REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF WEST POKOT

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
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WEST POKOT COUNTY ASSEMBLY

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)

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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 33 Members of County Assembly (MCAs), 20 elected and 13 nominated 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 County Assembly's day-to-day management is under the following key organs:

- County Assembly Service Board; and
- Senior Board of Management;

(c) Fiduciary Management

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

No.	Designation		Name
1.	Accounting Officer		**David Karugutiang**
2.	Deputy Clerk – Finance	-	**Lucia Chenanga**
3.	Principal Finance Officer	-	**Denis Plapan Rotich**
4.	Senior Accounts Controller	-	**John Madaa Takaramoi**

(d) Fiduciary Oversight Arrangements

In order to instil financial prudence over County Assembly expenditure and strategic decisions various institutions and committees have been established. They include the County Assembly Audit Committee, County Public Accounts and Investments Committee, County Budget Appropriations Committee and the Senate Public Accounts Committee.

Audit Committee

This is a requirement of each public entity as per the Public Finance Management Act regulations 2015. The Audit Committee is required to have timely and regular sittings and come up with an annual report that must highlight its effectiveness, its calendar of activities, the audit charter and significant issues considered by the committee. Some of its roles include:

- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles

- Review other sections of the annual report and regulatory filings before release and consider the accuracy and completeness of information

- Review with management and the external auditors all maters required to be communicated to the committee under generally accepted auditing standards.

County Public Accounts Committee

Established under the West Pokot County Assembly standing orders 199(1) and its responsibilities are:

- Examine the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly
- Examine the reports, accounts and workings of the county public investments

County Budget and appropriation committee

Established under the West Pokot County Assembly Standing Order 200 and its responsibilities are:

The functions of the Committee shall be to-

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- Discuss and review the estimates and make recommendations to the County Assembly;
- Examine the County Budget Policy Statement presented to the County Assembly;
- Examine Bills related to the national budget, including Appropriations Bills; and
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The Senate Public Accounts Committee

The Public Accounts Committee is established pursuant to the provisions of S.O. No. 205. It consists of a chairperson and not more than sixteen other Members.

- The Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.
- The Public Accounts Committee constituted immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the parliamentary term.

(e) Entity Headquarters

P.O. Box 06 -30600
West Pokot County Assembly Building
Kapenguria, Kenya

(f) Entity Contacts

Telephone: (254) XXXXXXXX
E-mail: info@westpokotcountyassembly.org

Website: www.westpokotcountyassembly.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 396-30600
   Kapenguria, Kenya

(h) Independent Auditors

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

GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

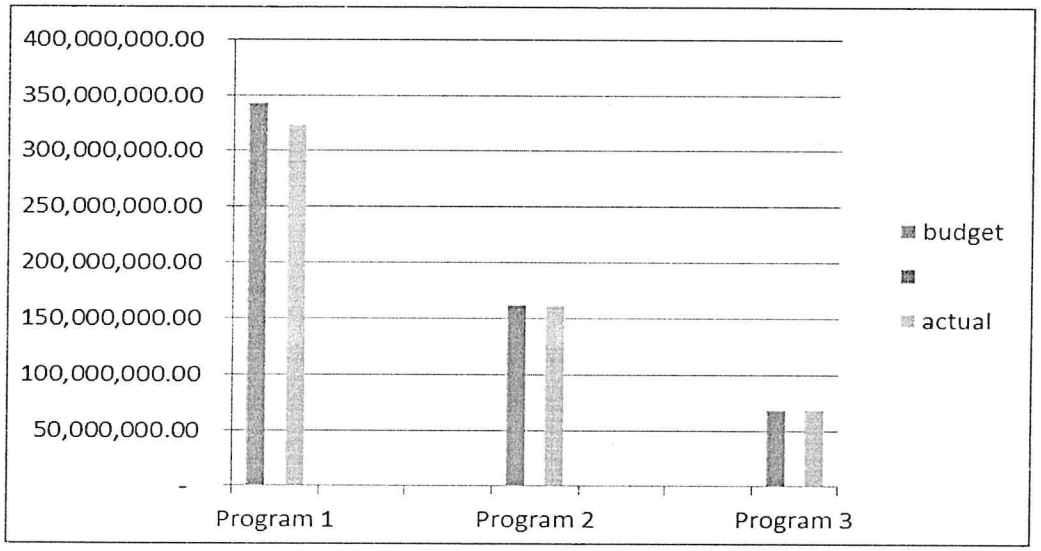
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

The financial statement report covers the period 1st July 2018 to 30th June 2019. It presents the status of budget execution by the County Assembly, transfers received from the National Government and the total expenditure during the reporting period. It is prepared in line with Section 147 and 149 (K) of the Public Finance Management Act 2012. The report provides an analysis of actual expenditure against approved budget estimates. Expenditure is classified into recurrent and development.

