

REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COUNTY ASSEMBLY OF  
MURANG'A**

**FOR THE YEAR ENDED  
30 JUNE 2016**



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**MURANGA COUNTY ASSEMBLY**  
**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2016**

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



## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

### **(b) Key Management**

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

- Legislation and representation
- Oversight
- General administration planning and support

### **(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Clerk to County Assembly	<b>Chris Kinyanjui</b>
2.	Principal Finance Officer	<b>Isaac Khalisia</b>

### **(d) Fiduciary Oversight Arrangements**

*Audit and finance committee activities*

Investigate ,inquire to, report on all matters referred to them by the Assembly

Study and review all county legislation referred to it

Study assess and analyse the relative success of departments as measured by the results obtained as compared with their stated objectives.

Study the programme and policy objective of departments and the effectiveness of the implementation

### **(e) Entity Headquarters**

MURANGA COUNTY ASSEMBLY  
P.O BOX 731-10200 MURANGA  
Along Muranga Kiriaini Road

### **(f) Entity**

Telephone: (254) 0709802497  
E-mail: murangacountyassembly@gmail.com

**(g) Entity Bankers**

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

**FORWARD BY THE CLELK TO COUNTY ASSEMBLY**

- The assembly approved budget was kshs.844,574,000 against the actual receipt of kshs.433,106,438 and actual payments of kshs.446,723,224
- Refurbishment of assembly chambers is going on project and the budget of kshs.89,000.000 was approved and ksh.11,409,491 was paid for the project.
- The assembly chambers will facilitate the members to represent citizens effectively.
- The main challenge the assembly encountered was that the assembly did not receive the whole amount budgeted and the way forward is to request timely release of funds and directly to assembly account.



**Clerk to the County Assembly**

## **II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of that entity. Section 164 requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the **County Assembly of Muranga** is responsible for the preparation and presentation of the County Assembly of Muranga financial statements, which give a true and fair view of the state of affairs of the County Assembly of Muranga for and as at the end of the financial year (period) ended on June 30, 2016 This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

### **Approval of the financial statements**

The Muranga County Assembly financial statements were approved and signed by the Accounting Officer on 28 September 2016



Clerk to County Assembly



Principal Finance Officer





## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Assembly of Murang'a set out on pages 7 to 19, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair

presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Assembly's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

## **Basis for Qualified Opinion**

### **1.0 Variances between IFMIS Report and the Financial Statements Balances**

A comparison between the balances in the financial statements and the figures extracted from IFMIS reflects variances as follows:

<b>Description</b>	<b>Amount as per IFMIS-Kshs.</b>	<b>Amounts as per Financial Statements-Kshs.</b>	<b>Variance Kshs.</b>
Receipts	-	433,106,438	(433,106,438)
Payments	509,479,844	446,723,224	62,756,620
Payables	1,266,668,140	-	1,266,668,140
Cash and Bank	239,979,015	4,333,486	235,645,529

As a result, the accuracy and completeness of the County Assembly's financial statements for the year ended 30 June 2016, could not be confirmed.

### **2.0 Summary of fixed assets register**

Annex 3 to the financial statements on Summary of Fixed Assets register reflects a balance of Kshs.11,409,491. However, the balance was not supported with details of assets acquired during the financial year. Further, schedule of the assets was not attached to these financial statements.

As a result of the omission, the financial statements for the year ended 30 June 2016 do not comply with the Public Sector Accounting Standards Board.

## **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of County Assembly of Murang'a as at 30 June 2016, 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 comply with the Public Finance Management Act, 2012.

