

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF THARAKA NITHI



COUNTY EXECUTIVE

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER ENDED

30th JUNE 2019

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

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

Table of Content	Page
Glossary of Abbreviations	iii
I. KEY ENTITY INFORMATION AND MANAGEMENT	iv
II. FORWARD BY THE CEC FINANCE AND ECONOMIC PLANNING	vi
III. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	x
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	11
V. STATEMENT OF ASSETS AND LIABILITIES.....	13
VI. STATEMENT OF CASH FLOW	14
VII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED	16
VIII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT.....	18
IX. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT.....	20
X. COUNTY OWN GENERATED REVENUE PERFORMANCE STATEMENT.....	23
XI. SIGNIFICANT ACCOUNTING POLICIES	23
XII. NOTES TO THE FINANCIAL STATEMENTS.....	29

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

Glossary of Abbreviations

B/F	Brought Forward
CA	County Assembly
CECM	County Executive Committee Member
CBK	Central Bank of Kenya
CRA	Commission on Revenue Allocation
DANIDA	Danish International Development Agency
FS	Financial Statement
FY	Financial Year
IFMIS	Integrated Financial Management Information System
IPSAS	International public Sector Accounting Standards
PFMA	Public Finance Management Act
PSAB	Public Sector Accounting Standards Board
THSUCP – WB	Transforming Health System for Universal Care Project– World Bank
KCSAP – WB	Kenya Climate Smart Agriculture Project– World Bank
KDSP – WB	Kenya Devolution Support Program – World Bank
UHDSP – DANIDA	Universal Healthcare for Devolved System Program
ASDSP – Sweden	Agriculture Sector Support Programme – Sweden Government
KUSP – WB	Kenya Urban Support Program – World Bank (has 2 components)
UDG – WB	KUSP - Urban Development Grant – World Bank
UIG – WB	KUSP - Urban Institutional Grant – World Bank

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Government of Tharaka Nithi is constituted as per the Constitution of Kenya 2010 is headed by the County Governor, **H.E Onesmas Muthomi Njuki** who is responsible for the general policy and strategic direction of the County.

(b) Key Management

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

- The County Executive
- County Assembly; and
- The Public Service Board

(c) Fiduciary Management

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

No.	Name	Designation
1	Dorothy Igoki Kinyua	CECM – Finance and Economic Planning
2	Zephaniah Rwanda Mbaka	C O – Finance and Economic Planning
3	Humphrey Gitonga	Director Finance

(d) Entity Headquarters

County Government Offices Building
P.O. Box 10-60406
KATHWANA
Tharaka Nithi, Kenya

(e) Entity Contacts

Telephone: 064-630071
E-mail: [info@Tharaka Nithi.go.ke](mailto:info@TharakaNithi.go.ke)
Website: [www.Tharaka Nithi.go.ke](http://www.TharakaNithi.go.ke)

(f) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Chuka Branch
P.O Box 7014- 60400
CHUKA

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

3. Co-operative Bank
Chuka Branch
P.O Box 101-60400
CHUKA
4. Trans Nation Sacco Society Limited
Kathwana Banch
P.O Box 15-60400
CHUKA
5. Equity Bank
Chuka Branch
P.O Box 213 - 60400
CHUKA

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

II. FORWARD BY THE CEC FINANCE AND ECONOMIC PLANNING

The following is the summary of the County executive operation for the fourth quarter, financial year 2018/2019 period ending 30th June 2019

A. Budget Performance Revenue and Expenditure

(i) Summary of Revenue Realization

The table below analysis the revenue realization for the cumulative period to 30th June 2019;

Table: 1 Revenue Realization

	Source of Revenue	Original Budget (Ksh)	Supplementary Adjustments FY 2018/19 (Ksh)	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
1	Equitable Share of National Revenue	3,642,400,000	-	3,642,400,000	3,642,400,000	100%
2	UHDSP – DANIDA	12,352,500	-	12,352,500	12,352,500	100%
3	Compensation for forgone user fees	8,218,119	-	8,218,119	8,218,119	100%
4	Road Maintenance Fuel Levy Fund	95,901,220	-	95,901,220	95,901,220	100%
5	Road Maintenance Fuel Levy (Bal b/f)	-	32,200,000	32,200,000	32,200,000	100%
6	Other Conditional Grants	177,530,581	275,830,744	453,361,325	-	0%
7	THSUCP – WB	50,000,000	-	50,000,000	17,451,239	35%
8	ASDSP – Sweden	12,352,500	-	12,352,500	6,509,045	53%
9	KCSAP – WB	117,000,000	-	117,000,000	39,557,498	34%
10	KDSP – WB	38,536,081	38,536,081	77,072,162	35,989,349	47%
11	UDG – WB	50,000,000	-	50,000,000	50,000,000	100%
12	UIG – WB	42,000,000	-	42,000,000	41,200,000	99%
13	Youth Polytechnics Grant	40,090,000	38,121,638	78,211,638	38,121,638	49%
14	Own Sources of Revenue	300,000,000	-	300,000,000	239,154,529	80%
15	Unspent Funds Returned	258,397,430	491,533,809	749,931,239	504,769,029	67%
	Total Amount	4,844,778,431	876,222,272	5,721,000,703	4,763,824,166	83%

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

The County realized cumulative total revenue for the year amounting to Ksh. 4,763,824,166 against projected total revenue of Ksh. 5,721,000,703 representing 83% level of revenue realization resulting to revenue deficit of Ksh. 957,176,537.

During the year under review, several CARA revenues including THSUCP, ASDSP, and KCSAP KDSP were not released in full while KDSP and Youth Polytechnic Development Grant was never disbursed. This greatly affected implementation of the budget hampering intended service delivery

The own sources of revenue continued on positive trajectory with total revenue amounting to Ksh. 239,154,529 been realised recording 80% level of performance representing a 63% growth from last year's revenue collection. This has been as result of improved measures put in place to curb revenue losses including automated revenue collection systems and improved enforcement mechanisms.

(ii) Summary of Funds Utilization by Budget Classification

The table below presents analysis of the accumulated expenditure by budget classification for the four quarters period ending 30th June 2019.

Table 2: Funds Utilization

	Budget Category Executive	Original Budget FY 2018/19 (Ksh)	Budget Supplementary Adjustment FY 2018/19 Ksh	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Expenditure (Ksh)	Level of Funds Absorption (%)
1	Development Expenditure	1,586,590,000	574,472,408	2,161,062,408	1,454,014,067	67%
2	Recurrent Expenditure	2,889,188,431	301,749,864	3,190,938,295	2,976,082,056	93%
3	County Assembly	369,000,000	0	369,000,000	351,999,598	95%
	Total Budget	4,844,778,431	876,222,272	5,721,000,703	4,782,095,721	84%

The County reported overall absorption level at 84% cumulatively for the four quarters ending 30th June 2019 with 67% and 93% absorption rates for Development and Recurrent expenditure respectively.

The low funds absorption cumulative for the four quarters can be attributed to revenue short fall and unrealised grant funds

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

(iii) Summary of Budget Absorption by Expenditure Items

The table below present analysis overall budget absorption by expenditure item for the four quarters period ending 30th June 2019;

Table 3: Summary of Expenditure by Item

Description	Approved Budget.	Cumulative Expenditure	Level of Budget Utilization %
Compensation of Employees	1,970,335,329	2,137,300,902	108%
Use of Goods and Services	818,020,775	615,343,922	75%
Emergency Relief, Refugee Assistance and Subsidies	68,121,638	38,100,000	56%
Transfers to Other Government Entities	369,000,000	351,999,598	95%
Grants and Transfers	326,424,934	169,293,416	52%
Social Security Benefits	60,000,000	53,600,937	89%
Other Payments	352,700,000	10,632,282	3%
Acquisition of Assets	1,489,283,481	1,212,780,034	81%
Payable from Previous Financial Periods	267,114,546	193,044,630	72%
Total	5,721,000,703	4,782,095,721	84%

Explanation to Expenditure Absorption

1. The personnel expenditure reported excess expenditure at 108% level of absorption above the budget allocation. This was due to salary arrears honoured during the year under review.
2. The Use of Goods and Services, recorded a moderate expenditure following more austerity measures undertaken by the County Treasury to control expenditure on non essential items
3. The Emergency Relief, Refugee Assistance and Subsidies were money set aside for financial grants to youth polytechnic capitation. The amount paid relate to balance unspent from last financial with this year's disbursement not yet received by end of fourth quarter
4. The transfer to other government agencies relate to budgetary allocation to County Assembly with funds transfer amounting Ksh. 352 Million out of Ksh. 360 Million by end of fourth quarter. The balance relate to development allocation of an amount of Ksh. 17 M but the implementation of the intended project did not commence during the year under review hence the amount was not released to County Assembly.

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

5. Grants and Transfers relate to budgetary allocation for school educational bursary, grants to health facilities from DANIDA and World Bank (THSUCP), Urban Development Grant (UDG), Kenya Climate Smart Agriculture program (KCSAP), Agriculture Sector Development Support Project grants (ASDSP). DANIDA and UDG were full disbursed while THSUCP and KCSAP were partially released by National exchequer while UDG funds were not fully utilised as the project is still ongoing hence low absorption rates
6. The County paid gratuity due to officers whose term of contract ended during the last financial year, a total of Ksh. 53.6 Million
7. The budgetary allocation for Other Payments relate to budgetary allocation for construction and rehabilitation of county markets. But the work not fully completed
8. The County expenditure on acquisition of assets which constitute mainly development project is had a considerable expenditure incurred, however due to delays in completion of some projects the absorption reported at 81%
9. Payables from previous financial year relate to budgetary allocation for payment of pending bills from previous years for only those were ascertained as per Pending Task Force report.

We continue focusing more on service delivery to the residents of Tharaka Nithi County in strict compliance to the law and ensuring the public get value for money from the all activities undertaken by the County.

Thank you very much and God bless Tharaka Nithi County

Sign.....

