REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF TANA RIVER

FOR THE YEAR ENDED 30 JUNE, 2019

COUNTY GOVERNMENT OF TANA RIVER
COUNTY EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Tana River 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 county Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in Charge of the County Treasury. One of the functions of the CEC – Finance is financial reporting at the County level.

b) Key Management

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

Name	Designation	Date of holding office
H.E. Major (Rtd) Dhadho Gadae Godhana	County Governor	2017-2022
H.E Salim Batuyu	Deputy County Governor	2017-2022
Mr. Salim Bagana	Acting County Secretary	2017-2019
Mrs. Khadija Harufa Algi	CEC Public Service Management, Administration & ICT	2018-2022
Mr. Abbas Kunyo	CEC Education, Vocational Training and Sports, Culture, Social Service and Gender	2018-2022
Mrs. Mwanajuma Habwoka Mabuke	CEC Health, Sanitation and Medical Services	2018-2022
Mr. Javan Bonaya	CEC Agriculture, Lands Livestock, Veterinary and Fisheries	2018-2022
Mr. Mathew Babwoya Buya	CEC Finance and Economic Planning	2018-2022
Mr. Stephen Wachira Kariuki	CEC Roads, Transport, Public Works and Urbanisation	2018-2022
Mr. Yahya Ali Barrow	CEC Trade, Industrialisation & Tourism	2018-2022
Mr. Mohamed Hassan Dube	CEC Water, Irrigation, Environment and Natural resources	2018-2022

c) Fiduciary Management

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

No.	Name	Designation
1.	Mr. Mathew Babwoya Buya	CEC Finance & Economic Planning
2.	Mr. Hero Bwanamaka	County Chief Officer Finance & Economic Planning
3.	Mr. Erick Wasonga	County Chief Officer Culture and Sports
4.	Mr. Buya Phares	County Chief Officer Agriculture
5.	Angelina Wama	County Chief Officer Public Works, Housing and Urban
6.	Mr. Jeremiah Gijo	County Chief Officer Roads
7.	Kanchoru Golo	County Chief Officer Trade
8.	Fatuma Bona	County Chief Officer Education
9.	Siraj Mohamed	County Chief Officer Livestock, Fisheries and Veterinary
10.	Salma Makuru	County Chief Officer Special Programme
11.	Mr. Hussein Soba	County Chief Officer Public Service and Admin.
12.	Mr. Alphonce Soso	County Chief Officer Water
13.	Mr. George Kase	County Chief Officer Health and Sanitation
14.	Mr. Francis Malibe	County Chief Officer Lands
15.	Mr. Ahmed Barako	County Chief Officer Environment
16.	Mr. Francis Ndegwa	County Director Finance
17.	Mr. Cornelius Wamukoya	Principal Accountant

d) Fiduciary Oversight Arrangements

The County Assembly Accounts and Investment Committee has the responsibility of examining the county government accounts particularly those reporting on appropriation granted by the County Assembly to meet public expenditure. The Committee also follows up on the audit report from the auditor general.
The other fiduciary oversight bodies at the County during the year,

1. Audit Committee;
2. Public Accounts Committee; and
3. Budget and Appropriations Committee.

The Head of Internal Audit who reports on:

1) Adequacy and effectiveness of CGE's internal control system
2) Adequacy and effectiveness of the entity's risk management
3) Likely causes of any weaknesses observed, implications and agreed remedies

The Controller of Budget also monitors and controls on the budget limits.

e) Entity Headquarters

Tana River County Government
P.O. Box 29 -70101
Trade House
County Council Road
Hola, Kenya

f) Entity Contacts

Telephone: (254) 073062600
E-mail: info@tanariver.go.ke
Website: www.tanariver.go.ke

g) Entity Bankers

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

2. Kenya Commercial Bank
   Hola Branch
   P.O. Box 100-70101
   Hola, Kenya

3. Equity Bank
   Hola Branch
   P.O. Box 182-70101
   Hola, Kenya

h) Independent Auditors

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

It is my pleasure to present the Tana River County government financial statements for the year ended 30th June 2019. The financial statements present the financial performance of the County Government over the past year.

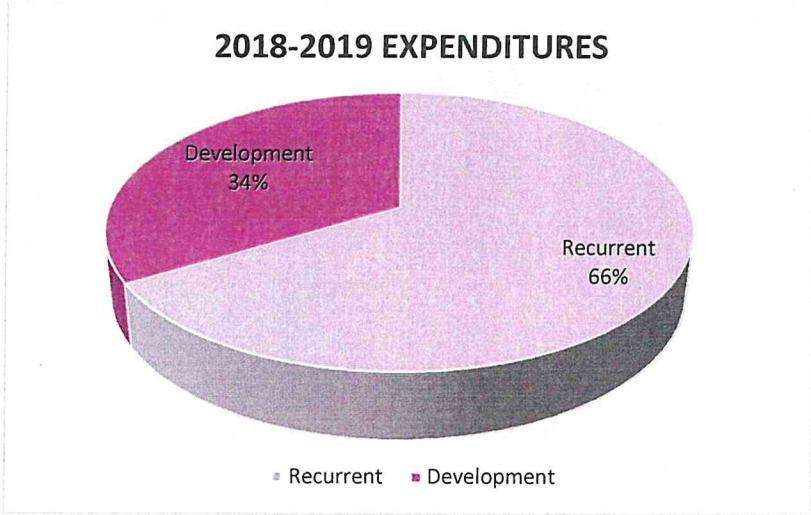
The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

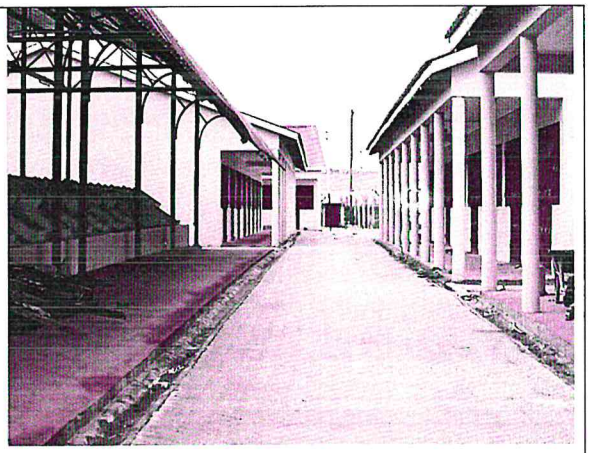
The County also finances its operations through own generated revenues. For the first time, the County has met the revenue target by 106%. These are revenues collected within the County. They key local revenue sources for Tana River County included business permits, land rates, natural resources exploitation, livestock cesses and various other administrative charges.

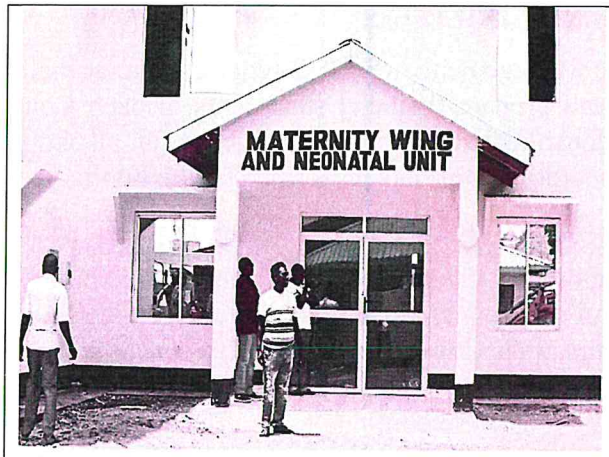
The County has also used devolved funds quite sound. The development payments were 1,990,073,263 against recurrent payments of 4,092,956,471. This makes development expenditure to be 33% which is well above the statutory threshold. This can be well pictured as below:



The County still continues to explore new and innovative ways of increasing its local revenue collections.

The county has witnessed tremendous growth in the sectors like health, water, infrastructure, agriculture and energy during the financial year under review which has transformed the lives of residents of Tana River County. However, there were various challenges key among them being lack of audit committee, IFMIS connectivity problems as well as Internet Banking, delayed disbursement of funds from National Treasury, shortage of trained personnel among others. A pictorial view of sum of the achievements:

<table>
<tr><td> </td><td>  </td></tr>
<tr><td>A total of Kes. 160m was released to Ward Bursary Fund to benefit needy students.</td><td>More than 25m advanced to complete the Stalled Garsen Market.</td></tr>
<tr><td> </td><td> </td></tr>
<tr><td>Over 70m was used to acquire a borehole rig to resolve the seasonal water shortage in the County.</td><td>The County acquired fire engines to respond to any unforeseen disasters.</td></tr>
</table>



The recently commissioned Maternity Wing

Tractors bought during the FY 2018/2019

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.

In view of the above it is my pleasure to forward the Tana River County Government's financial statements for the year ending 30th June 2019. The statements are prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standards (IPSAS).

The statements presented include: A statement of Receipts and Payments, a statement of Assets and Liabilities, Cash flow Statement, a statement of Comparative budget and actual amounts, a statement of Pending bills, a summary of significant accounting policies, a statement of outstanding imprest and Notes to the Financial Statements.

CEC Finance and Economic Planning

Tana River County Government

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 18/12/ 2019.

County Executive Committee Member – Finance

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OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF TANA RIVER 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 Tana River set out on pages 1 to 48, which comprise the statement of financial assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Tana River as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1. Variances Between IFMIS Trial Balance, IFMIS Notes to the Financial Statements, and Financial Statement Figures

Comparison of figures presented in the financial statements and the trial balance generated from IFMIS revealed material variances between the two sets of records. Review of four components in the statement of receipts and payments revealed an amount of Kshs.4,039,917,911 in the financial statements against an amount of Kshs.2,887,791,152 in the IFMIS trail balance resulting to a variance of Kshs.1,152,126,759.

Consequently, the completeness and accuracy of payments figure amounting to Kshs.4,039,917,911 reflected in the statement of receipts cannot not be confirmed.

1.2. Inaccuracies in Bank Reconciliations

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.229,290,521 as at 30 June, 2019. However, examination of cash books, bank statements and bank reconciliation statements for the bank accounts maintained for the period under review revealed the following anomalies: -

i) According to bank reconciliation statement for Tana River County Revenue account, the adjusted cash book balance is Kshs.108,068,767. However, Exchequer requisitions amounting to Kshs.381,914,100 were incorrectly indicated in the reconciliation as payments in cash book not recorded in bank statements.

ii) The bank reconciliation statement for Tana River recurrent account, reflects the adjusted cash book balance of Kshs.722,646. However, payments pending transmission and approvals amounting to Kshs.256,584,472 were incorrectly captured in cash book as paid.

iii) The bank reconciliation statement for Tana River County Health conditional grant account adjusted cash book balance is Kshs.10,634,844. Payments pending approval amounting to Kshs.12,218,362 were incorrectly indicated as payments in cash book not recorded in bank statements.

iv) The bank reconciliation statement for Tana River County development account adjusted cash book balance is Kshs.137,154. Payments pending transmission and approval amounting to Kshs.386,999,999 were incorrectly indicated as payments in cash book not recorded in bank statements.

v) The bank reconciliation statement for Tana River County Road Maintenance Levy Fund account adjusted cash book balance is Kshs.1,294,405. Payments pending transmission amounting to Kshs.11,777,881 were incorrectly indicated as payments in cash book not recorded in bank statements.

vi) The bank statements and reconciled cash book balances for the following bank accounts were not provided for audit review:

a) Tana River County Deposit account
b) Tana River County Standing Imprest account
c) Tana River County Revenue Collection account

v) The Kenya Devolution Support Programme account with a balance of Kshs.3,912,330 had not been supported with bank statements, cash books, certificate of bank balances and bank reconciliation statements.

