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**COUNTY EXECUTIVE OF NANDI**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2018**

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

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## KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Nandi County Government is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Local authority and the ones that have been transferred from the National Government. The County is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CECM – Finance and Economic Planning is financial reporting at the County level.

### Vision

“To be the leading County in Kenya where people are empowered economically, socially and politically through equitable sharing of resources to achieve the highest standards of living.”

### Mission

“To improve the living standards of all residents of Nandi County by offering quality and sustainable services in an equitable and transparent manner through modern technology, innovation, EMPOWERED workforce, environmental sustainability and entrepreneurship in all spheres of life.”

### Core Values

Nandi County upholds the following virtues: Accountability, Transparency, Excellence, Accessibility, Integrity, Responsiveness, Equity And Teamwork.

### (b) Key management

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

	<b>Name</b>	<b>Designation</b>	<b>Date of holding office</b>
1.	H.E. Stephen Kipyego Sang	Governor	21 <sup>st</sup> Aug 2017
2.	H.E. Dr. Yulita Cheruiyot	Deputy Governor	21 <sup>st</sup> Aug 2017
3.	CPA Alfred Lagat	CECM, Finance and Economic Planning	24th Oct 2017
4.	Mrs. Ruth Koech	CECM, Health & Sanitation	24th Oct 2017
5.	Mrs. Teresa Morogo	CECM, Administration, Public Service &	24th Oct 2017

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		E-Government	
6.	Eng. Hillary Koech	CECM, Transport & Infrastructure	24th Oct 2017

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	<b>Name</b>	<b>Designation</b>	<b>Date of holding office</b>
7.	Mr.Elly Kurgat	CECM, Sports, Youth Affairs and Arts	24th Oct 2017
8.	Mr.Jacob Tanui	CECM, Land Enviroment & Natural Resources	24th Oct 2017
9.	Mr. Wilson Taiy	CECM, Agriculture and Cooperative Development	24th Oct 2017
10.	Mr. Stanley Baliach	CECM, Education, Research and Vocational Training	24th Oct 2017
11.	Dr. Benard K. Lagat	CECM, Trade,Investment and Industrialization	24th Oct 2017
12.	Mrs. Valentine Chumo	CECM, Tourism,Culture and Social Welfare	24th Oct 2017

**(c) Fiduciary management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Alfred Lagat CPA (K),BCOM	CECM, Finance and Economic Planning
2.	Mr. Meshack Malakwen BSc Agri,(MBA)	Chief Officer, Finance and Economic Planning
3.	Ms Hellen J.Kemboi, CPA (K),(MBA)	Director Finance
4.	Ms Prisca Jephchirchir, CPA (K),BBM	Head of Budget

**(d) Fiduciary oversight arrangements**

The key fiduciary oversight bodies at the County for the year ended 30<sup>th</sup> June 2018 were:

1. County Assembly of Nandi County
2. Public Accounts and Investment Committee
3. Budget and Appropriations Committee.

**(e) Entity headquarters**

Nandi County Government  
P.O. Box 802 – 30300  
Kapsabet,Kenya



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**(f) Entity contacts**

Telephone: (254) 053 525 2355

E-mail: [infor@nandi.go.ke](mailto:infor@nandi.go.ke) Website:

[www.nandi.go.ke](http://www.nandi.go.ke)

**(g) Entity bankers**

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Cooperative Bank

P.O. Box 19828 - 00100

Nairobi, Kenya.

**(h) Independent Auditors**

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084 – GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

## KEY MANAGEMENT

The County Executive team during the financial year consisted of:



### **H.E. Stephen Kipyego Sang - Governor**

H.E. Stephen Kipyego Sang was elected as the second Governor of Nandi County on 21<sup>st</sup> Aug 2017. The Governor was elected on an agenda of transforming Nandi County, improving the County's roads, boosting agriculture output, improving the health sector and uplifting the people of Nandi County from poverty. It is on these key pillars that the government of H.E. Stephen Kipyego Sang has been working on since coming into power.

Governor Sang holds a Bachelor of Law Degree from the University of Nairobi. Before his election as the governor, he served as the Senator for Nandi County where he had served for one term.

### **H.E. Dr. Yulita Cheruiyot – Deputy Governor**

H.E. Dr. Yulita Cheruiyot was elected as the second Deputy Governor of Nandi County. Before her election as the Deputy Governor, she served as a Senior lecturer at the University of Eldoret. She has also held various top management positions in different institutions among them chairperson of the Disability Mainstreaming Committee at the University of Eldoret

The Deputy Governor has a passion for PWLDs and the less fortunate whom she has been championing for their empowerment.





**CPA Alfred Lagat - CECM, Finance and Economic Planning**

CPA Alfred Lagat was appointed as the CECM, Finance and Economic Planning on 24th Oct 2017. He has since been in the same role and has been driving the financial management agenda in the County.

Before his appointment, he worked as a Senior Associate in Deloitte and Touche. He also worked as an Assistant Finance Manager at Diamond Trust Bank. He was previously the lead consultant for Tullow Consulting Ltd. CPA Alfred holds a Bachelor Of Commerce (Accounting). He is also a Certified Public Accountant of Kenya (CPAK).

**Mrs. Ruth C. Koech - CECM, Health Services and sanitation**

Mrs. Ruth C. Koech was appointed the CECM, Health services on 24th Oct 2017. Mrs. Ruth is a well renowned healthcare provider with global acclamations for her work. She has been involved in Health Administration for Iowa State Public Health Department in the USA.

Mrs. Ruth has a degree in Nursing, Biology and Masters in Public Health Management, with a public background in the Health sector for over two decades.



**Dr. Benard Kiplimo Lagat - CECM, Trade, Investment & Industry**

Dr. Benard Kiplimo Lagat is a Development Economist with over ten years experience in consultancy research and training in both Public and Private sectors.

He was initially a senior Lecturer and the postgraduate Chairman in the Department of Economic, School of Business and Economics at Moi University teaching both postgraduate and undergraduate students.



Dr. Lagat is now in-charge of Trade, Tourism and Industry and his main goal is to market Nandi County as the destination of choice for tourists coming into Kenya.

**Eng. Hillary Koech - CECM, Transport and Infrastructure**

Eng. Hillary Koech was appointed as the CECM, Transport and Infrastructure on 24th Oct 2017. He is a Civil Engineer who has previously worked with a group of engineers namely CAS Consulting Engineers as a consultant in design, supervision of infrastructural projects in West Pokot County. Eng. Hillary also participated in the rehabilitation of Machakos turn-off Sultan Hamud section of Nairobi-Mombasa road, improvement of Kapsabet-Eldoret road

Besides this, he worked as project engineer in design and construction of various roads.