The total County Assembly budget for the financial year comprised of **KSHS 573,458,581.00** recurrent and **KSHS 143,000,000.00** in development. The following chart summarises the County Assembly budget vs actual expenditure for the three programs namely: General Administration, Planning and Support Services,
Legislation and Representative and Staff Affairs and Development respectively.



A total of Kshs 108,530,360 was utilized on construction of buildings and renovations of existing facilities in the County Assembly. This is out of the approved budget of Kshs 143,000,000 translating to 75.89% absorption of the development budget.

Operational Performance

The County Assembly has 20 committees that are tasked with carrying out the oversight role in the County. Some of the achievements include:

A) Early Childhood Education ,Children and Vocational Training

- Over sighting south pokot sub- county report –tabled
- Inquiring into disbursement of bursaries –report tabled
- Report on creation of kapenguria University College

B) Tourism Culture and community services-

- Oversight on cultural centres in Kopulio, Kopoch and Sintagh - report tabled.

C) Finance Planning and Commerce

- Report on finance bill 2019 –tabled
- Report on vetting of members of cooperation funds – tabled

Challenges and Recommended Way Forward

Even though the Assembly executed its mandate and carried out all its programs, there were a few challenges. These include lack of independence of the County Assembly in carrying out monthly requisition of funds. IFMIS network breakdown and inadequate user capacity, especially the procurement staff.

The National Treasury should expedite release of funds on time to ensure that budget implementation is not adversely affected. In addition, the IFMIS network should be stable at all time. Finally, there is need to develop a training programme to build capacity for procurement staff.

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, 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 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, 2019, 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 28/12 2019.

Clerk of the County Assembly

REPUBLIC OF KENYA

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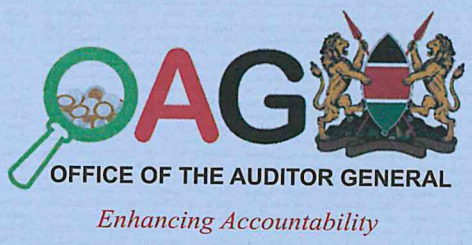
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF WEST POKOT FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of West Pokot as set out on pages 9 to 32, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of comparison of budget and actual amounts: 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 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the County Assembly of West Pokot 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 do not comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Adverse Opinion

1.0 Presentation of Annual Reports and Financial Statements

The annual reports and financial statements prepared and presented for audit had the following errors: -

i. The statement of receipts and payments reflects an opening balance under 2017/18 total payments of Kshs.558,129,981 instead of Kshs.558,028,163 resulting to error of Kshs.101,818 which has been omitted in the statement.

ii. Comparative figure of Kshs.470,000,000 under Note 1 to the financial statements is missing.

iii. Note 3 to the financial statements reflects a figure of Kshs.117,184,727 whereas the statement of receipts reflects Kshs.108,530,360

iv. The comparative figure for outstanding imprest per statement of financial assets and liabilities of Kshs.3,058,300 does not agree with Note 14 of the financial statements figure of Kshs.1,590,600 resulting to an unreconciled variance of Kshs.1,467,700.

v. Progress on follow up on Auditor's recommendations arising from Auditor's report for the year ended 30 June, 2018 is missing.

vi. Comparative figure of Kshs.183,267,938 for use of goods and services does not agree with audited financial statements figure of Kshs.181,800,238 resulting to unreconciled variance of Kshs.1,467,700.

vii. The statement of cash flows reflects cash at the beginning of the year of Kshs.8,732,542 whereas the closing balance in 2017/18 was Kshs.4,529,923 and cash at the end of the year was Kshs.8,732,542instead of Kshs.9,059,846 as per casted figure. The statement of financial assets and liabilities is misstated by the same balances.

Consequently, the accuracy, validity and completeness of the figures reflected in the financial statements the year ended 30 June, 2019 could not be confirmed.