In view of the above, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.229,290,521 as at 30 June, 2019 is fairly stated.

2. Inaccuracies in the Statement of Cash flows

The statement of cash flows reflects net cash flows from operating activities, investing activities and financing activities of Kshs.1,144,525,045, negative Kshs.1,990,073,263 and Nil respectively. This resulted in net increase in cash and cash equivalents of negative Kshs.845,548,218 as at 30 June, 2019 against a net increase in cash and cash equivalents of Kshs.914,009,282 reflected in the cash flow statement resulting to an unreconciled difference of Kshs.68,461,063.

Similarly, the total payments from operating expenses reflects a figure of Kshs.4,024,495,407 while recasting of the figures reveals a total of Kshs.4,092,956,471 leading to an unexplained variance of Kshs.68,461,063.

In view of the above it has not been possible to confirm that the cash and cash equivalents balance of Kshs.229,290,521 as at 30 June, 2019 is fairly stated.

3. Budget Variances

The approved supplementary budget for the County Executive reflected an amount of Kshs.7,573,363,872 for the year ended 30 June, 2019. However, a review of the statement of appropriation (recurrent and development combined) reflects an amount of Kshs.6,276,322,207 as the final budget resulting to an unexplained variance of Kshs.1,297,785,524.

In addition, a comparison between the statement of appropriation (recurrent and development combined) and the Budget Execution Programme showed variances between the final budget and the actual on comparable basis with a final budget figure of Kshs.6,276,322,207 against a balance of Kshs.7,127,528,690 leading to a variance of Kshs.851,206,483. Also, the statement of appropriation reflected an actual figure of Kshs.6,083,029,734 against an actual figure of Kshs.5,081,411,269 under budget by programme and sub programme leading to a variance of Kshs.1,001,618,465. The variances were not explained or reconciled and the approval by the County Assembly in support of the variances was not availed for audit verification.

Consequently, it was not possible to ascertain the accuracy of the budget figures indicated in the financial statements.

4. Un-Explained Adjustments

Note 12 and 17 to the financial statements reflects amounts of Kshs.1,436,298,631 and Kshs.1,990,073,263 for use of goods and services and for acquisition of assets respectively. However, audit scrutiny of the ledgers and schedules supporting the financial statements for the year under review revealed unexplained adjustment of Kshs.68,172,770 which constitutes Kshs.35,262,162 for use of goods and services and Kshs.32,910,608 for acquisition of assets. The ledgers did not indicate names of the payees, payment voucher numbers, the accounts charged for the payments or the description of the payments hence making it difficult to understand the nature and purpose of the expenditure.

In the circumstances, it was not possible to confirm the accuracy of Kshs.1,436,298,631 and Kshs.1,990,073,263 on use of goods and services and acquisition of assets respectively for the year ended 30 June, 2019.

5. Irregular Re-Allocation of Funds

Review of the ledgers/schedules supporting the financial statements and examination of payment vouchers revealed expenditure amounting to Kshs.247,021,723 out of which Kshs.188,444,386 was incurred in respect of use of goods and services and Kshs.58,577,609 for acquisition of assets. However, these expenditures were re-allocated to other components in contravention of section 47(1)(e) of the Public Finance Management (County Governments) Regulations, 2015 which states that allocations earmarked by the County Treasury for a specific purpose may not be used for other purposes except with the Treasury's approval. The re-allocations were not approved by the County Assembly as required by Section 48 of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, the regularity of the expenditure of Kshs.247,021,723 on use of goods and services and acquisition of assets during the year could not be ascertained.

6. Payments Without Clear Description

Scrutiny of the ledgers/schedules supporting the financial statements and examination of payment vouchers revealed expenditure amounting to Kshs.100,450,797 in respect of use of goods and services of Kshs.10,864,921 and acquisition of assets of Kshs.89,585,876 for the year under review. However, there was no proper description showing nature and purpose of payment made making it difficult to ascertain the authenticity of the transactions.

In the circumstances, it was not possible to confirm the legality of the expenditure of Kshs.100,450,797 for the year 30 June, 2019.

7. Unsupported Expenditure

7.1 Unsupported Compensation of Employees

The compensation of employees reflects Kshs.1,482,807,360 for the year under review. However, a review of the monthly Integrated Payroll and Personnel Data (IPPD) and excel payroll summaries indicated a total expenditure of Kshs.1,416,559,887 resulting to an unexplained variance of Kshs.66,247,473 between the two sets of documents.

Consequently, the accuracy, completeness and validity of the compensation of employees' figure of Kshs.1,482,807,360 for the year ended 30 June, 2019 could not be confirmed.

7.2 Un-Supported Expenditure on Use of Goods and Services

The statements of receipts and payments and Note 12 to the financial statements reflects use of goods and services figure of Kshs.1,436,298,631. A review of the expenditure records availed for audit review revealed that an amount of

Kshs.103,179,714 was not supported with the relevant documents. Although the payment vouchers were availed for audit review, there were no supporting documents attached to confirm the items paid. Also, payments of Kshs.15,920,300 was spent on various items which were not supported with payment vouchers and other relevant documents to confirm the use of the funds. This is contrary to Section 104(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that all receipts and payment vouchers of public moneys shall be properly supported by the appropriate authority and documentation.

Consequently, it was not possible to confirm the validity of expenditure amounting to Kshs.103,179,714 and Kshs.15,920,300 on goods and services for the year ended 30 June, 2019.

7.3. Unsupported Rentals of Produced Assets

Included in the use of goods and services figure of Kshs.1,436,298,631 under Note 12 to the financial statements is an amount of Kshs.26,271,800 incurred on hire of motor vehicles. However, review of the expenditure revealed that various relevant documents including lease approvals, quotations, lease agreements and logbooks were not provided for audit review to support the expenditure.

In the circumstances, the validity of the expenditure on hire of motor vehicles of Kshs.26,271,800 for the year ended 30 June, 2019 could not be ascertained.

8. Un-Supported Payments on Acquisition of Assets

Note 17 to the financial statements reflects an acquisition of assets figure of Kshs.1,990,073,263 as at 30 June, 2019 which in turn includes Kshs.102,758,705 which however was not supported with the relevant supporting documents such as requisitions from user departments, invoices, and professional opinion. In addition, there were no certificates of completion.

In the circumstances, the accuracy and completeness of the expenditure for acquisition of assets of Kshs.102,758,705 as at 30 June, 2019 could not be confirmed.

9. Irregular Payment of Allowances

Included in the use of goods and services figure of Kshs.1,436,298,631 under Note 12 to the financial statements for the year under review is an expenditure of Kshs.351,295,869 incurred on domestic travel and subsistence and other transportation costs. However, an audit review of the expenditure and other supporting records revealed that an amount of Kshs.29,262,940 was paid to Officers who attended workshops and seminars which were fully sponsored by the organizers.

In the circumstances, the regularity of Kshs.29,262,940 expensed on domestic travel and subsistence and other transport costs for the year ended 30 June, 2019 could not be ascertained.

10. Un-Accounted for Funds for Development Projects

The County Executive allocated Kshs.2,729,223,664 for implementation of development projects in the County. This included Kshs.641,587,891 for settlement of pending bills, Kshs.153,571,894 for roads maintenance levy fund pending bills and Kshs.1,934,063,879 for implementation of new projects during the year. The Management was able to support expenditure of Kshs.178,335,896 resulting to a difference of Kshs.1,755,727,983 which could not be supported.

In the circumstances, the validity and the authenticity of the amount of Kshs.1,755,727,983 allocated to new projects for the year ended 30 June, 2019 could not be ascertained.

11. Unauthorised Expenditure on Rehabilitation of Civil Works Without Budgetary Provision

The statement of receipts and payments reflects rehabilitation of civil works figure of Kshs.388,956,268 as at 30 June, 2019. Review of the supplementary budget estimates revealed that there was no provision for rehabilitation of civil works in the budget. This is contrary to the provisions of Section 42(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an Accounting Officer shall ensure that public funds entrusted to their care are properly safeguarded and are only applied for the purposes for which they were intended and appropriated by the County Assembly.

Consequently, the Management is in breach of the Law.

12. Non-Preparation of Fund Accounts

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.229,290,521 as at 30 June, 2019. Included in this balance is an amount of Kshs.98,432,699 for a fund and projects accounts as listed below.

Account	Account Type	Balance as at 30 June, 2019 Kshs.
Tana River County Kenya Climate Smart Agriculture Project - 1000365862	Grants with separate financial statements	8,196,940
Tana River County KCSAP - 1000386118	Grants with separate financial statements	3,912,330
IDEAS LED Project Account - 1240740387	Grants with separate financial statements	653,499
Tana River County IDEAS LED Milk Project - 1253298769	Grants with separate financial statements	40,683,670
Tana River County IDEAS LED Fish Project - 1253299730	Grants with separate financial statements	44,565,022
Tana River Ward Bursary Fund account - 1166389197	County Executive Fund with separate financial statements	421,238
Total		**98,432,699**

It was noted that the accounts had separate books of accounts and separate financial statements prepared and, therefore, the balances should have been reported separately from the County Executive's financial statements.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.229,290,521 as at 30 June, 2019 could not be confirmed.

13. Un-Supported Pending Bills

Annex 2 and other important disclosures to the financial statements disclosed pending bills amounting to Kshs.2,421,197,210 as at 30 June, 2019. However, a review of the pending bills revealed the following anomalies: -

i) The disclosure was not done in accordance with current financial statements reporting templates which requires entities to disclose the opening balances of the pending bills, additions for the period, pending bills paid during the year and the closing balances. The Management has disclosed only the opening and the closing pending bills balances.

ii) The analysis of the pending bills did not disclose the period the pending bill relate to. Details of the goods, works and services delivered/rendered were also not disclosed.

iii) The Executive did not maintain creditors ledgers showing creditors movement from Kshs.1,671,114,308 as at 30 June, 2018 to Kshs.2,421,197,210 reported in the year ended 30 June, 2019

In the circumstances, the accuracy, completeness and existence of the pending bills balance of Kshs.2,421,197,210 as at 30 June, 2019 could not be ascertained.

14. Inaccuracies in Fixed Assets Register

The County Executive procured ten (10) agricultural tractors at a contract sum of Kshs.43,630,710. However, a review of the financial statements revealed that the expenditure was not reported under acquisition of assets in Note 17 to the financial statements. No reason was given for not reporting the expenditure as part of the acquisition of assets.

In addition, Annex 5 to the financial statements reflects total fixed assets balance of Kshs.3,315,037,522 as at 30 June, 2019 comprising of eight classes of fixed assets. However, the assets register provided for audit review was not properly updated and the following anomalies were noted: -

i) The total cost for each class of assets was not indicated
ii) The cost column for most of the assets had no amounts indicated
iii) The date of acquisition for all the recorded assets were not indicated
iv) The specific location of the recorded assets was not indicated
v) The assets were not recorded together under the respective classes of assets but instead they were recorded per departments.

