. All matters related to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and hiring, libraries, museums, sports and cultural activities and facilities and county parks, beaches and recreation facilities; firefighting services and disaster management, control of drugs and pornography; and annual animal control and	**Hon. George Karuiru-Chair** Hon. Joseph Suge Hon. Christopher Mark Hon. Stephen Ndiritu Hon. Irene Wachuka

		welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals	
4	**County Cohesion, justice and legal matters**	All matters related to ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations in governance as the local level and assisting communities and locations to develop administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level; administration of law and justice. Including working and collaborating with national governmental on security matters	**Hon. George Meshami-Chair** Hon. Daniel Nyausi Hon. Veronicah Ikunywa Hon. Catherine Kibue Hon. Judy Lukio Hon. Patricia Muthoni
5	**Agriculture, Environment and Natural resources**	All matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries; implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising	**Hon. Simon Kanyutu-Chair** Hon. Wilson Wakahiu Hon. Patricia Muthoni Hon. Peter Matunge Hon. Robert Maina
6	**Transport and public works**	All matters related to County transport, including county roads, street lighting, traffic and parking, public transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; county public works and services including storm water management systems in built up areas and water sanitation services	**Hon. Robert Maina-Chair** Hon. John Muritu Hon. Daniel Mugweru Hon. Mary Samkem Hon. Wilson Wakahiu Hon. Judy Lukio Hon. Salma Zamzam
7	**Health Services**	All matters related to County health services including in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlors and crematoria and refuse removal, refuse dumps and solid waste disposal	**Hon. Veronicah Ikunywa-Chair** Hon. Peter Matunge Hon. Cathryn Nyawira Hon. George Meshami Hon. Peter Thomi
8	**Education and vocational training**	All matters related to pre-primary education, village polytechnics, home craft centers and childcare youth and children welfare. Youth and children welfare.	**Hon. John Mutahi-Chair** Hon. Catherine Kibue Hon. Charumbo Kaparo Hon. Jacob Endom Hon. Daniel Mugweru

Select Committees

The mandate of Select Committees is specifically outlined in the Standing Orders

	Name of Select Committee	Current members
1	**County Assembly Business Committee**	**Hon. Patrick Waigwa-Chair** Hon. Veronicah Ikunywa- Vice Chair Hon. Jacob Endom Hon. Peter Thomi Hon. Charumbo Kaparo Hon. Mary Samken. Hon. Daniel Nyausi
2	**Committee on Selection**	**Hon. Peter Thomi- Chair** Hon. Jacob Endom Hon. Catherine Kibue Hon. Simon Kanyutu Hon. Patricia Muthoni
3	**County Public Investments and Accounts Committee**	**Hon. Daniel Mugwero-Chair** Hon. Peter Thomi Hon. Christopher Mark Hon. Catherine Kibue Hon. Jacob Endom Hon. Robert Maina Hon. Stephen Ndiritu
4	**County Budget and Appropriations Committee**	**Hon. Wilson Wakahiu-Chair** Hon. Simon Kanyutu Hon. Judy Lukio Hon. John Mutahi Hon. Salma ZamZam
5	**Committee on Implementation**	**Hon. Joseph Suge- Chair** Hon. Cathryn Nyawira Hon. Charumbo Kaparo Hon. George Karuiru Hon. Patricia Muthoni
6	**Committee on Delegated County Legislation**	**Hon. Jacob Endom- Chair** Hon. Irene Wacuka Hon. Joseph Kiguru Hon. Salma Zamzam Hon. Christopher Mark