	<p><b>Mr. Jacob Tanui - CECM, Land Environment and Natural Resources</b></p> <p>Jacob heads the Department of Land Environment and Natural Resources. He was appointed into this position on 24th Oct 2017. Mr Jacob graduated from JKUAT with a Bachelor of Science Degree in Applied Mathematics, Computer and Physics.</p> <p>Jacob has over ten years experience in the Banking sector, having worked in the Cooperative Bank, branch manager K-Rep Bank and Business Growth Development Manager Equity Bank.</p>
<p><b>Mr. Wilson Kibor Taiy - CECM, Agriculture and Cooperative Development</b></p> <p>Mr. Wilson Kibor Taiy is a holder of a masters Degree in Agricultural extension and Bachelor's Degree in Animal Production and has worked in the Agricultural sector for 32 years.</p> <p>Mr. Wilson Kibor has gained experience and expertise in agricultural extension, programme, design, implementation, monitoring and evaluation</p>	



**Mr. Stantley Baliach - CECM, Education, Research and Vocational Training.**

Mr. Stantley Baliach is a trained teacher and worked with TSC for sixteen years, in his teaching profession he headed the Kenya Primary Schools Head Teachers Association (KEPSHA). He has also worked in Kisii University, Africa Nazarene and Laikipia Universities as part time lecturer. Mr. Baliach holds a Master of Arts ( Education) and is currently undertaking his PhD course.

**Mrs. Teresa Morogo - CECM, Administration, Public Service & E-Government**

Mrs. Teresa Morogo is

A human resource practitioner who is licensed to practice HR by the Institute Of Human Resource Management.

She has worked with several public in institution for close to twenty years. She has a BSc. Degree from University of Eastern Africa, Baraton.

She has a post-Graduate Diploma in Business Management(KIM).she is ma master's holder with specialization in Human Resource Management From Egerton University

She formerly worked at university of Eldoret and was the head of HR and Administration at KALRO-Sugar resource Institute.



**Mr. Elly Kurgat - CECM, Sports, Youth Affairs & Arts.**

Mr. Elly Kurgat (28 yrs)-Sports, Youth Affairs & Arts.

Elly is an Agribusiness Management graduate who has demonstrated experience developing intervention strategies that addresses youth radicalization in high risk environments.

He has practical experience designing, sourcing funds and implementing ideas geared towards addressing youth unemployment.

He is credited with the generation and development of the Youth Agribusiness Incubation centers that trains, mentors and support Youth Led Initiatives in the Agribusiness Sector.

Elly has been extensively involved in community youth mentorship programmes and initiatives and has widely consulted with international donor agencies on multi-cultural projects and supported their implementations, simultaneously.

Recently, he consulted as a Youth Sector Specialist in the development of the Kenya Investment Mechanism; a funded programme that aims at boosting investments and business development by the youth by \$1M in five years.

He has also worked with Agricultural Development Corporation.

**Mrs. Valentine Chumo - CECM, Tourism, culture & social welfare**

Mrs. Valentine Chumo is a holder of Bachelor of Arts Degree in design from the university of Nairobi.

She has worked as a project manager for projects intelligence group, whose tasks include overseeing and managing the provision of services on the online e-commerce platform.

Chumo is also entrepreneur and mentor and is currently the director of Alpha capital foundation, which target to empower youth women and disadvantage groups through financial empowerment.



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## **1. COMMENTARY BY THE CECM, FINANCE AND ECONOMIC PLANNING**

It is my pleasure to present the Financial Statement for the County Government of Nandi for the year ended 30<sup>th</sup> June 2018. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

### **Financing of the County Governments**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Nandi County includes Health and Sanitation Revenues, Vehicle Parking Fees, Business Permits, Kiborgok tea proceeds liquor licensing, House and stall Rents, Cesses, , Plot Rents, Agriculture, Market/Trade Centre fees, Slaughter Houses Administration, Sewerage and water, Cattle dips/veterinary and Miscellaneous

The County continues to explore new and innovative ways of increasing its own source revenue collections. Some of the steps that the County has taken towards improving its revenue collection include:

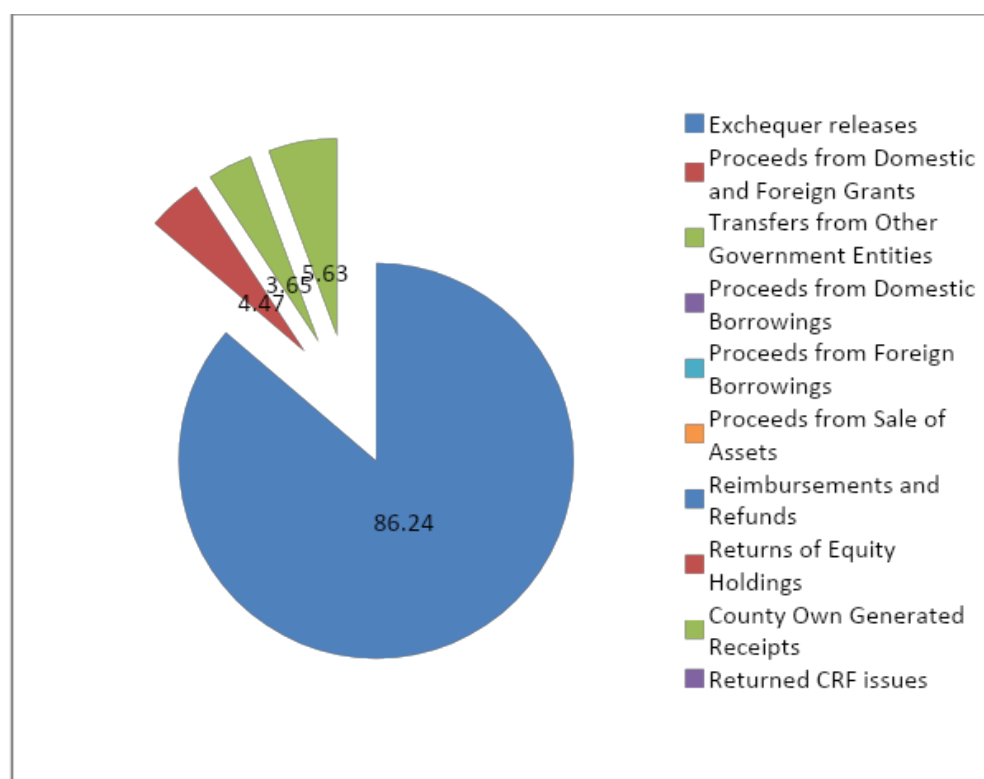
- 1) Automation of revenue collection system

### **Financial Performance**

#### **a) Revenue**

In the year ended 30<sup>th</sup> June 2018, the County had projected revenues of Kshs 6,840,643,830 consisting of Kshs 385,438,659 from own sources and Kshs 6,455,205,171 from other sources.