Dorothy Igoki Kinyua
CEC - FINANCE AND ECONOMIC PLANNING
THARAKA NITHI COUNTY GOVERNMENT

Date..... 30/8/2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act (PFMA), 2012 requires that, at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The CECM Finance and Economic Planning is responsible for the preparation and presentation of the County Government of Tharaka Nithi financial statements, which give a true and fair view of the state of affairs of the Tharaka Nithi County Government for and as at the end of the quarter ended on 30th June 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 entity; (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 Tharaka Nithi County Government(v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CECM Finance and Economic Planning accepts responsibility for the County Government of Tharaka Nithi 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 CECM Finance and Economic Planning is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial quarter ended 30th June 2019, and of the County Government of Tharaka Nithi financial position as at that date. The CECM – Finance and Economic Planning further confirms the completeness of the accounting records maintained for the County Government of Tharaka Nithi which have been relied upon in the preparation of the County Government of Tharaka Nithi financial statements as well as the adequacy of the systems of internal financial control.

The CECM Finance and Economic Planning confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 CECM Finance and Economic Planning confirms that the County Government of Tharaka Nithi 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 and Economic Planning on **26th July 2019**



County Executive Committee Member – Finance and Economic Planning

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

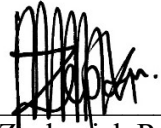
	Note	Sep (Q1)	Dec (Q2)	Mar (Q3)	June (Q4)	Cumulative Amount	Comparative Period 2017/18
		Ksh	Ksh.	Ksh.	Ksh.	Ksh	Ksh
RECEIPTS							
Equitable Share (Exchequer releases)	1	437,088,000	692,056,000	1,001,660,000	1,511,596,000	3,642,400,000	3,357,896,254
Transfers from National Government Entities	2	-	-	47,950,610	56,168,729	104,119,339	133,582,063
Proceeds from Foreign Grants / Development Partners	3	-	102,370,541	19,657,849	45,041,892	167,070,282	138,704,785
County Own Generated Revenues	4	45,853,259	45,527,542	50,123,952	97,649,776	239,154,529	146,538,075
Unspent funds Returned	5	599,431,798	30,136,300	-	1,587,291	611,080,016	567,956,812
TOTAL RECEIPTS		1,082,373,057	870,090,383	1,119,392,411	1,712,043,688	4,763,824,166	4,344,677,989
PAYMENTS							
Compensation of Employees	6	549,706,268	519,788,588	519,731,439	548,074,607	2,137,300,902	1,833,399,948
Use of Goods and Services	7	61,355,600	112,926,385	121,511,945	266,642,910	615,343,922	307,841,125
Emergency Relief, Refugee Assistance and Subsidies	8	-	-	38,100,000	-	38,100,000	-
Transfers to Other Government Entities	9	54,241,068	103,466,723	60,951,987	133,339,921	351,999,598	280,526,383
Other Grants and Transfers	10	46,781,234	43,114,728	60,635,817	62,915,595	169,293,416	-
Social Security Benefits	11	28,786,246	30,136,300	1,741,622	1,741,622	53,600,937	4,885,407
Other Payments	12	8,536,339	8,155,353	4,523,749	30,700	10,632,282	-
Acquisition of Assets	13	36,452,500	300,631,415	232,876,330	640,775,789	1,212,780,034	637,187,467
Payable from Previous Financial Periods	14	-	54,062,914	74,275,604	67,755,048	193,044,630	-
TOTAL PAYMENTS		785,859,255	1,172,282,406	1,114,348,493	1,721,276,192	4,782,095,721	3,063,840,330
SURPLUS/DEFICIT		296,513,802	(302,192,023)	5,043,918	(9,232,504)	(18,271,555)	1,280,837,659

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **26th July 2019** and Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K
Head of Treasury – Accounting Services
ICPAK Member No. **6720**

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

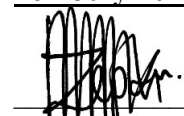
For the quarter ended 30th June 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	Sep (Q1)	Dec (Q2)	Mar (Q3)	June (Q4)	Comparative Period 2017/18
		Ksh	Ksh	Ksh	Ksh	Ksh
FINANCIAL ASSETS						
Cash and Cash Equivalents						
Bank Balances	15A	322,960,751	40,222,698	37,511,707	87,278,329	709,186,003
Cash Balances	15B	-	-	-	-	-
Total Cash and Cash Equivalent						
Accounts Receivables	16	3,653,650	5,518,870	6,495,970	7,787,920	119,807,259
TOTAL FINANCIAL ASSETS		326,614,401	45,741,568	44,007,677	95,066,249	828,993,262
FINANCIAL LIABILITIES						
Accounts Payables	17	-	15,321,137	24,021,057	84,312,133	-
NET FINANCIAL ASSETS		326,614,401	30,420,431	19,986,620	10,754,116	828,993,262
REPRESENTED BY						
Fund Balance B/Fwd	18	161,174,272	326,614,401	30,420,431	19,986,620	-
Prior Year adjustments	19	(132,148,601)	-	-	-	-
Surplus/Deficit for the quarter		297,588,730	(296,193,970)	(10,433,811)	(9,232,504)	828,993,262
NET FINANCIAL POSITION		326,614,401	30,420,431	19,986,620	10,754,116	828,993,262

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on

26th July 2019 Signed by:



Zephaniah Rwanda Mbaka

Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K

Head of Treasury – Accounting Services

ICPAK Member No. 6720

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

VI. STATEMENT OF CASH FLOW

	Note	Sep (Q1)	Dec (Q2)	March (Q3)	June (Q4)	Cumulative Amount	Comparative Period 2017/18
Receipts from Operating Income		Ksh	Ksh			Ksh	Ksh
Equitable Share (Exchequer releases)	1	437,088,000	692,056,000	1,001,660,000	1,511,596,000	3,642,400,000	3,357,896,254
Transfers from National Government Entities	2	-	-	47,950,610	56,168,729	104,119,339	133,582,063
Proceeds from Foreign Grants / Development Partners	3	-	102,370,541	19,657,849	45,041,892	167,070,282	138,704,785
County Own Generated Revenues	4	45,853,259	45,527,542	50,123,952	97,649,776	239,154,529	146,538,075
Unspent funds Return CRF	5	599,431,798	30,136,300	-	-	609,492,725	567,956,812
		1,082,373,057	870,090,383	1,119,392,411	1,710,456,397	4,762,236,875	4,344,677,989
Payments for Operating Expenses							
Compensation of Employees	6	549,706,268	519,788,588	519,731,439	548,074,607	2,137,300,902	1,833,399,948
Use of goods and services	7	61,355,600	112,926,385	121,511,945	266,642,910	615,343,922	307,841,125
Emergency Relief, refugee Assistance and Subsidies	8	-	-	38,100,000	-	38,100,000	-
Transfers to Other Government Entities	9	54,241,068	103,466,723	60,951,987	133,339,921	351,999,598	-
Other grants and transfers	10	46,781,234	43,114,728	60,635,817	62,915,595	169,293,416	280,526,383
Social Security Benefits - Gratuity	11	28,786,246	30,136,300	1,741,622	1,741,622	53,600,937	-
Other Payments	12	8,536,339	8,155,353	4,523,749	30,700	10,632,282	4,885,407
Payable from Previous Financial Periods	14	-	54,062,914	74,275,604	67,755,048	193,044,630	
Total Payments for Operating Expenses		749,406,755	871,650,991	881,472,163	1,080,500,403	3,569,315,687	2,426,652,863
Adjusted for:							

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Changes in Account Receivables (decrease / (increase))	16	16,252,114	(1,865,220)	(977,100)	(1,291,950)	12,117,844	-
Changes in Account Payables (increase / (decrease))	17	-	15,321,137	8,699,920	60,291,076	84,312,133	-
Net Adjustments		16,252,114	13,455,917	7,722,820	58,999,126	96,429,977	-
Net Cash flows from Operating Activities		349,337,344	20,893,362	230,165,339	690,542,411	1,290,938,456	1,918,025,126
CASHFLOW FROM INVESTING ACTIVITIES							
Acquisition of Assets	13	35,496,500	303,631,415	232,876,330	640,775,789	1,212,780,034	637,187,467
Net cash flows from investing activities		35,496,500	303,631,415	232,876,330	640,775,789	1,212,780,034	637,187,467
NET INCREASE IN CASH AND CASH EQUIVALENT		307,361,944	(282,738,053)	(2,710,991)	49,766,622	78,158,422	1,280,837,659
Cash and cash Equivalent at BEGINNING of the quarter	15C	141,266,508	322,960,751	40,222,698	37,511,707	141,266,508	-
Prior Year Adjustments	19	(132,146,601)	-	-	-	(132,146,601)	
Cash and cash Equivalent at END of the quarter		322,960,751	40,222,698	37,511,707	87,278,329	87,278,329	1,280,837,659

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **26th July 2019** Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K
Head of Treasury – Accounting Services
ICPAK Member No. **6720**

