REPUBLIC OF KENYA

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF SAMBURU

FOR THE YEAR ENDED 30 JUNE, 2019

SAMBURU COUNTY ASSEMBLY

AMENDED REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

OFFICE OF THE AUDITOR GENERAL
SOUTH RIFT HUB
06 DEC 2019
RECEIVED
P.O. Box 1050-20100, NAKURU

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P. O. Box 3-20600, MARALAL

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 27 Members of County Assembly (MCAs) comprising of 15 elected and 12 nominated to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The Samburu County Assembly day-to-day management is under the following key organs:

- The County Assembly Service Board
- The Speaker
- The Clerk
- The Directors

(c) Fiduciary Management

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

No	Designation	Name
1	Accounting Officer	Patrick Kamais Leshore
2	Deputy Clerk	Fred Lenapeer
3	Ag Director Finance	Moses Leluata
4	Director Finance	Nelson Lesorogol

(d) Fiduciary Oversight Arrangements

(i) The Public and other stake holders through public participation play a significant role by influencing decision making and ultimately improving the governance process.

(ii) The Budget and appropriation committee reviews the budget estimates submitted by executive and proposes the same for adoption or rejection of the same to the full house of the county assembly.

(iii) Internal Audit Unit and Audit committee undertake periodic reviews of expenditure and recommendations on any irregularities noted.

(iv) Independent offices set by law such as the office of the Auditor General and office of the Controller of Budget for review of programmes to ensure there are no wastages and ensure value for money is achieved.

(e) Entity Headquarters

P.O. Box 3 - 20600
County Assembly Headquarters.
Maralal, KENYA

(f) Entity Contacts

Telephone: (254) 721 818 492
E-mail: info@samburucountyassembly.go.ke
Website: http://www.samburuassembly.go.ke/

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

These are the Financial statements for the county assembly of Samburu for the financial year ended 30th June 2019, that are prepared in accordance with the standards and formats prescribed by the International Public Sector Accounting Standards (IPSAS) Cash basis. The report shows the revenue received from the national equitable share versus the expenditure incurred by the county assembly of Samburu in provision of services as per the approved budget.

Budget Performance.

RECEIPT/EXPENSE ITEM	*ORIGINAL BUDGET*	*ADJUSTMENTS*	*FINAL BUDGET*	*ACTUAL ON COMPARABLE BASIS*	*% Utilisation*
Exchequer Releases	*534,006,348*	*15,000,000*	*549,006,348*	*544,004,862*	*99.09%*
Payments	*534,006,348*	*15,000,000*	*549,006,348*	*527,324,722*	*96.05%*
SURPLUS /DEFICIT	-	-	-	*16,680,140*	

The percentage utilization of the exchequer releases was 99.09% while the percentage utilization of the payments was 96.05%. There was a surplus of Kshs 16,680,140 due to delay in release of funds from the National Treasury. The funds are released towards the end of the financial period when the IFMIS system has already been closed, the payments in the cash book not reflected in the bank statement as at 30th June 2019 attribute to the surplus amount.

Operational Performance

The County Assembly of Samburu passed 5 bills during the financial year 2018/2019 which are, Trade bill, Livestock sales yard, spatial planning bill, Health Services bill and finance bill that are to help improve the living standards and the general welfare of the people of Samburu. The Budget of the county assembly was passed on 30th June 2018, and there were three supplementary budgets during the financial year 2018/2019.

Performance of Key development Projects

For the financial year ended 30th June 2019 the assembly office block that has been a work in progress from 2017 has a cumulative total payment of kshs 231,489,029 have been made to date representing 54.52% of the budgeted amount as at 30th June 2019. The Project is expected to be fully completed towards the end of the next financial year.