## **Other matter**

### **1.0 Budget Performance Analysis**

During the year under review, the County Assembly of Murang'a total budget was Kshs.844,991,000 with a development budget of Kshs.255,583,000 and recurrent budget of Kshs.588,991,000. However, the actual exchequer releases to the Assembly was reflected in the financial statements as Kshs.431,593,972 or 51% of total budget for the year. Further, the total budget reflected net under expenditure of Kshs.397,850,776 as shown below:

<b>Item</b>	<b>Final Budget 2015/2016  Kshs.</b>	<b>Actual Expenditure 2015/2016  Kshs.</b>	<b>Under Expenditure  Kshs.</b>	<b>% Budget utilization</b>	<b>Actual as % of Total Expenditure</b>
Development Vote	255,583,000	31,651,043	223,931,957	9%	7%
Recurrent Vote	588,991,000	415,072,181	173,918,819	71%	93%
<b>Total</b>	<b>844,574,000</b>	<b>446,723,224</b>	<b>397,850,776</b>	<b>53%</b>	<b>100%</b>

Although the management attributed the under expenditure on recurrent and development vote to non-disbursement of exchequer releases by the County Treasury, the report of the Controller of Budget for the period 2015/2016 indicated that the actual exchequer issues amounted to Kshs.476,840,000 against the disclosed amount of Kshs.431,593,972, resulting in unexplained variance of Kshs.45,246,028. The accuracy of summary statement of budget and actual amounts for the year ended 30 June 2016 could therefore not be confirmed.

### **2.0 Procurement of Goods and Services**

#### **2.1 Procurement of Conference services**

Included in note 5 to the financial statements on use of goods and services is hospitality supplies and services balance of Kshs.17,411,981, out of which an amount of Kshs.3,664,487 was in respect of hire of conference facilities and services in various hotels. However, tender documents showing how service providers were identified and awarded the services were not provided for audit review.

Consequently, the propriety and value for money on the payments of Kshs.3,664,487 during the year, could not be confirmed.

## **2.2 Procurement of Insurance Services**

Included in note 5 to the financial statements on use of goods and services of Kshs.223,576,827 is insurance costs of Kshs.21,795,395 comprising of medical insurance cover of Kshs.19,105,947 and general insurance of Kshs.2,869,448. The following issues were however noted on the expenditure:

### **(a) Medical Insurance Cover**

Examination of records maintained at County Assembly of Murang'a office revealed that the Assembly invited bidders through (Open national tender) for medical insurance cover. Three (3) bids were received and evaluated and out of which, the lowest bidder; M/s Britam Insurance Co. Ltd was awarded the contract at a premium sum of Kshs.15,532,258 vide notification letter dated 17 September 2015. However, under unclear circumstances, the full premium sum of Kshs.15,532,258 was paid to M/s Benkways Insurance Agency instead of M/s Britam Insurance Co. Ltd.

Further perusal of the documents presented for audit review revealed that, out of the total premium paid of Kshs.15,532,258, the Insurance Agency transferred an amount of Kshs.3,500,000 to M/s Britam Insurance Co. Ltd leaving unpaid balance of Kshs.12,032,258. As a result of non-payment of the balance of premiums, the insurer suspended the cover in February 2016. In a bid to resolve the issue, the County Assembly paid Kshs.3,567,029 to the insurer for reinstatement of the cover pending full payment of the quoted premium. As a result, the County Assembly incurred a total of Kshs.19,099,287 instead of the contract sum of Kshs.15,532,258 occasioning possible loss of Kshs.3,567,029. Although the County Assembly management indicated that the extra payment was to be repaid by the insurance agency, no such repayment seem to have been recovered as at the time of this audit.

### **(b) Procurement of General Insurance Cover**

Similarly, records indicate that tender for General insurance cover was awarded through open competitive bidding. Three (3) bids were received and after evaluation, M/s Africa Merchant Assurance Co. Ltd (Amaco) was awarded the contract on 15 September 2015 at a premium of Kshs.2,696,108 being the lowest evaluated bidder amongst two (2) other bids of Kshs.2,743,886 and Kshs.3,546,524 from M/s Benkways Insurance Agency and M/s Britam Insurance Co. Ltd. However, for unexplained reasons, full premium sum equivalent to winning bid of Kshs.2,696,108 was paid on February 2016 to M/s Benkways Insurance Agency instead of M/s Amaco Assurance Co. Ltd.

As a result of these anomalies, the propriety and validity of the insurance premium paid of Kshs.2,696,108 for the year ended 30 June 2016 could not be confirmed.