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

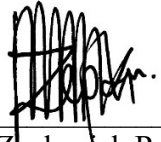
For the quarter ended 30th June 2019

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

SE	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
11	Own Sources of Revenue	300,000,000	-	300,000,000	239,154,529	(60,845,471)	80%
13	Proceeds from Domestic and Foreign Grants	499,771,662	314,366,825	814,138,487	167,070,282	(647,068,205)	21%
9910301	Exchequer releases	3,642,400,000	-	3,642,400,000	3,642,400,000	-	100%
15	Transfer from other Government Entities	144,209,339	70,321,638	214,530,977	104,119,339	(110,411,638)	49%
14	Other Receipts - Returned CRF	258,397,430	491,533,809	749,931,239	611,080,016	(138,851,223)	81%
	TOTAL RECEIPTS	4,844,778,431	876,222,272	5,721,000,703	4,763,824,166	(957,176,537)	83%
	PAYMENTS						
21	Compensation of Employees	1,862,685,766	(188,368)	1,862,497,398	2,137,300,902	166,965,573	108%
22	Use of goods and services	747,884,981	79,253,625	827,138,606	615,343,922	(202,676,853)	75%
25	Emergency Relief, refugee Assistance and Subsidies	30,000,000	38,121,638	68,121,638	38,100,000	(30,021,638)	56%
263	Transfers to Other Government Units (Assembly)	369,000,000	-	369,000,000	351,999,598	(17,000,402)	95%
261/2/4	Other grants and transfers	301,534,934	29,100,000	330,634,934	169,293,416	(157,131,518)	52%
27	Government Pension and Retirement Benefits	60,000,000	30,000,000	90,000,000	53,600,937	(6,399,063)	89%
28	Other Payments	285,000,000	81,700,000	366,700,000	10,632,282	(342,067,718)	3%
31	Acquisition of Assets	1,188,672,750	331,120,831	1,519,793,581	1,212,780,034	(276,503,447)	81%
41	Payable from Previous Financial Periods	-	317,114,546	317,114,546	193,044,630	(74,069,916)	72%
	TOTAL PAYMENTS	4,844,778,431	876,222,272	5,721,000,703	4,782,095,721	(938,904,982)	84%

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **26th July 2019** Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K
Head of Treasury – Accounting Services
ICPAK Member No. **6720**

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

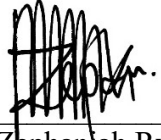
For the quarter ended 30th June 2019

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

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
11	Own Sources of Revenue	300,000,000	-	300,000,000	239,154,529	(60,845,471)	80%
13	Proceeds from Domestic and Foreign Grants	-	-	-	-	-	0%
9910301	Exchequer releases	2,941,188,431	-	2,941,188,431	2,941,188,431	-	100%
15	Transfer from other Government Entities	-	-	-	-	-	0%
14	Other Receipts - Returned CRF	-	189,097,464	189,097,464	120,609,382	(181,140,482)	40%
	TOTAL RECEIPTS	3,241,188,431	189,097,464	3,430,285,895	3,300,952,342	(241,985,953)	93%
	PAYMENTS						
21	Compensation of Employees	1,862,685,766	(188,368)	1,862,497,398	2,137,300,902	166,965,573	108%
22	Use of goods and services	709,884,981	28,253,625	738,138,606	615,343,922	(151,676,853)	80%
25	Emergency Relief, refugee Assistance and Subsidies	30,000,000	38,121,638	68,121,638	38,100,000	(30,021,638)	56%
263	Transfers to Other Government Units & Assembly	352,000,000	-	352,000,000	351,999,598	(402)	100%
261/2/4	Other Grants and Transfers	116,444,934	29,100,000	145,544,934	17,836,188	(123,498,746)	13%
27	Government Pension and Retirement Benefits	60,000,000	30,000,000	90,000,000	53,600,937	(6,399,063)	89%
28	Other Payments	10,000,000	-	10,000,000	-	(2,000,000)	0%
31	Acquisition of Assets	100,172,750	22,820,831	122,993,581	76,093,600	(65,042,281)	54%
41	Payable from Previous Financial Periods	-	40,989,738	40,989,738	37,806,507	(3,183,231)	92%
	TOTAL PAYMENTS	3,241,188,431	189,097,464	3,430,285,895	3,328,081,654	(214,856,641)	94%

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on
26th July 2019 Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K
Head of Treasury – Accounting Services
ICPAK Member No. 6720

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

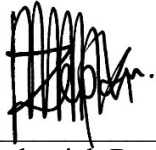
For the quarter ended 30th June 2019

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

SE	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
11	Own Sources of Revenue	-	-	-	-	-	
13	Proceeds from Domestic and Foreign Grants	499,771,662	314,366,825	814,138,487	167,070,282	(647,068,205)	21%
9910301	Exchequer releases	701,211,569	-	701,211,569	1,657,760,515	956,548,946	236%
15	Transfer from other Government Entities	144,209,339	70,321,638	214,530,977	104,119,339	(110,411,638)	49%
14	Other Receipts - Returned CRF	258,397,430	302,436,345	560,833,775	490,470,634	42,289,259	109%
	TOTAL RECEIPTS	1,603,590,000	687,124,808	2,290,714,808	1,462,871,824	(715,190,584)	67%
	PAYMENTS						
21	Compensation of Employees	-	-	-	-	-	0%
22	Use of goods and services	38,000,000	21,000,000	59,000,000	-	(51,000,000)	0%
25	Emergency Relief, refugee Assistance and Subsidies	-	-	-	-	-	0%
263	Transfers to Other Government Units & Assembly	17,000,000	-	17,000,000		(17,000,000)	0%
261/2/4	Other grants and transfers	185,090,000	-	185,090,000	151,457,228	(33,632,772)	82%
27	Government Pension and Retirement Benefits	-	-	-	-	-	0%
28	Other Payments	275,000,000	81,700,000	356,700,000	10,632,282	(340,067,718)	3%
31	Acquisition of Assets	1,088,500,000	308,300,000	1,396,800,000	1,136,686,434	(211,461,166)	84%
41	Payable from Previous Financial Periods	-	276,124,808	276,124,808	155,238,123	(70,886,685)	69%
	TOTAL PAYMENTS	1,603,590,000	687,124,808	2,290,714,808	1,454,014,067	(724,048,341)	67%

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **26th July 2019** Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance and Economic Planning



CPA, CS Nduati E.K
Head of Treasury – Accounting Services
ICPAK Member No. **6720**

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

X. COUNTY OWN GENERATED REVENUE PERFORMANCE STATEMENT

	Original Estimates	Revised Estimates	Actual cumulative Revenue (Q1 – Q4)	% Realized
RECEIPTS	Ksh.	Ksh.	Ksh.	
Land Rates	1,600,000	1,600,000	1,265,049	79%
Plot Rents	5,350,000	5,350,000	9,712,982	182%
Single Business Permit	22,800,000	22,800,000	18,850,628	83%
Cess Fee	53,200,000	53,200,000	28,548,720	54%
Market And Slaughter	44,800,000	44,800,000	21,981,110	49%
Vehicle Parking	38,500,000	38,500,000	17,554,085	46%
House And Stalls	3,000,000	3,000,000	3,820,587	127%
Plan Approval Fees	3,200,000	3,200,000	1,197,550	37%
Weights And Measures	6,000,000	6,000,000	686,530	11%
Penalties	700,000	700,000	399,208	57%
Livestock Sales	2,800,000	2,800,000	1,569,162	56%
Tourism (Mt Kenya Lodge)	-	-	730,272	100%
Transfer Application & Adjudication	2,300,000	2,300,000	925,508	40%
Search Fees Minutes Ext	2,300,000	2,300,000	237,360	10%
Advertisement	9,000,000	9,000,000	7,284,190	81%
Motor Cycle	20,000,000	20,000,000	-	0%
Miscellaneous	4,000,000	4,000,000	19,302,788	483%
Public Health/Plan Approval	400,000	400,000	9,056,720	2264%
School Inspection	200,000	200,000	47,000	24%
Food Premises Permit	50,000	50,000	-	0%
Liquor Inspection	4,400,000	4,400,000	22,818,050	519%
Hssf (Hospitals/Dispensaries)	68,200,000	68,200,000	52,397,647	77%
Private Clinics Permits	5,000,000	5,000,000	18,730,043	375%
Medical Examination	2,200,000	2,200,000	2,039,340	93%
	360,000,000	360,000,000	239,154,529	80%

XI. 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 Shilling, 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 County Executive, County Government of Tharaka Nithi. 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 recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the County.

b) 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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.

5. 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.

6. 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.

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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.

8. Recognition of Payments

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

9. Compensation of Employees

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

10. 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.

11. Interest on borrowing

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

12. 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

13. Acquisition of Non Current 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 Non Current 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.

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. In-kind Contributions

In-kind contributions are donations that are made to the County in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County 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

15. 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.

16. 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.

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

18. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payable. 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.

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. 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.

20. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the County Government of Tharaka Nithi 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.

21. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Thraka Nithi 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 27th April, 2017 for the period 1st July 2018 to 30th June 2019 as required by law. There were two number of supplementary budgets passed in the year. A high-level assessment of the County Government of Tharaka Nithi actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

22. Comparative Figures

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

23. 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.

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

SIGNIFICANT ACCOUNTING POLICIES (Continued)

24. 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.

25. 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

26. Resolution of Audit Queries

This provides a summary of issues raised by the office of the auditor general, on previous financial year, and the comments by the management and the county officer to respond to the matter. Timelines of resolving the matter and person responsible is indicated

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

XII. NOTES TO THE FINANCIAL STATEMENTS

1. EQUITABLE SHARE (EXCHQUER RELEASES)

Exchequer Releases	Ksh.
Quarter 1	437,088,000
Quarter 2	692,056,000
Quarter 3	1,001,660,000
Quarter 4	1,511,596,000
Cumulative Amount	3,642,400,000

2. TRANSFERS FROM NATIONAL GOVERNMENT ENTITIES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
Description	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Reimbursement for forgone User Fees	-	-	-	8,218,119	8,218,119	8,419,197
Development of Youth Polytechnic Grant	-	-	-	-	-	38,121,638
Road Maintenance Fuel Levy Fund	-	-	47,950,610	47,950,610	95,901,220	133,582,063
TOTAL	-	-	47,950,610	56,168,729	104,119,339	180,122,898

