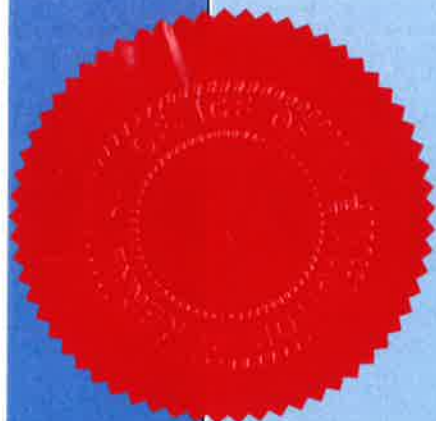


REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

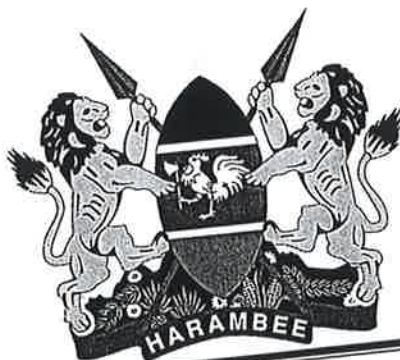
**ON**

**THE FINANCIAL STATEMENTS OF**

**COUNTY ASSEMBLY OF BUSIA**

**FOR THE YEAR ENDED**

**30 JUNE 2016**



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**COUNTY ASSEMBLY OF BUSIA**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2016**

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

**COUNTY ASSEMBLY OF BUSIA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**COUNTY ASSEMBLY OF BUSIA**  
**Reports and Financial Statements**  
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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a)BACKGROUND INFORMATION**

The First County Assembly of Busia was inaugurated on 22<sup>nd</sup> March, 2013 after the swearing of the first elected County representatives of Busia County. The County Assembly consists of 54 Members, who include 35 elected Ward Representatives and 18 Members of the County Assembly nominated by political parties to represent special interests; including persons with disabilities, minorities and the youth and the speaker who is an ex officio member.

**VISION:**

To be a modern County Assembly that fulfils its constitutional mandate and effectively serves the people of Busia County

**MISSION:**

To build an effective county assembly that is responsive to the needs of the people and that is driven by the ideals of realising a better quality of life of all the people of the Busia County

**VALUES OF BUSIA COUNTY ASSEMBLY**

- **Integrity**

Adherence to moral and ethical principles as enshrined in chapter six of the constitution.

- **Constitutionality**

We subscribe to social justice, fundamental human rights as enshrined in the bill of rights.

- **Representative democracy**

A people's county assembly build on the foundations of a democratic society based on the will of the people, their participation and access to the county assembly.

- **Excellence**

We strive for the highest service quality

Chapter 11 of the Constitution establishes County Governments consisting of a County Assembly and a County Executive. The Chapter further sets out the roles, functions and other matters relating to the membership and operations of the County Assembly. Article 185 of the Constitution provides functions of county assembly as under:-

1. The legislative authority of a county is vested in, and exercised by, its county assembly.
2. A county assembly may make any laws that are necessary for or incidental to, the effective performance of the functions and exercise of the powers of the county government under the Fourth Schedule.
3. ~~A county assembly, while respecting the principle of the separation of powers, may exercise oversight over the county executive committee and any other county executive organs.~~
4. A county assembly may receive and approve plans and policies

**COUNTY ASSEMBLY OF BUSIA**  
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**For the year ended June 30, 2016**

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For —

- a) the management and exploitation of the county's resources; and
- b) the development and management of its infrastructure and institutions

Other important functions of county assemblies include:

- i) Vetting and approving nominees for appointment to county public offices;
- ii) Approving the budget and expenditure of the county government in accordance with Article 207 of the Constitution;
- iii) Approving the borrowing by the county government in accordance with Article 212 of the Constitution;
- iv) Approving county development planning.

## **GENERAL ADMINISTRATION AND MANAGEMENT OF THE COUNTY ASSEMBLY**

The overall administration of the County Assembly is vested with the Busia County Assembly Service Board (CASB) which is established pursuant to section 12 (1) of the County Governments Act 2012 as a body corporate with perpetual succession. It has five members: The Speaker of the Assembly as the chairperson; Leader of Majority as the vice-chairperson and Leader of Minority and one person resident in the county appointed by the County Assembly from among persons who have knowledge and experience in public affairs, but who is not a member of the County Assembly. The Clerk to the Assembly is the Secretary to the Board.

The statutory mandate and responsibilities of the Board include:-

- a) Providing services and facilities to ensure the efficient and effective functioning of the County Assembly;
- b) Constituting offices in the County Assembly service and appointing and supervising office holders;
- c) Preparing annual estimates of expenditure of the County Assembly services and submitting them to the County Assembly for approval and exercising budgetary control over the service;
- d) Undertaking, singly or jointly with other relevant organizations, programmes to promote the ideals of parliamentary democracy;
- e) Performing other functions necessary for the well-being of the members and staff of the County Assembly or prescribed by the national legislation.

