REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF NAIROBI CITY

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
21 MAY 2021
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HARAMBEE

COUNTY GOVERNMENT OF NAIROBI CITY

REVISED REPORTS AND FINANCIAL STATEMENTS

FOR THE 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 and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

The County Government of Nairobi City day-to-day management is under the following key organs:

- Governor;
- County Executive Committee Members;

c) Fiduciary Management

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

No.	Designation	Name
1.	County Secretary	Leboo Morintat
2.	CECM –Finance	Pauline kahiga
3.	Chief Officer Finance	Halkano Waqo
4.	Head of County Treasury – Accounting	Johnson Abwori

d) Fiduciary Oversight Arrangements

The Nairobi City County Assembly Budget and Appropriations Committee and Public Accounts Committee provide oversight on County Financial Management. The Budget and Appropriations committee oversees and monitors budget preparation and implementation while the Public Accounts Committee reviews all reports of the Auditor-general in matters related to the management of finances. The County has established the audit committee which will strengthen the independence and the processes around internal auditing.

e) County Government of Nairobi City Headquarters

P.O. Box 30037
City Hall Building
City Hall way
Nairobi, KENYA

f) County Government of Nairobi City Contacts

Telephone: Telephone: (254) 20 224281, (254) 20 2216151
E-mail: **info@nairobi.go.ke, clerk@nrbcountyassembly.go.ke**
Website: **www.nairobi.go.ke**

g) County Government of Nairobi City Bankers

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

2. Kenya Commercial Bank
   Moi Avenue Branch
   P.O Box 30081-00100
   Nairobi, Kenya

3. Equity Bank
   Equity Centre Branch
   P.O Box 75104-00200
   Nairobi, Kenya

4. Co-operative Bank
   City Hall Branch
   P.O. Box 44805-00100
   Nairobi.

5. National Bank
   Kenyatta Avenue
   Branch
   P.O Box
   Nairobi.

6. Chase Bank
   City Centre Branch
   P.O Box
   Nairobi.

h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

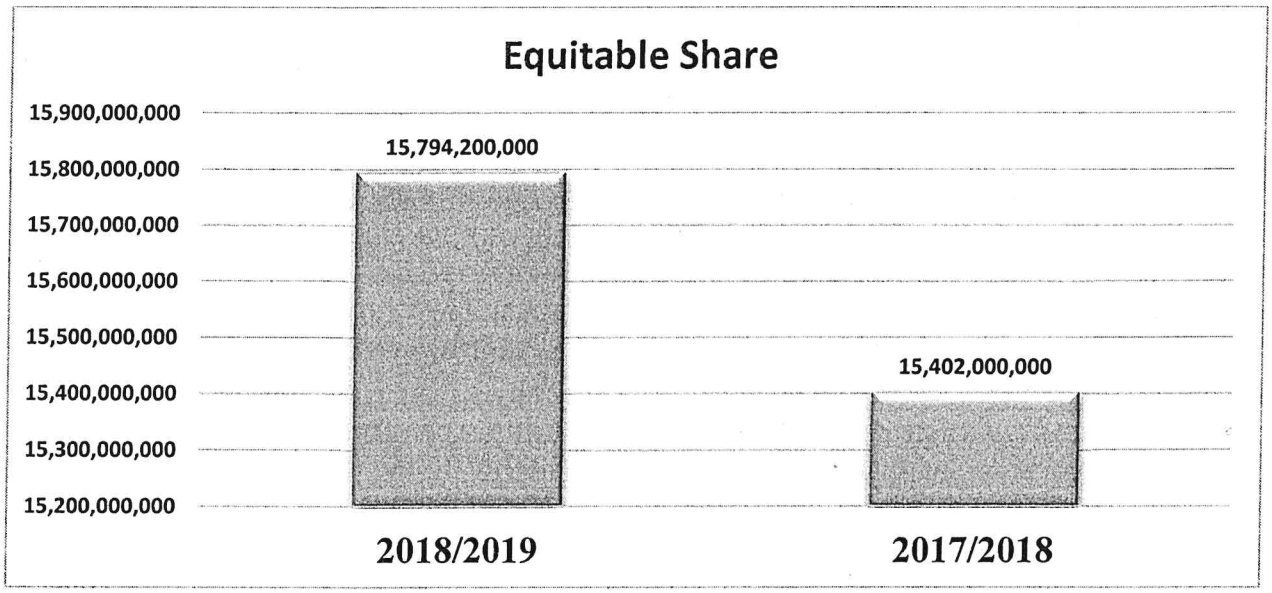
i) Principal Legal Adviser

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

2. FOREWORD BY THE COUNTY EXECUTIVE COMMITTEE MEMBER

The Reports and Financial Statements for the year have been prepared in accordance with IPSAS cash basis as recommended by the Public Sector Accounting Standards Board. These financial statements are for the 12 months period ended 30th June, 2019.

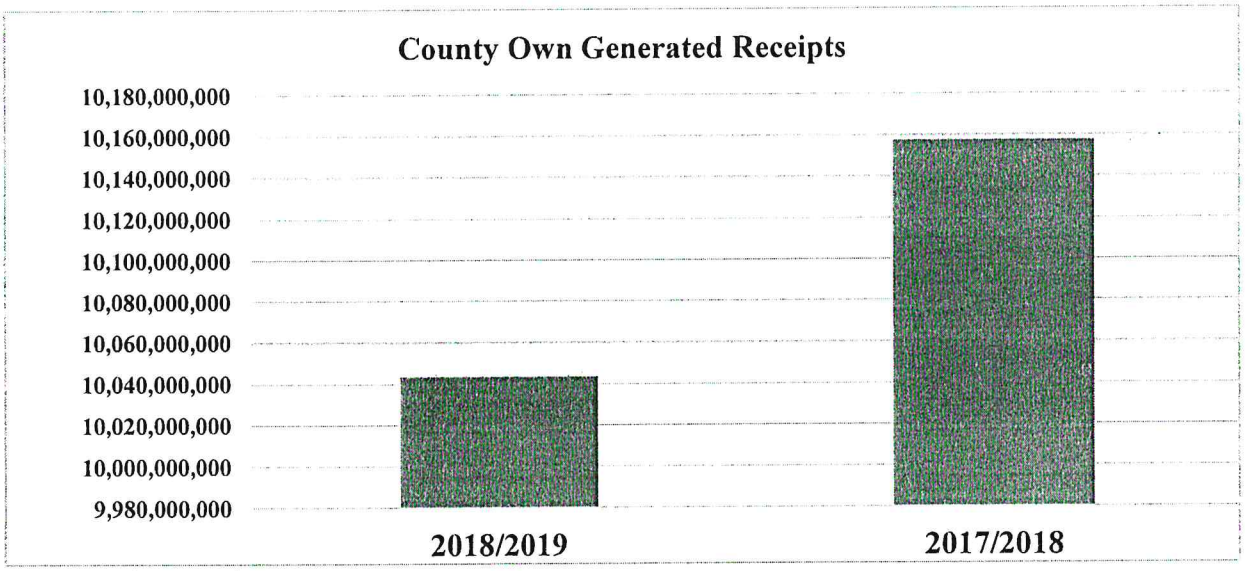
The statements portray a significant adherence to the fiscal responsibility principles, and prudence in management of financial resources. In mobilization of resources, the county met 84% of the revenue targets, characterized by a 2.55% increase from exchequer release amounting to Ksh. 15.79 Billion, and Ksh. 10.04 Billion from own source revenue which saw a 1.13% reduction, compared to the previous financial year 2017/2018. On the expenditure side, the statements depict 79 % absorption of the Ksh. 33.06 Billion budget.



