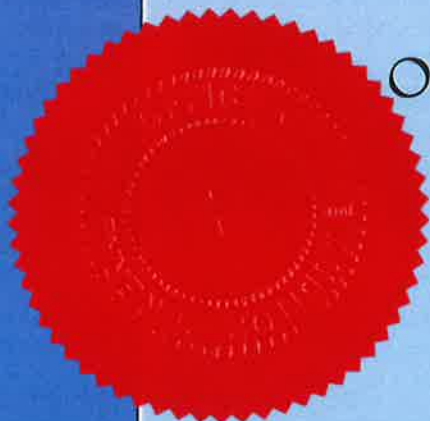


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
COUNTY EXECUTIVE OF NYAMIRA**

**FOR THE YEAR
ENDED 30 JUNE 2016**



COUNTY GOVERNMENT OF NYAMIRA

EXECUTIVE

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2016

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

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

Table of Content

Page

<u>I.</u>	<u>KEY ENTITY INFORMATION AND MANAGEMENT</u>	3
<u>II.</u>	<u>FORWARD BY THE CEC</u>	6
<u>III.</u>	<u>STATEMENT OF MANAGEMENT RESPONSIBILITIES</u>	7
<u>IV.</u>	<u>REPORT OF THE INDEPENDENT AUDITORS ON THE <i>COUNTY GOVERNMENT OF NYAMIRA</i></u>	8
<u>V.</u>	<u>STATEMENT OF RECEIPTS AND PAYMENTS</u>	9
<u>I.</u>	<u>STATEMENT OF ASSETS</u>	10
<u>II.</u>	<u>STATEMENT OF CASHFLOW</u>	11
<u>II.</u>	<u>SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED</u>	12
<u>III.</u>	<u>SUMMARY STATEMENT OF APPROPRIATION: RECURRENT</u>	14
<u>IV.</u>	<u>SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT</u>	16
<u>V.</u>	<u>SIGNIFICANT ACCOUNTING POLICIES</u>	18
<u>VI.</u>	<u>NOTES TO THE FINANCIAL STATEMENTS</u>	21

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

(b) Key Management

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

- | | | |
|-----------------------------|---|---------------------|
| • H.E John Obiero Nyagarama | - | The Governor |
| • H.E Amos Nyaribo | - | The Deputy Governor |

and the Executive Comprising;

Name	Designation
• Jones Omwenga	- Finance and Economic Planning
• Andrew Ombati	- Public Administration & Coordination of Decentralized units
• Gladys Momanyi	- Health services
• Janet Kumenda	- Education and ICT
• Peris Mong'are	- Agriculture, Livestock and Fisheries
• Kepha Osoro	- Transport, Roads & Infrastructure
• Peter Omwansa	- Gender, Sports, Youth & Culture
• Reuben Sinange	- Environment and Natural Resources
• Richard Mareri	- Lands, Housing and Physical Planning
• John Omanwa	- Trade, Tourism and Co-operative Development
• Eric Onchana Aori	- County Secretary

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:-

Name	Designation
• Jackline K. Kemunto	Chief Finance Officer.
• Philip Machuki	Principal Finance Officer.
• Lawrence N. Nyanga'u	Head of Treasury (Accounting).
• Jared Mogeni	Ag .Head of Supply Chain Management.

(c) Fiduciary Oversight Arrangements

The County Government is oversighted by the County Assembly of Nyamira which is headed by the Speaker Hon. Joash Nyamoko and deputised by Hon. Joseph Magangi.

The house has twenty (20) elected members and thirteen (13) nominated members. The assembly carries its mandate through the whole house or through various committees. Among these committees that oversee the county governments are,

- Public investment and accounts committee
- The budget committee
- Finance and planning committee
- Implementation committee
- Public service and appointment committee

The chief officer for the County Assembly is the Clerk. The current office holder is Mr. Daniel Orina.

(d) Entity Headquarters

Nyamira county building,
P.O. Box 434-40500,
Nyamira,
Kenya.

(e) Entity Contacts

- Telephone: (254)-0738727272, 0735232323
- E-mail: info@nyamira.go.ke
- Website: www.nyamira.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
Nyamira branch
Po Box 403-40500
Nyamira,
Kenya

(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

Esther Asati,
Director, Legal Officer,
P.O. Box 434-40500,
Nyamira,
Kenya.

II. FORWARD BY THE CEC

It is my pleasure to present the Annual Report and Accounts of the County Government of Nyamira for the year ended 30th June 2016

During the year under review, the County recorded a surplus of Kshs 244, 164,573 of total income from:

- | | |
|---|-------------------------|
| • National Government | Ksh. 4,154,538,019 |
| • Local revenue | Ksh. 106,981,959 |
| • Danida (Donor) | Ksh. 23,920,000 |
| • Transfer from other Government entities | <u>Ksh. 114,064,181</u> |

The total of this amounted to Kshs. **4, 399,504,169** against an expenditure of Kshs. **4,155,339,596**

During the year, we continued to undertake various development programmes meant to enable the County manage the transition arising from the devolved county government functions. These programmes were meant to set the County on the development agenda.

As the County continues to implement comprehensive programs meant to uplift the welfare of the people of Nyamira and ensure sustainable social, economic, environmental and political development, it is important to understand how the process of devolution has progressed three years into devolution.

Devolution presents the best opportunity for realising shared development and prosperity. The County has put in place measures to ensure that devolution works for the benefit of the people. Various policy documents, regulations and bills have been formulated with the sole aim of strengthening implementation structures and institutions and stamping out wastage of resources. This includes county integrated development plan, departmental strategic plans and annual work plans. However; the county faced many challenges in project implementation due to late submission of funds from national government, length procurement process, and non-performance of contactors.

Finally I wish to thank the Governor, fellow members of the Executive Committee and the chief officers for their continued support and leadership in driving the County development agenda. I also thank the entire county staff members who worked tirelessly in achieving the set targets. My gratitude also goes to the County Assembly members for their guidance during the year. On behalf of the County Executive Committee, I wish to thank the National Government of Kenya for the continued support for the County Government during the year under review.



Jones Omwenga,
COUNTY EXECUTIVE COMMITTEE MEMBER,
FINANCE & ECONOMIC PLANNING

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 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 County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2016, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 24TH September 2016.



Jones Omwenga,
County Executive Committee member – Finance



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NYAMIRA FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the County Executive of Nyamira set out on pages 9 to 32, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of budget execution: 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.

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 the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 Executive's internal control. An audit also includes evaluating

Report of the Auditor-General on the Financial Statements of County Executive of Nyamira for the year ended 30 June 2016

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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer Opinion

1. Receipts

1.1. Other Receipts

Included in other receipts of Kshs.106,981,969 reflected in the statements of receipts and payments is Kshs.41,928,359 in respect of public health facilities operations whose supporting schedules provided for audit review reflect a balance of Kshs.41,187,950 thereby resulting to an unreconciled difference of Kshs.740,409. Further, included in the public health facilities operations balance of Kshs.41,928,359 are under bankings totaling Kshs.4,867,855 as analysed below:

Hospitals	Amount Collected Kshs	Amount Banked Kshs	Amount Under-banked Kshs
Ekerenyo Sub County Hospital	1,612,298	1,284,785	327,513
Nyamira County Referral Hospital	33,503,799	30,202,167	3,301,632
Keroka Sub County Hospital	3,202,560	1,963,850	1,238,710
Total	38,318,657	33,450,802	4,867,855

However, no plausible explanation has been provided for the under-bankings. In addition, the business permits balance of Kshs.19,600,342 reflected in the financial statements under Note 15 differs from the source documents balance of Kshs.20,548,342 resulting to an unreconciled difference of Kshs.948,000.

Consequently, the accuracy and validity of other receipts figure of Kshs.106,981,969 for the year ended 30 June 2016 could not be confirmed .

2. Use of Goods and Services

2.1. Unsupported Foreign Travel Expenditure

Included in the use of goods and services figure of Kshs.1,107,472,758 is Kshs.45,397,022 out of which a sum of Kshs.2,031,855 was incurred in respect of foreign travel and subsistence allowance was paid to an officer while attending 3rd Forum of Local Economic Development in Turin, Italy for (8) eight days from 11 to 18 October 2015. However, there was no evidence authority of having been obtained from

Report of the Auditor-General on the Financial Statements of County Executive of Nyamira for the year ended 30 June 2016

the Governor's office for the officer to travel. Further, the officer travelled in business class instead of economy class contrary to Section D13(2) ii of Human Resources Policies and Procedures Manual for Public Service which provides that apart from the Chief of staff and Head of Public Service, Cabinet Secretaries and Secretary to the Cabinet, all other state and public officers should use economy class.

