REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF NYAMIRA

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
RECEIVED
07 FEB 2020
KISII HUB

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COUNTY GOVERNMENT OF NYAMIRA

EXECUTIVE

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2019

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

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KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information.

Nyamira County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Municipal Council and the ones that have been transferred from the National Government. The County Government is headed by the County Governor H.E. John Obiero Nyagarama, who is responsible for the general policy and strategic direction of the County. The Governor is supported by County Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning, Mr. Peter Muga Omwanza is in charge of the County Treasury. County Treasury is mandated with the responsibility of reporting on the financial and non-financial operations of the County Government's affairs.

Vision

To be a leading County Government in effective and efficient utilization of resources, provision of essential services, industrial growth and development initiatives for improved quality of life for all.

Mission

To foster the County Government's economic growth through intensive and efficient utilization of locally available resources thus improving the living standards of its people.

Core Values

Nyamira County upholds the values of;

b) Professional integrity: All members of staff shall uphold the highest standards of professional competence and integrity.
c) Participatory approach: The County Government is committed to consultative and all inclusive planning and budgeting processes.
d) Customer focus: The County Government is committed to uphold customer driven and customer focused service delivery.
e) Innovation and visionary: The County Government is committed to innovative, creative and visionary planning and financial management.
f) Transparency and accountability: The County Government conducts its business in a transparent and accountable manner
g) Partnership: The County Government endeavours to promote and embrace partnerships and participatory process of implementing its activities.
h) Key entity information on management.

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

S/NO	NAME	DESIGNATION	DATE OF HOLDING OFFICE
1.	H.E John Obiero Nyagarama, EGH	Governor	3rd March 2013-30th June 2019
2.	H.E Amos Nyaribo	Deputy Governor	3rd March 2013-30th June 2019
3.	Mr Peter Muga Omwanza	CECM, Finance & Economic Planning	1st Oct.2017- 30th June 2019
4.	Mr. Douglas Bosire Oseko	CECM, Health Services	1st Oct.2017- 30th June 2019
5.	Mr. Johnstone Ndege Obike	AG. CECM, Trade, Tourism, Industrialization & Cooperative Development	1st Oct.2017- 30th June 2019
6.	Mr. Benard Mang'aa Osumo	CECM, PSM	1st Oct.2017- 30th June 2019
7.	Mr. John Moenga Omanwa	CECM, Transport, Roads & Public Works	29th Dec 2016- 30th June 2019
8.	Mr. Zablon Oero Onchiri	CECM, Lands, Housing, Physical Planning & Urban Development	1st Oct.2017- 30th June 2019
9.	Mrs. Peris Nyaboke Oroko	CECM, Agriculture, Livestock & Fisheries	29th Dec 2016- 30th June 2019
10.	Mrs. Gladys Bogonko Momanyi	CECM, Education & Vocational Training	29th Dec 2016- 30th June 2019
11.	Mr. Johnstone Ndege Obike	CECM, Gender, Sports, Youth & Culture	1st Oct.2017- 30th June 2019
12.	Mr. Samuel Maiko Mokua	CECM, Environment, Water, Mining & Natural Resources	1st Oct.2017- 30th June 2019

(c) Fiduciary management.

The key management personnel who held office during the year ended 30th June, 2019 and who had direct fiduciary responsibilities were:-

Name	Designation
Vincent E. O. Otwori	Chief Officer, Finance & Economic Planning
CPA Dominic Barare Oyugi	Director, Finance
CPA Benard Osoro Bonyi	Head of Treasury- Accounting Services
Peres N. Mose	Head of Supply Chain Management

(d) Fiduciary oversight arrangements.

The oversight mandate of the County Government is bestowed on the County Assembly of Nyamira which was headed by the Speaker Hon. Moffat Teya and deputised by Hon. Robison Mocheche. The Accounting officer for the County Assembly is the Clerk. The current office holder is Mr. Duke Onyari

The house has twenty (20) elected members and sixteen (16) nominated members. The assembly carries its mandate through the whole house or through various committees. The committees include;

i) Finance and Economic Planning.

This Committee was formed under Standing Order 191 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. Charles Maroko	Chairperson
2	Hon. Heznah Mokua	Vice Chairperson
3	Hon. Fredrick Mosiori	Member
4	Hon. Carolyn Mogere	Member
5	Hon. Duke Omoti	Member
6	Hon. Richard Onyinkwa	Member
7	Hon. Gilbert Nchore	Member
8	Hon. Irene Mayaka	Member
9	Hon. Stella Matunda	Member
10	Hon. Irene Sese	Member
11	Hon. Charles Nyarango	Member

ii) County Public Investment and Accounts Committee.

This Committee was formed under Standing Order 186 of the County Assembly of Nyamira Standing Orders. The following five members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. Gilbert Nchore	Chairperson
2	Hon. Monica Mwamba	Vice chairperson
3	Hon. Charles Keganda	Member
4	Hon. Samwel Nyanchama	Member
5	Hon. Charles Maroko	Member

iii)County Budget and Appropriations Committee.

This Committee was formed under Standing Order 187 of the County Assembly of Nyamira Standing Orders. The following eleven members were appointed to serve in this committee:

SN	Name	Designation
1	Hon. Richard Onyinkwa	Chairperson
2	Hon. George Abuga	Vice Chairperson
3	Hon. Carolyn Mogere	Member
4	Hon. Alfayo Ngeresa	Member
5	Hon. Robinson Mocheche	Member
6	Hon. Callen Atuya	Member
7	Hon. Violet Nyakora	Member
8	Hon. Jane Mokaya	Member
9	Hon. Benson Sironga	Member
10	Hon. Thaddeus Nyabaro	Member
11	Hon. Dennis Kebaso	Member

Key entity information

(a) Headquarters of Nyamira County Government.

Nyamira County Building,
P.O. Box 434-40500
Nyamira, Kenya.

(b) Nyamira County Contacts

Telephone: (254)-0738727272, 0735232323
E-mail: info@nyamira.go.ke
Website: www.nyamira.go.ke

(c) Nyamira County Government Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya
2. Kenya Commercial Bank
   Nyamira branch
   Po Box 403-40500
   Nyamira, Kenya
3. Co-operative bank of Kenya
   P.O. 48231- 40500
   Nairobi, Kenya
4. Equity bank of Kenya
   Nyamira Branch
   P.O. 650- 40500
   Nairobi, Kenya

(d) Independent Auditors

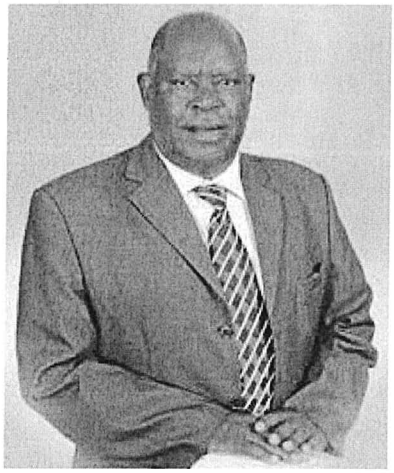
Auditor General,
Office of the Auditor General,
Anniversary Towers, University Way,
P.O. Box 30084-00100,
Nairobi, Kenya

(e) Principal Legal Adviser

Esther Asati,
Director, Legal Servicers,
P.O. Box 434-40500,
Nyamira, Kenya

1. Profile of key management

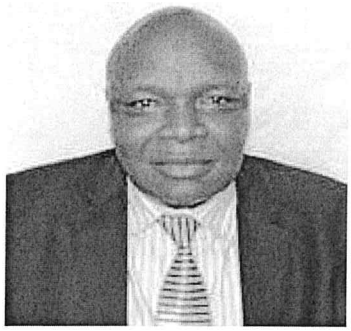
The following are the officers entrusted with the leadership and management of the County Government of Nyamira's affairs.

 ***H.E. John Obiero Nyagarama*** ***Governor*** ***NYAMIRA COUNTY.***	**H.E. JOHN OBIERO NYAGARAMA** H.E. John Obiero Nyagarama, EGH was elected the first **Governor of Nyamira County** on 3rd March, 2013. He was again re-elected on 8th of August 2017. His main agenda being: uplifting the living standards of the people of Nyamira County, improving the County's roads, boosting Agriculture sector and improving the Health sector. These are key agendas that have guided the operations of his Government. Governor John Obiero Nyagarama holds a Bachelor degree in Education from the university of Nairobi. He has long and immense wealth of experience in public and private sectors having held leading and high managerial positions in various institutions including KTDA as a director.
 H.E. Amos Nyaribo – Deputy Governor ***NYAMIRA COUNTY.***	**H.E. AMOS NYARIBO** H.E. Amos Nyaribo was elected as the first **Deputy Governor of Nyamira County** on 3rd March, 2013 and again re-elected on 8th August, 2017 to continue with the development agenda and business of the County Government as enshrined in the election manifesto of seeing the County Government deliver on the key areas including youth empowerment. Before his election as the Deputy Governor, he served as a Senior Economist with the World Bank Group and as a top manager in different institutions. He is a sports enthusiast who is keen on enhancing youth programs throughout Nyamira County and Kenya as a Nation. He hails from Magwagwa ward of Nyamira County.

 Mr.John Moenga Omanwa ***ECM:Transport Roads and Public Works*** ***NYAMIRA COUNTY***	**MR.JOHN MOENGA OMANWA** John Moenga Omanwa is the **County Executive Committee member for the department of Transport, Roads and Public Works.** A holder of master of business administration (strategic management) from Catholic university of Eastern Africa, Mr. Omanwa has offered noble leadership in seeing off many projects with visionary capacities. He is a graduate of Catholic university of Eastern Africa with a bachelor's degree in Business Administration (Strategic Leadership), A member of the Institute of Certified Public Accountants. Omanwa is a CPA (K) holder, Diploma in purchasing and supplies management. Previously, Mr Omanwa worked for the County Government of Nyamira as a County Executive Committee Member in the departments of Finance and Economic Planning (October 2013 to September 2015), Trade, Tourism and Cooperatives Development (September 2015 to January 2017) and Transport, Roads and Public Works (January to September 2017). He was reappointed as the County executive committee member in charge of Transport Roads and Public Works in November 2017. He comes from Bonyamatuta ward.
 Mr Johnstone Obike Ndege ECM, Gender, Sports & Culture ***and*** *AG.* ***Trade, Tourism, Industry and Cooperatives*** ***NYAMIRA COUNTY***	**MR. JOHNSTONE OBIKE NDEGE** Mr. Johnstone Obike is the **County Executive Committee Member for Trade, Tourism, Industry and Cooperative Development and the department Gender, Sports, Culture and Social Services.** He was appointed to this position in November, 2017. Mr. Ndege holds Master of Philosophy in Education Administration, Bachelor degree in Education (Arts) and an Advanced Certificate in Human Resource Development. He has a distinguished career in leadership of which he is credited to have led many institutions including Kisii County Government where he was the County Secretary, an Assistant Director, Human Resource Development in the Directorate of Personnel Management in the Office of the President (September 2004 to February 2013), assistant lecturer, Migori TTC and secondary school teacher (1996-1998) and District Adult Education Officer (1998-2004). He has a total of 25 years of working experience in public service. He comes from Bokeira ward.