Source: County Treasury

The statements directly correlate with the government's development agenda, which saw cognizable milestones in health, education, infrastructure, commerce and ICT. Ksh. 800 Million was transferred to KURA towards the Nairobi regeneration program implemented in conjunction with the national government. Acquisition of assets grew by 130 % to Ksh. 3.3B compared to Ksh. 1.436B in the previous year. This was accentuated by 359.9% increase in spending on construction of roads at Ksh. 1.67 B, 146% increase in construction of civil works at Ksh. 708.7 Million.

Meeting the county's strategic objectives was hampered by a number of challenges during the period under review. Key amongst them was the falling short of own source revenue targets at only an achievement of 66% of targets, coupled with untimely and sometimes unpredictable release of the exchequer.



Source: County Treasury

The county received 5%, 26%, 27.5% and 41.5% of the exchequer release in quarter one to the fourth quarter respectively. Proceeds from domestic and foreign grants also fell by 64.5% compared to last financial year, at Ksh. 93.54 Million whilst accounts receivables increased by 39.4% to Ksh. 591.4B from Ksh. 424.2B in the previous period. The biggest driver of these accounts receivables is land rates which stood at Ksh. 587.4B. In the medium term, the county will overcome these challenges by proactively pursuing improvements in allocation and disbursement by national government and ensure compliance to grants conditions in order to garner more from this source. Deliberate initiatives are already in place to bolster own source revenue and gains from these are expected in the near future, with the anticipated implementation of the 2019 valuation roll a key driver towards this reality.

These statements, despite being an instrument in financial reporting, will be a valuable tool in ensuring continuous adherence to financial management principles, at the same time informs future improvement in policies and overall stewardship of public finance. This will augment the already existing system implementation at all levels, and also improve budget execution and monitoring.

Allan Igambi
County Executive Committee Member- Finance and Economic Planning

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2019, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 10th Feb 2021

County Executive Committee Member – Finance and Economic planning

4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke

Enhancing Accountability

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Executive of Nairobi City set out on pages 1 to 40, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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, the financial position of the County Executive of Nairobi City 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.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements for the year ended 30 June, 2019 contained the following errors and omissions:

1.1 Balance Brought Forward

As disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.7,169,537,245 and a comparative balance of Kshs.6,582,013,280 under use of goods and services. However, the comparative balance differs significantly with the balance brought forward of Kshs.6,324,187,486 reflected in the audited financial statements for the year ended 30 June, 2018 leading to unexplained difference of Kshs.257,825,794.

In absence of any disclosure on restatement or prior year adjustment, the financial statements are inaccurate.

1.2 Variances Between Financial Statements and the Integrated Financial Management Information Systems Balances

A comparison of balances reflected in the financial statements and figures in IFMIS revealed several anomalies as tabulated below:

Details	Amounts as per Financial Statements (Kshs.)	Amounts as per IFMIS Reports (Kshs.)	Variance (Kshs.)
Receipts	27,763,873,267	21,978,387,588	5,785,485,679
Payments	26,367,412,637	10,690,865,363	15,676,547,274
Cash and Bank	3,302,211,934	98,633,349,344	(95,331,137,410)
Receivables	21,610,708	1,690,988,530	(1,669,377,822)
Payables	0	101,684,009,015	(101,684,009,015)
Total County Budget	33,344,851,538	32,310,240,815	1,034,610,723

No reconciliation or explanations have been provided for the above discrepancies.

1.3 Difference Between Financial Statements and the Supporting Schedules

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.12,427,386,130 under compensation of employees. However, the balances reflected in the Note differs with the balances shown in the Integrated Personnel and Payroll Database (IPPD) and the Trial Balance as tabulated below: -

Component	Financial Statement Balance	IPPD	Trial Balance
	Kshs.	Kshs.	Kshs.
Basic Salaries of Permanent Employees	6,225,134,387	6,378,487,610	171,497,446
Basic Salaries Temporary Employees	131,592,680	0	91,866,566
Personal Allowances Paid as Part of Salary	5,051,056,115	5,370,851,653	91,596,236
Compulsory National Social Security Schemes	990,270,602	1,020,192,183	30,600,949

The three sets of records have not been reconciled.

Further, the balances reflected in the summary statement of appropriation differ significantly with the balances reflected in the statement of receipts and payments for the following items as indicated below:

Description	Financial Statements Figure (Kshs.)	Supporting Schedule Figure and Ledger (Kshs.)	Difference (Kshs.)
Own Generated Receipts	10,043,310,059	8,183,886,931	1,849,532,128
Acquisition of Assets	4,951,407,063	3,191,065,487	1,760,341,576
Use of Goods and Services	7,169,537,245	8,468,454,448	(1,298,917,203)
Compensation of Employees	12,427,386,130	12,342,918,784	84,467,346

No reconciliation or explanations were provided for the above discrepancies.

1.4 Discrepancies Between Records of County Own Generated Receipts

As disclosed under Note 4 to the financial statements, the statement of receipts and payments reflects county own generated receipts of Kshs.10,043,310,059 out of which an amount of Kshs.53,306,977 related to plot rents. Examination of records maintained by the Building Plans Department revealed that during the year, the Department approved 2,582 building plans with an estimated cost of Kshs.159,041,282,792 and generated revenue amounting to Kshs.950,649,524. However, the Finance Department records reflected revenue generated from development plan approvals amount of Kshs.1,017,621,501 resulting to an unexplained difference of Kshs.66,971,977.