2.2. Domestic Travelling and Transport Allowance

Included in the use of goods and services figure of Kshs.1,107,472,758 is Kshs.217,569,695 in respect of domestic travel and subsistence out of which Kshs.2,405,100 is re-imbursement made for night outs and transport allowances to a staff member. However, the letter inviting the officer to the activities held outside his duty station was not provided for audit review. Further, no proper supporting documents such as attendance register was availed for audit review. The expenses for the venue where the course was held were also not indicated and there was no approval to attend the course.

2.3. Unaccounted for Training and Development Expenses

Included in the use of goods and services balance of Kshs.1,107,472,758 is Kshs.75,004,181 in respect of training and expenses which in turn includes Kshs.2,593,125 which was not supported by requisite information such as staff training & development policy, attendance sheets of participants, time table, facilitators, programs and purpose of air tickets, contrary to the requirements cited in the County Public Service Human Resource Manual, 2013.

Consequently, the propriety of the expenditure of Kshs.2,593,125 incurred on training expenses in the year ended 30 June 2016 could not be confirmed.

2.4. Unaccounted for Fuel

Included in the use of goods and services figure of Kshs.1,107,472,7589 is Kshs.87,248,320 in respect of fuel, oil and lubricants which in turn includes Kshs.22,600,507 out of which, Kshs.1,797,999 was for Finance & Planning and Kshs.20,802,508 for Roads, Transport and Public Works Departments. However, the relevant supporting documents such as the fuel register, detail orders and work tickets purchased were not availed for audit review.

Consequently, the propriety of the expenditure of Kshs.22,600,507 for the year ended 30 June 2016 cannot be confirmed.

3. Acquisition of Assets

3.1. Purchase of Motor Vehicles

Included under acquisition of assets of Kshs.1,049,686,826 is Kshs.143,287,305 in respect of purchase of vehicles and other transport equipment which in turn includes

purchase of eight (8) motor vehicles (Toyota) costing Kshs.41,190,840. However, the Executive had planned to procure two (2) Toyota motor vehicle worth Kshs.13,198,681 in the procurement plan for the year under review. In addition, one (1) Subaru vehicle worth Kshs.5,900,000 was purchased during the year although it had not been included in the procurement plan.

Consequently, the County Executive breached procurement laws and as a result propriety of the expenditure of Kshs.19,098,681 incurred during the year under review on purchase of vehicles not included in the procurement plan cannot be confirmed.

3.2. Irregular Procurement of Goods

Included under acquisition of assets figure of Kshs.1,049,686,826 reflected in the statement of receipts and payments is purchase of office furniture and general equipment of Kshs.15,751,840 which is however supported with documentation for expenditure totalling Kshs.18,004,468 resulting to an unexplained difference of Kshs.2,252,628. In addition, the management disregarded Section 149 Sub-section 2 (e) of the Public Finance Management Act, 2012 in the procurement of purchase of goods which provides that in case of goods adequate arrangements be made for their custody, safeguarding and maintenance. In addition, the management contravened Section 17 of the Public Procurement and Disposal Regulations 2006 since an Inspection and Acceptance Committee was not constituted to evaluate the goods before they were paid for and received in the stores.

Consequently, the propriety of the expenditure of Kshs.15,751,840 for the year ended 30 June 2016 cannot be confirmed.

3.3. Irregular Award of Borehole Projects

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.235,479,186 in respect of construction and civil works which additionally includes Kshs.22,311,624 in respect of borehole drilling projects awarded to two companies but noted to have the same directors, an indication that there was no competitive sourcing of the service. Further, the payments and borehole completion records (BCR) show contradictory information on the contractors' for the projects as follows:

Borehole	Contractor	Contractor listed in BCR	Kshs.
Nyangena	Water Resources Co. Ltd	Solar World E.A Limited	7,623,522
Matunwa	Bon Borehole Drillers	Solar World E.A Limited	7,135,260
Nyangware	Water Resources Co. Ltd	Solar World E.A Limited	7,552,842
Total			22,311,624

Consequently, the county breached the procurement laws and as a result, propriety and validity of Kshs.22,311,624 contract values and whether the County received value for money for the year ended 30 June 2016 could not be ascertained.

3.4. Purchase of Fertilizer

Included in the use of goods and services balance of Kshs.1,107,472,758 is Kshs.393,610,702 in respect of specialized materials and services which in turn includes purchase of fertilizer. The management invited sealed bids from eligible candidates for supply and delivery of fertilizer and seeds for the short rain season with the tender having been advertised in a local daily on 3rd and 4th February 2016. However, the tender was subsequently cancelled. However, the Management went ahead and awarded a local company the tender at Kshs.47,596,767 despite the cancellation of the under unclear circumstances.

Consequently, the propriety and legality of the expenditure of Kshs.47,596,767 for the year ended 30 June 2016 cannot be confirmed.

3.5. Purchase of Vehicles

3.5.1. Single-sourcing from a Local Car Dealer

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.143,284,305 under purchase of vehicles and other transport equipment which in turn includes Kshs.4,593,275 in respect of acquisition of a Double-Cab Toyota pick-up vehicle. The management acquired the vehicle from the vendor appointed by Ministry of Land, Housing and Urban Development (Supplies Department) which had also provided other suppliers of 4×4 vehicles whose prices for vehicles of similar specifications were lower than those from the said local car dealer. The other two suppliers had quoted as Kshs.4,000,000 and Kshs.3,950,000 respectively for the vehicle. Further, the vehicle purchased was not listed in the inventory asset register at 30 June 2016 contrary Section 161 Sub-section (11) of the Public Procurement and Disposal Act, 2005 which provides that the procuring entity shall set up an inventory management system for purposes of controlling and managing its inventory, stores and assets.

Consequently, the management breached the laws and the propriety of the expenditure of Kshs.4,593,275 cannot be ascertained.

3.5.2. Payment for Incomplete Works

Included under the acquisition of assets balance of Kshs.1,049,686,826 is construction of buildings balance of Kshs.226,295,075 which in turn includes Kshs.13,149,349 under contract No. CGN/TO35/2014-2015, for the proposed construction and completion of Mosobeti market at a contract sum of Kshs.19,009,921. The contract was signed on 5 November 2015 and was valid for 6 months from the date of signing. However, upon audit verification conducted on 27 October 2016 almost one year after signing of the contract, construction of the market was not complete as per the agreement. No request for extension of the contract duration had been made by the contractor. However, payments for the works were made contrary against contract terms whereby the first certificate of Kshs.5,771,934 was paid before 60% of works were completed while the

second certificate of Kshs.7,377,415 was paid before the works were fully completed. In addition, payments were made for some works not completed as follows:

Description of Works	BOQS Value Kshs.	Amount Paid Kshs.	Estimated Works as per Inspection Kshs.	Estimated Overpayment Kshs.
Market Shed	6,641,450	5,645,232.5	4,263,050	1,382,182
Office block	1,093,051	929,093	777,701	151,392
Ablution block	1,663,400	1,413,890	913,550	500,340
Refuse cubicle	245,250	147,150	Not started	147,150
Civil works	2,594,100	2,075,280	Not done	2,075,280
Provisional sums	4,150,000	1,125,000	1,125,000	0
Total	16,387,251	11,335,645.5	7,079,301	4,256,344

Consequently, the management breached the procurement laws, and further, the propriety of the expenditure of Kshs.4,256,344 for the year ended 30 June 2016 cannot be confirmed. In addition, it was not possible to confirm value-for-money on this transaction.

3.5.3. Delayed Performance by Contractors

Included under acquisition of assets figure of Kshs.1,049,686,826 is construction of buildings amount of Kshs.226,295,075 which additionally includes payment of Kshs.6,985,887 for construction and completion of Ikonge Market at a contract sum of Kshs.10,269,278. The contract was signed on 5 November 2015 and was valid for six months commencing on the date the contract was signed. However, upon audit verification done on 27 October 2016 almost, one year after signing of the contract, construction of the market had not been completed. However, the contractor had not made any request for extension of the contract duration. Payments were made contrary to the contract terms with the first certificate of Kshs.3,603,823 made before 60% of works were done and the second certificate of Kshs.3,382,064 paid before the works were fully completed, contrary to Section 146 of the Public Financial Management Act, 2012.

Consequently, the county breached the law, and as a result, the propriety of the expenditure of Kshs.6,985,887 cannot be confirmed. Further, it was not possible to confirm whether the residents of the County obtained value-for-money in this transaction.