Sign

Patrick Kamais Leshore
Clerk of the County Assembly

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
P.O. Box 3-20600
Sign
12-19

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

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

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

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

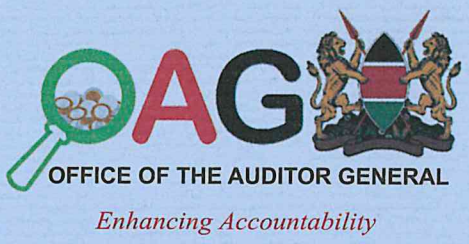
Approval of the financial statements

The County Assembly financial statements were approved and signed by the Clerk of the County Assembly on 1.12. 2019.

Patrick Kamais Leshore
Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Samburu set out on pages 1 to 26 which comprise the statement of financial assets and liabilities as at 30 June, 2019, and statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts; recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Assembly of Samburu 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 do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Presentation and Disclosures

The financial statements contain the following errors and omissions:

i. The statement of financial assets and liabilities does not reflect the net financial assets balance amounting to Kshs.15,376,430 being the sum of cash and cash equivalents and accounts receivables-outstanding imprest balances amounting to Kshs.1,530,747 and Kshs.13,845,683 respectively.

ii. The opening cash and cash equivalent balance of Kshs.6,624,177 has been omitted in the statement of cash flow.

iii. Although Note 5.94 provides a list of the entities deemed as the County Assembly's related parties, the values of transactions entered with the parties during the year under review are not disclosed in the list.

In view of these anomalies, the financial statements do not provide sufficient and correct disclosure on the operations of the County Assembly for the year under review and further, do not comply with the requirements of International Public Sector Accounting Standard 1 and the format prescribed by the Public Sector Accounting Standards Board.

2.0 Inaccuracies in Financial Statements

In addition, the financial statements contain the following inaccuracies:

2.1 Accounts Payables

The statement of financial assets and liabilities reflects nil balances in respect to accounts payables-deposits and retentions for both the current and prior years. However, Note 15 to the financial statements discloses a comparative prior year balance of Kshs.15,527,402 being cash due to the County Executive. No explanation has been provided by Management for the anomaly.

2.2 Statement of Cash Flows

The statement of cash flows reflects a nil opening cash balance that however, differs with the prior year closing balance of Kshs.6,624,177. Further, the statement reflects a closing cash balance of Kshs.15,518,826 which differs with the net increase in cash and cash equivalents balance for the year amounting to Kshs.16,293,340. The difference amounting to Kshs.774,514 between the two sets of records, has not been explained or reconciled.

As a result of the two anomalies, the cash and cash equivalents balance at the end of the year is understated by Kshs.7,398,691.

2.3 Statement of Financial Assets and Liabilities

The statement of financial assets and liabilities reflects total financial assets and net financial position balances of Kshs.15,905,626 and Kshs.16,680,140 respectively resulting to an unexplained variance of Kshs.774,514 between the two balances.

Further, the comparative total financial assets balance amounting to Kshs.150,376,430 differs with net financial position balance of Kshs.123,649,224 reflected in the audited statements for the year ended 30 June, 2018 resulting to a difference of Kshs.26,727,206.35 which has not been explained or reconciled.

Consequently, the accuracy and completeness of the financial statements has not been confirmed.

3.0 Variance between the Financial Statements and Integrated Financial Management Information System (IFMIS) balances

Several of the balances reflected in the financial statements differ with identical account balances reflected in the Integrated Financial Management Information System (IFMIS) ledgers as at 30 June, 2019 as shown in the table below:

Financial Statement (FS) Element - Component	Financial Statements (Kshs.)	IFMIS (Kshs.)	Variance (Kshs.)
Statement of Receipts and Payments - Revenue	544, 004,862	587,945,310	(43,940,448)
Statement of Financial Assets and Liabilities- Net Financial Assets	15,905,626	134,227,747	(118,322,121)
Statement of Financial Assets and Liabilities- Net Financial Position	16,680,140	134,337,747	(117,657,607)
Total	**576,630,628**	**856,510,804**	**(279,920,176)**

In view of the variances, the accuracy of the financial statements has not been confirmed.