## **2.3 Legal fees**

Included also under note 5 to the financial statements on use of goods and services is an amount of Kshs.2,600,000 incurred during the year on legal fees. However, tender documents including pre-qualified list of suppliers, quotations, evaluation and award minutes and contract agreement were not presented for audit review. It has not been possible therefore to ascertain how the advocate was identified and fees determined.

As a result, the propriety of the expenditure of Kshs.2,600,000 for the year ended 30 June 2016, could not be confirmed.

### **3.0 Pending Accounts Payable**

#### **3.1 Accuracy of pending bills**

Note 18.1 and 18.2 on pending accounts payable and pending staff payables reflects outstanding amounts as at 30 June 2016 of Kshs.15,855,367 and Kshs.39,142,781 respectively totaling to Kshs.54,998,148 which was not settled during the year but instead carried forward to 2016/2017. However, schedules presented for audit review reflects pending bills amounting to Kshs.51,649,192, resulting to unexplained and unreconciled difference of Kshs.3,348,956. Further, had the bills been paid and the expenditure charged to the accounts for 2015/2016, the deficit of Kshs.13,616,786 in the statement of receipts and payments would have increased to a deficit of Kshs.68,614,934 an indication that the county assembly management entered into financial commitments for which no resources were available.

Under the circumstances, the accuracy of the pending accounts payables of Kshs.54,998,148 as at 30 June 2016, could not be confirmed.

#### **3.2 Avoidable penalties and interest on Tax Arrears**

Records indicate that the County Assembly did not deduct and remit income tax as required of tax agents and as a result, penalties and interest amounting to Kshs.8,440,973 tax assessment was issued by KRA on tax arrears for delaying tax returns and payments. The nugatory expenditure would have been avoided had the County Assembly filed tax returns and paid the required taxes. Further, the amount was not disclosed and included in the list of pending bills as at 30 June 2016. Consequently, the accuracy and completeness of the pending accounts payable as at 30 June 2016, could not be confirmed.

### **4.0 Mortgage and Car Loan Facility**

The statement of receipts and payments for the year ended 30 June 2016, reflects transfers to other government entities balance of Kshs.20,241,552 in respect of car loan and mortgage to members of the county assembly which is managed by Jamii Bora bank and Kenya Commercial Bank respectively. Records of the loan facility established in 2013/2014 period, indicate that the cumulative transfers to the two institutions for the loans since inception total to Kshs.196,121,552. However, a review of records of the facility revealed the following weaknesses:

- (i) As previously reported in 2014/2015, records of disbursements made by Jamii Bora bank from the kitty to members of the County Assembly were not presented for audit review.

- (ii) The security for the loans kept by the Assembly were copies of title deeds instead of original titles and the properties were not valued. Further, sixteen (16) members of the County Assembly secured their loans with properties registered in different names and there was no commitments from true owners to repay the loans in case of default.
- (iii) The memorandum of understanding signed between the banks and the County Assembly on the management of the loan did not specify how much interest the County assembly was to earn on deposit and loan advanced to members. Therefore, the Assembly could lose interest revenue earned from the scheme.

Consequently, the administration of the car and mortgage facility as a revolving fund may not be sustainable if rules and regulations governing its operations are not adhered to.

## **5.0 Recruitment of staff**

During the financial year under review, the County Assembly recruited seventeen (17) members of staff to fill a number of vacant positions which were advertised. However, evidence of ranking and shortlisting candidates for interview, results of interviews conducted and selection of successful candidates were not provided for audit verification.

As a result, the validity of the process used to appoint staff to fill various vacant positions in the County Assembly, could not be confirmed.

## **6.0 Lack of Audit Committee**

During the financial year under review, the County Assembly did not have an Audit Committee. The internal auditor has been addressing internal audit reports to the Clerk of Assembly. The findings of the Internal Audit could not be enforced since independence of the office was compromised. Failure to constitute independent committee weakens the effectiveness of the internal audit department since the recommendations made by the department's report are required to be deliberated and enforced through the independent audit committee.