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

3. PROCEEDS FROM FOREIGN AND DOMESTIC GRANTS

Name of Donor	Date received	Q1	Q2	Q3	Q4	Cumulative Amount
Grants Received from Multilateral Donors (International Organizations)		Ksh	Ksh	Ksh	Ksh	Ksh
Universal Healthcare in Devolved System Program (UHDSP) DANIDA	27/11/18, 06/03/19	-	6,176,250	6,176,250	-	12,352,500
Transforming Health System for Universal Care Project (THSUCP) World Bank	24/10/18, 28/02/19	-	6,636,793	6,972,554	3,841,892	17,451,239
Agriculture Sector Development Support Programme (ASDSP) Sweden	25-02-19	-	-	6,509,045		6,509,045
Kenya Climate Smart Agriculture Project (KCSAP) World Bank	28-11-18	-	39,557,498	-		39,557,498
Kenya Urban Support Project - Urban Dev Grant (KUSP - UDG) World Bank	10/12/2018, 28/06/2019	-	50,000,000	-	-	50,000,000
Urban Institutional Grant (UIG) World Bank		-	-	-	41,200,000	41,200,00
Kenya Devolution Support Programme (KDSP) World Bank		-	-	-		-
Other Conditional Grants		-	-	-	-	-
Total Amount		-	102,370,541	19,657,849	45,041,892	167,070,282

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE**Reports and Financial Statements****For the quarter ended 30th June 2019****4. SUMMARY OF COUNTY OWN GENERATED REVENUES**

	Original Estimates	Revised Estimates	Q1	Q2	Q3	Q4	Cumulative Amount
RECEIPTS	Ksh		Ksh	Ksh	Ksh	Ksh	Ksh.
Land Rates	1,600,000	1,600,000	351,823	72,880	254,656	585,690	1,265,049
Plot Rents	5,350,000	5,350,000	853,614	637,451	2,563,275	5,658,642	9,712,982
Single Business Permit	22,800,000	22,800,000	4,502,908	1,192,680	3,568,520	9,586,520	18,850,628
Cess Fee	53,200,000	53,200,000	6,394,870	5,391,930	6,896,520	9,865,400	28,548,720
Barter Market and Slaughter fee	44,800,000	44,800,000	5,394,905	3,564,635	4,568,950	8,452,620	21,981,110
Vehicle Parking	38,500,000	38,500,000	3,139,470	2,331,620	3,526,520	8,556,475	17,554,085
House And Stalls	3,000,000	3,000,000	364,247	1,160,230	958,630	1,337,480	3,820,587
Plan Approval Fees	3,200,000	3,200,000	580,500	213,000	252,050	152,000	1,197,550
Weights and Measures	6,000,000	6,000,000	123,800	178,500	185,685	198,545	686,530
Penalties	700,000	700,000	54,552	131,484	114,520	98,652	399,208
Livestock Sales	2,800,000	2,800,000	420,860	341,250	356,852	450,200	1,569,162
Mt. Kenya Lodge/Local Tourism	-	-	235,300	242,400	152,052	100,520	730,272
Transfer Application & Adjudication	2,300,000	2,300,000	353,200	181,908	205,200	185,200	925,508
Search Fees Minutes Ext	2,300,000	2,300,000	81,540	52,000	45,200	58,620	237,360

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE**Reports and Financial Statements****For the quarter ended 30th June 2019**

Advertisement	9,000,000	9,000,000	269,300	120,600	1,208,670	5,685,620	7,284,190
Motor Cycle	20,000,000	20,000,000	-	-	-	-	-
Miscellaneous	4,000,000	4,000,000	4,941,527	5,107,379	3,667,362	5,586,520	19,302,788
Public Health/Plan Approval	400,000	400,000	15,000	1,599,780	2,856,320	4,585,620	9,056,720
School Inspection	200,000	200,000	-	47,000	-	-	47,000
Food Premises Permit	50,000	50,000	-	-	-	-	-
Liquor Inspection	4,400,000	4,400,000	65,400	3,843,200	3,453,250	15,456,200	22,818,050
HSSF (Hospitals/ Dispensaries)	68,200,000	68,200,000	17,312,143	10,974,032	9,585,620	14,525,852	52,397,647
Private Clinics Permits	5,000,000	5,000,000	-	7,819,783	5,252,060	5,658,200	18,730,043
Medical Examination	2,200,000	2,200,000	398,300	323,800	452,040	865,200	2,039,340
TOTAL	300,000,000	300,000,000	45,853,259	45,527,542	50,123,952	97,649,776	239,154,529

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

5. UNSPENT FUNDS RETURNED

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cash and Bank Balances Brought Forward	585,243,839				585,243,839	
Reversed Transfer to CRF Equity Revenue Account	1,744,262				1,744,262	
Funds Returned by County Assembly FY 2017/18	7,224,401				7,224,401	
Returned Payments Development Account	2,157,257				2,157,257	
Returned Payments Health Service SP Account	1,452,654				1,452,654	
Returned Payments Recurrent Account	1,609,385	30,136,300			31,745,685	
Closure Bank Accounts Coop Bank				652,787	652,787	
Funds Returned County Assembly FY 2018/19				934,504	934,504	
Total	579,356,425	30,136,300	-	1,587,291	611,080,016	-

6. COMPENSATION OF EMPLOYEES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Basic salaries of Permanent Employees	311,512,623	272,274,064	275,370,515	290,069,917	1,149,227,119	1,972,434,738
Basic wages of Temporary Employees	4,571,609	14,776,926	11,352,026	10,195,165	40,895,726	30,798,833
Personal allowances paid as part of salary	233,229,736	232,528,698	232,819,698	247,644,425	946,222,557	674,301
Compulsory National Social Security Schemes	392,300	208,900	189,200	165,100	955,500	30,136,300
Total	549,706,268	519,788,588	519,731,439	548,074,607	2,137,300,902	2,034,044,172

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

7. USE OF GOODS AND SERVICES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Utilities, Supplies and Services	2,485,532	1,943,117	10,659,538	14,218,997	29,307,184	6,499,342
Communication, Supplies and Services	508,163	3,326,624	1,067,994	3,818,779	8,721,560	1,110,250
Domestic Travel and Subsistence	14,506,087	14,089,699	16,534,207	26,024,891	71,154,884	79,876,319
Foreign Travel and Subsistence	4,021,902	1,526,784	2,817,319	3,476,017	11,842,022	13,039,513
Printing, Advertising and Information Supplies & Services	117,860	6,665,544	5,150,052	10,276,767	22,210,223	7,860,386
Rentals of Produced Assets	951,467	995,467	2,191,959	1,067,516	5,206,409	477,500
Training Expenses	2,201,300	6,039,334	8,061,530	10,585,440	26,887,604	24,984,141
Hospitality Supplies and Services	29,698,650	22,818,833	24,579,632	38,857,309	115,954,424	9,258,007
Insurance Costs	-	-	-	5,907,394	5,907,394	9,946,437
Specialized Materials and Supplies	23,463,141	31,468,447	33,912,530	85,591,474	174,435,592	99,903,249
Office and General Supplies and Services	-	1,562,295	5,901,562	11,470,614	18,934,471	2,624,785
Fuels, Oil and Lubricants	7,547,800	8,196,185	13,360,920	29,206,177	58,311,082	7,002,535
Other Operating Expenses	2,128,100	5,645,080	11,276,830	7,828,400	26,878,410	30,272,493
Routine maintenance – vehicles and other Transport Equipment	4,547,366	5,809,144	8,815,290	10,219,535	29,391,335	14,743,528
Routine maintenance – other assets	709,396	49,600	1,348,732	8,093,600	10,201,328	242,640
Total	92,886,764	110,136,153	145,678,095	266,642,910	615,343,922	307,841,125

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

8. EMERGENCY RELIEF , REFUGEE ASSISTANCE AND SUBSIDIES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Subsidies to Non-Financial Public Enterprises	-	-	38,100,000	-	38,100,000	-
Total	-	-	38,100,000	-	38,100,000	-

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Transfer to County Assembly	54,241,068	103,466,723	60,951,987	133,339,921	351,999,598	295,476,383
Transfer to other Government Agencies	-	-	-	-	-	-
TOTAL	54,241,068	103,466,723	60,951,987	133,339,921	351,999,598	295,476,383

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

10. OTHER GRANTS AND TRANSFERS

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Scholarships and other Educational Benefits	-	-	17,110,188	726,000	17,836,188	-
Capital Grants and Transfers	30,000	8,736,212	30,270,956	62,189,595	101,226,763	
Other Current Transfers, Grants and Subsidies	7,277,606	30,176,609	12,776,250	-	50,230,465	-
Total	7,307,606	38,912,821	60,157,394	62,915,595	169,293,416	-

11. SOCIAL SECURITY BENEFITS (GRATUITY)

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Government pension and retirement benefits	21,416,528	30,136,300	306,487	1,741,622	53,600,937	-
Total	21,416,528	30,136,300	306,487	1,741,622	53,600,937	-

12. OTHER PAYMENTS

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Other Expenses - Imprest Account	3,637,640	6,125,925	783,283	-	10,546,848	
Other Expenses - Bank Charges & Fees	16,580	23,614	14,540	30,700	85,434	-
Total	3,654,220	6,149,539	797,823	30,700	10,632,282	-

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

13. ACQUISITION OF ASSETS

Non Financial Assets	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Construction of Buildings	-	85,756,416	39,630,696	101,417,695	226,804,807	186,052,433
Refurbishment of Buildings	-	23,469,158	27,279,652	58,178,016	108,926,826	56,118,334
Construction of Roads	-	152,173,655	105,149,637	280,659,256	537,982,548	153,976,738
Construction and Civil Works	34,998,500	4,534,502	12,980,758	129,893,026	182,406,786	144,715,611
Overhaul and Refurbishment of Construction and Civil Works	-	-	-	-	-	-
Purchase of Vehicles and Other Transport Equipment	-	20,090,600	38,429,200	15,418,800	73,938,600	38,945,280
Overhaul of Vehicles and Other Transport Equipment	-	-	-	-	-	-
Purchase of Household Furniture and Institutional Equipment	-	-	-	-	-	364,580
Purchase of Office Furniture and General Equipment	-	-	2,057,000	98,000	2,155,000	5,977,395
Purchase of ICT Equipment, Software and Other ICT Assets	-	-	-	-	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	8,268,284	4,368,705	11,382,286	24,019,275	36,851,202
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-	-	-	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	9,252,000	2,580,000	19,949,654	31,781,654	5,298,843
Research, Studies, Project Preparation, Design & Supervision	498,000	86,800	400,682	23,779,056	24,764,538	2,176,437
Rehabilitation of Civil Works	-	-	-	-	-	6,710,614
Total	35,496,500	303,631,415	232,876,330	640,775,789	1,212,780,034	637,187,467

