REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF THARAKA NITHI

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF THE AUDITOR - GENERAL
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THARAKA NITHI COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2018

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

The County Assembly of Tharaka Nithi day-to-day management is under the following key organ:

- The Tharaka Nithi County Assembly Service Board

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Assembly Clerk	Martin Kimani Kariuki
2.	Acting A.Clerk	Eric Stanely Muthuri Nthumbi
3.	Director Finance	Peter Mburu Muniu

(d) Fiduciary Oversight Arrangements

County Public Investment and Accounts Committee
That examines accounts showing the appropriations of the sum voted by the county assembly to meet expenditure, examines reports and workings of the county public investments.
County Budget and Appropriation Committee
Investigates, inquire into and report on all matters related to coordination, control and monitoring of the county budget, discusses and reviews estimates with recommendations, examines bills and evaluates tax estimates, economic and budgetary policies and programmes.

(e) Entity Headquarters

Tharaka Nithi County Assembly
P.O. Box 694
Chuka
KENYA

(f) Entity Contacts

Telephone:
E-mail: tharakanithicountyassembly@gmail.com
Website: www.tharakanithicountygovernment.go.ke

(g) Entity Bankers

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

2. Equity Bank Limited
   P.O Box 213
   Chuka

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Put the forward note by the Clerk of the County Assembly.

Include the following:

Budget performance
The County Assembly has utilised 73.90% on Programme 1 and 63.31% on Programme 2.
Operational Performance
-The County Assembly original budget was passed on 30th June, 2016 and the supplementary budget was passed on 21st February, 2017. *County Assembly Sectoral committees and their mandates include the following:* *1. Agriculture, Environment and Natural resources-Deals with all matters related to agriculture and implementation of specific county government policies on natural resources and environmental conservation.* *2. Health Services committee-Deals with all matters related to county health services and control undertakings that sell food to the public.* *3. Children culture and community services-Deals with all matters related to cultural activities, public entertainment and public amenities.* *4. Transport and public works-Deals with all matters related to county transport.* *5. Planning, Trade, Tourism and Cooperatives-Deals with all matters related to County Planning and development.* *6. Early Childhood Education and Vocational Training-Deals with all matters relating to pre-primary education, village polytechnics, home crafts centres and child care facilities.* *7. Labour and Social Welfare-Deals with all matters relating to labour, trade union relations, manpower, sports etc.* *8. Justice and Legal Affairs-Deals with constitutional affairs, administration of law and justice e.g. elections, ethics, integrity and anti-corruption and human rights.* *- The oversight role of the County Assembly is done through the various committees where these committees receive annual reports from the relevant department in executive which they deliberate and table the reports to the assembly for further deliberations and approval.* *Further, committees undertake county tours for fact findings on the progress of projects implementation and further draft motions, statements or compile reports to the assembly.*
Performance of key development projects
In progress
Comment on value-for-money achievements
Work in progress at the initial stages hence no benefit yet.
Challenges and Recommended Way Forward
The County Assembly uses the Procurement plan.

Sign

Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2018, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Acting Clerk of the County Assembly on 06/12 2018.

Eric Stanley Muthuri Nthumbi
Acting Clerk of the County Assembly

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF THARAKA NITHI FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Tharaka Nithi set out on pages 1 to 37, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, statements of comparison of budget and actual amounts: recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of County Assembly of Tharaka Nithi as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act 2012 and County Government Act, 2012.

Basis for Adverse Opinion

1.0 Accuracy of the Financial Statements

1.1 Variations Between the Financial Statements Figures and the Ledger Figures

The financial statements for the year under review reflected figures on seven (7) components which were at variance with the respective general ledger figures as follows;

Item	Note	Financial Statement Balances (Kshs)	Ledgers Balances (Kshs)	Variance Under (Kshs)	Variance Over (Kshs
Compensation to employees	4	185,977,600	168,355,327	-	17,622,273
Use of goods and services	5	107,852,188	117,099,666	9,247,478	-
Acquisition of Asset	10	17,255,650	16,768,259	0	487,391
other payments	12	0	15,000,000	15,000,000	-

Item	Note	Financial Statement Balances (Kshs)	Ledgers Balances (Kshs)	Variance Under (Kshs)	Variance Over (Kshs
Accounts receivable (outstanding imprests)	14	3,954,890	9,827,340	5,872,450	-
Fund balance	16	24,488,319	31,533,701	7,045,382	-
Cash and cash equivalents	13A& B	4,921,624	4,921,604	0	20
Total		**344,450,271**	**363,505,897**	**37,165,310**	**18,109,684**

The variances had not been reconciled as at 30 June 2018. Further, the statement of receipts and payments for the year ended 30 June 2018 reflected a figure of Kshs.107,852,188 in respect of use of goods and services. However, note 5 to the financial statements reflected Kshs.125,968,291 resulting to un-reconciled difference of Kshs.18,116,103.

In the circumstances, the accuracy of the financial statements figures as at 30 June 2018 could not be confirmed.

1.2 Fund Balance Brought Forward

The statement of financial assets and liabilities for the year ended 30 June 2018 reflected Kshs.24,488,319 in respect of fund balance brought forward from the previous financial year. However, the 2016/2017 audited financial statements reflected fund balance carried forward of Kshs.36,721,022 resulting to unexplained or un-reconciled difference of Kshs.12,232,703.

In the circumstances, the validity and accuracy of the fund balance brought forward as reflected in the statement of financial asset and liabilities as at 30 June 2018 could not be ascertained.