4.0 Unexplained Compensation of Employees Expenditure Variance

The statement of receipts and payments reflects compensation of employees' expenditure totaling Kshs.265,627,249 as further disclosed in Note 4 to the financial statements. However, the aggregate expenditure reflected in the payroll for the year amounts to Kshs.199,408,769 resulting to an unexplained variance of Kshs.66,218,480.

Consequently, the accuracy and completeness of the compensation of employees' expenditure totaling Kshs.265,627,249 has not been confirmed.

5.0 Misclassified Expenditure

The statement of receipts and payments reflects use of goods and services expenditure totaling Kshs.164,890,664, as further disclosed in Note 5 to the financial statements. Included in the balance are domestic travel and subsistence expenses totalling Kshs.60,487,589 and foreign travel and subsistence totalling Kshs.18,939,812. However, records availed for audit revealed that the sum of Kshs.13,160,690 charged to foreign travel was actually spent on domestic travel.

Consequently, the foreign and domestic travel expenditure reflected in the statement of receipts as payments is misstated by Kshs.13,160,690.

6.0 Misstatement of Social Security Benefits

The statement of receipts and payments reflects social security payments totalling Kshs.24,432,535; as further disclosed in Note 9 to the financial statements. However, the schedule of actual payments reflects expenditure totalling Kshs.15,491,676 comprised of payments to the Local Authorities Pension Trust (LAPTRUST) Fund and pension and gratuity amounting to Kshs.6,541,320 and Kshs.8,950,356 respectively. The resulting variance of Kshs.8,940,859 has not been explained.

As a result of these anomalies, the accuracy and completeness of the expenditure on social security benefits totalling Kshs.24,432,535 for the year ended 30 June, 2019 has not been confirmed.

7.0 Unsupported Expenditure on Acquisition of Assets

The statement of receipts and payments reflects payments on acquisition of assets totalling Kshs.72,374,274, as disclosed in Note 10 to the financial statements. Included in the payment is the cost of office furniture and equipment , and specialized plant, equipment and machinery purchased at Kshs.1,352,760 and Kshs.1,023,000 respectively. However, contrary to Section 104 (1) of the Public Financial Management (County Government) Regulations, 2015 which requires receipts and payments of public monies to be authorized and documented, there were no records to show how the items were purchased and whether they were received and taken on charge as appropriate.

As a result of the anomaly, the ownership and existence of the assets reported to have been bought at an aggregate cost of Kshs.2,375,760 during the year under review has not been confirmed.

8.0 Unconfirmed Accounts Receivables - Outstanding Imprests

The statement of financial assets and liabilities reflects accounts receivables - outstanding imprests balance of Kshs.386,800, as further disclosed in Note 14 to the financial statements. However, the balance excludes imprests brought forward from the previous year totalling Kshs.13,845,683 whose surrender during the year has not been confirmed as the respective imprest surrender and journal vouchers have not been availed for audit review.

As a result, the accuracy and completeness of the receivables-outstanding imprests balance totalling Kshs.386,800 as at 30 June, 2019 has not been confirmed.

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

Budgetary Performance

The statement of comparison of budget and actual amounts; recurrent and development combined reflects actual receipts and expenditure on comparable basis of Kshs.544,004,862 and Kshs.527,324,722 respectively resulting to under-expenditure of Kshs.16,680,140 or 3% as detailed below:

Receipt / Expense Item	Final Budget 2018/2019 (Kshs.)	Actual on comparable Basis (Kshs.)	Under /(Over) Expenditure (Kshs.)	% Variance
Total Receipts	549,006,348	544,004,862	(5,001,486)	-1%
Compensation of Employees	265,661,558	265,627,249	34,309	0%
Use of Goods and Services	176,518,340	164,890,664	11,627,676	7%
Social Security Benefit	22,476,090	24,432,535	(1,956,445)	-9%
Acquisition of Assets	84,350,360	72,374,274	11,976,086	14%
Total	**544,004,862**	**527,324,722**	**16,680,140**	**3%**

The under-expenditure amounting to Kshs.16,680,140 implies that the County Assembly did not implement all development projects and activities planned for the year.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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, because of the significance of the matters discussed in the Basis for Adverse opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

Regulation 158(1)(a) and (b) of the Public Finance Management Act (County Government) Regulations, 2015 requires each Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal controls that build robust business operations.