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE**Reports and Financial Statements****For the quarter ended 30th June 2019****14. PAYABLE FROM PREVIOUS FINANCIAL YEAR**

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Domestic Payables – Development	-	48,818,253	40,556,273	65,863,597	155,238,123	-
Domestic Payables – Recurrent	-	5,244,661	30,670,395	1,891,451	37,806,507	
Total	-	54,062,914	71,226,668	67,755,048	193,044,630	-

15. BANK AND CASH BALANCES

Name of Bank, Account No. & Currency	Purpose of Account	Amount Q1	Amount Q2	Amount Q3	Amount Q4	Balances as at 30th June 2018
		Ksh	Ksh	Ksh	Ksh	Ksh
Tharaka Nithi Revenue Fund Account - CBK a/c 1000171707	Revenue Fund	297,979,954	43,858,450	32,115,082	1,540,539	469,768,566
Tharaka Nithi County Recurrent Account - CBK a/c 1000171375	Recurrent Acct	(15,353,910)	(20,540,036)	(87,745,940)	7,643,060	46,282,960
Tharaka Nithi County Development Account - CBK a/c 1000171359	Development Act	2,157,257	(76,997,653)	(77,427,943)	1,272,678	152,966,097
Tharaka Nithi Fuel Levy Fund Account - CBK a/c 1000251988	Fuel Levy Fund	-	(2,924,326)	23,311,421	2,176,009	22,441,481
Tharaka Nithi County Deposit Account - CBK A/c 1000251988	Retentions	-	1,619,013	16,025,914	36,421,414	1,080,000
Tharaka Nithi County- Health Special Purpose - CBK A/c 1000287691	Grants	20,716,569	2,976,788	1,601,688	4,512,210	295,617
Tharaka Nithi County KCSAP SP - CBK A/c 1000365568	Grants	-	32,057,498	32,057,498	-	-
Tharaka Nithi County ASDSP SP - CBK A/c 1000365579	Grants	-	-	-	-	-

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Tharaka Nithi County KDSP - CBK A/c 1000394676	Grants	-	31,061,759	23,883,972	6,009,772	-
Tharaka Nithi County Poly Grant - CBK A/c 1000365579	Grants	-	-	21,638	21,638	-
Tharaka Nithi County Urban Institution - CBK A/c 1000371943	Grants	-	-	-	-	-
Tharaka Nithi County Urban Dev Grant - CBK A/c 1000371951	Grants	-	-	30,334,169	18,049,846	-
Tharaka Nithi Revenue Acct. - Equity Bank a/c 0210260871230	Revenue Acct	5,805,520	1,398,671	1,042,130	5,603,667	7,203,168
Tharaka Nithi Revenue Account - Trans Nation Sacco a/c 68260800224701	Revenue Acct	5,944,473	4,566,890	2,068,522	437,573	813,095
Tharaka Nithi Salary Account - Co-op Bank A/C 01100527727500	Salary Account	2,328,914	2,328,914	2,328,914	-	2,353,914
Tharaka Nithi Education Fund Acct Co-op Bank a/c 01141527727501	Education Fund	12	12	12	-	295,443
Tharaka Nithi County Imprest Acct Co-op Bank a/c 01141527727500	Imprest Account	3,498	877,565	94,282	94,282	2,307,198
Tharaka South District Hospital Management Board - Co-op Bank a/c 01141058220502 (Marimanti Hospital)	Hospital Account	2,449,503	7,198,923	10,013,183	-	2,449,503
Kibung'a Sub District Hospital - Co-op Bank a/c 01141057871700	Hospital Account	147,660	535,269	535,269	-	147,660
Chuka District Hospital Account - KCB a/c 1103743147	Hospital Account	250,196	10,466,426	25,513,361	868,947	250,196
Magutuni Hospital Account - KCB a/c 1129976870	Hospital Account	531,105	1,738,535	1,738,535	84,393	531,105
Total Bank Balances		322,960,751	40,222,698	37,511,707	84,736,028	709,186,003
Total	Cash in Hand	-	-	-	1,436,840	311,010
	Cash in Transit				1,105,461	
Cash Balances		322,960,751	40,222,698	37,511,707	87,278,329	709,497,013
Less: Return CRF Re-appropriation						568,230,505
Net Cash and Cash Equivalent C/Forward					87,278,329	141,266,508

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

16. ACCOUNTS RECEIVABLE

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Government Imprests	3,653,650	5,518,870	6,495,970	7,787,920	13,426,864
Staff Advances	-	-	-	-	-
Total Amount	3,653,650	5,518,870	6,495,970	7,787,920	13,426,864
Increase / (Decrease)	(9,773,214)	1,865,220	977,100	1,291,950	13,426,864

17. ACCOUNTS PAYABLE

Description	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Retentions from Contractors	-	15,321,137	24,021,057	49,007,726	-
KRA Withholding Taxes Not Remitted		-	-	35,304,407	-
Total Account Payable	-	15,321,137	24,021,057	84,312,133	-
Increase / Decrease	-	15,321,137	8,699,920	60,291,076	-

18. FUND BALANCE BROUGHT FORWARD

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Bank Accounts	322,960,751	40,222,698	37,511,707	84,736,028	709,186,003
Cash in hand	-	-	-	2,542,301.00	311,010
Accounts Receivables	3,653,650	5,518,870	6,495,970	7,787,920	19,905,764
Accounts Payables	-	(15,321,137)	(24,021,057)	(84,312,133)	-
Returned Unspent Balances	-	-	-	-	(568,230,505)
Total	326,614,401	30,420,431	19,986,620	10,754,116	161,172,272

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

19. PRIOR YEAR ADJUSTMENT

	Bank Balance as per Financial Statements 30th June 2018	Amended Actual Balances as at 30th June 2018	Adjustment on Cash and Bank Balances
	Ksh	Ksh	Ksh
Tharaka Nithi Revenue Fund Account - CBK a/c 1000171707	469,768,566	460,893,035	(8,875,531)
Tharaka Nithi County Recurrent Account - CBK a/c 1000171375	46,282,960	18,392	(46,264,568)
Tharaka Nithi County Development Account - CBK a/c 1000171359	152,966,097	97,200,174	(55,765,923)
Tharaka Nithi Fuel Levy Fund Account - CBK a/c 1000251988	22,441,481	3,447,054	(18,994,427)
Tharaka Nithi County- Health Special Purpose - CBK A/c 1000287691	295,617	295,617	0
Tharaka Nithi County Deposit Account - CBK A/c 1000251988	1,080,000	4,924,196	3,844,196
Tharaka Nithi Education Fund Acct Co-op Bank a/c 01141527727501	295,443	12	(295,431)
Tharaka Nithi County Imprest Acct Co-op Bank a/c 01141527727500	2,307,198	2,991,181	683,983
Tharaka South District Hospital Management Board - Co-op Bank a/c 01141058220502 (Marimanti)	2,449,503	2,449,503	-
Kibung'a Sub District Hospital - Co-op Bank a/c 01141057871700	147,660	147,660	-
Chuka District Hospital Account - KCB a/c 1103743147	250,196	250,196	-
Magutuni Hospital Account - KCB a/c 1129976870	531,105	531,105	-
Tharaka Nithi Revenue Acct. - Equity Bank a/c 0210260871230	7,203,168	7,203,168	-
Tharaka Nithi Revenue Account - Trans Nation Sacco a/c 68260800224701	813,095	813,095	-
Tharaka Nithi Salary Account - Co-op Bank A/C 01100527727500	2,353,914	2,353,914	-
Account Receivable (outstanding Imprests)	19,905,764	13,426,864	(6,480,900)
Total Amount	729,091,767	596,945,166	(132,146,601)

OTHER IMPORTANT DISCLOSURES

20. PENDING BILLS (Annex IV)

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Supply of Goods and Services	254,569,697	254,569,697	254,569,697	254,569,697	254,569,697
Personnel Emoluments	440,514,679	440,514,679	440,514,679	440,514,679	440,514,679
Gratuity and Pension	60,272,601	60,272,601	60,272,601	60,272,601	60,272,601
Statutory Deductions	-	-	-	-	-
Total	755,356,977	755,356,977	755,356,977	755,356,977	755,356,977