2.0 Unsupported Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents amount of Kshs.7,174,842 as disclosed under Note 14 to the financial statements. The amount comprises of a bank balance of Kshs.7,174,872 and a Nil cash in hand. However, no board of survey report was availed for audit verification as at 30 June, 2019 to verify the cash in hand. Further, the bank reconciliation provided for audit verification reflect a Nil cash book balance which resulted in an unexplained variance of Kshs.7,174,872.

Consequently, the accuracy and completeness of cash and cash equivalent balance of Kshs.7,174,842 reflected in the statement of financial assets and liabilities as at 30 June, 2019 could not be confirmed.

3.0 Unsupported Accounts Receivable – Outstanding Imprest Register

The statement of financial assets and liabilities reflects accounts receivables-outstanding imprests amount of Kshs.1,557,700 as disclosed under Note 14 to the financial statements. However, the supporting schedule for the outstanding imprest show that all the imprest was issued in the financial year ended 30 June, 2018 and had therefore taken more than one year to surrender. Management did not provide an imprest register to confirm recording of opening balance, amount taken during the year, date taken, date due or amount pending at the close of the year.

Consequently, the accuracy validity and recoverability of outstanding imprest balance of Kshs.1,557,700 reflected in the statement of financial assets and liabilities as at 30 June, 2019 could not be confirmed.

4.0 Unreconciled Variance

The statement of receipts and payments reflects total payments amount of Kshs.664,114,396 which is at variance with the Integrated Financial Management Information System (IFMIS) total payments figure of Kshs.671,571,045, resulting in a variance of Kshs.7,456,649 which has not been explained or reconciled.

Under the circumstance, the accuracy and completeness of the total payments figure of Kshs.664,114,396 for the year ended 30 June, 2019 could not be confirmed.

5.0 Unsupported Use of Goods and Services

The statement of receipts and payments reflects use of goods and services figure of Kshs.222,370,911 as disclosed under Note 5 to the financial statements. The following observations were made: -

5. 1 Unsupported Domestic Travel and Expenses

Included in the figure is domestic travel and subsistence payments of Kshs.12,503,700 made to Members of the County Assembly (MCAs) and County Assembly staff being subsistence allowance while in Mombasa, Kitale and Nairobi. However, the payment vouchers were not supported by attendance registers, work tickets, flight tickets, minutes of the deliberations and details of the venue and how it was identified. Management has not explained if the expenditure was a proper charge on public funds given that the meeting could have been conducted in the County Assembly chambers. In addition, the imprest was issued to officers who later paid the beneficiaries contrary to Section 91(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires every payee to be issued with their own imprest.

5. 2 Unsupported Foreign Travel and Expenses

The amount includes foreign travel and subsistence expenses of Kshs.19,701,300 made to twenty-eight (28) MCAs while attending conferences in Malaysia and Singapore by international training firms. However, Management did not provide supporting documentation on how the training firms were identified, need for the training, or a report on the training to the County Assembly. Further, it was established that the payments of Kshs.2,154,000 for conference fees was paid to two (2) local firms and not the overseas trainers.

5. 3 Unsupported Routine Maintenance

The figure includes routine maintenance of vehicles and other transport equipment figure of Kshs.4,424,143 out of which a total of Kshs.2,406,496 payments were incurred on repairs and service of various motor vehicles. However, the payments were not supported with Local Service Orders (LSO), quotations, invoices and authorizations for service.

5. 4 Unauthorized and Unsupported Other Operating Expenses

The amount includes other operating expenses of Kshs.7,461,899 out of which Kshs.1,000,000 was subscription payments to Society of Clerks-At-The-Table (SOCATT) in respect of financial year 2017/2018. However, no documentation in support of its formation, composition and operation was availed for audit verification. Further, the payment for Membership Fees, Dues and Subscriptions to Professional and Trade Bodies for the year 2017/18 was not disclosed in the previous financial statements as a pending bill.

5. 5 Unsupported Rentals of Produced Assets

The amount includes rentals of produced assets expenses of Kshs.2,040,000 being rent payments for leased Ward offices. However, the expenditure was not supported by procurement records such as lease agreements.

5. 6 Unsupported Training Expense

The Amount includes training expenses of Kshs.10,026,230 out of which Kshs.5,005,000 payments were made to various hotels for hire of conference facilities. However, Management did not provide relevant supporting documents such as tender documents or quotations, tender opening, evaluation and award committee minutes.

