REPUBLIC OF KENYA

# OFFICE OF THE AUDITOR-GENERAL

# REPORT

# OF

# THE AUDITOR-GENERAL

# ON

# THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF KAJIADO

# FOR THE YEAR ENDED 30 JUNE 2017

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100 NAIROBI
10 MAY 2018
RECEIVED

# KAJIADO COUNTY ASSEMBLY

*(034)*

## REPORTS AND FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED JUNE 30, 2017

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

**Reports and Financial Statements**
**For the year ended 30 June 2017**

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## I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

### (b) Key Management

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

- The Clerk
- The Speaker's Office

### (c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2017 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|---|---|---|
| 1. | Accounting Officer | Daniel Owino Konyango |
| 2. | Director Finance and Compliance | Kilakoi Sialala |

### (d) Fiduciary Oversight Arrangements

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

- *Audit and finance committee activities*
- *Parliamentary committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

### (e) Entity Headquarters

P.O. Box 94-01100
County Assembly Premises
Kajiado, Kenya

### (f) Entity Contacts

Telephone: (254)
E-mail: info@kajiadoassembly.or.ke
Website: www.kajiadoassembly.or.ke

### (g) Entity Bankers

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

2. Kenya Commercial Bank
   A/C 1153874830
   Kajiado Branch

### (h) Independent Auditors

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

### (i) Principal Legal Adviser

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

## II. FORWARD BY THE CLERK OF THE ASSEMBLY

### Budget performance

*The assembly had an original recurrent budget of Kshs.* ***680,774,737*** *million. A total of Kshs.* ***619,837,538.90*** *was disbursed of which Kshs.* **610,622,795.85** *was absorbed forming 96.6% absorption rate.*

### Operational Performance

*KAJIADO COUNTY ASSEMBLY ACTS, BILLS, REGULATIONS AND POLICIES PASSED*
*The Kajiado County Revenue Administration Act, 2015*
*The Kajiado County Trade Licensing Act, 2015*
*The Kajiado County Rating Act, 2015*
*The Kajiado County Disaster Management Act, 2015*
*The Kajiado County Appropriation Act, 2015*
*Kajiado County Finance Act, 2015/16*
*The Kajiado County Appropriation Act, 2016*
*The Kajiado County Supplementary Appropriation Act, 2016*
*BILLS IN PUBLICATION STAGE*
*Kajiado County Flag, Emblems and Names Bill,2016 – Publishing*
*Kajiado County Conservation of water catchment area Bill,2016- Publishing*
*The Kajiado County Polytechnics Bill, 2015 – publishing*
*The Kajiado County Transport Bill – Publishing*
*The Kajiado County outdoor Advertisement Bill*
*The Kajiado County Assembly Service Bill – On hold*
*BILLS IN COMMITTEE STAGE*
*The Kajiado County Appropriation Bill ,2017 –passed by the Assembly awaiting to forwarded to the Governor for assent*
*BILLS FORWARDED TO THE GOVERNOR FOR ASSENT*
*The Kajiado County Fire and Rescue Service Bill, 2015*
*The Kajiado County Environment Management Bill, 2015*
*The Kajiado County Finance Act, 2016/2017*
*The Kajiado County Bursary and Grant and Scholarship Fund Act, 2015*
*REGULATIONS PASSED*
*The Kajiado County Assembly Members and Staff Car Loan and Mortgage Fund Regulation, 2014*
*The Kajiado County Disability Fund Regulation, 2015*
*The Kajiado County Youth and Woman Fund Regulations, 2015*
*The Kajiado County Emergency Fund Regulation, 2014*
*The Kajiado County Public Finance Management (County Bursary Fund Regulation, 2015)*
*The Kajiado County Assembly Service (Ward Offices) Regulations, 2014*
*The Kajiado County Executive Car Loan and Mortgage Fund Regulation, 2015*
*The Kajiado County Alcoholic Drinks Control Licensing Regulations, 2015*
*POLICIES PASSED*
*Youth and Women Fund Policy*
*Policy on Disability Mainstreaming*

| |
|---|
| *Alcoholic Drinks Control Policy*<br>*Kajiado County Emergency Policy*<br>*County Land Policy*<br>*Weighing and measures Policy*<br>*Sand Harvesting Policy* |
| **Performance of key development projects** |
| *During the period under audit the Assembly commenced the construction of new Assembly chambers complex which is estimated to be complete by year 2020. It's expected to house the office of the Speaker, modern assembly chambers and staff offices in one pool as opposed to now where offices are scattered.* |
| **Comment on value-for-money achievements** |
| *The Assembly was able to achieve the value-for-money for the FY 2016/2017 through the following ways; a). Assembly's core business functions (legislation, oversight and representation) were effectively achieved during the year, b) Public participation was effective in the year in that they were inclusive and a sense of ownership of the said projects felt by locals, c) Administration function: The assembly managed to facilitate adequate staff's capacity building through training which has enhance effective service delivery, d) Development function: The assembly was able to do a ground breaking of new assembly chambers in the year, e) Key financial systems (software) which enhanced faster preparation of supporting documents in the finance department.* |
| **Challenges and Recommended Way Forward** |
| *The assembly faced the following* ***challenges*** *during the year; 1) Delay in disbursement of funds from treasury which affects the implementation of the Assembly's programmes, 2) IFMIS networking problem which has affect payment process.* ***Recommendations;*** *1)National treasury to streamline ifmis networking problem, 2)To conduct continuous training on upcoming ifmis modules and updates on financial reporting, 3)Timely disbursement of funds by national treasury so as to facilitate adequate budget execution.* |

**Sign**

**Ag.Clerk of the County Assembly**

## STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended on 30th June 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended 30th June 2017, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**
The County Government's financial statements were approved and signed by the Clerk of the County Assembly on September 29, 2017.

Ag.Clerk of the County Assembly

REPUBLIC OF KENYA

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# OFFICE OF THE AUDITOR-GENERAL

## REPORT OF THE AUDITOR-GENERAL ON THE COUNTY ASSEMBLY OF KAJIADO FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

### Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Kajiado set out on pages 8 to 38, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts – recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Assembly of Kajiado as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

### Basis for Adverse Opinion

#### 1. Compensation of Employees

The statement of receipts and payments reflects an amount of Kshs. 248,590,553.75 in respect of compensation of employees. Payroll details obtained from IPPD system maintained by the County Assembly showed that payments emanating from the payroll and gratuity amounted to Kshs. 246,188,337 thereby resulting in an un-explained difference of Kshs. 2,402,217.75. Further, during the year under review, the County Assembly effected deductions amounting to Kshs. 2,645,430 under compensation of employees on account of recoveries of car loan and mortgage loans issued to the Members of County Assembly and Staff but failed to remit the amount to Kajiado County Assembly Car Loan and Mortgage

Fund. No satisfactory explanation has been provided for failure to remit the amount to the Fund in time.

## 2. Use of Goods and Services

### 2.1. Unposted Expenditure

The statement of receipts and payments reflects expenditure totalling Kshs.285,132,889.55 on use of goods and services and as disclosed at Note 5 to the financial statements. However, the expenditure analysis at Note 5 includes an amount of Kshs.11,706,114 referred to as outstanding imprests which had not been posted to the specific expenditure item. Consequently, the accuracy of the expenditure on use of goods and services amounting to Kshs.285,132,889.55 cannot be confirmed.

### 2.2. Foreign Travel and Subsistence

The expenditure of Kshs.285,132,889.55 on use of goods and services includes an amount of Kshs.18,450,093.40 relating to foreign travel and subsistence. The expenditure on foreign travel and subsistence further includes an amount of Kshs.4,109,580 which was paid as per-diem to twenty one Kajiado County Assembly officials including twelve Members of County Assembly and the Clerk who travelled to Arusha Tanzania between 3 and 7 April 2017 to attend ESAMI training on the whole government approach for performance improvement in the public sector without appropriate authority as shown below:

| No. | Officer's name | Designation | Days | Amount paid (Ksh) |
|---|---|---|---|---|
| 1 | Hon. Henry Kimiti | Chair budget committee | 6 | 203,184 |
| 2 | Hon. George Sunkuyia | Deputy speaker | 6 | 203,184 |
| 3 | Hon. Lengete Kamete | Majority Leader | 6 | 203,184 |
| 4 | Hon Justus Ngossor | Minority Leader | 6 | 203,184 |
| 5 | Hon. Onesmus Ngogoyo | Chief Whip | 6 | 203,184 |
| 6 | Hon. James Kuya Nina | Minority Whip | 6 | 203,184 |
| 7 | Hon. David Nkirrimpai | Deputy Minority leader | 6 | 203,184 |
| 8 | Hon. Nteri Kipaika | Deputy Minority | 6 | 203,184 |
| 9 | Hon. Joseph Mutunkei | Chairperson lands committee | 6 | 203,184 |

| | | | | |
|---|---|---|---|---|
| 10 | Hon, Nkitinyo Lesere | V/chairperson Finance committee | 6 | 203,184 |
| 11 | Hon. Charity Mosiany | Chairperson powers and privileges committee | 6 | 203,184 |
| 12 | Hon. Peter Tirishe | Member, legal committee | 6 | 203,184 |
| 13 | Daniel Konyango | Clerk | 6 | 203,184 |
| 14 | Kilakoi Sialala | Director Finance | 6 | 203,184 |
| 15 | Kangeri Osiaiti | Accountant | 6 | 172,584 |
| 16 | Emily Samante | PA to Speaker | 6 | 172,584 |
| 17 | Wilson Mancha | PA to Majority leader | 6 | 172,584 |
| 18 | John Kasonko | Driver | 6 | 172,584 |
| 19 | Tenke Lepeson | Driver | 6 | 154,836 |
| 20 | Peter Ngetete | Driver | 6 | 154,836 |
| 21 | Simon Kishoyian | Security | 6 | 154,836 |
| | Total per diems paid | | | 3,999,420 |
| | Cost of fuel and insurance of vehicles in Tanzania | | | 110,160 |
| | **Total amount spent** | | | **4,109,580** |

In addition, the imprest for the total amount of Kshs.4,109,580 was apparently issued Kangeri Osiati on 9 March 2017 instead of the respective officials. The imprest surrender voucher used by the payee to account for the amount was also not numbered or dated.