1.5 Wrong Classification of Payments

As disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.7,169,537,245 under use of goods and services out of which an amount of Kshs.54,773,273 was expensed on items that are ordinarily classified under acquisition of non-financial assets.

In the circumstances, the expenditure on use of goods and services is overstated by Kshs.54,773,273 while the acquisition of non-financial assets is understated by a similar amount.

1.6 Understated Other Grants and Transfers

As disclosed under Note 10 to the financial statements, the statement of receipts and payments reflects other grants and transfer of Kshs.509,459,074. However, examination of documents revealed that the County Executive transferred an amount of Kshs.800,000,000 to Kenya Urban Roads Authority (KURA) and Kshs.75,000,000 to Kenya Medical Supply Agency, KEMSA. These balances have not been disclosed in the financial statements hence the expenditure under other grants and transfer balance is understated by Kshs.875,000,000.

1.7 Accounts Payables - Undisclosed Deposits and Retentions Balance

The statement of assets and liabilities reflects a nil balance under accounts payables - deposits and retentions balance as at 30 June, 2019. However, examination of IFMIS report reflects an amount of Kshs.101,684,009,015 under contractors' retentions

balance. The amount relates to money owed to suppliers and contractors withheld as retention money to guard against project defects which may occur during the defect liability period.

In the circumstances, the accuracy and completeness of the financial statements as at 30 June, 2019 could not be confirmed.

2 Irregular Payment of Allowances to Security Officers

As disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects use of goods and services balance of Kshs.7,169,537,245 out of which Kshs.337,112,059 relates to domestic travel and subsistence. Examination of payment documents revealed that the balance include an amount of Kshs.4,092,000 paid thirty-three (33) police officers who were guarding the Governor while in Mombasa for twenty-two (22) days, between 22 July, 2018 to 12 August, 2018. However, no documents were availed in support of the payment except an unsigned schedule. In addition, the purpose of the journey and authorization for use of thirty-three (33) Police Officers was not explained.

Consequently, validity of the propriety and validity of the expenditure of Kshs.4,092,000 could not be confirmed.

3 Unsupported Expenditures

3.1 Goods Procured for Vocational Training Centers and Youth Groups

Examination of records availed for audit revealed that goods amounting to Kshs.59,560,243 were procured and issued to various vocational training centers, youth groups and other institutions. However, distribution records including schedules showing the names of the institutions and groups which received the goods were not provided for audit verification. Further, registration certificates of the beneficiary groups and institutions were not availed for confirmation

3.2 Research Feasibility Study

Examination of records maintained by the Department of Urban Policy and Research shows expenditure totalling to Kshs.24,518,410 for the year ended 30 June,2019 towards Research and feasibility study for four (4) World Bank Funded Projects implemented through the Ministry of Transport and Infrastructure, Housing & Urban Development under the Nairobi Metropolitan Services Improvement Project (NAMSIP) to offer consultancy services on Railway City Development, Eastland's Urban Renewal Project, SGR Embakasi Area Study and Physical Address for the City. No contract documents were availed for audit review to establish the role and the responsibilities of the donor and the Implementing Agencies.

3.3 Unsupported Legal Fees

During the year under review, the County Executive made large payments as legal fee totalling to Kshs.595,075,247 to various legal firms who offered legal services to the County. However, Management did not avail documents such as nature of disputes,

approvals for procurement of professional services records, record of services rendered and contract agreements for audit review.

3.4 Hire of Labour for Flood Mitigation

during the year under review, the County Executive paid Kshs.8,264,400 through the Nairobi County Operation Account to Nairobi City County for flood mitigation services as shown below: -

Cadre	No. Hired	Days	Rate Per Day (Kshs.)	Total (Kshs.)
Labourers	200	60	500	6,000,000
Supervisors Grade 1 trade tested	20	60	1,215	1,458,000
Ungraded tradesmen (Artisans)	20	60	672	806,400
Total				**8,264,400**

Management did not provide duly signed and approved list of beneficiaries and the evidence of recruitment of casuals, artisans and supervisors. The daily attendance registers and a summary of calculated amounts paid to each worker was not availed. Further, no indication of work done in terms of opening up and maintaining drains at sub-county levels as stated in the request to incur expenditure was provided.

In these circumstances, the accuracy, completeness and validity of the expenditure reflected in the statements of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

4. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.3,302,211,934 as at 30 June, 2019. However, the following anomalies were noted;

4.1 Unaccounted for Cash Withdrawals

As reported in 2017/2018, the County Executive withdrew Kshs.206,385,752 and Kshs.3,000,000 from Supreme Business and Current Accounts at Equity Bank Account and Nairobi City County Trust Account at KCB Bank respectively for unspecified payments which were not supported by appropriate authority, documentation and pre-numbered payment vouchers. Similarly, during the year under review, the Management made further withdrawals amounting to Kshs.249,798,128 from Cooperative Bank Account but no supporting documents were provided.

4.2 Failure to Prepare Bank Reconciliation Statements

As disclosed in Note 15 to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.3,302,211,934 as at 30 June, 2019. However, thirty-four (34) bank accounts balances had not been

supported by bank reconciliations, bank certificates and Board of Survey reports. No satisfactory explanation was provided for the omission.

4.3 Overdrawn Account

As previously reported, the County Executive's Current Account held at the Kenya Commercial Bank was overdrawn by Kshs.3,794,555 on 30 June, 2018. During the year under review, the same account was overdrawn by Kshs.542,465 as at 30 June, 2019. No documentary evidence has been availed for audit review to confirm prior approval of the overdraft by the County Treasury or Board of the County Government as required under Section 119 (4) of Public Finance Management Act, 2012.

4.4 Unpresented Cheques

Bank reconciliation statements presented in respect of the development account held at the Central Bank of Kenya revealed unpresented cheques totalling Kshs.1,015,111,741. However, the dates when the cheques were drawn were not indicated and therefore it was not possible to confirm the status of the cheques or how many cheques may have become stale as at 30 June, 2019.