1.3 Statement of Cash Flows

The statement of cash flows for the year ended 30 June 2018, reflected an overdrawn balance of Kshs.10,690,201 while the statement of financial position reflects a balance of Kshs.4,921,624 resulting into an unreconciled and unexplained variance of Kshs.15,611,825.

In the circumstances, the validity and accuracy of the County Assembly's statement of cash flows for the year ended 30 June 2018 could not be ascertained.

2.0 Cash and Bank Balances

Notes 13A and 13B to the financial statements reflects cash at bank of Kshs.4,921,604 and cash at hand of nil balance respectively. However, the statement of financial assets and liabilities reflects Note 13A with a balance of Kshs.4,889,577 and Note 13B with

Kshs.32,046 resulting to inconsistencies in the amounts in the notes and in the statement of assets and liabilities.

In addition, note 13A to the financial statements reflected Kshs.4,921,604 in respect to bank balances for the year ended 30 June 2018 which included Kshs.4,889,558 in Central Bank of Kenya (CBK) recurrent account and whose cash book, bank confirmation certificate and details of the un-presented cheques totaling Kshs.15,725,376 in the bank reconciliation were not made available for audit review.

Further, Note 13A reflected Kshs.19,239 in respect to bank balance in imprest account number 0210261489699 in Equity Bank. However, the cashbook reflected a balance of Kshs.31,739, again resulting in an unreconciled balance of Kshs.12,500. In addition, a bank balance confirmation certificate for this bank account was also not availed for audit review.

In the circumstances, the validity and accuracy of the cash and bank balances of Kshs.4,921,624 reflected in the financial statements as at 30 June 2018 could not be confirmed.

3.0 Acquisition of Assets

Note 10 to the financial statements reflected Kshs.17,255,650 in respect of acquisition of assets which included Kshs.10,236,047 on purchase of vehicles and other transport equipment whose supporting documents including payment vouchers, Local Purchase Orders (LPOs), tender documents, invoices, contracts and delivery notes were not availed for audit review.

Further, Note 10 to the financial statements reflected Kshs.10,986,000 in respect to purchase of vehicles and other transport equipment which included a motor vehicle, Ford Ranger 4x4 double cabin with registration number 13CG030A whose logbook was not made available for audit verification.

In the circumstances, it has not been possible to ascertain the validity of Kshs.10,236,047 on the acquisition of vehicles and transport equipment and ownership of the Ford Ranger for the year ended 30 June 2018.

4.0 Compensation of Employees

Note 4 to the financial statements reflected Kshs.185,977,600 in respect of compensation of employees which included Kshs.143,150 comprising of Kshs.60,900 on personal allowances paid as part salary and Kshs.82,250 on basic salaries to permanent employees whose supporting documents including payment vouchers and details of the payees were not availed for audit review. Further, included in the Kshs.185,977,600 was Kshs.23,137,000 in respect to personal allowances paid as part salary which further included Kshs.1,463,100 in respect to committee sitting allowances whose Hansard reports to support the meetings were not availed for audit review.

In the circumstances, the validity of Kshs.1,606,250 expenditure reflected in the financial statements as at 30 June 2018 could not be confirmed.

5.0 Use of Goods and Services

5.1 Unsupported Expenditure

The statement of receipts and payments for the year ended 30 June 2018 reflected Kshs.107,852,188 in respect of use of goods and services which included Kshs.28,536,455 as shown below whose supporting documents including utilities bills, work tickets, inspection reports, quotations, Local Purchase Orders/Local Services Orders (LPOs/LSOs), invoices, delivery notes, and training invitation letters were not availed for audit review.

Expenditure Component	Amount (Kshs)
Training expenses	1,444,758
Domestic travel and subsistence	18,364,919
Utility, Supplies, and Services	27,380
Routine Maintenance-Vehicles & other transport	1,138,605
Hospitality Supplies and Services	2,156,840
Foreign travel and subsistence	5,403,953
Total	**28,536,455**

In the circumstances, the accuracy of Kshs.107,852,188 expenditure reflected in the financial statements as at 30 June 2018 could not be confirmed.

5.2 Insurance Cost

Note 5 to the financial statements reflected Kshs.2,497,973 in respect to the insurance cost for the year ended 30 June 2018 and whose supporting documents including signed insurance policies, original invoice, and valuation certificate for motor vehicle insurance were not availed for audit review.

In the circumstances, the accuracy and validity of the Kshs.2,497,973 expenditure reflected in the financial statements as at 30 June 2018 could not be confirmed.

5.3 Printing, Advertising, and Information Supplies and Services

Note 5 to the financial statements reflected Kshs.7,576,981 in respect to printing, advertising, and information supplies and services for the year ended 30 June 2018 which included Kshs.1,130,130 and whose supporting documents including receipts, original invoices and Local Service Orders (LSO) were not availed for audit review.

In the circumstances, the accuracy and validity of Kshs.1,130,130 expenditure on printing, advertising, and information supplies and services reflected in the financial statements for the year ended 30 June 2018 could not be confirmed.