Mr. Tenke Lepeson, the driver of vehicle Registration No. 34CG008A Ford Everest was paid Kshs.154,836 being six days per diem in Arusha while the work ticket No. 735043 shows that this person went to Arusha on 2 April 2017 and came back to Kenya on 4 April 2017 with the Journeys authorized by the Hon. Speaker. Under the circumstances, it is not possible to confirm the propriety of payments totalling Kshs.4,109,580 and whether the expenditure is a proper charge to public funds.

## 3. Acquisition of Assets

### 3.1 Payment for Consultancy Services

The statement of receipts and payments reflects an expenditure of Kshs.74,429,575.55 on acquisition of assets and as disclosed in Note 10 to the financial statements which, includes Kshs.46,677,645.25 paid to Abby Architects (K) Limited for consultancy services offered as per fee note No.1 of 5 September 2016. Documents available indicate that the consultant submitted fee note No.1 on 5 September 2016 demanding 60% of the consultancy contract sum for the proposed construction of Kajiado County Assembly Chambers and Offices even before submitting the bills of quantities and the project cost estimates contrary to the contract agreement. The consultant in fact delivered both the project cost estimates (priced) and one

copy of unpriced bills of quantities to be photocopied and filled by contractors on 4 October 2016 as per his submission letter.

Further, the consultant raised fee note No. 2 of Kshs.23,395,518.98 on 10 April 2017 for payment while the construction contractor's interim certificate No. 1 for Kshs.17,469,560 was raised on 13 June 2017. According to detailed analyses for contractor's interim certificate No.1 there is no evidence that the construction had reached Ground Floor slab for the consultant to demand the second payment as required under the contract agreement between the County Assembly and the consultant.

### 4. Cash and Cash Equivalents

The statement of financial assets and liabilities reflects bank balances totalling Kshs.9,214,743 as at 30 June, 2017 made up of the following:

| Name of Bank, Account No. | Description | Financial statement figure- Kshs |
|---|---|---|
| Central Bank of Kenya, 1000199016 | recurrent bank a/c | 7,756,877.50 |
| Central Bank of Kenya, 1000199024 | development bank a/c | 1,453,052.45 |
| Central Bank of Kenya, 1000199016 | deposit bank a/c | - |
| Kenya Commercial Bank, 1153874380 | Imprest acount | 4,813 .00 |
| Cash at hand | | - |
| **TOTAL CASH AND BANK** | | **9,214,743.00** |

However, certificates of the bank balances and relevant bank reconciliation records including cash book and bank reconciliation for CBK recurrent bank account No. 1000199016 have not provided for audit verification. As result, the completeness and accuracy of the balance of Kshs.9,214,743 can not be confirmed.

The following unsatisfactory matters have also been observed:

### 4.1. Undisclosed Ward Bank Accounts

Information available indicate that the County Assembly operated 25 ward bank accounts which were not disclosed in the financial statements. No documentary evidence has been provided to confirm that the Assembly sought prior approval from the County Treasury before opening the ward bank accounts. Further, the accounting officer did not provide a comprehensive list of bank accounts with details required under Regulation 87 of the Public Finance Management (County Government) Regulations 2015.

### 4.2. Failure to Regularly Submit Bank Reconciliation Statements

The accounting officer did not submit regularly monthly bank reconciliation statements to the County Treasury with a copy to the Auditor-General as required under Regulation 90 of the Public Finance Management (County Government) Regulations 2015. No satisfactory explanation has been provided for this omission.

### 4.3. KCB Payments

Further, an analysis of payments through KCB imprest account revealed the following:

(i) Payments out of this account were not captured in IFMIS yet the County Assembly relied on the IFMIS system to prepare the financial statements. Therefore, the financial statements figures may have been misstated as they did not factor the payments made through KCB imprest account.

(ii) Payments amounting to Kshs. 24,600,688 made out of KCB imprest account were not authorized or pre-numbered as per payment vouchers provided for audit review. This was done contrary to regulation 104(1) of the Public Finance Management (County Government) Regulations, 2015. Consequently, the authenticity of the payments and whether the expenditure incurred was a proper charge to public funds cannot be confirmed.

### 5. Accounts Receivable-Imprests

**5.1.** The statement of financial assets and liabilities reflects nil imprests balance as at 30 June 2017. However, Note 5 to the financial statements on use of goods and services reflects outstanding imprest of Kshs.11,706,114. Further, information extracted from IFMIS and annex 5 to the financial statements, revealed instances where some Members of the Assembly and other officers were paid multiple per diem allowances before surrender or recovery of previous imprests as shown below:

| PAYEE | DATE ISSUED | Amount-Kshs. |
|---|---|---|
| Richard Sayianka Joshua | 9 Dec 2016 | 950,400 |
| Richard Sayianka Joshua | 21 Feb 2017 | 934,500 |
| Phillip Martine Muteleu | 5 Oct 2016 | 413,500 |
| Phillip Martine Muteleu | 9 Dec 2016 | 787,500 |
| Phillip Martine Muteleu | 9 Feb 2017 | 100,000 |
| Daniel Konyango | 16 June 2017 | 509,184 |
| Daniel Konyango | 12 June 2017 | 869,856 |
| Grace Kanchori | 15 June 2017 | 1,375,458 |
| Grace Kanchori | 30 Jan 2017 | 165,900 |

**5.2.** In addition, the following unsatisfactory observations have been made in respect of cash imprest management:

(i) The imprest warrants used did not have any unique serial number for tracking of the imprest as required under regulation 117 (2) and (3) of the Public Finance Management (County Government) Regulations 2015.The accounting officer did not have a mechanism to control and track imprest issued since the warrants did not have serial numbers or any features to facilitate proper accountability.

(ii) Payments made from KCB imprest account amounting to Kshs.33,260,249. were mainly through cash imprest issued to various officers. These payments were outside the IFMIS system and the Assembly did not maintain an imprest register to record and keep track of the imprest issued outside the IFMIS system.

(iii) Richard Saiyanka was issued with an imprest of Kshs. 793,800 to pay per diem for two days to Members of the Assembly to attend a funeral in Narok County. No documentary evidence has been provided for audit review to confirm that this was an official function to warrant use of public funds.

(iv) Mr. Daniel Owino Konyango was issued with an imprest of Kshs.869,856 for 13 days per diem to attend training in Dubai between 19 and 30 June 2017. The officer was issued with another cash imprest of Kshs.1,599,184 on 25 June 2017 through KCB Cheque No. 3860 and 3861 to attend training on strategic public service administration in Singapore from 26 June 2017 to 30 June 2017. Note that the two events were running at the same time. These imprests remained unaccounted for as at the time of audit. Further, available records indicate that the officer travelled to Singapore on 24 July 2017 and returned on 29 July 2017. This was later after the scheduled training. It is not clear whether this was an official trip as the initial training was from 26 June to 30 June 2017.

(v) Johnson Osoi was issued with an imprest of Kshs.509,184 through KCB Cheque No. 3853 to attend training on strategic public service administration in Singapore from 26 June 2017 to 30 June 2017. He was granted authority to travel to Singapore from 26 to 30 June 2017 via letter dated 14 June 2017 issued by the Principal Secretary, State Department of Devolution. However, available records indicate that he travelled on 24 July 2017 and returned on 29 July 2017. This was later after the scheduled training. It is not clear whether this was an official trip as the initial training was from 26 June to 30 June 2017.

(vi) Mr. Kangeri Simel was issued with cash imprest of Kshs.4,193,000 to pay allowances to the Members of the Assembly and other staff attending training in Nairobi from 19 to 23 June 2017. Available attendance register shows that Hon. Johnson Osoi attended the training for the five days and was paid Kshs.84,000 per diem allowance. However, the work tickets available indicate that during the same period, officer was using an official vehicle at different locations as indicated in the work tickets. It is not clear how he managed to be in a training in Nairobi and at the same time at Kitengela, Kajiado, Sultan Hamud and Athi River.