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


**Nairobi**

**15 August 2017**

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

	Note	2015/2016	2014/2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from the County Treasury/Exchequer Releases	1	431,631,972	
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	1,474,466	-
<b>TOTAL RECEIPTS</b>		<b>433,106,438</b>	<b>-</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	191,495,354	-
Use of goods and services	5	223,576,827	-
Subsidies	6	-	-
Transfers to Other Government Entities	7	20,241,552	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	11,409,491	-
Finance Costs	11	-	-
Other Payments	12	-	-
<b>TOTAL PAYMENTS</b>		<b>446,723,224</b>	<b>-</b>
<b>SURPLUS/DEFICIT</b>		<b>-</b>	<b>13,616,786</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 28 September 2016 and signed by:

  
 Clerk of the Assembly

  
 Principal Finance Officer



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

	Note	2015/2016	2014/2015
<b>FINANCIAL ASSETS</b>		<b>Kshs</b>	<b>Kshs</b>
<b>Cash and Cash Equivalents</b>			
Bank Balances	13A	4,333,486	-
Cash Balances	13B	-	-
<b>Total Cash and cash equivalents</b>		<b>4,333,486</b>	<b>-</b>
Accounts receivables – Outstanding Imprests	14	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,333,486</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	15	-	-
<b>NET FINANCIAL ASSETS</b>		<b>4,333,486</b>	<b>-</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	16	17,950,272	-
<b>Surplus/Deficit for the year</b>	-	13,616,786	-
<b>NET FINANCIAL POSITION</b>		<b>4,333,486</b>	<b>-</b>
<i>Control</i>		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the of the financial statements. The entity financial statements were approved on 28 september 2016 and signed by:

  
 Clerk of the Assembly

  
 Principal Finance Officer

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

	Note	2015/2016	2014/2015
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfers from the County Treasury/Exchequer Releases	1	431,631,972.00	-
Other Receipts	3	1,474,466.00	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	191,495,354.00	-
Use of goods and services	5	223,576,827.00	-
Subsidies	6	-	-
Transfers to Other Government Entities	7	20,241,552.00	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	-	-
Other Payments	12	-	-
<b>Adjusted for:</b>			
Adjustments during the year			
<b>Net cash flows from operating activities</b>	-	<b>2,207,295.00</b>	-
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	11,409,491.00	-
<b>Net cash flows from investing activities</b>	-	<b>11,409,491.00</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	-	<b>13,616,786.00</b>	-
<b>Cash and cash equivalent at BEGINNING of the quarter</b>		<b>17,950,272.00</b>	-
<b>Cash and cash equivalent at END of the quarter</b>		<b>4,333,486.00</b>	-
<b>As per statement of assets</b>		<b>4,333,486.00</b>	-
<b>Control</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 28 September 2016 and signed by:



Clerk of the Assembly



Principal Finance Officer

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

**1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES**

	Kshs
Total Exchequer Releases for quarter 1	30,010,000
Total Exchequer Releases for quarter 2	126,621,972
Total Exchequer Releases for quarter 3	120,000,000
Total Exchequer Releases for quarter 4	155,000,000
<b>Total</b>	<b>431,631,972</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2015/2016	2014/2015
	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		
<b>Total</b>	<b>-</b>	<b>-</b>

**3. OTHER RECEIPTS**

	2015/2016	2014/2015
	Kshs	Kshs
Loan repayments		
Loan INTEREST		
Transfer		
DEPOSIT		
Other Receipts		
Other Receipts(SURRENDERS-FOREIGN TRIPS)	1,474,466	
<b>Total</b>	<b>1,474,466</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	2015/2016	2014/2015
	Kshs	Kshs
Basic salaries of permanent employees	191,495,354	
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		
<b>Total</b>	<b>191,495,354</b>	<b>-</b>