However, no evidence has been provided to show that a Risk Management Policy exists to guide the managerial operations of the County Assembly.

In the absence of a Risk Management Policy, Management lacks objective means to contain the adverse effects of unfavorable events that may affect the operations of the County Assembly.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to dissolve the County Assembly, or 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 that 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 Assembly monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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

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

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

15 January, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 Kshs	2017/18 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	544,004,862	592,509,484
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**544,004,862**	**592,509,484**
PAYMENTS			
Compensation of Employees	4	265,627,249	221,324,361.00
Use of goods and services	5	164,890,664	190,285,222.00
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	135,000,000.00
Other grants and transfers	8	-	-
Social Security Benefits	9	24,432,535	8,759,384.40
Acquisition of Assets	10	72,374,274	48,491,292.00
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		**527,324,722**	**603,860,259.60**
SURPLUS/DEFICIT		**16,680,140**	**(11,350,775.60)**

COUNTY ASSEMBLY OF SAMBURU CLERK 01 DEC 2019 P.O. BOX 3... MARALAL

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 1.12.2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamais Leshore

Director Finance – County Assembly
Name:Nelson Joseph Lesorogol
ICPAK Member No.22366

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2018/19	2017/18
FINANCIAL ASSETS	**Note**	**Kshs**	**Kshs**
Cash and Cash Equivalents			
Bank Balances	13A	15,518,826	1,530,747.75
Cash Balances	13B	-	-
Total Cash and cash equivalents		**15,518,826**	**1,530,747.75**
Accounts receivables – Outstanding Imprests	14	386,800.00	13,845,683.00
TOTAL FINANCIAL ASSETS		**15,905,626**	**15,376,430.75**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**15,905,626**	**-**
REPRESENTED BY			
Fund balance b/fwd	16	-	
Surplus/Deficit for the year		16,680,140	-11,350,775.60
NET FINANCIAL POSITION		**16,680,140**	**-11,350,775.60**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 1-12-2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamais Leshore

Director Finance - County Assembly
Name: Nelson Joseph Lesorogol
ICPAK Member Number: 22366

5.3. STATEMENT OF CASH FLOWS

	Note	2018/19 Kshs	2017/18 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	544,004,862	592,509,484.00
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	265,627,249	221,324,361.25
Use of goods and services	5	164,890,664	151,235,553.15
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	135,000,000.00
Other grants and transfers	8	-	-
Social Security Benefits	9	24,432,535	8,759,384.40
Finance Costs	11	-	-
Other Payments	12		-
Adjusted for:			
Adjustments during the year		-	-
Changes in Receivable		386,800	13,527,548.00
Net cash flows from operating activities		**88,667,614**	**62,662,637.00**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	72,374,274	48,491,292.00
Net cash flows from investing activities		**72,374,274**	**48,491,292.00**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**16,293,340**	**-**
Cash and cash equivalent at BEGINNING of the year	13	-	**6,624,177.00**
Cash and cash equivalent at END of the year		**15,518,826**	**6,624,177.00**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 1.12.2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamais Leshore

Director Finance – County Assembly
Name: Nelson Joseph Lesorogol
ICPAK Member Number: 22366