(vii) The following members of the County Assembly were issued with cash imprest to attend training on strategic public service administration in Singapore from 26 June 2017 to 30 June 2017. However, no documentary evidence has been provided for audit verification to confirm that the trip was official or authorized by the Ministry of Devolution and Planning and whether they actually travelled.

| DATE | CHQ NO. | NAME | AMOUNT -KSHS. |
|---|---|---|---|
| 25/6/2017 | 3852 | Hon. Lengete Ole Kemete | 402,696 |
| 25/6/2017 | 3855 | Hon. George Risa Sunkuyia | 402,696 |
| 25/6/2017 | 3862 | Hon. Jane Njeri Manyimbe | 402,696 |
| 25/6/2017 | 3863 | Hon. Justus Kiles Ngossor | 402,696 |
| | | | **1,610,784** |

In the circumstances, the authenticity of the payments and expenditure incurred through the imprests cannot be confirmed.

## 6. Pending Accounts Payables

Note 18.1 to the financial statements indicates that the County Assembly had pending bills amounting to Kshs.29,954,187.55 as at the end of the financial year. Failure to settle the bills in the year to which they relate adversely affects the following year's provision to which they have to be charged. Had the pending bills been paid and the expenditure charged to the accounts for financial year 2016/2017, the statement of receipts and payments would have reflected a deficit of Kshs. 20,744,257.55 instead of the net surplus of Kshs.9,209,930 now shown.

Further, the pending bills includes an amount of Kshs.1,758,320 payable to KCB Leadership Centre which was committed after 31 May contrary to regulation 50 (1) of the Public Finance Management Regulations (County Government), 2015. In addition, pending staff payables balance of Kshs.4,977,680 include an amount of Kshs.3,636,100 in respect of Member of the Assembly sitting allowances. However, the schedule provided for audit reflected an amount of Kshs.3,687,580 resulting in un-explained difference of Kshs.51,480.

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

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion and Other Matter sections, I have determined that there are no Key Audit Matters to communicate in my report.

**Other Matter**

**1. Budget Performance and Disclosures**

**1.1.** The statement of comparison of budget and actual amounts - recurrent and development combined reflects a final budget of Kshs. 701,395,477 for receipts and payments. The statement also reflects actual receipts and payments totalling to Kshs.619,837,538.90 and Kshs. 610,622,795.85 respectively resulting in a surplus of Kshs.9,214,743.05. The projected receipts were under realized by 11.6% while under expenditure of 12.5% and 40.7% occurred in respect of use of goods and services and acquisition of goods and services respectively. However, and contrary to the provisions of section 164(2) (iv) of the Public Finance Management Act, 2012 and paragraph 1.9.8 of IPSAS Cash Basis of Accounting Financial Reporting Framework, no disclosures have been made in the notes to the financial statements in respect of the reasons for material variances between the approved budget and actual amounts.

**1.2.** A review of actual expenditure against the approved budget revealed that expenditure on the following items exceeded the approved estimates in the financial year ended 30 June 2017:

| Expenditure Items | Current year budget figures (a) | Actual expenditure figures (b) | Variance c=(b-a) | percentage variance =c/a |
|---|---|---|---|---|
| | Kshs. | Kshs. | Kshs. | |
| Basic Salaries - Permanent Employees | 53,262,339.63 | 130,269,676.85 | 77,007,337.23 | 145% |
| Specialised Materials and Supplies | 750,000.00 | 982,413.80 | 232,413.80 | 31% |
| Purchase of Office Furniture and General Equipment | 2,500,000.00 | 4,028,935.65 | 1,528,935.65 | 61% |

| | | | | |
|---|---|---|---|---|
| Purchase of Specialised Plant, Equipment and Machinery | 6,000,000.00 | 7,715,282.75 | 1,715,282.75 | 29% |
| Routine Maintenance of vehicles | 1,000,000.00 | 5,340,110.94 | 4,340,110.94 | 434% |
| **Total** | | | **84,824,080** | |

In the circumstances, the budgetary provisions were not adhered to and public resources were not efficiently used.

**1.3.** The vote book reflects an expenditure of Kshs.131,476,491 on domestic travel and subsistence while the financial statements under Note 5 reflects a figure of Kshs.148,847,289.65 leading to unexplained variance of Kshs.17,370,798.65. Further, the management did not provide expenditure schedule to support the financial statements figure. The financial statements figure of Kshs.148,847,289.65 also include an amount of Kshs.35,700,000 transferred to KCB imprest account for domestic travel and subsistence expenditure. However, payments amounting to Kshs.7,211,538 were made from the KCB imprest account towards foreign travel. Therefore, domestic travel and subsistence balance in the financial statements may have been overstated.

The approved budget for domestic travel and subsistence was Kshs.163,099,500. However, the vote book shows an addition of Kshs.9,379,260 in the budget through reallocations leading to a total budget of Kshs.172,478,760. The management did not, however, provide a record for all budgetary reallocations and no evidence has been provided to confirm that these reallocations were submitted to the County Treasury for the purpose of seeking Assembly approval as required under regulations 47 and 48 of the Public Finance Management (County Government) Regulations, 2015. Further, the vote book shows a total budget of Kshs.172,478,760 against total expenditure and commitments of Kshs.173,401,326. This indicates that there was unauthorized expenditure amounting to Kshs.922,566.

## 2. Internal Audit and Audit Committee

Although the County Assembly had established an Internal Audit Department and an Internal Audit Committee, only one employee was deployed to the department. Further, a review of the function revealed that, there was no budgetary provisions in respect of operations of the Internal Audit function and the department is not adequately staffed. This exposes the institution to risk of errors going unchecked and potential mis-use of resources. Further, the operations and independence of the Internal Audit Committee may be curtailed in the absence of an adequate budgetary provision and support.

## Responsibility of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the County Assembly's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process.

**Auditor-General's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit 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.

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

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

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

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

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

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

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

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

**Nairobi**

**16 July 2018**

**Reports and Financial Statements**
**For the year ended 30 June 2017**

## III. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2016/17 Kshs | 2015/16 Kshs |
|---|---|---|---|
| **RECEIPTS** | | | |
| Transfers from the County Treasury/Exchequer Releases | 1 | *619,837,538.90* | 488,825,667 |
| Proceeds from Sale of Assets | 2 | | - |
| Other Receipts | 3 | - | - |
| **TOTAL RECEIPTS** | | ***619,837,538.90*** | **488,825,667** |
| **PAYMENTS** | | | |
| Compensation of Employees | 4 | 248,590,553.75 | 202,440,692 |
| Use of goods and services | 5 | 285,132,889.55 | 244,630,491 |
| Subsidies | 6 | - | - |
| Transfers to Other Government Entities | 7 | 971,977 | 15,000,000 |
| Other grants and transfers | 8 | - | - |
| Social Security Benefits | 9 | - | - |
| Acquisition of Assets | 10 | 74,429,575.55 | 9,803,843 |
| Finance Costs | 11 | - | - |
| Other Payments | 12 | 1,497,800 | 1,290,910 |
| **TOTAL PAYMENTS** | | **610,622,795.85** | **487,853,690** |
| **SURPLUS/DEFICIT** | | **9,214,743.00** | **971,977** |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 29, 2017 and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number: 8419

**Reports and Financial Statements**
**For the year ended 30 June 2017**

## IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

| | Note | 2016/2017 Kshs | 2015/16 Kshs |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| **Cash and Cash Equivalents** | | | |
| Bank Balances | 13A | 9,214,743.00 | 971,977.00 |
| Cash Balances | 13B | - | - |
| **Total Cash and cash equivalents** | | **9,214,743.00** | **971,977.00** |
| Accounts receivables – Outstanding Imprests | 14 | 0.00 | 14,687,754.00 |
| **TOTAL FINANCIAL ASSETS** | | **9,214,743.00** | **15,659,731.00** |
| **FINANCIAL LIABILITIES** | | | |
| Accounts Payables – Deposits and retentions | 15 | 0 | - |
| **NET FINANCIAL ASSETS** | | **9,214,743.00** | **15,659,731.00** |
| **REPRESENTED BY** | | | |
| **Fund balance b/fwd** | 16 | 0 | - |
| **Surplus/Deficit for the year** | | **9,214,743.00** | **15,659,731.00** |
| **NET FINANCIAL POSITION** | | **9,214,743.00** | **15,659,731.00** |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 29, 2017 and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number: 8419

**Reports and Financial Statements**
**For the year ended 30 June 2017**

## I. STATEMENT OF CASH FLOWS

| | Note | 2016/17 | 2015/16 |
|---|---|---|---|
| | | Kshs | Kshs |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Receipts from operating income** | | | |
| Transfers from the County Treasury/Exchequer Releases | 1 | 619,837,538.90 | 488,825,667 |
| Other Receipts | 3 | - | - |
| **Payments for operating expenses** | | | |
| Compensation of Employees | 4 | 248,590,553.75 | 202,440,692.00 |
| Use of goods and services | 5 | 285,132,889.55 | 244,630,491.00 |
| Subsidies | 6 | | - |
| Transfers to Other Government Entities | 7 | 971,977.00 | 15,000,000.00 |
| Other grants and transfers | 8 | - | - |
| Social Security Benefits | 9 | - | - |
| Finance Costs | 11 | - | - |
| Other Payments | 12 | 1,497,800.00 | 1,290,910.00 |
| **Adjusted for:** | | | |
| Adjustments during the year | 17 | - | - |
| Net cash flows from operating activities | | 83,644,318.55 | 25,463,574.00 |
| **CASHFLOW FROM INVESTING ACTIVITIES** | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 10 | 74,429,575.55 | 9,803,843.00 |
| Net cash flows from investing activities | | 74,429,575.55 | 9,803,843.00 |
| **NET INCREASE IN CASH AND CASH EQUIVALENT** | | **9,214,743.00** | **15,659,731.00** |
| Cash and cash equivalent at BEGINNING of the year | 13 | - | - |
| **Cash and cash equivalent at END of the year** | | **9,214,743.00** | **15,659,731.00** |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 29, **2017** and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number: 8419