Consequently, the accuracy, completeness and validity of use of goods and services of Kshs.222,370,911 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

6.0 Unsupported Transfers to Other Government Entities

The statements of receipts and payments reflects transfer to other government entities amount of Kshs.39,392,606 as disclosed under Note 7 to the financial statements. The amount includes Kshs.2,392,606 Transfers to National Government entities. However, supporting documents, basis of the transfer and the details of the National Government entities that received the money were not provided for audit verification. Further, there were Transfers to County Assembly entities amounts of Kshs.37,000,000 out of which an amount of Kshs.20,000,000 was traced to West Pokot County Assembly staff car loan and mortgage scheme while Kshs.17,000,000 was not supported.

Consequently, the accuracy, completeness and validity of transfer to other government entities of Kshs.39,392,606 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

7.0 Other Receipts

The Statements of receipts and payments reflects total receipts amount of Kshs.668,317,015 as disclosed under Note 3 to the financial Statements. The figure includes other receipts of Kshs.108,530,360 which relates to transfers from County Executive which could not be traced to the County Executive's financial statements. Consequently, the accuracy, completeness and validity of total receipts of

Kshs.668,317,015 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

8.0 Budget Control and Performance

The statement of budget execution by programme and sub programme for the year ended 30 June, 2019 reflects actual amount on comparable basis of Kshs.553,180,404 which is at variance with the summary statement of budget and actual amounts figure of Kshs.664,114,396 by Kshs.110,933,992, which has not been explained or reconciled.

Under the circumstance, the accuracy and completeness of the statement of budget execution by programme and sub programme actual amount of Kshs.553,180,404 for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Assembly of West Pokot 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 adverse 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non Compliance with the One Third Basic Salary Rule

Review of the payroll for the months of July, 2018 to June, 2019 indicated that some members of staff earned net salaries less than a third of their basic pay. This was contrary to the requirement of the County Human Resource Manual 2013 and Section 19(3) of the Employment Act, 2007 which states that, without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions, may be made by an employer from the wages of his

employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

Consequently, Management was in breach of the law.

2.0 Non Compliance with the One Third Staff Establishment Rule

Review of the personnel records revealed that the County Assembly had a total of ninety-six (96) employees out of which eighty-six (86) or 90% are from the dominant ethnic community. This is contrary to Section 65(1) (e) of the County Governments Act, 2012 on staff establishment which requires that in selecting employees the County Public Service Board should ensure that at least thirty percent (30%) of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community.

Consequently, Management was in breach of the law.

3.0 Poor Provision of Internet Services

Management paid Kshs.1,200,000 to a telecommunications firm for internet subscription at a monthly fee of Kshs.98,600 for the first six month and Kshs.101,400 for the next six months. As reported in the previous year, the internet network within the County Assembly was weak and it could not be established whether the County Assembly was receiving value for money for the internet subscription payments. The amount was paid in two instalments as shown below;

	Date	Payee	Details	Amount Kshs.
397345	30/10/2018	Telkom Kenya	Payment for provision of internet services for the months of July, August and September, 2018	295,800.00
397345	18/02/2019	Telkom Kenya	Payment for provision of internet services for the second, third and fourth quarter	904,200.00
			Total	**1,200,000.00**

Consequently, it was difficult to confirm whether value for money on expenditure of Kshs.1,200,000 for the year ended 30 June, 2019 was realised.

4.0 Construction of County Assembly Restaurant and Car Park

As previously reported, Management entered into a contract for the construction of a restaurant and a car park on 3 January, 2014 a contract sum of Kshs.36,685,718. During the year 2014/2015 expenditure of Kshs.15,765,679 was incurred on the project.

However, the payment vouchers in in support of this payment were not submitted for audit verification.

Further, a physical verification of the project in November, 2019 revealed that the project has stalled and there was no budgetary provision in respect of the project during 2018/2019 financial year. Project records including payment vouchers, certificates of completion, status report of the project were not availed for audit verification.

Consequently, the value for money has not been realised in the construction of the restaurant and car park.

5.0 Delay in Construction of Modern Assembly Complex

Note 10 to the financial statements reflects acquisition of assets figure of Kshs.129,586,192 which includes an amount of Kshs.64,490,970.02 paid in respect of construction of modern assembly complex. As reported in the previous year, the contract was awarded to a company on 6 January, 2015 at a contract sum of Kshs.358,392,421 and was to take 36 months to be completed in February, 2018. As at 30 June, 2019 certificates raised certified the value of work as Kshs.290,125,246.84. The cumulative payments to the contractor as at 30 June, 2019 was Kshs.261,718,222.