4.5 Undisclosed Bank Accounts

Available information indicates that during the year under review, the County Executive operated forty-one (41) bank accounts. However, one bank account with a closing balance of Kshs.7,418,793 as at 30 June, 2019 was omitted in the financial statements. Another bank account under the name -Waithaka Technical Bank account held at Cooperative Bank had a balance of Kshs.578,413. However, the list of bank accounts availed for audit reflects a different account number with a balance of Kshs.97,173. It could not be confirmed if Management was operating a parallel account which had not been disclosed.

Further, examination of records indicates that the County Executive had operated five bank accounts currently referred to as either closed or dormant at various commercial banks. However, bank confirmation of the status of these accounts as the Management did not availed supporting documents for audit review.

In addition, analysis of the revenue account held at Cooperative Bank revealed cash deposits transactions that had been reversed amounting to Kshs.3,229,341.

In view of the above, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.3,302,211,934 as at 30 June, 2019 is fairly stated.

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

Emphasis of Matter

Repayment of Principal on Domestic Lending and on-Lending

During the year under review, statement of receipts and payments reflects nil balance against a comparative expenditure of Kshs.868,192,719 being repayment of principal on domestic lending and on-lending facilities. Information available indicates that the bank overdraft was acquired in October 2014. However, the loan agreement and contractual documents detailing terms and conditions of the loan were not provided for audit review.

Available records indicate that, through approval from the Minister of Local Government dated 1 April, 2011, the defunct Nairobi City Council had secured a loan of Kshs.5,000,000,000 from Equity Bank of Kenya Limited. By 24 March, 2014, the outstanding balance had decreased to Kshs.3,366,696,209 but no loan statements from the bank was provided to confirm the correctness of the balance.

The loan was refinanced by the Kenya Commercial Bank, as per deed of variation of the term of loan facility between Nairobi City County Executive and Kenya Commercial Bank Limited. Based on the loan statement from Kenya Commercial Bank dated 31 July, 2019, the County Government of Nairobi City has not been servicing the loan, as a result of which the loan has risen to Kshs.4,310,087,246 due to capitalized penalties and interest charged amounting to Kshs.943,391,037. It has not been explained why the loan is not being serviced leading to the avoidable interest and penalty charges.

My opinion is not modified in respect of this matter.

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 are no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.33,264,851,538 and Kshs.27,859,452,390 respectively resulting to an under-funding of Kshs.5,485,399,148 or 16% of the budget. Similarly, the County Executive expended Kshs.26,462,991,761 against an approved budget of Kshs.33,264,851,538 resulting to an under-expenditure of Kshs.6,801,859,777 or about 21% of the approved budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

The County Executive may not have achieved its targeted objectives as target revenue was not collected.

2. Pending Bills

As disclosed under Other important disclosures to the financial statements, the accounts payables (pending bills) amounting to Kshs.70,651,898,417 had not been settled as at 30 June, 2020. Management has not explained why the bills were not settled during the year. However, age analysis of the bills had not been disclosed in the financial statements.

Further as disclosed at Annex 3 of the financial statements, other pending payables constitutes an amount of Kshs.15,328,285,000 and Kshs.3,815,640,000 for government guaranteed loans and on-lent water loans (foreign loans) respectively. However, original loan agreements and other supporting documents were not availed for audit review.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

3. Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate and the County Assembly have not deliberated on the issues.

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 of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board

The financial statements presented for audit review did not include information as required in the format prescribed by the Public Sector Accounting Standards Board (PSASB) in that the financial statements prepared by the County Executive shows budget execution by programmes and sub-programmes which differs with the format prescribed by the Public Sector Accounting Standards Board and is hence contrary to Regulation 101 (1), (3), and (4) of the Public Finance Management (County Governments) Regulations, 2015.

2. Late Submission of Financial Statements

The financial statements of the County Executive of Nairobi City were submitted on 1 November, 2019 to the Auditor-General, being one month after the statutory deadline of 30 September, 2019 contrary to Section 84(3) of the Public Finance Management Act, 2012 which requires submission of the financial statements to the Auditor-General not later than three months after the end of the financial year.

Consequently, the County Executive Management was in breach of the law.

3. Irregular Transfer from County Revenue Collection Accounts

Examination of the bank statements from Cooperative Bank Account revealed that an amount of Kshs.132,920,916 was withdrawn from the revenue account, but was not credited to the County Revenue Fund Account at Central Bank contrary to Regulation, 63(1) and 109(1), (2) and (6) of the Public Finance Management (County Governments) Regulations, 2015. No explanation was provided why the funds withdrawn from the Revenue Account had no corresponding credit to the County Revenue Fund at Central Bank of Kenya.

In the circumstances, the County Executive was in breach of the law.

4. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of County Assembly was 11,926 members out of which 5,496 employees representing 46% of the total work force were from one ethnic 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".

In the circumstances, the County is in breach of the law.

5. Non-Compliance with the One Third of Basic Salary Rule

During the year ended 30 June, 2019, seventy-three (73) employees earned a net salary of less than a third (1/3) of their basic salary contrary to Section 19(3) of the Employment Act, 2007 and Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016.The Management has not given explanation for failure to comply with the policy.

Further, examination of documents provided for audit verification revealed that as at 30 June, 2019, two hundred and ten (210) retirees had not received their terminal dues totalling to Kshs.48,534,805 contrary to Section (5) of the Employment Act of 2011. Reasons for stopping these payments were not provided.

In the circumstances, Management is therefore in breach of law.

6. Procurement of Goods and Services Using Imprest

Examination of records reveal that goods and services valued at Kshs.135,331,639 were purchased and charged to imprest account No.53100001 for which no explanation was given contrary to Treasury Circular 3/2010 dated 7 May, 2010, Regulation 91 (1) of the Public Finance Management (County Governments) Regulations, 2015 and Regulation 107 (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, County executive was in breach of law.

7. Failure to Prepare Fund Financial Statements

As disclosed under Note 10 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2019 reflects an expenditure of Kshs.509,459,074 out of which an amount of Kshs.27,384,680 and Kshs.402,499,394 is in respect of Emergency Relief and Refugee Assistance Fund, and Scholarship and Other Educational Benefits Fund. Examination of records revealed that during the year, a total of Kshs.397,656,594 was transferred to Nairobi City County Education Bursary Account in two tranches of Kshs.100,156,594 and Kshs.297,500,000. However, disbursement schedules showing beneficiary details and confirmations by bursary recipients were not provided for audit verification. However, the County Executive did not prepare the financial statements for the two funds contrary to Section 115(1) of the Public Finance Management Act, 2012, which recommends that once a Fund has been established, a County Government shall, not later than three months after the end of each financial year prepare and submit to the Auditor-General, financial statements for the Fund.