Consequently, the completeness and accuracy of the assets register as at 30 June, 2019 could not be confirmed.

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

Key Audit Matter

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

Other Matter

1. Under-Absorption of Budgetary Allocation

The statement of appropriation (recurrent and development combined) reflects budget estimates of Kshs.6,276,322,207 for the year ended 30 June, 2019. However, the Executive had an actual expenditure of Kshs.6,083,029,734 resulting to a variance of Kshs.193,292,473. No explanation was given for under-absorption of budgetary funds.

The underutilization of the budget may have negatively impacted on the service delivery to the County residents.

2. Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate has not deliberated on the same.

3. Failure to Establish Sector Working Groups

During the 2018/2019 budget cycle, the Executive did not establish sector working groups and the budget estimates submitted to the County Treasury did not take into consideration the sector reports contrary to Section 30(1) of the Public Finance Management (County Governments) Regulations, 2015. The Managment had also not put in place mechanisms to ensure that sector working groups were not constituted.

Consequently, the Managment was in breach of the Public Finance Management Regulations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Purchase of Vehicles and Other Transport Equipment

Included in acquisition of assets figure of Kshs.1,990,073,263 under Note 17 to the financial statements is Kshs.366,328,745 incurred on purchase of vehicles and other transport equipment. However, examination of payment documents and other supporting documents availed for audit review revealed that the County Executive paid an amount of Kshs.271,933,695 to various suppliers for the supply and delivery of firefighting equipment, borehole rigs and water bowsers. The following anomalies were however observed: -

1.1 Supply, Delivery and Commissioning of Four (4) Fire Fighting Equipment

During the financial year 2017/18, the County Executive initiated procurement of four (4) firefighting equipment through tender No. TRCG/R&PW/132/2017-2018 at a contract sum of Kshs.209,822,960. The firefighting equipment were procured through open tender. However, it was observed that the County Executive entered into unfavorable contract agreement with the supplier as 90% of the contract sum was to be paid to the supplier at various stages before the actual delivery of the equipment. An amount of Kshs.41,964,592 was paid during the financial year 2017/2018. The Management made additional payment of Kshs.164,081,555 representing 98% of the contract price to the supplier during 2018/2019 financial year bringing the total payment to the supplier to Kshs.206,046,147. The payments were however made before the Ministry of Transport, Infrastructure, Housing and Urban Development inspected the equipment and before the Taking Over Certificate and final acceptance were issued as required by the contract agreement.

In the circumstances, it was not possible to establish that value for money was achieved through payment of Kshs.206,046,147 for the procurement of firefighting equipment.

1.2 Supply and Delivery of Five (5) Water Bowzers

During the year ended 30 June, 2018, the Executive initiated procurement of five (5) water bowzers through tender No. TRCG/05/2017/2018 at a contract price of Kshs.85,509,400. The vehicles were procured through open tender and advertised in the County's website. However, the Management made payment of Kshs.51,000,000 for the financial year 2017/2018 and the remaining balance of Kshs.34,509,400 was

paid in the year ended 30 June, 2019. Audit review of the bills of quantities for all unsuccessful bidders showed the same handwriting, an indication that they could have been filled by the same person. It was therefore not possible to confirm whether competitive bidding was used to procure the vehicles. In addition, although the County Executive made full payment to the contractor, the vehicles supplied were not inspected by the Ministry of Transport, Infrastructure, Housing and Urban Development to confirm vehicles with right specifications were delivered.

In the circumstances, it was not possible to establish that value for money was achieved through payment of Kshs.85,509,400 for the procurement of the water bowsers.

1.3. Supply and Delivery of Three (3) No. Trucked Mounted Borehole Rig Equipment

During the year ended 30 June, 2018, the County Executive initiated procurement of one (1) borehole rig equipment through tender No. TRCG/ADMIN/131/2017/2018 at a contract sum of Kshs.73,342,740. The rig equipment were procured through open tender. However, a review of the bills of quantities, tender opening minutes and evaluation report presented for audit review revealed that, three bidders participated in the procurement process. It was also noted that the evaluation Committee Members did not sign the evaluation report as required by section 80(7) of the Public Procurement and Asset Disposal Act, 2015. In addition, the Management in a letter Ref. No. TRCG/R&PW/TRANS/VOL.I (7) dated 12 February, 2019 requested the Ministry of Transport, Infrastructure, Housing and Urban Development to inspect the vehicles and the same was done on 26 February, 2019. However, the County Executive had made full payment to the supplier on 01 February, 2019 before the vehicles were inspected.

In the circumstances, it was not possible to establish whether value for money was achieved through payment of Kshs.73,342,740 for the procurement of the borehole rigs.

2. Unsupported Construction of County Headquarters and Other Buildings

Included in the acquisition of assets figure of Kshs.1,990,073,263 under Note 17 to the financial statements is an amount of Kshs.274,734,449 incurred on construction of buildings. However, audit of the expenditure and other supporting documents revealed that projects worth Kshs.29,679,003 were not supported with relevant project files containing details of the tender documents. Further, a review of the contract documents for the construction of the County Executive's Headquarter indicated that 10% of the contract price which is equivalent to Kshs.49,526,875 was paid as advance payment. However, a site visit made in the month of September, 2019 revealed that the contractor was not on site and there was no evidence of any work. According to the contract documents the project was to start on 18 June, 2019 but the contractor was not on site.

Consequently, the accuracy and completeness of the expenditure of Kshs.49,526,875 on the construction of the County Headquarters for the year ended 30 June, 2019 could not be confirmed.

3. Stalled Project - Rehabilitation of Village 4 – Bura East Road

During the financial year 2017/2018, the County Executive entered into a contract for rehabilitation of Village 4 to Bura East road, in Bura Sub-County at a total contract price of Kshs.7,344,772. In January, 2019, the County Executive paid Kshs.2,100,036 representing 29% of the total contract price to the company being payment for certificate No.1. Physical verification carried out in the month of September 2019 revealed that only grading of the road had been done. The gravelling of the road worth Kshs.3,600,000 and culvert installation worth Kshs.1,120,000 reflected in the Bills of Quantities had not been done and the contract period had expired on 23 July, 2018. It was further noted that at the time of audit verification, the contractor was not on site.

In the circumstances, value for money has not been realised in the expenditure of Kshs.4,720,000 for rehabilitation of village 4 – Bura East road.

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 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. Weakness in Internal Controls

Audit review of the processing of expenditure and payment vouchers for the County Executive revealed weaknesses in enforcement of internal controls on payments and in the Treasury's cash office with the following anomalies being noted: -

i) An amount of Kshs.200,017,225 was paid without completing the vote book control certificate.

ii) The County Treasury made payments of expenditure worth Kshs.2,862,543 without the authority of the AIE holder.

iii) Expenditure amounting Kshs.3,975,992 was paid without examination of the payment vouchers.

In view of the above anomalies, the treasury operates without strong internal controls and could lead to fictitious expenditure payments.

2. Weaknesses in Internal Controls on Fuel

A review of payments for fuel indicated that there were instances where officials of the County Executive purchased fuel using cash and later sought for reimbursement of the same. It was further noted that controls were not enforced to ensure that fuel is recorded in work tickets.

As a result of weak controls on purchase and use of fuel, it was difficult to confirm whether the fuel was actually purchased and used for official purpose.

3. Lack of an Effective Internal Audit Unit

The County Executive had established an Internal Audit Unit. However, the unit is staffed with two senior officers a director and a deputy director. Since the unit is not well staffed, it only produced four reports for the year under review. The internal audit department as currently established cannot effectively carry out its function.

Under the circumstances, the effectiveness of the internal audit unit could not be ascertained.

4. Failure to Establish an Audit Committee

The County Executive had not established an Audit Committee contrary to Section 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires County Government entities to establish Audit Committees in accordance with prescribed regulations to monitor the entities governance process, accountability process and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance of the County Executive and also to follow up on the implementation of the recommendations of the internal and external auditors.

Consequently, Management was in breach of the Government regulations

5. Lack of a Disaster Recovery Plan

During the year under review, it was observed that the County Executive did not have a disaster recovery plan. During the year under review, there were several power outages and disruptions. Such disruptions could lead to disruption to the ICT system and operations.

The lack of a disaster recovery plan may affect the operations of the County Executive and its ability to recover or restore critical infrastructure services and systems affecting all operations that rely on the information communication technology.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional 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

04 February, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/2019 Kshs	2017/2018 Kshs
RECEIPTS			
Exchequer releases	1	4,692,155,787	5,410,027,275
Proceeds from Domestic and Foreign Grants	2	212,520,133	-
Transfers from Other Government Entities	3	-	211,751,862
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	63,450,041	31,313,488
Returned CRF issues	10	199,348,683	-
TOTAL RECEIPTS		**5,167,474,644**	**5,653,092,625**
PAYMENTS			
Compensation of Employees	11	1,482,807,360	1,205,792,636
Use of goods and services	12	1,436,298,631	900,814,116
Subsidies	13	-	-
Transfers to Other Government Units	14	745,811,920	602,061,594
Other grants and transfers	15	375,000,000	155,168,072
Social Security Benefits	16	53,038,560	29,054,412
Acquisition of Assets	17	1,990,073,263	1,277,792,615
Finance Costs, including Loan Interest	19	-	27,797
Other Payments	20	-	360,644,879
TOTAL PAYMENTS		**6,083,029,734**	**4,531 ,356,120**
SURPLUS/DEFICIT		**(915,555,090)**	**1,121,736,505**

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 3/10/19 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number:10878

5.2. STATEMENT OF ASSETS AND LIABILITIES

		2018/2019	2017/2018
FINANCIAL ASSETS	**Note**	**Kshs**	**Kshs**
Cash and Cash Equivalents			
Bank Balances	**21A**	229,186,576	1,143,299,804
Cash Balances	**21B**	103,945	-
Total Cash and cash equivalents		**229,290,521**	**1,143,299,804**
Accounts receivables – Outstanding Imprests	**22**	9,770,644	4,396,593
TOTAL FINANCIAL ASSETS		**239,061,165**	**1,147,696,397**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	**23**	**7,281,148**	**361,290**
NET FINANCIAL ASSETS		**231,780,017**	**1,147,335,107**
REPRESENTED BY			
Fund balance b/fwd	**24**	1,147,335,107	25,598,602
Prior year adjustments	**25**	-	-
Surplus/Deficit for the year		(915,555,090)	1,121,736,505
NET FINANCIAL POSITION		**231,780,017**	**1,147,335,107**

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 18/12/19 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number:10878

5.3. STATEMENT OF CASH FLOWS

	Note	2018/2019 Kshs	2017/2018 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	4,692,155,787	5,410,027,275
Proceeds from Domestic and Foreign Grants	2	212,520,133	-
Transfers from Other Government Entities	3	-	211,751,862
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	63,450,041	31,313,488
Returned CRF issues	10	199,348,683	-
		5,167,474,644	**5,653,092,625**
Payments for operating expenses			
Compensation of Employees	11	1,482,807,360	1,205,792,636
Use of goods and services	12	1,436,298,631	900,814,115
Subsidies	13	-	-
Transfers to Other Government Units	14	745,811,920	602,061,594
Other grants and transfers	15	375,000,000	155,168,072
Social Security Benefits	16	53,038,560	29,054,412
Finance Costs, including Loan Interest	18	-	27,797
Other Payments	20	-	360,644,879
		4,024,495,407	**3,253,563,505**
Adjusted for:		-	-
Changes in receivables		5,374,051	4,288,157
Changes in payables		6,919,858	170,190
Prior year adjustments			
Total Adjustments		**1,545,807**	**4,458,347**
Net cash flows from operating activities		**1,144,525,045**	**2,403,987,467**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	11	(1,990,073,263)	1,277,792,615
Net cash flows from investing activities		**(1,990,073,263)**	**1,277,792,615**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-

Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**(914,009,282)**	**1,126,194,852**
Cash and cash equivalent at BEGINNING of the year	**21**	**1,143,299,804**	**17,104,952**
Cash and cash equivalent at END of the year	**24**	**229,290,521**	**1,143,299,804**
As per statement of assets		**229,290,521**	**1,143,299,804**

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 18/12/ 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number:10878

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	5,557,800,000	-	5,557,800,000	4,692,155,787	865,644,213	84%
Proceeds from Domestic and Foreign Grants	441,925,092	-	441,925,092	212,520,133	229,404,959	48%
Transfers from Other Government Entities	297,504,571	-	297,504,571	-	297,504,571	0%
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated Receipts	60,000,000	-	60,000,000	63,450,041	(3,450,041)	106%
Returned CRF issues	199,348,683	-	199,348,683	199,348,683	199,348,683	100%
TOTAL	**6,556,578,346**	-	**6,556,578,346**	**5,167,474,644**	**1,588,452,385**	**79%**
PAYMENTS						
Compensation of Employees	1,385,270,743	(77,180,001)	1,308,090,742	1,482,807,360	(174,716,618)	113%
Use of goods and services	1,313,951,467	55,873,949	1,369,825,416	1,436,298,631	(66,473,215)	105%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	577,234,307	128,566,382	705,800,689	745,811,920	(40,011,231)	106%
Other grants and transfers	278,000,000	-	278,000,000	375,000,000	(97,000,000)	135%
Social Security Benefits	52,953,590	25,000,000	77,953,590	53,038,560	24,915,030	68%
Acquisition of Assets	2,536,651,770	-	2,536,651,770	1,990,073,263	478,117,442	81%
Finance Costs, including Loan Interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	**6,144,061,877**	**132,260,330**	**6,276,322,207**	**6,083,029,734**	**193,292,473**	**97%**

(a) Funds meant for Village polytechnic, Road maintenance Levy Fund and County Headquarter were not released during the period.

The entity financial statements were approved on 18/12/ 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number: 10878

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,834,882,000	-	3,834,882,000	3,237,587,493	597,294,507	84%
Proceeds from Domestic and Foreign Grants	441,925,092	-	441,925,092	212,520,133	229,404,959	48%
Transfers from Other Government Entities	-	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated Receipts	60,000,000	-	60,000,000	63,450,041	(3,450,041)	106%
Returned CRF issues	199,348,683	-	199,348,683	199,348,683	-	100%
TOTAL	**4,536,155,775**	-	**4,536,155,775**	**3,712,906,350**	**823,249,425**	**82%**
PAYMENTS						
Compensation of Employees	1,385,270,743	(77,180,001)	1,308,090,742	1,482,807,360	(174,716,618)	113%
Use of goods and services	1,313,951,467	55,873,949	1,369,825,416	1,436,298,631	(66,473,215)	105%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	472,744,307	121,726,177	594,470,484	676,607,395	(82,136,911)	114%
Other grants and transfers	278,000,000	-	278,000,000	375,000,000	(97,000,000)	135%
Social Security Benefits	52,953,590	25,000,000	77,953,590	53,038,560	24,915,030	68%
Acquisition of Assets	-	-	-	-	-	-
Finance Costs, including Loan Interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	**3,502,920,107**	**125,420,125**	**3,628,340,232**	**4,023,751,946**	**(395,411,714)**	**111%**

(a) *Funds meant for Village polytechnic, Road maintenance Levy Fund and County Headquarter were not released during the period.*

The entity financial statements were approved on 18/12/ 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number: 10878

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,722,918,000	-	1,722,918,000	1,454,568,294	268,349,706	84%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	-
Transfers from Other Government Entities	297,504,571	-	297,504,571	-	297,504,571	0%
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated receipts	-	-	-	-	-	-
TOTAL	**2,020,422,571**	**-**	**2,020,422,571**	**1,454,568,294**	**565,854,277**	**72%**
PAYMENTS						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	104,490,000	6,840,205	111,330,205	69,204,525	42,125,680	62%
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	2,536,651,770	-	2,536,651,770	1,990,073,263	546,578,507	78%
Finance Costs, including Loan Interest	-	-	-	-	-	-
Repayment of principal on borrowings	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	**2,641,141,770**	**6,840,205**	**2,647,981,975**	**2,059,277,788**	**588,704,187**	**78%**

(a) Funds meant for Village polytechnic, Road maintenance Levy Fund and County Headquarter were not released during the period.

The entity financial statements were approved on 18/12/19 2019 and signed by:

Chief Officer
Name: Ahmed M. Barako

County Director – Finance
Name: Francis N. Ngigi
ICPAK Member Number: 10878

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilisation difference
0101003160		**Administration, planning support services**	**136,203,850.70**	**0.00**	**136,203,850.70**	**66,323,345.55**	**69,880,505.15**
	0101013160	Administration, planning support services	136,203,850.70	0.00	136,203,850.70	66,323,345.55	69,880,505.15
0102003160		**Agricultural Development project**	**346,927,157.60**	**0.00**	**346,927,157.60**	**136,916,218.80**	**210,010,938.80**
	0102023160	Agricultural Mechanization Services (AMS Garsen station)	61,212,194.00	0.00	61,212,194.00	7,959,752.00	53,252,442.00
	0102053160		93,273,618.60	0.00	93,273,618.60	76,540,206.80	16,733,411.80
	0102063160		2,669,468.00	0.00	2,669,468.00	1,268,614.00	1,400,854.00
	0102073160		189,771,877.00	0.00	189,771,877.00	51,147,646.00	138,624,231.00
0103003160		**Veterinary Development**	**32,425,200.00**	0.00	**32,425,200.00**	**11,108,567.40**	**21,316,632.60**
	0103093160	Buy Tsetse fly traps/Targets (Kipini, Tarasaa)	13,039,658.00	0.00	13,039,658.00	10,140,767.40	2,898,890.60
	0103113160	Conduct Disease Surveillance	6,967,374.00	0.00	6,967,374.00	920,800.00	6,046,574.00
	0103153160		12,418,168.00	0.00	12,418,168.00	47,000.00	12,371,168.00
0104003160		**Livestock Development**	**62,042,108.00**	0.00	**62,042,108.00**	**22,140,480.00**	**39,901,628.00**
	0104073160		19,134,114.00	0.00	19,134,114.00	13,716,798.00	5,417,316.00
	0104083160		19,711,756.00	0.00	19,711,756.00	5,124,882.00	14,586,874.00
	0104093160		2,709,315.00	0.00	2,709,315.00	530,200.00	2,179,115.00
	0104103160		20,486,923.00	0.00	20,486,923.00	2,768,600.00	17,718,323.00
0117003160		**Fisheries**	**85,832,223.00**	0.00	**85,832,223.00**	**64,005,116.00**	**21,827,107.00**
	0117013160	Empowerment of Women and Youth on Fish Safety and Quality Assurance	1,830,000.00	0.00	1,830,000.00	164,690.00	1,665,310.00
	0117023160	Construction of Ice Plant and Cold Storage	84,002,223.00	0.00	84,002,223.00	63,840,426.00	20,161,797.00
0118003160		**Land Policy and Planning**	**110,345,255.00**	0.00	**110,345,255.00**	**103,207,597.80**	**7,137,657.20**
	0118013160	Physical Planning	107,895,255.00	0.00	107,895,255.00	101,270,607.80	6,624,647.20
	0118023160	Land Survey and Mapping	2,450,000.00	0.00	2,450,000.00	1,936,990.00	513,010.00
0202003160		**Administration, Planning and Support Services**	**333,124,681.00**	0.00	**333,124,681.00**	**245,976,662.95**	**87,148,018.05**

	0202013160	Administration, planning, Operation and Maintenance	333,124,681.00	0.00	333,124,681.00	245,976,662.95	87,148,018.05
0204003160		**Public Works**	**180,640,218.00**	0.00	**180,640,218.00**	**95,609,753.55**	**85,030,464.45**
	0204023160	Construction	157,430,205.00	0.00	157,430,205.00	72,575,892.00	84,854,313.00
	0204033160	County Headquarters	1,050,000.00	0.00	1,050,000.00	1,035,900.00	14,100.00
	0204043160	Governor's Residence	22,160,013.00	0.00	22,160,013.00	21,997,961.55	162,051.45
0205003160		**County Roads Development**	**842,811,819.00**	0.00	**842,811,819.00**	**745,207,219.00**	**97,604,600.00**
	0205013160	Routine Maintenance	300,733,928.00	0.00	300,733,928.00	293,825,304.00	6,908,624.00
	0205023160	Opening of New Roads	540,417,891.00	0.00	540,417,891.00	450,361,715.00	90,056,176.00
	0205033160	Grading and Murruming of County Roads	830,000.00	0.00	830,000.00	290,200.00	539,800.00
	0205043160	Tarmacking of County Roads	830,000.00	0.00	830,000.00	730,000.00	100,000.00
0206003160		**County Housing Development**	**20,935,000.00**	0.00	**20,935,000.00**	**17,403,340.65**	**3,531,659.35**
	0206013160	Construction of County Houses	19,115,000.00	0.00	19,115,000.00	16,288,540.65	2,826,459.35
	0206023160	Maintenance of County Houses	1,820,000.00	0.00	1,820,000.00	1,114,800.00	705,200.00
0207003160		**Urban Development**	**131,727,000.00**	0.00	**131,727,000.00**	**46,914,968.00**	**84,812,032.00**
	0207013160	Hola Municipality	131,727,000.00	0.00	131,727,000.00	46,914,968.00	84,812,032.00
0301003160		**Administration and Support Services**	**28,102,560.00**	0.00	**28,102,560.00**	**21,080,193.75**	**7,022,366.25**
	0301013160	Administration, planning & support Services	28,102,560.00	0.00	28,102,560.00	21,080,193.75	7,022,366.25
0302003160		**Promotion of Trade, Tourism and Cooperative Development**	**177,736,758.50**	0.00	**177,736,758.50**	**103,016,940.50**	**74,719,818.00**
	0302013160	Promotion of Trade	40,000,000.00	0.00	40,000,000.00	27,805,082.00	12,194,918.00
	0302023160	Promotion of Tourism	15,132,208.70	0.00	15,132,208.70	8,132,233.00	6,999,975.70
	0302033160	Promotion of Cooperative Development	18,929,030.00	0.00	18,929,030.00	14,358,730.00	4,570,300.00
	0302043160	Weights and Measures	103,675,519.80	0.00	103,675,519.80	52,720,895.50	50,954,624.30
0401003160		**Administration and Support Services**	**905,353,001.00**	0.00	**905,353,001.00**	**595,584,041.60**	**309,768,959.40**
	0401013160	Administration, planning & support Services	905,353,001.00	0.00	905,353,001.00	595,584,041.60	309,768,959.40
0402003160		**Water Services Programme**	**253,500,000.00**	0.00	**253,500,000.00**	**214,405,093.05**	**39,094,906.95**
	0402023160	Construction and	253,500,000.00	0.00	253,500,000.00	214,405,093.05	39,094,906.95

		Rehabilitation of Civil Works					
0405003160		**Curative and Rehabilitative**	**245,959,305.00**	0.00	**245,959,305.00**	**136,908,648.00**	**109,050,657.00**
	0405013160	Medical Supllies	218,734,000.00	0.00	218,734,000.00	127,249,204.00	91,484,796.00
	0405023160	Medical Services	19,087,000.00	0.00	19,087,000.00	6,839,035.00	12,247,965.00
	0405033160	Ambulance Services	8,138,305.00	0.00	8,138,305.00	2,820,409.00	5,317,896.00
0406003160		**Preventive and Promotive**	**33,994,754.00**	0.00	**33,994,754.00**	**11,672,888.00**	**22,321,866.00**
	0406013160	Preventive and Promotive	13,108,754.00	0.00	13,108,754.00	8,761,324.00	4,347,430.00
	0406023160	Licensing and Control of Undertaking	7,384,800.00	0.00	7,384,800.00	2,911,564.00	4,473,236.00
	0406033160	Mobile Clinics	13,501,200.00	0.00	13,501,200.00	0.00	13,501,200.00
0503003160		**General Administration, Planning and Support services**	**272,493,089.00**	0.00	**272,493,089.00**	**238,821,582.35**	**33,671,506.65**
	0503013160	General operation, Planning and support services	272,493,089.00	0.00	272,493,089.00	238,821,582.35	33,671,506.65
0505003160		**Quality and Standard Assurance in EYE Center**	**164,956,465.00**	0.00	**164,956,465.00**	**85,027,179.90**	**79,929,285.10**
	0505013160	ECDE Learning/Teaching Materials	10,257,533.00	0.00	10,257,533.00	8,992,667.50	1,264,865.50
	0505023160	ECDE Furniture and Equipment Support	15,000,000.00	0.00	15,000,000.00	11,709,775.00	3,290,225.00
	0505033160	ECDE Food Program	25,000,000.00	0.00	25,000,000.00	6,509,938.00	18,490,062.00
	0505043160	ECDE Infrastructure	114,698,932.00	0.00	114,698,932.00	57,814,799.40	56,884,132.60
0506003160		**Vocational Training Centers and Adult Education**	**42,164,446.00**	0.00	**42,164,446.00**	**30,416,397.00**	**11,748,049.00**
	0506013160	Youth Polytechnic Publicity Campaigns	12,672,353.00	0.00	12,672,353.00	8,116,691.00	4,555,662.00
	0506023160	Annual Graduation and Rewards	6,300,000.00	0.00	6,300,000.00	5,888,044.00	411,956.00
	0506043160	Provision of Modern Tools and Equipment	8,742,093.00	0.00	8,742,093.00	4,925,728.00	3,816,365.00
	0506053160	Subsidized Youth Polytechnic Tuition Fund (SYPT)	14,450,000.00	0.00	14,450,000.00	11,485,934.00	2,964,066.00
0701003160		**Administration, Planning and Support Services.**	**709,819,158.00**	0.00	**709,819,158.00**	**406,275,074.55**	**303,544,083.45**
	0701013160	Operations, Planning and Support Services.	699,931,878.00	0.00	699,931,878.00	401,311,819.55	298,620,058.45
	0701023160	County Assembly Service Board.	9,887,280.00	0.00	9,887,280.00	4,963,255.00	4,924,025.00

0703003160		**Administration, planning support services**	**386,603,226.00**	0.00	**386,603,226.00**	**359,710,281.05**	**26,892,944.95**
	0703013160	Coordination and Supervisory Services	386,603,226.00	0.00	386,603,226.00	359,710,281.05	26,892,944.95
0706003160		**Administration, planning support services**	**352,469,389.00**	0.00	**352,469,389.00**	**277,001,987.95**	**75,467,401.05**
	0706013160	Administration, planning support services	352,469,389.00	0.00	352,469,389.00	277,001,987.95	75,467,401.05
0707003160		**Financial Management**	**386,208,457.00**	0.00	**386,208,457.00**	**344,101,490.75**	**42,106,966.25**
	0707033160	Supply Chain Managements	36,962,574.00	0.00	36,962,574.00	34,847,806.00	2,114,768.00
	0707063160	Own Source Revenue Collection	58,365,007.00	0.00	58,365,007.00	42,751,109.00	15,613,898.00
	0707073160	Budget and Economic Planning	29,860,000.00	0.00	29,860,000.00	27,365,334.75	2,494,665.25
	0707083160	Accounting & Finance	241,888,450.00	0.00	241,888,450.00	230,139,015.00	11,749,435.00
	0707093160	Internal Audit	4,952,426.00	0.00	4,952,426.00	3,968,226.00	984,200.00
	0707103160	Monitoring and Evaluation	14,180,000.00	0.00	14,180,000.00	5,030,000.00	9,150,000.00
0714003160			**5,732,369.00**	0.00	**5,732,369.00**	**5,645,744.00**	**86,625.00**
	0714023160	Informational Communication Technology (ICT)	5,732,369.00	0.00	5,732,369.00	5,645,744.00	86,625.00
0718003160			**115,020,064.00**	0.00	**115,020,064.00**	**112,792,717.00**	**2,227,347.00**
	0718013160	County Leadership & Coordination of CDAs	73,144,904.00	0.00	73,144,904.00	71,261,809.00	1,883,095.00
	0718023160	County Government Advisory Service	41,875,160.00	0.00	41,875,160.00	41,530,908.00	344,252.00
0901003160		**Administration, planning support services**	**92,551,667.00**	0.00	**92,551,667.00**	**70,369,633.25**	**22,182,033.75**
	0901013160	Administration, planning support services	92,551,667.00	0.00	92,551,667.00	70,369,633.25	22,182,033.75
0905003160		**Natural Disaster mitigation programme**	**182,162,698.00**	0.00	**182,162,698.00**	**182,447,184.00**	**(284,486.00)**
	0905023160	Drought management (Preparedness, Response and Recovery)	9,632,698.00	0.00	9,632,698.00	9,616,898.00	15,800.00
	0905043160	Emergency Relief (food, medicine, blankets, cash grant)	172,530,000.00	300,286.00	172,830,286.00	172,830,286.00	0.00
0907003160			**23,427,499.00**	0.00	**23,427,499.00**	**17,831,111.00**	**5,596,388.00**
	0907023160	Food Distribution and Rations	14,964,800.00	0.00	14,964,800.00	14,072,461.00	892,339.00
	0907033160	Capacity Building to Response to Fire Outbreaks and Other Disaste	5,712,049.00	0.00	5,712,049.00	1,008,000.00	4,704,049.00

	0907043160	Resettlement of Victims	2,750,650.00	0.00	2,750,650.00	2,750,650.00	0.00
0909003160			**8,531,000.00**	0.00	**8,531,000.00**	**4,695,950.00**	**3,835,050.00**
	0909013160	Culture Promotion and Development	7,910,000.00	0.00	7,910,000.00	4,369,950.00	3,540,050.00
	0909023160	Empowerment/Capacity Building of Cultural Practitioners	621,000.00	0.00	621,000.00	326,000.00	295,000.00
0910003160			**3,260,000.00**	0.00	**3,260,000.00**	**1,212,320.00**	**2,047,680.00**
	0910013160	Baseline Survey for OVC	2,460,000.00	0.00	2,460,000.00	1,152,000.00	1,308,000.00
	0910023160	Community Awareness Creation on Child Rights and Child Protection	350,000.00	0.00	350,000.00	0.00	350,000.00
	0910033160	Enhanced Child Participation	450,000.00	0.00	450,000.00	60,320.00	389,680.00
0911003160			**9,655,856.00**	0.00	**9,655,856.00**	**6,351,807.00**	**3,304,049.00**
	0911013160	Women Empowerment	815,000.00	0.00	815,000.00	492,000.00	323,000.00
	0911023160	Gender and Leadership	3,840,856.00	0.00	3,840,856.00	2,739,807.00	1,101,049.00
	0911033160	County Social Protection Scheme	5,000,000.00	0.00	5,000,000.00	3,120,000.00	1,880,000.00
0912003160			**24,847,094.00**	0.00	**24,847,094.00**	**21,676,591.00**	**3,170,503.00**
	0912013160	County Sports Leagues	12,147,094.00	0.00	12,147,094.00	9,403,692.00	2,743,402.00
	0912023160	Sports Equipment Support	12,700,000.00	0.00	12,700,000.00	12,272,899.00	427,101.00
1001003160		**General Administration, Support and Support Services**	**68,640,680.00**	0.00	**68,640,680.00**	**43,216,560.55**	**25,424,119.45**
	1001013160	General Administration, Support and Support Services	68,640,680.00	0.00	68,640,680.00	43,216,560.55	25,424,119.45
1002003160		**Environmental Management Programme**	**41,891,356.00**	0.00	**41,891,356.00**	**32,415,156.00**	**9,476,200.00**
	1002023160	Environmental Protection	38,849,728.00	0.00	38,849,728.00	30,189,956.00	8,659,772.00
	1002033160	Noise Pollution Management	1,110,000.00	0.00	1,110,000.00	805,200.00	304,800.00
	1002043160	Control of Air Pollution	1,931,628.00	0.00	1,931,628.00	1,420,000.00	511,628.00
1012003160			**188,510,000.00**	0.00	**188,510,000.00**	**96,221,426.55**	**92,288,573.45**
	1012013160	Water Management Services	185,070,000.00	0.00	185,070,000.00	94,761,426.55	90,308,573.45
	1012023160	Sanitation	820,000.00	0.00	820,000.00	120,000.00	700,000.00
	1012033160	Storm Water Management	2,620,000.00	0.00	2,620,000.00	1,340,000.00	1,280,000.00
1013003160			**120,620,000.00**	0.00	**120,620,000.00**	**107,700,000.00**	**12,920,000.00**

	1013013160	Irrigation Management Services	120,620,000.00	0.00	120,620,000.00	107,700,000.00	12,920,000.00
		Grand Total	**7,127,225,403.80**	**300,286.00**	**7,127,525,689.80**	**5,081,411,268.50**	**2,045,814,135.30**

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic)

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

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

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

2. Reporting entity

The financial statements are for the Tana River County Government; 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 may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 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 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 entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the entity includes such value in the statement of receipts and payments both as receipts and as 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. 7,281,148 compared to KShs. 361,290 in prior period as indicated on note 23.

There were no other restrictions on cash during the year

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 12 October, 2018 for the period 1st July 2019 to 30 June 2019 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the entity's actual performance against the comparable budget for the financial year under review has been included in 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.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2018/2019	2017/2018
	KShs	KShs
Total Exchequer Releases for quarter 1	4,692,155,787	5,410,027,275
Total Exchequer Releases for quarter 2	-	-
Total Exchequer Releases for quarter 3	-	-
Total Exchequer Releases for quarter 4	-	-
Total	**4,692,155,787**	**5,410,027,275**

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows: (The totals of A, B and C below should equal the total exchequer releases).

1A. Equitable Share

Description	2018/2019	2017/2018
	KShs	KShs
Total Equitable Share for quarter 1	277,890,000	374,178,000
Total Equitable Share for quarter 2	889,248,000	855,264,000
Total Equitable Share for quarter 3	2,084,175,000	1,469,985,000
Total Equitable Share for quarter 4	1,417,239,000	2,645,973,000
Total	**4,668,552,000**	**5,345,400,000**

1B: Level 5 Hospitals Allocation

Description	2018/2019	2017/2018
	KShs	KShs
Transfers for level 5 hospitals	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2018/2019	2017/2018
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	17,921,250	17,831,663
World Bank – THUSCP	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-
Kenya Devolution Support Programme	-	41,095,762
Youth Polytechnic support grant	-	-
Abolishment of user fees in health centres and dispensaries	5,682,537	5,699,850
Kenya Urban Support Programme	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-
Kenya Climate Smart Agriculture Project (KCSAP)	-	-
Total	**23,603,787**	**64,627,275**

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	2018/2019	2017/2018
	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)		
World bank		
Transforming Health Sector-Universal Care Programme (THS-UCP)	51,096,293	-
Kenya Climate Smart Agriculture Project (KCSAP)	31,585,475	-
Kenya Urban Support Project (KUSP)	50,000,000	-
Agricultural Sector Development Support Programme (ASDSP II)	-	-
Kenya Devolution Support Programme(KDSP)	-	-
EU GRANT - IDEAS	79,838,365	-
Grants Received from Multilateral Donors (International Organisations)		
Grants Received from other levels of government		
TOTAL	**212,520,133**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2018/2019	2017/2018
	Kshs	Kshs
Transfers from Central government entities		
Roads Maintenance levy fund	-	139,572,456
Ministry of Health Result Based Financing (HSSP)	-	51,658,792
Village Polytechnic	-	20,520,614
Transfers from Counties		
(insert name of budget agency)	-	-
Total	-	**211,751,862**

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2018 - 2019	2017 - 2018
	KShs	KShs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

5. PROCEEDS FROM FOREIGN BORROWINGS

	2018- 2019	2017 – 2018
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2018 – 2019	2017 – 2018
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2018 - 2019	2017 – 2018
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals& Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2018 - 2019	2017 – 2018
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

9. COUNTY OWN GENERATED REVENUES

	2018/2019	2017/2018
	Kshs	Kshs
RECEIPTS		
Receipts from Sale of Incidental Goods	989,415	924,000
Business Permits	15,535,281	10,811,600
Cess	18,337,930	17,715,056
Poll Rates	1,220,404	-
Plot Rents	869,800	332,100
Other Local Levies	-	-
Administrative Services Fees	1,371,800	342,472
Various Fees	-	-
Council's Natural Resources Exploitation	20,037,754	-
Vehicle Parking Fees	3,134,353	1,188,260
Environment & Conservancy Administration	1,657,026	-
Slaughter Houses Administration	78,348	-
Technical Services Fees	217,930	-
External Services Fees	-	-
TOTAL	**63,450,041**	**31,313,488**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. RETURNED CRF ISSUES

	2018/2019	2017/2018
	Kshs	Kshs
Recurrent account	363,372	-
Development account	198,624,022	-
Deposit account	361,290	-
Total	**199,348,683**	**-**

11. COMPENSATION OF EMPLOYEES

	2018/2019	2017/2018
	Kshs	Kshs
Basic salaries of permanent employees	1,236,142,900	1,205,792,636
Basic wages of temporary employees	31,128,480	-
Personal allowances paid as part of salary	177,172,298	-
Personal allowances paid as reimbursements	9,806,013	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	9,359,131	-
Compulsory national social security schemes	4,260,199	-
Compulsory national health insurance schemes	14,938,339	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**1,482,807,360**	**1,205,792,636**

12. USE OF GOODS AND SERVICES

	2018/2019	2017/2018
	Kshs	Kshs
Utilities, Supplies and Services	43,583,715	27,337,743
Communication, Supplies and Services	3,687,735	18,060,046
Domestic Travel and Subsistence, and Other Transportation Costs	351,295,869	199,469,168
Foreign Travel and Subsistence, and other transportation costs	37,682,301	41,583,399
Printing , Advertising and Information Supplies and Services	55,710,243	226,769,558
Rentals of Produced Assets	30,591,742	9,437,594
Training Expenses	43,360,382	19,535,667
Hospitality Supplies and Services	107,436,215	72,071,126

Insurance Costs	92,597,627	34,260,932
Specialised Materials and Supplies	263,345,110	15,727,866
Office and General Supplies and Services	82,011,846	22,970,440
Fuel Oil and Lubricants	51,279,794	4,818,900
Other Operating Expenses	247,953,456	184,291,519
Routine Maintenance - Vehicles	8,899,503	19,661,257
Routine Maintenance - Other Assets	16,863,093	-
Exchange Rate Losses	-	-
Total	**1,436,298,631**	**900,814,116**

13. SUBSIDIES

Description	2018 - 2019	2017 – 2018
	KShs	KShs
Subsidies to Public Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED

14. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2018/2019	2017/2018
	Kshs	Kshs
Transfers to County government entities		
Transfers to County Assembly	578,819,158	514,770,474
Transfers to Car and Mortgage Fund	-	-
Other current transfer and grants	87,669,250	87,291,120
Transfers to Projects	79,323,512	-
Transfers to Other Counties		
(insert name of budget agency)	-	-
TOTAL	**745,811,920**	**602,061,594**

15. OTHER GRANTS AND TRANSFERS

Description	2018/2019	2017/2018
	Kshs	Kshs
Scholarships and other educational benefits	160,000,000	78,000,000
Emergency relief and refugee assistance	170,000,000	77,168,072
Burial Grants for Destitute	45,000,000	
Emergency Donations	-	
Subsidies to small businesses, cooperatives, and self employed	-	
TOTAL	**375,000,000**	**155,168,072**

16. SOCIAL SECURITY BENEFITS

	2018/2019	2017/2018
	Kshs	Kshs
Government pension and retirement benefits	53,038,560	29,054,412
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**53,038,560**	**29,054,412**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. ACQUISITION OF ASSETS

	2018/2019	2017/2018
	Kshs	Kshs
Non-Financial Assets		
Purchase of Buildings	-	-
Construction of Buildings	274,734,449	401,327,898
Refurbishment of Buildings	57,576,314	204,337,798
Construction of Roads	374,627,837	205,896,837
Construction and Civil Works	425,736,239	207,810,991
Overhaul and Refurbishment of Construction and Civil Works	-	79,617,472
Purchase of Vehicles and Other Transport Equipment	366,328,745	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	33,793,364	79,000
Purchase of ICT Equipment	15,709,948	15,727,866
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	18,096,912	-
Research, Studies, Project Preparation, Design & Supervision	34,513,187	-
Rehabilitation of Civil Works	388,956,268	-
Acquisition of Strategic Stocks and commodities	-	162,994,753
Acquisition of Land	-	-
Total	**1,990,073,263**	**1,277,792,615**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2018/2019	2017/2018
	Kshs	Kshs
Bank Charges	-	27,797
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Gov't	-	-
Total	**-**	**27,797**

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2018 – 2019	2017 – 2018
	KShs	KShs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	**-**	**-**

20. OTHER PAYMENTS

	2018/2019	2017/2018
	Kshs	Kshs
Budget Reserves	-	360,644,879
Civil Contingency Reserves	-	-
Other expenses	-	-
Total	**-**	**360,644,879**

21. CASH AND BANK BALANCES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. A BANK BALANCES

	Type	Ex. rate (if in foreign currency)	2018/2019	2017/2018
Name of Bank, Account No. & Currency		**Kshs**	**Kshs**	**Kshs**
Tana River County Revenue Fund - 1000171332	CRF		108,068,767	951,493,492
Tana River County Recurrent Account - 1000172735	Recurrent		722,646	18,126
Tana River Health Conditional Grant - 1000268298	Recurrent		10,634,844	307,556
Tana River County Development Account - 1000170708	Development		137,154	294,060
Tana River Road Maintenance Levy Fund - 1000297751	Development		1,294,405	153,571,894
Tana River County Kenya Climate Smart Agriculture Project - 1000365862	Grants		8,196,940	-
Tana River County Deposit Account - 1000267496	Deposit		7,281,148	-
Tana River County Agr. Se Dev Support Prog. II - 1000365862	Grants		-	-
Tana River County Village Polytechnic PR - 1000368958	Grants		-	-
Tana River County Urban Support Programme - 1000372467	Grants		-	-
Tana River County Livestock Support Account - 1000386118	Grants		998,240	-
Equity - Kenya Devolution Support Programme (KDSP) -	Recurrent		3,912,330	14,202,373
KCB - VTC Support Grant -1226976840	Grants		5,886	20,448,755
KCB - Tana River County KCSAP - 1232731609	Grants		965,689	-
KCB - IDEAS LED Project Account - 1240740387	Grants		653,499	-
KCB - Tana River County IDEAS LED Milk Project - 1253298769	Grants		40,683,670	-
KCB - Tana River County IDEAS LED Fish Project - 1253299730	Grants		44,565,022	-
KCB - Tana River County Gov't Revenue Collection Account - 1140754033	Revenue		645,099	-

KCB - Tana River Ward Bursary Fund - 1166389197	Recurrent		421,238	0
KCB - Tana River County Account - 1143877578	Recurrent		-	49,245
KCB-tana river county special purpose account				2,963,548
Total			**229,186,576**	**1,143,299,804**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. B CASH BALANCES

	2018/2019	2017/2018
	Kshs	Kshs
Cash in Hand – Held in domestic currency	103,945	-
Cash in Hand – Held in foreign currency	-	-
Total	**103,945**	**-**

Cash in hand should also be analysed as follows:

	2018 – 2019	2017 – 2018
	KShs	KShs
Tana River	36,640	-
Tana North	21,950	-
Tana Delta	45,355	-
Total	**103,945**	**-**

22. ACCOUNTS RECEIVABLES

	2018/2019	2017/2018
	Kshs	Kshs
Government Imprests	9,770,644	4,396,593
Clearance Accounts	-	-
Total	**9,770,644**	**4,396,593**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
Salim Omara Makuru	01/11/2018	500,000	-	500,000
Idris Mahat Ali	23/12/2018	2,687,900	-	2,687,900
Moses Kofa Mrenje	05/11/2018	3,582,744	-	3,582,744
Moses Nandalwe	01/02/2019	3,000,000	-	3,000,000
Total		9,770,644	-	9,770,644

23. ACCOUNTS PAYABLE

	2018/2019	2017/2018
	Kshs	Kshs
Deposits	7,281,148	361,290
Total	**7,281,148**	**361,290**

24. FUND BALANCE BROUGT FORWARD

	2018/2019	2017/2018
	Kshs	Kshs
Bank accounts	1,143,299,804	17,104,952
Cash in hand	-	-
Accounts Receivables	4,396,593	8,684,750
Accounts Payables	(361,290)	(191,100)
Total	**1,147,335,107**	**25,598,602**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