## II. 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 |
| **RECEIPTS** | | | | | |
| Transfers from the County Treasury/Exchequer Releases | 681,395,477.00 | 20,000,000.00 | 701,395,477.00 | *619,837,538.90* | 88.4% |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Other Receipts | | | | | |
| **TOTAL** | **681,395,477.00** | **20,000,000.00** | **701,395,477.00** | ***619,837,538.90*** | **88.4%** |
| **PAYMENTS** | | | | | |
| Compensation of Employees | 223,152,475 | 32,600,000 | 255,752,475 | 248,590,553.75 | 100% |
| Use of goods and services | 316,618,760 | 500,000 | 304,018,760.00 | 285,132,889.55 | 87.5% |
| Transfers to Other Government Entities | 0.00 | - | 0.00 | 971,977.00 | 0% |
| Other grants and transfers | - | - | - | - | - |
| Acquisition of Assets | 141,624,242.00 | 0.00 | 141,624,242.00 | 74,429,575.55 | 59.3% |
| Other Payments | - | - | - | 1,497,800.00 | - |
| **TOTAL** | **681,395,477** | **20,000,0000** | **701,395,477** | **610,622,795.85** | **98.8%** |
| **SURPLUS/ DEFICIT** | | | | **9,214,743.00** | |

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

## *Explanation of Variances*

(a) *Use of goods and services underutilization was due to ifmis problem, thus many of payments never went through specially end of June 2017.*
(b) *Acquisition of Assets underutilization was due to ifmis problem, thus many of payments never went through specially end of June 2017*
(c) Underutilization was due to underfunding of the development vote
(d) The said period was cut short by two months to pave way for the general election which affected budget implementation
(e) The variances was also due to the facts there were no supplementary budget during the financial year, and being the last term for the first assembly to end, there was an urgency to finance pending bill especially gratuity in arrears hence reallocation.

The entity financial statements were approved on September 29, 2017 and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number : 8419

## III. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % of Utilization difference to final budget |
|---|---|---|---|---|---|
| | Kshs | Kshs | c=a+b | e=d-c | Kshs |
| **RECEIPTS** | | | | | |
| Transfers from the County Treasury/Exchequer Releases | 560,871,235 | 20,000,000 | 580,871,235 | 550,676,950.00 | 94.8% |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Other Receipts | - | - | - | - | - |
| **TOTAL** | **560,871,235** | **20,000,000** | **580,871,235** | **550,676,950.00** | **94.8%** |
| **PAYMENTS** | | | | | |
| Compensation of Employees | 223,152,475 | 32,600,000 | 255,752,475 | 248,590,553.75 | 100% |
| Use of goods and services | 316,618,760 | 500,000 | 317,118,760.00 | 285,132,889.55 | 87.5% |
| Subsidies | - | - | - | - | - |
| Transfers to Other Government Entities | 0.00 | - | 0.00 | 971,977 | -0% |
| Other grants and transfers | - | - | - | - | - |
| Acquisition of Assets | 21,100,000.00 | - | 21,100,000.00 | 6,722,039.10 | 87.5% |
| Other Payments | - | - | - | 1,497,800.00 | - |
| **TOTAL** | **560,871,235** | **20,000,000** | **580,871,235** | **542,915,259.40** | **93.5%** |
| **Surplus/ Deficit** | | | | **7,761,690.60** | |

## *Explanation of Variances*

*a) Use of goods and services underutilization was due to ifmis problem, thus many of payments never went through specially end of June 2017.*
*b) Acquisition of Assets underutilization was due to ifmis problem, thus many of payments never went through specially end of June 2017*
*(c) The said period was cut short by two months to pave way for the general election which affected budget implementation*
*(d)* The variances was also due to the facts there were no supplementary budget during the financial year, and being the last term for the first assembly to end, there was an urgency to finance pending bill especially gratuity in arrears hence reallocation

The entity financial statements were approved on September 29, 2017 and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number : 8419

**Reports and Financial Statements**
**For the year ended 30 June 2017**

## IV. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % of Utilization difference to final budget |
|---|---|---|---|---|---|
| | Kshs | Kshs | c=a+b | e=d-c | Kshs |
| **RECEIPTS** | | | | | |
| Transfers from the County Treasury/Exchequer Releases | 120,524,242.00 | - | 120,524,242.00 | 69,160,588.90 | 57.8% |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Other Receipts | - | - | - | - | - |
| **TOTAL** | **120,524,242.00** | - | **120,524,242.00** | **69,160,588.90** | **57.8%** |
| **PAYMENTS** | | | | | |
| Compensation of Employees | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - |
| Subsidies | - | - | - | - | - |
| Transfers to Other Government Entities | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - |
| Social Security Benefits | - | - | - | - | - |
| Acquisition of Assets | 120,524,242.00 | - | 120,524.242.00 | 67,707,536.45 | 57.8% |
| Finance Costs | - | - | - | - | - |
| Other Payments | | | | | |
| **TOTAL** | **120,524,242.00** | - | **120,524,242.00** | **67,707,536.45** | **57.8%** |
| **SURPLUS/ DEFICIT** | | | | **1,453,052.45** | |

## *Explanation of Variances*

(a) Underutilization was due to underfunding of the development vote.
*(b) The said period was cut short by two months to pave way for the general election which affected budget implementation*
*(c)* The variances was also due to the facts there were no supplementary budget during the financial year, and being the last term for the first assembly to end, there was an urgency to finance pending bill especially gratuity in arrears hence reallocation

The entity financial statements were approved on September 29, 2017 and signed by:

Ag.Clerk of the Assembly
Name: Josiah Leboo Saisa

Principal Finance Officer
Name: Samson Saitoti Sirere
ICPAK Member Number : 8479

## V. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|---|---|---|---|---|
| | 2017 | | 2017 | 30,June, 2017 | |
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| **P. 1: Legislation, Representation and Oversight** | | | | | |
| Headquarter | 240,294,760.00 | -22,000,000.00 | 218,294,760.00 | 212,662,267.75 | 97.4% |
| Office of the Speaker | 8,160,000.00 | 6,079,260.00 | 14,239,260.00 | 9,560,585.00 | 67.1% |
| Directorate of Legislation | 6,300,000.00 | - | 6,300.000.00 | 4,650,935.00 | 73.8% |
| **TOTAL** | **254,754,760.00** | **-15,920,740.00** | **238,834,020.00** | **226,873,787.75** | **95%** |
| **P. 2: General Administration, Planning and Support Services** | | | | | |
| Office of the Clerk | 17,300,000.00 | 3,800,000.00 | 21,100,000.00 | 13,747,177.00 | 65% |
| County Assembly Service Board | 230,336,475.00 | 32,600,000.00 | 262,936,475.00 | 248,590,553.75 | 94.5% |
| Directorate of Finance and Compliance | 8,180,000.00 | - | 8,180,000.00 | 5,460,850.00 | 66.8% |
| Directorate of Administration, Liason & Support Services | 50,300,000.00 | - | 50,300,000.00 | 36,541,590.00 | 72.6% |
| **TOTAL** | **306,116,475.00** | **16,400,000.00** | **321,416,475.00** | **304,340,170.75** | **95%** |
| **CAPITAL EXPENDITURE** | | | | | |
| Other Development | 120,524,242.00 | - | 120,524,242.00 | 69,160,588.90 | 40.0% |
| **TOTAL** | **120,524,242.00** | | **120,524,242.00** | **69,160,588.90** | 40.0% |
| **GRAND TOTAL** | **681,395,477.00** | **479,260.00** | **680,774,737.00** | ***619,837,538.90*** | **88%** |

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

## VI. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

2. **Reporting entity**
   The financial statements are for the Kajiado County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. **Recognition of receipts and payments**
   **a) Recognition of receipts**
   The County Assembly t recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Assembly.

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

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

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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

**b) Recognition of payments**
The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

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

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

**Acquisition of fixed assets**
The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.
A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

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

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

**Restriction on cash**
Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. There were no other restrictions on cash during the year

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

10. **Budget**
The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law .The original budget was approved by the County Assembly on 30th June 2017 for the period 1st July 2016 to 30 June 2017 as required by law. There was no supplementary budget passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

**11. Comparative figures**

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

**12. Subsequent events**

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

**13. Errors**

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

**14. Related party transactions**

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

## VII. NOTES TO THE FINANCIAL STATEMENTS

### 1 Transfers from the County Treasury/Exchequer Releases

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Transfers from the County Treasury for Q1 | 52,561,002.00 | 64,760,076.00 |
| Transfers from the County Treasury for Q2 | 246,400,230.00 | 155,379,001.20 |
| Transfers from the County Treasury for Q3 | 90,808,087.00 | 75,742,616.00 |
| Transfers from the County Treasury for Q4 | 230,068,219.90 | 192,943,974.00 |
| **Cumulative Amount** | ***619,837,538.90*** | **488,825,667.20** |

(Where money is transferred to the County Assembly on a monthly basis, include the months instead of quarters. A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in this report.)