7	**Committee on Appointments**	**Hon. Patrick Waigwa- Chair** Hon. Judy Lukio Hon. Joseph Suge Hon. Patricia Muthoni Hon. Jacob Endom Hon. Peter Thomi
8	**Procedure and Rules Committee**	**Hon. Patrick Waigwa-Chair** Hon. Daniel Nyausi Hon. George Meshami Hon. Cathryn Nyawira Hon. John Mutahi Hon. Veronicah Ikunywa
9	**Liaison Committee**	**Hon. Daniel Nyausi- Chair** Hon. John Mutahi Hon. Charubo Kaparo Hon. George Karuiru Hon. Simon Kanyutu Hon. Jacob Endom Hon. Joseph Suge Hon. Joseph Kiguru Hon. Stephen Ndiritu Hon. George Meshami Hon. Veronicah Ikunywa Hon. Peter Thomi Hon. Daniel Mugweru Hon. Robert Maina Hon. Wilson Wakahiu
10	**Powers and Privileges Committee**	**Hon. Patrick Waigwa - Chair** Hon. Peter Thomi Hon. Charubo Kaparo Hon. Veronicah Ikunywa Hon. Stephen Ndiritu Hon. Joseph Kiguru Hon. Robert Maina

NB

1. Standing Order 153: The Committee on Selection shall nominate members to serve in Committees.
2. Standing Order 155 (3).....no member shall be appointed to serve in more than three Sectoral Committees
3. Standing Order 156 (2). The Selection Committee shall within seven days upon nomination of members to serve in any committee of the County Assembly, present the list to the County Assembly for approval

4. ROLES OF THE COUNTY ASSEMBLY

The County Assembly is mandated to perform the following roles

(i) Oversight
(ii) Representation
(iii) Legislation
(iv) Budget Making
(v) Vetting of Chairmen and members of boards, chief officers and County Executive Committee members

Performance of key development projects

The county assembly is located in the former Nanyuki municipal council offices. Since its inception in 2013 the assembly has undertaken the following development projects.

- Refurbished of the old council chamber to modernise it to current standards.
- Fitted the chamber with a new Hansard recording system
- Constructed an additional one floor on the office block for additional office space and committee rooms.
- Upgraded the parking by putting cabbro stones
- Construction of a cafeteria for the assembly staff and members
- Construction of a crèche for the assembly

Comment on value-for-money achievements

From above development projects the assembly have enough office space for the members and staff to operate from. Additionally the assembly adequate committee rooms for the assembly committees to operate from.
The assembly chamber is well equipped with furniture and requisite systems that make the assembly to function effectively.
The cafeteria and the crèche will ensure that the welfare of the staff and members is taken care of which will in return ensure high productivity.

Challenges and Recommended Way Forward

The following are some of the challenges faced in the year

- Inadequate ceilings set by commission on revenue allocation. This has in effect limited the assembly achievements.
- Ageing assembly vehicle pushing maintenance costs to unmanageable levels and increased vehicle down time. This has in return increased the cost of hiring vehicles
- Unresolved budget issues by the national commissions on benefits to members and clerks.

CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
4 NOV 2019
P.O. Box 1271-10400, NANYUKI

Sign
Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

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

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

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

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 04/11 2019.

CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
-4 NOV 2019
P.O. Box 1271-10400, NANYUKI

Clerk of the County Assembly

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Laikipia set out on pages 1 to 22, which comprise the statement of financial assets and liabilities as at 30 June, 2019, 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 effects 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 Assembly of Laikipia as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accuracy of the Financial Statements

The financial statements for the year ended 30 June, 2019 reflects various amounts and balances which are at variance with other underlying records as outlined below:

1.1. Statement of Receipts and Payments

The expenditure figures reflected in the statement of receipts and payments are at variance with IFMIS report expenditure figures as tabulated below:

Item(s)	IFMIS Report Balances (Kshs.)	Statement of Receipts and Payments Balances (Kshs.)	Difference Kshs.
Expenditure/Payments			
Compensation of Employees	218,142,935	218,142,935	0
Use of Goods and Services	214,082,638	209,272,938	4,809,700
Transfers to Other Government Units	492,400	28,271,323	(27,778,923)
Other Grants and Transfers	1,650,066	492,400	1,157,666
Social Security Benefits	10,000,000	10,000,000	0
Acquisition of Assets	29,980,404	1,709,081	28,271,323
Total Payments	**474,348,443**	**467,888,677**	**6,459,766**

No reconciliations or explanation have been provided for the above variances.