5.4.0 Other Operating Expenses

5.4.1 County Assembly Forum Expenditure

Note 5 to the financial statements for the year ended 30 June 2018 reflected Kshs.7,718,335 in respect of other operating expenses which included Kshs.5,675,000 paid for activities relating to the County Assembly Forum (CAF) as shown below:

Payee	Details	Pv No.	Amount (Kshs)
County Assemblies forum	Annual county assembly forum subscriptions	96	775,000
County Assemblies forum	Annual county assembly forum subscriptions	388	2,700,000
county Assemblies forum	Annual county assembly forum subscriptions	828	1,700,000
Society of Clerks	Annual subscriptions	650	200,000
Society of Clerks	Annual subscriptions	154	300,000
	Total		**5,675,000**

However, no evidence was availed for audit review that the expenditure was budgeted for in line with Section 31 (a) and 50 (2 &3) of Public Finance Management (County Governments) Regulations, 2015. Further, no evidence was availed for audit review that the amount was received by CAF. In addition, the payment was not supported by any legal provision.

5.4.2 County Ward Expenses

Further, included in other operating expenses of Kshs.7,718,335 is Kshs.1,219,500 paid by the County Assembly in respect of ward expenses as shown below;

Payee	Details	PV No.	Amount (Kshs)
Administrative officer	Ward expenses for February 2018	733	484,500
Administrative officer	ward expenses for July 2018	2	250,000
Administrative officer	ward Expenses	770	485,000
Total			**1,219,500**

However, no accountable records including payment vouchers were maintained at the ward offices to monitor and account for these funds.

In the circumstances, the accuracy, validity and value for money for the Kshs.6,894,500 expenditure reflected in the statement of receipts and payments as other operating expenses for the year ended 30 June 2018 could not be ascertained.

5.4.3 Legal Fees

Inluded in the Kshs.7,718,335 in respect of other operating expenses is Kshs,1,837,575 paid to a law firm whose supporting documents including contract, LSO's and fee notes were not availed for audit review. Further, the firm was single sourced without justification contrary to Section 91 (1) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the validity and value for money for the expenditure on legal fees for the year ended 30 June 2018 could not be ascertained.

5.5 Training Expenses

Note 5 to the financial statements for the year ended 30 June 2018 reflected Kshs.17,634,742 in respect of training expenses which further included Kshs.16,367,060 paid to MCAs and staff as per diems and other training expenses. However, the County Assembly did not have an annual training plan and no supporting documents were made available in support of the expenditure including back to office reports. Further, there was no evidence availed for audit review in support of competitive procurement of training institutions amounting to Kshs.7,966,080 contrary to Section 55 and 71 of the Public Procurement and Asset Disposal Act 2015.

In the circumstances, the validity and value for money for Kshs.16,367,060 on training expenses for the year ended 30 June 2018 could not be confirmed.

5.6 Routine Maintenance – Vehicles and Other Transport Equipment

Note 5 to the financial statements for the year ended 30 June 2018 reflected Kshs.1,162,139 in respect of routine maintenance – vehicles and other transport equipment which further included Ksh1,160,069 spent on repair and fueling motor vehicles. However, fuel register, motor vehicle repairs records and logbooks were not availed for audit review.

In the circumstances, the validity of Kshs.1,160,069 on routine maintenances expense reflected in the financial statements for the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of Tharaka Nithi in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

1.1 Receipts

1.1.1. Recurrent Receipts

The combined statement of comparison of budget and actual amounts for the year under review reflected a nil balance in respect to budgeted receipts while actual receipts reflected an amount of Kshs.295,476,383 resulting in a budget shortfall of Kshs.(295,476,383) (100%) as shown below:

Summarized Recurrent Receipts Analysis				
Item	**Final Budget (Kshs)**	**Actual Receipts (Kshs)**	**Over/Under (Kshs)**	**%**
Transfer from the County Treasury/Exchequer Releases	0	295,476,383	(295,476,383)	-100%
Proceed from sales of assets	0	0	0	-
Other Receipts	0	0	0	-
Totals	**0**	**295,476,383**	(295,476,383)	-100%

However, the integrated financial management information system (IFMIS) reflected a recurrent receipts budget of Kshs.384,900,000 and no explanation was given as to why the same was not reflected in the statement of comparison of budget and actual amounts. In the circumstances, the accuracy of the combined statement of comparison of budget and actual amounts for the year ended as at 30 June 2018 could not be ascertained.

1.1.2. Development Receipts

The County Assembly's development receipts budget for the year under review amounted to Kshs.100,000,000 while there was no expenditure during the year resulting to 100% under absorption as summarized below.

Summarized Development Receipts Analysis				
Item	**Final Budget (Kshs)**	**Actual Receipts (Kshs)**	**Over/Under (Kshs)**	**%**
Transfer from the County Treasury/Exchequer Releases	100,000,000	0	-100,000,000	-100%
Proceed from sales of assets	0	0	0	-
Other Receipts	0	0	0	-
Totals	**100,000,000**	**0**	**-100,000,000**	-100%

The under- realization of receipts may be an indication of improper planning on its budget making process and may have negatively impacted on service delivery by the County Assembly of Tharaka Nithi to the citizens of Tharaka Nithi County.

1.2. Expenditure

The statement of comparison of budget and actual amounts - recurrent and development combined reflected approved expenditure budget of Kshs.355,400,000 and actual expenditure of Kshs.311,088,188, resulting to under absorption of Kshs.44,311,812 or 12% as detailed below:

Summarized Expenditure Analysis				
Item	**Final Budget (Kshs)**	**Actual Expenditure (Kshs)**	**Over/Under (Kshs)**	**%**
Compensation of Employees	145,807,952	185,977,600	40,169,648	28%
Use of goods and services	155,222,948	107,852,188	-47,370,760	-31%
Subsidies	0	0	0	0%
Transfers to Other Government Entities	0	0	0	0%
Other grants and transfers	0	0	0	0%
Social Security Benefits	0	0	0	0%
Acquisition of Assets	54,369,100	17,255,650	-37,113,450	-68%
Finance Costs	0	2,750	2,750	
Other Payments	0	0	0	0%
Totals	**355,400,000**	**311,088,188**	**-44,311,812**	**-12%**

The under absorption of Kshs.44,311,812 may have negatively impacted on service delivery by the County Assembly of Tharaka Nithi as well as an indication of improper budget planning process.