### 2 PROCEEDS FROM SALE OF ASSETS

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Receipts from the Sale of Buildings | | |
| Receipts from the Sale of Vehicles and Transport Equipment | | |
| Receipts from the Sale Plant Machinery and Equipment | | |
| Receipts from Sale of Certified Seeds and Breeding Stock | | |
| Receipts from the Sale of Strategic Reserves Stocks | | |
| Receipts from the Sale of Inventories, Stocks and Commodities | | |
| Disposal and Sales of Non-Produced Assets | | |
| Receipts from the Sale of Strategic Reserves Stocks | | |
| **Total** | | |

### 3 OTHER RECEIPTS

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Tender fees received | | |
| Other Receipts II | | |
| **Total** | | |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 4 COMPENSATION OF EMPLOYEES

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 130,177,476.85 | 116,950,878.00 |
| Basic wages of temporary employees | 20,100,000.00 | - |
| Personal allowances paid as part of salary | 64,484,471.90 | 85,489,814.00 |
| Personal allowances paid as reimbursements | - | - |
| Personal allowances provided in kind | | |
| Pension and other social security contributions | 33,735,405.00 | |
| Compulsory national social security schemes | 93,200.00 | |
| Compulsory national health insurance schemes | | |
| Social benefit schemes outside government | | |
| Other personnel payments | | |
| **Total** | **248,590,553.75** | 202,440,692.00 |

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

## 5 USE OF GOODS AND SERVICES

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Utilities, supplies and services | 7,387,294.30 | 4,184,432.00 |
| Communication, supplies and services | 2,655,000.00 | 3,928,000.00 |
| Domestic travel and subsistence | 148,847,289.65 | 137,687,266.00 |
| Foreign travel and subsistence | 18,450,093.40 | 16,023,493.00 |
| Printing, advertising and information supplies & services | 5,180,686.40 | 14,843,957 |
| Rentals of produced assets(Speaker's rent) | 1,260,000.00 | 1,260,000 |
| Training expenses | 10,475,615.35 | 9,665,100 |
| Hospitality supplies and services | 9,249,009.70 | 5,977,500 |
| Insurance costs | 21,749,427.15 | 21,790,323 |
| Specialized materials and services | 513,965.50 | 1,650,000 |
| Office and general supplies and services | 4,893,379.30 | 6,730,606 |
| Other operating expenses | 37,424,903.86 | 33,207,208 |
| Routine maintenance – vehicles and other transport equipment | 5,340,110.94 | 2,334,491 |
| Outstanding imprests | 11,706,114.00 | - |
| **Total** | **285,132,889.55** | **259,318,245.00** |

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 6 SUBSIDIES

| Description | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Subsidies to County Corporations | | |
| *See list attached* | - | - |
| (insert name) | - | - |
| | | |
| Subsidies to Private Enterprises | | |
| *See list attached* | - | - |
| (insert name) | - | - |
| | | |
| | | |
| **TOTAL** | - | - |

(Provide explanations as to what subsidies relate to)

## 7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

| Description | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Transfers to National Government entities | 971,977 | |
| See attached list | - | - |
| | | |
| Transfers to Counties | | |
| County Assembly Car Loan Fund Account | - | 15,000,000 |
| (insert name of budget agency) | - | - |
| | | |
| **TOTAL** | **971,977** | **15,000,000** |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 8 OTHER GRANTS AND TRANSFERS

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Scholarships and other educational benefits | - | |
| Emergency relief and refugee assistance | - | |
| Subsidies to small businesses, cooperatives, and self employed | - | |
| Other current transfers, grants | - | |
| Other capital grants and transfers | - | |
| | | |
| **Total** | | |

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

## 9 SOCIAL SECURITY BENEFITS

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Government pension and retirement benefits | | |
| Social security benefits in cash and in kind | | |
| Employer Social Benefits in cash and in kind | | |
| | | |
| **Total** | | |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 10 ACQUISITION OF ASSETS

| **Non Financial Assets** | **2016/17** | **2015/16** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Purchase of Buildings | | |
| Construction of Buildings | 67,707,536.45 | |
| Refurbishment of Buildings | | |
| Construction of Roads | | |
| Construction and Civil Works | | |
| Overhaul and Refurbishment of Construction and Civil Works | | |
| Purchase of Vehicles and Other Transport Equipment | | |
| Overhaul of Vehicles and Other Transport Equipment | | |
| Purchase of Household Furniture and Institutional Equipment | | |
| Purchase of Office Furniture and General Equipment | 4,028,935.65 | 6,248,183.00 |
| Purchase of ICT Equipment, Software and Other ICT Assets | 2,693,103.45 | 3,555,660 |
| Purchase of Specialised Plant, Equipment and Machinery | | |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | | |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | | |
| Research, Studies, Project Preparation, Design & Supervision | | |
| Rehabilitation of Civil Works | | |
| Acquisition of Strategic Stocks and commodities | | |
| Acquisition of Land | | |
| Acquisition of Intangible Assets | | |
| **Financial Assets** | | |
| Domestic Public Non-Financial Enterprises | | |
| Domestic Public Financial Institutions | | |
| Foreign financial Institutions operating Abroad | | |
| Other Foreign Enterprises | | |
| Foreign Payables - From Previous Years | | |
| | | |
| **Total** | **74,429,575.55** | **9,803,843.00** |

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11 FINANCE COSTS**

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Bank Charges | | |
| Exchange Rate Losses | | |
| Other Finance costs | | |
| Interest on borrowings | | |
| **Total** | | |

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

**12 OTHER PAYMENTS**

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Budget Reserves | | |
| Civil Contingency Reserves | | |
| Capital Transfers to Non-Financial Public Enterprises | | |
| Capital Transfer to Public Financial Institutions and Enterprises | | |
| Capital Transfer to Private Non-Financial Enterprises | | |
| Other expenses | | |
| Fuel Oil and Lubricants | 1,497,800.00 | 1,290,910.00 |
| Domestic Accounts | | |
| **Total** | **1,497,800.00** | **1,290,910.00** |

(Provide detailed explanations for other payments)

**13 A BANK ACCOUNTS**

| Name of Bank, Account No. & Currency | Indicated whether recurrent or development | 2016/17 | 2015/16 |
|---|---|---|---|
| | | Kshs | Kshs |
| *Central Bank of Kenya; Kajiado County Assembly Acoount No. 1000199016* | Recurrent | 7,756,877.50 | 971,977.00 |
| *Central Bank of Kenya; Kajiado County Assembly Acoount No. 1000199024* | Development Acc | 1,453,052.45 | - |
| *Central Bank of Kenya; Kajiado County Assembly Acoount No. 1000199016* | Deposit Acc | - | - |
| *Kenya Commercial Bank, Imprest Account No. 1153874380* | Commercial Bank A/C | 4,813.00 | - |
| **Total** | | **9,214,742.95** | **971,977.00** |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13 B CASH IN HAND**

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Cash in Hand – Held in domestic currency | | |
| Cash in Hand – Held in foreign currency | | |
| **Total** | | |

**13 C Cash in hand should be analysed as follows:**

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | -- |
| **Total** | - | - |

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

**14 ACCOUNTS RECEIVABLE**

| | 2016/17 | 2016/17 |
|---|---|---|
| | Kshs | Kshs |
| Government Imprests | 11,706,114 | 14,687,754 |
| Clearance Accounts | | |
| Staff Advances | | |
| Other Advances | | |
| **Total** | 11,706,114 | 14,687,754 |

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

**15 ACCOUNTS PAYABLE**

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Deposits and Retentions | | |
| **Total** | | |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 16 FUND BALANCE BROUGHT FORWARD

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Bank accounts | 9,214,742.95 | 971,977.00 |
| Cash in hand | | |
| Accounts Receivables | | |
| Accounts Payables | | |
| **Total** | **9,214,742.95** | **971,977.00** |

## 17 PRIOR YEAR ADJUSTMENT

| **Description of the adjustment** | 2016/17 | 2015/16 |
|---|---|---|
| Adjustments on bank account balances | Kshs | Kshs |
| Adjustments on cash in hand | | |
| Adjustments on payables | | |
| Adjustments on receivables | | |
| Others (*specify*) | | |
| **Total** | | |

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

## DISCLOSURE NOTES

### 18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Construction of buildings | 23,395,518.00 | |
| Construction of civil works | - | |
| Supply of goods | 1,008,760.00 | |
| Supply of services | 2,904,480.00 | |
| Car loan and mortgages deduction for two months | 2,645,429.55 | |
| **Total** | **29,954,187.55** | |

