REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF KAJIADO

FOR THE YEAR ENDED 30 JUNE, 2019

COUNTY GOVERNMENT OF KAJIADO

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
24 DEC 2020
RECEIVED

TABLE OF CONTENTS

TABLE OF CONTENTS i
1. KEY ENTITY INFORMATION AND MANAGEMENT ii
2. FORWARD BY THE CECM - COUNTY TREASURY vi
3. STATEMENT OF MANAGEMENT RESPONSIBILITIES ix
4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name) .. x
5. FINANCIAL STATEMENTS 1
5.1. STATEMENT OF RECEIPTS AND PAYMENTS 1
5.2. STATEMENT OF ASSETS AND LIABILITIES 3
5.3. STATEMENT OF CASH FLOWS 5
5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED 7
5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT 9
5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT 11
5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 13
5.8. SIGNIFICANT ACCOUNTING POLICIES 20
5.9. NOTES TO THE FINANCIAL STATEMENTS 25
5.10. OTHER IMPORTANT DISCLOSURES 44
6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 48
ANNEXES 50
ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE 51
ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES 52
ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES 53
ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER 54
ANNEX 6 – INTER-ENTITY TRANSFERS 55
ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT 56

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

	Name	Designation	Date of holding office
1	H.E. Hon. Joseph J. Ole Lenku	Governor	18th August 2017 to date
2	H.E. Hon. Martin Moshisho	Deputy Governor	18th August 2017 to date
3.	Francis Sakuda	CECM Public Service, Administration & Citizen Participation	February, 2019 to date
4	Michael Semera	CECM Water, Irrigation Environment & Natural Resources	February 2019 to date
5	Alex Kilowua	CECM Roads, Public Works & Transport	September, 2017 to date

6	Esther Somoire	CECM Medical Services & Public Health	September, 2017 to date
7	Jeremiah Ole Ncharo	CECM Education, Vocational Training, Youth & Sports	April, 2019 to date
8	Alvin Kimani	CECM Trade, Industrialisation & Co-operatives	February, 2019 to date
9	Samuel Seki	County Secretary	February, 2019 to date
10	Hamilton Parseina	CECM Lands, physical Planing & Urban Development	September, 2017 to date
11	Jackline koin	CECM Agriculture, Livestock & Fisheries	February, 2019 to date
12	Alias Kisota	CECM County Treasury	February, 2019 to date
13	Florence Waiganjo	CECM Gender, Culture & Social Services	February, 2019 to date

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	Alais Kisota	CECM – County Treasury
2.	Lenku Seki	County Secretary
3.	Sankaire Tima	Chief Officer – County Treasury
4.	Kerika Ole Ndere	Accountant General

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2019 were:

1. County Assembly of Kajiado County;
2. Audit Committee;
3. Public Accounts Committee; and
4. Budget and Appropriations Committee.

e) Entity Headquarters

Kajiado county offices
Off Kajiado – Namanga
Road
P.O. Box 11 – 01100
Kajiado, Town

KENYA

f) Entity Contacts

Telephone: (254) 0202043075
E-mail: ctreasury@kajiado.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

   P.O. Box 01100
   Kajiado, Kenya

h) Independent Auditors

Auditor General
Office of the Auditor General
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

2. FORWARD BY THE CECM - COUNTY TREASURY

The County Government of Kajiado Financial Statements for the year ended 30th June 2019. The Financial Statements present the financial performance of the County Government over the FY 2018/2019.

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

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally is determined yearly through the Division of Revenue Act (DORA) and County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. In the year under review, the Second Generation Revenue Sharing Formula was used for the resource allocations.

The County also finances its operations through Own Source Revenues (OSR). These are revenues collected within the County. The key local revenue sources for Kajiado County included business permits, land rates, business plan approval, advertising fees, cesses, other administrative charges and waiver on land rates.

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through the implementation of projects and programmes.

Financial Performance

a) Revenue

In the FY 2018/19, the County had a Resource Envelope of Kshs. 9,605,177,903 out of which Kshs. 5,835,886,882 (60.8%) was allocated for recurrent expenditure and Kshs. 3,769,291,081 (39.2%) for development expenditure. In the year under review, the County met one of the Fiscal responsibilities requirements in the PFM Act (section 107) requiring that at least 30% of the County Budget be dedicated for development expenditure.

The expected Revenues for the County Budget included the following:

REVENUE CLASSIFICATION	REVENUE BUDGET (Kshs.)
SUMMARY OF REVENUE ESTIMATES	
Equitable share Transfers	5,997,325,000
Own Source Revenue	1,583,856,996
Agricultural Sector Development Support Programme (ASDSP) Level II & KCSAP	137,305,981
Ministry of Health – Health Grants	116,953,923
Return CRF Issues	1,200,000,000
Road maintenance levy fund	157,906,320
KDSP	64,324,384
Rehabilitation of village polytechnics	40,345,000
KUSP	307,160,300
GRAND TOTAL	**9,605,177,903**

b) Payments

The total expenditure for the year amounted to Kshs. 8,374,520,000 out of which Kshs. 3,268,967,740 was spent on Development expenditure while Kshs. 5,105,552,259 was spent on recurrent expenditure representing a ratio of 39:61 respectively.

Despite notable achievements, we have experienced some challenges during the year. These include;

1) We experienced challenges with IFMIS as a result of down times and poor Internet Connectivity;

2) Delays in Exchequer Releases;

3) Heavy rains that interfered with the construction of roads;

4) Actualizing the E-Procurement Process; and

5) The County achieved 68% in Own Source Revenue of the targeted amount, therefore, a shortfall of 32%. However, there has been continuous improvement every year since the new administration came into office. We are in the process of processing an enhanced revenue collection and management solution which will support the county in sealing any monies leakages and ensure all streams are automated.

Conclusion

FY 2018/19 County Government of Kajiado made good progress in key deliverable areas and the momentum has been created to enable Kajiado County continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their invaluable support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other Departments who we have worked with hand in hand to ensure that Kajiado County Government achieves its objectives.

I thank all Staff in the entire County for their continued commitment and dedication through hard work in delivering services to the People of Kajiado County.

ALAIS KISOTA
C. E. C.M – COUNTY TREASURY
23rd Dec. 2020

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of 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, 2019. 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, 2019, 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 County Treasury on 23rd Dec 2020.

County Executive Committee Member – County Treasury

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KAJIADO FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kajiado set out on pages 1 to 49, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kajiado as at 30 June, 2019, 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 and the County Governments Act, 2012.

Basis for Qualified Opinion

1.0 Statement of Receipts and Payments

1.1 Unsupported County Own-Generated Revenue

The statement of receipts and payments reflects county own-generated revenue totalling Kshs.1,075,900,267 as further disclosed in Note 9 to the financial statements. However, the outsourced electronic system's ledgers reflected collections totalling Kshs.1,060,070,088 resulting to a variance of Kshs.15,830,179 between the two sets of records. Further, the revenue balance reflected in the ledgers was not supported with any revenue summaries.

In addition, the County Executive's revenue account at a local commercial bank reflected collections totalling Kshs.1,029,106,364 which differed by Kshs.46,793,903 and

Kshs.30,903,724 from the balances reflected in the financial statements and the outsourced system respectively.

Consequently, the accuracy and completeness of the own-generated revenue balance totalling Kshs.1,075,900,267 reflected in the financial statements has not been confirmed.

1.2 Unsupported Compensation of Employees

The statement of receipts and payments reflects compensation of employees payments totalling Kshs.2,610,351,093, as further disclosed in Note 11 to the financial statements. The balance denotes an increase of Kshs.503,778,432 or 24% over the sum of Kshs.2,106,572,661 reported in 2017/2018 financial year.

The authorized staff establishment as at 30 June, 2019 was not availed for audit and as a result, the cause of the increase could not be confirmed.

Consequently, the accuracy and validity of the compensation of employees expenditure totalling Kshs.2,610,351,093 reflected in the statement of receipts and payments was not confirmed.

1.3 Unsupported Use of Goods and Services

The statement of receipts and payments reflects use of goods and services payments totalling Kshs.1,420,319,912 as further disclosed in Note 12 to the financial statements. The balance includes the unconfirmed balances described below:

1.3.1 Payments for Undisclosed Budget Items

Records examined indicated that several payments totalling Kshs.4,000,000 were charged to the goods and services account and reflected in the general ledgers but the budget items they were charged to were not disclosed. The occurrence and validity of the expenditures could not therefore be confirmed.

1.3.2 Revenue Collection Fees

Expenditure records indicated that revenue collection fees totalling Kshs.49,575,310 were paid to the firm that owns the electronic revenue collection system. Audit examination of the contract agreement, however, indicated the fees due to the firm were set at 6% of the annual collections and were deductible at source by the firm. The revenue totalling Kshs.1,420,319,912 reported in the financial statements would, therefore, have incurred fees totalling Kshs.68,674,485. No explanation has been provided by Management for the difference between the fee paid totalling Kshs.49,575,310 reported in the financial statements and the sum of Kshs.68,674,485 presumed to have been deducted by the firm at source. In addition, Management has not explained how the payments totalling Kshs.49,575,310 were arrived at. Further, the validity of the contract clause that allowed the firm to deduct fees at source was not explained.

In view of these issues the accuracy, completeness and validity of fees paid totalling Kshs.49,575,310 was not confirmed.

1.3.3 Education and Vocational Training Sector Payments

The records further indicate that a sum of Kshs.15,437,688 was spent on education and vocational training. However, Management did not avail the original payment vouchers and other relevant records for audit review. As a result, it was not possible to confirm whether the goods and services for which the payments were made were received and used for the intended purpose.

1.3.4 Supply of Fuel and Lubricants

In addition, service level agreements for purchases of fuel, oil and lubricants valued at Kshs.67,818,847 were not availed for audit review and consequently, the accuracy and validity of the payments could not be confirmed.

1.35 Unsupported Insurance Payments

Also included in the goods and services expenditure balance are insurance cost payments totalling Kshs.34,452,185, but records on the services provided were not availed for audit review. As a result, the occurrence and validity of the payments could not be confirmed.

In view of these issues, the occurrence, accuracy and validity of the use of goods and services expenditure totalling Kshs.1,420,319,912 reflected in the statement of receipts and payments could not be confirmed.

1.4 Unsupported Acquisition of Assets

Note 17 to the financial statements reflects acquisition of assets expenditures totalling Kshs.2,433,182,187. Examination of payments made under the item, however, revealed payments totalling Kshs.132,256,770 reflected in the ledger without descriptions of the payees and the items purchased. As a result, the nature, occurrence and validity of the payments could not be confirmed.

Consequently, the accuracy and completeness of the acquisition of assets balance totalling Kshs.2,433,182,187 reflected in the financial statements could not be confirmed.

2. Statement of Assets and Liabilities

2.1 Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance totalling Kshs.551,184,152 as at 30 June, 2019, as further disclosed in Note 21A and Note 21B to the financial statements. However, the opening balance for the year 2017/2018 reflected a bank balance of Kshs.1,108,878,573 whereas the comparative balance reflected in the financial statements for the year under review amounts to Kshs.1,091,708,793 resulting to an unexplained difference of Kshs.17,169,780 between the two sets of records. In addition, the revenue collection account balance amounting to Kshs.50,863,779 indicated as held at a commercial bank as at 30 June, 2019 was not supported with bank certificates. Further, a review of bank reconciliation statements

availed for audit reflected stale cheques totalling Kshs.10,308,448 which had not been presented for payment for periods exceeding six (6) months but had not been reversed in the cashbook as required in financial regulations.

In addition, examination of bank statements revealed cash book payment reversals totalling Kshs.6,023,227 out of which a sum of Kshs.2,065,000 was not explained.

In view of these issues, the accuracy, completeness and validity of the cash and cash equivalents balance totalling Kshs.551,184,152 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

2.2 Undisclosed Accounts Receivables

The financial statements have not disclosed accounts receivables as at 30 June, 2019 although other records examined indicate that there were outstanding receipts on ratable properties, loading zones, parking slots, advertisements, single business permit, wayleave fees and outstanding imprests, among others. In addition, Management did not maintain a receivables ledger, even after having hired a valuer to prepare a valuation roll for ratable properties.

In addition, examination of records on revenue collection and management system revealed that the computer servers used by the system were located remotely and the first transaction in the system was dated 14 July, 2016. Management did not explain how and when the migration of data from the system used previously was done. In addition, a backup copy of the data held in the defunct system was not availed for verification. Further, detailed revenue reports showing uncollected balances and how these accrued over time were not availed for audit.

In view of the discrepancies, the nature and amount of revenue balances migrated from the old to the new system as well as those accrued in the new system could not be confirmed. As a result, the nature and amounts of accrued revenue balances as at 30 June, 2019 could not be confirmed.

3. Lack of a Fixed Assets Register

Disclosed in Annex 5 to the financial statements is a summary of fixed assets register that reflects a fixed assets balance of Kshs.5,404,965,697 as at 30 June, 2019. However, Management did not avail the fixed assets register for audit review.

Consequently, the completeness and accuracy of the acquisition of assets balance totalling Kshs.5,404,965,697 as at 30 June, 2019 has not been confirmed.

4. Undisclosed Biological Assets

Further, biological assets, that include cattle of an undisclosed value held in a ranch owned by the County Government have not been accounted for or disclosed in the financial statements.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Kajiado Management in

accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budget Control and Performance

The summary statement of appropriation: recurrent and development combined reflects county own-generated receipts budget and actual on comparable basis totalling Kshs.1,583,856,996 and Kshs.1,075,900,268 respectively resulting to under-collection of Kshs.507,956,729 or 32% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.9,605,177,903 and Kshs.8,374,520,000 respectively resulting to an under-expenditure of Kshs.1,230,657,903 or 13% of the budget.

No plausible explanation has been provided by Management for the large shortfall in collection of own-generated revenue. Failure to collect all the budgeted revenue was largely responsible for the under-expenditure that constrained implementation of planned activities and delivery of services to the residents of Kajiado County during the year under review.

2. Pending Bills

Note 5.10 - other important disclosures to the financial statements reflects cumulative pending bills totalling Kshs.1,307,244,977 as at 30 June, 2019 out of which bills totalling Kshs.400,653,085 were incurred during the year under review. Had the bills been paid during the year, the deficit totalling Kshs.557,694,441 reflected in the statement of receipts and payments would have increased to Kshs.1,864,939,418.

In the report for the 2017/2018 financial year, pending bills owed to suppliers of goods and services as at 30 June, 2018 totalled Kshs.766,806,193 against Kshs.906,591,892 as at 30 June, 2017. Management has not explained the sharp increase in the balance to Kshs.1,307,244,977 as at 30 June, 2019.

Failure to settle bills during the year to which they relate distorts the information presented in financial statements and adversely affects the operations for the subsequent year since the bills form a first charge on the year's budgetary provisions. In addition, unpaid bills

slow down economic activity and may discourage local businesses from trading with public entities.

3. Prior Year Issues

The audit report for the prior financial year ended 30 June, 2018 had highlighted several issues under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Internal Control Risk Management and Governance.

Note 6 of other important disclosures indicates that most of the issues related to the unconfirmed account balances and have since been resolved. However, audit review of other significant issues including those on establishment of an assets register and implementation of projects indicated they were yet to be resolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unconfirmed Validity and Delay in Delivery of Spatial Mapping Contract

Examination of lands, physical planning and urban development records indicated that in March, 2016 the County Executive issued a tender valued at Kshs.138,230,511 to a land surveyors' firm to carry out topographical mapping and prepare a County Spatial Development Plan.

As at 30 June, 2019, payments made to the firm totalled Kshs.117,180,460 out of which Kshs.74,534,358 was paid during the year under review.

Although Management indicated that the tender was awarded after qualified consultants were, through an advertisement placed in national newspapers, invited to express interest in providing the services, a copy of the advertisement was not availed for audit review. In addition, the technical and financial reports prepared by the Evaluation Committee were dated 12 January, 2016 which date preceded the appointment of the Committee on 11 April, 2016. Furthermore, the report was signed by only two of the Committee's four members. The records, therefore, suggested that the technical and financial reports were prepared before the Committee was approved.

Correspondence from the firm to Management dated 18 April, 2019 acknowledged concerns raised by the County Government's technical team on execution of the contract

and suggested that a workshop be held to address the issues. The issues in question were, however, not disclosed to the audit team by Management and therefore their nature and status at the time of the audit was not confirmed. At the end of the financial year under review, the Spatial Development Plan had not been submitted to Management in spite of the payments totalling Kshs.117,180,460 made to the firm.

In view of the insufficient disclosures on the contract, its validity has not been confirmed. In addition, there is no confirmation whether the contract price was arrived at in a competitive way and that the residents of Kajiado County shall receive value for money on the contract price set at Kshs.138,230,511. Further, the prolonged delay in submission of the Spatial Development Plan to Management implies that no value was obtained on the payments totalling Kshs.117,180,460 made to the firm as at 30 June, 2019.

2. Unsatisfactory Implementation of Projects

Examination of records on acquisition of assets and sampled verification of projects under implementation during the year under review revealed various unsatisfactory matters, including delays in completion of projects, low quality works, unauthorized variations of works and irregular procurement processes, as outlined in Appendix 1 to this report.

Consequently, the validity and value for money on payments totalling Kshs.2,433,182,187 spent on acquisition of assets during the year under review has not been confirmed.

3. Irregular Implementation of National Government Functions

Review of the records from education sector revealed that the County Executive has over several years implemented various projects in primary and secondary schools. As at 30 June, 2019 the expenditure totalled Kshs.63,561,074.

However, Schedule 4(four) of the Constitution assigns management of primary and higher education to the National Government. There was no evidence indicating that the County Government had entered into an agreement with the National Government to implement the projects. Consequently, the legality of the expenditure totalling Kshs.63,561,074 could not be confirmed.

4. Non-Compliance with Revenue Collection Contract

Revenue records examined indicated existence of an agreement between the vendor for revenue collection software, a commercial bank and the County Executive, for collection and banking of county own-generated receipts.

The commercial bank was required to transfer the revenue collected into the County Executive's revenue account within 5 (five) days. However, examination of revenue collection records indicated that the bank held onto the revenues collected longer than the five (5) days allowed in the contract agreement.

No explanation was provided for the failure by Management to enforce the conditions of the revenue collection contract.

5. Irregular Re-Allocations of Funds

Payments for goods and services totalling Kshs.1,420,319,912 made during the year included payments made out of re-allocated budgetary provisions totalling to Kshs.78,564,823. Approvals for the reallocations were, however, not availed for audit review. As a result, the validity of the payments was not confirmed.

6. Staff Not Confirmed in Service

Personnel records examined indicated that contrary to the Employment Act, one hundred and eighty-three (183) employees of the County Executive were on probation although they had worked for more than six (6) months. The records further indicated that Management employed five hundred and twenty-one (521) new employees during the year under review. However, Management did not avail evidence to confirm whether the positions were advertised by the County Public Service Board as required under Section 59(1)(b) of the County Governments Act, 2012.

In view of the omissions, the legal and employment status of the employees could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Establish Backup Server for the Revenue System

Further, contrary to the agreement entered into with the system's supplier, Management had not set up a backup computer server to secure data and enable continuation of service should the system fail to function, or during planned downtime. There is, therefore, risk that records on revenue may not be recovered in the event of a disaster or discontinuation of service by the vendor.

In addition, information on the rights granted to the administrator over the system were not availed for audit review and as a result, the extent of control by Management over the system was not assessed.

Management did not explain measures it had taken to ensure compliance with the contract and safeguard public interests in the contract. In the circumstances, I am unable to confirm that the operational and other controls for the revenue collection system are sufficient or effective.

2. Lack of Risk Management Policy

Management did not provide evidence that it had established a risk management policy. As a result, there was no objective means to identify, assess and mitigate risks to the operations of the County Executive.

3. Employees Without Payroll Numbers

Evaluation of the staff register revealed that contrary to the requirements of the Salaries and Remuneration Commission report on the Public Sector Wage Bill issued in June, 2019, and good management practice, twenty-seven (27) permanent employees did not have payroll numbers.

Therefore, the County Executive's payroll records lacked sufficient internal controls.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to dissolve the County Executive.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Executive monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

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

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

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

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

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

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

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

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

10 May, 2021

Appendix

Unsatisfactory Implementation of Projects

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
1	Tarmacking of A104 KCB Kitengela-Orata-Hospital Road in Kitengela Town	37,935,190	20,125,908	30/6/ 2019	The Project was incomplete but contractor was not on site. The Project Status Report as at 30 June, 2019 indicated the works were at 53% level of completion. The Engineer's Estimates were not availed for audit review. Out of 800 meters of tarmacking work contracted, only 500 meters was done. The remainder 300 metres was graveled instead. No explanation was provided for the variation of the works., or the change, if any in the contract price that resulted thereof. The culverts installed were too small and therefore could not contain storm waters in the rainy season. This resulted in flooding of the road and adjacent areas. The payment voucher dated 10 May, 2019 and the Purchase Order were issued on 21 May, 2019, several days after some of the works were reported as having been completed. No explanation was provided by Management on why the execution of works preceded the purchase order. The anomaly suggested the works contract may have been awarded irregularly.
2	Rehabilitation of (37 Kilometres) Iltilal-Oyarata-Lemongo Rombo Road in Kajiado South	19,510,272	9,948,740	14/7/2018	The works were incomplete and the contractor was not on site. The Project Status Report as at 30 June, 2019 indicated that the works were at 53% level of completion. The Engineer's Estimates were not availed for audit review and as a result, the audit could not confirm how the contract price was arrived at. Concrete and drainage works as well as road furniture, were not done. The payment vouchers were not dated and numbered.

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
3	Construction of Inkariak Rongena Sompet Road in Kimana Ward	14,123,928	14,123,672	16 /5/ 2019	The commencement of works letter and the certificate of completion and Project Status Report were not availed for audit. The length of the contracted works was confirmed as 12.3km and not 17.5km as stated in the Bills of Quantities. Therefore, a portion of the contract price was nugatory. The works were reported as 100% complete. The payment voucher was not numbered and the purchase order was issued on 21 May, 2019, thirty (30) days after some works were reported as completed. The anomalies suggested that the award of the contract was done without following public procurement regulations.
4	Construction of Kiserian Market	61,242,373		19 /4/ 2019	The works were incomplete but the contractor was not on site. The Project Status report as at 30 June, 2019 indicated that the works were at 61% level of completion. Tender evaluation documents and the engineer's estimates were not availed for audit. As a result, it was not possible to confirm how the tender for the works was awarded and the cost of the project arrived at.
5	Construction of Loitoktok Market in Kuku Ward	27,947,613			As at 30 June 2019, the Project was four (4) years behind its planned completion date. With the market yet to be completed the traders were operating from adjacent temporary sheds. Concrete slabs were installed on the side of the market set aside for a perimeter wall. A lockable gate provided for in the BQs was not installed on the refuse collection bin built at the market. The culverts and side ditches provided for in the BQs were not done.
6	Construction of Ngong Sports Complex in Ngong Town	198,464,940	50,397,570	5/7/2019	The works were incomplete but the contractor was not on site.

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
					The Engineer's Estimates and other documentation to confirm the extent to which the project had been implemented and whether proper procurement procedures were followed in award of the contract were not availed for audit. The Project Status Report as at 30 June, 2019 indicated that the works were at 36% level of completion. Management did not explain why the project was behind schedule and whether the liquidated damages in the contract had been enforced against the contractor for the delay. Materials left on site were not secure as some parts of the stadium's iron sheet fence had collapsed.
7	Construction of Machine Sheds at Demonstration Farm	4,983,882	4,603,900	Not availed	The works were incomplete and the contractor was not on site. The status report as at 30 June, 2019 indicated that the works were at 92% level of completion. Management did not avail the procurement documents for audit review and as a result, the validity of the tendering process could not be confirmed. The foundation and floor were not raised to allow free flow of stormwaters. The floor though unused, had developed cracks which sugggested the workmanship was of low quality. The facility was not secured with doors and barriers. Coating and painting of steel bars was not done. There was rust on some of the newly installed steel bars.This suggested they were of low quality.
8	Construction of a Silage Pit at Demonstration Farm	1,499,660	1,499,660		The pit was not put to use. The paint applied on the walls had peeled off and the roof was not installed. Certificate No.2 indicated that the project was 100% complete.

No	Project Name	Contract Sum (Kshs)	Amount Paid to the Contractor (Kshs) as at 30 June, 2019	Completion date	Observations
9	Construction of Maternity Wing & Wards at Kajiado County Referral Hospital	53,729,145	Not availed		The execution of the project started on 24 April, 2015. Management thereafter approved variations of the contract by Kshs.13,188,838 on 5 May, 2017. Payment certificates 1 to 4 were not availed for audit. Low cost blue gum (soft) wood doors were installed instead of the mahogany(hard) wood provided for in the BQs. Several defects were noted including uneven alignment of the doors and door frames and cracks on the walls.
10	Supply of Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) Scan Equipment to Kajiado Referral Hospital	267,832,517	267,832,517	20 /7/ 2019	The payment voucher dated 10 May, 2019 was not numbered and the purchase order was issued on 21 May, 2019, eleven (11) days after delivery had been completed. This suggested that the procurement was done in an irregular way. The MRI equipment was not delivered. The CT Scan equipment was delivered but was not installed for use.
11	Supply of Two (2) Vehicles – One Double Cabin Pick-Up (manual transmission) and White Color One Car	9,997,600			Management used direct procurement method to purchase the two vehicles. The respective log books were not availed and the vehicles had not been delivered at the time of audit.
12	Purchase of Truck	7,825,000		30/5/2020	The truck was paid for on 28 June, 2019 but was reportedly taken to the dealer for modification into a skip loader for garbage collection at a cost of Kshs.8,700,000. It had not been retuned at the time of the audit. Further, the requisition from the user the Department and the logbook were not availed for audit. Consequently, it was not possible to confirm whether procurement of the truck followed due process and whether its legal ownership was transferred to of the Kajiado County Government.
13	Supply, Installation, Commissioning of Service, Fire Suppression, Cooling, Security Cameras (CCTV) and Access Control System	19,509,496	7,573,823	Not availed	The respective tender documents were not availed for audit. As a result, the validity of the process followed to procure the contract was irregular.

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2018-2019	2017-2018
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	5,997,400,000	5,768,200,000
Proceeds from Domestic and Foreign Grants	2	0.00	-
Transfers from Other Government Entities	3	676,002,784	314,243,139
Proceeds from Domestic Borrowings	4	0.00	-
Proceeds from Foreign Borrowings	5	0.00	-
Proceeds from Sale of Assets	6	0.00	-
Reimbursements and Refunds	7	67,522,507	-
Returns of Equity Holdings	8	0.00	-
County Own Generated Receipts	9	1,075,900,268	680,475,029
Returned CRF issues	10	-	10,071,056
TOTAL RECEIPTS		**7,816,825,559**	**6,772,989,224**
PAYMENTS			
Compensation of Employees	11	2,610,351,093	2,106,572,661
Use of goods and services	12	1,420,319,912	1,141,353,288
Subsidies	13	-	-
Transfers to Other Government Units	14	1,124,909,810	1,115,975,645
Other grants and transfers	15	654,482,003	81,957,619
Social Security Benefits	16	131,274,994	140,852,410
Acquisition of Assets	17	2,433,182,187	2,081,921,406
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments (Hospital Expenses)	20	-	-
TOTAL PAYMENTS		**8,374,519,999**	**6,668,633,029**
SURPLUS/DEFICIT		**(557,694,441)**	**104,356,195**

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 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Nedere
ICPAK Member Number: 23763

5.2. STATEMENT OF ASSETS AND LIABILITIES

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	550,493,402	1,091,708,793
Cash Balances	21B	690,750	
Total Cash and cash equivalent		**551,184,152**	**1,091,708,793**
Accounts receivables – Outstanding Imprests	22	-	-
TOTAL FINANCIAL ASSETS		**551,184,152**	**1,091,708,793**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	-	17,169,800
NET FINANCIAL ASSETS		**551,184,152**	**1,108,878,593**
REPRESENTED BY			
Fund balance b/fwd	24	1,108,878,593	1,004,522,396
Prior year adjustments	25	-	-
Surplus/Deficit for the year		(557,694,441)	104,356,195
NET FINANCIAL POSITION		**551,184,152**	**1,108,878,593**

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 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Ndere
ICPAK Member Number: 23768

5.3. STATEMENT OF CASH FLOWS

	Notes	2018-2019 KShs	2017 - 2018 KShs
Receipts from operating income			
Exchequer Releases	1	5,997,400,000	5,768,200,000
Proceeds from Domestic and Foreign Grants	2	-	-
Transfers from Other Government Entities	3	676,002,784	314,243,139
Reimbursements and Refunds	7	67,522,507	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	1,075,900,267	680,475,029
Returned CRF issues	10	-	10,071,056
		7,816,825,559	**6,772,989,224**
Payments for operating expenses			
Compensation of Employees	11	2,610,351,093	2,106,572,661
Use of goods and services	12	1,420,319,912	1,141,353,288
Subsidies	13	-	-
Transfers to Other Government Units	14	1,124,909,810	714,967,233
Other grants and transfers	15	654,482,003	482,966,030
Social Security Benefits	16	131,274,994	140,852,409
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	-	-
		5,941,337,812	**4,586,711,621**
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		**1,875,487,747**	**2,186,277,603**

CASHFLOW FROM INVESTING ACTIVITIES			3
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	2,433,182,187	2,081,921,406
Net cash flows from Investing Activities		**2,433,182,187**	**2,081,921,406**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**(557,694,441)**	**104,356,195**
Cash and cash equivalent at BEGINNING of the year	24	**1,108,878,593**	**1,004,522,396**
Cash and cash equivalent at END of the year	21	**551,184,152**	**1,108,878,593**

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 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Ndere
ICPAK Member Number 23763

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	5,977,886,495	19,438,505	5,997,325,000	5,997,400,000	(75,000)	100%
Proceeds from Domestic and Foreign Grants	-		-		-	0%
Transfers from Other Government Entities	823,995,907		823,995,907	676,002,784	147,993,123	82%
Proceeds from Domestic Borrowings	-		-		-	0%
Proceeds from Foreign Borrowings	-		-		-	0%
Proceeds from Sale of Assets	-		-		-	0%
Reimbursements and Refunds	-		-	67,522,507.00	(67,522,507)	0%
Returns of Equity Holdings	-		-		-	0%
County Own Generated receipts	1,583,856,996		1,583,856,996	1,075,900,268	507,956,729	68%
Return issues to CRF	1,200,000,000		1,200,000,000	-	1,200,000,000	0%
TOTAL	**9,585,739,398**	**19,438,505**	**9,605,177,903**	**7,816,825,559**	**1,788,352,344**	
PAYMENTS						
Compensation of Employees	2,620,023,787	(7,832,600)	2,612,191,187	2,610,351,093	1,840,094	100%
Use of goods and services	1,535,160,792	284,865,060	1,820,025,852	1,420,319,912	399,705,940	78%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	1,497,002,172	87,748,481	1,584,750,653	1,124,909,810	459,840,843	71%
Other grants and transfers	654,482,003	-	654,482,003	654,482,003	(0)	100%
Social Security Benefits	131,275,000	-	131,275,000	131,274,994	6	100%

Acquisition of Assets	3,147,795,644	(345,342,436)	2,802,453,208	2,433,182,187	369,271,021	87%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	0%
TOTAL	**9,585,739,398**	**19,438,505**	**9,605,177,903**	**8,374,520,000**	**1,230,657,903**	87%
SURPLUS/(DEFICIT)	**0**	-	**0**	**557,694,442**		

Disclosure notes;

1. Transfers from Other Government Entities has an underutilization of 29% this is because delay releases of fund by the national treasury hence affects timely utilization of the same.

2.County Own Generated revenue has an underutilization of 32% this is because of unforeseen revenue collection challenges encountered during the year under review.

3. Use of goods and services has an underutilization of 22% this is because of revenue collection shortfall due to unforeseen revenue collection challenges and delay of release of funds by national treasury has occasioned underspending.

The entity financial statements were approved on 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Ndere
ICPAK Member Number 23763

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,128,898,836	361,883,599	3,490,782,435	3,802,676,124	(311,893,689)	109%
Proceeds from Domestic and Foreign Grants					-	0%
Transfers from Other Government Entities	535,597,340		535,597,340	252,146,164	283,451,175	47%
Proceeds from Domestic Borrowings					-	0%
Proceeds from Foreign Borrowings					-	0%
Proceeds from Sale of Assets					-	0%
Reimbursements and Refunds				67,522,507.00	(67,522,507)	0%
Returns of Equity Holdings					-	0%
County Own Generated receipts	1,029,507,047		1,029,507,047	1,075,900,268	(46,393,220)	105%
Return CRF issues	780,000,000		780,000,000		780,000,000	0%
TOTAL	**5,474,003,223**	**361,883,599**	**5,835,886,822**	**5,198,245,063**	**637,641,759**	**89%**
PAYMENTS						
Compensation of Employees	2,620,023,787	(7,832,600)	2,612,191,187	2,610,351,093	1,840,094	100%
Use of goods and services	1,535,160,792	266,401,100	1,801,561,892	1,413,482,784	388,079,108	78%
Subsidies			-		-	0%

Transfers to Other Government Units	931,611,432	87,748,481	1,019,359,913	725,376,432	293,983,481	71%
Other grants and transfers	150,000,000		150,000,000	150,000,000	-	100%
Social Security Benefits	131,275,000		131,275,000	131,274,994	6	100%
Acquisition of Assets	105,932,212	15,566,618	121,498,830	75,066,956	46,431,874	62%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on borrowings			-		-	0%
Other Payments			-		-	0%
TOTAL	**5,474,003,223**	**361,883,599**	**5,835,886,822**	**5,105,552,259**	**730,334,563**	87%
SURPLUS/(DEFICIT)	**0**	-	**0**	**92,692,803**		

The entity financial statements were approved on 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Ndere
ICPAK Member Number: 23763

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	2,848,987,659	(342,445,094)	2,506,542,565	2,194,723,876	311,818,689	88%
Proceeds from Domestic and Foreign Grants					-	0%
Transfers from Other Government Entities	288,398,567		288,398,567	423,856,620	(135,458,053)	147%
Proceeds from Domestic Borrowings					-	0%
Proceeds from Foreign Borrowings					-	0%
Proceeds from Sale of Assets					-	0%
Reimbursements and Refunds					-	0%
Returns of Equity Holdings					-	0%
County Own Generated receipts	554,349,949		554,349,949		554,349,949	0%
Return CRF issues	420,000,000		420,000,000		420,000,000	0%
TOTAL	**4,111,736,175**	**(342,445,094)**	**3,769,291,081**	**2,618,580,496**	**1,150,710,585**	2.35
PAYMENTS						
Compensation of Employees	-	-	-	-		
Use of goods and services	-	18,463,960	18,463,960	6,837,128	11,626,832	37%
Subsidies			-		-	0%
Transfers to Other Government Units	565,390,740		565,390,740	399,533,378	165,857,362	71%
Other grants and transfers	504,482,003		504,482,003	504,482,003	-	0%
Social Security Benefits			-		-	0%
Acquisition of Assets	3,041,863,432	(360,909,054)	2,680,954,378	2,358,115,231	322,839,147	88%

Finance Costs, including Loan Interest			-		-	0%
Repayment of principal on borrowings			-		-	0%
Other Payments			-	-	-	0%
TOTALS	**4,111,736,175**	**(342,445,094)**	**3,769,291,081**	**3,268,967,740**	**500,323,341**	**87%**
SURPLUS/(DEFICIT)			-	**(650,387,244)**		

The entity financial statements were approved on 23/12 2020 and signed by:

Chief Officer
Name: Sankaire Tima

Accountant General
Name: Kerika Ole Ndere
ICPAK Member Number: 23763

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
4660			**0**	**267,871,372.20**	**-37,522,597.20**
	0	Default - Non-Programmatic	0	37,522,597.20	-37,522,597.20
101004660		**General Administration, Planning and Support Services**	**297,828,408.00**	**273,876,944.25**	**23,951,463.75**
	101014660	Headquarters Administrative Services	0	0	0
	101024660	General Administration and Support Services	297,828,408.00	273,876,944.25	23,951,463.75
102004660		**Crop and Plant Husbuandry**	**0**	**0**	**0**
	102014660	Crop Development and Management.	0	0	0
	102024660	Plant Diseases Management and Control	0	0	0
103004660		**Livestock Resourses Management and Development**	**1,766,900.00**	**1,662,831.00**	**104,069.00**
	103014660	Animal Husbandry Management	0	0	0
	103024660	Livestock Sale Yard and Abattoirs' Development	0	0	0
	103034660	Veterinary Services	1,766,900.00	1,662,831.00	104,069.00
104004660		**Fisheries Development and Management**	**3,870,193.00**	**3,668,380.00**	**201,813.00**
	104014660	Fisheries Policy Strategy and Capacity Building	0	0	0
	104024660	Fisheries	3,870,193.00	3,668,380.00	201,813.00
105004660		**Enviroment Protection and Natural Resources**	**0**	**0**	**0**
	105014660	Forestry Conservation and Management	0	0	0
	105024660	Air and Noise Pollution and Other Public Nuisance	0	0	0
106004660		**Land Policy and Planning**	**414,700,851.00**	**367,843,732.00**	**46,857,119.00**
	106014660	Land Survey	0	0	0
	106024660	Boundaries and Fencing Services	0	0	0
	106034660	Physical Planning	64,641,000.00	45,508,185.00	19,132,815.00
	106044660	Land Survey and Mapping	17,286,000.00	5,705,016.00	11,580,984.00
	106054660	Housing	0	0	0
	106064660		9,366,050.00	3,146,532.00	6,219,518.00
	106074660		323,407,801.00	313,483,999.00	9,923,802.00
107004660		**Animal Husbandry Livestock Resource Management and Development**	**260,438,573.00**	**68,106,642.25**	**192,331,930.75**
	107014660	Animal Husbandry	188,442,539.00	9,891,520.00	178,551,019.00

	107024660	County Abattoirs	16,753,085.00	13,187,257.00	3,565,828.00
	107034660	Animal Disease Control	54,554,412.00	44,380,315.25	10,174,096.75
	107044660	Livestock Sale Yards	688,537.00	647,550.00	40,987.00
108004660		**Agricultural Development**	**18,889,152.00**	**14,206,081.60**	**4,683,070.40**
	108014660	Crop Husbandry	7,917,500.00	5,611,773.80	2,305,726.20
	108024660	Plant Disease Control	2,059,419.00	1,935,672.95	123,746.05
	108034660	Agricultural Mechanization Services	6,258,883.00	4,983,107.85	1,275,775.15
	108044660	Demonstration Farm	1,198,200.00	995,000.00	203,200.00
	108054660	Agricultural Training Centre	1,455,150.00	680,527.00	774,623.00
109004660		**Environment Management**	**124,548,029.00**	**86,048,574.65**	**38,499,454.35**
	109014660	Environmental Protection	113,023,029.00	75,444,169.65	37,578,859.35
	109024660	Noise Pollution Management	2,675,000.00	1,987,179.00	687,821.00
	109034660	Control of Air Pollution	5,450,000.00	5,311,926.00	138,074.00
	109044660		3,400,000.00	3,305,300.00	94,700.00
201004660		**General Administration, Planning and Support Services**	**890,367,929.00**	**739,320,197.75**	**151,047,731.25**
	201014660	Headquarters Administrative Services	95,992,468.00	94,128,699.15	1,863,768.85
	201024660	Roads	775,508,405.00	628,109,495.60	147,398,909.40
	201034660	Energy	6,487,056.00	5,788,122.60	698,933.40
	201044660	Fire Fighting	8,050,000.00	7,606,940.90	443,059.10
	201054660	Transport	4,330,000.00	3,686,939.50	643,060.50
202004660		**Energy and Infrastructure**	**3,700,000.00**	**3,110,000.00**	**590,000.00**
	202014660	Construction of Roads and Bridges	0	0	0
	202024660	Development of Energy	0	0	0
	202034660	Housing	3,700,000.00	3,110,000.00	590,000.00
203004660		**Public Works, Transport and Housing Development**	**106,000,000.00**	**14,588,728.00**	**91,411,272.00**
	203014660	Housing Development	106,000,000.00	14,588,728.00	91,411,272.00
	203024660	Fire Fighting Services	0	0	0
	203034660	Transport Services	0	0	0
204004660		**Information Communication and Technology**	**0**	**0**	**0**
	204014660	General Administration, planning and Support Services	0	0	0
205004660		**Citizen Participation**	**17,269,600.00**	**16,276,650.00**	**992,950.00**
	205014660	Media Relations	0	0	0
	205024660	Gender Mainstreaming	4,086,300.00	3,963,800.00	122,500.00

	205044660	Disability Mainstreaming	13,183,300.00	12,312,850.00	870,450.00
206004660		**Roads and Publis Works**	**8,450,000.00**	**5,564,791.50**	**2,885,208.50**
	206014660	Public Works	8,450,000.00	5,564,791.50	2,885,208.50
301004660		**General Administration, Planning and Support Services**	**187,364,897.00**	**181,329,577.15**	**6,035,319.85**
	301014660	General Administration, Planning and Support Services	187,364,897.00	181,329,577.15	6,035,319.85
302004660		**Trade and Tourism Development**	**0**	**0**	**0**
	302014660	Tourism Promotion and Marketing	0	0	0
	302024660	Trade Development	0	0	0
303004660		**Cooperative Development and Management**	**12,879,708.00**	**10,240,124.75**	**2,639,583.25**
	303014660	Cooperative Services	12,879,708.00	10,240,124.75	2,639,583.25
304004660		**Trade Development**	**99,218,051.00**	**64,239,057.00**	**34,978,994.00**
	304014660	Trade Licensing	3,874,550.00	3,802,650.00	71,900.00
	304024660	Trade Development	95,343,501.00	60,436,407.00	34,907,094.00
	304034660	Cooperative Services and Development	0	0	0
305004660		**Industrialization and Local Tourism Promotion**	**12,714,632.00**	**11,729,225.00**	**985,407.00**
	305014660	Industrialization	2,898,102.00	2,801,200.00	96,902.00
	305024660	Local Tourism Promotion	9,816,530.00	8,928,025.00	888,505.00
401004660		**General Administration, Planning and Support Services**	**1,903,701,424.00**	**1,746,777,432.25**	**156,923,991.75**
	401014660	Health Policy, Planning & Financing	0	0	0
	401024660	General Administration and Support Services	1,903,701,424.00	1,746,777,432.25	156,923,991.75
402004660		**Preventive & Promotive Health Services**	**0**	**0**	**0**
	402014660	Promotion of Primary Health Care	0	0	0
	402024660	Licencing and Control Undertaking	0	0	0
	402034660	Cemetric Funeral Parlor and Cremetoria	0	0	0
403004660		**Curative Health Services**	**228,115,302.00**	**224,624,739.15**	**3,490,562.85**
	403024660	Medical Services	228,115,302.00	224,624,739.15	3,490,562.85
	403034660	Ambulance Services	0	0	0
404004660		**Curative and Rehabilitative**	**12,672,113.00**	**12,737,184.95**	**-65,071.95**
	404014660	Medical Supllies	0	0	0
	404024660	Ambulance services	12,672,113.00	12,737,184.95	-65,071.95
405004660		**Public Health and Sanitation**	**253,135,527.00**	**231,457,412.95**	**21,678,114.05**
	405014660	Preventive and Promotive	238,467,407.00	217,948,481.55	20,518,925.45

	405024660	Licensing and control of undertaking	8,157,500.00	6,998,402.70	1,159,097.30
	405034660	Sanitation	3,286,000.00	3,285,999.90	0.1
	405044660	Mobile Clinics	3,224,620.00	3,224,528.80	91.2
501004660		**General Administration, Planning and Support Services**	**348,824,003.00**	**348,001,214.20**	**822,788.80**
	501014660	Headquarters Administrative Services	348,824,003.00	348,001,214.20	822,788.80
502004660		**Children and Youth Empowerment**	**0**	**0**	**0**
	502014660	Early Child Development and Education	0	0	0
	502024660	Revitalization of Youth Polytechnics	0	0	0
503004660		**Social Protection, Culture and Recreation**	**1,542,000.00**	**1,321,450.00**	**220,550.00**
	503014660	Homecraft Centres Development	1,542,000.00	1,321,450.00	220,550.00
	503024660	Control of Drugs and Pornography	0	0	0
	503034660	Betting and Casinos	0	0	0
	503044660	Museum Development	0	0	0
	503054660	Sports Training and Competitions	0	0	0
	503064660	County Parks Management	0	0	0
504004660		**Education Support**	**421,321,128.00**	**289,249,930.00**	**132,071,198.00**
	504014660	Pre-Primary Education	331,064,473.00	232,578,556.80	98,485,916.20
	504024660	Home Craft Centres	4,911,655.00	3,924,860.00	986,795.00
	504034660	Village Polytechnics	85,345,000.00	52,746,513.20	32,598,486.80
505004660		**Social Protection and Recreation**	**8,920,298.00**	**8,208,400.00**	**711,898.00**
	505014660	Control of Drugs and Ponography	1,899,600.00	1,274,000.00	625,600.00
	505024660	Liqour Licensing	5,236,700.00	5,150,600.00	86,100.00
	505034660	Betting and Casinos	1,783,998.00	1,783,800.00	198
	505044660	Sports Training and Competitions	0	0	0
701000000		**General Administration Planning and Support Services**	**0**	**0**	**0**
	701019999	General Administration Planning and Support Services	0	0	0
701004660		**General Administration and Policy Coordination**	**2,446,480,542.00**	**2,265,977,302.25**	**180,503,239.75**
	701014660	Headquarters Administrative Services	2,370,309,977.00	2,205,728,030.25	164,581,946.75
	701054660	County Executive Committee	24,399,999.00	23,450,133.00	949,866.00
	701064660	ICT	33,070,566.00	19,499,289.00	13,571,277.00
	701074660	County Inspectorate	18,700,000.00	17,299,850.00	1,400,150.00
702004660		**Executive Committee Affairs**	**0**	**0**	**0**
	702014660	General Administrative and Executive Affairs	0	0	0

703004660		**Public Services Coordination and Management**	**123,450,000.00**	**85,117,228.95**	**38,332,771.05**
	703014660	Human Resource Management	123,450,000.00	85,117,228.95	38,332,771.05
704004660		**Legislation, Representation and Oversight**	**22,025,034.00**	**20,364,355.00**	**1,660,679.00**
	704014660	Research and Policy Development	0	0	0
	704024660	Capacity Building and Training	13,660,000.00	12,218,721.00	1,441,279.00
	704034660	Directorate of Legislation and Procedures	8,365,034.00	8,145,634.00	219,400.00
705004660		**Public Financial Management**	**165,285,000.00**	**114,491,322.70**	**50,793,677.30**
	705024660	Budget Formulation Coordination and Management	0	0	0
	705034660	Audit Services	0	0	0
	705044660	Accounting services	0	0	0
	705054660	Supply Chain Management Services	56,270,000.00	14,688,390.40	41,581,609.60
	705064660	Fiscal and Economic Planning	24,925,000.00	23,138,240.05	1,786,759.95
	705074660	Budget	20,170,000.00	19,634,387.65	535,612.35
	705084660	Accounting	12,535,000.00	11,687,711.00	847,289.00
	705094660	Procurement	0	0	0
	705104660	Internal Audit	10,235,000.00	8,626,534.85	1,608,465.15
	705114660	Revenue Collection	41,150,000.00	36,716,058.75	4,433,941.25
706004660		**Economic Policy Coordination and Supervision**	**20,340,000.00**	**12,977,639.05**	**7,362,360.95**
	706014660	Economic Planning Coordiantion Services	0	0	0
	706024660	Statistical Information Services	0	0	0
	706034660	Monitoring and Evaluation Services	20,340,000.00	12,977,639.05	7,362,360.95
707004660		**Devolution Services**	**98,264,283.00**	**94,397,513.35**	**3,866,769.65**
	707014660	Coordination Of Devolution Services	41,042,199.00	40,276,886.50	765,312.50
	707024660	Intergovernmental Relations	32,434,752.00	30,953,649.60	1,481,102.40
	707034660	County Government Advisory Service	24,787,332.00	23,166,977.25	1,620,354.75
708004660		**Public Service, Administration and Citizen Participation**	**83,750,000.00**	**58,307,353.00**	**25,442,647.00**
	708014660	County Administration Services	0	0	0
	708024660	Public Service, adminstration and citizen participation	0	1,191,115.00	-1,191,115.00
	708034660	County administration	64,515,000.00	42,270,988.00	22,244,012.00
	708044660	county executive committee	0	0	0
	708054660	Citizen participation	19,235,000.00	14,845,250.00	4,389,750.00
709004660		**Citizen Participation**	**0**	**0**	**0**
	709014660	Citizen Participation	0	0	0

710004660		**ICT, Special Programmes and Service Delivery**	**19,860,000.00**	**19,306,705.00**	**553,295.00**
	710014660	Information,Communication and Technology	0	0	0
	710024660	Special Programmes	19,860,000.00	19,306,705.00	553,295.00
711004660		**General Administration, Policy and coordination**	**396,708,179.00**	**393,184,158.05**	**3,524,020.95**
	711014660	Office of the Clerk	41,530,000.00	39,571,583.70	1,958,416.30
	711024660	Directorate of Finance & Compliance	7,963,000.00	7,936,031.65	26,968.35
	711034660	Assembly Service Board	56,790,000.00	55,435,780.55	1,354,219.45
	711044660	Assembly Service Board	290,425,179.00	290,240,762.15	184,416.85
901004660			**34,908,400.00**	**22,965,419.65**	**11,942,980.35**
	901014660	Museum	1,800,000.00	1,791,470.00	8,530.00
	901024660	Cultural Activities	32,523,000.00	20,589,870.00	11,933,130.00
	901034660	County Parks	585,400.00	584,079.65	1,320.35
902004660			**0**	**0**	**0**
	902014660	Gender	0	0	0
903004660			**148,870,327.00**	**59,673,455.30**	**89,196,871.70**
	903024660	Sports Training and Competitions	148,870,327.00	59,673,455.30	89,196,871.70
1001004660		**General Administration, Planning and Support Services**	**109,500,820.00**	**107,119,866.90**	**2,380,953.10**
	1001014660	Human Resources and Support Services	0	0	0
	1001024660	Storm Water Management Services	9,450,000.00	9,049,989.00	400,011.00
	1001034660	General Administration, Policy and Coordination	100,050,820.00	98,069,877.90	1,980,942.10
1002004660		**Water and Sanitation Services**	**0**	**0**	**0**
	1002014660	Sanitation Services	0	0	0
	1002024660	Water Supply Infrastructure	0	0	0
1003004660			**297,571,600.00**	**214,095,369.40**	**83,476,230.60**
	1003014660	Water	275,571,600.00	190,604,822.40	84,966,777.60
	1003024660	Sanitation	0	0	0
	1003034660	Storm Water Management	0	0	0
	1003044660	Irrigation	22,000,000.00	23,490,547.00	-1,490,547.00
		Grand Total	**8,806,332,878**	**7,622,516,510.00**	**1,183,816,368.00**

Sub Program	Description	Approved Budget	Actual Payments	Variance
		0	**0**	**0**
0	Default - Non Programmatic	0	0	0
	General Administration Planning and Support Services	**0**	**0**	**0**
701019999	General Administration Planning and Support Services	0	0	0
		316,945,783.00	**304,572,965.00**	**119,604,686.55**
701014660	Headquarters Administrative Services	316,945,783.00	**304,572,965.00**	119,604,686.55
		81,670,523.00	**85,029,844.05**	**-3,359,321.05**
704014660	Research and Policy Development	0	0	0
704024660	Capacity Building and Training	11,300,000.00	12,841,038.65	-1,541,038.65
704034660	Directorate of Legislation and Procedures	70,370,523.00	72,188,805.40	-1,818,282.40
		387,143,100.00	**362,400,682.40**	**24,742,417.60**
711014660	Office of the Clerk	52,550,000.00	46,657,457.90	5,892,542.10
711024660	Directorate of Finance & Compliance	7,158,000.00	7,043,791.00	114,209.00
711034660	Assembly Service Board	58,170,000.00	44,558,085.70	13,611,914.30
711044660	Assembly Service Board	282,425,719.00	264,141,347.80	5,123,752.20
	Total	**798,920,025.00**	**752,003,490.00**	**140,987,783.10**
	Grand Total	**9,605,177,903.00**	**8,374,520,000.00**	

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

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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

2. Reporting entity

The financial statements are for the County Government of Kajiado. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2019, this amounted to KShs 36,558,004.90 compared to KShs 17,169,800.00 in prior period as indicated on note 21A

There were no other restrictions on cash during the year

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *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 28th June 2018 for the period 1st July 2019 to 30 June 2019 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the *Kajiado County Government* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	409,435,878	
Total Exchequer Releases for quarter 2	1,767,802,329	1,326,686,000
Total Exchequer Releases for quarter 3	1,068,613,523	1,586,255,000
Total Exchequer Releases for quarter 4	2,751,548,270	2,855,259,000
Total	**5,997,400,000**	**5,768,200,000**

1A. Equitable Share

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	409,435,878	
Total Exchequer Releases for quarter 2	1,767,802,329	1,326,686,000
Total Exchequer Releases for quarter 3	1,068,613,523	1,586,255,000
Total Exchequer Releases for quarter 4	2,751,548,270	2,855,259,000
Total	**5,997,400,000**	**5,768,200,000**

1B: Level 5 Hospitals Allocation

Description	2018/2019	2017/2018
	KShs	KShs
Transfers for level 5 hospitals	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018-2019	2017 – 2018
			KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Grants Received from Multilateral Donors (International Organisations)	-	-	-	-
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Grants Received from other levels of government	-	-	-	-
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
Total			-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	KShs	KShs
Kenya Roads Board	157,906,320	188,008,411
Ministry of Health – DANIDA	26,277,348	13,945,701
Ministry of Health - Maternal Health Care	36,661,525	6,633,392
Ministry of Health - User Fees Foregone	16,955,365	16,311,160
Ministry of Health - WB-THUSCP		19,524,597
kenya urban suport program KUSP	307,150,300	0
youth potytechique(TVET)	30,460,475	26,990,230
Climate Smart Agriculture Project	34,359,919	0
KDSP II	66,231,532	42,829,648
TOTAL	**676,002,784.10**	**314,243,139**

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2018 - 2019	2017 - 2018
	KShs	KShs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

	2018 - 2019	2017 – 2018
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2018 - 2019	2017 – 2018
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2018 - 2019	2017 – 2018
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-

Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals& Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations (NHIF)	67,522,507	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	**67,522,507.00**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2018 - 2019	2017 – 2018
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

9. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 – 2018
	KShs	KShs
Interest Received		
Profits and Dividends		
Rents		
Other Property Income		
Sales of Market Establishments	15,544,857	
Receipts from Administrative Fees and Charges		
Receipts from Administrative Fees and Charges - Collected as AIA		
Receipts from Incidental Sales by Non-Market Establishments		
Receipts from Sales by Non-Market Establishments		
Receipts from Sale of Incidental Goods		
Fines Penalties and Forfeitures		
Receipts from Voluntary transfers other than grants		
Business permits	220,230,267	194,355,027
Cess	12,677,531	
Poll rates		18,900,216
Plot rents	120 ,618,743.00	42,970,717

Other local levies	265,761,777	45,000
Administrative services fees	1,275,763	
Various fees	364,000	
Council's natural resources	85,414,213	56,640,774
Exploitation		
Sales of council assets		
Lease / rental of council's		
Infrastructure assets		
Other miscellaneous receipts	30,541,316	70,250,328
Insurance claims recovery		
Medium term loans (1-3 yr repayment)		
Long term loans (over 3 yr repayment)		
Transfers from reserve funds		
Donations		
Fund raising events		
Other receipts from financial assets loan		
Market/trade centre fee	11,184,561	15,792,279
Vehicle parking fees	47,777,998	42,827,880
Housing		
Social premises use charges		807,400
School fees		
Other education-related	145,142	57,200
Other education receipts		
Public health services		9,521,930
Public health facilities operations	19,779,423	20,115,198
Environment & conservancy		
Administration		
Slaughter houses administration	16,495,348	11,225,160
Water supply administration		
Sewerage administration	343,800	20,000
Other health & sanitation		3,065,040

Technical services fees	167,350,91	26,028,104
External services fees		15,574,000
Other revenue not classified anywhere	60,394,615	152,278,776
Total	**1,075,900,267**	**680,475,029**

10. RETURNED CRF ISSUES

	2018 - 2019	2017 – 2018
	KShs	KShs
Recurrent account		10,071,056.00
Development account		-
Deposit account		-
Total	-	10,071,056.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 – 2018
	KShs	KShs
Basic salaries of permanent employees	1,339,222,451	1,036,873,805
Basic wages of temporary employees	39,187,334	52,324,666
Personal allowances paid as part of salary	1,194,466,309	1,017,374,190
Personal allowances paid as reimbursements	925,000	
Personal allowances provided in kind		
Pension and other social security contributions	36,549,999	
Compulsory national social security schemes	-	
Compulsory national health insurance schemes	-	
Social benefit schemes outside government	-	
Other personnel payments		
Total	**2,610,351,093**	**2,106,572,661**

12. USE OF GOODS AND SERVICES

	2018 - 2019	2017 - 2018
	KShs	KShs
Utilities, supplies and services	50,059,997.80	32,724,351
Communication, supplies and services	41,578,581.70	18,014,874
Domestic travel and subsistence	270,030,240.75	247,780,039
Foreign travel and subsistence	70,712,456.75	14,676,691
Printing, advertising and information supplies & services	68,298,210.50	73,466,592
Rentals of produced assets	11,929,268.00	-
Training expenses	27,745,132.50	29,124,356
Hospitality supplies and services	73,084,507.50	47,992,759
Insurance costs	34,452,185.10	84,526,372
Specialized materials and services	385,071,352.35	292,055,249
Office and general supplies and services	21,403,736.50	43,635,243
Other operating expenses	230,082,121.35	123,767,532
Routine maintenance – vehicles and other transport equipment	42,609,888.95	47,942,116
Routine maintenance – other assets	19,710,558.25	25,072,604
Fuel, oil and lubricants	73,551,674.25	60,574,511
Total	**1,420,319,912.25**	**1,141,353,288**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Subsidies to Public Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 – 2018
	KShs	KShs
Kajiado County Assembly	752,003,490	704,967,234
Mortgage and car loan	40,000,000	10,000,000
Road Maintenance Fund	157,906,320	188,008,411
Disability Mainstreaming Fund	10,000,000	8,000,000
Youth Fund	15,000,000	15,000,000
Scholarships and other Benefits	80,000,000	80,000,000
Emergency Relief and Refugee Assistance	70,000,000	110,000,000
TOTAL	**1,124,909,810**	**1,115,975,645**

15. OTHER GRANTS AND PAYMENTS

	2017 - 2018	2016 – 2017
	KShs	KShs
Health Grants	91,136,737	54,967,389
Transfers to village polytechnic	30,460,475	26,990,230
Other Current Grants and Transfers	232,574,572	
kenya climate smart (KCSAP)	34,359,919	
kenya urban support program (KUSP)	265,950,300	-
Total	**654,482,003**	**81,957,619**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

	2018 - 2019	2017 – 2018
	KShs	KShs
Government pension and retirement benefits	131,274,993.80	140,852,410
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
Total	**131,274,993.80**	**140,852,410**

17. ACQUISITION OF ASSETS

Non Financial Assets	2018 - 2019	2017 – 2018
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	1,403,435,199	629,484,516
Refurbishment of Buildings	9,532,838	32,841,547
Construction of Roads	523,032,846	556,400,341
Construction and Civil Works	234,280,304	401,032,877
Overhaul and Refurbishment of Construction and Civil Works		-
Purchase of Vehicles and Other Transport Equipment	22,088,500	39,618,900
Overhaul of Vehicles and Other Transport Equipment	192,000	-
Purchase of Household Furniture and Institutional Equipment		-
Purchase of Office Furniture and General Equipment	12,637,002	3,941,750
Purchase of ICT Equipment		201,603,368
Purchase of Specialized Plant, Equipment and Machinery	74,556,855	143,569,011

Rehabilitation and Renovation of Plant, Machinery and Equip.	14,679,657	17,771,055
Purchase of Certified Seeds, Breeding Stock and Live Animals		
Research, Studies, Project Preparation, Design & Supervision	59,073,846	55,658,041
Rehabilitation of Civil Works	19,673,140	
Purchase of Specialized Plant	60,000,000	
Acquisition of Strategic Stocks and commodities		
Acquisition of Land		
Acquisition of Intangible Assets		
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Total	**2,433,182,187**	**2,081,921,406**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2018 - 2019	2017 – 2018
	KShs	KShs
Exchange Rate Losses		
Interest Payments on Foreign Borrowings	-	
Interest Payments on Guaranteed Debt Taken over by Govt	-	
Interest on Domestic Borrowings (Non-Govt)	-	
Interest on Borrowings from Other Government Units	-	
Total	-	

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

	2018 - 2019	2017 – 2018
	KShs	KShs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government		-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

20. OTHER PAYMENTS

	2018 - 2019	2017 – 2018
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

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)	2018 – 2019	2017 – 2018
Central Bank of Kenya, 1000171219 & KES	KES	Development Bank A/C	N/a	16,132,200	575,541.00
Central Bank of Kenya, 1000171251 & KES	KES	Recurrent Bank A/C	N/a	453,636	486,737.00
Central Bank of Kenya, 1000199008 & KES	KES	Deposit Bank A/C	N/a	36,558,004	17,169,798.00
Central Bank of Kenya, 1000171642 & KES	KES	Revenue Fund A/C	N/a	268,970,407	934,310,752.00
Central Bank of Kenya, 1000282207& KES	KES	Kajiado County Dept of H/Grants Account	N/a	5,125,800	81,765,743.00
Central Bank of Kenya, 1000282193 & KES	KES	Kajiado County Roads Levy Fund Account	N/a	131,206,688	30,006,366.00
Central Bank of Kenya, 1000365347 & KES	KES	ASDSP II	N/a	2,369,371	-
Central Bank of Kenya, 1000368608 & KES	KES	Youth Polytechnic	N/a	430,227	-
Central Bank of Kenya, 1000365258 & KES	*KES*	Kajiado County Urban Support Program	N/a	-	-
Central Bank of Kenya, 1000365331 & KES	KES	Kajiado County Climate Smart Agr. Grant	N/a	20,716,438	-
Kenya Commercial Bank, 114749870 & KES	KES	Revenue Collection A/C	N/a	50,863,779	44,563,654.00
Equity Bank-CGK ,&KES	KES	CGK-Debt Collection Account	N/a	898,610	-
Equity Bank-Debt Collection, &KES	KES	CGK-Debt Collection Account	N/a	365,494	-
Kenya Commercial Bank, 1153737159 & KES	KES	Ngong Sub County Hospital	N/a	1,643,429	-
Kenya Commercial Bank, 1152194119 & KES	KES	Loitoktok Sub County Hospital	N/a	1,453,162	-
Kenya Commercial Bank, 1159002436 & KES	KES	Kitengela Sub County Hospital	N/a	11,424,969	-

Kenya Commercial Bank, 1153618567 & KES	KES	Kajiado District Hospital	N/a	1,881,186	-
Total				**550,493,402**	**1,108,878,591**

21B. CASH IN HAND

	2018 – 2019	2017– 2018
	KShs	KShs
Cash in Hand – Held in domestic currency	690,750.00	
Cash in Hand – Held in foreign currency		
Total	**690,750.00**	-

Cash in hand should also be analysed as follows:

	2018 – 2019	2017 – 2018
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2018 – 2019	2017– 2018
	KShs	KShs
Government Imprests		-
Clearance accounts	-	-
Total	-	-

23. ACCOUNTS PAYABLE

	2018 – 2019	2017– 2018
	KShs	KShs
Deposits		17,169,800
Total		**17,169,800**

24. FUND BALANCE BROUGHT FORWARD

	2018 – 2019	2017– 2018
	KShs	KShs
Bank accounts	1,108,878,593	1,004,080,356
Cash in hand		442,040
Accounts Receivables		
Accounts Payables		
Total	**1,108,878,593**	**1,004,522,396**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

Description of the error	2018- 2019	2017- 2018
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
	-	-

5.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	2018– 2019	2017 – 2018
	KShs	KShs
Balance B/F		
Construction of buildings	476,994,431	721,261,999
Construction of civil works	818,824,369	1,084,355,554
Supply of goods		
Supply of services	11,426,177	19,000,000
	-	
TOTALS	**1,307,244,977**	**1,824,617,554**

2. PENDING STAFF PAYABLES (See Annex 3)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

During the year there were no pending staff payables.

3. OTHER PENDING PAYABLES (See Annex 4)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

During the year there were no other pending payables.

4. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	2018-19	2017-18
	Kshs	Kshs
Key Management Compensation (Governors, CEC Members and C.Os)		
Transfers to related parties		
Transfer to the County Assembly	752,003,490	704,967,234
Transfers to other County Government Entities	372,906,320	411,008,411
Transfers to Development Projects		
Transfers to non-reporting entities e.g. schools and welfare		
Transfers to County Water Service Providers		
Expenses paid on behalf of County Water Service Providers		
Total Transfers to related parties	**1,124,909,810**	**1,115,975,645**
Transfers from related parties		
Transfers from Exchequer & other Government Agencies	5,997,400,000	5,768,200,000
Transfers from other Government Agencies	676,002,784	
Transfers from SCs and SAGAs- National Government		
(Insert any other transfers received)		
Total Transfers from related parties	**6,673,402,784**	**5,768,200,000**

5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established/Date taken over	Location	Accounting Officer responsible
Olkejuado water and sewerage company	Inception of devolution	Kajiado county headquarters	MD
Oloolasiser Water and Sewerage Company	Inception of devolution	Ongata rongai	MD
Emergency Relief and Refugee Assistance	2015	Kajiado county headquarters	Fund admin
County public service Board	2014	Kajiado county headquarters	CEO/Secretary
Kenya Roads Board	2016	Kajiado county headquarters	Chief Officer Roads
Ministry of Health – DANIDA		Kajiado county headquarters	Chief Officer Health
Ministry of Health - Maternal Health Care		Kajiado county headquarters	Chief Officer Health
Ministry of Health - User Fees Foregone		Kajiado county headquarters	Chief Officer Health
Ministry of Health - WB-THUSCP		Kajiado county headquarters	Chief Officer Health
Kenya Urban Suport Program KUSUP		Kajiado county headquarters	Chief Officer Lands and Physical Planning
Youth Polytechnique (TVET)		Kajiado county headquarters	Chief Officer Education
Climate Smart Agriculture Project		Kajiado county headquarters	Chief Officer Agriculture
Mortgage and car loan		Kajiado county headquarters	Chief Officer Public Service
Disability Mainstreaming Fund		Kajiado county headquarters	Chief Officer Gender & Social Services
Youth Fund		Kajiado county headquarters	Chief Officer Gender & Social Services

Scholarships and other Benefits		Kajiado county headquarters	Chief Officer Education

6. 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)*
	Lack of fixed assets register	In progress	Director procurement	In process	End of financial year
	Provisional sum paid without supporting documents	supported	C o roads	Resolved	
	Expenditure incurred without A.I.Es	A.I.E issued	C.o finance	Resolved	
	Under Collection of Local Revenue	The measures have been put in place to close revenue collection leakages.	C.o finance	Resolved	
	Failure to prepare financial statements for Funds – other Grands and Transfers	The accounts were prepared and submitted	C.o Eduaction & Gender	Resolved	
	Unsupported Accounts Payables	The pending bills committee was constituted to oversee this matter	C.o finance	Resolved	
	Irregular Compensation of Employees	The matter was resolved and casuals now engaged though county public service board	C.O Public Service	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 23rd Dec. 2020

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Other transfers- Donor funds transferred through exchequer	Total Transfers from the national Treasury/ Exchequer
Exchequer Releases for quarter 1	409,435,878		-		409,435,878
Exchequer Releases for quarter 2	1,767,802,329				1,767,802,329
Exchequer Releases for quarter 3	1,068,613,523				1,068,613,523
Exchequer Releases for quarter 4	2,751,548,270				2,751,548,270
Total	**5,997,400,000**				**5,997,400,000**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
	A	B	c	d=a-c		
Construction of buildings				476,994,431.31	721,261,998	
1.						
2.						
3.						
Sub-Total				**476,994,431.31**	**721,261,998**	
Construction of civil works				818,824,368.68	1,084,355,554	
4.						
5.						
6.						
Sub-Total				**818,824,368.68**	**1,084,355,554**	
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services				11,426,177.00	19,000,000	
10.						
11.						
12.						
Sub-Total				**11,426,177.00**	**19,000,000**	
Grand Total				**1,307,244,977**	**1,824,617,553**	

ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	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							

ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	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							

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land	0	0	0	0	0
Buildings and structures	1,964,086,492.15	1,403,435,199	0	0	3,367,521,691.30
Transport equipment	175,570,499.00	22,088,500	0	0	197,658,999.00
Office equipment, furniture and fittings	159,075,582.00	12,637,002	0	0	171,712,584.35
ICT Equipment	201,603,368.00	0	0	0	201,603,368.00
Machinery and Equipment	625,066,212.00	74,556,855	0	0	699,623,066.35
Heritage and cultural assets	0	0	0	0	0
Biological assets	0	0	0	0	0
Intangible assets	0	0	0	0	0
Infrastructure assets- Roads, Rails	0	766,845,988	0	0	766,845,988.00
Rehabilitation of civil works and purchase of specialised plants	0	153,618,643	0	0	0
Total	**3,125,402,153.15**	**2,433,182,187**	**0**	**0**	**5,404,965,697.20**

ANNEX 6 – INTER-ENTITY TRANSFERS

TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	**2018 - 2019**	**2017 – 2018**
	KShs	**KShs**
Kajiado County Assembly	752,003,490.00	704,967,234.00
Mortgage and car loan	40,000,000.00	10,000,000.00
Road Maintenance Fund	157,906,320.00	188,008,411.00
Disability Mainstreaming Fund	10,000,000.00	8,000,000.00
Youth Fund	15,000,000.00	15,000,000.00
Scholarships and other Benefits	80,000,000.00	80,000,000.00
Emergency Relief and Refugee Assistance	70,000,000.00	110,000,000.00
TOTAL	**1,124,909,810**	**1,115,975,645.00**

CECM - County Treasury
County Executive

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

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)	2018 – 2019	2017 – 2018
Central Bank of Kenya, 1000171219 & KES	KES	Development Bank A/C	N/a	16,132,200	575,541.00
Central Bank of Kenya, 1000171251 & KES	KES	Recurrent Bank A/C	N/a	453,636	486,737.00
Central Bank of Kenya, 1000199008 & KES	KES	Deposit Bank A/C	N/a	36,558,004	17,169,798.00
Central Bank of Kenya, 1000171642 & KES	KES	Revenue Fund A/C	N/a	268,970,407	934,310,752.00
Central Bank of Kenya, 1000282207& KES	KES	Kajiado County Dept of H/Grants Account	N/a	5,125,800	81,765,743.00
Central Bank of Kenya, 1000282193 & KES	KES	Kajiado County Roads Levy Fund Account	N/a	131,206,688	30,006,366.00
Central Bank of Kenya, 1000365347 & KES	KES	ASDSP II	N/a	2,369,371	-
Central Bank of Kenya, 1000368608 & KES	KES	Youth Polytechnic	N/a	430,227	-
Central Bank of Kenya,	*KES*	Kajiado County Urban Support Program	N/a	-	-

1000365258 & KES					
Central Bank of Kenya, 1000365331 & KES	KES	Kajiado County Climate Smart Agr. Grant	N/a	20,716,438	-
Kenya Commercial Bank, 114749870 & KES	KES	Revenue Collection A/C	N/a	50,863,779	44,563,654.00
Equity Bank-CGK ,&KES	KES	CGK-Debt Collection Account	N/a	898,610	-
Equity Bank-Debt Collection, &KES	KES	CGK-Debt Collection Account	N/a	365,494	-
Kenya Commercial Bank, 1153737159 & KES	KES	Ngong Sub County Hospital	N/a	1,643,429	-
Kenya Commercial Bank, 1152194119 & KES	KES	Loitoktok Sub County Hospital	N/a	1,453,162	-
Kenya Commercial Bank, 1159002436 & KES	KES	Kitengela Sub County Hospital	N/a	11,424,969	-
Kenya Commercial Bank, 1153618567 & KES	KES	Kajiado District Hospital	N/a	1,881,186	-
Total				**550,493,402**	**1,108,878,591**