A graphical representation of the revenue budget is as shown below:



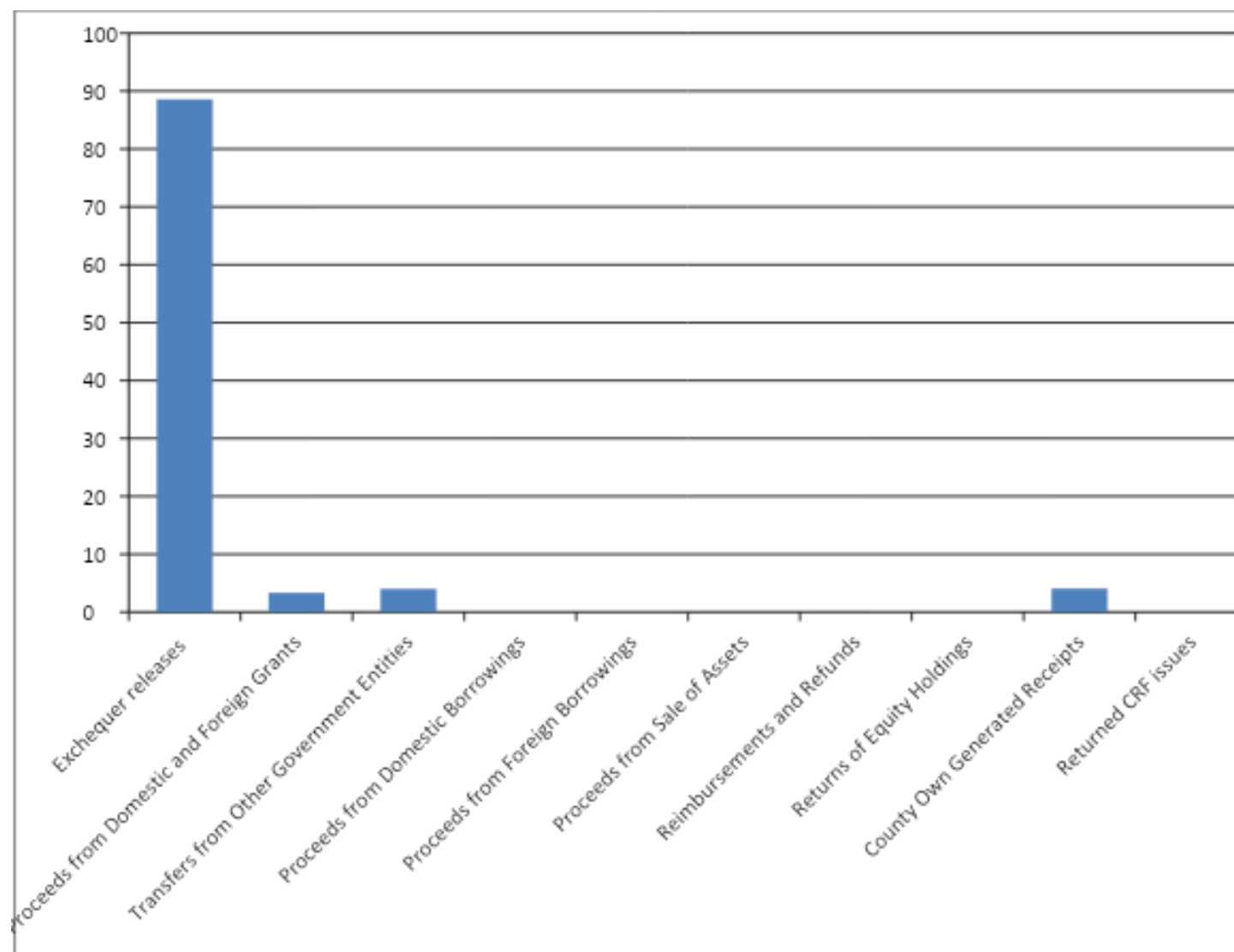
**Figure 1: Nandi County revenue sources in FY 2017/2018**

CARA revenues continue to form the largest part of our revenue budget, contributing 86% towards our budget. Our own generated revenues formed 6% of our budget. In order to plug in the deficit, we projected revenue from borrowings and transfer from other government entities of 4% and 4% respectively of our budget.

Out of the projected revenue, the County was able to realize Ksh 4,842,860,889 in actual revenues, representing 71% performance. This performance was as a result of delay in exchequer releases which spilled over to FY 2018/2019. In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realisation (%)
CARA	5,898,795,051	4,287,192,000	74%
Proceeds from Domestic and Foreign Grants	305,860,928	161,936,642	53%
Transfers from Other Government Entities	249,969,192	195,845,363	78%
Own generated revenues	385,438,659	197,886,883	51%
<b>Total</b>	<b>6,840,063,830</b>	<b>4,842,860,889</b>	<b>71%</b>

**Table 1: Revenue performance in FY 2017/2018**



**b) Payments**

Our total expenditure for the year amounted to Ksh 5,079,371,942 comprising of both recurrent and development.

Some of the development projects in FY 2017/2018 included the following:



**Figure 2: County Government Flagship projects completed in FY 2017/2018**

The County Government has upgraded several roads over the past one year. Additionally, the County has hired more ECD teachers to bridge the existing gaps, during the year the County Purchased Specialized Plant, Equipment and Machinery, this will go a long way in Creating jobs for the youth and opening opportunities for the farmers to sell their produce.

The biggest percentage of recurrent expenditure goes to compensation of employees. This was as a result of salary increments awarded to Doctors and Nurses over the past year. However, we appreciate that a well remunerated workforce is necessary for service delivery. As such, we are committed to improving the welfare of our staff.