### 18.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2016/17 | 2015/16 |
|---|---|---|
| **Name of Staff** | Kshs | Kshs |
| MCAs committee sitting allowance for June 2016 | 3,636,100.00 | |
| Hon. Paul Supet – Mileage | 116,848.00 | |
| Hon. Peter Tirishe – Mileage | 476,280.00 | |
| Hon. David Nkirrimpai – Mileage | 50,115.00 | |
| Hon. John Matinda – Mileage | 43,164.00 | |
| Benjamin Rapaine | 14,000.00 | |
| Hon. John Wanyoike | 70,000.00 | |
| Hon. Doreen Beyo | 42,000.00 | |
| Virginia Nasei | 21,000.00 | |
| Kipambi Ntele | 205,773.00 | |
| Ponciano Odongo | 42,000.00 | |
| Nathan Lemayian | 42,000.00 | |
| Daniel Konyango | 50,400.00 | |
| Kipambi Ntele | 42,000.00 | |
| Fiona Lugonzo | 42,000.00 | |
| Joshua Sayianka Richard | 42,000.00 | |
| Leboo Saisa | 42,000.00 | |
| **Total** | **4,977,680.00** | |

### 18.3: OTHER PENDING PAYABLES (See Annex 3)

| | 2016/17 | 2015/16 |
|---|---|---|
| | Kshs | Kshs |
| Amounts due to National Government entities | | |
| Amounts due to County Government entities | 2,645,429.55 | |
| Amounts due to third parties | | |
| **Total** | **2,645,429.55** | |

## 19 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly.

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

**Related party transactions:**

| | 2016/2017 | 2015/2016 |
|---|---|---|
| | Kshs | Kshs |
| Compensation to the MCAs | 70,538,738 | - |
| Key Management compensation | - | - |
| Transfers from the County Treasury | *619,837,538.90* | - |
| Transfers to/ from other County Government entities | - | 15,000,000.00 |
| Transfers to/ from National Treasury | 971,977.00 | - |
| Payments made in favour of other related parties | - | - |
| Payments made by related parties on behalf of Assembly | - | - |

## VIII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue *(Name and designation)* | Status: *(Resolved / Not Resolved)* | Timeframe: *(Put a date when you expect the issue to be resolved)* |
|---|---|---|---|---|---|
| 2 | Payment of kanary enterprise LTD Kshs. 1,438,962 which was not in the list of prequalification during the year under review | The said company listed under special category | Philip Muteleu Procurement Officer | Resolved | |
| 3 | Inconsistence in the financial statement | The variance from the Trial balance and the financial statement have been rectified | Kilakoi Sialala D.F.C | Resolved | |
| 4 | Imprest surrender lack supporting documentation and Imprest not captured in the system | Supporting documentation are attached and the financial statement reflect true position of the outstanding imprest | William Tootio Senior Accountant | Resolved | |
| 5 | The figures indicated in the financial statement on expenditure incurred on foreign travel and | The two records were reconciled as per the trial balance and the financial statement | Kilakoi Sialala D.F.C | Resolved | |

**Reports and Financial Statements**
**For the year ended 30 June 2017**

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue *(Name and designation)* | Status: *(Resolved / Not Resolved)* | Timeframe: *(Put a date when you expect the issue to be resolved)* |
|---|---|---|---|---|---|
| | subsistence is different from the figures indicated | | | | |
| | in the trial balance | | | | |
| 6 | Inconsistence in accounting Record | Reconciliation has been done pertaining the inconsistences | Kilakoi Sialala D.F.C | Resolved | |
| | | | | | |
| | | | | | |

***Guidance Notes:***

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Josiah Leboo Saisa

Ag. Clerk of the County Assembly

Sign.....

Date 29/09/17

## IX. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2016 | Comments |
|---|---|---|---|---|---|---|
| | A | b | c | d=a-c | | |
| **Construction of buildings** | | | | | | |
| 1. Abbey Architects Ltd | 23,395,518.00 | | 23,395,518.00 | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| **Sub-Total** | **23,395,518.00** | | **23,395,518.00** | | | |
| **Construction of civil works** | | | | | | |
| 4. | | | | | | |
| **Sub-Total** | | | | | | |
| **Supply of goods** | | | | | | |
| 5. Cedar Crest | 911,260.00 | | 911,260.00 | | | |
| 6. Gray's Oak Hotel | 97,500.00 | | 97,500.00 | | | |
| 7. Alma Hotel | 110,400.00 | | 110,400.00 | | | |
| **Sub-Total** | **1,119,160.00** | | **1,119,160.00** | | | |
| **Supply of services** | | | | | | |
| 8. KCB Leadership Centre | 1,758,320.00 | | 1,758,320.00 | | | |
| 9. Portland Sport's Club | 564,800.00 | | 564,800.00 | | | |
| 10. The Star | 470,960.00 | | 470,960.00 | | | |
| **Sub-Total** | **2,794,080.00** | | **2,794,080.00** | | | |
| **Grand Total** | **27,308,758.00** | | **27,308,758.00** | | | |

## X. 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 2017 | Comments |
|---|---|---|---|---|---|---|---|
| | | a | b | c | d=a-c | | |
| 1. MCAs committee sitting allowance for June 2016 | | 3,636,100.00 | | | | 3,636,100.00 | |
| 2. Hon. Paul Supet – Mileage | | 116,848.00 | | | | 116,848.00 | |
| 3. Hon. Peter Tirishe – Mileage | | 476,280.00 | | | | 476,280.00 | |
| 4. Hon. David Nkirrimpai – Mileage | | 50,115.00 | | | | 50,115.00 | |
| 5. Hon. John Matinda – Mileage | | 43,164.00 | | | | 43,164.00 | |
| 6. Benjamin Rapaine | | 14,000.00 | | | | 14,000.00 | |
| 7. Hon. John Wanyoike | | 70,000.00 | | | | 70,000.00 | |
| 8. Hon. Doreen Beyo | | 42,000.00 | | | | 42,000.00 | |
| 9. Virginia Nasei | | 21,000.00 | | | | 21,000.00 | |
| 10. Kipambi Ntele | | 205,773.00 | | | | 205,773.00 | |
| 11. Ponciano Odongo | | 42,000.00 | | | | 42,000.00 | |
| 12. Nathan Lemayian | | 42,000.00 | | | | 42,000.00 | |
| 13. Daniel Konyango | | 50,400.00 | | | | 50,400.00 | |
| 14. Kipambi Ntele | | 42,000.00 | | | | 42,000.00 | |
| 15. Fiona Lugonzo | | 42,000.00 | | | | 42,000.00 | |
| 16. Joshua Sayianka Richard | | 42,000.00 | | | | 42,000.00 | |
| 17. Leboo Saisa | | 42,000.00 | | | | 42,000.00 | |
| **Sub-Total** | | **4,977,680.00** | | | | **4,977,680.00** | |
| **Grand Total** | | **4,977,680.00** | | | | **4,977,680.00** | |

## XI. ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2016 | 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. Car Loan and Mortgage deduction (May 2017) | | 2,645,430 | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| **Sub-Total** | | **2,645,430** | | | | | |
| **Amounts due to Third Parties** | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| **Sub-Total** | | | | | | | |
| **Others (*specify*)** | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| **Sub-Total** | | **2,645,430** | | | | | |
| **Grand Total** | | | | | | | |

## XII. ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2015/2016 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 2016/2017 |
|---|---|---|---|---|
| Land | | | | |
| Buildings and structures | | 67,707,536.45 | | 67,707,536.45 |
| Transport equipment | | | | 0 |
| Office equipment, furniture and fittings | 6,248,183.00 | 4,028,935.65 | | 10,277,118.65 |
| ICT Equipment, Software and Other ICT Assets | 3,555,660.00 | 2,693,103.45 | | 6,248,763.45 |
| Other Machinery and Equipment | | | | 0 |
| Heritage and cultural assets | | | | 0 |
| Intangible assets | | | | 0 |
| **Total** | **9,803,843.00** | **74,429,575.55** | | **84,233,418.55** |

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

## XIII. ANNEX 5 – ANALYSIS OF OUTSTANDING IMPREST

***Government Imprest Holders***

| *Name of Officer or Institution* | *Date Imprest Taken* | *Amount Taken* | *Amount Surrendered* | *Balance* |
|---|---|---|---|---|
| *Hon. Johnson Osoi* | | *Kshs* | *Kshs* | *Kshs* |
| *Hon. Lengete Ole Kamete* | 16th June 2017 | 509,184 | | 509,184 |
| *Hon. George Sunkuyia* | 16th June 2017 | 402,696 | | 402,696 |
| *Hon. Justus Ngossor* | 16th June 2017 | 402,696 | | 402,696 |
| *Jane Manyibe* | 16th June 2017 | 402,696 | | 402,696 |
| *Daniel Konyango* | 16th June 2017 | 509,184 | | 509,184 |
| *Daniel Konyango* | 12th June 2017 | 869,856 | | 869,856 |
| *Kilakoi Sialala* | 12th June 2017 | 733,278 | | 733,278 |
| *Samson Sirere* | 12th June 2017 | 733,278 | | 733,278 |
| *William Koitumet* | 12th June 2017 | 733,278 | | 733,278 |
| *Norah Mutua* | 12th June 2017 | 733,278 | | 733,278 |
| *Lucia Mutua* | 15th Feb 2017 | 291,900 | | 291,900 |
| *Richard Sayianka Joshua* | 9th Dec 2017 | 950,400 | | 950,400 |
| *Richard Sayianka Joshua* | 21st Jan 2017 | 934,500 | | 934,500 |
| *Grace Kanchori* | 30th Jan 2017 | 165,900 | | 165,900 |
| *Grace Kanchori* | 15th June 2017 | 1,375,458 | | 1,375,458 |
| *Florence Simaloi* | 15th June 2017 | 100,000 | | 100,000 |
| *Simon Kishoyian* | 9th Dec 2016 | 154,836 | | 154,836 |
| *Philip Martine Muteleu* | 5th Oct 2016 | 413,500 | | 413,500 |
| *Philip Martine Muteleu* | 9th Dec 2016 | 413,500 | | 413,500 |
| *Philip Martine Muteleu* | 9th Feb 2017 | 100,00 | | 100,00 |
| ***Total*** | | **11,706,114** | | **11,706,114** |