1.2. Statement of Assets and Liabilities

The account balances reflected in statement of financial assets and liabilities as at 30 June, 2019 also differs with IFMIS report balances as summarized below:

Item(s)	Financial Statements Balances Kshs.	Balances as Per IFMIS Report Kshs.	Variance Kshs.
Accounts Payables - Deposits	-	1,555,419,540	(1,555,419,540)
Bank Balances	1,992,646	678,238,451	(676,245,805)
Cash Balances	-	1,911,328,906	(1,911,328,906)
Fund Balance Brought Forward	22,397,359	(319,512,031)	341,909,390
Prior year adjustments	(22,397,359)	-	(22,397,359)

No satisfactory explanations or reconciliations have been similarly provided for the above variances.

Consequently, the accuracy and completeness of the figures reflected in the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Foreign Travel and Subsistence

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.209,272,938 under use of goods and services which includes an expenditure of Kshs.34,455,993 relating to foreign travel and subsistence allowances. The amount of Kshs.34,455,993 includes subsistence allowances of Kshs.5,036,010 paid to eighteen (18) members of the County Assembly and three (3) members of staff while attending the 2nd County Assemblies Integrity forum held in Arusha, Tanzania between 27 January, 2019 and 3 February, 2019.

Examination of the imprest surrender vouchers revealed that five imprest holders issued with imprests amounting to Kshs.953,768 did not submit copies of their passports as a proof of travel to Arusha and back. It was therefore not possible to ascertain whether the members actually travelled or not.

Further, all the members who travelled to the Arusha forum were each issued with a transport allowance of Kshs.50,000. However, five members who received a total of Kshs.250,000 did not attach any expenditure receipts to the surrender vouchers to account for the transport allowance. It was similarly not clear whether they had travelled or not.

3. Misallocation of Budget Provisions

The statement of receipts and payments reflects social security benefits payments amounting to Kshs.10,000,000 for the year ended 30 June, 2019. However, a review of payments charged to the expenditure item revealed the following unrelated expenditure items:

Item	Kshs.
Domestic travel and subsistence allowance	8,413,600
Medical Insurance CASA Games	1,586,400
Total	**10,000,000**

The management did not give satisfactory explanation for the above mis-allocation of budgetary provisions.

4. Irregular Issuance of Imprests

Included in domestic travel and subsistence expenditure of Kshs.43,281,154 for the year ended 30 June, 2019 is an amount of Kshs.4,500,000 issued to Ward staff as imprests to cater for various public participation events held across the county during the financial year under review. The ward staff are not employees of the Assembly and the expenditure was therefore irregularly incurred.

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

Other Matters

Overall Budget Performance

During the year under review, the approved final budget of the County Assembly of Laikipia was Kshs.476,170,301 with Kshs.469,271,323 (98.55%) allocated to recurrent

expenditure and Kshs.6,896,978(1.45%) development expenditure. Further, the statement of comparison of budget and actual amounts for recurrent and development combined reflects an overall under absorption of Kshs.8,279,624 or 1.7% as tabulated below:

Item	Budgeted Amount 2018/2019 Kshs.	Actual Amounts 2018/2019 Kshs.	Over/(Under) Absorption Kshs.	Over/(Under) Absorption %
Development	6,896,978	1,709,081	(5,187,897)	(75.2)
Recurrent	469,271,323	466,179,596	(3,091,727)	(0.7)
Total	**476,168,301**	**467,888,677**	**(8,279,624)**	**(1.7)**

The above analysis shows that the under absorption of the approved budget relates mainly to development vote which impacted negatively on the implementation of approved development projects. However, the management has not provided satisfactory explanation for the failure to fully utilize budgetary provisions as appropriated by the County Assembly.