~~The day-to-day administration and management of the County Assembly is Vested in the~~

office of the Clerk. The administrative, procedural and general legislative work of the

Assembly is done by the Clerk to assembly and assisted by a Deputy Clerk. The clerk is the

**COUNTY ASSEMBLY OF BUSIA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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accounting officer of the assembly. The other officers in the various departments of the Assembly facilitate the work of the Assembly

**(b) Key Management**

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

- The Office of the Clerk to the County Assembly
- The Plenary and Committees Services Department
- The Finance and Accounting Services Department
- The Corporate Affairs Services Department
- Sergeant At arm and Security Services Department
- Legal Affairs Services Department.
- Procurement & Supply Chain Management Department.
- The Hansard Services Department
- Research, Information Communication Technology and Library Services Department
- Internal Audit & Assurance Services Department.

**(c) Fiduciary Management**

The key management personnel who held offices during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	DESIGNITION	NAMES.
1.	Clerk to the Assembly	Mr Allan W. Mabuka
2.	Deputy Clerk	Mrs. Carolyn Imukutet Apaa
3.	Principal Finance Officer	Mr Gabriel E. Erambo
4	Principal Hansard Editor	Mr. Jakob Mallo.

**(d) Fiduciary Oversight Arrangements**

During the year under review, the County's Assembly management and operations were supported by a number of institutions which were established to ensure prudent management. These institutions are;

1. Office of the County Executive committee member in charge of Finance and economic planning, which is majorly dealing with formulation of macro fiscal policies.
2. Office of Chief Officer Finance and economic planning, which is dealing planning, revenue mobilisation, budgeting, expenditure controls and financial management.
3. The county assembly service board its committees including budget and finance, audit and risk management
4. The committees of the county assembly including Budget and appropriation, public accounts and investment committee

Other institutions which provided oversight controls during the year under review were as follows;

1. Office the controller of budgets.
2. National Assembly.
3. Public sector accounting standards board.
4. Senate.

**COUNTY ASSEMBLY OF BUSIA**  
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5. Commission on Revenue allocation.
6. Salaries and Remuneration Commission.

(e) Busia County's Assembly physical address.

P.O. Box 1018,  
Busia/kisumu Road/Highway  
Busia, Kenya.

(f) Contacts.

The County Assembly contacts are,  
Telephone: (254) 0721675217  
E-mail:clerkbusiacountyassembly@yahoo.com

(g) County Assembly Bankers.

Busia County Assembly Bankers during the financial year 2015/2016 were,

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

2. Kenya Commercial Bank  
Busia Branch.

(h) **Independent Auditors.**

During the financial year 2015/2016, the management and operations of the County Assembly were audited by both internal auditors and Kenya National Audit Office(KENAO) as independent Auditors.

(i) **Principal Legal Adviser.**

During the financial year 2015/2016, the County Assembly engaged one legal adviser in the County Assembly to provide legal advice MS.JUMA & COMPANY ADVOCATES

**COUNTY ASSEMBLY OF BUSIA**  
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**For the year ended June 30, 2016**

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**II. FOREWARD BY THE CLERK OF THE ASSEMBLY**

**BUDGET PERFORMANCE.**

The total budget for the County Assembly for FY 2015/2016 was Kshs 862,506,051 which comprised of Recurrent Kshs.709, 040,000 and Development kshs,153,466,051. The county exchequer disbursed to the County Assembly a total sum of Kshs.789,509,546.50. The actual expenditure amounted of the county assembly was Kshs 718,914,911 out of the total budget allocation for the Assembly. The recurrent expenditure had an absorption rate of \_\_\_\_\_ while development expenditure had an absorption rate of \_\_\_\_\_

**EXPENDITURES FOR THE COUNTY ASSEMBLY**

During the year FY 2015/2016, the total expenditure for the County Assembly was Kshs. 718,914,911 which comprised of Recurrent expenditure of Kshs.661,535,379 and Development kshs,57,379,531.

**VALUE FOR MONEY**

Busia County Assembly funds were utilized in accordance with the provisions of Public Finance Management Act 2012 and the purpose for which they were intended for.

**Physical progress on development**

During the financial year 2015/2016 the County Assembly was able to undertake all capital projects which were budgeted. It's expected that the capital projects will have a positive outcome on service delivery by the county assembly.

These development projects included:

1. Refurbishment of county assembly buildings
2. Construction of new storey building.
3. Construction of perimeter wall.
4. Drilling of borehole.
5. Purchase of library books.
6. Purchase of computers.
7. Purchase of office equipment and machines
8. Development of local area network
9. Water pump and plumbing works
10. Creditors

**IMPLEMENTATION CHALLENGES**

The major implementation challenges faced by the county Assembly and the during the financial year 2015/2016 were as follows;

1. Delay of disbursement of funds.
2. IFMIS connectivity challenges



**COUNTY ASSEMBLY OF BUSIA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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3. County assembly did not have their own autonomous payroll thus compromising separation of powers principle
4. Limited budget resources vis a vis demand for the resources.
5. Delay of disbursement of mortgage and car loans to members of the county assembly
6. The county assembly operated with a skeleton staff for most of the financial year
7. Lack of approved financial reporting framework for the county assembly
8. Lack of an IFMIS G-pay system for the county assembly thus compromising the financial independences of the County Assembly