## XIV. ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

*(Attach FO 30 Reports from IFMIS)*

# Trial Balance

Entity: 4675-Kajiado - County Assembly

Current Period: JUL-16 To JUN-17 Compare With: JUL-15 To JUN-16

| Account No and Description | Current Period Debit Kshs | Current Period Credit Kshs | Current Period Debit Kshs | Current Period Credit Kshs |
|---|---|---|---|---|
| 1110107 Intercompany Receivables | 0.00 | 0.00 | 0.00 | 0.00 |
| 1110100 Receipt of Income Tax from Individuals | 0.00 | 0.00 | 0.00 | 0.00 |
| 1110000 Taxes on Income, Profits and Capital Gains | 0.00 | 0.00 | 0.00 | 0.00 |
| 1450101 Sundry Revenue | 0.00 | 0.00 | 0.00 | 0.00 |
| 1450100 Paid to Exchequer | 0.00 | 0.00 | 0.00 | 0.00 |
| 1450000 Other Receipts Not Elsewhere Classified | 0.00 | 0.00 | 0.00 | 0.00 |
| 2110199 Basic Salaries - Permanent - Others | 130,177,476.85 | 0.00 | 116,950,878.00 | 0.00 |
| 2110100 Basic Salaries - Permanent Employees | 130,177,476.85 | 0.00 | 116,950,878.00 | 0.00 |
| 2110299 Basic Wages - Temporary -Other | 20,100,000.00 | 0.00 | 0.00 | 0.00 |
| 2110200 Basic Wages - Temporary Employees | 20,100,000.00 | 0.00 | 0.00 | 0.00 |
| 2110301 House Allowance | 42,061,993.10 | 0.00 | 40,369,384.30 | 0.00 |
| 2110305 Prosecutorial and State Counsel Allowance | 0.00 | 0.00 | 16,165,212.70 | 0.00 |
| 2110306 Foreign Service Allowance (Overseas Addition) | | 0.00 | | 0.00 |
| 2110312 Responsibility Allowance | 17,070,678.70 | 0.00 | 9,494,224.00 | 0.00 |
| 2110314 Transport Allowance | 0.00 | 0.00 | 0.00 | 0.00 |
| 2110320 Leave Allowance | 5,352,000.00 | 0.00 | 5,352,000.00 | 0.00 |
| 2110322 Risk Allowance | 0.00 | 0.00 | 14,108,993.00 | 0.00 |
| 2110300 Personal Allowances paid as part of Salary | 64,484,671.80 | 0.00 | 85,489,814.00 | 0.00 |
| 2110000 Wages and Salary Contributions | 214,762,148.65 | 0.00 | 202,440,692.00 | 0.00 |
| 2120103 Employer Contribution to Staff Pensions Scheme | 33,735,205.10 | 0.00 | 0.00 | 0.00 |
| 2120100 Employer Contributions to Compulsory National Social Security Schemes | 93,200.00 | 0.00 | 0.00 | 0.00 |
| 2120000 Social Contributions | 33,828,405.10 | 0.00 | 0.00 | 0.00 |
| 2210101 Electricity | 300,088.00 | 0.00 | 300,000.00 | 0.00 |
| 2210102 Water and Sewarage Charges | 464,448.30 | 0.00 | 500,000.00 | 0.00 |
| 2210106 Utilities, Supplies- Other ( | 6,622,758.00 | 0.00 | 3,384,432.00 | 0.00 |
| 2210100 Utilities, Supplies and Services | 7,387,294.30 | 0.00 | 4,184,432.00 | 0.00 |
| 2210201 Telephone, Telex, Facsimile and Mobile Phone Services | 335,000.00 | 0.00 | 2,056,000.00 | 0.00 |
| 2210202 Internet Connections | 2,320,000.00 | 0.00 | 2,645,000.00 | 0.00 |
| 2210203 Courier & Postal Services | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210204 Leased Communication Lines | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210205 Satellite Access Services | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210299 Communication, Supplies - Othe | 0.00 | 0.00 | 227,000.00 | 0.00 |
| 2210200 Communication, Supplies and Services | 2,655,000.00 | 0.00 | 4,928,000.00 | 0.00 |
| 2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.) | 18,146,808.25 | 0.00 | 33,221,302.00 | 0.00 |
| 2210302 Accommodation - Domestic Travel | 107,205,024.00 | 0.00 | 18,999,986.55 | 0.00 |
| 2210303 Daily Subsistance Allowance | 27,239,157.40 | 0.00 | 79,214,223.00 | 0.00 |
| 2210300 Domestic Travel and Subsistence, and Other Transportation Costs | 152,590,989.65 | 0.00 | 131,435,511.55 | 0.00 |
| 2210401 Travel Costs (airlines, bus, railway, etc.) | 1,186,087.00 | 0.00 | 4,777,942.00 | 0.00 |
| 2210402 Accommodation | 0.00 | 0.00 | 5,071,019.00 | 0.00 |
| 2210403 Daily Subsistence Allowance | 25,226,420.40 | 0.00 | 6,174,532.00 | 0.00 |
| 2210404 Sundry Items (e.g. airport tax, taxis, etc?) | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210400 Foreign Travel and Subsistence, and other transportation costs | 26,412,507.40 | 0.00 | 16,023,493.00 | 0.00 |
| 2210502 Publishing & Printing Services | 0.00 | 0.00 | 2,259,760.00 | 0.00 |
| **Account No and Description** | **Current Period Debit** | **Current Period Credit** | **Current Period Debit** | **Current Period Credit** |
| 2210503 Subscriptions to Newspapers, Magazines and Periodicals | 111,300.00 | 0.00 | 456,899.00 | 0.00 |
| 2210504 Advertising, Awareness and Publicity Campaigns | 5,069,386.40 | 0.00 | 14,415,052.00 | 0.00 |
| 2210505 Trade Shows and Exhibitions | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210500 Printing , Advertising and Information Supplies and Services | 5,180,686.40 | 0.00 | 17,131,711.00 | 0.00 |
| 2210602 Payment of Rents and Rates - Residential | 1,260,000.00 | 0.00 | 1,260,000.00 | 0.00 |
| 2210600 Rentals of Produced Assets | 1,260,000.00 | 0.00 | 1,260,000.00 | 0.00 |
| 2210701 Travel Allowance | 0.00 | 0.00 | 0.00 | 0.00 |