However, according to the Clerk of Works report dated 12 April, 2019, the time had elapsed since the construction works had taken 215 weeks or 114% of the total contract period while the overall works was 76%. Management explained that the execution of the contract was suspended by the Governor of West Pokot through a letter dated 19 September, 2017 to facilitate a special audit of all contracts by the National Construction Authority. It could not be established whether the suspension complied with contract clause on termination of a contract which may expose the County to penalties for wrongful termination of the contract.

Consequently, the objectives of the Project have not been achieved and residents of West Pokot County may not have obtained value for money on the construction of the Assembly Complex as planned.

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(s) described in the Basis for (Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Lack of Policies

It was noted that the County Assembly did not have in place business continuity plan, disaster recovery plan, backup policy or a backup site. It was also observed that password protocols were not adhered to. The Accounting Officer therefore, failed in instituting appropriate measures to ensure confidentiality of data and information, data integrity and business continuity.

2.0 Lack of an Audit Committee

The County Assembly operated without a duly established Audit Committee. This was contrary to Section 155(5) of the Public Finance Management Act, 2012 and Regulation 167 of Public Finance Management (County Governments) Regulations, 2015 which provides for the establishment of the Audit Committee for a County Government entity.

Consequently, in the absence of an Audit Committee, the existence of an effective system of governance could not be confirmed.

3.0 Weak Internal Audit Function

As previously reported, the internal audit unit has only one officer who reports to Management instead of an Audit Committee. This is contrary to Section 155(1) of the Public Finance Management Act, 2012 and Regulation 155(1) of Public Finance Management (County Governments) Regulations, 2015 which provides for independence of the Head of Internal Audit unit by reporting administratively to the Accounting Officer and functionally to the Audit Committee. Also, the Internal Audit operated without an Internal Audit Charter detailing scope, responsibilities and purpose of internal Audit.

Consequently, due to the weak in internal audit function, assurance on the effectiveness of internal control, risk management and governance may not be realised.

4.0 Lack of Risk Management Processes

It was noted that Management did not have a risk management policy, risk management framework or a risk register. Also, Management did not conduct risk assessment, Management was therefore unable to design measures for mitigation against risks.

As such, it was not possible to establish operations that were open to risk and to mitigate against the risks.

5.0 Lack of Fixed Assets Register

The statement of receipts and payments reflect acquisition of assets amounting to Kshs.178,085,387.. However, Management did not provide fixed assets register for audit review. It was therefore not possible to ascertain the nature, number, physical

location and fair value of the Assembly's assets contrary to Regulation 136(1) of the Public Finance Management Regulations, 2015 which requires the Accounting Officer shall be responsible for maintaining a register of assets under his/her control or possession.

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 Assembly'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 Management is aware of the intention to dissolve the County Assembly or to cease operations.

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 County Assembly's financial reporting process, reviewing the effectiveness of how Management 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 the 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 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 Assembly'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 Assembly 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 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.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

14 April, 2021

3.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 KShs	2017/18 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	559,786,655	470,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	108,530,360	89,397,932
TOTAL RECEIPTS		**668,317,015**	**559,397,932**
PAYMENTS			
Compensation of Employees	4	262,447,143	219,637,833
Use of goods and services	5	222,370,911	183,267,938
Subsidies	6	-	-
Transfers to Other Government Entities	7	39,392,606	-
Other grants and transfers	8	-	-
Social Security Benefits	9	10,306,519	14,928,031
Acquisition of Assets	10	129,586,192	140,191,332
Finance Costs	11	11,025	3,029
Other Payments	12	-	-
TOTAL PAYMENTS		**664,114,396**	**558,129,981**
SURPLUS/DEFICIT		**4,202,619**	**1,267,951**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 05/12/ 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGUTIANG

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

3.2.STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2018/19 KShs	2017/18 KShs
Cash and Cash Equivalents			
Bank Balances	13A	7,174,842	817,323
Cash Balances	13B	-	654,300
Total Cash and cash equivalents		**7,174,842**	**1,471,623**
Accounts receivables – Outstanding Imprests	14	1,557,700	3,058,300
TOTAL FINANCIAL ASSETS		**8,732,542**	**4,529,923**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**8,732,542**	**4,529,923**
REPRESENTED BY			
Fund balance b/fwd.	16	4,529,923	1,794,272
Surplus/Deficit for the year		4,202,619	2,837,469
Transfers to County Revenue Account year end (CRF)		-	-101,818
NET FINANCIAL POSITION		**8,732,542**	**4,529,923**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 05/12/ 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGOZIANG

Chief Finance Officer – County Assembly
Name:
ICPAK Member Number:
DENIS KARAMAN

3.3.STATEMENT OF CASH FLOWS

	Note	2018/19 KShs	2017/18 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	559,786,655	470,000,000
Other Receipts	3	108,530,360	89,397,932
Payments for operating expenses			
Compensation of Employees	4	-262,447,143	-219,637,833
Use of goods and services	5	-222,370,911	-181,800,238
Subsidies	6	-	-
Transfers to Other Government Entities	7	-39,392,606	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-10,306,519	-14,928,031
Finance Costs	11	-11,025	-3,029
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**133,788,812**	**142,926,983**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-129,586,192	-140,191,332
Net cash flows from investing activities		**-129,586,192**	**-140,191,332**

NET INCREASE IN CASH AND CASH EQUIVALENTS		4,202,619	2,735,651
Cash and cash equivalent at BEGINNING of the year	13	8,732,542	1,794,272
Cash and cash equivalent at END of the year		8,732,542	4,529,923

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 05/12/ 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGUIANG

Chief Finance Office – County Assembly
Name:

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	520,251,629	53,206,952	573,458,581	559,786,655	97.61
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	123,000,000	20,000,000	143,000,000	108,530,360	75.89
TOTAL	**643,251,629**	**73,206,952**	**716,458,581**	**668,317,015**	-
PAYMENTS					
Compensation of Employees	296,426,859	-33,519,000	262,907,859	262,447,143	99.9
Use of goods and services	185,994,770	53,339,952	239,334,722	222,370,911	92.00
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	39,392,606	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	10,229,631	80,000.00	10,309,631	10,306,519	99.96
Acquisition of Assets	150,600,369	53,306,000	203,906,369	129,586,192	87.33
Finance Costs	-	-	11,025	11,025	100.00
Other Payments	-	-	-	-	-
TOTAL	**643,251,629**	**73,206,952**	**716,469,606**	**664,114,396**	-
SURPLUS/ DEFICIT	-	-	-11,025	**4,202,619**	

The entity financial statements were approved on 05/12 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGURANG

Chief Finance Office – County Assembly
Name:
JOHN PLAPAN

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	520,251,629	53,206,952	573,458,581	559,786,655	97.61
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	520,251,629	53,206,952	573,458,581	559,786,655	-
PAYMENTS					
Compensation of Employees	296,426,859	-33,519,000	262,907,859	262,447,143	99.96
Use of goods and services	185,994,770	53,339,952	239,334,722	222,370,911	92.00
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	39,392,606	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	10,229,631	80,000.00	10,309,631	10,306,519	99.96
Acquisition of Assets	27,600,369	33,306,000	60,906,369	21,055,832	100
Finance Costs	-	-	11,025	11,025	-
Other Payments	-	-	-	-	-
TOTAL Surplus/ Deficit	-	-	-11,025	4,202,619	-

The entity financial statements were approved on 05/12 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGUYANG

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:
DENIS PLATON

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	123,000,000	20,000,000	143,000,000	108,530,360	75.9
TOTAL	123,000,000	20,000,000	143,000,000	108,530,360	75.9
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	123,000,000	20,000,000	143,000,000	108,530,360	75.9
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	123,000,000	20,000,000	143,000,000	108,530,360	75.9
SURPLUS/ DEFICIT				-	

The entity financial statements were approved on 05/12/ 2019 and signed by:

Clerk of the Assembly
Name:
DAVID KARUGUZIANG

Chief Finance Office – County Assembly
Name:
ICPAK Member Number:

3.7. 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	319,889,379.00	22,761,748.0	342,651,127.00	322,868,442.40	94
Programme 2	149,762,250.0	12,503,224.0	162,265,474.00	161,899,430.00	99.77
Programme 3	50,600,000.00	17,941,980.0	68,541,980.00	68,412,532.00	99.81
TOTALS	520,251,629	53,206,952	573,458,581	553,180,404.40	

3.8. 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 West Pokot 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 t 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.

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 Assembly 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 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.

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 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.