3.5.4. Incomplete Health Projects

Included under acquisition of assets figure of Kshs.1,049,686,826 is construction of buildings figure of Kshs.226,295,075. However the following anomalies were noted:

- i. A local construction firm that constructed a maternity block at Miriri health facility at a contract sum of Kshs.2,233,125 was paid the full amount of the contract despite having not completed plumbing, drainage and rain water disposal works.
- ii. A contractor engaged for construction and completion of the maternity ward, septic tank and its associated works at Mochenwa health facility at a contract sum of Kshs.3,404,031 was similarly paid in full although physical verification revealed a big crack on one corner of the building. In addition, rain water disposal works provided for in the bills of quantity at Kshs.27,550 were not done and similarly the soak pit which was part of plumbing and drainage works.

Consequently, the residents of the County may not have obtained value-for-money from the project and the propriety of Kshs.5,637,156 expenditure incurred on the project cannot be confirmed.

3.6. Split Procurement Irregularity

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.15,751,840 in respect of purchase of office equipment and general equipment which in turn includes Kshs.3,950,000 in respect of acquisition of workshop tools from two local companies. However, local purchase order No.2742054 issued to one company was altered to No.2742055 for the other company thus splitting a single request for quotation into two quotations, contrary to the Public Procurement and Disposal Act, 2005.

Consequently, the propriety of the expenditure of Kshs.3,950,000 cannot be confirmed.

3.7. Unsupported Payments for the Renovation of the Executive Committee Member (ECM) for Finance

Included under acquisition of assets figure of Kshs.1,049,686,826 is expenditure on refurbishment of buildings totalling Kshs.110,539,541 out of which a payment of Kshs.3,757,530 was paid to a local company for renovation of office of the County Executive member for finance and planning. However, the audit could not verify works carried out since no bill of quantities were availed for audit examination as required under Section 9 (1) (e) (1) of the Public Audit Act, 2015. In addition, the invoice attached to the payment voucher was from a company different from that awarded the contract. No explanation has been provided for this anomaly.

Consequently, the propriety of expenditure of Kshs.3,757,530 for the year ended 30 June 2016 cannot be confirmed.

3.8. Construction of Manga Stadium

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.226,295,075 under construction of buildings which in addition includes Kshs.62,393,384 incurred in respect of construction of a modern stadium in Manga. However, the restricted method

of tendering was used to procure the works with tenders floated to selected prequalified contractors and subsequently opened on 19 May 2014.

The contract agreement was entered on 24 March 2015 between the Executive and a construction company at a sum of Kshs.62,393,384 with the duration of the contract set at thirty six weeks. However, no reasons were provided why the procuring entity decided to use restricted tendering instead of open tendering and thus a disregarded Section 29(3) of the Public Procurement and Disposal Act, 2005. Further, no reason for extension of the tender validity period was availed for audit examination to confirm why the contract agreement was entered into on 24 March 2015 and yet the tender evaluation was done ten months later on 20 May 2014 in contravention of Section 8 Sub-section 3 paragraph (cc) of the Public Procurement and Disposal Act, 2005. Further, the unsuccessful bidders were not notified as per the requirement of Section 67 (2) of the Public Procurement and Disposal Act, 2005.

Consequently, the management breached procurement laws and further, the propriety of the expenditure of Kshs.62,393,384 and whether the residents of county received value-for-money on this project, cannot be confirmed.

3.9. Construction of Roads

3.9.1. Routine Maintenance and Spot Improvement of Riosongo-Nyaisa-Moramba-Manga Ward

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.192,841,099 in respect of construction of roads which in turn includes Kshs.4,113,878 in respect of routine maintenance and spot improvement of Riosongo-Nyaisa-Moramba-Manga Road. The contract agreement was entered into between the Executive and a local contractors at a sum of Kshs.4,223,096. The contract period was to take ninety (90) days commencing 21 April 2014 and Kshs.4,113,878 had been paid to the contractor by 30 June 2016. Physical verification of the project on 25 October 2016 revealed that the drainage was poorly done and the road had huge gullies cutting across and in some Sections it appeared no murram was laid as the road was muddy and impassable. The management contravened the Public Procurement and Disposal Act, 2005 by entering into a contract agreement on 18 March 2014 even before writing the letter of award (reference number GOV/NYR/MTCE/VOL.1/35) to the contractor. The letter was written on 7 April 2014.

Consequently, the management breached procurement laws and the propriety of the expenditure of Kshs.4,113,878 cannot be ascertained.

3.9.2. Construction of Riagwaro Footbridge in North Mugirango

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.192,841,099 under construction of roads which additionally includes Kshs.4,259,786 in respect of construction of Riagwaro footbridge in North Mugirango utilizing 2014-2015 financial year expenditure. The contract agreement was entered into between the Executive and

a local company on 2 July 2015 at a contract sum of Kshs.4,259,786 with the engineer's estimate being Kshs.4,668,680. The contract duration was three (3) months from the date of signing of the contract agreement. The commencement date was 20 July 2015 and completion date 20 October 2016. The company was on 16 April 2016 paid but physical verification of the project conducted on 24 October 2016 revealed that Riagwaro footbridge was changed into a box culvert without a fresh tender being floated thereby distorting terms in the contract agreement.

The management breached Section 70 of the Public Procurement and Disposal Act, 2005 which prohibits the person who submits a tender document to undertake responsibilities not set out in the tender document.

Consequently, the County breached the law and the propriety of the expenditure of Kshs.4,259,786 for the year ended 30 June 2016 cannot be ascertained.

3.9.3. Irregularities in Construction of Kaagwa Footbridge in Borabu Sub-County

Included in the acquisition of assets figure of Kshs.1,049,686,826 under construction of roads is Kshs.192,841,099 which in turn includes Kshs.3,284,804 in respect of construction of Kaagwa footbridge in Borabu Sub-County awarded on 3 July 2015 to a local contractor. The engineer's estimate was Kshs.5,273,606. The contract duration was three (3) months from the date of signing of the contract agreement. The commencement date was 20 July 2015 and due date of completion 20 October 2015.

Physical verification of the project on 25 October 2016 revealed that the footbridge was changed into a box culvert without a fresh tender being floated. No gabions were also put in place to protect the box culvert. No enough murram was placed on the bridge and thus the box culvert was exposed. The contractor was not at site and the works appear to have stalled at the time of audit. The contract period had long expired and no evidence of extension of the contract period was availed for audit verification. The management contravened Section 70 of the Public Procurement and Disposal Act, 2005 which prohibits the person who submits the tender documents to undertake responsibilities not set out in the documents.

Consequently, the Management breached the procurement laws as well as regulations and thus the propriety of the expenditure of Kshs.3,284,804 and whether the residents of Nyamira county received value for money in this contract for the year ended 30 June 2016 could not be ascertained.

3.9.4. Construction of Riapima Bridge and Approved Roads at Bogichora Ward

Included in the acquisition of assets figure of Kshs.1,049,686,826 under construction of roads of Kshs.192,841,099 is payment of Kshs.4,798,604 in respect to construction of Riapima Bridge in Bogichora Ward. A contract agreement was entered into between the Executive and a local company on 2 July 2015 to carry out the works at a sum of Kshs.16,457,549.

The contract duration was for three (3) months from the date of signing of the contract agreement. The contractor was paid Kshs.4,798,604 on 2 March 2016 after submitting the summary of bills of work done, the inspection and acceptance report as well as an invoice. However, audit verification of the project conducted on 24 October 2016 revealed that although the approved roads were done, columns of the bridge were not erected and the contractor was not on site. Further, the contract period had long expired but no evidence of a request for extension of the contract period by the contractor was submitted for audit review.

Accordingly, the propriety of the expenditure of Kshs.4,798,604, and whether the residents of the county received value-for-money from the project cannot be confirmed.

3.9.5. Construction of Access Roads and Drainage in Keroka Town

Included in the acquisition of assets figure of Kshs.1,049,686,826 under construction of roads of Kshs.192,841,099 is Kshs.7,375,061 paid to a contractor for construction of access roads and drainage systems in Keroka town. A contract agreement of 11 September 2015 was entered into between the Executive and a local contractor to carry out the works at a contract sum of Kshs.7,375,061. The contract was to commence on 4 January 2016 and be completed on 4 April 2016. Physical verification of the project on 25 October 2016 however revealed that not all the backstreets of Keroka town were done although the contractor had been paid in full. Instead, the contractor did other works namely grading and murraming of Rikenye-Kierita-Keroka road, a distance of 3.4km which was not in the bill of quantities and thus contravened Section 70 of the Public Procurement and Disposal Act, 2005.

Consequently, the management breached procurement laws and the propriety of the expenditure of Kshs.7,375,061 cannot be confirmed.

3.9.6. Irregular Construction and Upgrade of Car Lots in Nyamira Town

Included in the acquisition of assets figure of Kshs.1,049,686,826 under construction of roads contracted at Kshs.192,841,099 is Kshs.9,768,947 paid in respect of construction and upgrade of car lots in Nyamira town. The Contract agreement between the Executive and a local contractor was entered on 11 September 2015 at a sum of Kshs.9,768,947. The contract was to commence on 16 January 2016 and end on 16 April 2016.