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P.O. Box 3-20600, MARALAL

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	Kshs	Kshs	c=a+b	d	e=d-c	Kshs
RECEIPTS						
Transfers from the County Treasury/Exchequer Releases	534,006,348	15,000,000	549,006,348	544,004,862	(4,961,486)	99.12%
Proceeds from Sale of Assets	-	-	-		-	-
Other Receipts	-	-	-		-	-
TOTAL	534,006,348	15,000,000	549,006,348	544,004,862	(4,961,486)	-
PAYMENTS						
Compensation of Employees	242,804,766	22,856,792	265,661,558	265,627,249	(34,309)	99.99%
Use of goods and services	150,591,600	25,926,740	176,518,340	164,890,664	(11,627,676)	93.41%
Subsidies	-	-	-		-	-
Transfers to Other Government Entities	-	-	-		-	-
Other grants and transfers	-	-	-		-	-
Social Security Benefits	31,909,982	(9,433,892)	22,476,090	24,432,535	1,956,445	108.70%
Acquisition of Assets	108,700,000	(24,349,640)	84,350,360	72,374,274	(11,976,086)	85.80%
Finance Costs	-	-	-		-	-
Other Payments	-	-	-		-	-
TOTAL	**534,006,348**	**15,000,000**	**549,006,348**	**527,324,722**	**(21,681,626)**	-
SURPLUS/ DEFICIT	-	-	-	**16,680,140**		

The entity financial statements were approved on 1.12.2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamais Leshore

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P. O. Box 3-20600, MARALAL

Director Finance – County Assembly
Name: Nelson Joseph Lesorogol
ICPAK Member Number: 22366

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Utilization Difference
	a	b	c=a+b	d	e=d-c	
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	454,006,348	20,000,000	474,006,348	474,006,348	-	100%
Proceeds from Sale of Assets	-	-	-		-	-
Other Receipts	-	-	-		-	-
TOTAL	454,006,348	20,000,000	474,006,348	474,006,348	-	-
PAYMENTS						
Compensation of Employees	242,804,766	22,856,792	265,661,558	265,627,249	(34,309)	99.98%
Use of goods and services	150,591,600	25,926,740	176,518,340	164,890,664	(11,627,676)	93.41%
Subsidies	-	-	-		-	-
Transfers to Other Government Entities	-	-	-		-	-
Other grants and transfers	-	-	-		-	-
Social Security Benefits	31,909,982	(9,433,892)	22,476,090	24,432,535	1,956,445	108.7%
Acquisition of Assets	28,700,000	(19,349,640)	9,350,360	2,375,760	(6,974,600)	25.41%
Finance Costs	-	-	-		-	-
Other Payments	-	-	-		-	-
TOTAL	**454,006,348**	**20,000,000**	**474,006,348**	**457,326,208**		**96.48%**
Surplus/ Deficit	-	-	-	**16,680,140**		

On the Acquisition of assets, the assembly budgeted for motor vehicles which were not bought and hence the underutilization.

(The entity financial statements were approved on 1.12.2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamais Leshore

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P. O. Box 3-20600, MARALAL

Director Finance – County Assembly
Name: Nelson Joseph Lesorogol
ICPAK Member Number: 22366

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Utilization difference
	Kshs	Kshs	c=a+b	d	e=d-c	Kshs
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	80,000,000	(5,000,000)	75,000,000	69,998,514	(5,001,486)	93%
Proceeds from Sale of Assets	-	-	-		-	-
Other Receipts	-	-	-		-	-
TOTAL	-	-	-		-	-
PAYMENTS						
Compensation of Employees	-	-	-		-	-
Use of goods and services	-	-	-		-	-
Subsidies	-	-	-		-	-
Transfers to Other Government Entities	-	-	-		-	-
Other grants and transfers	-	-	-		-	-
Social Security Benefits	-	-	-		-	-
Acquisition of Assets	80,000,000	(5,000,000)	75,000,000	69,998,514	(5,001,486)	93%
Finance Costs	-	-	-		-	-
Other Payments	-	-	-		-	-
TOTAL	**80,000,000**	**(5,000,000)**	**75,000,000**	**69,998,514**	**(5,001,486)**	-
SURPLUS/ DEFICIT	-	-	-	-	-	-