## 5. USE OF GOODS AND SERVICES

	2015/2016	2014/2015
	Kshs	Kshs
Utilities, supplies and services	703,277	
Communication, supplies and services	7,123,457	
Domestic travel and subsistence	115,773,186	
Foreign travel and subsistence	59,389	
Printing, advertising and information supplies & services	2,640,955	
Rentals of produced assets	951,464	
Training expenses	15,620,438	
Hospitality supplies and services	17,411,981	
Insurance costs	16,795,395	
Specialized materials and services		
Office and general supplies and services	163,618	
Other operating expenses	45,704,544	
Routine maintenance – vehicles and other transport equipment	316,924	
Routine maintenance – other assets	312,199	
<b>Total</b>	<b>223,576,827</b>	<b>-</b>

## 6. SUBSIDIES

Description	2015/2016	2014/2015
	Kshs	Kshs
Subsidies to Public Corporations		
<i>See list attached</i>		
Nyumbani Sugar Company		
Subsidies to Private Enterprises		
<i>See list attached</i>		
Vijana Fisheries Ltd		
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## 7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015/2016	2014/2015
	Kshs	Kshs
Transfers to National Government entities		
<i>See attached list</i>		
Transfers to Counties		
County Assembly Car Loan Fund Account	20,241,552	
(insert name of budget agency)		
<b>TOTAL</b>	<b>20,241,552</b>	<b>-</b>

## 8. OTHER GRANTS AND TRANSFERS

	2015/2016	2014/2015
	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		
<b>Total</b>	<b>-</b>	<b>-</b>

## 9. SOCIAL SECURITY BENEFITS

	2015/2016	2014/2015
	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>	-	-

## 10. ACQUISITION OF ASSETS

	2015/2016	2014/2015
	Kshs	Kshs
<b>Non Financial Assets</b>		
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings	11,409,491	
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		
Purchase of ICT Equipment, Software and Other ICT Assets		
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		
<b>Financial Assets</b>		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Foreign financial Institutions operating Abroad		
Other Foreign Enterprises		
Foreign Payables - From Previous Years		
<b>Total</b>	11,409,491	-

## 11. FINANCE COSTS

	2015/2016	2014/2015
	Kshs	Kshs
Bank Charges		
Exchange Rate Losses		
Other Finance Costs		
<b>Total</b>	-	-

## 12. OTHER PAYMENTS

	2015/2016	2014/2015
	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		
Domestic Accounts		
<b>Total</b>	-	-



### 13A. BANK ACCOUNTS

	Indicated whether recurrent or development	2015/2016	2014/2015
Name of Bank, Account No. & Currency		Kshs	Kshs
KENYA COMMERCIAL BANK ACCT NO.1142449033	Imprest	732,229	
KCB car and mortgage revolving account no.1167298179			
KCB car and mortgage interest account no.1167298535			
KCB car and mortgage operation account no.1167297733			
Equity bank 02202260929151		-	
Jamii Bora car loan account no.3031734204001			
CENRTAL BANK ACCT NO.1000196408	Recurrent	252,300	
CENRTAL BANK ACCT NO.1000196416	Development	3,348,957	
<b>Total</b>		<b>4,333,486</b>	<b>-</b>

### 13B. CASH IN HAND

	2015/2016	2014/2015
	Kshs	Kshs
Cash in Hand – Held in domestic currency		
Cash in Hand – Held in foreign currency		
<b>Total</b>	<b>-</b>	<b>-</b>

Cash in hand should be analysed as follows:

	2015/2016	2014/2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
<b>Total</b>		

### 14. ACCOUNTS RECEIVABLE

	2015/2016	2014/2015
	Kshs	Kshs
Government Imprests		
Clearance Accounts		
Staff Advances		
Other Advances		
<b>Total</b>	<b>-</b>	<b>-</b>

### Government Imprest Holders

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

**15. ACCOUNTS PAYABLE**

	2015/2016	2014/2015
	Kshs	Kshs
Deposits and Retentions		
<b>Total</b>	-	-

**16. FUND BALANCE BROUGHT FORWARD**

	2015/2016	2014/2015
	Kshs	Kshs
KENYA COMMERCIAL BANK ACCT NO.1142449033	17,950,272	
KCB car and mortgage revolving account no.1167298179		
KCB car and mortgage interest account no.1167298535		
KCB car and mortgage operation account no.1167297733		
Jamii Bora car loan account no.3031734204001		
Equity bank 02202260929151	-	
Accounts Receivables		
Accounts Payables		
<b>Total</b>	17,950,272	-