However, physical verification of the project on 26 October 2016 revealed that 3.7km of access roads were done as per the bill of quantities. The resident engineer later instructed the site agent by letter reference No. RDS/CGN/T045/2014-2015/S2 of 25 February 2016 to omit 315M for providing, laying and joint dia precast concrete pipes for access roads as detailed in Item 8.04 in the original bill of quantities worth Kshs.1,890,000. Instead the contract was directed to rehabilitate/reconstruct the road, between department of Public Works junction and Nyamira Level 5 Hospital gate measuring approximately 1.0km. Further, the tender opening and evaluation exercise

was carried out by the same officers contrary to Section 60 sub-Section (1) (b) as well as Section 70 of the Public Procurement and Disposal Act, 2005.

Consequently, the management contravened procurement laws and as a result, the propriety of the expenditure of Kshs.9,768,947 for the year ended 30 June 2016 cannot be confirmed.

3.9.7. Irregular Improvement of Terminal Facility and Backstreet at Nyansiongo

Included in the acquisition of assets balance of Kshs.1,049,686,826 is construction of roads balance of Kshs.192,841,099 which in turn includes Kshs.4,592,145 paid in respect of works on improvement of the terminal facility and backstreet at Nyansiongo town by a local company which entered in a contract agreement for the works with the Executive on 11 September 2015 at a sum of Kshs.4,667,174. The contract was to commence on 15 January 2016 and end on 15 April 2016. The contractor was paid Kshs.4,592,145. However, upon undertaking physical examination it was established that ditch clearing of 1,000 metres at a rate of Kshs.200 totalling to Kshs.200,000 as detailed in the bill of quantities was not carried out while tender opening and evaluation exercises were carried out by the same officers, contrary to Section 60 Sub-section 1 (b) of the Public Procurement and Disposal Act, 2005.

Consequently, the management breached the law and the propriety of the expenditure of Kshs.4,592,145 cannot be confirmed.

3.9.8. Rehabilitation of Riosongo-Nyaisa-Moramba in Manga ward

Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.192,841,099 under construction of roads which additionally includes Kshs.4,123,800 paid to a local contractor in February 2016 in respect of routine maintenance/spot improvement on Riosongo-Nyaisa-Moramba in Manga Ward. The contractor entered in a contract agreement with the Executive on 18 March 2014 to carry out the works at a contract sum of Kshs.9,483,000. The management contravened the procedures stipulated in the Public Procurement and Disposal Act, 2005 by entering into a contract agreement on 18 March 2014 even before issuing the contractor a letter of offer with which was belatedly done on 7 May 2014. The contract period was to take ninety days commencing on 21 April 2014 and the completion date was to be 21 July 2014. However, the contractor was still on site by 21 November 2015 at which date the contract period had long elapsed as there was no extension of the contract period. The tender evaluation minutes were not availed for audit examination and similarly letters of regret to the unsuccessful bidders.

Consequently, the Management breached the law and the propriety of expenditure of Kshs.4,123,800 incurred on the project cannot be ascertained.

3.9.9. Termination of Contract for Construction of Nyamira Town Sidewalk

Included under acquisition of assets figure of Kshs.1,049,686,826 is Kshs.192,841,099 in respect of construction of roads which in turn includes payment of Kshs.1,656,195 made on 20 January 2016 in favor of a construction company being payment of assessment works carried out. The contract agreement dated 22 January 2014 was entered into between the Executive and a local company to carry out the works at a contract sum of Kshs.6,156,120. Physical verification of the project on 25 October 2016 revealed that the contractor had done a small portion of the sidewalk along the offices of the County Department of transport, roads and public works.

Consequently, the Management breached the procurement laws and the propriety of expenditure of Kshs.1,656,195 incurred on the project, and whether the residents of the county obtained value-for-money in this transaction, cannot be confirmed.

3.9.10 Termination of Contracts for Various Works Awarded to Contractors

Included under acquisition of assets balance of Kshs.1,049,686,826 is a sum of Kshs.9,368,284 paid out to various contractors whose services were terminated before they had executed all their obligations stipulated in the respective contract agreements. The Executive thus contravened Section 31 (1)a of the Public Procurement and Disposal Act, 2005 which sets qualifications for award of contracts to persons or firms.

In view of the foregoing, it has not been possible to confirm the propriety of expenditure of Kshs.9,368,284 incurred on the payments.

3.9.11 Unsupported Other Infrastructure and Civil Works Payments

Included under acquisition of assets balance Kshs.1,049,686,826 is construction and civil works balance of Kshs.235,479,188 which in turn includes Kshs.2,461,903 paid to a local company for infrastructure and civil works. However, documents supporting the expenditure were not availed for audit review.

Consequently, the validity of the payments totaling Kshs.2,461,903 cannot be confirmed.

3.9.12 Fencing of Governor's Private Homes in Matutu and Mosobeti

- i. Included in the acquisition of assets figure of Kshs.1,049,686,826 is Kshs.4,098,164 paid in respect of fencing of the Governor's residential homes which includes Kshs.2,968,000 paid on 23 June 2016 for the fencing of the of the Governor's private homes. The contract agreement was signed on 6 June 2014 between the Executive and a local company to carry out the works at a contract sum of Kshs.13,955,960. The Executive contravened provisions of Section b(x) of Gazette Notice No.2888 of 28 February 2013 which states that the Governor shall be housed by the State and provided with all commensurate home utilities

and attendants subject to review by Salaries and Remuneration Commission from time to time.

- ii. Other activities carried out involved erection of a razor wire of 980mm diameter at Kshs.448,000 at the official residence of the Governor in Nyamira at installation of CCTV system worth Kshs.3,995,000 and electric fence worth Kshs.619,800 in a leased house whose monthly rent was Kshs.50,000 as per the lease agreement of 2 May 2013 for a period of three years.
- iii. The contract sum of Kshs.13,955,960 that was to be utilized on this project should instead have been used to construct an official residence of the Governor.
- iv. The wall put up at the Governor's Matutu private home had collapsed as at the time of our audit inspection on 26 October 2016, an indication that the contractor had carried out shoddy work.

Consequently, the Executive breached the procurement laws and the propriety of the expenditure of Kshs.4,098,164 incurred on the project during the year under review cannot be confirmed. Further, it is uncertain whether the residents of the County obtained value-for-money on this project.

3.9.13 Unaccounted for Expenditure on Construction of Egesieri-Nyabite-Florida Road

Included in acquisition of assets balance of Kshs.1,049,686,826 is construction of roads expenditure of Kshs.192,841,099 which includes Kshs.2,374,785 paid to an individual for the construction of Egesieri-Nyabite-Florida road and sum of Kshs.280,500 for installing 33m of 600 mm diameter culvert as per the bill of quantities which however was not installed. In addition, sum of Kshs.100,000 included in the bill of quantities as a provisional sum for the resident engineer's miscellaneous account to be spent in whole part as directed by the resident engineer was not accounted for. Further, the payroll analysis for casual workers involved in the road construction was not made available for our audit verification. The payment was also done without an inspection and acceptance committee report contrary to Section 17 of the Public Procurement and Disposal Regulations, 2006.

Consequently the propriety of the expenditure of Kshs.2,374,785 on construction of Egesien-Nyabita-Florida road cannot be confirmed.

4. Fixed Assets Register

The statement of receipts and payments as disclosed in Note 10 to the financial statements and annex 5 to the accounts reflects an amount of Kshs.1,049,686,826 (2014/2015: Kshs.1,150,934,545) under acquisition of assets for the year ended 30 June 2016. However, the balance does not include the value of assets and liabilities inherited from the defunct local authorities, which the County Executive took possession of. In addition, the Inter-governmental Relations Technical Committee which succeeded

the Transition Authority is yet to formally hand over the assets and liabilities to the County Government. This situation is indicative of significant risk of impairment on some of the assets.

Consequently, it is not possible to confirm the accuracy of the assets values stated in the financial statements.

5. Compensation of Employees

Note 6 to financial statements reflects basic wages of temporary employees of Kshs.7,039,851 which balance has however been supported by schedules of Kshs.6,533,163 only resulting to an unreconciled and unexplained difference of Kshs.506,688. In addition, the compensation of employees' figure of Kshs.1,513,611,936 differs from the schedules figure of Kshs.1,477,381,221 resulting to an unreconciled and unexplained difference of Kshs.36,230,715.

Consequently, the accuracy of the compensation of employees' balance of Kshs.1,513,611,936 for the year ended 30 June 2016 cannot be confirmed.

6. Inaccuracies in Social Security Benefits

The social security benefits reflected under Note 9 to the financial statements reflects Kshs.3,330,802 which is not supported by any requisite documentation.