**c) Cashflows**

In the FY 2017/2018, we did not experience cash flow disruptions. This was as a result of proper planning by the County and timely disbursements by the National Treasury. The cash and cash equivalents decreased from Kshs 785,131,929 as at 30<sup>th</sup> June 2017 to Kshs 548,620,876 as at 30<sup>th</sup> June 2018.

**d) Accounts receivables**

Imprest management is a critical area of focus in Nandi County Government. Our aim is to adhere to the PFM regulations on imprest management. However we appreciate that there is still room for improvement in this area. The main challenge has been to get timely accounting for imprests by officers.

**e) Pending bills**

The total pending bills remain at a tune of Kshs 743,727,329. Our focus as a County is to settle bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of the same.

**f) Fixed assets**

Nandi County Government has made significant investments in fixed assets since its inception in 2013. Additionally, we inherited some assets from the defunct local authorities. We are in the process of developing a comprehensive asset management system, which we hope to finalize in FY 2018/2019. The system will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and maintenance of an asset register.

Despite the notable achievements, we experienced some challenges during the year. They include:

- 1) Decline in revenue collection – the actual revenue collected during the year was 51% of the projected revenues. We are exploring ways of enhancing revenue collection as mentioned earlier. The decline is attributed to transitional challenges between the current and the previous government and litigation in cess between the County Government and the tea stakeholders.
- 2) System downtime-We experienced system downtime and network outages with IFMIS. This has in some instance delayed payments to suppliers.

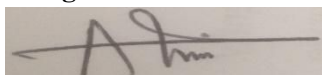
### **Conclusion**

Generally FY 2017/2018 was a good year. Tremendous progress was made and the momentum has been created to enable Nandi County Government continues on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I also want to thank my colleagues, the County Executive Committee Members in charge of all the other departments, for their teamwork and having worked tirelessly to ensure that County Government Nandi delivers.

I thank all staff in the entire County Government for their continued commitment and dedication through hard work in delivering services to the people of Nandi County and ensuring that Nandi County remains the source of champions.

**Sign**

A handwritten signature in dark ink, appearing to be 'A. Kimani', written over a horizontal line.

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**CECM Finance and Economic Planning**



## 2. STATEMENT OF CORPORATE GOVERNANCE

Nandi County Government is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly and County Executive. The County Assembly (CA) consists of the Members of County Assembly (MCAs) who are elected by the people to represent them in the Assembly. The CA is headed by the Speaker.

The County Executive is structured in terms of departments, headed by a County Executive Committee (CECM) Member. The CECMs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution.

### The County Assembly

The County Assembly is made of the MCAs. It is headed by the Speaker who is elected by the MCAs. The CA is the legislative arm in the County. It also plays an oversight role in ensuring that the County resources are well allocated and well spent. The CA is especially critical in the budgeting process. The MCAs meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the CA has the following oversight committees:

1. Public Accounts Committee
2. Budget and Appropriations Committee

#### Budget and Appropriations Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

No	Name	Position	Period served
1	Hon Walter Teno	Chairperson	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
2	Hon Rael Rotich	Vice chairperson	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
3	Hon Januarious Kering	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
4	Hon Paul Sanga	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
5	Hon Magrate Nyauntu	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018

1. Table 3: Budget and Appropriations Committee

### **Public Accounts Committee**

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

<b>No</b>	<b>Name</b>	<b>Position</b>	<b>Period served</b>
1	Hon Jackson Swadi	Chairperson	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
2	Hon Hillary Serem	Vice chairperson	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
3	Hon Pius Muray	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
4	Hon Willy Maru	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018
5	Hon Cynthia Muge	Member	27 <sup>th</sup> Dec 2017 to 30 <sup>th</sup> June 2018

1. Table 4: **Public Accounts Committee**

### **Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held Public participation where different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

## 2. STATEMENT OF COMPLIANCE

The County Government is regulated by various laws and regulations. As a County Government, we are committed to ensuring that we have complied with all the laws and regulations governing County Governments.

- a) Financial reporting – Section 166 of the PFM Act (2012) requires the County Treasury to submit quarterly reports to the County Assembly and deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation (CRA), no later than one month after the end of each quarter. Nandi County Government complied with this requirement and submitted the quarterly reports within the stipulated timelines.
- b) Fiscal responsibilities – Section 107 of the PFM Act (2012) Spells out the requirements of the County Treasury in enforcing fiscal responsibility.
  - “The County Government’s recurrent expenditure shall not exceed the County government’s total revenue” – in FY 2017/2018, Nandi County Government complied with this requirement whereby the recurrent expenditure was Kshs 3,731,552,718 against total revenues of Kshs4,362,704,066.
  - “A minimum of thirty percent of the County Government’s budget shall be allocated to the development expenditure” – in FY 2017/2018, Kshs 2,096,299,827 (31%) was allocated to development expenditure against a total budget of Kshs 6,840,943,830.

### 3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

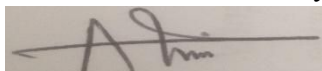
The County Executive Committee (CECM) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial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

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

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

#### Approval of the financial statements

The County Government's financial statements were approved and signed by the CECM member for Finance on 19<sup>th</sup> July 2019.



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County Executive Committee member – Finance and Economic Planning

#### **4. REPORT OF THE AUDITOR GENERAL**

##### **Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at June 30, 2018, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

—

\_\_\_\_\_  
Date

**1.**

## FINANCIAL STATEMENTS

### 1.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 Kshs	2016-2017 Kshs
<b>RECEIPTS</b>			
Exchequer releases			
	<b>1</b>	4,287,192,000	4,637,322,940
Proceeds from Domestic and Foreign Grants	<b>2</b>	161,936,642	9,155,000
Transfers from Other Government Entities			
	<b>3</b>	195,845,363	232,591,330
Proceeds from Domestic Borrowings	<b>4</b>	-	-
Proceeds from Foreign Borrowings	<b>5</b>	-	-
Proceeds from Sale of Assets	<b>6</b>	-	-
Reimbursements and Refunds	<b>7</b>	-	-
Returns of Equity Holdings	<b>8</b>	-	-
County Own Generated Receipts			
	<b>9</b>	197,886,883	244,729,757
Returned CRF issues	<b>10</b>	-	-
<b>TOTAL RECEIPTS</b>		<b>4,842,860,889</b>	<b>5,123,799,027</b>
<b>PAYMENTS</b>			
Compensation of Employees			
	<b>11</b>	2,239,979,936	1,889,451,174
Use of goods and services			
	<b>12</b>	1,305,538,664	1,020,637,542
Subsidies	<b>13</b>	-	-
Transfers to Other Government Units			
	<b>14</b>	805,239,951	-
Other grants and transfers	<b>15</b>	158,408,043	69,167,300
Social Security Benefits	<b>16</b>	-	-
Acquisition of Assets			
	<b>17</b>	570,151,348	1,866,542,529
Finance Costs, including Loan Interest	<b>18</b>	-	-
Repayment of principal on Domestic and Foreign borrowing	<b>19</b>	-	-
Other Payments	<b>20</b>	-	-
<b>TOTAL PAYMENTS</b>		<b>5,079,371,942</b>	<b>4,845,798,545</b>
<b>SURPLUS/DEFICIT</b>		<b>(236,511,053)</b>	<b>278,000,482</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:



\_\_\_\_\_  
Chief Officer

Name: Meshack Malakwen

\_\_\_\_\_  
Director Finance

Name: CPA Hellen Kemboi

ICPAK Member Number: 11936

1.2.