Key Audit Matters

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

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 Qualified Opinion and Basis for Conclusion on lawfulness and effectiveness in use of public resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Doubtful Procurement Process for Hotel and Conference Facilities

Disclosed in Note 5 to the financial statements under supply of goods and services is an expenditure of Kshs.27,664,000 in respect of hospitality supplies and services for the year ended 30 June, 2019. Included in the amount are payments totalling Kshs.1,147,372 for hotel and conference facilities for Members of County Assembly (MCAs) and staff. However, the procurement process used to identify the hotels and conference facilities was not indicated or clarified. As a result, it could not be confirmed

whether the services were procured in accordance with requirements under Sections 91 and 92 of the Public Procurement and Asset Disposal Act, 2015 or lawfully.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Fixed Assets Register

Annex 4 to the financial statements reflects a summary of fixed assets register balance of Kshs.75,505,574 as at 30 June, 2019. However, examination of records presented for audit revealed that the Assembly has not update the fixed assets register during the year under review. The assets register maintained did not indicate the category of assets, date of acquisition and current condition of the assets. Consequently, the completeness and accuracy of the fixed assets register and balances as at 30 June, 2019 could not be confirmed.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 overall governance.

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

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

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

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

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

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

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

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

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

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

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

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

19 October, 2020

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 KShs	2017/18 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	469,881,323	480,110,035
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**469,881,323**	**480,110,035**
PAYMENTS			
Compensation of Employees	4	218,142,935	197,100,627
Use of goods and services	5	209,272,938	190,824,638
Subsidies	6	-	-
Transfers to Other Government Entities	7	28,271,323	57,033,482
Other grants and transfers	8	492,400	-
Social Security Benefits	9	10,000,000	-
Acquisition of Assets	10	1,709,081	27,140,402
Finance Costs	11	-	26,301
Other Payments	12	-	-
TOTAL PAYMENTS		**467,888,677**	**472,125,450**
SURPLUS/DEFICIT		**1,992,646**	**7,984,585**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 04/11 2019 and signed by:

CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
-4 NOV 2019
P.O. Box 1271-10400, NANYUKI

Clerk of the Assembly
Jasper Mutuiri

Director of Finance – County Assembly
Ndiritu Kimondo
ICPAK 16861

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2018/19	2017/18
FINANCIAL ASSETS	**Note**	**KShs**	**KShs**
Cash and Cash Equivalents			
Bank Balances	13A	1,992,646	20,718,659
Cash Balances	13B	-	-
Total Cash and cash equivalents		**1,992,646**	**20,718,659**
Accounts receivables – Outstanding Imprests	14	-	1,678,700
TOTAL FINANCIAL ASSETS		**1,992,646**	**22,397,359**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**1,992,646**	**22,397,359**
REPRESENTED BY			
Fund balance b/fwd	16	22,397,359	14,412,773
Surplus/Deficit for the year		1,992,646	7,984,585
Prior Year Adjustment		(22,397,359)	
NET FINANCIAL POSITION		**1,992,646**	**22,397,358**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 04/11 2019 and signed by:

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4 NOV 2019
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Ndiritu Kimondo
ICPAK 1686

5.3. STATEMENT OF CASH FLOWS

	Note	2018/19 KShs	2017/18 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	469,881,323	480,110,035
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	218,142,935	197,100,627
Use of goods and services	5	209,272,938	190,824,638
Subsidies	6	-	
Transfers to Other Government Entities	7	28,271,323	57,033,482
Other grants and transfers	8	492,400	
Social Security Benefits	9	10,000,000	
Finance Costs	11	-	26,301
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		1,678,700	1,678,700
Prior year Adjustment		22,397,359	
Net cash flows from operating activities		**17,016,932**	**33,446,287**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	1,709,081	27,140,402
Net cash flows from investing activities		**1,709,081**	**27,140,402**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**18,726,013**	**6,305,885**
Cash and cash equivalent at BEGINNING of the year	13	**20,718,659**	**14,412,773**
Cash and cash equivalent at END of the year		**1,992,646**	**20,718,659**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 04/11 2019 and signed by:

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	471,000,000.00	5,170,301.00	476,170,301.00	469,881,323.00	6,288,978.00
TOTAL	**471,000,000.00**	**5,170,301.00**	**476,170,301.00**	**469,881,323.00**	**6,288,978.00**
PAYMENTS					
Compensation of Employees	227,219,680.00	- 9,000,000.00	218,219,680.00	218,142,934.70	76,745.30
Use of goods and services	203,280,320.00	9,000,000.00	212,280,320.00	209,272,938.30	3,007,381.70
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	25,000,000.00	3,271,323.00	28,271,323.00	28,271,323.00	-
Other grants and transfers	500,000.00	-	500,000.00	492,400.00	7,600.00
Social Security Benefits	10,000,000.00	-	10,000,000.00	10,000,000.00	-
Acquisition of Assets	5,000,000.00	1,898,978.00	6,898,978.00	1,709,081.00	5,189,897.00
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**471,000,000.00**	**5,170,301.00**	**476,170,301.00**	**467,888,677.00**	**8,281,624.00**
SURPLUS/ DEFICIT	-	-	-	**1,992,646.00**	**1,992,646.00**

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CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
-4 NOV 2019
P.O. Box 1271-10400, NANYUKI

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	466,000,000.00	3,271,323.00	469,271,323.00	468,171,323.00	1,100,000.00
TOTAL	**466,000,000.00**	**3,271,323.00**	**469,271,323.00**	**468,171,323.00**	**1,100,000.00**
PAYMENTS					
Compensation of Employees	227,219,680.00	- 9,000,000.00	218,219,680.00	218,142,934.70	76,745.30
Use of goods and services	203,280,320.00	9,000,000.00	212,280,320.00	209,272,938.30	3,007,381.70
Subsidies			-		-
Transfers to Other Government Entities	25,000,000.00	3,271,323.00	28,271,323.00	28,271,323.00	-
Other grants and transfers	500,000.00		500,000.00	492,400.00	7,600.00
Social Security Benefits	10,000,000.00		10,000,000.00	10,000,000.00	-
Acquisition of Assets					-
Other Payments					-
TOTAL	**466,000,000.00**	**3,271,323.00**	**469,271,323.00**	**466,179,596.00**	**3,091,727.00**
Surplus/ Deficit				**1,991,727.00**	**1,991,727.00**

No significant underutilization of below 10% was record. The budget change was done to include funds carried forward under pending bills in 2017/2018 and internal reallocations

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- 4 NOV 2019
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Ndiritu Kimondo
ICPAK 1686

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	5,000,000.00	1,898,978.00	6,898,978.00	1,710,000.00	5,188,978.00
TOTAL	**5,000,000.00**	**1,898,978.00**	**6,898,978.00**	**1,710,000.00**	**5,188,978.00**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	5,000,000.00	1,898,978.00	6,898,978.00	1,709,081.00	5,189,897.00
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**5,000,000.00**	**1,898,978.00**	**6,898,978.00**	**1,709,081.00**	**5,189,897.00**
SURPLUS/ DEFICIT	**-**	**-**	**-**	**919.00**	**919.00**

No significant underutilization of below 10% was record. The budget change was done to include funds carried forward under pending bills in 2017/2018.

The entity financial statements were approved on 04/11 2019 and signed by:

Clerk of the Assembly
Jasper Mutuiri

Director of Finance – County Assembly
Ndiritu Kimondo
ICPAK 1686

CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
-4 NOV 2019
P.O. Box 1271-10400, NANYUKI

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 0724014510 (legislative and oversight)	471,000,000.00	5,170,301.00	476,170,301.00	467,865,577.00	8,304,724.00
Sub-programme 2					
Sub-programme 3					
Programme 2					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					
Grand Total	**471,000,000.00**	**5,170,301.00**	**476,170,301.00**	**467,865,577.00**	**8,304,724.00**

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

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

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

Restriction on cash

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

There were no other restrictions on cash during the year.

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pending bills

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

10. Budget

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

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	KShs	KShs
Transfers from the County Treasury for Q1	63,000,000	32,896,553
Transfers from the County Treasury for Q2	157,900,000	126,200,000
Transfers from the County Treasury for Q3	95,710,000	115,500,000
Transfers from the County Treasury for Q4	153,271,323	205,513,482
Cumulative Amount	**469,881,323**	**480,110,035**

2. PROCEEDS FROM SALE OF ASSETS

	2018/19	2017/18
	KShs	KShs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from the Sale Plant Machinery and Equipment		
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from the Sale of Strategic Reserves Stocks		
Receipts from the Sale of Inventories, Stocks and Commodities		
Disposal and Sales of Non-Produced Assets		
Total		

3. OTHER RECEIPTS

	2018/19	2017/18
	KShs	KShs
Tender fees received		
Other Receipts II		
Other Receipts IV		
Total		

(Provide a detailed explanation of what other receipts relate to, who they were received from and whether they had been budgeted for)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	218,022,935	190,195,438
Basic wages of temporary employees		-
Personal allowances paid as part of salary	120,000	5,010,696
Personal allowances paid as reimbursements		-
Personal allowances provided in kind		-
Pension and other social security contr		696,750
Compulsory national social security sch		-
Compulsory national health insurance sch		-
Social benefit schemes outside govern		-
Other personnel payments		1,197,743
Total	**218,142,935**	**197,100,627**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	1,895,701	2,031,461
Communication, supplies & services	4,855,590	4,952,809
Domestic travel and subsistence	43,281,154	75,874,001
Foreign travel and subsistence	34,455,993	7,247,501
Printing, advertising and information	5,377,056	5,729,507
Rentals of produced assets	3,799,501	-
Training expenses	4,991,540	4,692,975
Hospitality supplies and services	27,664,000	7,470,819
Insurance costs	23,342,534	20,608,676
Specialized materials and services	200,000	5,546,090
Office and general supplies & S	4,756,348	6,546,624
Other operating expenses	48,570,880	43,273,154
Routine maintenance – vehicles &	2,928,098	4,376,109
Routine maintenance – other assets	-	385,861
Fuels and oils	3,154,543	2,089,050
Total	**209,272,938**	**190,824,638**

6. SUBSIDIES

Description	2018/19	2017/18
	KShs	KShs
Subsidies to County Corporations		
See list attached		
(insert name)		
Subsidies to Private Enterprises		
See list attached		
(insert name)		
TOTAL		

(Provide explanations as to what subsidies relate to)

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	KShs	KShs
Transfers to National Government entities		
Transfers to other County Assembly entities Staff and members Car and mortgage funds	28,271,323	57,033,482
(insert name of budget agency)	-	-
TOTAL	**28,271,323**	**57,033,482**

This transfer relates to members and staff car and mortgage funds

8. OTHER GRANTS AND TRANSFERS

	2018/19	2017/18
	KShs	KShs
Scholarships and other educational benefits		
Emergency relief and refugee assistance	492,400	
Subsidies to small businesses, cooperatives, and self employed	-	
Total	**492,400**	

(Give explanations on what other grants and transfers relate to and who the beneficiaries are)

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits		
Social security benefits in cash and in kind	10,000,000	
Employer Social Benefits in cash and in kind		
Total	**10,000,000**	

(Give explanations and distinguish between NSSF benefits and contributions made to other entities on behalf of staff.)