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| 2210702 Remuneration of Instructors and Contract Based Training Services | 10,475,615.35 | 0.00 | 3,710,100.00 | 0.00 |
| 2210703 Production and Printing of Training Materials | 0.00 | 0.00 | 500,000.00 | 0.00 |
| 2210704 Hire of Training Facilities and Equipment | 0.00 | 0.00 | 1,803,000.00 | 0.00 |
| 2210705 Field Training Attachments | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210708 Trainer Allowance | 0.00 | 0.00 | 2,352,000.00 | 0.00 |
| 2210712 Trainee Allowance | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210714 Gender Mainstreaming | 0.00 | 0.00 | 1,000,000.00 | 0.00 |
| 2210715 Kenya School of Government | 0.00 | 0.00 | 300,000.00 | 0.00 |
| 2210799 Training Expenses - Other (Bud | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210700 Training Expenses | 10,475,615.35 | 0.00 | 9,665,100.00 | 0.00 |
| 2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks | 0.00 | 0.00 | 6,877,500.00 | 0.00 |
| 2210802 Boards, Committees, Conferences and Seminars | 9,249,009.70 | 0.00 | 2,253,424.65 | 0.00 |
| 2210805 National Celebrations | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210808 Purchase of Coffins | 0.00 | 0.00 | 100,000.00 | 0.00 |
| 2210800 Hospitality Supplies and Servi | 9,249,009.70 | 0.00 | 9,230,924.65 | 0.00 |
| 2210901 Group Personal Insurance | 0.00 | 0.00 | 2,499,999.25 | 0.00 |
| 2210902 Building Insurance | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210903 Plant, Equipment and Machinery Insurance | 0.00 | 0.00 | 0.00 | 0.00 |
| 2210904 Motor Vehicle Insurance | 1,907,129.15 | 0.00 | 0.00 | 0.00 |
| 2210910 Medical Insurance | 19,842,298.00 | 0.00 | 19,290,323.85 | 0.00 |
| 2210900 Insurance Costs | 21,749,427.15 | 0.00 | 21,790,323.10 | 0.00 |
| 2211009 Education and Library Supplies | - | 0.00 | 750,000.00 | 0.00 |
| 2211011 Purchase/Production of Photographic and Audio-Visual Materials | 0.00 | 0.00 | 0.00 | 0.00 |
| 2211016 Purchase of Uniforms and Clothing - Staff | 513,965.60 | 0.00 | 1,900,000.00 | 0.00 |
| 2211000 Specialised Materials and Supp | 513,965.60 | 0.00 | 2,650,000.00 | 0.00 |
| 2211101 General Office Supplies (papers, pencils, forms, small office equipment etc) | 3,809,500.00 | 0.00 | 2,439,000.00 | 0.00 |
| 2211102 Supplies and Accessories for Computers and Printers | 1,083,879.30 | 0.00 | 4,291,606.00 | 0.00 |
| 2211100 Office and General Supplies and Services | 4,893,379.30 | 0.00 | 6,730,606.00 | 0.00 |
| 2211201 Maintenance Expenses - Motor Vehicles | 5,340,110.94 | 0.00 | 2,324,360.05 | 0.00 |
| 2211200 Maintenance Expenses | 5,340,110.94 | 0.00 | 2,324,360.05 | 0.00 |
| 2211305 Contracted Guards and Cleaning Services | - | 0.00 | 1,776,642.15 | 0.00 |
| 2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies | 2,733,600.00 | 0.00 | 350,600.00 | 0.00 |
| 2211308 Legal Dues/fees, Arbitralion and Compensation Payments | 3,525,000.00 | 0.00 | 923,508.00 | 0.00 |
| 2211313 Security Operations | 0.00 | 0.00 | 0.00 | 0.00 |
| 2211329 HIV AIDS Secretariat workplace Policy Development | 0.00 | 0.00 | 0.00 | 0.00 |
| 2211399 Other Operating Expenses - Oth | 31,166,303.86 | 0.00 | 30,156,457.35 | 0.00 |
| 2211300 Other Operating Expenses | 37,424,903.86 | 0.00 | 33,207,207.50 | 0.00 |
| 2210000 Goods and Services | 285,132,889.65 | 0.00 | 260,561,668.85 | 0.00 |
| 2220101 Refined fuel oil and lubricants for transport | 1,497,800.00 | 0.00 | 0.00 | 0.00 |
| 2220105 Routine Maintenance - Vehicles | 0.00 | 0.00 | 0.00 | 0.00 |
| 2220100 Routine Maintenance - Vehicles | 0.00 | 0.00 | 0.00 | 0.00 |
| 2220000 Routine Maintenance | 1,497,800.00 | 0.00 | 0.00 | 0.00 |
| 2640502 Capital Transfer to treasury | 971,977.00 | 0.00 | 0.00 | 0.00 |
| 2640599 Other Capital Grants and Trans | 0.00 | 0.00 | 15,000,000.00 | 0.00 |
| 2640500 Other Capital Grants and Trans | 971,977.00 | 0.00 | 15,000,000.00 | 0.00 |

| Account No and Description | Current Period Debit | Current Period Credit | Current Period Debit | Current Period Credit |
|---|---|---|---|---|
| 2640000 Other Transfers and Emergency Relief | 0.00 | 0.00 | 15,000,000.00 | 0.00 |
| 2990101 Outside Processing | 0.00 | 0.00 | 0.00 | 0.00 |
| 2990105 Expenses | | 0.00 | | 0.00 |
| 2990100 System Required Expenses | | 0.00 | | 0.00 |
| 2990000 System Required Expense A/cs | | 0.00 | | 0.00 |
| 3110202 Non-Residential Buildings (offices, schools, hospitals, etc..) | 67,707,536.45 | 0.00 | | 0.00 |
| 3110299 Construction of Buildings - Ot | - | 0.00 | | 0.00 |
| 3110200 Construction of Building | 67,707,536.45 | 0.00 | | 0.00 |
| 3110399 Refurbishment of Buildgs - Oth | | 0.00 | | 0.00 |
| 3110300 Refurbishment of Buildings | | 0.00 | | 0.00 |
| 3110701 Purchase of Motor Vehicles | | 0.00 | | 0.00 |
| 3110700 Purchase of Vehicles and Other Transport Equipment | | 0.00 | | 0.00 |
| 3111001 Purchase of Office Furniture and Fittings | 0.00 | 0.00 | 6,248,183.00 | 0.00 |
| 3111002 Purchase of Computers, Printers and other IT Equipment | 4,028,935.65 | 0.00 | | 0.00 |

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| 3111003 Purchase of Airconditioners, Fans and Heating Appliances | | 0.00 | | 0.00 | |
| 3111005 Purchase of Photocopiers | | 0.00 | | 0.00 | |
| 3111008 Purchase of Printing Equipment | | 0.00 | | 0.00 | |
| 3111099 Purch. of Office Furn. & Gen. - Other (Budget) | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3111000 Purchase of Office Furniture and General Equipment | 4,028,935.65 | 0.00 | 6,248,183.00 | 0.00 | |
| 3111111 Purchase of ICT Networking and Communication Equipment | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3111112 Purchase of Software | 2,693,103.45 | 0.00 | 3,555,660.00 | 0.00 | |
| 3111100 Purchase of Specialised Plant, Equipment and Machinery | 2,693,103.45 | 0.00 | 3,555,660.00 | 0.00 | |
| 3111402 Engineering and Design Plans | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3111400 Research, Feasibility Studies, Project Preparation and Design, Project Supervision | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3110000 Acquisition of Fixed Capital Assets | 74,429,575.55 | 0.00 | 9,803,843.00 | 0.00 | |
| 6530101 Ministry HQ Recurrent Bank A/C | 0.00 | | 0.00 | | |
| 6530100 Recurrent Bank Accounts | 0.00 | 550,676,950.00 | 0.00 | 488,825,667.20 | |
| 6530000 Recurrent Bank Accounts | 0.00 | 550,676,950.00 | 0.00 | 488,825,667.20 | |
| 6540101 Ministry HQ Development Bank A | 0.00 | 69,160,588.90 | 0.00 | | |
| 6540100 Development Bank Accounts | 0.00 | | 0.00 | | |
| 6540000 Development Bank Accounts | 0.00 | 69,160,588.90 | 0.00 | | |
| 6580101 Cash | 9,214,742.95 | 0.00 | 971,977.00 | 0.00 | |
| 6580100 Cash in Hand | 9,214,742.95 | 0.00 | 971,977.00 | 0.00 | |
| 6580000 Cash in Hand | 9,214,742.95 | 0.00 | 971,977.00 | 0.00 | |
| 6740101 Prepayment | 0.00 | 0.00 | | 0.00 | |
| 6740102 R/D Cheques | | 0.00 | | 0.00 | |
| 6740100 Other Debtors & Pre-payments | 0.00 | 0.00 | | 0.00 | |
| 6740000 Other Debtors & Pre-payments | 0.00 | 0.00 | | 0.00 | |
| 7320101 PAYE | | 0.00 | | 0.00 | |
| 7320102 NHIF | | 0.00 | | 0.00 | |
| 7320106 NSSF | | 0.00 | | 0.00 | |
| 7320107 Co-operatives | | 0.00 | | 0.00 | |
| 7320108 Insurances | | 0.00 | | 0.00 | |
| 7320113 HELB Deductions | | 0.00 | | 0.00 | |
| 7320116 Mortgages / Bank Loans | | 0.00 | | 0.00 | |
| 7320118 Provident Fund | | 0.00 | | 0.00 | |
| 7320199 Salary Control Account | | 0.00 | | 0.00 | |
| 7320100 Salary Deductions | | 0.00 | | 0.00 | |
| 7320201 Contractors Retention Money | | 0.00 | | 0.00 | |
| 7320200 Other General Liabilities | | | | 0.00 | |
| 7320000 Other Liabilities | | | | | |
| 7380102 VAT Withholding | 0.00 | | 0.00 | | |
| 7380100 | | | | | |
| 7380000 Withholding Taxes | | | | | |
| Finance cost | | | | | |
| 7390103 AP Liabilities | | | 47,486.35 | | |
| 7390107 Intercompany Payables | | | | | |
| 7390100 System Required Liabilities | - | | - | | |
| 7399999 Cash Clearing A/c | | | | | |
| 7399900 | | | | | |
| 7390000 System Required Liabilities A/cs | | | | | |
| 9910101 Provision for Encumbrance | | | | | |
| | | | | | |
| **Account No and Description** | | | | | |
| 9910100 General Provisions | | | | | |
| 9910000 Provisions | | | | | |
| 9999999 Consolidated Fund | | | | | |
| 9999900 | | | | | |
| 9990000 Opening Balance Reserves | | | | | |
| **Total** | **619,837,538.90** | **619,837,538.90** | **488,825,667.20** | **488,825,667.20** | |

The Statement has been prepared, reviewed and approved by the following:

Prepared By: Date:

Reviewed By: Date: 24/9/17

Approved By: Date: 24/9/17