Consequently, the accuracy and validity of the amount of social security benefits worth Kshs.3,330,802 for the year ended 30 June 2016 cannot be confirmed.

7. Cash-and-Cash Equivalents

7.1 Misstatement of Cash and Cash Equivalents

The cash and cash equivalents balance of Kshs.691,858,374 which includes Central Bank Kenya (CBK) development account balance of Kshs.149,202,439 and balances of 148 other bank accounts was noted to have the following anomalies:

- i. The cash books for all bank accounts could not be generated in the Integrated Financial Management Information System (IFMIS) platform.
- ii. The county revenue Central Bank of Kenya (CBK) bank reconciliation statement as at 30 June 2016 indicated an overdrawn cash book balance of Kshs.689,520,029 against bank statement balance of Kshs.167,219,300. However, the CBK issued a bank confirmation certificate of Kshs.149,202,439 and thereby resulting to an unexplained difference of Kshs.18,016,861 against the bank statement balance.
- iii. Unpresented cheques of CBK development account not cleared totaling Kshs.758,405,342.95 include stale cheques of Kshs.188,790,299 which were not reversed in the cashbook as at 30 June 2016.

- iv. Nyamira County project retention account with Kshs.33,521,360 was held at Co-operative Bank and not at CBK contrary to requirements of County Accounting and Reporting Manual No. 6.11.
- v. Note 13 to the financial statements reflect cash in hand of Kshs.955 983 that was not supported by a board of survey certificate as at 30 June 2016.

Consequently, it has not been possible to confirm that cash and cash equivalents balance of Kshs.691,858,374 as at 30 June 2016 is fairly stated.

8. Accounts Receivable

Note 14 to the financial statements reflects outstanding imprests of Kshs.5,140,230. However, four (4) officers were holding the entire amount of Kshs.5,140,230 out of which Kshs.3,440,000 was issued in October 2014 but remained unaccounted for as at 30 June 2016. In addition, the Public Accounting Standards Board reporting template under Cash Basis of accounting, the receivables were only supposed to be reported in the financial statements under the Notes.

Under the circumstances, the management breached financial regulations. Further, recovery of the outstanding imprests is doubtful.

9. Pending bills

During the year under review the Executive accumulated pending bills of Kshs.89,241,581 as shown under annexure 1 to the financial statements. However, failure to pay bills in the year they relate distorts the financial statements for the year and adversely affects the provisions for the subsequent years they have to be charged. Had these bills been paid, the statement of receipts and payments would have a reduced surplus to Kshs.154,922,992 instead of the surplus of Kshs.244,164,573 now shown.

Consequently, the propriety and accuracy of the pending bills totalling Kshs.89,241,581 for the year ended 30 June 2016 cannot be confirmed.

10. Mortgage and Car Loans Facility to Executive Members of the County Government

Included under Note 11 to the financial statements is mortgage fund for civil servants of Kshs.52,500,000 established in September 2015 which in turn includes Kshs.3,000,000 which relates to a transfer to County Executive Committee member car loans and mortgages fund. Further, the loans and mortgages board has not yet been established for the purpose of managing the fund. Separate financial statements for the fund have not been prepared and submitted for audit as required by Section 199(2) of the Public Finance Management County Government Regulations, 2015.

In addition, by the time of the audit, no amount had been deducted from officers salaries and therefore it was not possible to confirm the recoverability of loan balances.

Consequently, the management breached the law and further, recovery of loans issued during the year ended 30 June 2016 cannot be confirmed.

11. Withholding VAT

Included in the statement of receipts and payments under Note 7 to the financial statements is use of goods and services balance of Kshs.1,107,472,758 which includes specialized materials and services balance of Kshs.393,610,702 which in turn includes withholding Value-Added-Tax ((VAT) balance of Kshs.49,724,341 for the period ended 30 June 2016, cleared from the books of account. Hence, the vote of specialized materials and services balance is overstated by the Kshs.49,724,341 cleared withholding VAT amount.

Consequently, the accuracy and validity of the specialized materials and services of Kshs.393,610,702 for the year ended 30 June 2016 cannot be confirmed.

12. Budgetary Performance Analysis

12.1 Unapproved Expenditure

Note 7 to the financial statements reflects use of goods and services items such as domestic travel and subsistence, specialized materials and services, fuel, oil and lubricants, other operating expenses and vehicle routine maintenance and other transport equipment costing Kshs.779,579,029 while the approved budget was Kshs.556,259,087 and thus resulting to excess expenditure of Kshs.223,319,942 incurred without the County Assembly's approval as shown below:

Items	Approved budget Kshs.	Actual Kshs.	Unapproved Expenditure Kshs.
Domestic Travel and Subsistence	152,559,708	217,569,695	65,009,987
Specialized Materials and Services	308,969,579	393,610,702	84,641,123
Fuel Oil and Lubricants	38,029,776	87,248,320	49,218,544
Other Operating Expenses	33,846,000	57,523,277	23,677,277
Routine Maintenance-Vehicles and other Transport Equipment	22,854,024	23,627,035	773,011
Total	556,259,087	779,579,029	223,319,942

Consequently, the Executive breached the law and the propriety of the excess expenditure of Kshs.223,319,942 charged to public funds for the year ended 30 June 2016 cannot be confirmed.

12.2 Development Expenditure

Analysis of the development budget for the year under review revealed that the budget of Kshs.175,899,997 was not put to use as well as expected. No explanation was provided by management for the anomaly. Analysis of the budget indicated that the Public Administration and Coordination of Devolved Units, Education and Information Communication Technology (ICT) and Health Services recorded absorption rates below 50%.

Further, the Executive only spent 45% of the development budget which was below the expectation of the citizens. However, there was no explanation provided on how the difference of Kshs.952,983 634 was utilized since the total balance at year-end in all bank accounts amounted to Kshs.851,236,092 far below the unutilized funds:

Sector	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	Performance %
Executive Entity	65,033,063	53,161,911	11,871,152	82
Public Administration And Coordination Of Devolved Units	12,900,000	5,176,629	7,723,371	40
Finance And Economic Planning	111,895,000	106,307,755	5,587,245	95
Agriculture, Livestock and Fisheries	174,207,454	154,424,752	19,782,702	89
Environment, Energy, Water, Natural Resources and Mining	236,034,780	197,780,716	38,254,064	84
Education And ICT	241,420,049	47,538,927	193,881,122	20
Health Services	518,318,765	150,828,809	367,489,956	29
Lands, Housing And Physical Planning	176,775,098	123,579,866	53,195,232	70
Roads, Transport And Public Works	780,591,915	540,344,427	240,247,488	69
Trade, Tourism, Industrialization And Cooperatives Development	32,173,275	19,442,395	12,730,880	60
Youth, Sports, Gender, Culture And Social Services	7,950,000	5,729,578	2,220,422	72
Total	2,357,299,399	1,404,315,765	952,983,634	55

Further, the supplementary budget reflects revised estimates totaling to Kshs.2,357,299,394. However, the summary statement of appropriation reflects Kshs.2,326,079,035 resulting to unreconciled difference of Kshs.31,220,364. Actual expenditure from the vote book reflects Kshs.1,404,315,765 while the summary statement of appropriation reflects Kshs.1,359,352,486 resulting to a unreconciled variance of Kshs.44,963,279.

In addition, the department did not spend any amount on the items of purchase of fire fighting vehicles and equipment and maintenance of civil works even though it had a budgetary allocation of Kshs.30,000,000 and Kshs.3,483,286 respectively as shown below:

Item	Budgeted Amount Kshs.	Actual Expenditure Kshs.	Variance Kshs.
Non-residential Buildings	104,000,000	62,536,400	41,463,600
Purchase of firefighting equipment	30,000,000	0	30,000,000
Other Infrastructure and civil works	90,793,000	52,162,737	38,630,263
Daily Subsistence	7,000,000	4,058,100	2,941,900
Bridges	22,000,000	13,521,729	8,478,271
Other Infrastructure	184,010,599	97,847,010	94,641,860
Maintenance of civil works	3,483,286	0	3,483,280
Total	441,286,885	230,125,976	

12.3 Implementation of County Projects

The County failed to avail status of all projects implemented in the year 2015/2016 and hence use of the development vote expenditure funds for the year under review could not be verified.

12.4 Recurrent Expenditure

Analysis of County Executive recurrent budget for the year under review revealed that the County Public Service Board budget of Kshs.36,992,170 was not put to use and no explanation was provided on how the funds were utilized.

Consequently, it was not clear how the recurrent budget allocate to County Public Service Board funds was utilized.