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings		
Construction of Buildings		14,140,402
Refurbishment of Buildings		
Construction of Roads		
Construction and Civil Works		
Overhaul and Refurbishment of Construction and Civil Works		
Purchase of Vehicles and Other Transport Equipment		13,000,000
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and Equipment	1,709,081	
Purchase of ICT Equipment		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Purchase of Certified Seeds, Breeding Stock and Live Animals		
Research, Studies, Project Preparation, Design & Supervision		
Rehabilitation of Civil Works		
Acquisition of Strategic Stocks and commodities		
Acquisition of Land		
Acquisition of Intangible Assets		
Total purchase of non-financial assets		
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Total purchase of financial assets		
Total	**1,709,081**	**27,140,402**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/19	2017/18
	KShs	KShs
Bank Charges		26,301
Exchange Rate Losses		
Other Finance costs		
Interest on borrowings		
Total		**26,301**

(Provide detailed explanation on finance costs and whether they relate to borrowings on bank overdraft).

12. OTHER PAYMENTS

	2018/19	2017/18
	KShs	KShs
Budget Reserves		
Civil Contingency Reserves		
Capital Transfers to Non-Financial Public Enterprises		
Capital Transfer to Public Financial Institutions and Enterprises		
Capital Transfers to Private Non-Financial Enterprises		
Total		

(Provide detailed explanations for other payments)

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/19	2017/18
		KShs	KShs
CBK, Acc. No 1000193786, KSH	Recurrent	1,991,727	1,224,105.90
EQUITY, Acc 0270261206585, KSH	Recurrent	1,781.00	19,484,955.00
CBK, Acc. No ,1000339691 KSH	Development	919.00	9,598
Total		**1,992,646**	**20,718,659**

(NB: all bank accounts operated by the County Assembly should be included in this note.)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2018/19	2017/18
	KShs	KShs
Cash in Hand – Held in domestic currency		
Cash in Hand – Held in foreign currency		
Total		

Cash in hand should be analysed as follows:

	2018/19	2017/18
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total		

(Provide locations where cash in hand is held e.g head office, cashier's office, cash office etc)

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests	500,000	1,678,700
Clearance Accounts		
Staff Advances		
Other Advances		
Total	**500,000**	**1,678,700**

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

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits		
Retentions		
Total		

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts	22,397,359	14,412,773
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**22,397,359**	**14,412,773**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances	20,718,659	
Adjustments on cash in hand	-	
Adjustments on payables	-	
Adjustments on receivables	1,678,700	
Others (*specify*)	-	
Total	**22,397,359**	

Prior year relates to:

- Return of money to CRF for year 2017-2018 of ksh 20,718,659
- Imprest surrendered relating to 17/18 amounting to 1,678,700

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	1,898,978	5,000,000	1,898,978	5,000,000
Construction of civil works		-		-
Supply of goods	1,656,636	6,199,129	1,656,636	6,199,129
Supply of services	3,000,548		3,000,548	
Total	**6,556,162**	**11,199,129**	**6,556,162**	**11,199,129**

2. PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Senior management				
Middle management				
Unionisable employees				
Others				
Total				

3. OTHER PENDING PAYABLES (See Annex 3)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total				

4. RELATED PARTY DISCLOSURES

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

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

OTHER DISCLOSURES

Related party transactions:

	2018/2019	2017/2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	92,139,960.17	75,835,635
Key Management Compensation(Clerk and Heads of departments)	15,147,960	14,588,388
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes-**Members & Staff Car & Mortgage funds**	28,271,323	57,033,482
Transfers to County Corporations		
Transfers to non reporting entities e.g ECD centres, welfare centres etc		
Total Transfers to related parties		
Transfers from related parties		
Transfers from the County Executive- Exchequer		
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties		