The entity financial statements were approved on 1.12.2019 and signed by:

Clerk of the Assembly
Name: Patrick Kamahis Leshore

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P. O. Box 3 - 20600, MARALAL

Director Finance– County Assembly
Name: Nelson Joseph Lesorogol
ICPAK Member Number: 22366

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1 - Recurrent					
Sub-programme 1 – Legislative and oversight	40,933,060	12,877,891	53,810,951	52,903,482	907,469
Sub-programme 2 – County Assembly Administration.	193,079,291	23,312,083	216,391,374	213,171,201	3,220,173
Sub-programme 3- Representation	219,993,997	16,189,974	203,804,023	191,251,525	12,552,498
	454,006,348	**20,000,000**	**474,006,348**	**457,326,208**	**16,680,140**
Programme 2 - Development					
Sub-programme 1	80,000,000	(5,000,000)	75,000,000	69,998,514	5,001,486
Sub-programme 2					
Sub-programme 3					
TOTAL	**534,006,348**	**15,000,000**	**549,006,348**	**527,324,722**	**21,681,626**

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

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

Restriction on cash

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

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

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

10. Budget

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

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.8. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	Kshs	Kshs
Transfers from the County Treasury for Q1	125,473,037	58,679300.00
Transfers from the County Treasury for Q2	100,000,000	117,919,446.00
Transfers from the County Treasury for Q3	100,000,000	119,239,502.00
Transfers from the County Treasury for Q4	218,531,825	296,671,236.00
Cumulative Amount	**544,004,862**	**592,509,484.00**

2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEIPTS

	2018/19	2017/18
	Kshs	Kshs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	Kshs	Kshs
Basic salaries of permanent employees	162,509,456.00	135,156,810.20
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	103,117,793.00	86,167,551.05
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**265,627,249.00**	**221,324,361.25**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	Kshs	Kshs
Utilities, supplies and services	747,916.00	2,418,861.30
Communication, supplies and services	5,095,740.00	3,876,128.95
Domestic travel and subsistence	60,487,589.00	39,898,536.50
Foreign travel and subsistence	18,939,812.00	22,507,298.00
Printing, advertising and information supplies & services	2,490,775.00	3,088,480.00
Rentals of produced assets	2,653,700.00	525,000.00
Training expenses	6,209,500.00	14,395,091.00
Hospitality supplies and services	10,622,442.00	5,340,791.00
Insurance costs	5,738,209.00	21,518,258.00
Specialized materials and services	1,861,475.00	2,031,243.00
Fuel oil and Lubricant	8,324,119.00	5,839,689.00
Office and general supplies and services	9,032,320.00	5,093,696.40
Other operating expenses	19,875,268.00	26,400,192.00
Individual Loans (Mortgage & Car Loans)	-	-
Routine maintenance – vehicles and other transport equipment	11,285,859.00	3,413,935.00
Routine maintenance – other assets	1,525,940.00	274,280.00
System Required expenses		33,663,741.80
Total	**164,890,664.00**	**190,285,221.95**

Kshs 135,000,000 transferred to county assembly car and mortgage fund but erroneously reflected under use of goods and services in financial year 2017/2018 has been reclassified to correct the error.

5. SUBSIDIES

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

6. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19 KShs	2017/18 KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	135,000,000
(insert name of budget agency)	-	-
TOTAL	-	135,000,000

Kshs 135,000,000 transferred to county assembly car and mortgage fund but erroneously reflected under use of goods and services in financial year 2017/2018 has been reclassified to correct the error.