Further, the statement of comparison of budget and actual amounts reflected an expenditure of Kshs.311,088,188 against actual receipts of Kshs295,476,383 resulting in

over expenditure of Kshs.15,611,805. No approval in form of a supplementary budget was made available for the Kshs,15,611,805 over expenditure in line with Section 31 (a) and 50 (2 &3) of Public Finance Management -County Government Regulations, 2015. In addition, there was no evidence of public participation during the development of the annual budget contrary to Section 6(2) of the Public Finance Manual (PFM) County regulations 2015, that requires the County Treasury to arrange for an effective public participation during the development of the annual budget estimate.

In the circumstances, the County Assembly was in bleach of the law.

2.0 Presentation of Financial Statements

The statement of receipts and payments at pages 1 and 2 of the financial statements for the year under review was not signed and dated as required by the International Public Sector Standards (IPSAS) Cash Basis financial statement preparation format. Further, progress on follow-up of the auditor's recommendation on previous financial year's audit issues were not disclosed in the financial statements as required by IPSAS (Cash Basis) financial preparation format.

In the circumstance's, the presentation of the financial statements did not comply with the standards.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Foreign Travel and Subsistence

Note 5 to the financial statements for the year ended 30 June 2018 reflected Kshs.125,968,291 in respect of use of goods and services which further included Kshs.12,976,347 in respect of foreign travel and subsistence. The Kshs. 12,976,347 included Kshs.9,535,342 paid to Members of the County Assembly (MCAs) and staff for various seminars, workshops and trainings held in foreign countries as shown below;

Payment Voucher Number	Pv. Date	Amount (Kshs)	Destination
789/17-18	09.06.18	619,330	Rwanda
788/17-18	08.05.18	690,242	Singapore
833/17-18	15.05.18	317,515	Denmark

Payment Voucher Number	Pv. Date	Amount (Kshs)	Destination
609/17-18	07.03.18	709,464	Rwanda
790/17-18	10.05.18	764,406	Zambia
834/17-18	14.05.18	202,510	Zambia
571/17-18	05.03.18	814,291	Uganda
725/17-18	13.04.18	898,291	Uganda
450/17-18	24.01.18	1,735,344	Uganda
791/17-18	11.05.18	348,268	Tanzania
795/17-18	08.05.18	436,384	Singapore
1012/17-18	24.06.18	1,368,400	Dubai
806/17-18	09.05.18	630,897	Tanzania
Total		**9,535,342**	

However, the payments were made as reimbursements through temporary imprests after returning from the foreign trips contrary to Section 93(3) of the Public Financial Management (PFM) County Regulations which states that temporary imprest shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses.

Further, included in the Kshs.9,535,342 foreign travel was Kshs.6,577,976 whose supporting, documents including copies of visas, air tickets and boarding passes were not provided for audit review. In addition, certificates of participation/signed attendance register and back to office reports were not made available for audit review. The following anomalies were also noted;

i. The seminars, workshops and trainings were organized by a firm which was not a prequalified supplier of training services for the County Assembly in the period under review.

ii. Kshs.317,515 was paid to the Deputy Speaker for a travel to Denmark from 30 May to 5 June 2018, for a workshop while plenary records showed that she attended plenary sittings at the same period.

iii. Kshs.814,291 was paid to five (5) MCAs and a staff member for a workshop on effective house leadership in Uganda. However, an additional Kshs.898,291 was paid to the same members in respect of unauthorized additional per diems for an unexplained extension of their stay in Uganda by 4 days.

In the circumstances, the validity and value for money for the Kshs.12,976,347 expenditure reflected in the financial statements as at 30 June 2018 could not be ascertained.

2. Domestic Travel and Subsistence

Note 5 to the financial statements reflected Kshs.63,674,355 in respect of domestic travel and subsistence for the year ended 30 June 2018 which included Kshs.32,741,490 paid

to Members of the County Assembly (MCAs) and staff for various domestic travel and subsistence which were made as reimbursements through temporary imprests contrary to Section 93(3) of the Public Finance Management (County Regulations), 2015.

Further, included in Kshs.32,741,490 was Kshs.2,116,600 in respect of travel and subsistence paid to MCAs while the plenary attendance records indicated that the MCAs were attending plenary sittings at the County headquarters in Kathwana at the same time as follows:

Payee	Details	PV No	Date	Amount (Kshs)	Remarks
MCAs KYISA Games	Per Diem in Makueni	771	19-04-18	1,614,200	The members claimed per diem while in Makueni attending KYISA games between 14 to 22 April 2018. However, attendance register for the plenary sitting indicated that the members attended the plenary on 17 April 2018.
Trade Committee	Per diem while attending retreat in Embu	755	19-04-18	249,300	The members were in Embu between 16 to 18 April 2018, However, All the five MCAs who claimed the per diem attended Plenary sitting on 17 April 2018
MCAs & staff	Per diem while in Embu	887	18-06-18	253,100	Three members attended the meeting in Embu but the attendance register showed that they attended plenary sitting in Kathwana at the same time.
				2,116,600	

In addition, analysis of the records relating to the above domestic travel and subsistence expenditure revealed the following anomalies;

i. There were no signed attendance registers for meetings and seminars including participating certificates to confirm attendance.

ii. There was no evidence to show that the members travelled to the venues of the workshops and seminars.

iii. No back to office reports, Hansard reports and activity budgets were availed for audit review.