*STATEMENT OF ASSETS AND LIABILITIES*

		2017-2018	2016-2017
	Note s	Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	21A	548,556,708	785,083,559
Cash Balances	21B	64,168	48,370
<b>Total Cash and cash equivalent</b>		<b>548,620,876</b>	<b>785,131,929</b>
Accounts receivables – Outstanding Imprests	22	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>548,620,876</b>	<b>785,131,929</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	23	-	-
<b>NET FINANCIAL ASSETS</b>		<b>548,620,876</b>	<b>785,131,929</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	24	785,131,929	507,131,447
<b>Prior year adjustments</b>	25	-	-
<b>Surplus/Deficit for the year</b>		(236,511,053)	278,000,482
<b>NET FINANCIAL POSITION</b>		<b>548,620,876</b>	<b>785,131,929</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:

\_\_\_\_\_  
Chief Officer  
Name: Meshack Malakwen

\_\_\_\_\_  
Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

1.3.

# COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the Financial year ended 30th June 2018

## STATEMENT OF CASH FLOWS

	Notes	2017-2018 Kshs	2016 - 2017 Kshs
<b>Receipts from operating income</b>			
Exchequer Releases	1	4,287,192,000	4,637,322,940
Proceeds from Domestic and Foreign Grants	2	161,936,642	9,155,000
Transfers from Other Government Entities	3	195,845,363	232,591,330
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	197,886,883	244,729,757
Returned CRF issues	10	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	11	(2,239,979,936)	(1,889,451,174)
Use of goods and services	12	(1,305,538,664)	(1,020,637,542)
Subsidies	13	-	-
Transfers to Other Government Units	14	(805,239,951 )	-
Other grants and transfers	15	(158,408,043 )	(69,167,300)
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	-	-
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>333,640,295</b>	<b>2,144,543,011</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(570,151,348)	(1,866,542,529)
<b>Net cash flows from Investing Activities</b>		<b>236,511,053</b>	<b>278,000,481</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>236,511,053</b>	<b>278,000,482</b>
<b>Cash and cash equivalent at BEGINNING of yr</b>	21	<b>785,131,929</b>	<b>507,131,447</b>
<b>Cash and cash equivalent at END of the year</b>	24	<b>548,620,876</b>	<b>785,131,929</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:

Chief Officer  
Name: Meshack Malakwen

Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

*1.4.*

COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the  
Financial year ended 30th June 2018

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	B
<b>RECEIPTS</b>					
Exchequer releases	5,898,795,051	-	5,898,795,051	4,287,192,000	
Proceeds from Domestic and Foreign Grants	305,860,928	-	305,860,928	161,936,642	
Transfers from Other Government Entities	249,969,192	-	249,969,192	195,845,363	
Proceeds from Domestic Borrowings	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	
County Own Generated receipts	385,438,659	-	385,438,659	197,886,883	
Return issues to CRF	-	-	-	-	
<b>TOTAL</b>	<b>6,840,063,830</b>	<b>-</b>	<b>6,840,063,830</b>	<b>4,842,860,889</b>	
<b>PAYMENTS</b>					
Compensation of Employees	1,693,362,015	670,199,649	2,363,561,664	2,239,979,936	
Use of goods and services	1,435,242,063	389,710,157	1,824,952,220	1,305,538,664	
Subsidies	-	-	-	-	
Transfers to Other Government Units	202,600,434	-	202,600,434	89,000,000	
Other grants and transfers	353,229,685	-	353,229,685	158,408,043	
Social Security Benefits	-	-	-	-	
Acquisition of Assets	2,096,299,827	-	2,096,299,827	570,151,348	
Finance Costs, including Loan Interest	-	-	-	-	
Repayment of principal on borrowings	-	-	-	-	
Other Payments	-	-	-	-	
<b>TOTAL</b>	<b>5,780,734,024</b>	<b>1,059,909,806</b>	<b>6,840,643,830</b>	<b>4,363,077,990</b>	
<b>SURPLUS/(DEFICIT)</b>					

- (a) The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as cess, business per  
(b) The low utilization of the development budget was as a result of delays in, commencement of some projects caused by restructuring of the gover  
challenges.

The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:

Chief Officer  
Name: Meshack Malakwen

Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

1.5.

COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the  
Financial year ended 30th June 2018

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	B
<b>RECEIPTS</b>					
Exchequer releases	4,005,675,659	-	4,005,675,659	3,796,266,451	
Proceeds from Domestic and Foreign Grants	305,860,928		305,860,928	161,936,642	
Transfers from Other Government Entities	47,368,757		47,368,757	29,282,394	
Proceeds from Domestic Borrowings				-	
Proceeds from Foreign Borrowings				-	
Proceeds from Sale of Assets				-	
Reimbursements and Refunds				-	
Returns of Equity Holdings				-	
County Own Generated receipts	385,438,659		385,438,659	197,886,883	
Return CRF issues				-	
<b>TOTAL</b>	<b>4,744,344,003</b>	<b>-</b>	<b>4,744,344,003</b>	<b>4,185,398,937</b>	
<b>PAYMENTS</b>					
Compensation of Employees	1,693,362,015	670,199,649	2,363,561,664	2,239,979,936	
Use of goods and services	1,435,242,063	389,710,157	1,824,952,220	1,305,538,664	
Subsidies				-	
Transfers to Other Government Units	202,600,434	-	202,600,434	89,000,000	
Other grants and transfers	353,229,685		353,229,685	97,408,043	
Social Security Benefits				-	
Acquisition of Assets				-	
Finance Costs, including Loan Interest		2w		-	
Repayment of principal on borrowings				-	
Other Payments	-	-	-	-	
<b>TOTAL</b>	<b>3,684,434,197</b>	<b>1,059,909,806</b>	<b>4,744,344,003</b>	<b>3,792,926,642</b>	
<b>SURPLUS/(DEFICIT)</b>					
<i>[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]</i>					

- (a) The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as cess, business per  
(b) The low utilization of the development budget was as a result of delays in, commencement of some projects caused by restructuring of the govern  
challenges.