 Mr Zablon Oero Onchiri *ECM:Lands Housing and Urban Development* *NYAMIRA COUNTY*	**MR. ZABLON OERO ONCHIRI** Mr. Zablon Oero Onchiri is the **County Executive Committee Member for the department of Lands, Housing and Urban Development**. A career educationist, Onchiri who is currently pursuing a master degree in Education holds bachelor degree in Education (Education management) and Diploma in Education. Before his appointment to the current position in November 2017, he served as a high school Principal in Nyachogochogo and Maagonga secondary schools from 2014 to 2017 and from 2004 to 2013 respectively. He also served as Deputy Principal (2000-2004) and an Assistant teacher (1995-2000). He has a total of 22 years working experience in public service. He comes from Bosamaro ward.
 Ms.Gladys Bogonko Momanyi *ECM:Education And Youth Empowerement* *NYAMIRA COUNTY*	**Ms. GLADYS BOGONKO MOMANYI** Ms Gladys Bogonko Momanyi is the **County Executive Committee Member for the department of Education and Vocational Training.** Mrs Momanyi, who is currently pursuing a Doctorate of Philosophy in Conflict Analysis and Resolution, is a holder of Master of Arts in Peace and Justice and Bachelor of Education (Arts). She also has a Postgraduate certificate in Database, GIS and Remote Sensing. She has worked for the County Government of Nyamira as County Executive Committee Member in three Departments namely; Education & ICT department (October 2013-March 2015), Public Administration & Coordination (March-October 2015) and Health Services (November 2015-September 2017. She was then re-appointed to the current position in November 2017. She has a total of 23 years working experience in public service. She hails from Nyansiongo Ward.
 Mr.Douglas Bosire Oseko *ECM:Health Services* *NYAMIRA COUNTY*	**MR. DOUGLAS BOSIRE OSEKO** Mr Douglas Bosire Oseko is the **County Executive Committee Member for the department of Health Services.** A career medic, Mr. Bosire is currently pursuing a Philosophy of Doctorate in Health Management. He holds a Master degree in Public Health and a graduate in Bachelor Degree in Biomedical Sciences. Prior to his **appointment** in November 2017 as County executive committee member for Health services, he worked as the County Chief Officer in the same Department. He is a resourceful officer in the world of medicine and related fields having worked in various organisations. He is an enthusiast in research. He has a total of 15 years working experience in public service.

	He hails from Gesima ward.
 Ms. Peris Nyaboke Oroko *ECM: Agriculture Livestock and Fisheries* *NYAMIRA COUNTY*	**Ms. PERIS NYABOKE OROKO** Ms. Peris Nyaboke Oroko is the **County Executive Committee Member for the department of Agriculture, Livestock and Fisheries.** A career agriculturist, Nyaboke is currently pursuing a doctor of philosophy in Soil Science; she holds a master degree in seed Science, post graduate certificate in Cultivation of Edible Mushrooms and a graduate in Bachelor of Science. She is a wonderful and enthusiastic agricultural researcher who has humble and founded priority in farming. From 2013 she has worked for the County Government of Nyamira as a County Executive Committee Member for Agriculture, Livestock and Fisheries. She has a total of 28 years working experience in public service. She hails from Esise Ward.
 Mr.Benard Mang'aa Osumo *ECM:Gender,Sports,Culture and Social Services* *NYAMIRA COUNTY.*	**MR BERNARD MANG'AA OSUMO** Mr Bernard Mang'aa Osumo is the **County Executive Committee Member for the department of Public Service Management** He holds a Bachelor of Education degree in Science and Diploma in Education Management. Before his appointment to the current position in November 2017, he worked in various capacities in different Secondary Schools amongst them: Principal (1990 to 2017), Deputy Principal (1987-1989) and Senior head of department. Mr Osumo also performed well in sports in the schools he served. He hails from Nyamaiya Ward.
 Mr. peter Omwanza Muga *ECM: Finance and Planning* *NYAMIRA COUNTY.*	**MR. PETER OMWANZA MUGA** Mr Peter Omwanza Muga is the **County Executive Committee Member for the department of Finance and Economic Planning.** He holds a Bachelor degree in Education (Arts). Before his appointment to the current position in November 2017, Mr. Muga served as the chairman, recruitment and Selection in the public service board of the County Government of Nyamira from October 2013. Previously, he worked as a teacher in various schools in different positions including: Principal Lecturer at Kericho TTC (2004- September 2013), Principal (1999-2003), Head of Department (1991-1998) and Assistant Teacher. He has a total of 27 years working experience in public service. He hails from Magwagwa Ward.

 Mr.Samuel Mokua Maiko ***ECM:Environment,Water,Mining and Natural Resources*** ***NYAMIRA COUNTY.***	**MR .SAMUEL MOKUA MAIKO** Mr Samuel Mokua Maiko is **the County Executive Committee Member for the department for Environment, Water, Mining and Natural Resources**. He holds a Bachelor of Science degree in Agriculture and certificates in strategic management, projects management, communication and extension management. Before his appointment to the current position in November 2017, Mr Maiko worked in the Ministry of Agriculture in various departments and capacities including Coordinator, Kenya Agricultural Productivity & Agri-business Project, Deputy Executive CAB (2006-2007), District Agriculture, Livestock Extension Officer (1999-2005), District Agriculture Officer (1994-1999), Provincial Soil & Water Management (1989-1993), Provincial Extension Supervisor (1987-1989), District Agriculture Extension Officer and District Cooperatives Officer. He has a total number of36 years working experience in public service. He hails from Bomwagamo Ward.
 ***MR. Eric Ochana Aori*** ***County Secretary & Head of Public Service*** ***NYAMIRA COUNTY***	**MR. ERIC ONCHANA AORI** Mr Eric Onchana Aori was appointed as the **County Secretary and Head of Public Service of Nyamira County** on 13th November 2014. He holds a Master degree in Business Administration from Kenyatta University bachelors and bachelor degree in Arts (geography) Before his appointment to his current docket he served as County Chief Officer - Lands, Housing and Urban Development. He also served as Chief Officer, Lands Adjudications and Settlement Officer. Since his appointment as the County Secretary he has been in frontline in leading service delivery of Nyamira County to a better state. A champion of prudent management and leadership, Onchana is a career administrator.

FORWARD BY THE CECM FINANCE AND ECONOMIC PLANNING.

It is my pleasure to present the annual Report on the Financial Statements of the County Government of Nyamira - Executive for the year ended 30th June, 2019.

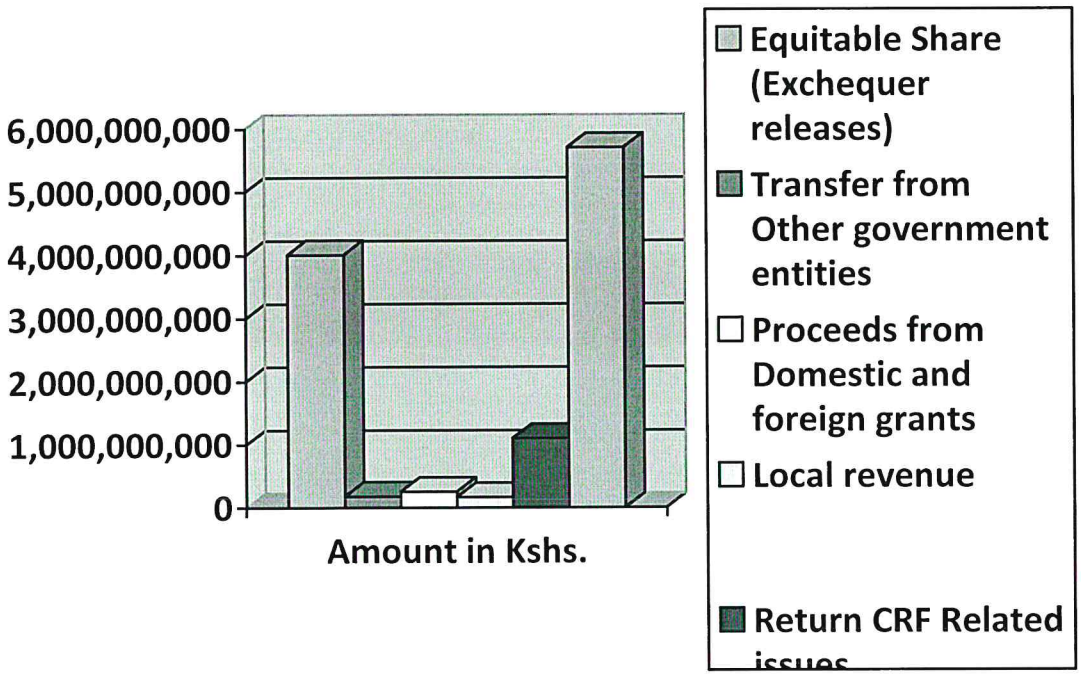
During the year under review, the County government of Nyamira - Executive recorded a surplus of **Kshs. 259,269,287** being net of total expenditure of **Kshs. 5,448,173,639** against total revenue of **Kshs. 5,707,442,926.**

a) Revenue

The County - Executive was able to realize **KShs. 5,506,969,980** in actual revenues against a projection of Kshs.**6, 959,073,378** for the year under review. The Actual revenue consisted of:

Income Source	Amount in Kshs.
Equitable Share (Exchequer releases)	4,009,152,000
Transfer from Other government entities	178,789,714
Proceeds from Domestic and foreign grants	252,679,351
Local revenue	165,447,568
Return CRF Related issues	1,101,374,293
Total	**5,707,442,926**

This is presented in the bar chart below;



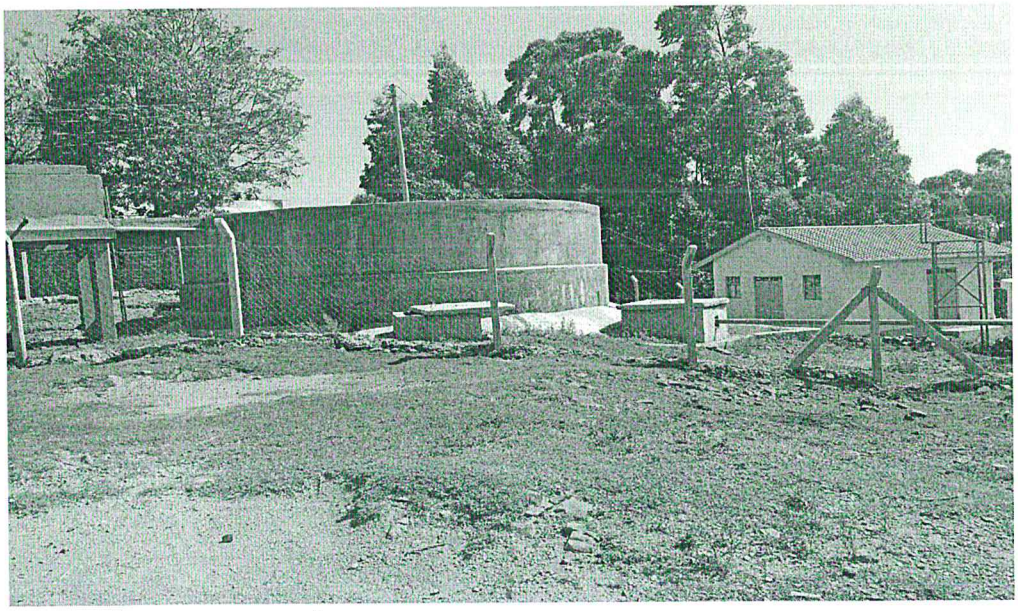
b) Payments

The County - Executive incurred a total expenditure of **Kshs. 5,448,173,639.** Of this, Kshs **4,510,437,691** and Kshs **937,735,948** were applied on recurrent and development activities respectively. During the year under review, the County government of Nyamira - Executive continued to undertake development projects at a slow base due to the late disbursement of funds from National Government. The financial problems experienced were as a result of depressed economy nationally being an electioneering year.