In these circumstances, the County Executive was in breach of the law.

8. Unremitted Statutory Deductions

The financial statements under Annex 3 reflects outstanding pending payables of Kshs.59,014,825,645 out of which Kshs.39,870,900,645 relates to statutory deductions which had not been remitted over a long period of time contrary to Regulation 22 (2) of the Public Finance Management (County Governments) Regulations, 2015. The unpaid statutory deductions continue to attract interest and penalties. No explanation was provided for failure to remit the statutory deductions.

The County Executive was therefore in breach of the law and it may attract more interest and penalties which are avoidable.

9. Compliance with Salaries and Remuneration Commission's Circulars

Review of payments made to members of the committee on finalization of pending bills revealed that authorized payments was Kshs.5,641,000. However, the actual amount paid was Kshs.16,483,500 resulting to an excess payment of Kshs.10,842,500 above Salaries and Remuneration Commission's authorized rate vide Ref: SRC/ADM/CIR/1/13/ (122) of 16 April, 2014.

Further, the County Executive paid employee's leave allowance of Kshs.233,079,350 against the actual entitlement of Kshs.23,476,000 resulting to excess payments of

Kshs.209,603,350 more than the leave allowance entitlement contrary to SRC Circular Ref No. SRC/TS/TA/3/10(86) dated 19 November, 2014. No proper explanation was provided for this anomaly.

In addition, verification of payroll data for the year under review revealed that the County Executive paid emergency call allowance of Kshs.156,184,286 against actual entitlement of Kshs.63,660,000 resulting to excess payments of Kshs.92,434,285 more than their emergency call allowance entitlement contrary to SRC Circular Ref. No. SRC/TS/CGOVT/3/61 Vol.III/ (136) dated 14 September, 2015. No proper explanation was given for this anomaly

In the circumstances, the County Executive was therefore in breach of the law.

10. Compliance with Public Finance Management (County Governments) Regulations 2015 - Wage Bill

The statements of receipts and payments reflects an expenditure of Kshs.12,427,386,130 on compensation of employees representing 45% of the total receipts of Kshs.27,859,452,390. This is contrary to the provisions of Regulation, 25(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which limits a County Executive`s expenditure on wages and benefits to not more than 35% of the total revenue for the year.

Further, the County Executive operated without an authorized staff establishment that would ensure efficient, quality and productive services for the people of the County, contrary to Section 55(b) and (c) of the County Government Act, 2012. Under the circumstances, staff were not managed, organized, posted and transferred in accordance with Article 235 of the Constitution of Kenya, 2010. The resultant effect was excess staff that translated to unsustainable huge wage bill.

Consequently, Management is in breach of the law.

11. Compliance with the Public Finance Management Act, 2012

As disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects payments for use of goods and services totalling Kshs.7,169,537,245 during the year under review. However, examination of payment documents indicate that the Management made payments amounting to Kshs.273,443,929 through general suspense account contrary to Section 104(1)(i) of the Public Finance Management Act, 2012, which requires the County Treasury to ensure proper management and control of, and accounting for the finances of the County Executive.

Further, the Management made payments totalling Kshs.102,781,501 in respect of foreign travel and subsistence out of which Kshs.9,825,124 was irregularly paid to three county officers and two firms. However, payments were not supported by travel documents including visa, air-tickets, boarding passes, hotel bookings, program of the summit, contrary to Regulation 104 of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the County Executive was in breach of the law.

12. County Own Generated Receipts

As disclosed under Note 4 to the financial statements, the statement of receipts and payments reflects County own generated receipts of Kshs.10,043,310,059. A review of revenue documents revealed that the County Executive terminated the contract with JamboPay. However, a handing over report and information on how the data was handled after handover was not provided for audit verification.

Further, analysis of the revenue collected using JamboPay for the period under review revealed that transactions totalling Kshs.193,862,722.67 were posted in JamboPay, but were not reflected in LAIFOM System, yet the systems were integrated, contrary to Section 149 (1) and (2(o)) of the Public Finance Management Act, 2012.

After the termination of contract between the County Executive and JamboPay on 8 June, 2019, the County Government of Nairobi awarded the contract for collection of revenue within Nairobi County to the National Bank of Kenya. However, the contract agreement provided was neither signed by the National Bank nor the Accounting Officer for Nairobi City County Government contrary to Section 44(1) and (2) of the Public Procurement and Asset Disposal Act, 2015. Hence there were no agreed terms of service to verify and justify performance of the current service provider.

Consequently, it was not possible to ascertain the authenticity of County own generated receipts of Kshs.10,043,310,059 for the year ended 30 June, 2019.

13. Outstanding Imprest

The accounts receivables - outstanding imprest reflects a balance of Kshs.21,610,708 as at 30 June, 2019. However, examination of records revealed that the amount includes Kshs.4,599,166, being multiple imprests issued to staff of the County Executive, contrary to Section 93(4) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officers to ensure applicants have no outstanding imprests.

Further, an analysis of records availed for audit review indicated that imprests totalling Kshs.3,700,913 were outstanding for more than one year, contrary to Section 93(5), (6) and (7) of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, Management is in breach of the law..

14. Supply and Delivery of Desktops Computers, Laptops and External Portable Drive

Examination of available records revealed that although tender No. NCC/FIN/RT/313/2017-2018 was advertised, some anomalies were however, noted as follows: -

(i) Evidence of advertisement in accordance with Section 96(2) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the procuring entity shall advertise in the dedicated Government tenders' portals or in its

own website, or a notice in at least two daily newspapers of nationwide circulation, was not availed for audit review.

(ii) The tender had two sets of signed tender opening minutes purportedly held on 25 June, 2018 at 10.00 am with the results as tabulated below: -

Firm Name	Address	Copies	Tender Amount (Kshs.)
Albe Enterprises Ltd	73098-00200 Nairobi	1	8,739,900
Skip Bo Enterprises	5046-00200 Nairobi	1	8,300,000
Conference Rentals Ltd	Not provided	1	Not Indicated
Albe Enterprises Ltd	73098-00200 Nairobi	1	8,739,900
Skip Bo Enterprises	61431-00200 Nairobi	1	11,400,000
Talaa One Enterprises	5046-00200 Nairobi	1	Not indicated

(iii) Examination of postal addresses for two (2) firms, M/s. Skip Bo Enterprises and Talaa One Enterprise reveals that they are related as they share the same postal address number 5046-00200 Nairobi.