**RECOMMENDED WAY FORWARD**

1. Timely disbursement of funds by The National treasury.
2. The national treasury to address IFMIS connectivity delay challenges
3. County assembly to have autonomous payroll
4. Prioritising activities to utilise the limited budgeted resources
5. County Assembly to provide by a G-PAY IFMIS system by the National treasury

Sign



**Clerk of the County Assembly**

**COUNTY ASSEMBLY OF BUSIA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**III. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 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 Accounting Officer in charge of the County Assembly of Busia is responsible for the preparation and presentation of the County Assembly financial statements, which give a true and fair view of the state of affairs of the County Assembly for and as at the end of the financial year (period) ended on June 30, 2016. 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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the County Assembly of Busia accepts responsibility for the County Assembly 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 Accounting Officer is of the opinion that the County Assembly financial statements give a true and fair view of the state of County Assembly transactions during the financial year ended June 30, 2016, and of the County Assembly financial position as at that date. The Accounting Officer charge of the County Assembly of Busia further confirms the completeness of the accounting records maintained for the Assembly which have been relied upon in the preparation of the County Assembly financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the County Assembly of Busia 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 Accounting Officer confirms that the County Assembly financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County Assembly financial statements were authorised for issue by ALLAN W. MABUKA the Accounting Officer on 14<sup>th</sup> September 2016



Clerk of the County Assembly

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BUSIA FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the County Assembly of Busia set out on pages 10 to 24, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### Management's Responsibility for the Financial Statements

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

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of

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*Report of the Auditor-General on the Financial Statements for the County Assembly of Busia for the year ended 30 June 2016*



the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Assembly's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## **Basis for Qualified Opinion**

### **1.0 Presentation, Accuracy and Completeness of the Financial Statements**

The International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury requires the management to prepare budget execution programmes documents. However, the financial statements for the year under review do not include these documents.

In the circumstance, the financial statements do not conform to International Public Sector Accounting Standards (Cash Basis) prescribed by the National Treasury and the Public Finance Management Act, 2012.

### **2.0 Fixed Assets Register**

The statement of receipts and payments under Note 6 to the financial statements reflects an assets acquisition balance of Kshs.105,234,170 made during the year under review. However, the expenditure was not supported with an updated fixed assets register to support the asset balance. Further, assets inherited from the defunct local authorities in the County were not disclosed. Under the circumstance, it has not been possible to ascertain the validity and accuracy of the assets balance of Kshs.105,234,170 as at 30 June 2016.

### **3.0 Procurement of Insurance Services**

The statement of receipts and payments reflects total expenditure of Kshs.2,671,464 under use of goods and services which was incurred in respect to motor vehicle insurance as indicated below:

<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Amount Kshs.</b>
26-04-16	Alexander Forbes Risk	Premium Payments	890,488
26-04-16	Alexander Forbes Risk	Premium Payments	890,488
5/18/2016	Alexander Forbes Risk	Premium Payments	890,488
	<b>Total Annual Premium</b>		<b>2,671,464</b>

However, valuation reports of vehicles used in procurement of the insurance service were not presented for audit review hence the basis of the annual premium could not be ascertained.

Consequently, the propriety of the annual insurance premium expenditure of Kshs.2,671,464 incurred during the year under review cannot be confirmed.

#### **4.0 Foreign Travel Expenditure Allowances**

Note 13 to the financial statements reflects foreign travel expenditure of Kshs.4,108,067 paid to Members of the County Assembly (MCAs) and Global Centre for Capacity Development in form of foreign travel and consultancy respectively. However, the payments were not supported by invitation letters for all the participants to foreign training and benchmarking tours, and no participation of the relevant technical officers in the field of study. Further, the participants did not publish concept papers or reports to guide policy making subsequent to courses attended.

Consequently, the propriety of the foreign travel expenditure of Kshs.4,108,067 incurred during the year ended 30 June 2016 cannot be confirmed.

#### **5.0 Management of Car and Mortgage Scheme**

##### **5.1 Security of Car Loan and Mortgage Scheme Funds**

Scrutiny of the records maintained in respect of car and mortgage loans revealed that;

- (a) There was lack of completed and signed transfer deeds by borrowers and letters of authority to sell the mortgaged properties in case of default.
- (b) Money was disbursed in cash instead of direct payment to the vendor
- (c) There was none withholding of log books and titles for properties acquired under the fund agreement.

##### **5.2 Irregular Borrowings from the Car and Mortgage Funds**

The County Assembly borrowed Kshs.45,320,452 from the loans account for use in operation of the County Assembly's recurrent expenditure. The funds have not been refunded back to date.

Further, no separate financial statements have been prepared and submitted for audit by the Fund administrator as required.

In view of the foregoing, the security, safety and sustainability of the Fund to offer services as a revolving Fund is in doubt.