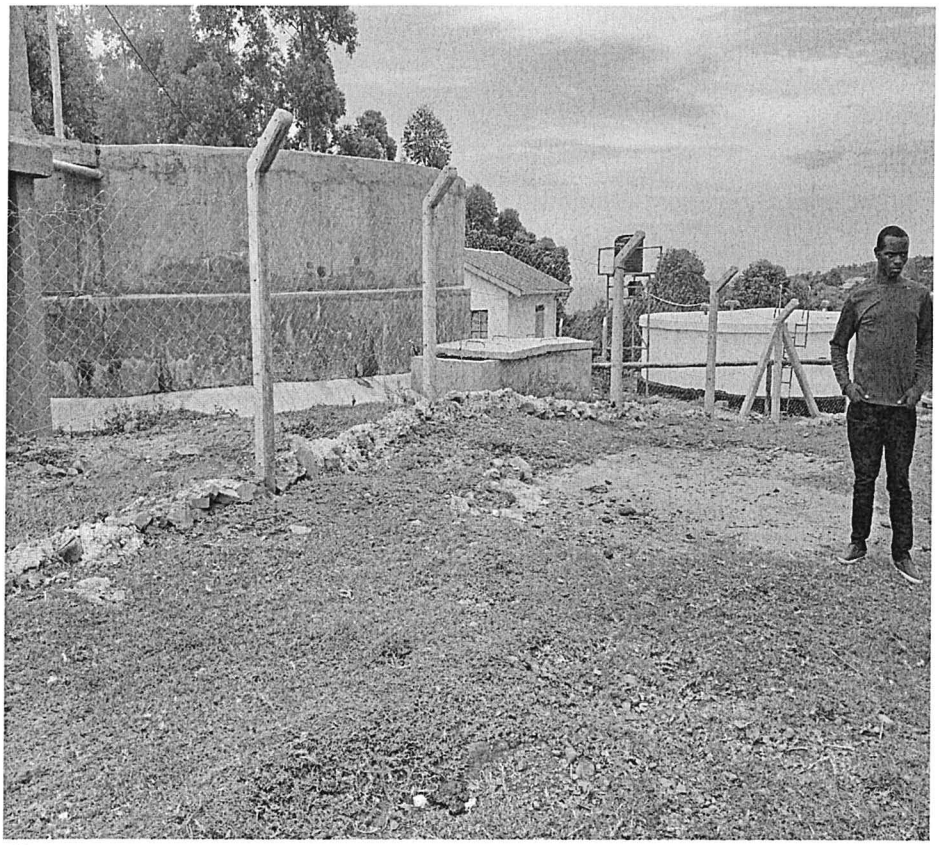
Some of the projects undertaken in the year 2018-19 are shown in the Pictorial below:

Road name: (B3) Riensune–Omosocho Pry Sch Road at Nyansiongo ward

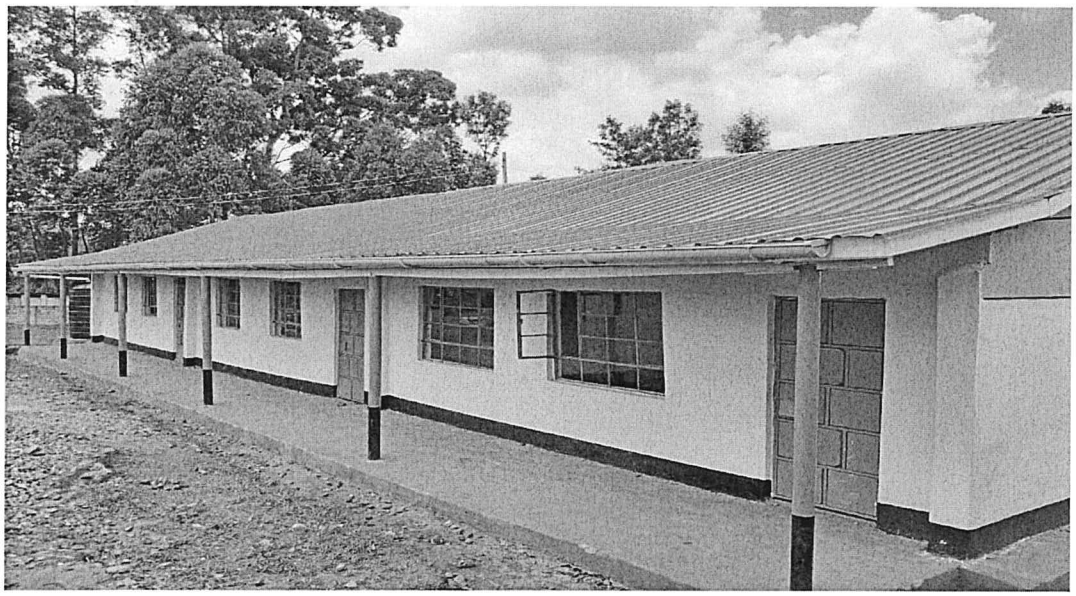
Road name: Kamkunji–Nyasumi–Nyagancha–Ereru–Riakimoi at Gachuba ward



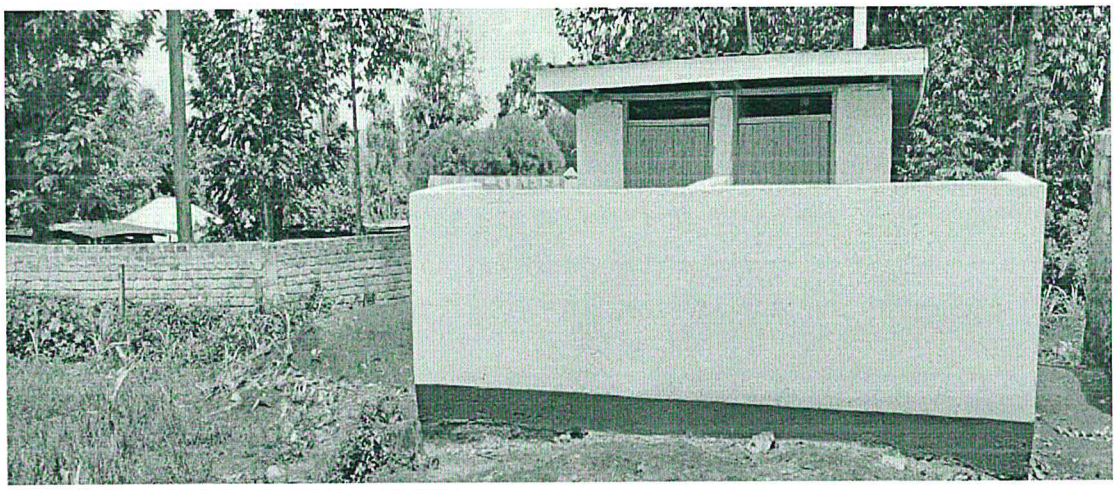
Nyariachano water project



Kemasare water project



SENGERA ECDE MANGA WARD



SENGERA ECDE MANGA WARD

RIARANGA ECDE MAGOMBO WARD

Parking Lot Between Public Works To Cooperative Bank

As the County Government of Nyamira continues to implement comprehensive programs meant to uplift the welfare of the people of Nyamira and to ensure sustainable social, economic, environmental and political development, it is important to understand how the process of devolution has progressed six years into devolution.

Devolution has presented the best opportunity in realising shared development and prosperity. The County has put in place measures to ensure devolution works for the benefit of the people. Various policy documents, regulations and bills have been formulated with the sole aim of strengthening implementation structures, institutions and stamping out wastage of resources. These include county integrated development plan, departmental strategic plans and annual work plans.
However; Nyamira County was faced by a number of challenges in project implementation during the year under review.

Finally, I wish to thank the Governor, the Speaker, Members of County Assembly, Executive Committee members and the chief officers for their continued support and leadership in driving the County government of Nyamira's development agenda. I also thank the entire County Government of Nyamira's staff members and stakeholders who worked tirelessly towards achieving the set and desired targets. My gratitude also goes to the County Assembly members for their guidance through the current financial year under review. On behalf of the County Executive Committee members, I wish to thank the National Government of Kenya for the continued support to Nyamira County Government during the year under review and we look forward to enjoying more support.

Mr. Peter Muga Omwanza
COUNTY EXECUTIVE COMMITTEE MEMBER,
FINANCE & ECONOMIC PLANNING

CEC FINANCE & PLANNING
31 JAN 2020
SIGN.....
FORWARDED

2. STATEMENT OF COMPLIANCE

The County Government is regulated by various laws and regulations. As a County Government, we are committed to ensuring that we have complied with all the laws and regulations governing County Governments.

a) Financial reporting – Section 166 of the PFM Act (2012) requires the County Treasury to submit quarterly reports to the County Assembly and deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation (CRA), no later than one month after the end of each quarter. Nyamira County complied with these requirements and submitted the quarterly reports within the stipulated timelines.

b) Fiscal responsibilities – Section 107 of the PFM Act (2012) stipulates the requirements of the County Treasury in enforcing fiscal responsibility.

- "The County Government's recurrent expenditure did not exceed the County Government's total revenue" in FY 2018/2019, Nyamira County complied with this requirement whereby the recurrent expenditure was KShs 4,510,437,691 against total revenues of KShs 5,707,442,926.

- "A minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure" in FY 2018/2019, KShs 1,830,096,272 (30 %) was allocated to development expenditure against a total budget of KShs 6,959,073,378

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

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

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 27th September, 2019.

Mr. Peter Muga Omwanza
County Executive Committee Member
Finance and Economic Planning.

CEC FINANCE & PLANNING
31 JAN 2020
SIGN.....
FORWARDED

REPUBLIC OF KENYA

elephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NYAMIRA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Nyamira set out on pages 1 to 46, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statements of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Nyamira 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 County Governments Act, 2012 and the Public Financial Management Act, 2012.

Basis for Qualified Opinion

1. Returned County Revenue Fund Issues

The statement of receipts and payments reflects an amount of Kshs.1,101,374,293 in respect of returned County Revenue Fund (CRF) issues. However, the amount was not supported by a supplementary budget on how these funds were to be used in the subsequent financial years as per the requirements of the new financial reporting template for public sector entities which was issued by the Public Sector Accounting Standards Board (PSASB).

Consequently, the accuracy and completeness of the returned CRF issues could not be confirmed.

2. Cash Balances

As disclosed under Note 12A to the financial statements, the statement of assets and liabilities reflects cash balances of Kshs.1,428,139,359. The figure includes

Kshs.1,017,220,344 which was held at the Central Bank; Kenya Revenue Fund Account. However, the amount was not supported with the bank statements, bank reconciliation statements and certificate of balance.

Consequently, the accuracy and completeness of the bank balance of Kshs.1,428,139,359 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

3. Unsupported Compensation of Employees

The statements of receipts and payments reflects compensation of employees of Kshs.2,885,941,270 and as disclosed under Note 6 to the financial statements. A review of personnel records revealed that during the year under review, the County Executive employed seven hundred and thirty six (736) officers. However, Management did not provide for audit review, supporting documents relating to the recruitment process such as existence of vacancies, advertisement for job vacancies, shortlist and interview reports, recruitment minutes, appointment letters, and Human Resource Advisory Committee Reports on the appointments.

Further, analysis of the monthly payroll gross pay rise of Kshs.3,091,818 for staff is not supported with documents such as the approved pay change advices, County Public Service Board minutes, Human Resource Advisory Committee minutes as well as letters of promotion.

In addition, one thousand five hundred and sixty five (1,565) officers have been on probation for more than six (6) months contrary to Section B.13(1) of the County Human Resource Manual which gives probation period of six (6) months as provided for in the Employment Act, 2007.

Consequently, the accuracy, completeness and validity of the compensation of employees of Kshs.2,885,941,270 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be ascertained.