**17. OTHER IMPORTANT DISCLOSURES****18.1: PENDING ACCOUNTS PAYABLE (See Annex 4)**

	2015/2016	2014/2015
	Kshs	Kshs
Construction of buildings	3,348,957	
Construction of civil works		
Supply of goods	12,506,410	
Supply of services		
<b>Total</b>	15,855,367	

**17.2 PENDING STAFF PAYABLES (See Annex 5)**

	2015/2016	2014/2015
Name of Staff	Kshs	Kshs
Salary and statutory deductions	39,142,781.00	
<b>Total</b>	39,142,781.00	

**17.3 OTHER PENDING PAYABLES (See Annex 6)**

	2015/2016	2014/2015
	Kshs	Kshs
Amounts due to National Government entities		
Amounts due to County Government entities		
Amounts due to third parties		
<b>Total</b>		

**COUNTY ASSEMBLY OF MURANGA**  
**REPORTS AND FINANCIAL STATEMENTS**  
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**STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	difference to final budget	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>						
Transfers from the County Treasury/Exchequer Releases	844,570,000		844,570,000	431,631,972	412,938,028	0.51
Proceeds from Sale of Assets			-		-	
Other Receipts			-	1,474,466		
<b>TOTAL</b>	<b>844,570,000</b>	<b>-</b>	<b>844,570,000</b>	<b>433,106,438</b>	<b>411,463,562</b>	<b>0.51</b>
<b>PAYMENTS</b>						
Compensation of Employees	365,847,000	(50,500,000)	315,347,000	191,495,354	123,851,646	0.61
Use of goods and services	223,144,000	50,500,000	273,644,000	223,576,827	50,067,173	0.82
Subsidies	-		-		-	
Transfers to Other Government Entities	131,583,000		131,583,000	20,241,552	111,341,448	0.15
Other grants and transfers			-		-	
Social Security Benefits	35,000,000		35,000,000		35,000,000	-
Acquisition of Assets	89,000,000		89,000,000	11,409,491	77,590,509	0.13
Finance Costs			-		-	
Other Payments			-		-	
<b>TOTAL</b>	<b>844,574,000</b>	<b>-</b>	<b>844,574,000</b>	<b>446,723,224</b>	<b>397,850,776</b>	<b>0.53</b>

- (a) Refurbishment of assembly chambers still going on and only ksh.11,409,491 was paid against a budget of kshs 89,000,000 . This was due to delayed disbursment of funds  
(b) Out of budgeted amount for members and staff mortgage loan of 131,583,000 only ksh 20,241,552 was disbursed hence under utilization.

The entity financial statements were approved on 28 September 2016 and signed by:



Clerk of the Assembly



Principal Finance Office – County Assembly

**COUNTY ASSEMBLY OF MURANGA**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE**

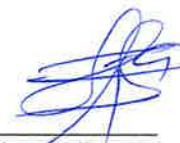
**STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	difference to final budget	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>			-		-	
Transfers from the County Treasury/Exchequer Releases	588,991,000		588,991,000	396,631,972	192,359,028	0.67
Proceeds from Sale of Assets			-		-	
Other Receipts			-	1,474,466	(1,474,466)	
<b>TOTAL</b>	<b>588,991,000</b>	<b>-</b>	<b>588,991,000</b>	<b>398,106,438</b>	<b>190,884,562</b>	<b>0.68</b>
<b>PAYMENTS</b>			-		-	
Compensation of Employees	365,847,000	(50,500,000)	315,347,000	191,495,354	123,851,646	0.61
Use of goods and services	223,144,000	50,500,000	273,644,000	223,576,827	50,067,173	0.82
Subsidies			-		-	
Transfers to Other Government Entities			-		-	
Other grants and transfers			-		-	
Social Security Benefits			-		-	
Acquisition of Assets			-		-	
Finance Costs			-		-	
Other Payments			-		-	
<b>TOTAL</b>	<b>588,991,000</b>	<b>-</b>	<b>588,991,000</b>	<b>415,072,181</b>	<b>173,918,819</b>	<b>0.70</b>

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Clerk of the Assembly



Principal Finance Officer – County Assembly

**COUNTY ASSEMBLY OF MURANGA**  
**REPORTS AND FINANCIAL STATEMENTS**  
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**STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	difference to final budget	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>			-		-	
Transfers from the County Treasury/Exchequer Releases	255,583,000		255,583,000	35,000,000	220,583,000	0.14
Proceeds from Sale of Assets			-		-	
Other Receipts			-		-	
<b>TOTAL</b>	<b>255,583,000</b>	<b>-</b>	<b>255,583,000</b>	<b>35,000,000</b>	<b>220,583,000</b>	<b>0.14</b>
<b>PAYMENTS</b>			-		-	
Compensation of Employees			-		-	
Use of goods and services			-		-	
Subsidies			-		-	
Transfers to Other Government Entities	131,583,000		131,583,000	20,241,552	111,341,448	0.15
Other grants and transfers			-		-	
Social Security Benefits	35,000,000		35,000,000		35,000,000	-
Acquisition of Assets	89,000,000		89,000,000	11,409,491	77,590,509	0.13
Finance Costs			-		-	
Other Payments			-		-	
<b>TOTAL</b>	<b>255,583,000</b>	<b>-</b>	<b>255,583,000</b>	<b>31,651,043</b>	<b>223,931,957</b>	<b>0.12</b>

- (a) Refurbishment of assembly chambers still going on and only ksh.11,409,491 was paid against a budget of kshs 89,000,000 . This was due to delayed disbursement of funds  
(b) Out of budgeted amount for members and staff mortgage loan of 131,583,000 ,000 only ksh 20,241,552 was disbursed hence under utilization.

The entity financial statements were approved on 28 September 2016 and signed by:



Clerk of the Assembly



Principal Finance Office – County Assembly



**COUNTY ASSEMBLY OF MURANGA**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE**

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost FY2015/2016	Historical Cost FY2014/2015
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>11,409,491</b>	<b>-</b>

**ANNEX 4 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	2015/2016	2014/2015
	<b>Kshs</b>	<b>Kshs</b>
<b>Construction of buildings</b>		
Office Complex ##		
Administration Block ##		
County Assembly Hall	3,348,957	
<b>Sub-Total</b>	<b>3,348,957</b>	
<b>Construction of civil works</b>		
Pavements in and around County Assembly Headquarters		
#####		
#####		
<b>Sub-Total</b>		
<b>Supply of goods</b>		
Office Supplies	51,649,192	
<b>Sub-Total</b>		
<b>Supply of services</b>	51,649,192	
Periodic Computer Maintenance Services		
Recruitment of County Assembly Clerks		
Consultancy Services for Development of County Citizen Participation Framework		
<b>Sub-Total</b>		
<b>Grand Total</b>	<b>54,998,149</b>	

**ANNEX 5 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	2015/2016	2014/2015
	<b>Kshs</b>	<b>Kshs</b>
Staff Member 1		
Staff Member 2		
Staff Member 3		
Staff Member XXX		
<b>Total</b>		

ANNEX 6 - ANALYSIS OF OTHER PENDING PAYABLES

Name	2015/2016	2014/2015
	Kshs	Kshs
<b>Amounts due to National Govt Entities</b>		
Refunds to National Treasury		
Facilitation for Attendance for Officials from National Assembly		
<b>Sub-Total</b>		
<b>Amounts due to County Govt Entities</b>		
Office of Speaker of Assembly		
<b>Sub-Total</b>		
<b>Amounts due to Third Parties</b>		
Monthly Involvement of Marginalized Groups in Legislative Sessions		
<b>Sub-Total</b>		
<b>Others (specify)</b>		
<b>Sub-Total</b>		
<b>Grand Total</b>		