#### **6.0 Ownership of Land and Buildings**

Review of the fixed assets register revealed that land and buildings valued at Kshs.97,956,949 were not supported by title deeds as these were not availed for audit verification.

Consequently, the ownership of the land on which the County Assembly is built could not be ascertained.

## **7.0 Completion of Office Block at Busia County Assembly**

The County Assembly contracted M/S Fahari Building and Civil Eng. Ltd to complete the office block at a cost of Kshs.22,359,776. Review of records revealed the project period had lapsed by one (1) year and eleven (11) months as at the date of audit. Further, the contractor had been paid Kshs.21,258,865 or 90% of the contract sum leaving the retention balance only despite having not completed the contracted works. The County residents have not benefited from the use of the incomplete building and the County Assembly management has not demanded liquidated damages from the contractor.

In the circumstance, the County Assembly has not obtained value for money totalling Kshs.21,258,865 spent on the project as at 30 June 2016.

## **8.0 Construction of the Main Entrance and the Gate House**

The statement of receipts and payments under acquisition of assets reflects expenditure totalling Kshs.4,741,395 incurred on construction of the main entrance and the gate house to the County Assembly building. However, the original technical designs apparently encroached on the government road reserve. This suggests the project design was poorly planned.

As a result, there was delay in completion on the project .

## **9.0 Long Outstanding Imprests and Salary Advances**

- I. Imprests totaling Kshs.24,007,281 were outstanding as at 30 June 2016. There were instances where imprests were issued to officers before surrender of previous ones and some were outstanding for more than three months. Under the circumstance, the County Assembly breached financial rules and regulations governing administration of imprests.

### **II. Unrecovered Staff Advances**

Salary advances totaling Kshs.12,809,639 due for recovery had not been recovered as at 30 June 2016. No explanation has been provided for the anomaly.

## **10.0 Gratuity Funds**

### **10.1 Lack of Guidelines on Management of Gratuity Funds**

The Assembly paid Kshs.52,666,643 to the Local Authority Provident Fund (LAP) as gratuity for the Members of County Assembly. The total value of investment return accrued to the Members of the County Assembly could not be confirmed as the memorandum of understanding/contract with the Fund was not availed for audit verification.

## 10.2 Late Remittance of Gratuity to LAPFUND

Monthly gratuity remittances totalling Kshs.26,063,635 were paid into the LAP Fund long after the months they related to hence the members lost out on accrued interest earned from the Fund.

## 11. Tax Arrears and Voidable Tax Penalties

During the year under review, the County Assembly paid tax arrears and voidable penalties totalling Kshs.33,711,679. The expenditure consisted of late Pay As You Earn (PAYE) monthly remittances of Kshs.21,029,318 for the months of April and May 2016 and Kshs.12,682,361 in respect of penalties for delayed submission of returns and payment of PAYE taxes due.

In the circumstance, the tax penalties of Kshs.12,682,361 were voidable expenditure and thus constituted wasteful use of public funds.

## 12. Voidable Public Participation Expenditure

During the year under review, the County Assembly of Busia budgeted Kshs.27,092,000 for public participation activities. However, Kshs.21,492,309 was spent. Further, as shown in the following table, five (5) firms were paid a total of Kshs.9,696,309 to publicize five similar legislative bills in nine words coined by the County Assembly management:

Firm	LPO/LSO	Invoice No	Invoice	Work Done	Amount Invoiced Kshs.
Bepira Investment	104 of 20/5/16	-	Unnumbered	Decentralized Units Bill 2016 County Trade & Market Bill, 2016 County Roads & Infrastructure Bill 2016 County Petition to County Assembly Bill, 2016 awards @Kshs.252,000	2,016,000
Genericum Enterprises	103 of 20/5/16		15	Decentralized Units Bill 2016 County Trade & Market Bill, 2016 County Roads & Infrastructure Bill 2016 County Petition to County Assembly Bill, 2016 Awards @Kshs.256,000	2,304,000
Outdoors Africa Ltd	102 of 20/5/16	BSA/20/2015/2017	20/6/16	Decentralized Units Bill 2016 County Trade & Market Bill, 2016 County Roads & Infrastructure Bill 2016 County Petition to County	2,048,000

				Assembly Bill, 2016 Awards @Kshs.256,000	
Project Management Experts Ltd	101 of 20/5/16		Unreferenced	Decentralized Units Bill 2016 County Trade & Market Bill, 2016 County Roads & Infrastructure Bill 2016 County Petition to County Assembly Bill, 2016 Awards @Kshs.252,000	2,040,000
Tivio Stars Enterprise	105 of 20/5/16		425	Public Finance Bill Awards @Kshs.256,000	2,304,000
					<b>10,712,000</b>

In addition, a sum of Kshs.16,768,691 was paid as travel and subsistence allowances which were, however, not supported with relevant documents.

In the circumstance, the expenditure of Kshs.21,492,309 was voidable and thus constituted an improper charge on public funds.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of County Assembly of Busia as at 30 June 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Public Finance Sector Accounting Standards (Cash Basis) and comply with the Public Management Act, 2012.