4. Unsupported Construction of County Headquarters

During the year under review, the County Executive awarded a tender for the construction of County Headquarters at a total contract sum of Kshs.382,970,401 for a period of three (3) years effective 11 July, 2018. Management paid an amount of Kshs.32,523,000 to the contractor. Physical verification carried out in the month of September, 2019, revealed that the foundation for both Wings A and B had been completed and the first-floor slab for Wing A and basement slab for Wing B had been done with pillars in place, in readiness for the second-floor slab for Wing A and first floor slab for Wing B. However, the contractor had abandoned the project and was not on site. Management did not avail supporting documents showing why the project had stalled.

In the circumstances, the accuracy and validity of Kshs.32,523,000 paid to the contractor could not be ascertained.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

The statement of Appropriation - Recurrent and Development combined reflects final receipts budget and actual on comparable basis of Kshs.6,959,073,378 and Kshs.5,707,442,926 respectively resulting to an under-funding of Kshs.1,251,630,452 or 18% of the budget. Similarly, the County Executive expended Kshs.5,448,173,639 against an approved budget of Kshs.6,959,073,378 resulting to an under-expenditure of Kshs.1,510,899,739 or 22% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

In addition, during the year under review Management collected a total of Kshs.165,447,568 as county own generated receipts against a budget of Kshs.255,566,158 leading to under collection of revenue by Kshs.90,118,590. Further, Management was using the 2006 draft public and private valuation roll to collect land rates. Although Management surpassed the budgeted amount of Kshs.14,038,469 against the actual collection of Kshs.17,000,421 for land rates and the budget of Kshs.1,126,807 against the actual collection of Kshs.1,597,688 for plot rent, the County Executive is losing a lot of revenue from the two streams since the value of land has significantly risen over the years.

In the circumstance, the public has not received the services as planned.

2. Pending Accounts Payable

Note 5.1 and 5.2 to the financial statements reflects pending bills balance of Kshs.91,612,706 which were not settled during the year under review but were carried forward to 2019/2020 financial year. The County Executive realised a surplus of

Kshs.1,428,211,479 as at 30 June, 2019, but had not implemented the directive of The National Treasury to clear in full all eligible pending bills due to suppliers. Management did not provide any explanation why the bills had not been settled.

Failure to settle bills in the year to which they relate will adversely affect the implementation of the subsequent year's budgeted programs as the pending bills form a first charge to that year's budget provision.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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. Non-Compliance with the Law on Wage Bill

The statement of receipts and payments reflects compensation of employees of Kshs.2,885,941,270 and total County receipts of Kshs.5,707,442,926. The compensation of employees was 51% of total receipts which was above the 35% limit provided for under Section 25(b) of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, Management is in breach of the law.

2. Underfunding of Bursary Fund

During the year under review, the Department of Education and ICT transferred an amount of Kshs.131,500,000 to the Bursary Fund to be disbursed to various Wards within the County. However, the transfer did not meet the 2.5% threshold which amounts to Kshs.161,776,406 of the total annual county budget of Kshs. 6,471,056,246 as stipulated in the Nyamira County Education Act, 2016 which operationalized the establishment and administration of the Nyamira County Education Fund. The bursary was therefore under-funded by Kshs.30,276,406.

Consequently, Management is in breach of the law.

3. Delayed Completion of Projects

Management awarded three (3) contracts at a total contract sum of Kshs.132,663,903. However, physical verifications done during the month of September, 2019 revealed unsatisfactory status as shown in Appendix I. Management did not explain the measures put in place to ensure that the residents of the County receive services as planned.

Consequently, the regularity and value for money of the contracted projects worth Kshs.132,663,903 could not be ascertained.

4. 0 Departmental Reviews

4.1 Department for Land, Housing and Physical Planning

During the year, the Department for Land, Housing and Physical Planning had an approved development budget amounting to Kshs.194,610,482. The amount was planned for the implementation of thirty (30) projects across the County. However, only one (1) project, the County Headquarters, with an allocation of Kshs.23,523,000 was started but later abandoned.

4.2 Department for Environment, Water, Energy and Natural Resources

During the year under review, the Department for Environment, Water, Energy and Natural Resources had a total approved budget of Kshs.358,568,876 which constituted Kshs.135,048,876 and Kshs.223,520,000 for recurrent and development expenditure respectively. A total of one hundred and fifty six (156) projects were to be implemented during the year under review across all Wards. However, the Department managed to undertake spring protection projects in only five (5) Wards at the cost of Kshs.12,290,000 and the payment of pending bills of Kshs.88,467,765 leaving an unspent balance of Kshs.122,762,235.

The physical verification of a sample of eight (8) projects revealed some unsatisfactory status as indicated in Appendix II.

4.3 Department for Agriculture, Livestock and Fisheries

During the year, the Department for Agriculture, Livestock and Fisheries was allocated an amount of Kshs.449,124,392 being recurrent budget of Kshs.188,953,685 and development budget of Kshs.260,170,707. However, at the end of the financial year, the actual expenditure for development project was Kshs.73,802,611 while Kshs.230,252,994 was expended under the recurrent vote leading to under absorption of Kshs.186,368,096 for development projects and Kshs.41,299,309 for recurrent expenditure.

Further, the list of development projects as per the approved budget amounted to Kshs.263,170,707 while the amount as per the summary of expenditure by programmes and sub-programmes was Kshs.260,170,707 leading to an unexplained variance of Kshs.3,000,000.

In addition, Management awarded three (3) contracts to a firm on 12 June, 2019, for the supply of local (Kienyeji) chicken, supply of poultry birds and supply of local vegetables at a contract sum of Kshs.1,995,200, Kshs.1,876,250 and Kshs.427,500 respectively. The

supplies were to be done within sixty (60) days from 12 August, 2019. However, by the end of the year, the projects had not been completed.

4.4. Department of Transport, Roads and Public Works

The Department of Transport, Roads and Public Works had a development budget of Kshs.606,470,966 during the year while the actual expenditure was Kshs.428,311,606 or seventy one percent (71%) of the approved budget. However, a review of the operations of the Department revealed that some programs worth Kshs.80,076,003 were implemented but were not in the approved budget.

Further, Management paid Mechanical and Transport Fund (MTF) Kshs.73,955,800 for the hire of heavy equipment for use in road construction on 12 March, 2019. However, as at the close of the year, only Kshs.16,423,264 (22%) had been spent as per the summary of MTF machinery hours utilized.

In the circumstances, value for money of the funds allocated to projects across the Departments could not be ascertained.

5. Road Maintenance Levy Fund

During the year under review, the Road Maintenance Levy Fund planned to implement forty-four (44) projects with a total allocation of Kshs.125,663,278. However, at the close of the year, the Management had completed only twenty-one (21) projects all valued at Kshs.63,481,885 while twenty three (23) projects valued at Kshs.61,160,412 were still on-going.

Further, Management allocated Kshs.76,547,688 for implementation of projects which consisted of culverts and construction of drainage worth Kshs.43,797,012 for nineteen (19) projects and nine (9) other projects worth Kshs.32,750,676. However, as at 30 June, 2019 only two (2) culverts and two (2) drainage projects worth Kshs.4,419,484 had been completed while projects worth Kshs.71,950,005 had not started.

In the circumstances, value for money of the funds which was allocated to projects under the Roads Maintenance Levy Fund could not be ascertained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Asset Tagging

Physical verification of fixed assets held by the County Executive revealed that Management had purchased office furniture and fittings consisting of workstations, metallic file cabinets, orthopedic chair, visitors chair and table at a cost of Kshs.1,000,049 while computers, printers and IT equipment were valued at Kshs.176,000. However, these assets had not been tagged for unique identification.

In the circumstance, the fixed assets of the County Government are exposed to the risk of misuse and misappropriation .

2. Lack of Approved Staff Establishment

The Management did not avail, for audit review, an approved staff establishment to guide recruitment and placement of staff. This has occasioned uncontrolled recruitment thus leading to bloated workforce owing to lack of optimal staffing levels.

In the circumstance, the County Executive may face challenges while placing staff in the appropriate jobs since the available positions are not properly identified and defined in the organizational structure.

3. Lack of Risk Management Policy Framework

The Management did not avail, for audit review, a Risk Management Policy Framework to ensure that all operations are performed within the approved risk tolerance levels. There was no documented Disaster Recovery Plan to deal with loss of data or information in case of systems failures or to protect the IT infrastructure in the event of a disaster. Further, there is no assurance on the effectiveness of Risk Management process as required by the provisions of Section 158(1) of Public Finance Management (County Governments) Regulations, 2015.

In the circumstance, Management may not be able to respond effectively in an event of a disaster.

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 effective processes and systems of internal control, risk management and overall 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 County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to dissolve the County Executive 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 County Executive 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 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County 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 County Executive to express an opinion on the financial statements.

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

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

09 February, 2021

Appendices

Appendix I

No	Project	Contract Sum (Kshs.)	Amount Paid in the Year (Kshs.)	Duration	Observation
1	Magwagwa Health Centre-Completion of inpatient wards and operating theater	64,551,975	6,534,943	36 weeks	Substructure work was in-complete and the contractor was not on site.
2	Nyamusi Sub-County hospital-completion of inpatient wards	64,551,975	6,534,943	36 weeks	Substructure work was in-complete and the contractor was not on site.
3	Construction of Geseneno ECDE Centre	3,559,953		5 months	Kshs.2,383,690 was made and the contractor was not on site.
	Total	**132,663,903**			

Appendix II

Name of Project	Amount spent to Date (Kshs.)	Work Done to Date	Remarks
Kamasare Water Project	26,832,300	Intake works, pump house, 50 m^3 steel tank, 100m^3 clear water storage tank, composite tank, distribution line and two (2) kiosks.	Incomplete - awaiting power connection.
Kiabonyoru Water project	22,181,629	Composite tank, backwash tank, elevated steel water tank 50m^3, pump house and pump, power connected, distribution line and two (2) kiosks.	Incomplete-source of water to the tanks was not done.
Nyandoche Ibere Water Project	7,901,190	Drilling of borehole and installation of pump, connection line to the water tank and from water tank to two (2) Kiosks, 50,000ltr water tank.	Incomplete-awaiting power connection.
Nyambaria Water project	13,214,137	Pipeline connection and fifteen (15) water kiosks.	Incomplete- water treatment and intake expansion were pending.
Raitigo Water Project	17,301,916	Installation of 100m3 storage tank, distribution lines to kiosks, 25m3 steel elevated tank, pump house and two (2) kiosks.	Incomplete-power connection, installation of pump and source of water to the tanks were pending.
Bosiango Borehole Project	3,949,336	The borehole drilled and steel casing, power house.	Incomplete-distribution line to kiosks, power connection, pump installation and water tank works were pending
Kiamarita Borehole Project	3,227,120	Borehole drilled and steel casing done	Incomplete-distribution line to the kiosks, power connection, pump installation and water tank works were pending
Ekoro Water Project	6,814,051	Intake works, pump house and pump installed, pipeline works to elevated steel tank and to one (1) kiosk.	Incomplete awaiting power connection.