In the circumstances, the validity and value for money for the Kshs.32,741,490 expenditure on domestic travel and subsistence for the year ended 30 June 2018 could not be confirmed.

3. Procurement of Goods and Services from Unregistered Suppliers

3.1 Purchase of Office Furniture and General Equipment

Note 10 to the financial statements reflected Kshs.3,946,390 in respect of purchase of office furniture and general equipment which included Kshs.1,200,000 and Kshs.874,190 paid to two firms respectively. However, both firms were not registered suppliers with the County Assembly in the financial year 2017/2018 contrary to Section 57 (1) and (2) of the Public Procurement and Assets Disposal (PPAD) Act 2015.

The Assembly was therefore in breach of law.

3.2 Purchase of Information and Communications Technology (ICT) Equipment, Software and other ICT Assets

Note 10 to the financial statements reflected Kshs.637, 500 in respect of purchase of ICT equipment, software and other ICT assets which included Kshs180, 000 paid to a firm in respect of ICT networking and communication equipment. However, the firm was not registered as a supplier with the County Assembly in the financial year 2017/2018 contrary to Section 57 (1) and (2) of the PPAD Act 2015. The Assembly was therefore in breach of the law.

3.3 Hospitality Supplies and Services

Note 5 to the financial statements reflected Kshs.6,334,232 in respect to hospitality supplies and services which included Kshs.771,400 paid to various hotels as shown below:

S/No	Date	P.V No	Amount (Kshs)
1	2/2/18	-	89,700
2	16/1/18	507	61,650
3	3/5/18	920	104,000
4	19/6/18	-	62,000
5	7/9/17	20003932	371,250
6	16/5/18	20006339	82,800
	Totals		**771,400**

However, the hotels were not registered suppliers with the County Assembly in the financial year 2017/2018 contrary to Section 57 (1) and (2) of the PPAD Act 2015.

In the circumstances, the assembly was in breach of the law.

4. Imprest Management

Note 14 to the financial statements for the year ended 30 June 2018 reflected Kshs.3,954,890 in respect to account receivables which comprised of government imprest issued to County Assembly staff. However, the applicants were issued with more than one imprest at the same time contrary to Section 93(4)(b) and 93(5) of PFM County Regulations 2015 which require that an applicant should not be issued with additional imprest if the outstanding imprest has not been surrendered and that the imprest should be accounted for within 7 days after return to the duty station.

The County Assembly was therefore in breach of the law.

5. Unspent Balances in the Bank

Note 13A to the financial statements reflected Kshs.4,921,604 in respect of bank balances which included Kshs.4,889,558 in respect to the County Assembly's Central Bank of Kenya (CBK) recurrent bank account which should have been transferred to County Revenue Fund (CRF) as at 30 June 2018. However, the funds were not transferred contrary to Section 136 (2) Public Finance Management Act of 2012 which require that any unspent balances should be transferred to the CRF immediately after the lapse of the financial year.

In the circumstances, the County Assembly was in breach of the law.

6. Employees Earning Less than a Third of their Basic Salary

Note 4 to the financial statements reflected Kshs185,977,600 in respect of compensation to employees which included Kshs.132,931,852 reflected as basic salaries of permanent employees. However, analysis of the County Assembly's payroll revealed that thirty-three (33) County Assembly officers had deductions that were more than 2/3 of their salary contrary to Section 19(3) of the employment Act 2007.) The County Assembly was therefore in breach of the law.

Further, four (4) County Assembly officers who had negative net salary amounting to Kshs.23,192 were paid Kshs.102,972 through their banks in unclear circumstances. The difference of Kshs.126,164 which was an irregular payment had not been recovered as at 30 June 2018.

In the circumstances, the validity of Kshs.414,590 basic salaries of permanent employee reflected in the financial statements for the year ended 30 June 2018 could not be ascertained.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for conclusion

1. Poor Records Management

A review of the County Assembly's internal control systems revealed that there was no audit committee and audit charter, risk assessment framework, internal audit operation plans and program of work and internal reports. In addition, there was poor record keeping and accountable documents were not pre- numbered or filed serially. Further, cashbooks were not posted with referenced documents and there were no systematic references of records posted in the IFMIS system. In addition, not all payment vouchers and cashbooks were examined by the County's examination section as a means of internal check.

In view of the above, the internal control system and governance of the County Assembly was weak and the effectiveness of the internal audit section as a custodian of the County Assembly's internal controls was doubtful for the year ended 30 June 2018.

2. Information and Communications Technology (ICT) Internal Control Weakness

Review of the County Assembly's ICT environment revealed there was no formal approved ICT policy in place as at 30 June 2018 which included data security policy and disaster recovery plans, ICT Environmental policy, ICT Continuity and ICT strategic plan. Further, the ICT organization structure was not provided for audit review.