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

##### **1.1 Budgetary Performance**

The total recurrent budget of the County Assembly of Busia for the year under review was Kshs.709,040,000 while actual-expenditure was Kshs.620,673,498.45 thus resulting to an under expenditure of Kshs.88,366,501 or 12%. Further, the total development budget was Kshs.153,466,051 while actual expenditure was Kshs.97,067,045 resulting to an under-expenditure of Kshs.56,399,006 or 37% of the budget.

Some of the expenditure of the Assembly were not incurred according to approved line/item allocations. Funds were re-allocated for purposes that were not budgeted for. There were instances where the budget was either over/under spent by more than the allowed threshold of 10% as shown below;



Items	Approved	Approved	Total	Vote	Absorption.
(Vote Name)	Budget	Rev. Budget	Expenditure	Balance As at	Rate
	2015/2016	2015/2016	2015/2016	30 Jun 2016	(%)
	Kshs.	Kshs.	Kshs.	Kshs.	
Domestic Travel and Subsistence, and Other Transportation Costs	39,850,000	45,850,000	55,847,596	(9,997,596)	-22
Travel Costs (Airlines, Bus, Railways)	39,850,000	45,850,000	55,847,596	(9,997,596)	-22
Hospitality Supplies and Services	5,300,000	5,300,000	8,282,287	(2,982,287)	-56
Catering Services, Receptions, Ac	5,300,000	5,300,000	8,282,287	(2,982,287)	-56
Mileage reimburseable	5,040,000	5,040,000	3,516,989	1,523,011	30
Sitting Allowance-MCAs	114,816,000	114,816,000	98,926,596	15,889,404	14
USE OF GOODS AND SERVICES	118,389,897	256,453,839	186,756,458	69,697,381	27
Utilities Supplies and Services	1,440,000	1,440,000	1,204,280	235,720	16
Water and Sewerage charges	820,000	820,000	623,376	196,624	24
Communication Supplies and Services	350,000	350,000	136,495	213,505	61
Courier and Postal Services	350,000	350,000	136,495	213,505	61
Foreign Travel and Subsistence, and Other Transportation Costs	15,500,000	20,500,000	9,457,186	11,042,814	54
Travel Costs (Airlines, Bus, Railways)	15,500,000	20,500,000	9,457,186	11,042,814	54
Rents and Rates – Non-Residential	2,340,000	2,400,000	2,075,000	325,000	14
Specialized Materials and Supplies	1,358,000	1,358,000	432,999	925,001	68
Education and Library Supplies	538,000	538,000	-	538,000	100
Purchase of Uniforms and Clothing – Staff	820,000	820,000	432,999	387,001	47
Other Operating Expenses	15,828,000	140,831,942	74,120,674	66,711,268	47
Bank Services Commission & Charges		200,000	128,170	71,830	36
Contracted Guards and Cleaning Services	5,300,000	5,300,000	4,421,291	878,710	17

*Report of the Auditor-General on the Financial Statements for the County Assembly of Busia for the year ended 30 June 2016*

Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	2,640,000	2,640,000	2,187,600	452,400	17
Revolving Fund		90,000,000	30,000,000	60,000,000	67
Bill Drafting	2,000,000	2,000,000	1,246,200	753,800	38
Audit Fees	450,000	450,000	-	450,000	100
ISO Certification	1,000,000	1,000,000	643,200	356,800	36
Pending Bills - KRA Penalties		34,000,000	30,299,091	3,700,909	11
Routine Maintenance - Vehicles and Other Transport Equipment	4,500,000	4,500,000	2,487,850	2,012,150	45
Maintenance Expenses - Motor Vehicles	4,500,000	4,500,000	2,487,850	2,012,150	45
Routine maintenance-other assets	2,100,000	2,100,000	1,267,203	832,797	40
Maintenance of Plant, Machinery and Equipment	900,000	900,000	565,763	334,237	37
Maintenance of Buildings and Stations -- Non-Residential	700,000	700,000	524,440	175,560	25
Maintenance of Computers, Software, and Networks	500,000	500,000	177,000	323,000	65
ACQUISITION OF NON-FINANCIAL ASSETS	9,530,000	9,530,000	6,976,796	2,553,204	27
Purchase of Office Furniture and Fittings	2,775,000	2,775,000	2,239,625	535,375	19
Purchase of Camera	450,000	450,000	-	450,000	100
Pistol and Ammunitions	200,000	200,000	-	200,000	100
Gross recurrent Expenditure Kshs.	554,319,553	709,040,000	620,673,498	88,673,498	12
Development				-	
Refurbishment of County Assembly Buildings	5,000,000	5,000,000	2,116,334	2,883,666	58
Hansard Transcription Machine	10,000,000	10,000,000	8,511,155	1,488,845	15
ICT Infrastructure	3,000,000	3,000,000	2,406,685	593,315	20
Perimeter Wall	10,000,000	12,094,490	9,980,324	2,114,166	17
New Office Block	40,000,000	35,128,219	200,000	34,928,219	99
Purchase of Motor vehicle	5,000,000	6,000,000	4,956,001	1,043,999	17
Renovation of County Assembly		4,871,781	-	4,871,781	100

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Completion of Storey Building		12,652,456	8,832,325	3,820,131	30
Local Area Network Development		2,900,000	-	2,900,000	100

Consequently, the Busia County Executive has not operated within budgetary provisions to deliver services planned for and expected by the residents of the County.