	2018/2019	2017/2018
	Kshs	Kshs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	-	-

5.10. OTHER IMPORTANT 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	262,823,463	-	(-)	981,583,016
Construction of civil works	1,005,498,257	-	(-)	408,533,275
Supply of goods	101,032,727	-	(-)	670,638,667
Supply of services	301,759,861	-	(-)	360,442,252
Total	**1,671,114,308**	-	(-)	**2,421,197,210**

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 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
Key Management Compensation (Governors, CEC Members and C.Os)	-	-
Transfers to related parties		
Transfer to the County Assembly	578,819,158	-
Transfers to other County Government Entities	160,000,000	-
Transfers to Development Projects	79,323,512	11,301,004
Transfers to non-reporting entities e.g. schools, Health facilities	87,669,250	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	**905,811,920**	**11,301,004**
Transfers from related parties		
Transfers from the Exchequer	5,581,403,787	5,410,027,275
Transfers from MDAs	253,720,133	211,751,862
Transfers from SCs and SAGAs- National Government	-	-
Total Transfers from related parties	**5,835,123,920**	**5,621,779,137**

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve 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/ Date taken over	Location	Accounting Officer responsible
Tana Water and Sewerage Company	21st October, 2016	Hola	Nasra Sulekha Hanshi
Tana River County Gov't Staff Car Loan and Mortgage Fund	12th September, 2019	Hola	Lucky Azikilwe
Tana River County Bursary Board	18th July, 2018	Hola	Cornelius Wamukoya
Kenya Climate Smart Agriculture Project	1st July, 2017	Hola	Peter Katiwa Munyoki
Tana River IDEAS LED Project	1st July, 2018	Hola	Yaqub Gudo
Kenya Urban Support Programme	1st July, 2019	Hola	Asha Said

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Presentation of the Financial Statements -CE did not include a summary of Fixed Asset Register.	The CE has prepared the Fixed assets register which has been updated. It will be presented to auditors for review.	Francis Ngigi	On-going	30-Jun-2019
2	**Inaccuracies in the Financial Statements.**				
2.1	Arithmetic Errors in the Statement of Receipts and Payments.	The CE noted the variance in receipts and payments and will subsequently endeavour to use the templates provided by the PSASB to ensure accurate financial statements are presented for audit in subsequent years.	County Treasury	Resolved	30-Jun-2019
2.2	Variances between Figures in the Financial Statements and Trial Balance.	The Finance team has embarked on TB Clean up exercise which entails analysis and drill down of entry in the trial balances. This includes review and analysis of unaccounted for transactions, system generated expenses/ liability,	Mathew Babwoya, Bwanamaka Hero, Francis Ngigi	On-going	30-Jun-2019

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)*
		Review aging analysis unposted and unreversed encumbrances, unreversed POs, and correction of error journals.			
2.3	Overstatement of Exchequer Releases.	Exchequer Releases were not overstated. The quoted amounts relate to CAR for FY 17/18 which were released in July 2018. A circular was released by the National Treasury which is available for review by the auditors. The circular provided guidance of the inclusion of the amounts in the FY 17/18 as cash had already been released by the National Treasury by 30th June 2018.	Francis Ngigi	Resolved	
2.4	Un-supported Receipts.	The CE has since prepared all schedules of money received from National Treasury that had been misclassified into foreign and domestic grants at the time of audit. The schedule is available for review.	Francis Ngigi	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)***
2.5	Unaccounted for Revenue.				
2.5.1	Own Generated Revenue.	The CE acknowledges the contravention of the law. The revenue collectors were initially paid a commission but the CE has since employed on contract revenue collectors to ensure all revenue collected is banked and swept to CRF as required by Law.	Frankjoy Ddaiddo	Resolved	
2.5.2	Integrated Payroll and Personnel Database (IPPD).	In FY 18/19 the house rent deduction is now being remitted to the County revenue collection account as required.	Harrison Mabonye	Resolved	
2.5.3	Unrecorded Revenue in the Cash Book.	The CE is in the process of updating the books and reconciling so as to ensure every receipt book is well accounted for.	Kase Ddaiddo	On-going	30- Jun-2019
2.6	Inaccuracies in the Summary Statements of Appropriation.	The CE noted the variance in statement of Appropriation and Statement of Receipts and Payments and will subsequently endeavour to counter check to	Mathew Babwoya, Bwanamaka Hero, Francis Ngigi	On-going	30-Jun-2019

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)*
		ensure accurate financial statements are presented for audit in subsequent years.			
2.7	Cash and Cash Equivalents.	The CE noted the omission and updated the cashbooks for the period.	Francis Ngigi	Resolved	
2.8	Un-vouched Expenditure.	The Finance team has embarked on system Clean up exercise which entails analysis and drill down of entry in the trial balances. This includes review and analysis of unaccounted for transactions, system generated expenses/ liability, Review aging analysis unposted and unreversed encumbrances, unreversed POs, and correction of error journals.	Mathew Babwoya, Bwanamaka Hero, Francis Ngigi	On-going	30-Jun-2019
2.9	Other Payments.	The CE has noted the figure which has been occasioned by some transactions being done below-the -line and use of default codes by PO especially by Pos. This has been effectively	Financial Reporting Unit	On-going	

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)*
		communicated to all IFMIS users.			
2.10	Foreign Travel and Subsistence-unsupported documents	All staffs on safaris have been advised to ensure all travel documents are submitted on accountability. Subsequently, the County Executive is working on effective filing system to ensure ease retrieval of documents	Designated Accounting Officers	Resolved	
2.11	Compensation of Employees.	This related to salaries for June occasioned by late release of funds from National Treasury. The disclosure was an oversight and it will subsequently disclosed in case of a similar occurrence	Harrison Mabonye	Resolved	
3	**Acquisition of Assets.**				
3.1	Irregularities in Procurement of Construction Contracts.	The procurement irregularities noted have been shared with Procurement department and this will be corrected in future engagements. Moreover, with roll out of e-procurement such occurrences will be fully averted.	Jonah Zealot	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)*
3.2	Refurbishment of Buildings - no project files for projects worth 164,870,433.	Procurement department has been sensitized of effective documentation and filing to ensure audit trail of all procurable activities.	Eric Onjole	Resolved	
3.3	Non-Compliance with Procurement Laws.	The procurement department has been reminded of the need to adhere to PPDA.	Jonah Zealot	Resolved	
4	Poor Performance in Implementation of Development Projects.	This was occasioned by late disbursement of funds from National Treasury thereby affecting project implementation. The National Treasury should be compelled to release funds on time so as to help serve the people of Tana River.	Mathew Babwoya	On-going	
5	Accumulation of Pending Bills - CE did not maintain a Permanent Ledger for the PBs.	Accounting for pending bills has been hard task considering the effect on suppliers. We are in the process of maintaining and updating pending bills ledger once any payment has been made.	Designated Accounting Officers	On-going	
6	Use of Goods and Services - fuel supplied to	The said vehicles had been hired by the county	Designated Accounting Officers	On-going	

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)*
	private vehicles & other National Gov't Depts.	government in execution of its mandate. This was a collaborative idea as even the County had in different occasions used vehicle from the National Government.			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES					
1	Non-Compliance with Budget Procedures.	County Budget Review and Outlook paper for FY 2017/2018 was prepared albeit late. All questioned documents are available for review.	Lennox Mbwana	Resolved	
2	Final and Supplementary Estimates.	The issues noted in the supplementary budget were inevitable, however, going forward, we will adhere to budget reallocation timeline.	Lennox Mbwana	Resolved	
3	Irregular Engagement of Casual Employees.	Documentation for casual employees have been updated. The County was in breach of the law as employing the said staffs on permanent terms would be untenable in the long run.	County Public Service Board/Designated Accounting Officers	Resolved	

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timeframe:** ***(Put a date when you expect the issue to be resolved)***
4	Irregular Payment of Allowances.	The CE has noted the anomalies has endeavoured to rectify in future audit.	Designated Accounting Officers	Resolved	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, GOVERNANCE AND RISK MANAGEMENT SYSTEM					
1	Weaknesses in Internal Controls.	The County treasury has since then ensured the internal controls designed for the treasury are in place, specifically authorization of payments by the Accounting Officer, approval of payments by the AIE holder, examining payments, stamping paid and completing vote book certificates on payment.	Abuti Juma	Resolved	
2	Lack of Risk Management Policy.	Risk management policy has been drafted awaiting adoption.	Hussein Hassan	On-going	30-Sept-2019
3	Failure to Establish Audit Committee.	Recruitment of members of the audit committee is ongoing.	County Secretary	On-going	31-Dec-2019
4	Lack of Disaster Recovery Plan.	An ICT Policy has been drafted and plans under way to ensure effective data back up to ensure business continuity in case of disruption.	Hussein Hassan	On-going	31-Dec-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.

CEC, County Treasury

Sign.....

Date.....18/12/2019.....

7. ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals	Donor funds transferred through exchequer	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	277,890,000	-	-	-	277,890,000
Exchequer Releases for quarter 2	889,248,000	8,960,625	-	-	898,208,625
Exchequer Releases for quarter 3	2,084,175,000	8,960,625	-	-	2,093,135,625
Exchequer Releases for quarter 4	1,417,239,000	-	-	5,682,537	5,682,537
Total	**4,668,552,000**	**17,921,250.00**	**-**	**5,682,537**	**4,692,155,787**

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 2018/2019	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total				**981,583,016**		
Construction of civil works						
4.						
5.						
6.						
Sub-Total				**408,533,275**		
Supply of goods						
7.						
8.						
9.						
Sub-Total				**670,638,667**		
Supply of services						
10.						
11.						
12.						
Sub-Total				**360,442,252**		
Grand Total				**2,421,197,210**		

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – 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		
Amounts due to National Gov't Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Gov't 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 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out) during the year	Historical Cost c/f
	(KShs)	(KShs)	(KShs)	(KShs)	(KShs)
	2017/2018				2018/2019
Land	-	-	-	-	-
Buildings and structures	912,089,443	1,471,778,773	-	-	2,129,637,348
Transport equipment	-	89,812,270	-	-	78,838,600
Office equipment, furniture and fittings	79,000	20,276,047	-	-	20,355,047
ICT Equipment	15,727,866	5,103,922	-	-	20,831,788
Machinery and Equipment	-	-	-	-	78,933,543
Heritage and cultural assets	-	-	-	-	-
Biological assets	-	29,298,562	-	-	35,262,673
Intangible assets	162,994,753	80,795,645	-	-	452,273,642
Infrastructure assets- Roads, Rails	205,896,837	293,008,044	-	-	498,904,881
Work in progress	-	-	-	-	-
Total	**1,296,787,899**	**1,990,073,263**	-	-	**3,315,037,522**

ANNEX 6 – INTER-ENTITY TRANSFERS

Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred	Amount Confirmed as received	difference	explanation
					KShs	KShs		
County Assembly	-	236,000,000	162,265,750	180,553,408	578,819,158	578,819,158	-	
Health Facilities	-	12,559,584	59,993,303	15,116,363	87,669,250	87,669,250	-	
IDEAS	-	-	-	79,874,928	79,874,928	79,874,928	-	
Tana River County Bursary Board	-	-	80,000,000	80,000,000	160,000,000	160,000,000	-	
Project	-	-	79,323,512	-	79,323,512	79,323,512	-	
Total	-	**248,559,584**	**327,588,565**	**355,844,699**	**950,811,920**	**950,811,920**	-	-