During the year under review, analysis of the vote book revealed that the County spent Kshs.794,616 on two items not budgeted for, the items were refined fuels and lubricant for transport, and maintenance expenses of motor vehicles at Kshs.670,536 and Kshs.100,000 respectively. The Executive also under-spent on 18 items, while the approved budget was Kshs.13,720,800 against actual expenditure of Kshs.9,415,481 resulting to under expenditure of Kshs.4,305,319.

In addition, the Executive overspent on four items. The budget was Kshs.255,760 against actual expenditure of Kshs.1,122,376 resulting to over-expenditure of Kshs.866, 616.

12.5 Revenue Performance

12.5.1 Revenue Receipts under Collection

During the year under review, the revenue generated locally, and as disclosed under Note 5 to the financial statements, included other receipts of Kshs.192,704,816 out of which several revenue items that reported receipts amounting to Kshs.106,981,969 had

Report of the Auditor-General on the Financial Statements of County Executive of Nyamira for the year ended 30 June 2016

a budget Kshs.240,958,912 resulting in unexplained under collection of Kshs.133,976,943 or about 55% of the budget.

12.5.2 Other Receipts

- i) Analysis of County revenue budget and subsequent posting to the revenue report summary and monthly reports on other receipts for the year under review revealed that the report did not reflect the correct data as there were several variations between the summary and monthly reports. The case affected nineteen (19) revenue budget items as shown below:

Month	Summary Revenue Report Kshs	Monthly Revenue Report Kshs	Variance Kshs
Private Parking	144,980	188,680	-43,700
Agricultural Cess	251,370	343,970	-92,600
Cattle Fee	360,370	449,200	-88,830
Slaughter Fee	117,640	127,600	-9,960
Advertisement	1,154,790	1,021,220	133,570
Matatu Park	10,505,580	9,846,510	659,070
I/Plot Rent	347,070	401,790	-54,720
Plot Rent	3,136,531	817,490	2,319,041
Single Business Permit	6,966,000	7,409,600	-443,600
S.B.P Appl.	326,600	528,555	-201,955
Build Plan App	417,865	511,815	-93,950
Store. Charges	108,000	216,000	-108,000
Land Rate	2,748,695	450,995	-2,297,700
Cattle Move	38,880	70,160	-31,280
Stall Rent	501,550	805,050	-303,500
Public Health	36,261,921	33,895,268	-2,366,653
Veterinary	649,455	470,115	-179,340
Trade -Weights & Measures	21,440	33,910	-12,470
Physical Plan	118,240	97,090	21,150
Total	64,176,977	57,685,018	-3,195,427

- ii) Further, there were ten (10) budgeted revenue items that did not record any actual collections. In addition, all major revenue items namely, market dues, matatu parking charges, agriculture cess, while single business permit collections recorded collections below 50% as indicated below:

Revenue Item	Approved Budget Kshs	Actual Collection Kshs.	Variance Kshs.	Performance %
Market Dues	44,327,473	7,786,740	36,540,733	18
Matatu Parking Charges	37,381,261	11,495,880	25,885,381	31
Private Parking Charges	1,372,085	1,299,780	72,305	95
Agriculture Cess	20,577,612	2,064,780	18,512,832	10
Motor Bike Stickers	6,791,162	1,077,580	5,713,582	16
Cattle Movement Permit	1,195,501	197,050	998,451	16
Cattle Fee	1,909,675	1,046,170	863,505	55
Slaughter Fee	485,340	100,460	384,880	21
Isolated Plot Rent	884,070	838,760	45,310	95
Plot Rent	1,300,229	1,463,564	-163,335	113
Shop Rent	3,425,334		3,425,334	0
Market Stall Rent	1,605,684	948,000	657,684	59
Advertisement Charges	1,155,043	1,626,410	-471,367	141
Single Business Permit	47,571,157	18,000,842	29,570,315	38
Single Business Permit - Application Fees	7,078,225	1,599,500	5,478,725	23
School Registration Fees	1,954,084	1,000	1,953,084	0
Development Application Fees	1,640,943		1,640,943	0
Building Plan Application Fees	2,709,771	1,395,965	1,313,806	52
Structural Approval Charges	1,003,229		1,003,229	0
Sale Of Tender Documents	802,581	0	802,581	0
Storage Charges	238,260	115,580	122,680	49
Kiosk Fees	208,478		208,478	0
Impounding Charges	277,487	234,450	43,037	84
Land Application Fees	302,465		302,465	0
Land Rates	3,880,714	10,242,154	-6,361,440	264
Adm Charges	355,994		355,994	0
Survey Fees	137,815	77,100	60,715	56
Land Control Board Charge	866,679		866,679	0
Change Of User Charges	64,059		64,059	0
Land Transfer Charges	90,706		90,706	0
Weights And Measures Charges	324,723	574,530	-249,807	177
Physical Planning Charges	1,203,224	708,180	495,044	59
Public Health Fees	40,540,898	41,928,359	-1,387,461	103
Veterinary Charges	7,296,951	2,064,085	5,232,866	28
Water		95,050	-95,050	
Total	240,958,912	106,981,969	133,976,943	44

Report of the Auditor-General on the Financial Statements of County Executive of Nyamira for the year ended 30 June 2016

No plausible explanation has been provided for the under-collections.

13. Irregular Recruitment and Selection

13.1 Lack of Staff Establishment

The County Public Service Board (CPSB) has not published an approved staff establishment and structure for the County Executive. During the year under review, the Board advertised vacancies for 588 posts but ended up filling 888 posts. In addition, the criteria used to shortlist, evaluate and rate the candidates was not documented.

13.2 Ethnic Composition

During the year under review, the total number of employees of the Nyamira County Executive were 2492 out of this number 2264 or 91% of the total were members of the ethnic community dominant in the County. This contravened Section 65 (e) of the County Government Act (2012) which states that one-third of County staff at entry level should be recruited from communities other than the one dominant in the County.

Disclaimer Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

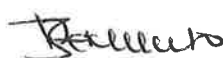
30 August 2017


COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	23,920,000	21,540,000
Exchequer releases	2	4,154,538,019	3,298,836,907
Transfers from Other Government Entities	3	114,064,181	-
Proceeds from Sale of Assets	4	-	6,083,785
Other Receipts	5	106,981,969	196,118,924
TOTAL RECEIPTS		4,399,504,169	3,522,579,616
PAYMENTS			
Compensation of Employees	6	1,513,611,936	1,350,910,944
Use of goods and services	7	1,107,472,758	1,186,449,994
Transfers to Other Government Units	8	428,737,274	68,000,000
Social Security Benefits	9	3,330,802	-
Acquisition of Assets	10	1,049,686,826	1,150,934,545
Repayment of County Mortgage Fund	11	52,500,000	-
TOTAL PAYMENTS		4,155,339,596	3,756,295,483
SURPLUS/DEFICIT		244,164,573	(233,715,867)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31 October 2016 and signed by:


 Jackline K. Momanyi
 Chief Officer


 Lawrence N. Nyangena
 Head of Treasury

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

I. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12	690,902,391	415,274,075
Cash Balances	13	955,983	598,595
Total Cash and cash equivalent		691,858,374	415,872,670
Accounts receivables – Outstanding Imprests	14	5,140,230	3,440,000
TOTAL FINANCIAL ASSETS		696,998,604	419,312,670
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	(33,521,360)	-
NET FINANCIAL ASSETS		663,477,244	419,312,670
REPRESENTED BY			
Fund balance b/fwd	16	419,312,670	653,028,537
Surplus/Deficit for the year		244,164,573	(233,715,867)
NET FINANCIAL POSITION		663,477,244	419,312,670

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31 October 2016 and signed by:


 Jackline K. Momanyi

Chief Officer


 Lawrence N. Nyangena

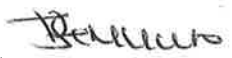
Head of Treasury


COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

II.STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	23,920,000	21,540,000
Exchequer Releases	2	4,154,538,019	3,951,865,445
Transfers from Other Government Entities	3	114,064,181	-
Other Receipts	5	106,981,969	196,118,924
Total operating receipts		4,399,504,169	4,169,524,369
Payments for operating expenses			
Compensation of Employees	6	(1,513,611,936)	(1,350,910,944)
Use of goods and services	7	(1,107,472,758)	(1,186,449,994)
Transfers to Other Government Units	8	(428,737,274)	(68,000,000)
Social Security Benefits	9	(3,330,802)	-
Net cash flow from operating activities		1,346,351,399	1,564,163,432
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	4		6,083,785
Acquisition of Assets	10	(1,049,686,826)	(1,150,934,545)
Net cash flows from Investing Activities		1,049,686,826	1,144,850,760
CASHFLOW FROM BORROWING ACTIVITIES			
Repayment of County Mortgage Fund	11	(52,500,000)	-
Net cash flow from financing activities		(52,500,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		244,164,573	(233,715,867)
Cash and cash equivalent at BEGINNING of the year	16	751,636,813	653,028,537
Cash and cash equivalent at END of the year		663,477,244	419,312,670