## 1.2 Revenue Performance

The County Assembly's total collections for the year were revenue budgeted at Kshs.862,506,051.00 but actual receipts totaled Kshs.789,509,547.00 thus resulting in a revenue shortfall under receipts of Kshs.127,708,681.00 or 8% of the budget. The under-collection mainly resulted from shortfall of receipts from the exchequer.

## 1.3 Project Implementation and Management

During the year under review the County Assembly implemented a total of 24 projects/programmes costing Kshs.153,466,051 under the current and development votes. However at the time of the audit, five (5) or (21%) of the projects had not started, three or 13% of the projects were still on going and 16 or 67% of the projects had been completed.

In all, projects worth Kshs.35, 778,219 had either not commenced and were incomplete at the time of audit and as a result, the County residents did not obtain the planned public services.

## 2.0 Weaknesses in Internal Control

The County Assembly has not established an Internal Audit Committee and an Internal Audit Charter as required by the Public Finance Management Act (2012). Therefore, the management has not been able to assess the internal control environment regularly. Further, the management of the Assembly has not developed and implemented a risk management framework and policy to guide the achievement of its strategic and operational goals and objectives. No explanation has been provided for this anomaly.



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

**Nairobi**

**15 August 2017**

*Report of the Auditor-General on the Financial Statements for the County Assembly of Busia for the year ended 30 June 2016*

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**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015/16 Kshs	2014/15 Kshs
<b>RECEIPTS</b>			
Transfers /Exchequer Releases	1	582,948,362	
Transfers from the County Treasury	2	206,561,185	-
<b>TOTAL RECEIPTS</b>		<b>789,509,547</b>	<b>-</b>
<b>PAYMENTS</b>			
Compensation of Employees	3	402,279,555	-
Use of goods and services	4	157,092,320	-
Social Security Benefits	5	24,308,865	-
Acquisition of Assets	6	105,234,170	-
<b>TOTAL PAYMENTS</b>		<b>688,914,910</b>	<b>-</b>
<b>SURPLUS/DEFICIT</b>		<b>100,594,636</b>	<b>-</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were authorised for issue on 14<sup>th</sup> September 2016 and signed by:



Allan W. Mabuka

**Clerk to the County Assembly**



Gabriel E. Erambo


**Principal Finance Officer**


**COUNTY ASSEMBLY OF BUSIA**  
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**VI. STATEMENT OF FINANCIAL ASSETS**

	Note	2015/16 Kshs	2014/15 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	7	87,470,792	-
Cash Balances	8	5,409	-
<b>Total Cash and cash equivalents</b>		<b>87,476,201</b>	<b>-</b>
Accounts receivables – Outstanding Imprests/clearance	9	36,816,919	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>124,293,120</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	10	2,306,810	-
<b>NET FINANCIAL ASSETS</b>		<b>121,986,310</b>	<b>-</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd.</b>	11	21,391,673	-
<b>Surplus for the year</b>		100,594,636	-
<b>NET FINANCIAL POSITION</b>		<b>121,986,310</b>	<b>-</b>

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 Clerk to the County Assembly

  
Gabriel E. Erambo  
 Principal Finance Officer

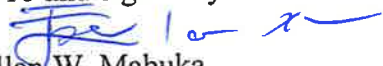
**COUNTY ASSEMBLY OF BUSIA**  
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**For the year ended June 30, 2016**

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**VII. STATEMENT OF CASHFLOW**

	Note	2015/16 Kshs	2014/15 Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating income			-
Transfer from National Treasury	1	582,948,362	
Transfer from County Government treasury	2	206,561,185	-
<b>Payments for operating expenses</b>			
Compensation of Employees	3	402,279,555	-
Use of goods and services	4	157,092,320	-
Social Security Benefits	5	24,308,865	-
		<b>583,680,740</b>	-
<b>Net cash flows from operating activities</b>		<b>208,135,617</b>	-
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	(105,234,170)	-
<b>Net cash flows from investing activities</b>		<b>(105,234,170)</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>102,901,447</b>	-
Cash and cash equivalent at BEGINNING of the year	11	21,391,673	-
Cash and cash equivalent at END of the year		<b>124,293,120</b>	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were authorised for issue on 14<sup>th</sup> September 2016 and signed by:

  
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 Clerk to the County Assembly