The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:

Chief Officer  
Name: Meshack Malakwen

Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

1.6.

COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the  
Financial year ended 30th June 2018

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget a	Adjustment s b	Final Budget c=a+b	Actual on Comparable Basis d	B
<b>RECEIPTS</b>					
Exchequer releases	1,893,119,392	-	1,893,119,392	518,358,927	
Proceeds from Domestic and Foreign Grants			-	-	
Transfers from Other Government Entities	202,600,435		202,600,435	166,562,969	
Proceeds from Domestic Borrowings	-		-	-	
Proceeds from Foreign Borrowings	-		-	-	
Proceeds from Sale of Assets	-		-	-	
Reimbursements and Refunds	-		-	-	
Returns of Equity Holdings	-		-	-	
County Own Generated receipts	-		-	-	
<b>TOTAL</b>	<b>2,095,719,827</b>	<b>-</b>	<b>2,095,719,827</b>	<b>684,921,896</b>	
<b>PAYMENTS</b>					
Compensation of Employees	-		-	-	
Use of goods and services	-		-	-	
Subsidies	-		-	-	
Transfers to Other Government Units	-		-	-	
Other grants and transfers	-		-	-	
Social Security Benefits					
Acquisition of Assets	2,096,299,827		2,096,299,827	570,151,348	
Finance Costs, including Loan Interest	-		-	-	
Repayment of principal on borrowings	-		-	-	
Other Payments	-		-	-	
<b>TOTALS</b>	<b>2,096,299,827</b>	<b>-</b>	<b>2,096,299,827</b>	<b>570,151,348</b>	
<b>SURPLUS/(DEFICIT)</b>					

- (a) The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as cess, business per  
(b) The low utilization of the development budget was as a result of delays in commencement of some projects caused by restructuring of the governa  
challenges.

The entity financial statements were approved on 19<sup>th</sup> July 2019 and signed by:

Chief Officer  
Name: Meshack Malakwen

Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

*1.7.*



*BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES*

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	A
	20xx Kshs	Kshs	20xx Kshs	D
Programme 1				
Sub-programme 1				
Sub-programme 2				
Sub-programme 3				
Programme 2				
Sub-programme 1				
Sub-programme 2				
Sub-programme 3				

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

***1.8.***

### *SIGNIFICANT ACCOUNTING POLICIES*

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

#### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya 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 Nandi County GovernmentGovernment. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

#### **3. Recognition of receipts and payments**

##### **a) Recognition of receipts**

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

##### **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**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

### **Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

### **Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

### **Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **County Own Generated Receipts**

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

### **Returns to CRF Issues**

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

### **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.

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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.

### **Interest on borrowing**

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

### **Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

### **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 County includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **5. Cash and cash equivalents**

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

#### **Restriction on cash**

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

### **6. Accounts Receivable**

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

### **7. Accounts Payable**

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

### **8. Non-current assets**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **9. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the County 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 developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County’s budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30<sup>th</sup> July 2017 for the period 1<sup>st</sup> July 2017 to 30 June 2018 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

### **11. Comparative figures**

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

### **12. Subsequent events**

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

### **1.9.**

*NOTES TO THE FINANCIAL STATEMENTS*

**1. EXCHQUER RELEASES**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	-	1,232,494,340
Total Exchequer Releases for quarter 2	1,173,874,000	1,206,750,000
Total Exchequer Releases for quarter 3	1,403,545,000	1,196,578,600
Total Exchequer Releases for quarter 4	1,709,773,000	1,001,500,000
<b>Total</b>	<b>4,287,192,000</b>	<b>4,637,322,940</b>

**2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

<b>Name of Donor</b>	<b>Date received</b>	<b>Amount in foreign currency</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>				
KDSP	14/05/2017,09/02/2018	-	41,606,801	-
<b>Grants Received from Multilateral Donors (International Organisations)</b>				
DANIDA		-	21,279,949	9,155,000
NAGRIP	16/03/2018	-	50,609,855	-
world bank(THUSCP)	13/12/2017	-	30,384,218	
<b>Grants Received from other levels of government</b>				
User fee	26/01/2018,14/05/2018	-	18,055,819	
<b>Total</b>		-	<b>161,936,642</b>	<b>9,155,000</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from Central government entities		
M.O.H Doctors and Nurse allowances	-	56,298,000
Road Maintainance Fuel Levy	166,562,969	78,835,012
Health-(FIF Maternity inpatient		79,402,500
Youth Polytechnics	29,282,394	
User fee		18,055,818
Transfers from Counties		
(insert name of budget agency)	-	-
(insert name of budget agency)	-	-
<b>TOTAL</b>	<b>195,845,363</b>	<b>232,591,330</b>

**4. PROCEEDS FROM DOMESTIC BORROWINGS**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. PROCEEDS FROM FOREIGN BORROWINGS**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
<b>Total</b>	-	-

*(Give a brief explanation relating to sources of funds, interest charged and terms of repayment)*

**6. PROCEEDS FROM SALE OF ASSETS**

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
<b>Total</b>	-	-

**7. REIMBURSEMENTS AND REFUNDS**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals& Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
<b>Total</b>	-	-



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. RETURNS OF EQUITY HOLDINGS**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
<b>Total</b>	-	-

*(State briefly from which entities dividends or interest is derived from)*

**9. COUNTY OWN GENERATED RECEIPTS**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
liquore licencing	5,337,000	-
Rents House and stall	7,048,935	2,862,813
Kiborgok tea proceeds	17,616,629	10,775,605
Cesses	3,142,735	70,482,227
Business Permits	27,037,021	29,946,340
Land Rates	8,277,187	30,908,818
Plot Rents	1,546,106	2,542,171
Agriculture	5,908,025	6,969,199
Market/Trade Centre fees	10,390,273	10,648,414
Vehicle Parking Fees	34,176,091	27,083,689
Slaughter Houses Administration	796,790	472,460
Sewerage and water	646,116	647,457
Other Health and Sanitation Revenues	62,399,589	43,514,539
Cattle dips /veterinary	4,676,068	2,532,910
Miscellaneous	8,888,318	5,343,115
<b>TOTAL</b>	<b>197,886,883</b>	<b>244,729,757</b>