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

XIII. PROGRESS ON FOLLOW UP OF AUDITORS RECOMMENDATIONS FY 2017/18

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	Response by the County	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)
BASIS OF QUALIFIED OPINION					
1.1	Variance between Financial Statement and General Ledger The financial statements for the year ended 30 th June 2018, reflect balances that were at variance with the balances reflected in the ledger	The errors to be amended through prior year adjustment	E.K Nduati Head of Accounting	Resolved	30 th June 2019
1.2	Variances in the statement of Appropriation – Recurrent The summary Statement of Appropriation (Recurrent) reflected Ksh. 2,441,028,985 in respect to actual receipts for the year ended 30 th June 2018, while a recasting of the figures results in a total of Ksh. 2,728,528,277 resulting to an unreconciled variance of Ksh. 287,553,292	The errors to be amended through prior year adjustment	E.K Nduati Head of Accounting	Resolved	30 th June 2019
1.3	Variance between the Statement of Appropriation and Statement of Receipts and Payments The Summary of Statement of Appropriation (Recurrent and Development Combined) reflected Ksh. 4,089,057,384 and Ksh. 3,613,096,536 in respect to actual receipts and	The errors to be amended through prior year adjustment	E.K Nduati Head of Accounting	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	actual payment respectively for the year ended 30 th June 2018. However, the Statement of Receipts and Payment for the year ended 30 th June 2018 reflected balances of Ksh. 3,801,504,092 and Ksh. 3,613,718,560 in respect to total receipts and total payments respectively resulting in unreconciled variances of Ksh. 287,553,292 and Ksh. 622,024 between the Summary Statement of Appropriation (Recurrent and Development Combined) and Statement of Receipts and Payments.				
1.4	Presentation of the Financial Statement Included in the financial statements for the year ended 30 th June 2018 was a statement of Assets. However, the International Public Sector Accounting Standard (IPSAS) – Cash Basis requires this statement to be referred to as Statement of Assets and Liabilities. In addition, the County Executive's did not include a statement of budget execution by programs and sub-program as required by International Public Sector Accounting (IPSAS) – Cash Basis	The typo error noted, to caption the Statement properly in our subsequent financial statement	E.K Nduati Head of Accounting	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
2.1	<p>Compensation of Employees</p> <p>Unsupported Basic Wages of Temporary Employees</p> <p>Note 5 to the Financial Statement reflected Ksh. 2,034,044,172 in respect to compensation to employees which included Ksh. 30,798,833 reflected as basic wages of temporary employees. However, the respective supporting documents including user department's requisition for the casual workers, application letters, personal files, engagement letters, copies of identity cards and certificate whereby skilled employees were recruited were not made available for audit review</p>	To regularize engagement of casual labourers	Alex Head of Human Resource	Resolved	30 th June 2019
2.2	<p>Double Salary Payment to a County Government Employee</p> <p>The statement of receipt and payment reflect balance of Ksh. 2,034,044,172 as compensation to employees which include Ksh. 363,989 salary paid to an employee who had two personnel files and who was paid double salary for ten (10) months from November 2017 to August 2018 totalling to Ksh. 363,989 through the two personal numbers.</p>	Recovery of excess paid salary	Alex Head of Human Resource	Not Resolved	30 th June 2019
2.3	<p>Payment of Commuter Allowance to Officers with Official Vehicles</p> <p>The statement of receipt and payment reflects an amount of Ksh. 2,034,044,172 as</p>	Recovery of excess paid salary	Alex Head of Human Resource	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	compensation to employees. An analysis of the payroll revealed that included in this amount was Ksh. 1,649,028 paid to officers as commuter allowances comprising of Ksh. 17,419 paid in the month of December 2017 and Ksh. 20,000 each from January 2018 to June 2018. However, records available indicate that during the said period, the officers were allocated and utilized County Executive vehicles for official use.				
3.1	Use of Goods and Services Training Expenses Note 6 to the financial statement reflect Ksh. 282,282,412 in respect to use of goods and services which included Ksh. 10,770,426 in respect to training expenses. Included in the training expenses is Ksh. 101,500 paid as per diem allowances to seven (7) offices attending a sector planning and budget workshop and Ksh. 181,000 paid to three (3) officers attending a DANIDA – IFMIS training both at Kenya School of Government in Nairobi. However, both workshop and training were residential and the Ksh. 282,500 allowances should not have been paid.	Recovery of excess allowances paid	Zephaniah Mbaka Chief Officer Finance	Not Resolved	30 th June 2019
3.2	Domestic Travel and Subsistence Unsupported Committee Allowances Note 6 to the financial statement reflected Ksh. 22,622,346 in respect to domestic travel and	Provide support documents for payment of allowances to	Zephaniah Mbaka Chief Officer Finance	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	subsistence. Included in this amount is Ksh. 4,021,365 which comprised of Ksh. 1,625,365 paid as allowances to the committee on assumption of office for the Governor for field visit, report writing, airtime / internet, lunches, stationery and other expenses and Ksh. 2,396,000 paid in respect to secretariat allowances, administrator's allowances and driver's allowances. However, support documents including payment vouchers, details of the payees, attendance list were not availed for audit review.	Committee on Assumption of Office			
3.3	Expenditure on Foreign Travel Unsupported Expenditure on Foreign Travel Note 6 to the financial statements reflected Ksh. 12,788,238 in respect to foreign travel and subsistence. However, the Integrated Financial Management Information System (IFMIS) reflected additional payment of Ksh. 6,583,060 for foreign travel and Ksh. 673,700 in respect to domestic travel paid through the foreign travel vote which were not included in the Ksh. 12,788,138 foreign travel and subsistence expenditure. Further, included in the Ksh. 12,788,138 foreign travel is Ksh. 5,445,260 paid to a travel agency whose supporting documents including payment voucher were not availed for audit review	Reconcile the accurate figure for foreign travel allowances Provide support documents for payment to travel agency	Zephaniah Mbaka Chief Officer Finance Martin Mwenda Head of Supplies Chain Management	Resolved Resolved	30 th June 2019 30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
3.4	<p>Expenditure on Fuel</p> <p>Note 6 of the notes to the financial statements reflected Ksh.282,282,412 as Use of Goods and services which included in this amount was Ksh.9,694,531 reflected as Fuel, Oil and Lubricants which further included Ksh.1,036,488 paid as pending bill to fuel supplied to County Executive in the financial year 2014/2015. However, this expenditure on pending bills did not have budgetary provision and it was not supported by fuel registers.</p>	<p>The pending bill was paid from current year budget which was provided for paying old debts</p> <p>Authorization of the expenditure</p>	<p>Zephaniah Mbaka</p> <p>Chief Officer – Finance</p>	Not Resolved	30 th June 2019
	<p>An addition, included in the fuel, oils and lubricant figure of Ksh. 9,694,531 is Ksh.1,379,743 paid as refund claims to officers who spent personal funds on fueling County vehicles without prior approval</p>		<p>Dorothy Kinyua</p> <p>CEC Finance</p>	Not Resolved	30 th June 2019
3.5	<p>Unaccounted Expenditure on Airtime</p> <p>Note 6 to the financial statements reflected Ksh.282,282,412 in respect to Use of Goods and services. Included in this amount was Ksh.3,204,347 reflected as Communication, Supplies and Services which further included Ksh.1,555,000 paid in cash as airtime allowances to County Officers. However, included in Ksh. 1,555,000 was Ksh.247,000 which was not supported by a signed beneficiaries list confirming receipt of the air time cash allowance. Further, though the total payment of the Ksh. 1,550,000 was an</p>	<p>Provide the support document for payment of airtime allowance schedule of payment of Ksh. 247,000</p> <p>Recover amount due</p>	<p>Zephaniah Mbaka</p> <p>CO – Finance</p>	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	employment benefit there was no evidence that it was taxed and the same remitted to Kenya Revenue Authority (KRA).	for taxation and remit to KRA			
4.0	<p>Acquisition of Assets</p> <p>Motor Vehicle Logbooks and Title Deeds</p> <p>The summary of fixed assets register at annex 6 to the financial statement reflected assets with historical cost of Ksh. 4,101,577,696 as at 30th June, 2018. Included in these assets were 223 motor vehicles, motor cycles and trailers. However, the respective logbooks were not availed for audit review. In addition, the County development plan showed that the County Executive possessed land within the County. However, the respective title deeds / allotment letters were not availed for audit review</p>	Process duplicate logbook for vehicles without one	<p>Kinyua</p> <p>Transport/ fleet Manager</p>	Not resolved	30 th June 2019
5.1	<p>Pending Bills</p> <p>Closing Amount of Pending Bills</p> <p>financial statement reflected Ksh.376,124,8078 and Ksh.40,989,738 as pending bills for development and recurrent expenditures respectively both totalling to Ksh.417,114,545.</p> <p>Although the County Executive constituted a pending bills committee that verified the validity of the pending bills Ksh. 417,114,545,</p>	Provide the relevant support documents for pending bills	<p>Humphrey Gitonga</p> <p>Director Finance</p>	Not resolved	30 th June 2018