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 Assembly 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 County Assembly's budget was approved as required by Law .The original budget was approved by the County Assembly on 25th June 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	KShs	KShs
Transfers from the County Treasury for Q1	96,000,000.00	-
Transfers from the County Treasury for Q2	120,000,000.00	-
Transfers from the County Treasury for Q3	161,000,000.00	-
Transfers from the County Treasury for Q4	182,786,655.00	-
Cumulative Amount	**559,786,655.00**	-

2. PROCEEDS FROM SALE OF ASSETS

	2018/19	2017/18
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

3. OTHER RECEIPTS

	2018/19	2017/18
	KShs	KShs
Tender fees received	-	-
Other Receipts II	108,530,360.00	89,397,932.00
Other Receipts III	-	-
Other Receipts IV	-	-
Total	**117,184,727.00**	**89,397,932.00**

Other receipts relate to payments made by the County Treasury on behalf of the County Assembly. The County Assembly development funds are requisitioned and paid by the County Treasury after approval by the Accounting officer this is because the County Assembly does not maintain a development account with CBK.

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	201,856,238.	193,766,725
Basic wages of temporary employees	22,476,302	6,822,856
Personal allowances paid as part of salary	38,114,601	-
Personal allowances paid as reimbursements	-	19,048,250
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	**262,447,143**	**219,637,832**

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	399,626.35	100,555.20
Communication, supplies and services	2,412,210.00	2,537,656.00
Domestic travel and subsistence	131,199,575.00	102,485,635.00
Foreign travel and subsistence	36,258,996.00	6,101,072.00

Printing, advertising and information supplies & services	5,830,770.00	6,394,934.40
Rentals of produced assets	2,040,000.00	840,000.00
Training expenses	10,026,230.00	22,078,250.80
Hospitality supplies and services	4,154,955.00	2,244,681.50
Insurance costs	6,233,489.00	21,708,099.30
Specialized materials and services	4,152,674.00	1,162,400.00
Office and general supplies and services	2,875,696.00	1,203,665.00
Fuel Oil and Lubricants	4,800,647.15	6,994,579.55
Other operating expenses	7,461,899.00	-
Routine maintenance – vehicles and other transport equipment	4,424,143.00	9,258,849.40
Routine maintenance – other assets	100,000.00	157,560.00
Total	**222,370,910.50**	**183,267,938.15**

6. SUBSIDIES

Description	2018/19	2017/18
	KShs	KShs
Subsidies to County Corporations		
See list attached	-	-
	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	KShs	KShs
Transfers to National Government entities	2,392,606	101,818.00
Transfers to other County Assembly entities	37,000,000	-
	-	-
TOTAL	39,392,606.00	101,818.00

8. OTHER GRANTS AND TRANSFERS

	2018/19	2017/18
	KShs	KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits	10,306,518.90	14,928,030.90
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**10,306,518.90**	**14,928,030.90**

This is MONTHLY Gratuity contribution for Members of the County Assembly to LAPFUND.

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	108,530,360	86,159,102.00
Refurbishment of Buildings	-	3,238,830.00
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	16,306,000	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	3,154,632	793,400.00
Purchase of ICT Equipment	1,595,200	-
Purchase of Specialized Plant, Equipment and	-	-

Non- Financial Assets	2018/19	2017/18
Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	50,000,000
Total purchase of non-financial assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	-	-
Total	129,586,192	140,191,332

11. FINANCE COSTS

	2018/19	2017/18
	KShs	KShs
Bank Charges	11,025.00	3,029.00
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	**11,025.00**	**3,029.00**

12. OTHER PAYMENTS

	2018/19	2017/18
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and	-	-

Enterprises		
Capital Transfers to Private Non-Financial Enterprises	-	-
Total	**-**	**-**

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/19	2017/18
		KShs	KShs
Central Bank of Kenya, Acc. No.1000243333 & KSH	Recurrent Acc	-	715,505.00
Kenya Commercial Bank, Acc. No. 1144041589 & KSH	Commercial Bank Accs.	7,174,841.90	101,818.00
Total		**7,174,841.90**	**817,323.00**

13B. CASH IN HAND

	2018/19	2017/18
	KShs	KShs
Cash in Hand – Held in domestic currency	-	654,300.00
Cash in Hand – Held in foreign currency	-	-
Total	**-**	**654,300.00**

Cash in hand should be analysed as follows:

	2018/19	2017/18
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	**-**	**-**

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests	1,557,700.00	1,590,600.00
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	**1,557,700**	**1,590,600.00**