4. FINANCIAL STATEMENTS

4.1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2019

	Notes	2018-2019 KShs	2017-2018 KShs
RECEIPTS			
Exchequer releases	1	4,009,152,000	3,881,304,000
Proceeds from Domestic and Foreign Grants	2	252,679,351	121,718,079
Transfers from Other Government Entities	3	178,789,714	272,294,685
County Own Generated Receipts	4	165,447,568	97,881,577
Returned CRF issues	5	1,101,374,293	834,304,744
TOTAL RECEIPTS		**5,707,442,926**	**5,207,503,085**
PAYMENTS			
Compensation of Employees	6	2,885,941,270	2,358,813,516
Use of goods and services	7	775,679,731	742,200,614
Transfers to Other Government Units-Assembly	8	653,321,800	662,075,477
Other grants and transfers	9	290,128,750	162,316,292
Social Security Benefits	10	61,005,382	92,576,300
Acquisition of Assets	11	782,096,706	489,435,602
TOTAL PAYMENTS		**5,448,173,639**	**4,507,417,801**
SURPLUS		**259,269,287**	**700,085,284**

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 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.2 STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2019

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	1,428,139,359	1,102,358,429
Cash Balances	12B	72,120	13,860
Total Cash and cash equivalent		**1,428,211,479**	**1,102,372,289**
Accounts receivables – Outstanding Imprests	13		716,672
TOTAL FINANCIAL ASSETS		**1,428,211,479**	**1,103,088,961**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	14	(65,853,231)	
NET FINANCIAL ASSETS		**1,362,358,248**	**1,103,088,961**
REPRESENTED BY			
Fund balance b/fwd	15	1,103,088,961	1,180,247,784
Prior year adjustments	16		(777,244,107)
Surplus for the year		259,269,287	700,085,284
NET FINANCIAL POSITION		**1,362,358,248**	**1,103,088,961**

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 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.3 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2019

		2018-2019	2017-2018
	Notes	KShs	KShs
Receipts from operating income			
Exchequer Releases	1	4,009,152,000	3,881,304,000
Proceeds from Domestic and Foreign Grants	2	252,679,351	121,718,079
Transfers from Other Government Entities	3	178,789,714	272,294,685
County Own Generated Receipts	4	165,447,568	97,881,577
Returned CRF issues	5	1,101,374,293	834,304,744
Payments for operating expenses			
Compensation of Employees	6	(2,885,941,270)	(2,358,813,516)
Use of goods and services	7	(775,679,731)	(742,200,614)
Transfers to Other Government Units-Assembly	8	(653,321,800)	(662,075,477)
Other grants and transfers	9	(290,128,750)	(162,316,292)
Social Security Benefits	10	(61,005,382)	(92,576,300)
Adjusted for:			
Adjustments during the year	16		(777,244,107)
Changes in receivables	13	716,672	(716,672)
Changes in payables	14	65,853,231	
Net cash flow from operating activities		**1,107,935,896**	**411,560,107**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	(782,096,706)	(489,435,602)
Net cash flows from Investing Activities		**(782,096,706)**	**(489,435,602)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**325,839,190**	**(77,875,495)**
Cash and cash equivalent at BEGINNING of the year	12	**1,102,372,289**	**1,180,247,784**
Cash and cash equivalent at END of the year	12	**1,428,211,479**	**1,102,372,289**

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 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.4 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Exchequer releases	4,772,800,000	-	4,772,800,000	4,009,152,000	763,648,000	84%
Proceeds from Domestic and Foreign Grants	437,007,288	-	437,007,288	252,679,351	184,327,937	58%
Transfers from Other Government Entities	178,789,714	-	178,789,714	178,789,714	-	100%
County Own Generated receipts	255,566,158	-	255,566,158	165,447,568	90,118,590	65%
Return issues to CRF	882,262,491	432,647,727	1,314,910,218	1,101,374,293	213,535,925	84%
TOTAL	**6,526,425,651**	**432,647,727**	**6,959,073,378**	**5,707,442,926**	**1,251,630,452**	**82%**
PAYMENTS						
Compensation of Employees	2,796,201,034	245,667,462	3,015,593,490	2,885,941,270	129,652,220	96%
Use of goods and services	686,071,532	309,306,605	995,378,137	775,679,732	219,698,405	78%
Transfers to Other Government Units-Assembly	667,432,863	-	667,432,863	653,321,800	14,111,063	98%
Other grants and transfers	500,534,617	157,661,409	658,196,026	290,128,750	368,067,276	44%
Social Security Benefits	46,241,385	16,458,746	62,700,131	61,005,382	1,694,749	97%
Acquisition of Assets	1,851,219,226	(291,446,495)	1,559,772,731	782,096,706	777,676,025	50%
Other Payments	5,000,000	(5,000,000)	-	-	-	
TOTAL	**6,526,425,651**	**432,647,727**	**6,959,073,378**	**5,448,173,639**	**1,510,899,739**	**78%**
SURPLUS				**259,269,287**		

The budgetary under-expenditure was occasioned by:

a) Delayed receipt of funds from the National Treasury: Two weeks to the end of the financial year 2018/2019, the National Treasury was yet to disburse 32% of the counties equitable share of revenue thus the County Government could not utilize the funds during the 2018/2019 Financial Year.

b) IFMIS downtimes: The County Treasury experienced frequent and lengthy IFMIS down times in the course of the financial year under review. This affected the procurement and payment processes.

c) E-procurement: Following the Executive order No. 2 of 2018 by the president that all procurements to be done through E-procurement led to the delay of implementation of the projects due to introduction of new modules in the IFMIS system. Due to this officers were recommended for training henceforth the late procurement and implementation of the projects.

d) The unspent balances were carried down has pending bills

The entity financial statements were approved on 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.5 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Exchequer releases	2,983,755,910	300,000,000	3,283,755,910	3,283,755,910	-	100%
Proceeds from Domestic and Foreign Grants	437,007,288		437,007,288	252,679,351	184,327,937	58%
Transfers from Other Government Entities	53,126,046		53,126,046	53,126,046	-	100%
County Own Generated receipts	255,566,158		255,566,158	165,447,568	90,118,590	65%
Return CRF issues	848,084,834	251,436,870	1,099,521,704	964,120,946	135,400,758	88%
TOTAL	**4,577,540,236**	**551,436,870**	**5,128,977,106**	**4,719,129,821**	**409,847,285**	**92%**
PAYMENTS						
Compensation of Employees	2,769,926,028	243,170,576	3,013,096,604	2,885,941,270	127,155,334	96%
Use of goods and services	659,796,526	142,051,214	801,847,740	686,162,129	115,685,611	86%
Transfers to Other Government Units-Assembly	587,432,863	-	587,432,863	587,432,863	-	100%
Other grants and transfers	409,103,367	(100,502,033)	308,601,334	238,903,699	69,697,635	77%
Social Security Benefits	46,241,385	16,458,746	62,700,131	61,005,382	1,694,749	97%
Acquisition of Assets	100,040,067	255,258,367	355,298,434	50,992,349	304,306,085	14%
Other Payments	5,000,000	(5,000,000)	0		-	
TOTAL	**4,577,540,236**	**551,436,870**	**5,128,977,106**	**4,510,437,691**	**618,539,415**	**88%**
SURPLUS				**208,692,130**		

a) The recurrent budget overall expenditure was 88% but there was underutilization in the item of acquisition of assets as there was delay in release of exchequer funds and grants, hence carried forward as pending bills.

b) The adjustments in the original budget were due to two numbers supplementary budget that was done twice during the year under review and 10 % reallocations as per *IPSAS 1.9.23*.

c) County own generated receipts was under collected by 35% however there was significant improvement as compared to last financial year.

The entity financial statements were approved on 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.6 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Exchequer releases	1,789,044,090	(300,000,000)	1,489,044,090	725,396,090	763,648,000	49%
Proceeds from Domestic and Foreign Grants			0		-	
Transfers from Other Government Entities	125,663,668		125,663,668	125,663,668	-	100%
Returned CRF issues	34,177,657	181,210,857	215,388,514	137,253,347	78,135,167	64%
TOTAL	**1,948,885,415**	**(118,789,143)**	**1,830,096,272**	**988,313,105**	**841,783,167**	**54%**
PAYMENTS						
Compensation of Employees		2,496,886	2,496,886		2,496,886	0%
Use of goods and services	26,275,006	167,255,391	193,530,397	89,517,603	104,012,794	46%
Transfers to Other Government Units-Assembly	80,000,000		80,000,000	65,888,937	14,111,063	82%
Other grants and transfers	91,431,250	258,163,442	349,594,692	51,225,051	298,369,641	15%
Social Security Benefits					-	
Acquisition of Assets	1,751,179,159	(546,704,862)	1,204,474,297	731,104,357	473,369,940	61%
Other Payments					-	
TOTALS	**1,948,885,415**	**(118,789,143)**	**1,830,096,272**	**937,735,948**	**892,360,324**	**51%**
SURPLUS				**50,577,157**		

a) The development budget was underutilized as there was delay in release of exchequer funds, hence carried forward as pending bills.

b) The adjustments in the original budget were due to two numbers supplementary budget done and 10 % reallocations as per *IPSAS 1.9.23*.

c) There was also non responsiveness of county tenders.

d) The e procurement process procedures delayed by system break downs.

The entity financial statements were approved on 27th September 2019 and signed by:

Chief Officer
Name: Vincent. E. O. Otwori

Head of Treasury Accounts
Name: Benard. O. Bonyi
ICPAK Member Number: 12686

4.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Policy planning, general administration and support services	**809,350,354**	**20,000,000**	**829,350,354**	**765,031,450**	**64,318,904**
General administration and support services	789,763,247	20,000,000	**809,763,247**	745,444,343	**64,318,904**
Policy and planning	19,587,107		**19,587,107**	19,587,107	**-**
Crop, agribusiness and land management services	**415,068,098**	**50,000,000**	**465,068,098**	**274,358,724**	**190,709,374**
Land and Crops Development	162,980,143	18,000,000	**180,980,143**	108,427,707	**72,552,436**
Agribusiness	6,368,000		**6,368,000**	4,157,450	**2,210,550**
Agribusiness and Market Development	10,222,000		**10,222,000**	10,199,095	**22,905**
Infrastructure development	235,497,955	32,000,000	**267,497,955**	151,574,472	**115,923,483**
Fisheries development and promotion services	**14,198,100**	**-**	**14,198,100**	**10,538,725**	**3,659,375**
Aquaculture promotion services	10,698,100		**10,698,100**	7,623,275	**3,074,825**
Inland and farm fish promotion	3,500,000		**3,500,000**	2,915,450	**584,550**
Livestock promotion and development	**48,402,464**	**30,000,000**	**78,402,464**	**31,641,900**	**46,760,564**
Livestock products value addition and marketing	31,464,140	30,000,000	**61,464,140**	22,821,850	**38,642,290**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Animal health disease and management	16,938,324		**16,938,324**	8,820,050	**8,118,274**
Physical planning and surveying services	**28,000,000**	-	**28,000,000**	**22,674,488**	**5,325,512**
Surveying services	28,000,000		**28,000,000**	22,674,488	**5,325,512**
Housing improvement development	**45,788,236**	-	**45,788,236**	**35,234,029**	**10,554,207**
General administration and support services	45,788,236		**45,788,236**	35,234,029	**10,554,207**
Management and development of towns	**148,822,246**	-	**148,822,246**	**23,159,364**	**125,662,882**
General administration and support services	148,822,246		**148,822,246**	23,159,364	**125,662,882**
General administration, planning and support services	**129,167,169**	-	**129,167,169**	**118,634,425**	**10,532,744**
Administration and support services	115,800,904		**115,800,904**	108,366,260	**7,434,644**
Policy and planning	13,366,265		**13,366,265**	10,268,165	**3,098,100**
Road Transport	**56,362,326**	-	**56,362,326**	**56,362,320**	**6**
Construction of Roads and Bridges	56,362,326		**56,362,326**	56,362,320	**6**
Roads development and management	**450,108,670**	**100,000,000**	**550,108,670**	**385,949,069**	**164,159,601**
Construction of roads and bridges	95,684,647		**95,684,647**	55,843,267	**39,841,380**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Rehabilitation and maintenance of Roads	315,106,215	100,000,000	**415,106,215**	304,017,960	**111,088,255**
Infrastructural development and fire safety	39,317,808		**39,317,808**	26,087,842	**13,229,966**
Policy planning, general administration and support services	**50,661,278**	-	**50,661,278**	**47,252,588**	**3,408,690**
General administration and support services	47,090,679		**47,090,679**	44,057,702	**3,032,977**
Policy and planning services	3,570,599		**3,570,599**	3,194,886	**375,713**
Trade, cooperative and investment development and promotion	**94,340,280**	-	**94,340,280**	**30,804,591**	**63,535,689**
Cooperative promotion	39,864,020		**39,864,020**	15,143,780	**24,720,240**
Trade promotion	54,476,260		**54,476,260**	15,660,811	**38,815,449**
Tourism development and promotion	**1,781,000**	-	**1,781,000**	**1,349,470**	**431,530**
Tourism promotion and management	1,781,000		**1,781,000**	1,349,470	**431,530**
Preventive & Promotive Health Services	**508,830,302**	**50,000,000**	**558,830,302**	**452,919,953**	**105,910,349**
Health Promotion	419,365,433		**419,365,433**	404,477,928	**14,887,505**
Non-communicable Disease Prevention & Control	1,058,000	50,000,000	**51,058,000**	902,577	**50,155,423**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Communicable Disease Control	88,406,869		**88,406,869**	47,539,448	**40,867,421**
General administration, planning & support services	**149,653,723**	-	**149,653,723**	**145,031,990**	**4,621,733**
Administration support services	142,916,359		**142,916,359**	139,047,340	**3,869,019**
Health Policy Planning and financing	6,737,364		**6,737,364**	5,984,650	**752,714**
Curative health services	**1,059,990,579**	-	**1,059,990,579**	**1,033,809,931**	**26,180,648**
Medical services	1,059,990,579		**1,059,990,579**	1,033,809,931	**26,180,648**
General administration, policy planning & support services	**54,402,769**	-	**54,402,769**	**50,710,312**	**3,692,457**
General administration	35,920,989		**35,920,989**	34,658,511	**1,262,478**
Planning policy	6,210,500		**6,210,500**	4,285,880	**1,924,620**
Quality assurances and standards services	12,271,280		**12,271,280**	11,765,921	**505,359**
ECDE and CCC development services.	**352,141,259**	**35,000,000**	**387,141,259**	**308,282,277**	**78,858,982**
ECDE and CCC management services	352,141,259	35,000,000	**387,141,259**	308,282,277	**78,858,982**
Vocational development and training services	**381,259,015**	**5,684,646**	**386,943,661**	**284,477,300**	**102,466,361**
Vocational management management services	381,259,015	5,684,646	**386,943,661**	284,477,300	**102,466,361**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Information and communication technology services	**3,600,000**	-	**3,600,000**	**329,000**	**3,271,000**
ICT infrastructural services	3,600,000		**3,600,000**	329,000	**3,271,000**
Information and communication technology services	**794,324,491**	**100,000,000**	**894,324,491**	**776,458,051**	**117,866,440**
General administration support services	508,445,992		**508,445,992**	508,445,992	-
Policy development and support services	201,853,020	100,000,000	**301,853,020**	188,380,282	**113,472,738**
Supply chain management	14,987,000		**14,987,000**	14,167,553	**819,447**
Policy and planning services	69,038,479		**69,038,479**	65,464,224	**3,574,255**
Economic planning and budgeting and coordination services	**113,868,675**	-	**113,868,675**	**86,871,157**	**26,997,518**
Economic planning and coordination	84,190,675		**84,190,675**	61,709,368	**22,481,307**
Budget formulation and management	29,678,000		**29,678,000**	25,161,789	**4,516,211**
County financial management and control	**36,315,000**	-	**36,315,000**	**28,404,401**	**7,910,599**
Accounting and financial services services	36,315,000		**36,315,000**	28,404,401	**7,910,599**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
Resource mobilization	**68,524,022**	-	**68,524,022**	**35,287,946**	**33,236,076**
Internal Resource mobilization	68,524,022		**68,524,022**	35,287,946	**33,236,076**
Oversight and management services	**110,310,595**	-	**110,310,595**	**108,945,003**	**1,365,592**
Committees management services	110,310,595		**110,310,595**	108,945,003	**1,365,592**
Legislative and representation services	**129,011,420**	-	**129,011,420**	**35,077,322**	**93,934,098**
Representation and infrastructural development	129,011,420		**129,011,420**	35,077,322	**93,934,098**
Coordination strategy and human resource services	**6,591,502**	-	**6,591,502**	**3,542,612**	**3,048,890**
Field coordination and administration	1,200,842		**1,200,842**	1,200,832	**10**
Human resource management	5,390,660		**5,390,660**	2,341,780	**3,048,880**
Policy planning, general administration and support services	**2,569,000**		**2,569,000**	**1,593,180**	**975,820**
Mainstreaming services eg gender and youth	2,569,000		**2,569,000**	1,593,180	**975,820**
Promotion and management of sports	**43,148,943**	**24,000,000**	**67,148,943**	**16,549,335**	**50,599,608**
Community Development	36,337,664	24,000,000	**60,337,664**	10,491,412	**49,846,252**
Cultural promotion heritage					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	KShs	KShs	KShs	KShs	KShs
	6,811,279		**6,811,279**	6,057,923	**753,356**
Policy planning, general administration and support services	**173,536,103**	**20,000,000**	**193,536,103**	**152,737,442**	**40,798,661**
General administration and support services	154,832,519	20,000,000	**174,832,519**	135,486,162	**39,346,357**
Policy and planning	18,703,584		**18,703,584**	17,251,280	**1,452,304**
Crop, agribusiness and land management services	**100,430,050**	**-**	**100,430,050**	**74,169,496**	**26,260,554**
Other energy sources promotion	100,430,050		**100,430,050**	74,169,496	**26,260,554**
Water supply and management services	**138,108,986**	**-2,036,919**	**136,072,067**	**45,858,557**	**90,213,510**
Major towns water services	11,482,117		**11,482,117**	11,220,138	**261,979**
Rural water services	126,626,869	-2,036,919	**124,589,950**	34,638,419	**89,951,531**
Environmental protection and management service	**7,758,996**	**-**	**7,758,996**	**5,206,431**	**2,552,565**
Pollution and waste management	5,038,996		**5,038,996**	3,309,413	**1,729,583**
Agroforestry promotion	2,720,000		**2,720,000**	817,816	1,902,184
Grand Total	**6,526,425,651**	**432,647,727**	**6,959,073,378**	**5,448,173,639**	**1,510,899,739**

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 County Government of Nyamira-Executive and 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 Nyamira-Executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

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

Donations and grants

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

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government of Nyamira-Executive 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 on-going satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June, 2019, 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 of Nyamira-Executive from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

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

b) Recognition of payments

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the County Government of Nyamira-Executive 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 Nyamira-Executive includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2019, this amounted to KShs **65,853,231** compared to KShs **52,838,221** in prior period as indicated on note 14.

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 are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Government of Nyamira-Executive 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 Nyamira-Executive`s budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 26th June 2018 for the period 1st July, 2018 to 30 June 2019 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County Government of Nyamira-Executive 's 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. EXCHQUER RELEASES

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	238,640,000	0
Total Exchequer Releases for quarter 2	1,240,928,000	1,062,738,000
Total Exchequer Releases for quarter 3	1,312,520,000	1,270,665,000
Total Exchequer Releases for quarter 4	1,217,064,000	1,547,901,000
Total	**4,009,152,000**	**3,881,304,000**

The above excludes cash in transit of Kshs. 763,648,000.00

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018 - 2019	2017 - 2018
			KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)				
DANIDA	27/11/2018		7,745,625	11,995,032
	6/3/2019		7,745,625	6,597,268
Devolution Support Programme	9/2/2018			26,275,445
	14/5/2018			13,307,306
Transforming Health for Universal Care Project	24/10/2018		8,501,050	12,933,173
	28/2/2019		10,762,294	
	28/6/2019		4,722,204	
Agricultural Sector Development Support Programme	25/2/2019		7,218,777	
National and Rural Inclusive Growth-Agriculture	30/5/2019		50,000,000	50,609,855
	27/6/2019		78,476	
Kenya Urban Support Programme-UDG	10/12/2018		114,705,300	
Kenya Urban Support Programme-UIG	30/6/2019		41,200,000	
Total			**252,679,351**	**121,718,079**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Danida:
Received from Denmark and meant for general operations of level two hospitals

Devolution support programme:
Received from World Bank and meant for county capacity building.

Transforming Health for Universal Care Project SPA:
Received from World Bank and meant for level 3 and 4 for general purchase of equipment's, supervisions, trainings and immunisation programmes.

National and rural inclusive growth-agriculture:
Received from World Bank and meant for support of agriculture and value chain development.

Agricultural Sector Development Support Programme
Received from World Bank and meant for support community based agricultural activities
Kenya Urban Support Programme-UDG
Received from World Bank and is to used development of roads

Kenya Urban Support Programme-UIG
Received from World Bank and was used in capacity building

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 -2 018
	KShs	KShs
Transfers from Central government entities		
Compensation for user forgone	13,175,221	11,578,459
Road maintenance levy fund	125,663,668	177,012,086
Free Maternal Healthcare		
Development of youth polytechnics	39,950,825	83,704,140
TOTAL	**178,789,714**	**272,294,685**

Compensation for user forgone:
Received from Ministry of Health and was used for free health services for level two hospitals.
Road maintenance levy fund:
Received from Ministry of Roads and was used for maintenance of roads.
Development of youth polytechnics:
Received from ministry of education and was used for youth polytechnics development and capitation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 - 2018
	Kshs	KShs
Rents/Plot /isolated plot rents	1,597,688	1,216,034
Other Property Income/stall rents	1,737,335	1,400,255
Sales of Market Establishments/cattle/ move/vetenary charges	9,638,020	2,995,140
Business permits/ Applications	16,014,275	13,644,567
Cess/Agricultural/Fisheries	6,093,720	4,764,340
Other local levies	18,182,066	13,115,772
Land rates	17,000,421	16,949,828
Imprests and salary recoveries	2,020,934	1,463,518
Market/trade centre fee	608,670	6,756,750
Vehicle/matatu parking fees	13,304,130	12,805,840
Housing/plans application/physical planning	2,338,993	765,710
Public health services	71,873,107	21,833,793
Administration fees	4,899,979	102,640
Slaughter houses administration/fees	60,220	49,390
Water supply administration	78,010	18,000
Total	**165,447,568**	**97,881,577**

There was significant improvement in collection from most revenue streams.

5. RETURNED CRF ISSUES

	2018 - 2019	2017 - 2018
	KShs	KShs
Recurrent account A/c No.1000170522	20,122	20,122
Development account A/c No.1000170549	68,619	68,619
County Assembly - Recurrent account A/c No.1000239751	202,744	202,744
County Assembly - Development account A/c No.1000326905	526,421	526,421
Deposit account KCB- BANK-Revenue A/c No.1141208989	6,150	37,876
Deposit account KCB- BANK-Health A/c No.1238881378	28,530	
CRF Account CBK A/c No.1000170891	1,100,521,707	833,448,962
Total	**1,101,374,293**	**834,304,744**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The above refunds reflected the balance in the said accounts as at the end of the financial year which was returned to the county revenue fund account that is maintained at the Central bank of Kenya, Nairobi.