In the circumstances, the integrity, security and reliability of the County Assembly's financial data including its Management Information System could not be ascertained for the year ended 30 June 2018.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards 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 Assembly's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management intends to cease operations of the County Assembly, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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

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

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

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

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

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

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

FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/18 KShs	2016/17 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	295,476,383	340,100,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		-
TOTAL RECEIPTS		**295,476,383**	**340,100,000**
PAYMENTS			
Compensation of Employees	4	185,977,600	183,518,487
Use of goods and services	5	107,852,188	132,384,246
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	17,255,650	6,704,590
Finance Costs	11	2,750	29,648
Other Payments	12	-	-
TOTAL PAYMENTS		**311,088,188**	**322,636,971**
SURPLUS/DEFICIT		**(15,611,805)**	**17,463,029**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06/12/ 2018 and signed by:

Acting Clerk of the Assembly
Name: Eric Stanely Muthuri N

Director Finance – County Assembly
Name: Peter Mburu Muniu
ICPAK Member Number: 4325

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR THE YEAR 30TH JUNE,2018		2017/2018	2016/17
FINANCIAL ASSETS	**Note**	**KShs**	**KShs**
Cash and Cash Equivalents			
Bank Balances	13A	4,889,577.9	33,702,612.50
Bank Balances	13B	19,239.10	2,848,461.10
	13B	12,807.28	5,367,.25
Total Cash and cash equivalents		**4,921,624**	**36,551,073**
Accounts receivables – Outstanding Imprests	14	3,954,890	129,240
TOTAL FINANCIAL ASSETS		**8,876,514**	**36,685,680.88**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**8,876,514**	
REPRESENTED BY			
Fund balance b/fwd	16	24,488,319	164,581
Surplus/Deficit for the year		(15,611,805)	20,281,516.88
NET FINANCIAL POSITION		**8,876,514** -	**36,685,680.88**

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Acting Clerk of the Assembly Name: Eric Stanely Muthuri N	Director Finance – County Assembly Name: Peter Mburu Muniu ICPAK Member Number: 4325

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	295,476,383	340,100,000
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	185,977,600	183,518,487
Use of goods and services	5	107,852,188	132,384,246
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	2,750	29,648
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**(1,643,845)**	**315,932,381**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(17,255,650)	6,704,590

Net cash flows from investing activities		**(17,255,650)**	**6,704,590**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(15,611,805)**	**-**
Cash and cash equivalent at BEGINNING of the year	13	**4,921,604**	**164,581**
Cash and cash equivalent at END of the year		**(10,690,201)**	**17,463,029**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06/12/ 2018 and signed by:

Ag.Clerk of the Assembly
Name: Eric Stanely Muthuri N

for
Director Finance – County Assembly
Name: Peter Mburu Muniu
ICPAK Member Number: 4325

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	-	-	-	295,476,383	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	-	-	-	**295,476,383**	-
PAYMENTS					
Compensation of Employees	246,848,570	(101,040,618)	145,807,952	185,977,600	75.34%
Use of goods and services	147,817,204	7,405,744	155,222,948	107,852,188	72.96%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	10,921,960	43,447,140	54,369,100	17,255,650	157.99%
Finance Costs	-	-	-	2,750	-
Other Payments	-	-	-	-	-
TOTAL	**405,587,734**	-	**355,400,000**	**311,088,188**	**76.70%**
SURPLUS/ DEFICIT				**(15,611,805)**	

(NB: the total under actual on comparable basis should be the same as the totals under the statement of receipts and payments, where the two statements are not in agreement, a reconciliation of these two statements should be prepared as required under IPSAS and presented hereunder).

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Xxxx

(b) Xxxx

(c) Xxxx

(d) Xxxx

(e) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*) *.Where the result of the statement of receipts and payments is a deficit, the Assembly should explain how the deficit was funded.*

The Assembly financial statements were approved on 26/12 2018 and signed by:

Ag.Clerk of the Assembly
Name: Eric Stanely Muthuri N

for
Director Finance– County Assembly
Name: Peter Mburu Muniu
ICPAK Member Number: 4325

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	-	-	-	295,476,383	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	-	-	-	**295,476,383**	-
PAYMENTS					
Compensation of Employees	246,848,570	(101,040,618)	145,807,952	185,977,600	75.34%
Use of goods and services	147,817,204	7,405,744	155,222,948	107,852,188	72.96%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	10,921,960	43,447,140	54,369,100	17,255,650	157.99%
Finance Costs		-	-	2,750	-
Other Payments		-	-	-	-
TOTAL	**405,587,734**	-	**355,400,000**	**311,088,188**	**76.70%**
Surplus/ Deficit				**(15,611,805)**	

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx

(e) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

The Assembly financial statements were approved on 28/12 2018 and signed by:

Ag, Clerk of the Assembly
Name: Eric Stanely Muthuri N

for
Director Finance – County Assembly
Name: Peter Mburu Muniu
ICPAK Member Number: 4325

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	100,000,000	0	100,000,000	0	0%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**100,000,000**	**0**	**100,000,000**	**0**	**0%**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**0**	**0**	**0**	**0**	**0**
SURPLUS/ DEFICIT	**100,000,000**	**0**	**100,000,000**	**0**	**0%**

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

The Assembly financial statements were approved on _____ 2018 and signed by:

_____
Ag. Clerk of the Assembly
Name: Eric Stanely Muthuri N

for _____
Director Finance– County Assembly
Name: Peter Mburu Muniu
ICPAK Member Number: 4325