  
Gabriel E. Erambo  
 Principal Finance Officer

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>RECEIPTS</b>					
Transfers from the Exchequer	655,944,866	-	655,944,866	582,948,362	-
Transfer from the County Treasury	206,561,185	-	206,561,185	206,561,185	-
<b>TOTAL</b>	<b>802,506,051</b>	<b>-</b>	<b>862,506,051</b>	<b>789,509,547</b>	<b>-</b>
<b>PAYMENTS</b>					
Compensation of Employees	407,121,210	4,022,671	403,098,539	402,279,555	818,984
Use of goods and services	165,891,025	60,073,752	225,964,777	204,279,959	21,017,818
Social Security Benefits	20,787,318	9,119,366	29,906,684	24,308,869	5,597,819
Acquisition of Assets	88,830,000	24,706,051	113,536,051	57,379,531	56,156,520
Finance Costs	-	-	-	-	-
Other Payments		90,000,000	90,000,000		90,000,000
<b>TOTAL</b>	<b>682,629,553</b>	<b>179,876,498</b>	<b>862,506,051</b>	<b>688,914,911</b>	<b>173,591,140</b>

The entity financial statements were authorised for issue on 14<sup>th</sup> September 2016 and signed by:



Allan W. Mabuka

Clerk to the County Assembly



Gabriel E. Erambo

Principal Finance Officer

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**IX. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>RECEIPTS</b>					
Treasury/Exchequer Releases	-	-	-	582,948,362	-
Transfers from the County				206,561,185	
<b>TOTAL</b>	-	-	-	<b>789,509,547</b>	-
<b>PAYMENTS</b>					
Compensation of Employees	407,121,210	4,022,671	403,098,539	402,279,555	-
Use of goods and services	117,081,025	60,073,752	177,154,777	157,092,320	-
Social Security Benefits	20,787,318	9,119,366	29,906,684	24,308,865	-
Acquisition of Assets	9,330,000	450,000	8,880,000	8,167,126	-
Other Payments	-	90,000,000	90,00,000		-
<b>TOTAL</b>	<b>554,319,553</b>	<b>154,720,447</b>	<b>709,040,000</b>	<b>591,847,866</b>	-

The entity financial statements were authorised for issue on 14<sup>th</sup> September 2016 and signed by:



Allan W. Mabuka  
Clerk to the County Assembly




Gabriel E. Erambo  
Principal Finance Officer




**X. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>RECEIPTS</b>					
Transfer from Exchequer	-	-	-	97,067,045	-
<b>TOTAL</b>	-	-	-	<b>97,067,045</b>	-
<b>PAYMENTS</b>					
Use of goods and services	48,810,000	-	48,810,000	47,854,639	-
Acquisition of Assets	79,500,000	25,156,051	104,656,051	49,212,405	-
<b>TOTAL</b>	<b>128,310,000</b>	<b>25,156,051</b>	<b>153,466,051</b>	<b>97,067,044</b>	-

The entity financial statements were authorised for issue on 14<sup>th</sup> September 2016 and signed by:

  
Allan W. Mabuka  
Clerk to the County Assembly

  
Gabriel E. Erambo  
Principal Finance Officer

## **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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the County Assembly.

### **2. Recognition of revenue and expenses**

The County Assembly recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the County Assembly. In addition, the County Assembly recognises all expenses when the event occurs and the related cash has actually been paid out by the County Assembly.

### **3. In-kind contributions**

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

### **4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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**5. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Assembly at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**6. 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 Assembly budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the County Assembly actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

**9. Pending bills**

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

**10. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the County Assembly actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**COUNTY ASSEMBLY OF BUSIA**  
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**11. Comparative figures**

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

**12. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

**COUNTY ASSEMBLY OF BUSIA**  
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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1 EXCHEQUER RELEASES**

<b>Description and reference of the transfer</b>	<b>2015- 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
1st quarter transfer		
2nd quarter transfer	100,000,000	-
3rd quarter transfer	162,000,000	-
4th quarter transfer	320,948,362	-
<b>Total</b>	<b>582,948,362</b>	<b>-</b>

**2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2015- 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Transfers from Central government entities		
Transfers from County Treasury Q1		-
Transfers from County Treasury Q2	94,561,185	-
Transfers from County Treasury Q3	97,000,000	-
Transfers from County Treasury Q4	15,000,000	-
<b>TOTAL</b>	<b>206,561,185</b>	<b>-</b>

**3 COMPENSATION OF EMPLOYEES**

	<b>2015 - 2016 Kshs</b>	<b>2014-2015 Kshs</b>
Basic salaries of permanent employees	221,523,658	-
Personal allowances paid as part of salary	180,755,897	-
<b>Total</b>	<b>402,279,555</b>	<b>-</b>

**COUNTY ASSEMBLY OF BUSIA**  
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**4 USE OF GOODS AND SERVICES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	1,102,296	-
Communication, supplies and services	136,495	-
Domestic travel and subsistence	55,847,596	-
Foreign travel and subsistence	8,697,099	-
Printing, advertising and information supplies & services	9,425,779	-
Rentals of produced assets	6,215,802	-
Training expenses	11,404,917	-
Hospitality supplies and services	8,282,287	-
Specialized materials and services	1,637,309	-
Office and general supplies and services	4,381,642	-
Other operating expenses	44,120,674	-
Routine maintenance – vehicles and other transport equipment	2,487,850	-
Fuel Oil and Lubricants	2,085,371	-
Routine maintenance – other assets	1,267,203	-
<b>Total</b>	<b>157,092,320</b>	<b>-</b>