6. COMPENSATION OF EMPLOYEES

	2018 – 2019	2017-2018
	KShs	KShs
Basic salaries of permanent employees	2,082,694,882	1,439,922,520
Basic wages of temporary employees	29,022,278	25,365,828
Personal allowances paid as part of salary	708,341,615	857,522,165
Personal allowances paid as reimbursements	11,888,758	0
Personal allowances provided in kind	28,798,578	24,591,878
Compulsory national social security schemes	25,195,159	8,520,710
Compulsory national health insurance schemes		2,890,415
Total	**2,885,941,270**	**2,358,813,516**

The employees' compensation increased by 22% in 2018/2019 as compared to 2017/2018

7. USE OF GOODS AND SERVICES

	2018 - 2019	2017 – 2018
	KShs	KShs
Utilities, supplies and services	23,674,986	26,756,630
Communication, supplies and services	2,936,104	2,221,820
Domestic travel and subsistence	300,520,369	251,900,407
Foreign travel and subsistence	2,562,540	2,840,621
Printing, advertising and information supplies & services	25,801,040	36,642,562
Rentals of produced assets	7,808,760	6,275,175
Training expenses	85,786,371	66,156,250
Hospitality supplies and services	24,219,114	29,067,172
Insurance costs	94,299,280	53,045,417
Specialized materials and services	71,938,610	133,985,645
Office and general supplies and services	24,879,198	24,129,607
Fuel oil and lubricants	58,534,965	65,086,082
Other operating expenses	28,168,092	25,191,389
Routine maintenance – vehicles and other transport equipment	12,406,634	8,244,888
Routine maintenance – other assets	12,143,669	10,656,949
Total	**775,679,731**	**742,200,614**

The use of goods increased by 5 % in 2018/2019 as compared to 2017/2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 – 2018
	KShs	KShs
Transfers to Government entities		
County Assembly	653,321,800	662,075,477
TOTAL	**653,321,800**	**662,075,477**

The above is transfer to Nyamira county assembly for its operations and there is 1% decrease due to decrease in county assembly ceiling.

9. OTHER GRANTS AND OTHER PAYMENTS

	2018 - 2019	2017– 2018
	KShs	KShs
Scholarships and other educational benefits	131,500,000	121,075,293
Emergency relief and refugee assistance		0
Transfers to other county health facilities	70,211,150	41,240,999
Transfers to NAGRIP	35,077,600	
Transfers to YOUTH POLY	45,840,000	
Nyamira County ASDSP Account Spa	5,500,000	
Transfers to lake region economic block	2,000,000	
Total	**290,128,750**	**162,316,292**

Scholarships and other educational benefits is a fund which facilitates bursaries to needy secondary schools education there was an increase of 78%.

Transfers to other county health facilities are transfers meant to health facilities for their operations. This has also been funded by majorly grants.

Transfer to National and rural inclusive growth-agriculture are meant to support in agriculture and value chain development.

A transfer to Agricultural Sector Development Support Programme and meant to support community based agricultural activities.

Transfers to Kenya Urban Support Programme-UDG was used in development of roads
Transfer to Kenya Urban Support Programme-UIG is to be used in capacity building
Transfer to Lake Region economic block was used in office operations
Transfer to youth polytechnics was used for development and capitation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. SOCIAL SECURITY BENEFITS

	2018-2019	2017-2018
	KShs	KShs
Government pension and retirement benefits	61,005,382	92,576,300
Total	**61,005,382**	**92,576,300**

Government pension and retirement benefits are pension contributions to lap trust and lap fund. This decreased by 34% as the county paid exiting county executive members and other staff their gratuity in the last financial year.

11. ACQUISITION OF ASSETS

Non Financial Assets	2018 – 2019	2017– 2018
	KShs	KShs
Construction of Building	115,597,120	40,375,101
Refurbishment of Building	26,436,990	
Construction of Roads	117,516,657	42,887,600
Construction and Civil Works	187,287,933	197,014,513
Overhaul and Refurbishment of Construction and Civil Works	29,897,644	
Purchase of Vehicles and Other Transport Equipment	26,437,520	17,410,000
Purchase of Household Furniture and Institutional Equipment	480,000	
Purchase of Office Furniture and General Equipment	9,963,616	4,299,960
Purchase of ICT Equipment	3,657,610	9,946,000
Purchase of Specialized Plant, Equipment and Machinery	34,726,796	72,401,963
Purchase of lighting equipment		8,783,932
Purchase of Certified Seeds, Breeding Stock and Live Animals	11,487,500	0
Research, Studies, Project Preparation, Design & Supervision		2,237,800
Rehabilitation of Civil Works	206,287,320	92,558,424
Acquisition of Land		0
Acquisition of Intangible Assets	12,320,000	1,520,309
Total	**782,096,706**	**489,435,602**

The acquisitions of assets increased by 60% in 2018/2019 compared to 2017/2018 and unspent balances have been carried forward to cater for pending bills.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. CASH AND BANK BALANCES

12A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2018 – 2019	2017 – 2018
CBK ACCOUNTS				KShs	KShs
CBK- Revenue Fund 1000170891	Kshs	Both		1,017,220,344	820,387,849
CBK County RML Fund Account 1000291885	Kshs	Both		69,308,787	109,625,186
CBK Recurrent Account 1000170522	Kshs	Recurrent		22,699,257	20,122
CBK-KUSP Account no. 1000394374	Kshs	Both		114,080,300	
CBK Development Account 1000170549	Kshs	Development		6,909,223	68,619
CBK- Nyamira county ASDSP Account (SPA) No. 1000365617	Kshs	Both		7,218,777	
CBK – Nyamira county Village Poly.PRJ. G. No. 1000367954	Kshs	Both		37,594,951	45,210,705
CBK – Nyamira county THS UC (APA) No. 1000340018	Kshs	Both		7,890,537	2,333,099
CBK – Nyamira county NARIG Project Account (SPA) No. 1000365595	Kshs	Both		70,796,390	53,147,500

CBK-Retention Account 1000323938	Kshs	Deposits		65,853,231	0
COMMERCIAL BANKS					
KCB Revenue Account 1141208989	Kshs	Receipts		6,150	
KCB Revenue Account –Health 1238881378	Kshs	Deposits		28,530	
KCB-ASDSP A/C 1236606132	Kshs	Both		7,396	
KCB NAGRIP A/C	Kshs	Both		1,751	
KCB Nyamira County Salaries Account 1150304227	Kshs	Recurrent		1,259,789	
KCB Nyamira County Education Support Fund 1182983871	Kshs	Recurrent		0	123,939,168
Cooperative Bank NARIG - 01141349783700	Kshs	Both		394,295	
Coop Bank-Revenue Account	Kshs	Receipts		0	37,678
Coop Bank – County Mortgage Account	Kshs	Deposits			17,968
Coop Bank - Retention Account 01141348535600	Kshs	Deposits			0
Health Facilities Various Bank Accounts (Annex6)	Kshs	Both		6,869,651	384,434
Total				**1,428,139,359**	**1,155,172,328**

21B. CASH IN HAND

	2018 – 2019	2017 – 2018
	KShs	KShs
Cash in Hand – Held in domestic currency	72,120	38,182
Total	**72,120**	**38,182**

Cash in hand was analyzed as follows:

	2018 – 2019	2017 – 2018
	Kshs	KShs
Revenue zones		
Various health facilities		
Manga hospital	6,330	2,540
Manga sub county-water	3,700	4,000
Nyangene hospital	1,080	2,000
Kitutu masaba revenue		4,720
EKERENYO SB	24,630	
Kijauri sub county hospital		100
Esani sub county hospital	1,680	500
MASABA NORTH	34,700	24,322
Total	**72,120**	**38,182**

13. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2018 – 2019	2017– 2018
	KShs	KShs
Government Imprests		716,672
Clearance accounts		
Total		**716,672**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ACCOUNTS PAYABLE

	2018 – 2019	2017 – 2018
	KShs	KShs
Deposits- Retention account CBK	65,853,231	52,838,221
Retention account Coop		
Total	**65,853,231**	**52,838,221**

The above are contractor's refundable 10% retention.

15. FUND BALANCE BROUGHT FORWARD

	2018-2019	2017-2018
	KShs	KShs
Bank accounts	1,155,172,328	690,902,391
Cash in hand	38,182	995,983
Accounts Receivables	716,672	5,140,230
Accounts Payables	(52,838,221)	(33,521,360)
Total	**1,103,088,961**	**663,517,244**

16. PRIOR YEAR ADJUSTMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Adjustments revenue		
Adjustments on cash in bank		(777,244,107)
Adjustments on payables		
Adjustments on receivables		
Total		**(777,244,107)**

5. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	2018 – 2019	2017 – 2018
	Outstanding balances as June 2019	Outstanding balances as June 2018
	KShs	KShs
Construction of buildings	36,346,977	28,902,639
Construction of civil works	5,610,230	178,057,218
Supply of goods	3,726,231	93,510,717
Supply of services	31,818,205	47,225,634
Total	**77,501,643**	**347,696,208**

Analysis done (Annex 2)

2. OTHER PENDING PAYABLES

	2018 – 2019	2017 – 2018
	KShs	KShs
Amounts due to County Assembly	14,111,063	114,008,711
	14,111,063	**114,008,711**

3. RELATED PARTY DISCLOSURES

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

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

Related party transactions

	2018 – 2019	2017 – 2018
	Kshs	Kshs
Transfers to related parties		
Transfer to the County Assembly	653,321,800	662,075,477
Transfers to other County Government health facilities	70,211,150	41,240,999
Transfers to County educational fund	131,500,000	121,075,293
Transfers to Vocational trainings	45,840,000	
Transfers to regional Economic Block	2,000,000	
Total Transfers to related parties	**902,872,950**	**824,391,769**
Transfers from related parties		
Transfers from the Exchequer	4,772,800,000	3,881,304,000
Transfers from SCs and SAGAs- National Government		
Ministry of Health(Compensation for user forgone)	13,175,221	11,578,459
Ministry of Health(Free maternity)		
Ministry of Health(Health Workers Allowances)		
Ministry of Roads(RMLF)	125,663,668	117,012,086
Ministry of Education(Youth Polytechnic Development	39,950,825	83,704,140
Total Transfers from related parties	**4,951,589,714**	**4,093,598,685**

4. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established	Location	Accounting Officer responsible
Car mortgage scheme –executive	Aug 2015	County HQ	Chief officer finance
Education support fund	2016	County HQ	Chief officer education
Car mortgage scheme – Assembly	2013	County assembly HQ	Clerk to assembly

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. The management has nominated focal persons to resolve the various issues as shown below with the associated time frame within which the management expects the issues to be resolved.