7. OTHER GRANTS AND TRANSFERS

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

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	Kshs	Kshs
Government pension and retirement benefits	24,432,535.00	8,759,384.00
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**24,432,535.00**	**8,759,384.00**

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	69,998,514.00	48,491,292.00
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	1,352,760.00	-
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	1,023,000.00	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	**72,374,274.00**	**48,491,292.00**
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	-	-
Total	**72,374,274.00**	**48,491,292.00**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/19	2017/18
	Kshs	Kshs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	-	-

12. OTHER PAYMENTS

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

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/19	2017/18
		Kshs	Kshs
Samburu County Assembly Recurrent. No. 1000195517, Kshs recurrent	Recurrent Acc	15,518,826.00	22,040.00
Samburu County Development, Recurrent. No. 1000195517, Kshs recurrent	Development Acc	-	1,508,708.00
Name of Bank, Acc. No. & currency	Deposits Acc	-	-
Name of Bank, Acc. No. & currency	Commercial Bank Accs.	-	-
Total		**15,518,826.00**	**1,530,748.00**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

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

Cash in hand should be analysed as follows:

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

13. ACCOUNTS RECEIVABLE

	2018/19 KShs	2017/18 KShs
Government Imprests	386,800.00	13,845,683
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	
Total	**386,800.00**	**13,845,683**

Transfers to car and mortgage fund of Kshs 135,000,000 reflected under accounts receivable have in financial year 2017/2018 have been reclassified to correct the error.

14. ACCOUNTS PAYABLE

	2018/19 KShs	2017/18 KShs
Deposits	-	-
Retentions	-	-
Cash Due to County Executive		15,527,401.90
Total	-	**15,527,401.90**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	-	-

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	Kshs	Kshs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	-	-

5.9. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	263,128,916	-	-69,998,514	193,130,402.00
Construction of civil works	-	-	-	-
Supply of goods	841,000	460,984		1,301,984.00
Supply of services	-	1,775,652	-	1,775,652.00
Total	263,969,916	2,236,636	(69,998,514)	196,208,038.00

2. PENDING STAFF PAYABLES (See Annex 2)

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

3. OTHER PENDING PAYABLES (See Annex 3)

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

4. RELATED PARTY DISCLOSURES

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

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

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2018- 2019	2017- 2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	-	-
Key Management Compensation(Clerk and Heads of departments)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the County Executive- Exchequer	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Inaccuracy of financial system	IFMIS challenges in data generation	David Lerno, Principal Finance officer	Not resolved	Pending amendment and Re-Audit
2	Variance between financial statements and IFMIS figures	IFMIS challenges in data generation	David Lerno, Principal Finance officer	Not resolved	Pending
3	Unaccounted for ward office expenses	Receipts provided	David Lerno, Principal Finance officer	Resolved	30-June-2019
4	Unsupported bank balances	All necessary data provided	David Lerno, Principal Finance officer	Resolved	30-June-2019
5	Accounts Receivable	Disparities noted, mortgage expensed as expenditure.	David Lerno, Principal Finance officer	Adjustments done.	30-June-2019
6	Pending Bills	Pending bills have been cleared on current year.	David Lerno, Principal Finance officer	Resolved	30-June-2019

Guidance Notes:

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

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

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

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

Clerk of the County Assembly

Sign.....

Date.....1-12-19.....

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign:.....
P. O. Box 3-20600, MARALAL