**5 SOCIAL SECURITY BENEFITS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Government pension and retirement benefits	24,308,865	-
<b>Total</b>	<b>24,308,865</b>	<b>-</b>

**COUNTY ASSEMBLY OF BUSIA**  
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**6 ACQUISITION OF ASSETS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
Construction of New Office Buildings	200,000	-
Refurbishment of County Assembly Buildings	2,116,334	-
Construction of Perimeter Wall	9,980,324	-
Completion of Storeyed Building	8,832,325	-
Drilling of Bores	746,330	-
Purchase of Fire Extinguishing Equipment	4,432,782	-
Purchase of Hansard Equipments	8,511,155	-
Purchase of Motor Vehicle	4,956,001	-
Purchase of Motor Cycles	3,346,936	-
Elevated Tank	3,200,000	-
Purchase of ICT Infrastructures	2,406,685	-
Water Pump, Plumbing works	483,533	-
Purchase of Library Automation	1,204,310	-
Legislative Development	19,558,020	-
Public Participation	27,092,309	-
Purchase of Office Furniture and Fittings	2,239,625	-
Digital Bell	91,509	-
Purchase of Software	1,045,000	-
Purchase of ICT Equipments	1,970,992	-
<del>Purchase of Office Equipments</del>	<del>2,820,000</del>	<del>-</del>
<b>Total</b>	<b>105,234,170</b>	<b>-</b>

**COUNTY ASSEMBLY OF BUSIA**  
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**7 Bank Accounts**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Kenya Commercial Bank- Operations Ac. No.1141667741	2,441,937	-
Central Bank, Recurrent Account No.	76,980,303	-
Central Bank, Development Account No. & currency	8,048,552	-
<b>Total</b>	<b>87,470,792</b>	<b>-</b>

**8 Cash in hand should also be analyzed as follows:**

	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Location 1 (KCB - Operations Account)	5,409	-
<b>Total</b>	<b>5,409</b>	<b>-</b>

**9 Outstanding Imprests**

<b>Description</b>	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Government Imprests	24,007,281	-
Clearance accounts	12,809,638	-
<b>Total</b>	<b>36,816,919</b>	<b>-</b>

**10 Accounts Payables**

	<b>2015 - 2016 Kshs</b>	<b>2014 - 2015 Kshs</b>
Deposits ( Retention)	2,306,810	-
<b>Total</b>	<b>2,306,810</b>	<b>-</b>



**COUNTY ASSEMBLY OF BUSIA**  
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**11 BALANCES BROUGHT FORWARD**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	1,915,527	-
Cash in hand	131,897	-
Receivables - Outstanding Imprests	19,344,249	-
<b>Total</b>	<b>21,391,673</b>	<b>-</b>

**12. OTHER IMPORTANT DISCLOSURES**

**12.1 ANNEXURE ON FIXED ASSET REGISTER**

	<b>2015 - 2016</b>
<u><b>Acquisition of Assets</b></u>	<b>Kshs</b>
Construction of New Office Buildings	200,000
Refurbishment of County Assembly Buildings	2,116,334
Construction of Perimeter Wall	9,980,324
Completion of Storeyed Building	8,832,325
Drilling of Bores	746,330
Purchase of Fire Extinguishing Equipment	4,432,782
Purchase of Hansard Equipments	8,511,155
Purchase of Motor Vehicle	4,956,001
Purchase of Motor Cycles	3,346,936
Elevated Tank	3,200,000
Purchase of ICT Infrastructures	2,406,685
Water Pump, Plumbing works	483,533
Purchase of Library Automation	1,204,310
Legislative Development	19,558,020
Public Participation	27,092,309

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Purchase of Office Furniture and Fittings	2,239,625
Digital Bell	91,509
Purchase of Software	1,045,000
Purchase of ICT Equipments	1,970,992
Purchase of Office Equipments	2,820,000
<b>Total</b>	<b>105,234,170</b>

**12.2 ANNEXURE ON ACCOUNTS PAYABLE**

**SUPPLIER'S 10% OR 5% RETENTION SCHEDULE**

<b>Name</b>	<b>Contract No.</b>	<b>Gross Amount</b>	<b>Retention Amount</b>
Fahari Building	317	5,311,204.00	590,133.82
Paotoku Contractors	355	536,260.00	53,626.00
Agandi General	358	660,330.00	73,370.00
Elkedia Co. Ltd	325	806,573.40	69,532.20
Egeli Building	319	543,400.00	46,846.70
Fahari Building	352	4,575,348.80	457,234.88
Sarman Energy Ltd	374	4,005,708.00	400,349.80
Vexmed Enterprise Ltd	373	5,101,755.40	510,175.54
Paotoku Contractors	317	949,873.68	105,541.44
<b>TOTAL</b>		<b>22,490,453.28</b>	<b>2,306,810.38</b>