Reference No. on the external Report	Issue/ Observation from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved/Not Resolved)	Timeframe: (date when expected to resolve)
Year Ended 30 June 2018					
1.	Variance between the Financial Statement and IFMIS report figures	The management concurred with auditors observation however the anomaly has since then been corrected	V. O. Ondigi Chief Officer Finance & Planning	Resolved	2018/2019 FY
2	Pending bills	The validity, completeness and accuracy of pending bills have been confirmed by AOG	V. O. Ondigi Chief Officer Finance & Planning	Resolved	2018/2019 FY
1.1	**Revenue** County own revenue	The relevant explanations have been availed to the external auditor non collectable revenue streams removed from the consequent approved budget.	V. O. Ondigi Chief Officer Finance & Planning	Not resolved	2018/2019 FY
1.1.1	Single business permits	The relevant explanations have been availed to the external auditor for review.	V. O. Ondigi Chief Officer Finance & Planning	Not resolved	2018/2019 FY
1.1.2	Other receipts-outstanding land rates and plot rent	The county has given public notes for the defaulters	V. O. Ondigi Chief Officer Finance & Planning	Not resolved	2018/2019 FY
1.1.3	Automation of revenue collection	The management concurred with auditors observation however the revenue has now been automated	V. O. Ondigi Chief Officer Finance & Planning	Not resolved	2018/2019 FY
2.1	**Budget**	The relevant	J. Oruru	Not resolved	2018/2019 FY

Reference No. on the external Report	Issue/ Observation from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved/Not Resolved)	Timeframe: (date when expected to resolve)
	performance Programme based budget and annual development plan	supporting documents have been availed to the external auditor for review	Chief Officer Roads, Transport & Public Works		
2.2	Recurrent expenditure	The management concurred with auditors observation however the unspent balances were carried forward as pending bills	All Chief Officers Nyamira county	Resolved	2018/2019 FY
2.3	Development expenditure	The management concurred with auditors observation however the unspent balances were carried forward as pending bills and IFMIS report and financial statement reconciled.	All Chief Officers Nyamira county	Resolved	2018/2019 FY
2.3.1	Department of environment	The management concurred with auditors observation however the department have since completed most of the said project	T. Nyariki Chief officer Environment, Energy, Natural Resources and Mining	Not resolved	2018/2019 FY
2.3.2	Department of Youth, Sports Gender, Culture and Social Services	The management concurred with auditors observation however the department have since completed most of the said project	J.Nambaka Chief officer Youth, Sports Gender, Culture and Social Services	Not resolved	2018/2019 FY
2.3.3	Department of education	The management concurred with auditors observation however the	J. Mecha Chief Officer Education and ICT	Not resolved	2018/2019 FY

Reference No. on the external Report	Issue/ Observation from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved/Not Resolved)	Timeframe: (date when expected to resolve)
		department have since completed most of the said project			
2.3.4	Department of transport, roads, and public works	the management concurred with auditors observation however the department have since completed most of the said project	J. Oruru Chief Officer Roads, Transport & Public Works	Not resolved	2018/2019 FY
2.4	Scholarship and other educational benefits	The relevant explanations have been availed to the external auditor for review.	J. Mecha Chief Officer Education and ICT	Not resolved	2018/2019 FY
3.1	Construction of the manga stadium	The relevant explanations have been availed to the external auditor for review.	J.Nambaka Chief officer Youth, Sports Gender, Culture and Social Services	Not resolved	2018/2019 FY
3.2	Construction and completion of office blocks	The relevant explanations have been availed to the external auditor for review.	J. Oruru Chief Officer Roads, Transport & Public Works	Not resolved	2018/2019 FY
4.1	**Medical Equipment** Purchase and installation of laundry machine	The AC drive of the laundry machine has been replaced and the machine is working.	J. Magara Chief Officer Health	Resolved	2018/2019 FY
5.2	Purchase of five mind ray bane heart d3 defibrillators	the management concurred with the auditor observation and since then the equipments have been installed and operationalized in the ICU at the county referral hospital	J. Magara Chief Officer Health	Resolved	2018/2019 FY
5.3	Purchase of five ICU ventilators with tray	The concurred with the auditor observation and since then the	J. Magara Chief Officer Health	Resolved	2018/2019 FY

Reference No. on the external Report	Issue/ Observation from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved/Not Resolved)	Timeframe: (date when expected to resolve)
		skilled staff have been trained and installation of oxygen plant for oxygen provision.			
5.4	Leased medical equipments	The agreement document has been availed to the external auditor for review	J. Magara Chief Officer Health	Not resolved	2018/2019 FY
6.	Water and sanitation company	The relevant explanations have been availed to the external auditor for review.	T. Nyariki Chief office Environment, Energy, Natural Resources and Mining	Not resolved	2018/2019 FY
7.	Tea cess funds	The County receives and forwards the funds to tea factories who repair and maintenance of tea roads and forward the project implementation reports to the county.	K. Mogire chief officer Agriculture, Livestock and Fisheries	Resolved	2018/2019 FY
8.	Compensation of employees	The relevant explanations have been availed to the external auditor for review.	T. Nyariki Chief officer Public services Management	Resolved	2018/2019 FY
9.	Ethnic composition	The relevant explanations have been availed to the external auditor for review.	T. Nyariki Chief officer Public services Management	No resolved	2018/2019 FY

Mr. Peter Muga Omwanza
CEC, County Treasury

Sign.....
Date.....

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	THUCP	ASDSP	NRIGA	KUSP	USER FEE	RMLF		Total Transfers from the National Treasury
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Exchequer Releases for quarter 1	238,640,000	0	0							**238,640,000**
Exchequer Releases for quarter 2	1,240,928,000	7,745,625	8,501,050			114,705,300				**1,371,879,975**
Exchequer Releases for quarter 3	1,312,520,000	7,745,625	10,762,294	7,218,777				41,885,747		**1,380,132,443**
Exchequer Releases for quarter 4	1,980,712,000		4,722,204		50,078,476	41,200,000	13,175,221	83,777,921	39,950,825	**2,213,616,647**
Total	**4,772,800,000**	**15,491,250**	**23,985,548**	**7,218,777**	**50,078,476**	**155,905,300**	**13,175,221**	**125,663,668**	**39,950,825**	**5,204,269,065**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018 - 2019	Outstanding Balance 2017 - 2018	Comments
	A	B	c	d=a-c		
Construction of buildings						
1. Zamori general contractor	139,200	Fy 2018/19	0	139,200		Late execution
2. Gesisi ente. ltd	1,708,634	Fy 2018/19	0	1,708,634		of activities
3. Spentech engineering ltd	67,022,144	Fy 2018/19	32,523,000	34,499,143		
4. Fy 2017/2018 Cumulative B/F	28,902,639	Fy 2017/18	28,902,639		28,902,639	
Sub-Total	**97,772,617**		**61,425,639**	**36,346,977**	**28,902,639**	
Construction of civil works						FY 2017/18
1. Glandmoe construction co.	2,432,694	Fy 2018/19	0	2,432,694		Figure are
2. KEMCO General construction	1,564,184	Fy 2018/19	0	1,564,184		accumulative
3. Aldan international	799,627	Fy 2018/19	0	799,627		
4. Honet company ltd	813,725	Fy 2018/19	0	813,725		
5. Fy 2017/2018 Cumulative B/F	178,057,218	Fy 2017/18	178,057,218		178,057,218	
Sub-Total	**183,667,448**		**178,057,218**	**5,610,230**	**178,057,218**	
Supply of goods						
1.National oil	549,978	Fy 2018/19	0	549,978		FY 2017/18
2. Smart service	93,953	Fy 2018/19	0	93,953		Figure are
3.Kenya literature bureau	148,000	Fy 2018/19	0	148,000		accumulative
4.Moyoral co. ltd	500,000	Fy 2018/19	0	500,000		
5.Moenga corner shop	251,300	Fy 2018/19	0	251,300		
6 Moenga corner shop	123,200	Fy 2018/19	0	123,200		
7.Moenga corner shop	333,900	Fy 2018/19	0	333,900		
8.Moenga corner shop	377,300	Fy 2018/19	0	377,300		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018 - 2019	Outstanding Balance 2017 - 2018	Comments
9.Moenga corner shop	80,500	Fy 2018/19	0	80,500		
10.Moenga corner shop	105,000	Fy 2018/19	0	105,000		
11.Moenga corner shop	308,000	Fy 2018/19	0	308,000		
12.Marsh park hotel	102,000	Fy 2018/19	0	102,000		
13.Keroka highway station	400,000	Fy 2018/19	0	400,000		
14.Hilal filling station	353,100	Fy 2018/19		353,100		
15.Fy 2017/2018 Cumulative B/F	93,510,717	Fy 2017/18	93,510,717		93,510,717	
Sub-Total	**97,236,948**		**93,510,717**	**3,726,231**	**93,510,717**	
Supply of services						
1. Kenya school of government Baringo	140,360	Fy 2018/19	0	140,360		FY 2017/18
2. Kenya school of government Kabete	100,920	Fy 2018/19	0	100,920		Figure are
3. Kenya school of government Baringo	152,000	Fy 2018/19	0	152,000		cumulative
4. Kenya school of government Baringo	152000	Fy 2018/19	0	152,000		
5. Mediamax networks	319000	Fy 2018/19	0	319,000		
6. Stephen Musyoki Mogaka	855,000	Fy 2018/19	0	855,000		
7. Wise services co	1,564,000	Fy 2018/19	0	1,564,000		
8. Kenya school of government –bar	88,160	Fy 2018/19	0	88,160		
9. KPLC	58,489	Fy 2018/19	0	58,489		
10. The guardian hotel	157,000	Fy 2018/19	0	157,000		
11. Institute of internal audit	203,000	Fy 2018/19	0	203,000		
12. Florida garage	53,824	Fy 2018/19	0	53,824		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018 - 2019	Outstanding Balance 2017 - 2018	Comments
13.Florida garage	34,452	Fy 2018/19	0	34,452		
14.Freisa Resort	50,000	Fy 2018/19	0	50,000		
15. Kenya school of government Baringo	240,000	Fy 2018/19	0	240,000		
16.River Bank ltd	39,500,000	Fy 2018/19	11,850,000	27,650,000		
17. Fy 2017/2018 Cumulative B/F	47,225,634	Fy 2017/18	47,225,634		47,225,634	
Sub-Total	**90,893,839**		**59,075,634**	**31,818,205**	**47,225,634**	
Grand Total	**469,570,851**		**392,069,208**	**77,501,643**	**347,696,209**	

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018 – 2019	Outstanding Balance 2017 - 2018	Comments
		a	b	c	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
Amounts due to County Govt Entities							
1.County assembly		667,432,863	667,432,863	653,321,800	14,111,063	114,008,711	
2.Education support fund		131,500,000	131,500,000	131,500,000	0		
3.Car mortgage scheme							
Sub-Total		**798,932,863**	**798,932,863**	**784,821,800**	**14,111,063**	**114,008,711**	
Grand Total		**798,932,863**	**798,932,863**	**784,821,800**	**14,111,063**	**114,008,711**	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017 - 2018	Additions during the year 2018/2019 (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2018 - 2019
Land	11,051,000	0	0	**11,051,000**
Buildings and structures	548,665,884	142,034,111	0	**690,699,995**
Transport equipment	360,740,659	26,437,520	0	**387,178,179**
Office equipment, furniture and fittings	49,669,574	10,443,616	0	**60,113,190**
ICT Equipment, Software and Other ICT Assets	34,256,447	3,657,610	0	**37,914,057**
Other specialised Machinery and Equipment	186,343,804	34,726,796	0	**221,070,600**
Heritage and cultural assets	0		0	**0**
Intangible assets	58,228,759	12,320,000	0	**70,548,759**
Purchase of Certified Seeds, Breeding Stock and Live Animals		11,487,500		**11,487,500**
Lighting equipment	113,604,545		0	**113,604,545**
Construction of roads and other civil works	948,465,698	304,804,591	0	**1,253,270,289**
Construction of other civil works and overhaul and refurbishment of other civil works	1,006,371,201	236,184,962	0	**1,242,556,163**
Total	**3,317,397,571**	**782,096,706**	**0**	**4,099,494,277**

The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government.

ANNEX 5 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1 Kshs	Quarter 2 Kshs	Quarter 3 Kshs	Quarter 4 Kshs	Amount transferred KShs	Amount Confirmed as received KShs	difference Kshs	explanation
1	County Assembly	141,360,303	123,239,403	192,563,942	196,158,152	653,321,800	653,321,800	14,111,063	Late receipt of funds
2	Education support fund				131,500,000	131,500,000	131,500,000	0	
3	Car mortgage scheme								
	Total	**141,360,303**	**123,239,403**	**192,563,942**	**327,658,152**	**784,821,800**	**784,821,800**	**14,111,063**	

Director of Finance
County Executive

ICPAKno.15694

Director of Finance
County Assembly

ICPAKno.10008

Fund Administrator
Education Support Fund