(iv) There is indication of attempted forgery as the same company, M/s Skip Bo Enterprise submitted two (2) different bids of Kshs.11,400,000 and Kshs.8,300,000 for the same tender at the same time.

In view of the above observations, it was not possible to confirm that there was value for money in the award of contracts and whether the contracts were sourced competitively in accordance with the Public Procurement and Asset Disposal Act, 2015.

15. Projects Status

Note 12 to the financial statements reflects acquisition of assets of Kshs.4,951,407,063 for the year ending 30 June, 2019. However, a number of unsatisfactory findings were noted as tabulated in **Appendix I**

Further, examination of various projects status reports revealed that the following projects with a combined contract sum of Kshs.1,893,756,957 have stalled or delayed as shown below: -

Description	Combined Contract Sum (Kshs.)
Roads, Transport and Public Works	471,389,643
Bridges	96,669,532
Delayed Roads and Bridges Projects	1,035,207,948
Delayed Ward Development Projects (Roads and Drainage)	238,699,198
Delayed WDF Electrical Projects	51,790,636
Total	**1,893,756,957**

Management has not achieved the intended objectives and value for money in these projects had not been achieved in accordance with Section 149(2)(m) of the Public Finance Management Act, 2012.

In the circumstances, it has not been possible to confirm that the public has obtained value for money.

16. Delayed Construction of Four (4) Stadia in Nairobi City County

A contract No. NCC/ED/T/193/2017-2018 was awarded to M/s Scanjet Contractors for the construction of the four (4) stadia for a combined contract sum of Kshs.1,036,551,255. An audit review of the program for the execution of works is summarized as follows: -

S/No.	Location	Financial Year	Contract Sum (Kshs.)	Completion Period	Status
1	Dandora Stadium	2017/2018	350,000,000	18 months	On going
2	Kawangware Stadium	2017/2018	250,000,000	18 months	Not started
3	Kihumbuini Stadium	2018/2019	250,000,000	18 months	Not started
4	Ziwani Stadium	2019/2020	186,551,255	18 months	Not started
Total			**1,036,551,255**		

The certificate of site possession signed by the Architect on 30 May, 2018 shows that the contract period was eighteen (18) months ending 4 December, 2019. However, it has not been possible to establish whether this contract was awarded in accordance with the Public Procurement and Asset Disposal Act, 2015 due to failure by the County Executive to avail the advertisement of the tender, the tender opening register , tender minutes, the Technical and financial evaluation report, professional opinion and notification to unsuccessful bidders. This is contrary to the provision of Section 96(1), 78(1), 78(10), 80(1),84(1) and 87 of the Public Procurement and Asset Disposal Act, 2015 respectively.

Further, payment records availed for audit review revealed that Kshs.123,773,682 had been paid in respect of the construction of Dandora Stadium while the construction of the other three (3) stadia had not commenced, despite the fact that more than 50% of the contract time had elapsed. There were changes of the earlier approved material for construction from concrete to steel structures. However, justification for the change, its implication on the Bill of Quantities, budget and eventual approval process were not availed for audit review contrary to Section 9(1)(e) of the Public Audit Act, 2015. There were also sizeable outstanding works.

In addition, a site inspection of Dandora stadium revealed that no construction work was going on although there was a tractor and a concrete mixer on site and the contractor or his agent was not on site. The fixing of gates for entry and exit to the stadium and cabro works were not completed and no documentation was availed to show the status of work done.

In view of the foregoing, it has not been possible to confirm that the public may have obtained value for money on the construction costs incurred.

17. Trade Sector Projects-Supply, Delivery and Installation of Network for Sectorial Office at Nyayo House

Examination of records maintained by the Trade Sector show that tender No. NCC/TRADE/RT/546/2016-2017 for supply, delivery and installation of network for sectoral offices in Nyayo House was awarded to a consultancy firm for a contract sum of Kshs.2,679,370. The contract period was from 30 May, 2017 to 31 July, 2017. However, the company was paid Kshs.3,108,069, an amount which is in excess of the contract sum by Kshs.428,699 that has not been explained.

In the circumstances, the validity of expenditure of Kshs.428,699 for the year ending 30 June, 2019 could not be confirmed.

18. Procurement of Overpriced of Sports Items

Examination of records availed for audit revealed that the County Government entered into a contract with a firm to supply and deliver sportswear items at a cost of Kshs.7,710,000 against the approved budget of Kshs.5,300,000 as per the Department's request. The prevailing market price of the equipment was Kshs.4,400,000 thereby resulting to Kshs.3,310,000 above the market price contrary to Section 54 (2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the County Executive was in breach of law.

19. Irregular Contracts on Solid Waste Management

During the year under review, the County Executive contracted and paid thirty-five (35) firms for collection, transportation and disposal of solid waste. However, it was noted that the County Executive did not have standard rates for the collection, transportation and disposal of solid waste for each zone contrary to Section 151 (2) of the Public Procurement and Asset Disposal Act, 2015. The contracts for collection, transportation and disposal of solid waste in the same zones were awarded to different firms at different rates. The difference in rates to different firms for the collection, transportation and disposal of solid waste from the same collection zone was not explained or supported as the County did not provide procurement documents to support the awarding of the contracts.

Further, examination of payment vouchers revealed that Management made payments amounting to Kshs.105,426,062 to eleven (11) firms for collecting solid waste in Zones that they were not prequalified to operate, contrary to Section 151(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the County Executive is in breach of the law.

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

Basis for Conclusion

1. Lack of Integration of LAIFOMS with E-Construction System

Audit examination of records maintained by the E-Construction System revealed that there was no integration with LAIFOMS. The system only generates invoices and payment is made through LAIFOMS. The two systems are not fully automated and integrated to ensure that invoices generated are actually paid and receipted at one cost centre.

No reasons were provided for lack of integration of the systems.