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.0	Variances between the Financial statements and IFMIS report	This was caused by challenges of using the IFMIS system. The errors have been addressed and have no effect on the financial statements	Director Finance	Resolved	
2.1	Unsupported expenditure domestic travel expenditures on trainings	Some expenditures incurred in training of new MCAs and staff were not adequately supported. This was corrected and steps taken.	Director Finance	continuous	continuous
2.2	Misallocation of Expenditures	This is noted a journal was raised to correct the error	Director Finance	Resolved	
2.3	Unsupported CASA expenditures	The KIKOSCA sports involves all staff and MCAs representing the Assembly in various activities. Support documents for the expenditure was provided and measures taken for future events.	Director Finance	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
4.0	Foreign travels expenditures	The expenditure on the foreign wrongly charged has been corrected with correct post	Director Finance	Resolved	
5.1	Ward office expenditures	The supporting documents for the imprest of Kshs 450,000 have been provided for support.	Director Finance	continuous	continuous
5.2	Legal services	Services were single sourced for one legal firm in Nanyuki	Procurement officer	Continuous	Continuous

Clerk of the County Assembly

Sign.....

Date....04/11/2019.....

CLERK COUNTY ASSEMBLY
LAIKIPIA COUNTY
- 4 NOV 2019
P.O. Box 1271-10400, NANYUKI

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2017/18	Comments
	a	b	c	d=a-c		
Construction of buildings						
RIVIERA NETWORKS LTD	1,700,000.00		0	1,700,000.00		
ECOPACE TECHNOLOGIES	1,735,360.00		0	1,735,360.00		
MT KENYA LEEWARDS	327,393.00		0	327,393.00		
OLD HOUSE	1,237,247.00		0	1,237,247.00		
Sub-Total	**5,000,000**			**5,000,000**		
Construction of civil works						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
LORUKU LTD	126,750		0	126,750		
WEST NORTH MORNING START ENTERPRISES	300,000		0	300,000		
Sub-Total	**426,750**			**426,750**		
Supply of services						
ADMIN POLICE -LAIKIPIA EAST	256,200.00		0			

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2017/18	Comments
				256,200.00		
ADMIN POLICE -LAIKIPIA CENTRAL	231,000.00		0	231,000.00		
GREEN HILLS	428,835.00		0	428,835.00		
NAWASCO	90,600.00		0	90,600.00		
SUNSTAR HOTEL LTD	20,300.00		0	20,300.00		
MEDIAMAX NETWORK LTD	174,000.00		0	174,000.00		
SHUTTLE AUTO GARAGE	136,472.00		0	136,472.00		
STAR PUBLICATION	508,080.00		0	508,080.00		
NATION MEDIA	356,120.00		0	356,120.00		
IBIS	176,790.00		0	176,790.00		
DENMAR PLUMBING CONTRACTOR	40,000.00		0	40,000.00		
KATHINI TRADERS	342,000.00		0	342,000.00		
STANDARD GROUP	513,880.00		0	513,880.00		
KAZOO VENTURES	100,000.00		0	100,000.00		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2017/18	Comments
KIRIMARA	641,650.00		0	641,650.00		
COMPUTER SOCIETY OF KENYA	448,920.00		0	448,920.00		
LICHI SECURITY SYSTEMS LTD	56,000.00		0	56,000.00		
BANTU UTAMADUNI LODGE	331,300		0	331,300		
ICPAK	405,000		0	405,000		
INSTITUTE OF INTERNAL AUDITORS	75,000		0	75,000		
SAI ROCK HOTEL AND BEACH RESORTS	62,340		0	62,340		
KENYA SCHOOL OF LAW	95,000		0	95,000		
ALL SALES	240,000		0	240,000		
TIMEX INTERNATIONAL	394,000		0	394,000		
MAANDY	2,262		0	2,262		
ASK SHOW	73,380		0	73,380		
Sub-Total	**6,199,129**		**0**	**6,199,129**		
Grand Total	**11,199,129**		**0**	**11,199,129**		

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		A	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2018/19
Land	60,796,493				60,796,493
Buildings and structures	13,000,000				13,000,000
Transport equipment		1,709,081	-		1,709,081
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets					
Heritage and cultural assets					
Intangible assets					
Work In Progress					
Total	**73,796,493**	**1,709,081**			**75,505,574**

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	*KShs*	*KShs*
Veronicah Mwangi	30/06/2019	500,000	300,000	200,000
Total		500,000	300,000	200,000

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)