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits	-	-
Retentions	-	-
Total	**-**	**-**

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts	4,529,923.00	1,794,271.65
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	**4,529,923.00**	**1,794,271.65**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (*specify*)	-	-
Total	**-**	**-**

3.9.OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

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
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods				
1. Mtelo Enterprises Ltd.	-	1,282,392,.73	-	1,282,392,.73
2. Stanley Kanyi	-	20,400.00	-	20,400.00
		1,302,792.73		**1,302,792.73**
Supply of services				
1. Imperial Hotel		1,636,000.00	-	1,636,000.00
2. Joseph Queens Garden		295,200.00	-	295,200.00
3. Skynest County Hotel		212,000.00	-	212,000.00
4. Perch Hotel		197,900.00	-	197,900.00
5. Sirwo Enterprises Ltd		328,000.00	-	328,000.00
6. E.L.C.K. - KBC		197,000.00	-	197,000.00
7. Bievenue Delta Hotel		106,200.00	-	106,200.00
8. Pride inn Paradise		1,197,000.00	-	1,197,000.00
9. Kalya FM 100.5		498,800.00	-	498,800.00
10. North Rift Radio		335,240.00	-	335,240.00
11. Kwokwo International FM		69,600.00	-	69,600.00
12. The Star Newspaper		169,360.00	-	169,360.00
13. Lolis Media Production		101,500.00	-	101,500.00
14. Eastern & Southern African Management Inst. (ESAMI)		598,800.00	-	598,800.00
15. Professional Edge		1,662,000.00	-	1,662,000.00
16. The Centre for Parliamentary Studies		52,500.00	-	52,500.00
17. African Touch Safaris Domestics Travelling		1,039,395.00	-	1,087,095.00
18. 18. African Touch Safaris -Foreign Travelling		1,331,500.00	-	1,331,500.00
19. AAR Insurance Ltd.		24,990,000.00	-	24,990,000.00

20. Prison Industry		3,000,000.00	155,172.40	2,844,827.60
Total		**39,280,387.73**	**155,172.40**	**39,213,315.33**

2. PENDING STAFF PAYABLES (See Annex 2)

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	**-**	**-**	**-**	**-**

3. OTHER PENDING 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
Amounts due to National Government entities	-	-	(-)	-
Amounts due to County Government entities	-	-	(-)	-
Amounts due to third parties	-	-	(-)	-
Total	**-**	**-**	**(-)**	**-**

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:

	2018- 2019	20xx- 20xx
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	97,650,938.0	-
Key Management Compensation(Clerk and Heads of departments)	23,586,029.0	-
Total Compensation to Key Management	**121,236,967.0**	**-**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	37,000,000.0	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g. ECD centres, welfare centres etc.	-	-
Total Transfers to related parties	**37,000,000.0**	**-**
Transfers from related parties		
Transfers from the County Executive- Exchequer	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	**-**	**-**

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.

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 2018/19	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		A	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
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 2018/19	Outstanding Balance 2017/18	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 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2018/19
Land					
Buildings and structures	237,781,884.0	117,184,727.0	-	-	354,966,611.00
Transport equipment		16,306,000	-	-	16,306,000
Office equipment, furniture and fittings	793,400	5,999,460	-	-	6,792,860.00
ICT Equipment	6,637,904	1,595,200	-	-	8,233,104.00
Machinery and Equipment					
Biological assets					
Infrastructure Assets					
Heritage and cultural assets					
Intangible assets					
Work In Progress					
Total	245,213,188.00	141,085,387.0			386,298,575.0

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*
Leonard Limareng	11/04/18	170,500	-	170,500
Leonard Limareng	11/06/18	396,000	-	396,000
Daniel Matui	22/01/18	216,000	142,000	74,000
Rhoda Murupus	18/05/18	196,000	-	196,000
Antipas Moson	18/05/18	120,400	-	120,400
Leonard Ptekwenyo	11/04/18	105,000	-	105,000
Mirriam Chebet	18/05/18	288,800	252,800	36,000
Antipas Moson	11/04/18	84,000	-	84,000
Leonard Limareng	14/05/18	168,000	-	168,000
Leonard Ptekwenyo	28/06/18	125,500	-	125,500
Thomas Longelekechen	11/04/18	32,500	-	32,500
Eunice Chepoghon	14/04/18	49,800	-	49,800
Total				**1,557,700**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)