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1	127,839,332		113,894,600	105,355,166	82.41%
Sub-programme 2	51,733,731		68,087,218	29,934,579	57.86%
Sub-programme 3	24,031,290		19,541,700	15,183,310	63.18%
	203,604,353		**201,523,518**	**150,473,055**	**73.90%**
Programme 2					
Sub-programme 1	170,889,245		113,696,171	101,706,539	59.51%
Sub-programme 2	10;163,596		10,513,516	5,676,576	55.85%
Sub-programme 3	20,930,539		29,666,795	20,493,434	97.91%
	201,983,380		**153,876,482**	**127,876,549**	**63.31%**

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

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. 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 assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The assembly's budget was approved as required by Law . A high-level assessment of the assembly's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2017/18	2016/17
	KShs	KShs
Transfers from the County Treasury for Q1	30,000,000	80,100,000
Transfers from the County Treasury for Q2	76,642,483	90,000,000
Transfers from the County Treasury for Q3	76,925,000	60,000,000
Transfers from the County Treasury for Q4	111,908,900	110,000,000
Cumulative Amount	**295,476,383**	**340,100,000**

(Where money is transferred to the County Assembly on a monthly basis, include the months instead of quarters)

2. PROCEEDS FROM SALE OF ASSETS

	2017/18	2016/17
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

3. OTHER RECEIPTS

	2017/18	2016/17
	KShs	KShs
Tender fees received(Balance b/f)	-	200
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18	2016/17
	KShs	KShs
Basic salaries of permanent employees	132,931,852	117,522,366
Basic wages of temporary employees	7,897,500	-
Personal allowances paid as part of salary	23,137,000	43,646,033
Personal allowances paid as reimbursements	-	880,000
Personal allowances provided in kind	-	-
Pension and other social security contributions	20,159,298	21,470,088
Compulsory national social security schemes	287,200	-
Compulsory national health insurance schemes	1,564,750	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**185,977,600**	**183,518,487**

(Provide detailed explanation with regard to the number of employees recruited by the Assembly, new employees and resignations. Explain what other personnel costs relate to)

5. USE OF GOODS AND SERVICES

	2017/18	2016/17
	KShs	KShs
Utilities, supplies and services	244,334	154,578
Communication, supplies and services	2,228,905	2,526,587
Domestic travel and subsistence	63,674,355	50,017,751
Foreign travel and subsistence	12,976,347	6,630,294
Printing, advertising and information supplies & services	7,576,981	15,928,295
Rentals of produced assets	-	-
Training expenses	17,634,742	17,414,216
Hospitality supplies and services	6,334,232	5,442,626
Insurance costs	2,497,973	17,297,300
Specialized materials and services	282,360	960,020
Office and general supplies and services	3,502,588	1,186,149
Other operating expenses	7,718,335	12,878,975
Routine maintenance – vehicles and other transport equipment	1,162,139	1,442,155
Routine maintenance – other assets	135,000	505,300
Total	**125,968,291**	**132,384,246**

6. SUBSIDIES

Description	2017/18 KShs	2016/17 KShs
Subsidies to County Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

(Provide explanations as to what subsidies relate to)

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18 KShs	2016/17 KShs
Transfers to National Government entities		
Transfers to other County Assembly entities		
(insert name of budget agency)	-	-
TOTAL	-	-

(Explain what the transfers relate to and whether they are to be refunded by the institution referred to)

8. OTHER GRANTS AND TRANSFERS

	2017/18 KShs	2016/17 KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

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

9. SOCIAL SECURITY BENEFITS

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

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

10. ACQUISITION OF ASSETS

Non Financial Assets	2017/18	2016/17
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	10,986,000	4,400,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	1,685,760	-
Purchase of Office Furniture and General Equipment	3,946,390	1,617,590
Purchase of ICT Equipment, Software and Other ICT Assets	637,500	687,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total	**17,255,650**	**6,704,590**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18	2016/17
	KShs	KShs
Bank Charges	2,750	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	**2,750**	-

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

12. OTHER PAYMENTS

	2017/18	2016/17
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
Total	-	-

(Provide detailed explanations for other payments)

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017/18	2016/17
		KShs	KShs
Equity Bank Limited, Ward Accounts (Kshs.)	Ward Accounts		
1. Gatunga-0210261612514		920	
2.Marimanti-0210261616386		2,590	
3. Mariani-0210261610789		715	
4. Chogoria-0210261611539		715.5	
5.Mugwe-0210261611758		715	
6. Igambang`ombe-		715	

0210261627433 7. Mukothima-0210261612403 8. Magumoni-0210261609987 9. Mitheru-0210261619968 10. Chiakariga-0210261616240 11. Ganga-0210261615782 12. Mwimbi-021026161609688 13. Nkondi-0210261612624 14. Muthambi-0210261611420 15. Karingani-0210261612260		715 715 715 715.89 715.6 715.29 715 715 715	
Central Bank of Kenya, 1000199407 (Kshs.)	Development Acc	-	-
Central Bank of Kenya, 1000199393 (Kshs.)	Recurrent Acc	4,889,557.90	33,702,612.10
Equity Bank Limited, 0210261489699(Kshs.)	Commercial Bank Acc.	19,239.10	2,848,610.10
Total		**4,921,604.28**	**36,551,222.20**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2017/18 KShs	2016/17 KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2017/18 KShs	2016/17 KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

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

14. ACCOUNTS RECEIVABLE

	2017/18	2016/17
	KShs	KShs
Government Imprests	**3,954,890**	-
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	**3,954,890**	-