**10. RETURNED CRF ISSUES**

	2017 - 2018	2016 – 2017
--	-------------	-------------

	Kshs	Kshs
Recurrent account	-	-
Development account	-	-
Deposit account	-	-
<b>Total</b>	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. COMPENSATION OF EMPLOYEES**

	<b>2017 - 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	2,225,211,102	1,889,451,174
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	14,768,834	-
<b>Total</b>	<b>2,239,979,936</b>	<b>1,889,451,174</b>

**12. USE OF GOODS AND SERVICES**

	<b>2017 - 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	43,195,289	22,642,020
Communication, supplies and services	14,043,519	15,707,507
Domestic travel and subsistence	465,521,436	323,390,175
Foreign travel and subsistence	6,093,594	400,250
Printing, advertising and information supplies & services	12,142,805	30,612,443
Rentals of produced assets	2,651,304	
Training expenses	7,957,397	53,609,579
Hospitality supplies and services	75,425,588	96,196,535
Insurance costs	22,119,255	28,035,543
Specialized materials and services	305,526,769	277,433,628
Office and general supplies and services	48,709,310	30,070,651
Other operating expenses	161,018,280	38,461,787
Routine maintenance – vehicles and other transport equipment		43,463,637

	98,422,221	
Fuel Oil and Lubricants	37,056,401	53,250,004
Routine maintenance – other assets	5,655,496	
<b>Total</b>	<b>1,305,538,664</b>	<b>1,020,637,542</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. SUBSIDIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Subsidies to Public Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises		
<i>See list attached</i>		
(insert name)	-	-
	-	-
<b>TOTAL</b>	-	-

### 14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to Central government entities		
<i>See attached list</i>	-	-
Transfers to Other County Assembly	716,293,951	-
Nandi county assembly mortgage	89,000,000	-
(insert name of budget agency)	-	-
<b>TOTAL</b>	<b>805,293,951</b>	-

### 15. OTHER GRANTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Scholarships and other educational benefits	71,500,000	60,012,300
Nandi county executive car and mortgage loan	61,000,000,	-
DANIDA	25,908,043	9,155,000
<b>Total</b>	<b>158,408,043</b>	<b>69,167,300</b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16. SOCIAL SECURITY BENEFITS**

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
<b>Total</b>	-	-

*(Explain where the benefits are remitted and who the beneficiaries are)*

**17. ACQUISITION OF ASSETS**

<b><u>Non Financial Assets</u></b>	<b>2017 – 2018 Kshs</b>	<b>2016 – 2017 Kshs</b>
Purchase of Buildings	-	
Construction of Buildings	16,968,889	253,622,407
Refurbishment of Buildings	182,987	14,579,171
Construction of Roads	272,054,074	732,126,769
Construction and Civil Works	36,857,790	427,548,300
Overhaul and Refurbishment of Construction and Civil Works	36,022,150	186,737,294
Purchase of Vehicles and Other Transport Equipment	12,941,000	
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	
Purchase of Office Furniture and General Equipment	-	
Purchase of ICT Equipment		13,452,485
Purchase of Specialised Plant, Equipment and Machinery	145,560,320	114,826,686
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	
Purchase of Certified Seeds, Breeding Stock and Live Animals	29,432,759	23,009,810
Research, Studies, Project Preparation, Design & Supervision	1,301,764	72,131,920
Rehabilitation of Civil Works	-	
Acquisition of Strategic Stocks and commodities	18,829,616	28,507,688
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	
<b><u>Financial Assets</u></b>		

Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
<b>Total</b>	<b>570,151,348</b>	<b>1,866,542,529</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18. FINANCE COSTS, INCLUDING LOAN INTEREST**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
<b>Total</b>	-	-

**19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
<b>Total</b>	-	-

**20. OTHER PAYMENTS**

	2017 - 2018	2016 – 2017
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	-	-
<b>Total</b>	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. CASH AND BANK BALANCES**

**21A. BANK BALANCES**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Amount in bank account currency*</b>	<b>Indicate whether recurrent, Development, deposit, receipts e.t.c</b>	<b>Ex. rate (if in foreign currency)</b>	<b>2017 – 2018</b>	<b>2016 – 2017</b>
				<b>Kshs</b>	<b>Kshs</b>
<i>NANDI COUNTY GOVERNMENT RECURRENT A/C NO.1000170719</i>	-	-	-	54,097,658	4,068,057
<i>NANDI COUNTY GOVERNMENT DEVELOPMENT A/C NO.1000170678</i>	-	-	-	64,822	1,161,351
<i>NANDI COUNTY GOVERNMENT REVENUE FUND A/C NO.1000171278</i>	-	-	-	442,420,503	751,153,204
<i>NANDI COUNTY GOVERNMENT REVENUE FUND A/C NO.0490260871255 EQUITY</i>			-	12,012,251	-
<i>NANDI COUNTY GOVERNMENT GS A/C NO.01141327524300 COOP.</i>			-	3,179,356	68,988
<i>NANDI COUNTY GOVERNMENT R.M.L A/C NO. 1000250828</i>			-	36,682,118	2,731,960
<i>NANDI COUNTY GOVERNMENT EDUCATION FUND A/C NO.490268594510</i>			-		13,000,000
<i>Mpesa 299299</i>				100,000	-
<i>NANDI COUNTY GOVERNMENT MORTGAGE A/C NO. 1245328786600</i>			-	-	12,900,000
<b>Total</b>				<b>548,556,708</b>	<b>785,083,559</b>

**21B. CASH IN HAND**

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Cash in Hand – Held in domestic currency	64,168	48,370
Cash in Hand – Held in foreign currency	-	-
<b>Total</b>	<b>64,168</b>	<b>48,370</b>

Cash in hand should also be analysed as follows:

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Location 1	64,168	-
Location 2	-	-
Location 3	-	-
<b>Total</b>	<b>64,168</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<i>Description</i>	<b>2017 – 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprest	-	-
Clearance accounts	-	-
<b>Total</b>	-	-

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<i>Name of Officer or Institution</i>				
<b>Total</b>				

**23. ACCOUNTS PAYABLE**

	<b>2017 – 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Pending bills	-	-
<b>Total</b>	-	-

**24. FUND BALANCE BROUGHT FORWARD**

	<b>2017 – 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	785,131,929	495,991,557
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
<b>Total</b>	<b>785,131,929</b>	<b>495,991,557</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. PRIOR YEAR ADJUSTMENTS**

<b>Description of the error</b>	<b>2017 – 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others ( <i>specify</i> )	-	-
	-	-

1.10.