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
1. Master Consortium Ltd	105,450,310	2014	82,013,550	23,436,760	34,776,487	77% Absorption
2. Green County Construction Ltd	262,098,210	2017	149,475,479	112,622,731	171,281,512	57% Absorption
3. Exchange Investment Limited	17,000,916	Awarded	-	17,000,916	17,000,916	NIL
4. Nurkey Technical Services Ltd	18,988,500	Awarded	-	18,988,500	18,988,500	NIL
5. White Stallion Designs Ltd	21,081,495	Awarded	-	21,081,495	21,081,495	NIL
Sub-Total	**424,619,431**		**231,489,029**	**193,130,402**	**263,128,910**	
Construction of civil works						
Sub-Total						
Supply of goods,						
6. Fairdeal Furnitures Limited	841,000	2018	-	841,000	841,000	
7. Stavic Apparels	460,984	2018	-	460,984	-	
Sub-Total	**1,301,984**			**1,301,984**	**841,000**	
Supply of services						
8. Ortiz Auto Garage	251,900	2018	-	251,900	-	
9. Human Resource Management	36,500	2018	-	36,500	-	
10. Lekos's Service Station	175,605	2018	-	175,605	-	
11. Season Guest House	40,500	2018	-	40,500	-	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
12. Ortiz Auto Garage	120,000	2018	-	120,000	-	
13. Leshangri la Inn Hotel	31,500	2018	-	31,500	-	
14. Kenya School of Government	116,400	2018	-	116,400	-	
15. The Great County Inn Hotel	76,908	2018	-	76,908	-	
16. Season Guest House	107,750	2018	-	107,750	-	
17. The Standard Group	133,400	2018	-	133,400	-	
18. Toyota Maralal Limited	534,389	2018	-	534,389	-	
19. Kenya Instute of Supply Management	150,800	2018	-	150,800	-	
Sub-Total	**1,775,652**			**1,775,652**	-	
Grand Total	**3,077,636**		-	**3,077,636**	**841,000**	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

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

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (Kshs) 2018/19
Land	32,500,000	-	-	-	32,500,000
Buildings and structures	77,225,633	-	-	-	77,225,633
Motor Vehicle	59,913,134	-	-	-	59,913,134
Office equipment, furniture and fittings	15,495,045	498,760	-	-	15,993,805
ICT Equipment	15,958,160	854,000	-	-	16,812,160
Machinery and Equipment	4,979,872	1,023,000	-	-	6,002,872
Biological assets	-	-	-	-	-
Infrastructure Assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work In Progress	161,490,515	69,998,514	-	-	231,489,029
Total	367,562,359	72,374,274	-	-	439,936,633

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
David Lmasintae Lerno	17/12/2018	84,000	-	84,000
Simon Lolonyokies	14/01/2019	70,000	-	70,000
Simon Lolonyokies	06/05/2019	25,200	-	25,200
Simon Lolonyokies	27/05/2019	180,000	-	180,000
Thomas Mwangi Leshipayo	21/02/2019	27,600	-	27,600
Total				**386,800**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attached FO 30)

REPUBLIC OF KENYA
BANK RECONCILIATION

F.O. 30
SAMBURU - COUNTY ASSEMBLY

From Date : 01-JUL-18 To : 30-JUN-19
Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000195525
SAMBURU COUNTY ASSEMBLY DEVELOPMENT ACC

Balance as per bank certificate	0.00
Add	
1. Payment in Cash Book not yet recorded in Bank Statement	
(Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Less --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	0.00

Reviewed by : Christopher Sabato Signature: ..... Date: 1-12-19

Reconciled by: Kesiron Nelson Signature: ..... Date: 1-12-19

Approved by: Paina Lechore Signature: ..... Date: 1-12-19

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign: .....
P.O. Box 3-20600, MARALAL

F.O 30

REPUBLIC OF KENYA

BANK RECONCILIATION

FROM DATE 01-JUN_2019 TO : 30-Jun-2019
ACCOUNT NAME : SAMBURU COUNTY ASSEMBLY
BANK : RECURRENT ACCOUNT NUMBER 1000195517

Balance as per bank Certificate	59,718,135.65
Less	
1. Payment in CashBook not yet recorded in bank Statement (Unpresnted Cheques)	44,199,310.00
2. Receipts in Bank Statement not yet recorded in cash Book	
Add	
3.Payment in Bank Statement not yet recorded in Cash Book	
4. Receipt in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	15,518,825.65

Reviewed by : Christopher Sabuto ..... Signature: ..... Date: 1-12-19.

Reconciled by: Lesuraj J Nelson ..... Signature: ..... Date: 1-12-19

Approved by: Rahna Lachore ..... Signature: ..... Date: 1-12-19

COUNTY ASSEMBLY OF SAMBURU
CLERK
01 DEC 2019
Sign: .....
P.O. Box 3-20600, MARALAL