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31 October 2016 and signed by:


 Jackline K. Momanyi
 Chief Officer


 Lawrence N. Nyangau
 Head of Treasury

II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants	23,920,000.00		23,920,000.00	23,920,000.00		1.00
Exchequer releases	4,154,538,019.00		4,154,538,019.00	4,154,538,019.00		1.00
Transfers from Other Government Entities	242,409,162.00	(95,744,681.00)	146,664,481.00	114,064,181.00	32,600,300.00	0.78
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Local revenue	240,958,912.00		240,958,912.00	106,981,969.00	133,976,944.00	0.44
Other Receipts						
TOTAL RECEIPTS	4,661,826,093.00	(95,744,681.00)	4,566,081,412.00	4,399,504,169.00	166,577,243.00	.96
PAYMENTS						
Compensation of Employees	1,654,345,460.00	49,775,332.00	1,704,120,792.00	1,513,611,936.00	190,508,856.00	0.89
Use of goods and services	1,412,942,414.00	142,191,475.00	1,555,133,889.00	1,107,472,757.75	447,661,131.25	0.71
Subsidies			-		-	
Transfers to Other Government Units	188,417,021.00	(104,061,835.00)	84,355,186.00	428,737,274.00	344,382,088.00	5.08
Other grants and transfers			-		-	


Reports and Financial Statements

For the year ended June 30, 2016

Social Security Benefits	103,325,127.00	(79,498,800.00)	23,826,327.00	3,330,802.00	20,495,525.00	0.14
Acquisition of Assets	2,026,926,172.00	(144,904,333.00)	1,882,021,839	1,049,686,826.00	832,335,013.00	0.56
Finance Costs, including Loan Interest			-		-	
Repayment of County Mortgage Fund			-	52,500,000.00	-52,500,000.00	
Other Payments			-			
TOTALS	5,385,959,194.00	136,498,161.00	5,249,458,033.00	4,155,339,595.75	1,094,118,437.25	0.79

The entity financial statements were approved on 31 October 2016 and signed by:


 Jackline K. Momanyi
 Chief Officer


 Lawrence N Nyangau
 Head of Treasury Accounts

Reports and Financial Statements


For the year ended June 30, 2016

III. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants	23,920,000.00		23,920,000.00	23,920,000.00	-	1.00
Exchequer releases	1,676,281,601.00		1,676,281,601.00	2,818,325,188.00	1,142,043,587.00	1.68
Transfers from Other Government Entities	93,883,033.00		93,883,033.00	61,287,733.00	32,600,300.00	0.65
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Local receipts	240,958,912.00		240,958,912.00	106,981,969.00	133,976,944.00	0.44
Other receipts		-				
TOTAL RECEIPTS	2,035,048,546.00		2,035,048,546.00	3,010,514,890.00	3,188,547,261.00	1.48
PAYMENTS						
Compensation of Employees	1,654,345,460.00	49,775,332.00	1,704,120,792.00	1,513,611,936.00	190,508,856.00	1.13
Use of goods and services	935,863,950.00	195,162,755.00	1,131,026,705.00	781,505,178.00	349,521,528.00	1.45
Subsidies						
Transfers to Other Government Units	800,000.00	(600,000.00)	200,000.00	428,737,274.00	(428,537,274.00)	0.00
Other grants and transfers						
Social Security Benefits	103,325,127.00	(79,498,800.00)	23,826,327.00	3,330,802.00	20,495,525.00	7.15
Acquisition of Assets	64,844,109.00	(638,935.00)	64,205,174.00	68,801,920.00	(4,596,746.00)	0.93

Finance Costs, including Loan Interest						
Repayment of County Mortgage Fund						
Other Payments						
TOTALS	2,759,178,646.00	167,261,127.00	2,929,439,773.00	2,795,987,109.50	174,509,379.00	1.06

The entity financial statements were approved on 31 October 2016 and signed by:


Jackline K. Momanyi
Chief Officer


Lawrence N. Nyangau
Head of Treasury Accounts

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016


IV. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts						
Social Security Contributions						
Proceeds from Domestic and Foreign Grants						
Exchequer releases	2,478,256,418.00		2,478,256,418.00	1,336,212,831.00	1,142,043,587.00	0.54
Transfers from Other Government Entities	148,521,129.00	(95,744,681.00)	52,776,448.00	52,776,448.00		-
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts						
TOTAL RECEIPTS	2,626,777,547.00	(95,744,681.00)	2,531,032,866.00	1,388,989,279.00	1,142,043,587.00	0.54
PAYMENTS						
Compensation of Employees						
Use of goods and services	477,078,464.00	(52,971,280.00)	424,107,184.00	325,967,580.00	98,139,603.75.00	0.77
Subsidies						
Transfers to Other Government Units	187,617,021.00	(103,461,835.00)	84,155,186.00		84,155,186.00	

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

Other grants and transfers						
Social Security Benefits	1,962,082,062.00	(144,265,398.00)	1,817,816,665.00	980,884,906.00	836,931,759.00	0.54
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of County Mortgage Fund				52,500,000.00	(52,500,000.00)	
Other Payments						
TOTALS	2,626,777,548.00	(300,698,513.00)	2,326,079,035.00	1,359,352,486.25	966,726,548.75	0.58

The entity financial statements were approved on 31 October 2016 and signed by:


 Jackline K. Momanyi
 Chief Officer


 Lawrence N. Nyangau
 Head of Treasury Accounts

V. 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 and applicable government legislations and regulations. 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 Government of Nyamira* and all values are rounded to the nearest thousand (Kshs'000). 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.

2. Recognition of revenue and expenses

The *County Government of Nyamira* recognizes all revenues from the various sources when the event occurs and the related cash has actually been received by the *County Government of Nyamira*. In addition, the *entity* recognises all expenses when the event occurs and the related cash has actually been paid out by the *County Government of Nyamira*.

3. In-kind contributions

In-kind contributions are donations that are made to the *County Government of Nyamira* 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 Government of Nyamira* 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.

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure 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.

6. Accounts Payable

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

7. 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.

8. 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 Nyamira* 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.

9. 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 Nyamira's* 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 Government of Nyamira's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. Comparative figures

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

COUNTY GOVERNMENT OF NYAMIRA

Reports and Financial Statements

For the year ended June 30, 2016

11. 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 NYAMIRA**Reports and Financial Statements****For the year ended June 30, 2016****VI. NOTES TO THE FINANCIAL STATEMENTS****1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	2015 - 2016	2014 - 2015
	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)		
DANIDA	23,920,00.00	21,540,000.00
Total	23,920,000.00	21,540,000.00

2 EXCHEQUER RELEASES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	1,038,634,506	779,395,533
Total Exchequer Releases for quarter 2	1,059,407,196	888,148,399
Total Exchequer Releases for quarter 3	1,038,634,505	978,775,786
Total Exchequer Releases for quarter 4	1,017,861,812	652,517,189
Total	4,154,538,019	3,298,836,907

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers from Central government entities		
Fuel Levy fund	52,776,448	
Free Maternal Healthcare	47,342,500	
Compensation for user fees Foregone	13,945,233	
TOTAL	114,064,181	-

4 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from Sale of Certified Seeds and Breeding Stock	-	6,083,785
Total	-	6,083,785

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

5. OTHER RECEIPTS (COUNTY OWN GENERATED REVENUE)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Rents/rates	10,242,154	-
Fines Penalties and Forfeitures	234,450	654,670
Business permits	19,600,342	51,595,600
Cesses	2,064,080	2,279,267
Poll rates	-	27,995,599
Plot rents	3,251,124	10,489,650
Market/trade Centre fee	7,786,740	50,399,995
Vehicle parking fees	13,873,240	31,553,300
Housing	2,296,825	-
Social premises use charges	1,626,410	13,000
Other education revenues	1,000	-
Public health services	-	13,730,997
Public health facilities operations	41,928,359	-
Environment & conservancy	-	6,816,296
Administration	100,460	-
Slaughter houses administration	95,050	590,550
Cattle fees	3,307,205	-
Trade weights	574,530	-
TOTAL	106,981,969	196,118,924

6 COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic salaries of permanent employees	1,181,604,577	1,225,928,629
Basic wages of temporary employees	7,039,851	14,061,236
Personal allowances paid as part of salary	324,967,508	110,921,079
Personal allowances paid as reimbursements	-	-
Total	1,513,611,936	1,350,910,944

7 USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	11,926,486	60,740,073
Communication, supplies and services	7,953,006	15,770,666
Domestic travel and subsistence	217,569,695	289,364,877

