



COUNTY GOVERNMENT OF NAIROBI CITY

CONSOLIDATED REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

NAIROBI CITY COUNTY GOVERNMENT
Consolidated Reports and Financial Statements
For the year ended June 30, 2018

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

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

-;
- ...;
- ...; and
- ...

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20XX and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	-
2.	Xx	-
3.	Xx	-
4.	Xx	-

(d) Fiduciary Oversight Arrangements

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

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

(e) Entity Headquarters

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P.O. Box XXXXX
XXX Building/House/Plaza
XXX Avenue/Road/Highway
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) XXXXXXXXX

E-mail: XXXXXXXXX.go.ke

Website: www.go.ke

(g) Entity Bankers

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

2. Kenya Commercial Bank
...
...
...

(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

2. FORWARD BY THE CEC

Put the forward note by the CEC (Counties are encouraged to use the Model Financial Statements)

Include the following:

- Mention the budget performance against actual amounts for current year and for cumulative to-date based on programmes,(make use of pictures, tables pie charts and graphs)
- Physical progress based on outputs, outcomes and impacts since establishment of County Government,(encouraged to use actual figures and percentages)
- Comment on each of the County flagship projects and how they have been achieved.
- Comment on value-for-money achievements,
- List the implementation challenges of strategic objectives for the County and the County's future outlook (here you could mention the budget allocation for the coming year and the projects that the County wishes to undertake).

Sign
CEC
Nairobi City County Government

3. STATEMENT OF CORPORATE GOVERNANCE

Nairobi City County 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, County Executive and XXX number of County Government Entities. 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 (CEC) Member. The CECs 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 authority 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

Public Accounts 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:

Table 1: Public accounts committee members

Member	Designation
Hon. Wilfred Oluoch Odalo	Chairperson
Hon. Fredrick Njogu Njoroge	Vice chairperson
Hon. Lawrence Otieno Odhiamnbo	Member
Hon. Redson Otieno Onyango	Member
Hon. June Juliet Ndegwa	

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Hon. Elizabeth Nyambura Kuria	Member
Hon. Silvia Kihoro Museiya	Member
Hon. Millicent Anyango Jagero	Member
Hon. Joseph Kiragu Wambugu	Member
Hon. Esther Munayi Nyagweso	Member
Hon. Rose Adhiambo Ogonda	Member
Hon. Moses Nyangaresi Ogeto	Member
Hon. Charles Thuo Wakarindi	Member
Hon. Clarence Kipkemboi Munga	Member
Hon. Mwaura Chege	Member
Hon. Anthony Kiragu Karanja	Member
Hon. Peter Wanyoike Gitau	Member
Hon. David Njilithia Mberia	Member
Hon. Peter Muriithi Warutere	Member

Budget and Appropriations 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:

Member	Designation
Hon. Robert None Mbatia	Chairperson
Hon. Patrick Karani	Vice chairperson
Hon. Paul Ndungu Irungu	member
Hon. Susan Makungu Kavaya	Member
Hon. Nancy Maole Grace Muthami	Member

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Hon. Fredrick Onyango Okeyo	Member
Hon. Mary Wanjiku Kariuki	Member
Hon. Anthony Ngaruiya Mburu	Member
Hon. Ondeje Odour	Member
Hon. Joseph Mwangi Komu	Member
Hon. James Kariuki Kiriba	Member
Hon. Catherine Apiyo Okoth	Member
Hon. Jane Muasya	Member
Hon. Peter Anyule Imwatok	Member
Hon. Mwaura Chege	Member
Hon. Michael Ogada Okumu	Member
Hon. Herman Masbu Azangu	Member
Hon. Osman Adow Ibrahim	Member
Hon. Elias Otieno Okumu	Member

Table 2: Budget and appropriations committee members

In addition to the above two committees of the County Assembly, the County Government has an independent Audit Committee which was constituted in xxxx to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Audit Committee

The audit committee was constituted in xxxx. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held xxxx meetings in FY 2017/2018. The committee members during FY 2017/2018 were:

Table 3: Audit Committee members

Member	Designation
Mr. Stanley Towett	Chairman
Dr, Elizabeth Kalunda	Member
Ms. Marjorie Nangulu	Member
Eng. Kariuki Muchemi	Member
Mr. Emmanuel J. Odera	Member
Mr. Edward Gichana	Head Of County Internal Audit/Secretary Audit 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 an Annual consultative meeting in xxxx where the 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.

4. 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. **Xxxx County complied with these requirements and submitted the quarterly reports within the stipulated timelines.**
- b) Fiscal responsibilities – Section 107 of the PFM Act (2012) stipulates 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, ABC County complied with this requirement whereby the recurrent expenditure was KShs **xxxx** against total revenues of KShs **xxxx**.
 - “A minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure” – in FY 2017/2018, KShs **xxxx** (**xxxx** %) was allocated to development expenditure against a total budget of KShs **xxxx**.

5. 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 receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on _____ 2018.

County Executive Committee member – Finance

6. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

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7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		KShs	KShs
RECEIPTS			
Exchequer releases	1	xxx	xxx
Proceeds from Domestic and Foreign Grants	2	xxx	xxx
Transfers from Other Government Entities	3	xxx	xxx
Proceeds from Domestic Borrowings	4	xxx	xxx
Proceeds from Foreign Borrowings	5	xxx	xxx
Proceeds from Sale of Assets	6	xxx	xxx
Reimbursements and Refunds	7	xxx	xxx
Returns of Equity Holdings	8	xxx	xxx
County Own Generated Receipts	9	xxx	xxx
Returned CRF issues	10	xxx	xxx
TOTAL RECEIPTS		xxx	xxx
PAYMENTS			
Compensation of Employees	11	xxx	xxx
Use of goods and services	12	xxx	xxx
Subsidies	13	xxx	xxx
Transfers to Other Government Entities	14	xxx	xxx
Other grants and transfers	15	xxx	xxx
Social Security Benefits	16	xxx	xxx
Acquisition of Assets	17	xxx	xxx
Finance Costs, including Loan Interest	18	xxx	xxx
Repayment of principal on Domestic and Foreign borrowing	19	xxx	xxx
Other payments	20	xxx	xxx
TOTAL PAYMENTS		xxx	xxx
SURPLUS/DEFICIT		xxx	Xxx

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 _____ 2018 and signed by:

 Chief Officer
 Name:

 Head of Treasury
 Name:
 ICPAK Member Number:

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7.2. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	xxx	xxx
Cash Balances	21B	xxx	xxx
Total Cash and cash equivalent		<u>xxx</u>	<u>xxx</u>
Accounts receivables – Outstanding Imprests	22	xxx	Xxx
TOTAL FINANCIAL ASSETS		Xxx	Xxx
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	xxx	xxx
NET FINANCIAL ASSETS		xxx	xxx
REPRESENTED BY			
Fund balance b/fwd	24	xxx	xxx
Prior year adjustments	25	xxx	xxx
Surplus/Deficit for the year		xxx	xxx
NET FINANCIAL POSITION		xxx	xxx
			-

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 _____ 2018 and signed by:

 Chief Officer
 Name:

 Head of Treasury
 Name:
 ICPAK Member Number:

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7.3. STATEMENT OF CASHFLOWS

	Note	2017-2018	2016 - 2017
		KShs	KShs
Receipts from operating income			
Exchequer Releases	1	xxx	xxx
Proceeds from Domestic and Foreign Grants	2	xxx	xxx
Transfers from Other Government Entities	3	xxx	xxx
Reimbursements and Refunds	7	xxx	xxx
Returns of Equity Holdings	8	xxx	xxx
Other Receipts	9	xxx	xxx
Return CRF issues	10	xxx	Xxx
Payments for operating expenses			
Compensation of Employees	11	xxx	Xxx
Use of goods and services	12	xxx	Xxx
Interest payments	13	xxx	Xxx
Subsidies	14	xxx	Xxx
Transfers to Other Government Units	15	xxx	Xxx
Other grants and transfers	16	xxx	Xxx
Social Security Benefits	17	xxx	Xxx
Finance Costs, including Loan Interest	18	xxx	Xxx
Other Payments	20	xxx	Xxx
Adjusted for:			
Adjustments during the year		xxx	Xxx
Net cash flow from operating activities		xxx	xxx
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	xxx	xxx
Acquisition of Assets	18	xxx	xxx
Net cash flows from Investing Activities		xxx	xxx
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	xxx	xxx
Proceeds from Foreign Borrowings	5	xxx	xxx
Repayment of principal on Domestic and Foreign borrowing	19	xxx	xxx
Net cash flow from financing activities		xxx	xxx
NET INCREASE IN CASH AND CASH EQUIVALENT		xxx	xxx
Cash and cash equivalent at BEGINNING of the year	21	xxx	xxx
Cash and cash equivalent at END of the year	21	xxx	xxx

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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 _____ 2018 and signed by:

Chief Officer
Name:

Head of Treasury
Name:
ICPAK Member Number

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)
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7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
County Own Generated Receipts						
Return CRF issues						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments						
TOTAL						

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
SURPLUS/DEFICIT						

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) Xxx
- (b) Xxx
- (c) Xxx
- (d) Xxx
- (e) Xxx

(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23) The total actuals on comparable basis for the combined statement should tie to the totals under the Statement of Receipts and Payments.)

The entity financial statements were approved on _____ 2018 and signed by:

 Chief Officer
 Name:

 Head of Treasury Accounts
 Name:
 ICPAK Member Number

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7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
County Own Generated Receipts						
Return CRF issues						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments						
TOTAL						

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
SURPLUS/ DEFICIT						

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) Xxx
- (b) Xxx
- (c) Xxx
- (d) Xxx
- (e) Xxx

(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23) The totals under this statement when summed up with the totals under the development statement should tie with the combined statement.)

The entity financial statements were approved on _____ 2018 and signed by:

 Chief Officer
 Name:

 Head of Treasury Accounts
 Name:
 ICPAK Member Number:

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7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases						
Proceeds from Domestic and Foreign Grants						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
County Own Generated Receipts						
Return CRF issues						
TOTAL						
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies						
Transfers to Other Government Units						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets						
Finance Costs, including Loan Interest						
Repayment of principal on borrowings						
Other Payments						
TOTALS						

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Utilisation difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
SURPLUS/ DEFICIT						

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

- (a) Xxx
- (b) Xxx
- (c) Xxx
- (d) Xxx
- (e) Xxx

(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23) The totals under this statement when summed up with the totals under the recurrent statement should tie with the combined statement.)

The entity financial statements were approved on _____ 2018 and signed by:

 Chief Officer
 Name:

 Head of Treasury Accounts
 Name:
 ICPAK Member Number

7.7. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The 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 xxx County Government. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 and comprises of (**include all the consolidated entities for County Consolidated financial statements.**)

The consolidated financial statements include all budgetary entities controlled by the County Government. A detailed schedule of consolidated entities is included under appendix xxx.

3. Basis of consolidation

This consolidation is based on unaudited financial statements submitted by the individual entities to the Office of the Auditor General as at 30th September 2018 with a copy to the Controller of Budget, the County Treasury and the Commission on Receipts Allocation.

The financial statements are aggregated on a line by line basis with the inter-entity transactions of receipts and payment being eliminated at consolidation level to avoid overstatement of receipts or payments.

The entities' accounting policies have been adjusted to form a consistent basis, where their effect is deemed material to this consolidated financial statement.

4. Elimination

Material balances between entities included in this consolidation have been eliminated. This has been informed by the inter-entity elimination template that is completed by the entities and submitted to the County Treasury.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

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

Use of goods and services

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

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. In-kind contributions

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

7. 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.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2018, this amounted to KShs xxx compared to KShs xxx in prior period as indicated on note xxx.

There were no other restrictions on cash during the year.

8. Accounts Receivable

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

9. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. 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.

11. Pending bills

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

12. 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 *entity*'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 xxx for the period 1st July 2017 to 30 June 2018 as required by law. There was xxx number of supplementary budgets passed in the year.** A high-level assessment of the *entity*'s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

13. Comparative figures

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

14. 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.

15. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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.

17. Disclosure of entities included in consolidation

The County Government consolidated financial statements consist of a total of xxx entities consolidated for the financial year ended 30th June 2018 that are considered as budgetary entities. These entities, together with their results for the year are disclosed under appendix xxx.

18. Disclosure of entities excluded from consolidation

None of the entities eligible for consolidation under the County Government budgetary cluster for the year ended 30th June 2018 has been excluded from consolidation or Entity xxx was not consolidated due to xxx (state reason(s)).

7.8. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2017 - 2018	2016 - 2017
	KShs	KShs
Total Exchequer Releases for quarter 1	xxx	xxx
Total Exchequer Releases for quarter 2	xxx	xxx
Total Exchequer Releases for quarter 3	xxx	xxx
Total Exchequer Releases for quarter 4	xxx	xxx
Total	xxx	xxx

(State the amount received vis a vie amount included in the CARA. Ensure this amounts are reconciled with CARA)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Amount in foreign currency	2017 - 2018	2016 - 2017
		KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)			
(Insert name of donor)	xxx	xxx	Xxx
(Insert name of donor)	xxx	xxx	Xxx
Grants Received from Multilateral Donors (International Organisations)			
(Insert name of donor)	xxx	xxx	Xxx
(Insert name of donor)	xxx	xxx	Xxx
Grants Received from other levels of government			
(Insert name of donor)	xxx	xxx	Xxx
(Insert name of donor)	xxx	xxx	Xxx
Total		XXX	XXX

(Include a brief explanation on grants received, from whom and for what purpose)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Transfers from Central government entities		
(insert name of budget agency)	xxx	xxx
h(insert name of budget agency)	xxx	xxx
Transfers from Counties		
(insert name of budget agency)	xxx	xxx
(insert name of budget agency)	xxx	xxx
TOTAL	xxx	xxx

(Give a brief description of what the transfers relate to and from whom they were received)

4. PROCEEDS FROM DOMESTIC BORROWINGS

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Borrowing within General Government	xxx	xxx
Borrowing from Monetary Authorities (Central Bank)	xxx	xxx
Other Domestic Depository Corporations (Commercial Banks)	xxx	xxx
Borrowing from Other Domestic Financial Institutions	xxx	Xxx
Borrowing from Other Domestic Creditors	xxx	Xxx
Domestic Currency and Domestic Deposits	xxx	Xxx
Total	xxx	Xxx

(Give a brief description of the nature and sources of borrowings including any assets pledged as security)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	xxx	Xxx
Foreign Borrowing - Direct Payments	xxx	Xxx
Foreign Currency and Foreign Deposits	xxx	Xxx
Total	xxx	Xxx

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

6. PROCEEDS FROM SALE OF ASSETS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	xxx	Xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	Xxx
Receipts from Sale of Certified Seeds and Breeding Stock	xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	xxx	Xxx
Receipts from the Sale of Inventories, Stocks and Commodities	xxx	Xxx
Disposal and Sales of Non-Produced Assets	xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	xxx	Xxx
Total	xxx	Xxx

7. REIMBURSEMENTS AND REFUNDS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Refund from World Food Programme (WFP)	xxx	Xxx
Reimbursement of Audit Fees	xxx	Xxx
Reimbursement on Messing Charges (UNICEF)	xxx	Xxx
Reimbursement from World Bank – ECD	xxx	Xxx
Reimbursement from Individuals&Private Organisations	xxx	Xxx
Reimbursement from Local Government Authorities	xxx	Xxx
Reimbursement from Statutory Organisations	xxx	Xxx
Reimbursement within Central Government	xxx	Xxx
Total	xxx	Xxx

(Give a brief description on what the refunds relate to)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	xxx	Xxx
Returns of Equity Holdings in International Organisations	xxx	Xxx
	xxx	Xxx
Total	xxx	Xxx

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

9. COUNTY OWN GENERATED RECEIPTS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Interest Received	xxx	xxx
Profits and Dividends	xxx	xxx
Rents	xxx	xxx
Property Income	xxx	xxx
Sales of Market Establishments	xxx	xxx
Receipts from Administrative Fees and Charges	xxx	xxx
Receipts from Administrative Fees and Charges - Collected as AIA	xxx	xxx
Receipts from Incidental Sales by Non-Market Establishments	xxx	xxx
Receipts from Sales by Non-Market Establishments	xxx	xxx
Receipts from Sale of Incidental Goods	xxx	xxx
Fines Penalties and Forfeitures	xxx	xxx
Receipts from Voluntary transfers other than grants	xxx	xxx
Business permits	xxx	xxx
Cess	xxx	xxx
Poll rates	xxx	xxx
Plot rents	xxx	xxx
Other local levies	xxx	xxx
Administrative services fees	xxx	xxx
Various fees	xxx	xxx
Council's natural resources	xxx	xxx
Exploitation	xxx	xxx
Sales of council assets	xxx	xxx
Lease / rental of council's	xxx	xxx
Infrastructure assets	xxx	xxx

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Description	2017 - 2018	2016 – 2017
Miscellaneous receipts	xxx	xxx
Insurance claims recovery	xxx	xxx
Medium term loans (1-3 yr repayment)	xxx	xxx
Long term loans (over 3 yr repayment)	xxx	xxx
Transfers from reserve funds	xxx	xxx
Donations	xxx	xxx
Fund raising events	xxx	xxx
Receipts from financial assets loan	xxx	xxx
Market/trade centre fee	xxx	xxx
Vehicle parking fees	xxx	xxx
Housing	xxx	xxx
Social premises use charges	xxx	xxx
School fees	xxx	xxx
Education receipts	xxx	xxx
Public health services	xxx	xxx
Public health facilities operations	xxx	xxx
Environment & conservancy	xxx	xxx
Administration	xxx	xxx
Slaughter houses administration	xxx	xxx
Water supply administration	xxx	xxx
Sewerage administration	xxx	xxx
Health & sanitation fees	xxx	xxx
Technical services fees	xxx	xxx
External services fees	xxx	xxx
Total own generated funds	xxx	xxx

10. RETURNED CRF ISSUES

	2017 - 2018	2016 – 2017
	KShs	KShs
Recurrent account	xxx	Xxx
Development account	xxx	Xxx
Deposit account	xxx	Xxx
Total	xxx	Xxx

(State what the refunds relate to and when they were appropriated for use)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Basic salaries of permanent employees	xxx	xxx
Basic wages of temporary employees	xxx	xxx
Personal allowances paid as part of salary	xxx	xxx
Personal allowances paid as reimbursements	xxx	xxx
Personal allowances provided in kind	xxx	xxx
Pension and other social security contributions	xxx	xxx
Compulsory national social security schemes	xxx	xxx
Compulsory national health insurance schemes	xxx	xxx
Social benefit schemes outside government	xxx	xxx
Other personnel payments	xxx	xxx
Total	xxx	xxx

(Give brief explanation including the comparative number of employees)

12. USE OF GOODS AND SERVICES

Description	2017 – 2018	2016 – 2017
	KShs	KShs
Utilities, supplies and services	xxx	xxx
Communication, supplies and services	xxx	xxx
Domestic travel and subsistence	xxx	xxx
Foreign travel and subsistence	xxx	xxx
Printing, advertising and information supplies & services	xxx	xxx
Rentals of produced assets	xxx	xxx
Training expenses	xxx	xxx
Hospitality supplies and services	xxx	xxx
Insurance costs	xxx	xxx
Specialized materials and services	xxx	xxx
Office and general supplies and services	xxx	xxx
Other operating expenses	xxx	xxx
Routine maintenance – vehicles and other transport equipment	xxx	xxx
Routine maintenance – other assets	xxx	xxx
Total	xxx	xxx

(Give a brief explanation of this category of expenses)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Subsidies to Public Corporations		
<i>See list attached</i>	xxx	xxx
(insert name)	xxx	xxx
Subsidies to Private Enterprises and Individuals		
<i>See list attached</i>	xxx	xxx
(insert name)	xxx	xxx
TOTAL	xxx	xxx

(Give explanation of the nature of subsidies and the kind of services that have been subsidised)

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Transfers to Central government entities		
<i>See attached list on annex xxxx</i>	xxx	xxx
Transfers to Other Counties Government Entities		
Transfer to xxx Water and Sewerage Company	xxx	xxx
Transfer to xxx Fund/ County Board	xxx	xxx
(insert name of budget agency)	xxx	xxx
TOTAL	xxx	xxx

(Provide the nature and purpose of transfers and are these transfers to be recovered)

15. OTHER GRANTS AND TRANSFERS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Scholarships and other educational benefits	xxx	xxx
Emergency relief and refugee assistance	xxx	xxx
Subsidies to small businesses, cooperatives, and self employed	xxx	xxx
Total	xxx	xxx

(Provide explanation as to what other grants and payments relate to and who is the beneficiary)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Government pension and retirement benefits	xxx	xxx
Social security benefits in cash and in kind	xxx	xxx
Employer Social Benefits in cash and in kind	xxx	xxx
Total	xxx	xxx

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

17. ACQUISITION OF ASSETS

	2017 - 2018	2016 - 2017
Non-Financial Assets	KShs	KShs
Purchase of Buildings	xxx	xxx
Construction of Buildings	xxx	xxx
Refurbishment of Buildings	xxx	xxx
Construction of Roads	xxx	xxx
Construction and Civil Works	xxx	xxx
Overhaul and Refurbishment of Construction and Civil Works	xxx	xxx
Purchase of Vehicles and Other Transport Equipment	xxx	xxx
Overhaul of Vehicles and Other Transport Equipment	xxx	xxx
Purchase of Household Furniture and Institutional Equipment	xxx	xxx
Purchase of Office Furniture and General Equipment	xxx	xxx
Purchase of ICT Equipment	xxx	xxx
Purchase of Specialized Plant, Equipment and Machinery	xxx	xxx
Rehabilitation and Renovation of Plant, Machinery and Equip.	xxx	xxx
Purchase of Certified Seeds, Breeding Stock and Live Animals	xxx	xxx
Research, Studies, Project Preparation, Design & Supervision	xxx	xxx
Rehabilitation of Civil Works	xxx	xxx
Acquisition of Strategic Stocks and commodities	xxx	xxx
Acquisition of Land	xxx	xxx
Acquisition of Intangible Assets	xxx	xxx
Sub-Total non-financial assets	xxx	xxx
Financial Assets		
Domestic Public Non-Financial Enterprises	xxx	xxx
Domestic Public Financial Institutions	xxx	xxx
Total	xxx	xxx

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Exchange Rate Losses	xxx	xxx
Interest Payments on Foreign Borrowings	xxx	xxx
Interest Payments on Guaranteed Debt Taken over by Govt	xxx	xxx
Interest on Domestic Borrowings (Non-Govt)	xxx	xxx
Interest on Borrowings from Other Government Units	xxx	xxx
Total	xxx	xxx

19. REPAYMENT OF PRINCIPAL ON DOMESTIC AND FOREIGN BORROWING

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Repayments on Borrowings from Domestic Creditors	xxx	xxx
Principal Repayments on Guaranteed Debt Taken over by Government	xxx	xxx
Repayments on Borrowings from Other Domestic Creditors	xxx	xxx
Repayment of Principal from Foreign Lending & On – Lending	xxx	xxx
Total	xxx	xxx

20. OTHER PAYMENTS

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Budget Reserves	xxx	xxx
Civil Contingency Reserves	xxx	xxx
Other payments not classified elsewhere	xxx	xxx
	xxx	xxx

(Provide explanation as to what each component of other expenses relate to)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2017 – 2018	2016 – 2017
				KShs	KShs
<i>Name of Bank, Account No. & currency</i>	xxx	xxx	xxx	xxx	xxx
<i>Name of Bank, Account No. & currency</i>	xxx	xxx	xxx	xxx	xxx
<i>Name of Bank, Account No. & currency</i>	xxx	xxx	xxx	xxx	xxx
Total				xxx	xxx

*Amount should be as per amount in the cash book.

21B. CASH IN HAND

Description	2017 – 2018	2016 – 2017
	KShs	KShs
Cash in Hand – Held in domestic currency	xxx	xxx
Cash in Hand – Held in foreign currency	xxx	xxx
Total	xxx	xxx

Cash in hand should also be analysed as follows:

Description	2017 – 2018	2016 – 2017
	KShs	KShs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx

[Provide cash count certificates for each]

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2017 – 2018	2016 – 2017
	KShs	KShs
Government Imprests	xxx	xxx
Clearance accounts	xxx	xxx
Total	xxx	xxx

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

23. ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2017 – 2018	2016 – 2017
	KShs	KShs
Deposits	xxx	xxx
Retentions	xxx	xxx
Total	xxx	xxx

[Provide short appropriate explanations as necessary]

24. FUND BALANCE BROUGHT FORWARD

	2017 – 2018	2016 – 2017
	KShs	KShs
Bank accounts	xxx	xxx
Cash in hand	xxx	xxx
Accounts Receivables	xxx	xxx
Accounts Payables	xxx	xxx
Total	xxx	xxx

[Provide short appropriate explanations as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

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

7.9. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017 – 2018	2016 – 2017
	KShs	KShs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

2. PENDING STAFF PAYABLES (See Annex 2)

	2017 – 2018	2016 – 2017
	KShs	KShs
Senior management	Xxx	xxx
Middle management	Xxx	xxx
Unionisable employees	Xxx	xxx
	Xxx	xxx

3. OTHER PENDING PAYABLES (See Annex 3)

	2017 – 2018	2016 – 2017
	KShs	KShs
Amounts due to National Government entities	Xxx	xxx
Amounts due to County Government entities	Xxx	xxx
Amounts due to third parties	Xxx	xxx
	Xxx	xxx

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

4. INVESTMENTS (See Annex 5)

Investments represent the County Government's investment in local entities. These investments are recognised at nominal value and where denominated in foreign currency, these are translated at closing exchange rate as at 30th June.

Details	FY 2017/18	FY 2016/17
	KShs	KShs
Investment in County Corporations	xxx	xxx
Investment in County Linked Entities	xxx	xxx
Total	xxx	xxx

Detailed breakdown of these investments including the shareholding percentage is provided under the Annex 5.

OTHER IMPORTANT DISCLOSURES (CONTINUED)

5. RELATED PARTIES

The following comprise of related parties to the County Government of XXX:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- County Government Entities;
- 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	xxx	xxx
<u>Transfers to related parties</u>		
Transfers to other Counties	xxx	xxx
Transfers to Water Service Providers	xxx	xxx
Transfers to Development Projects	xxx	xxx
Transfers to National Government entities	xxx	xxx
Transfers to non reporting entities like schools and health facilities	xxx	xxx
Total Transfers to related parties	xxx	xxx
<u>Transfers from related parties</u>		
Transfers from the Exchequer	xxx	xxx
Transfers from MDAs	xxx	xxx
(Insert any other transfers received)	xxx	xxx
Total Transfers from related parties	xxx	xxx

Where applicable, related party transactions have been eliminated upon consolidation

8. 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)

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.

CEC, County Treasury)

Sign.....

Date.....

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)
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ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Total Transfers from the National Treasury
Exchequer Releases for quarter 1				
Exchequer Releases for quarter 1				
Exchequer Releases for quarter 1				
Exchequer Releases for quarter 1				
Total				

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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	Comments
	A	B	C	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)
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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	Comments
		a	B	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

XXX COUNTY GOVERNMENT - (Indicate actual name of the entity)
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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 2016/2017	Comments
		a	B	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 5– SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
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				
Total				

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 18 on acquisition of assets during the year.

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ANNEX 6 – SUMMARY OF FINANCIAL PERFORMANCE AND STATEMENT OF ASSETS AND LIABILITIES FOR COUNTY GOVERNMENT ENTITIES

Ref	Entity	Percentage of shareholding	Total receipts KShs	Total payments KShs	Surplus/ Deficit KShs	Total Assets KShs	Total Liabilities KShs	Fund balance KShs
1	County Assembly							
2	Xxx fund							
3	Xxx project							
4	Xxx board							
5	Xxx corporation							
6	xxx							
7	xxx							
8	Xxx							
9	Total							