2. Failure to Maintain Data Backup

Compliance and Enforcement Department is tasked with serving enforcement notices and undertaking any other enforcement action within the provisions of the law for identified non-compliant development projects and charging the offenders in court. Enforcement records maintained by the Department, which includes reports on arrests, court cases, notices and demolitions, and complaints are kept in registers, some of which are mutilated and have no backups contrary to Section 149(2)(c) of the Public Finance Management Act, 2012. The information contained in the registers appears to be sensitive and critical for the operations of the department. However, no efforts have been made to keep the data in a computerized environment or an efficient data management system.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive 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 financial reporting process, reviewing the effectiveness of how the County Executive monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional 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 Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

20 May, 2021

Appendix I: Delayed Projects

No.	Project	Contract Sum Kshs.	Paid to Date Kshs.	% of Project Completion	Observations
1	Construction of Academy road in Karen				Only hand packing done, road is narrow, walkway not done.
2	Construction of Plainsview Likoni link road,1.3Km long	183,594,005	88,044,342	50%	Walk way structures not cleared and certificate 1 not availed.
3	Rehabilitation of Ndwaru road	98,811,394		50%	Delayed since 23 August, 2017 without liquidated damages and Certificate No. 1, 2 and 3 not availed. No evidence of testing quality of red soil being used on walkways while 600mm culverts were used instead of 900mm
4	Construction of Muthiora road, 1.2Km	74,887,843	63,912,065	90%	Completion expected date was 15 August, 2018 and Certificate No. 1, 2, 3 and 4 not availed. Lack of liquidated damages and the following documents were not availed - advertisement, tender opening register, technical and financial evaluation report, professional opinion, Notification to successful bidders and letter of acceptance, program of work while relocation of electricity poles
5	Completion of Muthiora road, Kawangware, 3Km	138,761,963	18,207,360	25%	Completion date was expected to be 4 June, 2019 Lack of liquidated damages Documents not availed; advertisement, tender opening register, technical and financial evaluation report, professional opinion, Notification to successful bidders, letter of acceptance

No.	Project	Contract Sum Kshs.	Paid to Date Kshs.	% of Project Completion	Observations
					Contract for the same road to two (2) different contractors
6	Construction of Salim road at Kawangware	155,170,804		40%	Completion date 5 March 2019, Certificate No. 1 and 2 not availed and lack of liquidated damages
7	Construction of a public transport facility at Riruta	18,912,915		70%	Completion period was 5 November, 2016 but contractor was not on site Documents not availed; advertisement, tender opening register, technical and financial evaluation report, professional opinion, Notification to successful bidders, letter of acceptance and Certificate No. 1 was not availed Part of the plot had a commercial building put up by a private developer while another was fenced off and was being used for private hire by a private person
8	Construction of Captain Mungai street in Eastleigh, 1.2 Km	84,847,620	70,056,398	30%	Completion period was 12 August, 2017 and the Contractor was not on site Lack of liquidated damages and Certificate No. 1, 2, 3 and 4 were not availed
9	Construction and completion of Thiongo Rehabilitation of Thiongo	128,208,957 65,557,313	62,464,330	30%	Documents not availed; tender opening register/minutes, Notification to successful bidders, letter of acceptance, site minutes Both contracts running concurrently by the same company Contract was extended to 13 May, 2019 without revised program of works.

No.	Project	Contract Sum Kshs.	Paid to Date Kshs.	% of Project Completion	Observations
					No distinct publicity boards to distinguish the two projects There was an injunction by a court on 11 December, 2018 stopping and an objection by a resident the construction. Residents had complained of delayed construction, destroyed fences, street lights, sewer, storm water and Kshs.29,213,395 was paid during the year.
10	Rehabilitation of D.O. to Nyando /Thawatu road in Kayole	67,234,992	27,662,740	85%	Payment done during the year but the contractor cites financial constraints
11	Construction of Kangemi Bus Route and Terminus	53,862,156		38%	Lack of cooperation from residents on encroached land and delay in relocation of power lines and sewer system Unsupported payment detail of Kshs.14,030,656, however Kshs.12,627,590 was paid without reconciliation of the two figures.
12	Installation of lights at Pelican crossing points Central Business District			80%	Only one light was working and there was lack of detailed work plans and crossing locations, public participation documents Unsupported purchase and installation of centralized software at Kshs.1,200,000 included in amount paid of Kshs.12,880,872

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2018/2019	2017/2018
	Note	Kshs	Kshs
RECEIPTS			
Exchequer releases	1A	15,794,200,000	15,402,000,000
Proceeds from Domestic and Foreign Grants	2	93,542,209	183,737,113
Transfers from Other Government Entities	3	79,423,251	481,080,657
County Own Generated Receipts	4	10,043,310,059	10,157,594,130
Returned CRF issues	5	38,775,977	134,355,100
Unspent Funds Reappropriated	6	1,714,621,771	-
TOTAL RECEIPTS		**27,763,873,267**	**26,358,767,000**
PAYMENTS			
Compensation of Employees	7	12,427,386,130	12,982,011,406
Use of goods and services	8	7,169,537,245	6,582,013,280
Transfers to Other Government Units	9	1,306,378,715	1,237,058,777
Other grants and transfers	10	509,459,074	474,187,000
Social Security Benefits	11	3,244,410	4,513,552
Acquisition of Assets	12	4,951,407,063	1,435,678,846
Repayment of principal on Domestic and Foreign borrowing	13	-	868,192,719
Other Payments	14	-	451,779,511
TOTAL PAYMENTS		**26,367,412,637**	**24,035,435,091**
SURPLUS/DEFICIT		**1,396,460,630**	**2,323,331,909**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10/12/ 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury
Name: Peter Ogomo Ingwe

5.2. STATEMENT OF ASSETS AND LIABILITIES

		2018/2019	**2017/2018**
FINANCIAL ASSETS	**Note**	**Kshs**	**Kshs**
Cash and Cash Equivalents			
Bank Balances	15	3,302,211,934	1,848,976,871
Total Cash and cash equivalents		**3,302,211,934**	**1,848,976,871**
Accounts receivables – Outstanding Imprests	16	21,610,708	78,385,142
TOTAL FINANCIAL ASSETS		**3,323,822,642**	**1,927,362,013**
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		**3,323,822,642**	**1,927,362,013**
REPRESENTED BY			
Fund balance b/fwd	18	1,927,362,013	(395,969,896)
Surplus/Deficit for the year		1,396,460,630	2,323,331,909
NET FINANCIAL POSITION		**3,323,822,642**	**1,927,362,013**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10/2/ 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury
Name: Peter Ogomo Ingwe