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	the validity of the pending bills, the payment vouchers and original documentation relied upon by the committee to arrive at their findings were not availed for audit review.				
5.2	Inaccuracies in the Pending Bills The Development and Recurrent pending bills of Ksh.376,124,808 and Ksh.40,989,739 as reflected in Annex 3 to the financial statements included pending bills totalling Ksh. 111,816,675 that were reflected in the financial statements but not voted in the respective vote book	Verify the accurate amount of pending bills	Humphrey Gitonga Director Finance	Not resolved	30 th June 2019
Other Matters					
1.1	Budget Control and Performance Receipt Budget The County Executive had a budgeted revenue of Ksh. 4,632,233,415 but realized Ksh. 4,089,057,384 during the year ended 30 th June, 2018 resulting in a revenue under-realization of Ksh. 590,729,323 The unrealized budget receipts may have negative impact on the service delivery to County residents of Tharaka Nithi and indication of poor planning and budgeting	Enhance revenue collection to meet budget estimates Ensure the amount of budget is based on realistic figure	Lawrence Kaburu Director – Revenue Lawrence Micheni Head of Budgeting	Resolved Resolved	30 th June 2019 30 th June 2019
1.2	Expenditure Budget The County Executive had a total expenditure budget of Ksh. 4,632,233,415 for the financial year ended 30 th June, 2018 while the actual expenditure was Ksh. 3,613,096,536 resulting	Ensure timely implementation of all planned projects	Dorothy Kinyua CEC Finance	Not resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	to net under absorption of Ksh. 1,163,899,420 The budget under absorption of Ksh. 1,163,899,420 implies that the residents of Tharaka Nithi County did not receive equivalent planned goods and services for the year ended 30 th June, 2018 and also an indicator of improper budget planning process.				
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES					
1.1	Procurement of Additional Works for the Governor's Office Note 8 of the notes to the financial statements reflected Ksh.795,417,655 in respect to Acquisition of Assets. Included in this amount was Ksh.173,891,042 reflected as Construction of Buildings. The amount in construction of building includes Ksh.3,230,528 paid to a contractor for additional works at the Governors offices. However, the contractor was not in the County Executive list of registered contractors	Ensure adherence to procurement law and regulation	Martin Mwenda Head of Procurement	Not resolved	30 th June 2019
2.0	Construction of Civil Works Financial statements reflected Ksh. 795,417,655 in respect Acquisition of Assets for the year ended 30 June, 2018 which included Ksh. 220,279,265 used for Construction of Civil Works by the County Executive which was not included in the 2017-2018 budget. Further, included in Ksh.220,279,265 was Ksh.4,963,596.00 used for the supply and	Ensure adherence to procurement law and regulation	Martin Mwenda Head of Procurement	Not resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	installation of UPVC pipes for Kirigicha Gichini water supply project where the County Executive used Request for Quotations method of procurement without justification contrary Section 91(2 &3) of the PPDA 2015				
3.0	Refurbishment of Buildings Note 8 of the notes to the financial statements reflected Ksh.795,417,655 in respect to Acquisition of Assets which included Ksh.58,118,334 reflected as Refurbishment of Buildings which further included Ksh. 42,778,349 paid by the County Executive for refurbishment of buildings. Although Section (151) (2) (a) (b) (d) of the PPDA 2015 requires the clerk of works or a representative of the procuring entity to provide an independent assessment of the works undertaken and produce regular reports on progress of works, there was no evidence to show that such supervisory works on behalf of the County Executive was carried out. In addition, included in Ksh. 58,118,334 is Ksh.12,750,000 paid to a company for refurbishment of buildings whose tender document were not availed for audit review.	Ensure adherence to procurement law and regulation	Martin Mwenda Head of Procurement	Not Resolved	30 th June 2019
4.0	Procurement of Motor vehicles Note 8 of the notes to the financial statements reflected Ksh.795,417,655 in respect to Acquisition of Assets for the year ended 30	Ensure adherence to PFM regulation	Martin Mwenda Head of Procurement	Not resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	June 2018 which included Ksh. 27,419,280 in respect to purchase of motor vehicles and other transport equipment which further included Ksh. 19,419,280 spent on procurement of a motor vehicle registration number GVN 013B under the government contract number SB/012/2017 from a car dealer. However, the vehicle procured, Land Cruiser V.X 4.5 L with capacity of 4500 CC is outside the government contract and also contrary to section 137(1) of the Public Finance Management (County Government) Regulations, 2015 which states that that official vehicles purchased for use by governor shall not exceed 2600 CC for saloon cars and 3000 CC for 4 x 4 utility vehicle;				
5.0	<p>Bank Accounts Operated in Commercial Banks</p> <p>Note 9A to the financial statements reflected thirty one (31) bank accounts comprising of eleven (11) banks held in the Central Bank of Kenya and twenty (20) banks held in commercial banks which further comprised of ten (10) bank accounts closed during the year under review.</p> <p>However, this is contrary to Regulations 82 (1) (b) of the Public Finance Management (County Regulations) 2015 which states that all bank accounts shall be opened at the Central Bank of</p>	<p>Closure of unauthorised commercial bank accounts</p> <p>Seek authority for operation of commercial bank accounts that are required for health grant and revenue</p>	<p>Dorothy Kinyua</p> <p>CEC Finance</p>	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	Kenya except for imprest bank account for petty cash. Further, Section 82 (4) say that the authority from the County Treasury has to be given to operate any other account outside the Central Bank of Kenya.	collection			
6.0	Revenue Under Banking The Statement of Receipts and Payments for the year ended 30 th June, 2018 reflected Ksh.141,157,929 in respect to other receipts being the total revenue generated by the County Executive. However the total deposit to the County Revenue Fund (CRF) account amounted to Ksh.135,347,462 resulting into Ksh.5,810,467 revenue collected and not banked contrary to Section 63(4) of PFM County Regulations, 2015 which states that all public money collected by a receiver of revenue or collector of revenue or collected and retained by the a county government entity and shall not be used by any public offer in any manner between the time of their receipts and payment into the bank except as provided by the law.	Reconcile the accurate figure of revenue collections and ensure timely banking	Lawrence Kaburu Director – Revenue	Not Resolved	30 th June 2019
7.1	Unaccounted for Expenditure on Foreign Travel - United States of America Trip Note 6 of the notes to the financial statements reflected an amount of Ksh. 12,788,138 in respect to foreign travel and subsistence which further included Ksh.1,829,886 used to facilitate and sponsor the County Women	Recover of excess paid allowances and approval for sponsoring the Women Rep by the County	Dorothy Kinyua CEC– Finance	Not Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	<p>representative to attend the 62nd Commission on Status of Women (CSW) in New York. The amount consisted of Ksh.867,290 for Per diem and of Ksh. 962,597 for air ticket</p> <p>However, the following anomalies were observed in relation to this expenditure;</p> <ul style="list-style-type: none"> i) There was no formal request from Tharaka Nithi County Women representative to the County Government requesting for sponsorship to attend the CSW conference. ii) There was no specific provision in the County Executive budget for such an expenditure on foreign travel sponsorships. iii) Though the passport for the Women Representative showed that she exited Kenya on 12th March 2018 and came back to Kenya on 19th March 2018, there was no evidence to confirm including air tickets, boarding pass and certificate of participation that the Women Representative entered and exited the USA and attended the CSW. 	Executive Committee			