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

Foreign travel and subsistence	45,397,022	69,979,535
Printing, advertising and information supplies & services	44,941,635	53,283,179
Rentals of produced assets	5,390,410	4,057,400
Training expenses	75,004,181	111,371,241
Hospitality supplies and services	36,414,504	39,985,386
Insurance costs	25,487,760	33,696,422
Specialised materials and services	393,610,702	185,609,506
Office and general supplies and services	49,607,581	31,068,608
Fuel oil and lubricants	87,248,320	96,232,763
Other operating expenses	57,523,277	146,377,649
Routine maintenance – vehicles and other transport equipment	23,627,035	14,054,607
Routine maintenance – other assets	25,771,144	34,858,082
Total	1,107,472,758	1,186,449,994

8 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to County Assembly of Nyamira :Mortgage Fund	-	68,000,000
Transfer to other county government entities	428,737,274	-
TOTAL	428,737,274	68,000,000

9 SOCIAL SECURITY BENEFITS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government pension and retirement benefits	3,330,802	-
Total	3,330,802	-

10 ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of Buildings	226,295,075	51,927,595
Refurbishment of Buildings	110,539,541	86,084,681
Construction of Roads	192,841,099	-
Construction and Civil Works	235,479,188	218,988,008
Overhaul and Refurbishment of Construction and Civil Works	16,950,149	226,683,317
Purchase of Vehicles and Other Transport Equipment	143,287,305	80,379,435

COUNTY GOVERNMENT OF NYAMIRA**Reports and Financial Statements****For the year ended June 30, 2016**

Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	8,952,770	3,563,000
Purchase of Office Furniture and General Equipment	15,751,840	9,319,224
Purchase of ICT Equipment	11,932,008	640,926
Purchase of Specialised Plant, Equipment and Machinery	26,686,061	54,149,924
Purchase of Certified Seeds, Breeding Stock and Live Animals		51,493,140
Research, Studies, Project Preparation, Design & Supervision		10,692,580
Rehabilitation of Civil Works		332,921,482
Acquisition of Land	1,651,000	-
Purchase of lighting equipment	59,320,790	24,091,233
Total	1,049,686,826	1,150,934,545

11 REPAYMENT OF COUNTY MORTGAGE FUND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Repayment of County Mortgage Fund	52,500,000	-
Total	52,500,000	-

12 Bank Accounts (Bank balances)

Name of Bank, Account No. & currency	Account Currency	Indicate whether recurrent, Development, deposit, revenue e.t.c	Exc rate (if in foreign currency)	2015 - 2016	2014 - 2015
				Kshs	Kshs
CBK Revenue Fund 1000170891	Kshs	BOTH		615,830,875.00	399,743,898.5
CBK, Account No 1000239751	Kshs	Assembly			0
KCB, Account No 1145126987	Kshs	Assembly			0
CBK Development Account 1000170549	Kshs	BOTH		1,916,080.00	420,030
CBK Recurrent Account	Kshs	Recurrent		69,606.90	31,464

COUNTY GOVERNMENT OF NYAMIRA

Reports and Financial Statements

For the year ended June 30, 2016

CBK Recurrent Account 1000170522	Kshs	Recurrent		69,606.90	31,464
KCB Revenue Account 1141208989	Kshs	Recurrent		940,133.00	37,165
KCB Imprest Account 114126987	Kshs	Recurrent		5,005.00	11,985
KCB County Assembly Of Nyamira 1145126987	Kshs	Deposit			52,186
Coop Bank- Revenue Account	Kshs	Deposit		343,387	-
Coop Bank – County Mortgage Account	Kshs	Recurrent		16,456,400.00	-
Coop Bank - Retention Account 01141348535600	Kshs	Retention		33,521,360.00	-
KCB Health Facilities Various Accounts	Kshs	Health		21,819,543.90	14,977,347
Total				690,902,390.60	415,274,075

13 CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Cash in Hand various revenue zones	195,721	598,595
Cash in hand from various health facilities	760,262	
Total	955,983	598,595

Cash in hand analysis per location:

14 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Government Imprests	5,140,230	3,440,000
Amount with-held		
Total	5,140,230	3,440,000

Breakdown of un-surrendered imprest

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
PETER OMWANSI	2/10/2014	3,440,000	-	3,440,000
CHARLES KERONGO	24/9/2015	681,590.00		681,590.00
DANIEL ARASA	25/9/2015	454,750.00		457,750.00
KENNEDY ONGAGA	26/9/2015	563,890.00		563,890.00
Total				5,140,230.00

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

15 ACCOUNTS PAYABLE

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Retention funds	33,521,360	-
Total	33,521,360	-

16 FUND BALANCE BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	415,274,075	650,477,919
Cash in hand	598,595	147,300
Accounts Receivables	3,440,000	2,403,318
Audited opening balance	419,312,670	653,028,537
Add: cash in transit omitted	332,324,143	-
Adjusted fund balance	<u>751,636,813</u>	<u>653,028,537</u>

COUNTY GOVERNMENT OF NYAMIRA**Reports and Financial Statements****For the year ended June 30, 2016****17 OTHER IMPORTANT DISCLOSURES****19.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	Kshs	Kshs
Construction of buildings	32,465,686.20	38,765,145
Construction of civil works	6,358,608.05	89,107,299
Supply of goods	21,273,471.00	148,008,355
Supply of services	29,143,816.20	125,153,443
Purchase of Land	-	1,500,000
Total	89,241,581.45	402,534,242

COUNTY GOVERNMENT OF NYAMIRA**Reports and Financial Statements****For the year ended June 30, 2016****ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Amount Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings	39,111,389	64,622,587.40	16,729,155.50	32,465,686.20	38,765,145.00	
1.						
2.						
3.						
Sub-Total	39,111,389	64,622,587.40	16,729,155.50	32,465,686.20	38,765,145.00	
Construction of civil works	-		-	6,358,608.05	89,107,299.00	
4.						
5.						
6.						
Sub-Total	-			6,358,608.05	89,107,299.00	
Supply of goods	19,100,651	12,583,375	-	21,273,471.00	148,008,355.00	
7.						
8.						
Sub-Total	19,100,651	12,583,375		21,273,471.00	148,008,355.00	
Purchase of Land	-			-	1,500,000.00	
9.						
Sub-Total	-				1,500,000.00	
Supply of services	32,682,505.90	32,682,505.90	-	29,143,816.20	125,153,443.00	
10.						
11.						
12.						
Sub-Total	32,682,505.90	32,682,505.90	-	29,143,816.20	125,153,443.00	
Grand Total	90,894,546.40	108,888,467.40	16,729,155.40	89,241,581.45	402,534,242.00	

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	B	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

COUNTY GOVERNMENT OF NYAMIRA

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 4 - ANALYSIS OF PENDING STAFF RECEIVABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Senior Management							
1. PETER OGWARA	R	3,440,000.00		0	3,440,000.00	3,440,000.00	Being recovered from salary from July 2016
2.							
3.							
Sub-Total		3,440,000.00			3,440,000.00	3,440,000.00	
Middle Management							
4.							
Sub-Total							
Unionisable Employees							
5. CHARLES KERONGO	L	681,590.00		0	681,590.00		Being recovered from salary from July 2016
6. DANIEL ARASA	L	454,750.00		0	454,750.00		Being recovered from salary July from 2016
7. KENNEDY ONGAGA	L	563,890.00		0	563,890.00		To be recovered from gratuity
Sub-Total		1,700,230.00			1,700,230.00		
Others (specify)							
8.							
9.							
Sub-Total							
Grand Total		5,140,230.00			5,140,230.00		

COUNTY GOVERNMENT OF NYAMIRA
Reports and Financial Statements
For the year ended June 30, 2016

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15	Balance C/F Cost (Kshs) 2015/16
Land	1,651,000.00	2,000,000.00	3,651,000.00
Buildings and structures	336,834,616.00	102,012,276	438,846,892.00
Transport equipment	143,284,305.00	169,464,400.00	312,748,705.00
Construction of roads and other civil works	445,270,436.00	343,614,062.00	788,884,498.00
Construction of other civil works and overhaul and refurbishment of other civil works		390,586,360.00	390,586,360.00
Office equipment, furniture and fittings	24,704,610.00	12,882,224.00	9,115,224.00
ICT Equipment, Software and Other ICT Assets	11,932,008	640,926.00	12,572,934.00
Other Machinery and Equipment	26,689,061.00	54,149,924.00	80,838,985.00
Lighting equipment	59,320,790.00	24,091,233.00	83,412,023.00
Heritage and cultural assets			
Intangible assets		51,493,140.00	51,493,140.00
Total	1,049,686,826.00	1,150,934,545.00	2,200,621,371.00