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

15. ACCOUNTS PAYABLE

	2017/18	2016/17
	KShs	KShs
Deposits and Retentions	-	-
Pending transfer for Revolving members scheme	15,000,000	17,463,785
Total	**15,000,000**	**17,463,785**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18	2016/17
	KShs	KShs
Bank accounts	4,889,557.90	164,581
Cash in hand	-	-
Accounts Receivables	3,954,890	-
Accounts Payables	15,643,872	-
Total	**24,488,319.90**	**164,581**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18	2016/17
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	-	-

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	13,348,940	1,583,790
Supply of services	2,294,932	2,980,626
Total	**15,643,872**	**4,564,416**

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
Ruth Karea Mugao	-	18,000
Staff Allowances	1,886,652	-
Members Allowances	408,280	
Total	**2,294,932**	**18,000**

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18	2016/17
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Total	**-**	**-**

4. RELATED PARTY DISCLOSURES

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

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

- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2017- 2018 Kshs	2016- 2017 Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	10,871,952	-
Key Management Compensation(Clerk and Heads of departments)	5943,600	-
Total Compensation to Key Management	**16,815,552**	-
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the County Executive- Exchequer	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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.

Acting Clerk of the County Assembly
Eric Stanely Muthuri Nthumbi
Sign.....

Date.....06/12/18.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
Sub-Total						
Construction of civil works						
2.						
Sub-Total						
Supply of goods						
3. Shabaknots Limited				218,000		
4. Chuka General Constructions Ltd				1,931,597.20		
5. Gem-CM Construction Ltd				4,481,091		
6. Joseka Best Enterprise Limited				309,740		
7. Winter Greens Training & Consultancy				174,000		
8. Equip Africa Institute				211,700		
9. KARMA				250,560		
10. Izaak Walton Hotel				223,100		
11. Ethics and Integrity				483,024		
12. Jalut Company				160,400		
13. The Standard Group Limited				295,800		
14. Sulvo General Works(Shell Chuka)				593,812		
15. The Tavern(Godka Chuka)				62,000		
16. Kenya School of Government				188,500		
17. Thoma Bookshop				91,800		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
18. IHRManagement				32,480		
19. KRA-Income Tax(The Standard)				23,360		
20. KIHBIT				29,120		
21. KARA				200,000		
22. Purega Enterprises				193,400		
23. Institute of Capacity Building				1,109,220		
24. Flotex Services				380,000		
25. CIC Group				192,808		
26. ICPAK				62,900		
27. Country View Hotel				180,000		
28. Sunstar Hotel				614,800		
29. Lowlands Hotel				160,010		
30. Orient Hotel				71,400		
Sub-Total				**12,924,622**		
Supply of services						
31. Cabera Solutions Limited				84,918		
32. Elsa Hotel				179,400		
33. Pioneer Assurance				60,000		
34. Fredkim Agencies Limited				100,000		
35.						
Sub-Total				**424,318**		
Grand Total				**13,348,940**		

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
1. Staff Allowances					1,886,652		
2. Members Allowances					408,280		
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total					**2,294,932**		
Grand Total					**2,294,932**		

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land				
Buildings and structures				
Household Furniture		1,685,760		**1,685,760**
Office General equipment and furniture	1,617,590	3,946,390		**5,563,980**
ICT Equipment, Software and Other ICT Assets	2,228,220	637,500		**2,865,720**
Other Machinery and Equipment-M.Vehicle	4,400,000	10,986,000		**15,986,000**
Heritage and cultural assets				
Intangible assets				
Total	**8,245,810**	**17,255,650**		**26,101,460**

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	***KShs***	***KShs***
Benson Kitheeru		13,000	-	13,000
Martin Kariuki		2,168,720	-	2,168,720
Peter Mutwiri		53,000	-	53,000
Kenneth Nyaga		42,000	-	42,000
Festus Kinoti		521,600	-	521,600
Eric Nthumbi		109,760	-	109,760
Dennis Kimathi Ndiga		20,000	-	20,000
Kenneth Kanake		68,000	-	68,000
Edward Nyaga Irichu		26,500	-	26,500
Stella Karegi Mbaabu		47,600	-	47,600
Mary Kendi		400,000	-	400,000
Sarah Wanja		48,910	-	48,910
Joy Gakii		45,600	-	70,800
Mercy Kendi		30,000	-	30,000
Joshua Mwenda Muriithi		60,000	-	60,000
Robert Mutwiri		30,000	-	30,000
Fridah Makena Mate		30,000	-	30,000
Hon. Godfrey Muriithi		100,000	-	100,000
Hon. Wilson Nyaga		100,000	-	100,000
Joseph Munene		15,000	-	15,000
Total		**3,954,890**		**3,954,890**

Annex 7

THE THARAKA NITHI COUNTY ASSEMBLY

Telephone: 064-630071
Email:tharakanithicountyassembly@gmail.com

P.O Box 694
CHUKA

THARAKA NITHI COUNTY ASSEMBLY

TRIAL BALANCE-RECURRENT ACCOUNT

FOR THE YEAR ENDED 30TH JUNE, 2018

	DR.	CR.
Balance b/f 2017/18		33,702,612
Exchequer Releases		295,476,383
Compensation of Employees	185,977,600	
Use of goods and services	107,852,188	
Acquisition of Assets	17,255,650	
Other payments (Transfer to car loan and mortgage a/c)	15,000,000	

Balance c/d	4,889,557	1,796,000
Suspense A/c		
TOTALS	**330,974,995**	**330,974,995**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)