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	<p>Further, the passport showed that she was out of Kenya for seven days while she had been paid per diem for thirteen (13) days.</p> <p>iv) There was no back to office reports to show how the residents of Tharaka Nithi County benefited from Ksh. 1,829,886.72 expenditure on public funds.</p>				
7.2	<p>Unaccounted for expenditure on UK-Travel</p> <p>Further, included in the foreign and subsistence amount of Ksh. 12,788,138 is an amount of Ksh.3,287,664 paid for a trip to United Kingdom (UK) by the Governor, County Executive Committee (CEC) for Finance and members of Parliament for Maara and Chuka constituencies. The payments were made by the Chief of Staff from imprest issued to him to facilitate the travel. However the purpose of the travel was not made clear from the invitation letter. Further, no reason was given to why to members of parliament who were not county employees were paid from the Executive's funds</p>	Seek approval for payment of allowances for Members of Parliament form County Executive Committee	Dorothy Kinyua CEC– Finance	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
7.3	<p>Unaccounted for expenditure on China-Trip In addition, included in this amount of Ksh. 12,788,138 in respect to foreign travel and Subsistence is Ksh. 2,884,526 comprising of Ksh.1,226,800 paid as per diems and Ksh. 1,657,726 spent on air ticket to facilitate a foreign trip to China for the Governor, Chief Officer for Youth, Sports and Tourism, and three Members of County Assembly (MCA). However, there were no invitation letter and itinerary showing daily activities.</p> <p>Further, it was not clear why the County Executive paid expenses for the MCAs instead of being financed from the County Assembly budget.</p>	Provide necessary travel document and seek approval for payment of travel allowances for MCAs	Dorothy Kinyua CEC– Finance	Not Resolved	30 th June 2019
8.0	<p>Ethnic Distribution A review of the composition of the County Executive staff for the year under review indicated that the dominant ethnic group is 73.1% which was more than 70% which is the maximum allowed by Section 65 (e) of the County Government Act, 2012 and which states that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent (30%) of the vacant posts at entry level are filled by candidates who are not the dominant ethnic community in the County</p>	Ensure equal opportunities of employment to all member of communities	Chairman – County Public Service Board	Not resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
9.0	<p>Recruitment of Director County and Assistant Director Accountant General</p> <p>During the year under review, the County Executive recruited a County Revenue Director and Assistant Director Accountant General who, however did not meet the qualifications as required by the advertisement in the daily nation newspaper on 4th December 2017. One of the minimum requirements for the position of County Revenue Director was that he should be a Holder of Public Accountants' of Kenya certificate (CPA K). However, records available indicate that the position was filled by an officer who had a Masters degree in Finance.</p> <p>Further, the advert for the Assistant Director Accountant General required the applicant to have a Bachelor's degree, be affiliated to a professional body and have a Master's degree. However, the records available indicate that the officer recruited had a bachelor's of Commerce (Accounting Option) and an Oracle Certified specialist</p>	Validate the recruitment criteria for Director Revenue and Assistant Director Accountant General (Head of IFMIS)	Chairman – County Public Service Board	Resolved	30 th June 2019
10.0	<p>Staff Salary Payment Outside Integrated Personal Payroll Data (IPPD)</p> <p>The Statement of Receipts and Payments reflected an amount of Ksh.2,034,138,473 as Compensation to Employees which included Ksh.222,569,156 paid to staff as salary through</p>	Ensure all county staff are registered on IPPD	Alex Head of Human Resources	Not Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	manual payrolls outside the IPPD payroll system without justification.				
11.0	<p>Rental of Office Space</p> <p>Note 6 of the notes to the financial statements reflected Ksh. 282,228,412 in respect to Use of Goods and services which included Ksh.749,000 for rentals of office spaces occupied by the County Executive officers. The offices were procured from various landlords using direct procurements without competition contrary to Section 58(1 & 2) of the PPAD Act 2015. Further there was no evidence that the rented offices spaces were valued before renting to ascertain their fair market rent.</p>	Validate contract for rental of office space by valuation process	<p>Martin Mwenda</p> <p>Head of Procurement</p>	Resolved	30 th June 2019
12.0	<p>Payments to Council of Governors</p> <p>Note 6 of the notes to the financial statements reflected Ksh. 282,282,412 in respect to Use of Goods and services. Included in this amount was Ksh.20,172,771 reflected to as Other Operating expenses which further included Ksh.4,890,771 paid to the Council of Governors.</p> <p>However, this expenditure is contrary to Section 37 of the Intergovernmental Relations Act 2012 which indicates that any expenditure related to the Council of Governors should be met by the National Government.</p>	Seek guidance from National Treasury and Council of Governors with regard appropriateness of payments of contribution to CoG	<p>Dorothy Kinyua</p> <p>CEC – Finance</p>	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
13.0	Specialized Materials and Services Note 6 of the notes to the financial statements reflected Ksh. 282,282,412 in respect to use of Goods and services which included Ksh.107,620,258 in respect of specialized Materials and Services which further included Ksh.15,451,891 spent in procuring non-pharmaceutical products directly from suppliers without competitive bidding contrary to Sections 91 (1 & 2) of the Public Procurement And Assets Disposals Act of 2015. Further, the Ksh. 15,451,891 was paid to a clinic which was not in the County Executive's list of pre-qualified supplier for non – pharmaceutical products.	Ensure adherence to PPD Act 2015	Martin Mwenda Head of Procurement	Not resolved	30 th June 2019
14.0	Procurement of Asset from Non – Prequalified Suppliers Note 6 and 8 reflect use of goods and services and acquisition of assets balances of Ksh. 282,282,412 and Ksh. 795,417,655 respectively totaling Ksh., 1,077,700,067. However, included in this expenditure is Ksh. 3,738,800 paid to suppliers who were not pre-qualified by the County Executive contrary to Section 93 (1) of Public Procurement and Asset Disposal Act, 2015	Ensure adherence to PPD Act 2015	Martin Mwenda Head of Procurement	Not resolved	30 th June 2019
15.0	Procurement of Insurance for Plant, Equipment and Machinery	Ensure adherence to	Martin Mwenda	Not resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	Note 6 to the financial statement reflected Ksh. 282,282,412 in respect to use of goods and services which included Ksh. 7,108,464 paid for an insurance of plant equipment and machinery and whose valuation certificate and tender documents were not availed for audit verification	PPD Act 2015	Head of Procurement		
16.0	Procurement of Computers, printers and other IT Equipment Note 6 to the financial statement reflect Ksh.282,282,412 in respect to use of goods and services which include Ksh. 107,620,258 in respect to specialized materials and services which further include Ksh. 252,000 paid to a firm for purchase of computers, printers and other ICT equipment whose tender documents were not availed for audit review.	Ensure adherence to PPD Act 2015	Martin Mwenda Head of Procurement	Resolved	30 th June 2019
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE					
1.0	Internal Audit A review of the Internal Audit section of the County Executive of Tharaka Nithi indicated that the department has only three staff members who included a Senior Auditor and who was seconded to Kenya Climate Smart Agriculture Program by County Executive leaving the Internal Audit Section with only two junior staff	Deployed more officer to Internal Audit section and build capacity	Zephaniah Mbaka CO – Finance	Resolved	30 th March 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
2.0	<p>Lack of Internal Audit Committee</p> <p>The County Executive did not have in place an audit committee in place, contrary to Section 167 (1) of the Public Finance Management (County Governments) Regulations 2015 which states that each County Government entity shall establish an Audit Committee</p>	Fast trucking the process of appointing and gazette Audit Committee	Dorothy Kinyua CEC – Finance	Resolved	30 th April 2019
3.0	<p>Poor Record Keeping</p> <p>A review of the County Executive record keeping during the year under review indicated that payment vouchers were not numbered or filed serially; records in the cashbooks were not referenced to their respective documents. Further, there were no systematic references of records posted in the IFMIS to cashbooks and the physical payment vouchers. In addition, payment vouchers were also not examined before payment.</p>	Capacity building and training of officer handling accountable document	Zephaniah Mbaka CO –Finance	Resolved	30 th June 2019
4.0	<p>Imprest Management</p> <p>Note 9C to the financial statement for the year ended 30th June, 2018 reflected an amount of Ksh. 19,905,764 as outstanding imprests. However, review of the imprest register revealed the following;</p> <p>i) Applicants were issued with multiple imprest as the same time contrary to Regulation 93(4b) of Public Finance Management (County Government) Regulations,</p>	Ensure compliance with regulations on issuance and surrender of imprest	Zephaniah Mbaka CO – Finance	Resolved	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	<p>2015 which requires that accounting officers ensures that the applicant has no outstanding imprest before issuing temporary imprest.</p> <p>ii) Personal number of the applicant was not indicated in the imprest register.</p> <p>iii) One officer who had exited service had an outstanding imprest of Ksh. 215,850 which raised doubts to its recoverability</p> <p>iv) Funds for office operations were issued as imprest without control as there was no authorized float and memorandum cashbook for accountability contrary to section 93(12) and (13) of Public Finance Management Act, 2012 which requires a holder of standing imprest keep a memorandum cashbook to record all receipts and payments.</p>				
5.0	<p>Bank Reconciliation Statement</p> <p>The County Executive operated the following four (4) bank accounts with Cooperative Bank for various hospitals.</p> <p>However, there was no evidence that bank</p>	Ensure timely preparation of bank reconciliation on all accounts operated by	Nduati E.K Head of Accounting	Resolved	30 th March 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	reconciliation statements for these bank accounts were counterchecked by senior officer as required by Section 90 (4) of the PFM County Government Regulation 2015 which states that the County Treasury shall analyze and review the bank reconciliation statement submitted under paragraph (3) of this regulation and take necessary action	the County Executive			
6.0	Staff Recruitments An audit review of the human resources process during the year under review indicated that personnel for various vacant position were recruited during the year under review which included positions of County Executive Committee Members (CECM), Chief Officers (Cos), Directors and Administrators. However, no authorized establishment to show the need and the number of staff to be recruited was availed for audit review. Further, the executive did not have an approved organizational structure that would clarify lines of authority and span of control.	Prepare County Executive Establishment and submit to County Assembly for approval	Alex Head of Human Resources	Not Resolved	30 th June 2019
	In addition, interview score sheets for the staff recruited during the year were not availed to determine whether process was competitive as required by the Article 232 (1) (i) of the Constitution of Kenya 2010.	Aavail Score sheets by the CPSB	Chairman CPSB	Not Resolved	30 th June 2019
	Further, review of sampled employees' personal		Alex	Not	30 th June 2019

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE**Reports and Financial Statements****For the quarter ended 30th June 2019**

Reference No. on the external audit Report	Issue / Observations from Auditor	Response by the County	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)
	files revealed that the files lacked vital personal information such as evidence of past work experience, copies of identity cards and appointment letters.	Ensure all county staff personal files are properly maintained	Head of Human Resources	Resolved	

Auditor General Opinion**Qualified Opinion**

Except for effect of matters described in the basis for Qualified Opinion, the financial statement represent fairly, in all material aspect, the financial position of the County Executive as at 30th June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International public Sector Accounting Standard (Cash Basis) and comply with Public Finance Management Act, 2012 and County Government Act, 2012

Sign.....


Dorothy Igoki Kinyua

CECM - FINANCE AND ECONOMIC PLANNING

Date.....30/8/2019.....

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE

Reports and Financial Statements

For the quarter ended 30th June 2019

ANNEXURES

I. DETAILED ANALYSIS OF RECEIPT

	Source of Revenue	Original Budget (Ksh)	Budget Supplementary Adjustment FY 2018/19 (Ksh)	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
1	Equitable Share of National Revenue	3,642,400,000	-	3,642,400,000	3,642,400,000	100%
2	Compensation for forgone user fees	8,218,119	-	8,218,119	8,218,119	100%
3	Road Maintenance Fuel Levy	95,901,220	32,200,000	128,101,220	95,901,220	75%
4	Conditional Allocation for Development of Youth Polytechnics	40,090,000	38,121,638	78,211,638	-	0%
5	Danish International Development Agency (Danida)	12,352,500	-	12,352,500	12,352,500	100%
6	Transforming Health System for Universal Care Project - World Bank	50,000,000	-	50,000,000	17,451,239	35%
7	Agriculture Sector Development Support Project (ASDSP)	12,352,500	-	12,352,500	6,509,045	53%
8	Kenya Climate Smart Agriculture Project (KCSAP)	117,000,000	-	117,000,000	39,557,498	34%
9	Kenya Devolution Support Program (KDSP)	38,536,081	38,536,081	77,072,162	-	0%
10	Kenya Urban Support Project	92,000,000	-	92,000,000	91,200,000	99%
11	Other Conditional Grants	177,530,581	275,830,744	453,361,325	-	0%
12	Own Sources of Revenue	300,000,000	-	300,000,000	239,154,529	80%
13	Unspent Balances Returned CRF	258,397,430	491,533,809	749,931,239	611,080,016	81%
	Total Amount	4,844,778,431	876,222,272	5,721,000,703	4,763,824,166	83%

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th June 2019

II. ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	Name of Officer	Warrant Number	Imprest Date	Imprest Amount Ksh.	Amount Surrendered Ksh.	Balance Ksh.
1	Euphrasio Gitonga	2719379	11-Nov-17	120,000	-	120,000
2	Frankline Munene	2719387	19-Nov-17	75,100	-	75,100
3	Francis Muthomi	2719365	21-Nov-17	24,500	-	24,500
4	Euphrasio Gitonga	2719326	30-Nov-17	130,000	-	130,000
5	Euphrasio Gitonga	2719343	08-Dec-17	14,000	-	14,000
6	Ruth Muriuki	2719350	11-Dec-17	95,020	-	95,020
7	Fridah Murungi	2719458	09-Jan-18	121,700	-	121,700
8	Ruth Muriuki	2719414	22-Jan-18	150,000	-	150,000
9	Euphrasio Mberia	2719419	23-Jan-18	215,850	-	215,850
10	Euphrasio Gitonga	2719441	30-Jan-18	153,000	-	153,000
11	Kennedy Murithi	3279082	29-Mar-18	609,500	-	609,500
12	Ruth Muriuki	3279277	12-Apr-18	153,680	-	153,680
13	Kennedy Murithi	3279362	20-Apr-18	180,000	-	180,000
14	Betty Kagendo Muthee	3285901	05-Sep-18	171,800	-	171,800
15	Mwenda Alfred Riungu	3285912	05-Sep-18	757,500	-	757,500
16	Muigai Samuel Muiruri	3285924	21-Sep-18	30,000	-	30,000
17	Lawrence Mutugi Micheni	3285937	21-Sep-18	652,000	-	652,000
18	Aggrey Karani Riungu	3285812	04-Oct-18	645,220	-	645,220
19	Lawrence Mutugi Micheni	3285858	19-Dec-18	290,000	-	290,000
20	Lawrence Mutugi Micheni	3285869	19-Dec-18	930,000	-	930,000