*OTHER IMPORTANT DISCLOSURES*

**1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Construction of buildings	194,358,102	314,484,824
Construction of civil works	472,267,108	124,514,920
Supply of goods	57,028,019	137,447,911
Supply of services	20,074,100	88,161,389
	<b>743,727,329</b>	<b>664,609,044</b>

**2. PENDING STAFF PAYABLES (See Annex 2)**

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	-	-

**3. OTHER PENDING PAYABLES (See Annex 3)**

	2017 – 2018	2016 – 2017
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others ( <i>specify</i> )	-	-
	-	-

**4. RELATED PARTY DISCLOSURES**

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

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECMs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and



- State Corporations and Semi-Autonomous Government Agencies.

#### Related party transactions

	20xx- 20xx	20xx- 20xx
	Kshs	Kshs
Key Management Compensation(Governors, CECM Members and C.Os)	-	-
<b><u>Transfers to related parties</u></b>		
Transfer to the County Assembly	805,293,951	-
Transfers to other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to non reporting entities e.g schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
<b>Total Transfers to related parties</b>	-	-
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government		
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	-	-

## 5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and resolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established	Location	Accounting Officer responsible
Kapsabet Nandi Water & Sanitation Company	18 <sup>th</sup> December 2006	Kapsabet	Mr. Anthony Kiboy
Education fund	2014	Kapsabet	Daniel sang
Xxx Board	xxx	xxx	xxx
Xxx project	xxx	xxx	xxx
XXX Scheme	xxx	xxx	xxx

2.

### 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)
1.0	Presentation of the financial statement.	The management has improved the presentation of its financial statements by ensuring notes to the financial statements are linked to the notes	C.E.C.M Finance and Economic planning	Resolved	
2.0	Inaccuracies in financial statement	The management has corrected all the variances between the IFMIS and the Financial Statement	C.E.C.M Finance and Economic planning	Resolved	
3.0	Receipt from kiborgok	Management has already submitted the ownership documents	C.E.C.M Finance and Economic planning	Resolved	
4.0	Compensation of employees	Documents totaling Ksh 21,439,890 relating to gratuity has been provided	C.E.C.M Administration, Public Service and E-government	Resolved	
5.0	Use of goods and services				
5.1	Domestic travel and subsistence	Supporting documents amounting to Kshs 43,086,827 in relation to domestic travel has been provided as per the response	C.E.C.M Finance and Economic planning	Resolved	
5.2	Fuel, oil and lubricants	In process of consolidating documents relating to the above		ongoing	

5.3	Hospital supplies			ongoing	
5.4	Routine maintenance vehicles and other transport equipment				
<b>6.0</b>	<b>Acquisition of asset</b>				
6.1	Construction of buildings		Chief officer education and vocational training	ongoing	
6.2	Construction of roads		Chief officer transport and infrastructure	ongoing	
6.3	Overhaul and refurbishment of construction of civil works			ongoing	
6.4	Purchase of ICT		Chief officer ICT	ongoing	
6.5	Purchase of specialized plant, equipment and machinery		Chief officer transport and infrastructure	ongoing	
6.6	Medical and hospital supplies		Chief officer health	ongoing	
6.7	Purchase of certified seeds, breeding and live animals	Documents relating to Kshs 23,009,810.20 has been provided	C.E.C.M Agriculture	resolved	
6.8	Water works-no supporting documents			ongoing	
6.9	Acquisition of strategic stock-no supporting documents	Management has provided documents worth Kshs 5,170,000	Chief officer Agriculture and Cooperative Development	resolved	

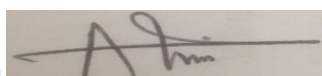
7.0	Construction of kipchoge stadium-no supporting documents	Management has provided documents relating to stadium	Chief officer sports	resolved	
8.0	Stalled construction of governors office		CECM Finance and Economic Planning	ongoing	
9.0	Cash and cash equivalent		CECM Finance and Economic Planning	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.

CECM, County Treasury

Sign



Date.....



## ANNEXES

### ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospital allocation
Exchequer Releases for quarter 1	399,239,629	-	-
Exchequer Releases for quarter 1	1,047,683,700	-	30,384,218
Exchequer Releases for quarter 1	1,072,607,914	-	-
Exchequer Releases for quarter 1	1,795,094,135	21,279,949	-
Total	<b>4,314,625,378</b>	<b>21,279,949</b>	<b>30,384,218</b>

COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the  
Financial year ended 30th June 2018

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*ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE*

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017
	A	B	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					





COUNTY EXECUTIVE OF NANDI Annual Report and Financial Statements For the  
Financial year ended 30th June 2018

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ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



*ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES*

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2018/2019
		a	b	c	d=a-c	
<b>Amounts due to National Govt Entities</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Amounts due to County Govt Entities</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Amounts due to Third Parties</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

*ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER*

<b>Asset class</b>	<b>Historical Cost b/f (Kshs ) 2016/2017</b>	<b>Additions during the year (Kshs )</b>	<b>Disposals during the year (Kshs )</b>
Land	541,127,600	-	
Buildings and structures	766,101,272	362,085,889	
Transport equipment	217,497,010	158,501,320	
Office equipment, furniture and fittings	77,919,226	-	
ICT Equipment, Software and Other ICT Assets	46,932,117	-	
Other Machinery and Equipment	230,599,480	-	
Heritage and cultural assets	1,128,910,997	48,262,375	
Intangible assets	-	1,301,764	
<b>Total</b>	<b>3,009,087,718</b>	<b>570,151,348</b>	

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.

*ANNEX 6 – INTER-ENTITY TRANSFERS*

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred Kshs	Amount Confirmed as received Kshs
1	County Assembly						
2	Education fund				71,500,000		71,500,000
3	Xxx project						
4	Xxx board						
5	Xxx corporation						
6	Xxx						
7	Xxx						
8	Xxx						
9	<b>Total</b>				<b>71,500,000</b>		<b>71,500,000</b>

Director of Finance  
 Director of Finance  
 County Executive  
 County Assembly/fund/project

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(NB: This appendix must be agreed and signed by the issuing and receiving party)



*ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT*