REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF BOMET

FOR THE YEAR ENDED 30 JUNE 2018

BOMET COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 36 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

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

No.	Organs
1.	Office of the Speaker
2	Office of the Clerk
2.	County Assembly Service Board.

(c) Fiduciary Management

The key management personnel who held office during the year ended 30 June ,2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Isaac Kitur-
2.	Deputy Clerk	Gloria Kenyatta
3.	Ag Director, Financial Services	Bill Rutto
4.	Ag Principal Finance Officer	Geofrey Maritim
5	Ag Senior Procument officer	Anastacia Cherotich
6	Senior Accountant	Clara Chebet
7	Senior Accountant	Paul Langat

(d) Fiduciary Oversight Arrangements

(e)

No.	Details
1.	Senate
2.	Budget & Appropriation Committee
3	Public Accounts & Investment Committee
4.	Audit Committee
5.	Internal Audit
6	Office of the Auditor General

(f) Entity Headquarters

Bomet County Assembly,
P.O. Box 590-20400
BOMET.

(g) Entity Contacts

Telephone: (254) 727887146
E-mail: bometcountyassembly@gmail.com.go.ke
Website: www.bometassembly.or.ke

(h) Entity Bankers

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

2. EQUITY BANK
   Bomet Branch
   A/C NO 1220261153628

3. Transnational Bank.
   Car Loan & Mortgage.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. FOREWORD BY THE CLERK OF THE ASSEMBLY

Put the forward note by the Clerk of the County Assembly.

Budget performance

The County Assembly of Bomet had an approved budget of Kshs 749,851,506 which composed of both recurrent and development expenditure. Out of this the Assembly spent **Kshs** 608,596,841 comprising of 81.2 % of budgeted amount on various expenditure items.

Operational Performance

During the period under review the County Assembly passed the following laws;
(i) The Bomet Support for the Needy (Amendment) Act 2017- 28th December 2017-

(a) The Act facilitated award of bursary funds to needy students
(b) The Act has also promoted the increase in enrolment, retention, completion and transition rates in schools

(ii) The Bomet County Supplementary Appropriation Act 2018-30th December 2017- The law allowed the county to re-allocate funds to priority areas and projects
(iii) The Bomet County Supplementary Appropriation (No.2) Act 2018-16th May 2018- This law further allowed the County government to re-allocate funds to priority projects.

The Assembly Committees includes;

Name	Mandate.
Budget and Appropriation Committee	Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget.
Committee on appointment	Shall consider, for approval by the County Assembly, appointments under Article 179 (2) (Members of the County Executive Committees)
Public Accounts and Investment Committee. (PAC/PIC)	Examination of the Accounts showing appropriations of the sum voted by the County Assembly to meet the public expenditure and such other accounts laid before the county Assembly as the Committee may think fit.
County Assembly Business Committee	Monitor and oversee implementation of the County Assembly Business and programmes Prepare and, if necessary, from time to time adjust the County Assembly Calendar with approval of the County Assembly.
County Assembly Procedure and Rules	Considers and report on all matters relating

Committee	to standing orders.
Sectoral Committees	Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.

Performance of key development projects

The County Assembly planned to acquire the land for the construction of the speaker's residence which will be in line with the Salaries and Remuneration Commission directive for the mandatory provision of the house to the County Assembly speaker by the end of the Financial year 2018/2019.The Assembly also planned to construct new temporary offices as it awaits the completion of the County Assembly Chambers.
Also, ongoing projects include the construction of the Car sheds for both members of the County Assembly and Staff.

Comment on value-for-money achievements

The following are examples of impacts to the citizens of Bomet;

- Improved service delivery as the Committee will conduct their meeting without interference hence proper oversight as timely reports of the various sectors will be done.
- Improved road network and better health care as a result of proper oversight by the Members of County Assembly.

Challenges and Recommended Way Forward

The following challenges have hindered the County Assembly from achieving its strategic objectives;

- Development plan of the assembly was not implemented as expected because of transition challenges and inconsistency in cash flows.
- Few legislation was passed because the members of the second assembly were still new and therefore were undergoing induction programmes during that period
- Implementation of car loan and mortgage scheme for staff was not implementation because of lack of legal framework and gazettement of regulations guiding the same.
- Recruitment of staff during the period was not done because the CASB was not fully established (members representing the public were not recruited) and the court order barring recruitment was carried forward to FY 2017/2018

Sign
Clerk of the County Assembly

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

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

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on _____ 2018.

Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BOMET FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Bomet set out on pages 1 to 38, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statements of comparison of budget and actual amounts - recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, 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 Assembly of Bomet as at 30 June 2018, 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.

Basis for Qualified Opinion

1. Compensation of Employees

The statement of receipts and payments for the year ended 30 June 2018 reflects an amount of Kshs.208,888,868 in respect of compensation of employees. However, an analysis of IPPD and manual payrolls show a total expenditure of Kshs.202,389,670 for compensation of employees, leading to an unreconciled and unexplained variance of Kshs.6,499,198.

2. Travel and Subsistence Expenses

Included in use of goods and services expenditure of Kshs.291,142,260 is an amount of Kshs.115,794,895 in respect of travel and subsistence expenses. The latter in turn includes an expenditure of Kshs.528,500 which was not supported by relevant documentation including attendance register. As a result, the regularity and validity of the expenditure of Kshs.528,500 on travel and subsistence cannot be confirmed.

3. Training Expenses

Included also in the use of goods and services expenditure of Kshs.291,142,260 is an amount of Kshs.44,394,680 relating to training, which includes payments of tuition fees, training allowances, and hire of conference facilities. The following anomalies were observed:

i. A training needs assessment report was not produced for audit review.

ii. Approvals from the training committee were not provided for audit review.

iii. An expenditure amounting to Kshs.2,161,450 relating to hire of conference facilities for training was not supported with attendants lists.

iv. Expenditure totalling Kshs.2,798,475 was not included in the training expenditure schedules.

Consequently, the validity and accuracy of the training expenditure of Kshs.44,394,680 cannot fully be confirmed.

4. Payments outside IFMIS

Examination of bank statements and IFMIS records revealed that payments totalling Kshs.163,916,642 were made through cash withdrawals in the name of County Assembly of Bomet for onward payments outside the recommended IFMIS electronic payment system. No explanation has been provided for this anomaly.

5. Pending Payables (Bills)

The financial statements of the County Assembly indicate that accounts` payables (bills) amounting to Kshs.55,134,125 were not settled during the year under review but were carried forward to 2018/2019 as summarized below:

Category	Amount (Kshs)
Construction of Buildings	6,890,027
Construction of Civil Works	999,200
Supply of Goods and Services	10,244,898
Car Loan and Mortgage	37,000,000
Total	**55,134,125**

Had the bills been paid and the expenditure charged to the accounts for the year under review, the statement of receipts and payments for the year ended 30 June 2018 would have reflected a deficit of Kshs.54,776,279 instead of the surplus of Kshs.357,846 now shown. This is an indication that the management entered into financial commitments for which no resources were available.

Further, failure to settle bills during the year to which they relate distorts the financial statements for that year and adversely affects the provisions for the subsequent year to which they have to be charged.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of Bomet in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budget Performance

The Bomet County Treasury did not release funds amounting to Kshs.140,319,534 allocated for the County Assembly in the year under review. The Assembly received Kshs.608,882,000 only, out of the final approved total budget of Kshs.749,201,534 translating into 19% budget shortfall or underfunding as shown below:

Component	Final Approved Budget Kshs	Actual Receipts/ Expenditure Kshs	Variance Kshs	Variance %
Receipts				
Receipts from Bomet County Executive	749,201,534	608,882,000	140,319,534	19%
Payments				
Compensation of Employees	235,423,846	208,888,868	26,534,978	11%
Use of Goods and Services	318,427,664	291,142,260	27,285,404	9%
Transfers to Other Govt. Entities	140,000,000	94,000,000	46,000,000	33%
Acquisition of Assets	55,350,024	14,460,936	40,889,088	74%
Finance Costs	0.00	104,777.00	-104,777	
Total	**749,201,534**	**608,596,841**	**140,604,693**	**19%**

The underfunding of the budget consequently affected delivery of service to the residents of Bomet County such as inadequate oversight of projects implemented by the county government and public participation exercises.

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 Conclusions 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. Other Operating Expenses

The use of goods and services expenditure of Kshs.291,142,260 includes an amount Kshs.47,607,994 relating to other operating expenses. However, the following anomalies were noted:

i. Expenditure of Kshs.4,032,380 incurred on holding public participation meetings was not supported by notices and minutes of the meeting or reports documenting the outcome of the same. It is, therefore, not clear if the meetings actually took place.

ii. An amount of Kshs.1,743,580 incurred on purchasing goods and services for running the ward offices was not supported by approved requisitions.

iii. Further, the goods purchased were not taken on charge. It is, therefore, unclear if the goods and services were actually received and utilized in the ward offices in the absence of documentation through counter receipt voucher(S13).

Consequently, the validity and regularity of the expenditure of Kshs.47,607,994 on other operating expenses cannot be fully confirmed.

2. Payment for Legal Services

During the year under review, the County Assembly incurred expenditure totalling Kshs.7,956,852.65 on legal fees and compensation paid to three law firms as detailed in the cases below:

2.1 Petition No. 1 of 2017 – High Court of Kenya, Bomet

A law firm was paid Kshs.3,066,363.80 for representing the Speaker Bomet County Assembly and the County Assembly of Bomet in the High Court of Kenya in Bomet in

respect of petition No 1 of 2017.The County Assembly of Bomet agreed to pay the law firm an amount of Kshs.3,400,000 in an agreement dated 7 February 2017. However,

i. It is not clear how the remuneration of Kshs.3,400,000 payable to the firm was arrived at.

ii. The petition was filed on 25 January 2017, while the instructions by the County Assembly of Bomet to the law firm requesting representation in court were issued on 7 February 2017.The petition was withdrawn on 28 March 2017 before going to a full hearing. It is not possible to justify the payment of Kshs.3,066,363.80 given that it does not correspond to the work done in the petition.

2.2 Civil Suit No. 3358 of 2014

Another law firm was paid a total of Kshs.4,136,488.85 as settlement for civil suit No.3358 of 2014 which was between a plaintiff versus Chairman Bomet County Assembly, Clerk Bomet County Assembly and Attorney General. The payment consisted of the principal amount Kshs.2,959,300 and an interest amount of Kshs.1,177,188.85. The suit arose out of the refusal by the County Assembly to pay the Plaintiff a total of Kshs.2,959,300 which he claimed for facilitating the training of Members of the County Assembly. The County Assembly advocate, on 8th September 2015, advised the County Assembly to negotiate with the plaintiff in light of the overwhelming evidence in favour of the plaintiff. However,

i. It is unclear why the above option was not pursued as it would have saved the County Assembly the interest amount of Kshs.1,177,188.85 and the legal fees arising out of the case.

ii. Further, the services of the law firm were directly outsourced and they were not in the list of prequalified law firms.

2.3 Industrial Cause No. 72 of 2016 – Employment and Labour Relations Court, Kericho

A law firm was also paid Kshs.754,000 for representing the County Assembly of Bomet in industrial cause No.72 of 2016 at Employment and Labour Relations Court, Kericho. The matter was between the County Executive Committee Member for Finance and Economic Planning for the County Government of Bomet versus the Clerk, County Assembly of Bomet and the County Assembly Service Board for the County Assembly of Bomet. However,

i. It is unclear if an alternative dispute resolution mechanism was sought in order to avoid burdening the residents of Bomet with unnecessary legal expenses.

ii. The law firm was directly procured contrary to the Public Procurement and Asset Disposal Act 2015.

3. Ethnic Composition

Examination of personnel records for the year under review indicated that as at 30 June 2018, the Assembly had hired sixty-nine new employees out of which fifty-six were from one dominant community contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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 matter described in the Basis for Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Audit Committee

The County Assembly Audit Committee did not have a chairman after the appointed one resigned. There was no evidence that the Committee met regularly as required under Regulation 172 (1) of the Public Finance Management Act (County Government) Regulations, 2015 which stipulates that the audit committee shall meet at least once in every three months (Quarterly).

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 governance.

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

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

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 manner.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 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 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 noncompliance. 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 the County Assembly's policies and procedures may deteriorate.

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

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

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the County Assembly 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 Assembly to cease sustaining 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 Assembly to express an opinion on the financial statements.

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

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

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

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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/18 KShs	2016/17 KS
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	608,882,000	483,817,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	72,687	-
TOTAL RECEIPTS		**608,954,687**	-
PAYMENTS			
Compensation of Employees	4	208,888,868	227,557,004
Use of goods and services	5	291,142,260	247,185,931
Subsidies	6	-	-
Transfers to Other Government Entities-(Car Loan)	7	94,000,000	2,889,449
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	14,460,936	8,756,362
Finance Costs	11	104,777	74,002
Other Payments	12	-	-
TOTAL PAYMENTS		**608,596,841**	**486,462,748**
SURPLUS/DEFICIT		**357,846**	**-2,645,748**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2017/2018	2016/17
FINANCIAL ASSETS	**Note**	**KShs**	**KShs**
Cash and Cash Equivalents			
Bank Balances	13A	738,685	380,839
Cash Balances	13B	-	-
Total Cash and cash equivalents		**738,685**	**380,839**
Accounts receivables – Outstanding Imprests	14		
		-	-
TOTAL FINANCIAL ASSETS		**738,685**	**380,839**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	268,703	-
NET FINANCIAL ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd.	16	380,839	3,026,587
Surplus/Deficit for the year		357,846	(2,645,748)
NET FINANCIAL POSITION		**738,685**	**380,839**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	608,882,000	483,817,000 -
Other Receipts	3	72,687	-
Payments for operating expenses			
Compensation of Employees	4	208,888,868	227,557,004
Use of goods and services	5	291,142,260	247,185,910 -
Subsidies	6		-
Transfers to Other Government Entities(Car loan)	7	94,000,000	2,889,449 -
Other grants and transfers	8		-
Social Security Benefits	9	-	-
Finance Costs	11	104,777	74,002 -
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**51,818,782** -	-
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	14,460,936	8,756,362
Net cash flows from investing activities		**14,460,936**	**8,756,362**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**357,846**	**2,645,748**
Cash and cash equivalent at BEGINNING of the year	13	**380,839**	**3,026,597**
Cash and cash equivalent at END of the year		**738,685**	**380,839**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2018 and signed by:

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget KShs	Adjustments KShs	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilization difference KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	849,765,837	(100,564,303)	749,201,534	608,882,000	81.3
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	72,687	
TOTAL	**849,765,837**	**(100,564,303)**	**749,201,534**	**608,954,687**	**81.3**
PAYMENTS					
Compensation of Employees	322,622,535	(87,198,689)	235,423,846	208,882,000	88.7
Use of goods and services	183,543,302	130,548,115	311,091,417	291,142,260	93.6
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	140,000,000	-	140,000,000	94,000,000	67.14
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	206,520,000	(143,963,729)	62,556,271	14,460,936	23.1
Finance Costs	80,000	50,000	130,000	104,777	80.6
Other Payments	-	-	-	-	-
TOTAL	**849,765,737**	**44,085,773**	**749,201,534**	**608,596,841**	**81.2**
SURPLUS/ DEFICIT	**72,687**	-	**72,687**	**357,846**	

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

NB: There was no underutilization below 10%

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

(a) Xxxx

(b) Xxxx

(c) Xxxx

(d) Xxxx

(e) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*). Where *the result of the statement of receipts and payments is a deficit, the Assembly should explain how the deficit was funded.*

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

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	649,765,837	44,085,673	693,851,510	608,882,000	86.6
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts			-	72,687	-
TOTAL	**649,765,837**	**44,085,673**	**693,851,510**	**608,954,687**	**86.6**
PAYMENTS					
Compensation of Employees	322,622,535	(87,198,689)	235,423,846	208,888,868	88.7
Use of goods and services	180,543,302	130,548,115	311,091,417	291,142,260	93.6
Subsidies	-	-	-	-	-
Transfers to Other Government Entities-car	140,000,000		140,000,000	94,000,000	67.14
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	6,520,000	686,247	7,206,247	6,949,360	96.4
Finance Costs	80,000		130,000	104,771	80.6
Other Payments	-	-	-	-	-
TOTAL	**649,765,737**	**44,085,773**	**693,810,510**	**601,085,265**	**86.7**
Surplus/ Deficit					

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

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx
(e) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

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

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget KShs	Adjustments KShs	Final Budget c=a+b	Actual on Comparable Basis e=d-e	% Utilization difference KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	200,000,000	-144,649,976	55,350,024	8,000,000	14.5
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**200,000,000**	**-144,649,976**	**55,350,024**	**8,000,000**	**14.5**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	200,000,000	-144,649,976	55,350,024	7,511,576	13.6
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**200,000,000**	**-144,649,976**	**55,350,024**	**7,511,576**	**13.6**
SURPLUS/ DEFICIT					

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

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

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

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1	509,765,737	44,085,773	553,810,510	507,085,265	8.5%
Sub-programme 2	140,000		140,000,000	94,000,000	33%
Sub-programme 3					
Programme 2	200,000,000	-144,649,976	55,350,024	7,511,576	86.5%
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Ensure this document is accurately presented to enable consolidation with other County Entities).

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 statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County Assembly 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. There were no 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 *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Bomet County Assembly's budget was approved as required by Law. The original budget was approved by the County Assembly on 31st May ,2017 for the period 1st July 2017 to 30 June 2018 as required by law. There was 2 (two) of supplementary budgets passed in the year. A high-level assessment of the Bomet County Assembly's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2017/18 KShs	2016/17 KShs
Transfers from the County Treasury for Q1	85,651,000	127,000,000
Transfers from the County Treasury for Q2	172,731,000	132,627,000
Transfers from the County Treasury for Q3	142,500,000	130,190,000
Transfers from the County Treasury for Q4	208,000,000	94,000,000
Cumulative Amount	**608,882,000**	**483,817,000**

2. PROCEEDS FROM SALE OF ASSETS

	2017/18 KShs	2016/17 KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

NB: There was no sale of Assets during the year.

3. OTHER RECEIPTS

	2017/18 KShs	2016/17 KShs
Tender fees received	-	-
Other Receipts II	36,937	-
Other Receipts III	35,750	-
Other Receipts IV	-	-

Total	**72,687**	**-**

Notes: Other Receipts II of **Kshs 36,937** was unknown banking on the Equity bank standing imprest, whereas Other Receipt III of **Kshs 35,750** was returned RTGS which was meant for payment of fees to Kenya school of Government.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18	2016/17
	KShs	KShs
Basic salaries of permanent employees	144,625,633	126,113,685
Basic wages of temporary employees	16,227,343	16,398,494
Personal allowances paid as part of salary	26,933,199	32,813,340
Personal allowances paid as reimbursements		35,506,120
Personal allowances provided in kind	4,964,000	4,327,000
Pension and other social security contributions	16,004,293	13,902,177
Compulsory national social security schemes	134,400	276,200
Compulsory national health insurance schemes		-
Social benefit schemes outside government		-
Other personnel payments		-
Total	**208,888,868**	**227,557,004**

There was no recruitment done by the County Assembly.

5. USE OF GOODS AND SERVICES

	2017/18	2016/17
	KShs	KShs
Utilities, supplies and services	1,162,926	775,600
Communication, supplies and services	3,163,204	3,101,369
Domestic travel and subsistence	115,794,895	90,957,699
Foreign travel and subsistence	26,518,483	18,677,631
Printing, advertising and information supplies & services	8,896,271	6,681,381
Rentals of produced assets-Speaker's residence	876,250	780,000
Training expenses	44,394,680	38,099,087
Hospitality supplies and services	5,735,170	4,494,835
Insurance costs	17,773,532	19,760,000
Specialized materials and services	2,772,170	5,634,899
Fuel and Lubricants	3,902,710	3,717,615
Office and general supplies and services	4,145,350	

		3,510,029
Other operating expenses	47,607,994	45,570,460
Routine maintenance – vehicles and other transport equipment	2,959,980	1,447,245
Membership dues and subscriptions	4,667,410	1,592,860
Routine maintenance – other assets	771,235	2,385,200
Total	**291,142,260**	**247,185,910**

6. SUBSIDIES

Description	2017/18	2016/17
	KShs	KShs
Subsidies to County Corporations		
See list attached	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises	-	-
See list attached	-	-
(insert name)	-	-
	-	-
	-	-
TOTAL	-	-

There were no subsidies during the year.

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18	2016/17
	KShs	KShs
Transfers to National Government entities-CRF		2,889,449
Transfers to other County Assembly entities		
Car loan and mortgage	94,000,000	
(insert name of budget agency)		
TOTAL	**94,000,000**	**2,889,449**

Notes: The transfer was for Car Loan and Mortgage fund held at Transnational Bank Ltd being administered by the Clerk of the Assembly as the fund administrator.

8. OTHER GRANTS AND TRANSFERS

	2017/18	2016/17
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

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

Notes: There was no grants and transfers during the year.

9. SOCIAL SECURITY BENEFITS

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

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

Notes: There was no social security benefits during the year.

10. ACQUISITION OF ASSETS

Non-Financial Assets	2017/18	2016/17
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	7,511,576	8,045,586
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	4,650,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	3,989,400	1,216,900
Purchase of ICT Equipment, Software and Other ICT Assets	2,959,960	1,418,500
Purchase of Specialized Plant, Equipment and Machinery	-	1,470,962
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	

Non-Financial Assets	2017/18	2016/17
		-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets	-	
Domestic Public Non-Financial Enterprises	-	
Domestic Public Financial Institutions	-	-
Total	**14,460,936**	**16,801,948**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18	2016/17
	KShs	KShs
Bank Charges	104,777	74,002
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	**104,777**	**74,002**

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

Notes: The Finance cost refers only to bank charges.

12. OTHER PAYMENTS

	2017/18	2016/17
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
Total	-	-

(Provide detailed explanations for other payments)

Notes: There was no other payments during the year.

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017/18	2016/17
		KShs	KShs
Central Bank of Kenya ,County Assembly A/c No 1000239727	Recurrent Acc	22,141	378,425
Central Bank of Kenya ,County	Development Acc	701,649	-

Assembly A/c No 1000304804			
Equity Bank, Account No.1220261153628	Standing Imprest A/c	14,895	2,414
Transnational Bank A/c No 171053	Car Loan & Mortgage Fund Account		
Total		**738,685**	**380,839**

(NB: The balances for Car Loan and Mortgage Fund Account will be disclosed separately in the Fund account financials which is prepared under IPSAS accrual basis. The closing balance was Kshs 121,113.)

Not included in the bank balances was cash in transit of Kshs 37,0000,000 which had not been received as at 30th June 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2017/18 KShs	2016/17 KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2017/18 KShs	2016/17 KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

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

14. ACCOUNTS RECEIVABLE

	2017/18 KShs	2016/17 KShs
Government Imprests	Xxx	Xxx
Clearance Accounts	Xxx	Xxx
Staff Advances	Xxx	Xxx
Other Advances	Xxx	Xxx
Total	**Xxx**	**Xxx**

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

15. ACCOUNTS PAYABLE

	2017/18	2016/17
	KShs	KShs
Deposits and Retentions		
Total		

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18 KShs	2016/17 KShs
Bank accounts	380,839	3,026,587
Cash in hand	-	-
Accounts Receivables	-	
Accounts Payables	-	-
Total	**380,839**	**3,026,587**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18 KShs	2016/17 KShs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (*specify*)		
Total		

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

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18	2016/17
	KShs	KShs
Construction of buildings	5,533,774	-
Construction of civil works	2,289,453	8,045,586
Supply of goods	10,244,898	2,625,180
Supply of services	-	-
Total	**18,068,125**	**10,670,766**

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18	2016/17
	KShs	KShs
Staff Salaries	15,441,597	xxx
Gratuities to MCA -LAP TRUST	10,015,184	xxx
Total	**25,456,781**	**xxx**

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18	2016/17
	KShs	KShs
Amounts due to National Government entities		xxx
Amounts due to County Government entities	37,000,000	xxx
Amounts due to third parties		xxx
Total	**37,000,000**	**xxx**

Notes: The Kshs 37,000,000 was the amount due to Car loan and Mortgage Fund but the Assembly did not receive the funds as at 30th June, 2018.The amount was received after 30th June ,2018.

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 Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;

- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	20xx- 20xx Kshs	20xx- 20xx Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs		xxx
Key Management Compensation(Clerk and Heads of departments)		xxx
Total Compensation to Key Management		**xxx**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	94,000,000	xxx
Transfers to County Corporations	xxx	xxx
Transfers to non-reporting entities e.g. ECD centres, welfare centres etc	xxx	xxx
Total Transfers to related parties	**94,000,000**	**xxx**
Transfers from related parties		
Transfers from the County Executive- Exchequer	xxx	xxx
Payments made on behalf of the County Assembly by other Government Agencies	xxx	xxx
(Insert any other transfers received)	xxx	xxx
Total Transfers from related parties	**xxx**	**xxx**

5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

Guidance Notes:

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

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

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

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

NB: During the preparation of these financial statement the Auditor General has not released the audited accounts for the year ended 30th June,2017.

Clerk of the County Assembly

Sign.....

Date.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings						
1. Cheboror Construction LTD.	5,533,774			5,533,774		
2. Good Hope LTD	1,356,253			1,356,253		
	6,890,027			**6,890,027**		
Sub-Total						
Construction of civil works						
3. Soin Builders	139,200			139,200	139,200	
4. Cenez Enterprise	459,000			459,000	459,000	
5. Soin Builders	114,000			114,000	114,000	
6. Garden Hardware	66,000			66,000	66,000	
7. Tiltich Ltd	221,000			221,000	221,000	
Sub-Total	**999,200**			**999,200**	**999,200**	
Supply of goods or service						
1. Postal Corporation	2,360			2,360		
2. Brevan Hotel	165,020			165,020		
3. African Touch Safaris	1,435,500			1,435,500		
4. Hotel Perch Ltd	189,500			189,500		
5. Bomet oillibya	469,600			469,600		
6. Elementaita County Lodge	150,000			150,000		
7. KCB Leadership	378,670			378,670		
8. Seasons Hotel	30,800			30,800		
9. Hotel Perch Ltd	210,600			210,600		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
10. Brevan Hotel	267,500			267,500		
11. Kiso Auto Garage	8,950			8,950		
12. Memic Enterprises	230,000			230,000		
13. Kiso Auto Garage	14,000			14,000		
14. The Nation Media Group	73,080			73,080		
15. New Kenya cooperatives creameries	60,000			60,000		
16. Bomet Twiggs Restaurant	27,805			27,805		
17. Ken-Net communication Ltd	218,000			218,000		
18. Brevan Hotel	30,000			30,000		
19. Postal Corporation of kenya	3,420			3,420		
20. Bomet Water Company	86,200			86,200		
21. Brevan Hotel	74,500			74,500		
22. Brevan Hotel	76,700			76,700		
23. sunset hotel ltd	118,900			118,900		
24. Brevan Hotel	190,000			190,000		
25. Nation Media Group Ltd	464,000			464,000		
26. Sahara Gardens	24,000			24,000		
27. Institute of Human Resource management	52,200			52,200		
28. Kenya Power	10,000			10,000		
29. Nation Media Group Ltd	142,680			142,680		
30. Perch Limited	34,400			34,400		
31. sunset hotel ltd	114,000			114,000		
32. African Touch Safaris	1,408,000			1,408,000		
33. Seasons Restaurant and Hotel.	213,000			213,000		
34. Brevan Hotel	30,900			30,900		
35. Multimedia University	517,000			517,000		
36.						
37. Bomet Oilibya service station	236,000			236,000		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
38. Bright ways Travel and Tours	757,750			757,750		
39. Tingok Holding Limited	338,000			338,000		
40. Postal Corporation of Kenya	21,920			21,920		
41. MFI document solution LTD	30,000			30,000		
42. Weslen Enterprises Ltd	120,000			120,000		
43. Meiways Kenya Limited	149,000			149,000		
44. Brevan Hotel	124,600			124,600		
45. AIG Kenya Insurance	78,843			78,843		
46. Hotel Perch Ltd	19,500			19,500		
47. Great south investment company	228,000			228,000		
Sub-Total	**10,244,898**			**10,244,898**		
Supply of services						
8.						
9.						
10.						
Sub-Total						
Grand Total						

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
Sub-Total							
Grand Total							

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Commen
		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. Transnational Bank Ltd Car loan & Mortgage	Mortgage	140,000,000		94,000,000	37,000,000		
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land				
Buildings and structures	**999,200**	**6,890,253**		**7,889,227**
Transport equipment				
Office equipment, furniture and fittings		**3,948,400**		**3,948,400**
ICT Equipment, Software and Other ICT Assets		**2,959,960**		**2,959,960**
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	**999,200**	**14,797,587**		**14,797,587**

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		KShs	***KShs***	***KShs***
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Total				**Xxx**