Director of Finance
County Executive

County Assembly/fund/project

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

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)

TANA RIVER COUNTY REVENUE FUND
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000171332
AS AT 30TH JUNE 2019

	KSHS.	KSHS.
BALANCE AS PER BANK STATEMENT		**489,982,866.90**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
ADD:BANK CHARGES		-
ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
LESS:EXCHEQUER REQUISITIONS		
RECURRENT ACCOUNT	(243,288,164.50)	
DEVELOPMENT ACCOUNT	(132,000,000.00)	
HEALTH COND.GRANT ACCOUNT	(6,625,935.40)	(381,914,099.90)
BALANCE AS PER CASHBOOK		**108,068,767.00**

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT
AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Bostan **DESIGNATION** Accountant **DATE** 18/12/19 **SIGN** 18/12/19

CHECKED BY: Ngisi F.N. **DESIGNATION** D.O.F. **DATE** 18/12/19 **SIGN**

APPROVED BY: Ahmed Baraka **DESIGNATION** CCO **DATE** 18/12/19 **SIGN**

TANA RIVER COUNTY RECURRENT ACCOUNT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000172735
AS AT 30TH JUNE 2019

	KSHS.	KSHS.
BALANCE AS PER BANK STATEMENT		**257,307,117.95**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
ADD:BANK CHARGES		-
LESS ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
PAYMENTS PENDING TRANSMISSION	(182,857,989.85)	
PAYMENTS PENDING APPROVAL	(73,726,482.10)	(256,584,471.95)
BALANCE AS PER CASHBOOK		**722,646.00**

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Boru **DESIGNATION** Accountant 1 **DATE** 18/12/19 **SIGN**

CHECKED BY: Ngiji F.N. **DESIGNATION** 18/12/19 **DATE** D.U.S. **SIGN**

APPROVED BY: Ahmed Barako **DESIGNATION** CO **DATE** 18/12/19 **SIGN**

TANA RIVER COUNTY HEALTH CONDITIONAL GRANT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000268298
AS AT 30TH JUNE 2019

	KSHS.
BALANCE AS PER BANK STATEMENT	**22,853,206.50**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK	
ADD:BANK CHARGES	
ITEMS IN CASHBOOK NOT IN BANK STATEMENT	
LESS:PAYMENTS PENDING APPROVAL	(12,218,362.40)
BALANCE AS PER CASHBOOK	**10,634,844.10**

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Boshara **DESIGNATION** Accountant **DATE** 18/12/19 **SIGN**

CHECKED BY: Mojisi F.N **DESIGNATION** D.O.F. **DATE** 18/12/19 **SIGN**

APPROVED BY: Ahmed Barako **DESIGNATION** CCO **DATE** 18/12/19 **SIGN**

TANA RIVER COUNTY DEVELOPMENT ACCOUNT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000170708
AS AT 30TH JUNE 2019

	KSHS.	KSHS.
BALANCE AS PER BANK STATEMENT		387,137,153.85
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
BANK CHARGES		-
LESS ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
PAYMENTS PENDING TRANSMISSION	(262,121,301.30)	
PAYMENTS PENDING APPROVAL	(124,878,698.55)	(386,999,999.85)
BALANCE AS PER CASHBOOK		137,154.00

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Bonaro **DESIGNATION** Accountant **DATE** 18/12/19 **SIGN**

CHECKED BY: Nyaga F.N **DESIGNATION** D.D.F **DATE** 18/12/19 **SIGN**

APPROVED BY: Ahmed Boodo **DESIGNATION** CCO **DATE** 18/12/19 **SIGN**

TANA RIVER COUNTY ROAD MAINTENANCE LEVY
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000297751
AS AT 30TH JUNE 2019

	KSHS.
BALANCE AS PER BANK STATEMENT	**13,072,285.50**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK	
ADD:BANK CHARGES	
ITEMS IN CASHBOOK NOT IN BANK STATEMENT	
PAYMENTS PENDING TRANSMISSION	(11,777,880.50)
BALANCE AS PER CASHBOOK	**1,294,405.00**

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Bosharo **DESIGNATION** Accountant 1 **DATE** 18/12/19 **SIGN**

CHECKED BY: Mzigo F.N **DESIGNATION** D.O.F **DATE** 18/12/2019 **SIGN**

APPROVED BY: Ahmed Bardo **DESIGNATION** CCO **DATE** 18/12/19 **SIGN**

IMPLEMENTING ENTITY / COUNTY:	COUNTY GOVERNMENT OF TANA RIVER
PROJECT NAME:	KENYA CLIMATE SMART AGRICULTURE PROJECT
IDA CREDIT NO.:	5945-KE
PROJECT NUMBER:	P154784
THIS SCHEDULE	**CPCU SPA ACCOUNT [KSHS] RECONCILIATION - 1000365832**
PERIOD OF REPORT:	JUNE 30TH 2019
REPORTING CURRENCY:	KENYA SHILLINGS [Kshs]

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2019

BALANCE AS PER THE CASH BOOK	
ADD	8196,940.00
CHEQUES NOT PRESENTED FOR PAYMENT	
LESS	
CHEQUES NOT CREDITED BY BANK	-
BANK CHARGES	
BALANCE AS PER THE BANK STATEMENT	-
	8196,940.00

PREPARED BY: HABONA HARRIET KOMORA 16/7/2019.

APPROVED BY: PETER KATIWA MUNYOKI 16/07/19

TANA RIVER COUNTY LIVESTOCK SUPPORT ACCOUNT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1000386118
AS AT 30TH JUNE 2019

	KSHS.	KSHS.
BALANCE AS PER BANK STATEMENT		**998,240.00**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
ADD:BANK CHARGES		
TAX AMOUNT DUE	420.00	
INTERIM STATEMENT CHARGE	2,100.00	
UNPAID ITEM CHARGE	4,080.00	
TRANSFER CHARGES	952.00	
STAMP DUTY CHARGES	-	7,552.00
UNDERSTATEMENT IN CASHBOOK		
CHQ.NO.011468	500.00	
CHQ.NO.012692	9,600.00	
CHQ.NO.013775	39,600.00	49,700.00
LESS:DISHONOURED CHEQUES		
UNPAID CHEQUE NO.013050	(12,000.00)	
UNPAID CHEQUE NO.013079	(8,000.00)	
UNPAID CHEQUE NO.014216	(130,000.00)	
UNPAID CHEQUE NO.015207	(20,000.00)	
UNPAID CHEQUE NO.013152	(10,000.00)	(180,000.00)
DIRECT DEBITS		
CHQ.DEPOSIT INTERCO.		30,000.00
ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
LESS:UNPRESENTED CHEQUES		(31,073,400.00)
BALANCE AS PER CASHBOOK		**(30,167,908.00)**

PREPARED BY: Osman Bosharo **SIGN** [signature] **DATE** 18/12/2019

CHECKED BY: Myigi F.M. SIGN [signature] DATE 18/12/2019.

APPROVED BY: Ahmed Baraco **SIGN** **DATE** 18/12/19

TANA RIVER COUNTY IDEAS- LED MILK PROJECT ACCOUNT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1253298769
AS AT 30 JUNE 2019

	KSHS.	AMOUNT (KSHS.)
BALANCE AS PER BANK STATEMENT		40,683,670.00
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
BANK CHARGES		
TAX AMOUNT DUE	21.00	
STAMP DUTY	-	
INTERIM CHARGES	105.00	
COST OF CHEQUE BOOK	-	126.00
TRANSFER CHARGES	-	
ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
LESS: UNPRESENTED CHEQUES		-
BALANCE AS PER CASHBOOK		40,683,670.00

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Bonharo DESIGNATION Accountant 1 DATE 18/12/2019 SIGN

CHECKED BY: Ngigi F.N DESIGNATION D.O.F. DATE 18/12/19 SIGN

APPROVED BY: Ahmed Bakalo DESIGANTION CCO DATE 18/12/19 SIGN

TANA RIVER COUNTY IDEAS- LED FISH PROJECT ACCOUNT
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1253299730
AS AT 30 JUNE 2019

	KSHS.	AMOUNT (KSHS.)
BALANCE AS PER BANK STATEMENT		**44,565,022.00**
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
BANK CHARGES		
TAX AMOUNT DUE	21.00	
STAMP DUTY	-	
INTERIM CHARGES	105.00	
COST OF CHEQUE BOOK	-	
TRANSFER CHARGES	-	
ITEMS IN CASHBOOK NOT IN BANK STATEMENT		126.00
UNPRESENTED CHEQUES		-
BALANCE AS PER CASHBOOK		**44,565,148.00**

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASHBOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT

PREPARED BY: Osman Bashir **DESIGNATION** Accountant 18/12/2019 **DATE** **SIGN**

CHECKED BY: Ngigi F.M. **DESIGNATION** D.O.F **DATE** 18/12/2019 **SIGN**

APPROVED BY: Ahmed Baraka **DESIGANTION** CCO **DATE** 18/12/19 **SIGNATION**

TANA RIVER COUNTY WARD BURSARY FUND
BANK RECONCILIATION STATEMENT FOR ACCOUNT NO.1166389197
AS AT 30TH JUNE 2019

	KSHS.	KSHS.
BALANCE AS PER BANK STATEMENT	-	31,587,385.50
ITEMS IN BANK STATEMENT NOT IN CASHBOOK		
ADD:BANK CHARGES		
TAX AMOUNT DUE	420.00	
INTERIM STATEMENT CHARGE	2,100.00	
UNPAID ITEM CHARGE	4,080.00	
TRANSFER CHARGES	952.00	
STAMP DUTY CHARGES	-	7,552.00
OVERSTATEMENT IN BANK STATEMENT		
CHQ.NO.011468	500.00	
CHQ.NO.012692	9,600.00	
CHQ.NO.013775	39,600.00	49,700.00
LESS:DISHONOURED CHEQUES		
UNPAID CHEQUE NO.013050	(12,000.00)	
UNPAID CHEQUE NO.013079	(8,000.00)	
UNPAID CHEQUE NO.014216	(130,000.00)	
UNPAID CHEQUE NO.015207	(20,000.00)	
UNPAID CHEQUE NO.013152	(10,000.00)	(180,000.00)
DIRECT DEBITS		
CHQ.DEPOSIT INTERCO.		30,000.00
ITEMS IN CASHBOOK NOT IN BANK STATEMENT		
LESS:UNPRESENTED CHEQUES		(31,073,400.00)
BALANCE AS PER CASHBOOK		421,237.50

I CERTIFY THAT I HAVE VERIFIED THE BANK BALANCE IN THE CASH BOOK WITH THE BANK STATEMENT AND THE ABOVE RECONCILIATION IS CORRECT.

PREPARED BY: Osman Bocharo **DESIGNATION** Accountant **DATE** 18/12/2019 **SIGN**

CHECKED BY: Njoji F.N. **DESIGNATION** D.C.F **DATE** 18/12/19 **SIGN**

APPROVED BY: Ahmed Barako **DESIGNATION** CCO **DATE** 18/12/19 **SIGN**