5.3. STATEMENT OF CASH FLOWS

		2018/2019	2017/2018
	Note	Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1A	15,794,200,000	15,402,000,00
Proceeds from Domestic and Foreign Grants	2	93,542,209	183,737,11
Transfers from Other Government Entities	3	79,423,251	481,080,65
County Own Generated Receipts	4	10,043,310,059	10,157,594,13
Returned CRF issues	5	38,775,977	134,355,10
Unspent Funds Re - appropriated	6	1,714,621,771	
Payments for operating expenses			
Compensation of Employees	7	(12,427,386,130)	(12,982,011,406
Use of goods and services	8	(7,169,537,245)	(6,582,013,280
Transfers to Other Government Units	9	(1,306,378,715)	(1,237,058,777
Other grants and transfers	10	(509,459,074)	(474,187,000
Social Security Benefits	11	(3,244,410)	(4,513,552
Other Payments	14	-	(451,779,511
Adjusted for:			
Changes in receivables		56,774,434	(4,237,537
Total Adjustments		56,774,434	(4,237,537
Net cash flows from operating activities		**6,404,642,127**	**4,622,965,937**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	12	(4,951,407,063)	(1,435,678,846)
Net cash flows from investing activities		**(4,951,407,063)**	**- 1,435,678,846**
CASHFLOW FROM FINANCING ACTIVITIES			
Repayment of principal on Domestic and Foreign borrowing	13	-	(868,192,719)
Net cash flow from financing activities		**-**	**(868,192,719)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**1,453,235,064**	**2,319,094,372**
Cash and cash equivalent at BEGINNING of the year	15	**1,848,976,871**	**(470,117,501)**
Cash and cash equivalent at END of the year	15	**3,302,211,935**	**1,848,976,871**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10/12/ 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury
Name: Peter Ogomo Ingwe

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilizat
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c
RECEIPTS						
Exchequer releases	15,794,200,000	-	15,794,200,000	15,794,200,000	-	100%
Proceeds from Domestic and Foreign Grants	275,379,108	-	275,379,108	93,542,209	181,836,899	3
Transfers from Other Government Entities	469,611,641	-	469,611,641	79,423,251	390,188,390	17%
County Own Generated Receipts	15,496,709,207	-	15,496,709,207	10,043,310,059	5,453,399,148	6
Returned CRF issues	-	-	-	134,355,100	(134,355,100)	
Unspent Funds Reappropriated	1,308,951,582	-	1,308,951,582	1,714,621,771	(405,670,189)	13
TOTAL	**33,344,851,538**	**-**	**33,344,851,538**	**27,859,452,390**	**5,485,399,148**	**84%**
PAYMENTS						
Compensation of Employees	13,426,867,291	181,150,000	13,608,017,291	12,427,386,130	1,180,631,161	9
Use of goods and services	6,908,769,804	2,586,408,372	9,495,178,176	6,515,936,693	2,979,241,483	69%
Other Creditors	225,515,662	2,257,580,584	2,483,096,246	1,459,804,192	1,023,292,054	5
Other grants and transfers	530,156,594	(17,002,253)	513,154,341	509,459,074	3,695,267	99%
Social Security Benefits	10,850,000	(1,690,000)	9,160,000	3,244,410	5,915,590	3
Transfers to Other Government Units	1,978,671,700	(556,430,000)	1,422,241,700	1,306,378,715	115,862,985	9
Acquisition of Assets	9,149,409,764	(3,415,405,980)	5,734,003,784	4,145,203,423	1,588,800,361	7
TOTAL	**32,230,240,815**	**1,034,610,723**	**33,264,851,538**	**26,367,412,637**	**6,897,438,901**	**7**

The entity financial statements were approved on 12/8/ 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury Accounts
Name: Peter Ogomo Ingwe

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	11,055,940,000	-	11,055,940,000	11,055,940,000	-	100%
County Own Generated Receipts	10,934,047,245	-	10,934,047,245	7,030,317,041	3,903,730,204	64%
Returned CRF issues	-	-	-	94,048,570	(94,048,570)	
Unspent Funds Reappropriated	916,266,107	-	916,266,107	1,200,235,240	(283,969,132)	131%
TOTAL	**22,906,253,352**	-	**22,906,253,352**	**19,380,540,851**	**3,525,712,501**	**85%**
PAYMENTS				-		
Compensation of Employees	13,426,867,291	181,150,000	13,608,017,291	12,427,386,130	1,180,631,161	91%
Use of goods and services	5,614,207,401	3,506,321,928	9,120,529,329	6,344,376,248	2,776,153,081	70%
Other Creditors	225,515,662	836,580,584	1,062,096,246	770,387,724	291,708,522	73%
Other grants and transfers	520,156,594	(7,002,253)	513,154,341	509,459,074	3,695,267	99%
Social Security Benefits	10,850,000	(1,690,000)	9,160,000	3,244,410	5,915,590	35%
Transfers to Other Government Units	1,386,671,700	-	1,386,671,700	1,306,378,715	80,292,985	94%
Acquisition of Assets	289,518,167	(121,886,560)	167,631,607	54,773,273	112,858,334	33%
TOTAL	**21,473,786,815**	**4,393,473,699**	**25,867,260,514**	**21,416,005,574**	**4,451,254,940**	**83%**

The entity financial statements were approved on 10/2 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury Accounts
Name: Peter Ogomo Ingwe

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utiliz
	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	4,738,260,000	-	4,738,260,000	4,738,260,000	-	100%
Proceeds from Domestic and Foreign Grants	275,379,108	-	275,379,108	93,542,209	181,836,899	34
Transfers from Other Government Entities	469,611,641	-	469,611,641	79,423,251	390,188,390	17%
County Own Generated Receipts	4,562,661,962	-	4,562,661,962	3,012,993,018	1,549,668,944	66
Returned CRF issues	-	-	-	40,306,530	(40,306,530)	
Unspent Funds Reappropriated	392,685,475	-	392,685,475	514,386,531	(121,701,057)	131
TOTAL	**10,045,912,711**	-	**10,438,598,186**	**7,964,525,008**	**2,081,387,703**	**76%**
PAYMENTS						
Use of goods and services	1,294,562,403	(919,913,556)	374,648,847	171,560,445	203,088,402	46
Other Creditors	-	1,421,000,000	1,421,000,000	689,416,468	731,583,532	49%
Other grants and transfers	10,000,000	(10,000,000)	-	-	-	
Transfers to Other Government Units	592,000,000	(556,430,000)	35,570,000	-	35,570,000	0%
Other Expenses	80,000,000	-	80,000,000	-	80,000,000	0
Acquisition of Assets	8,859,891,597	(3,293,519,420)	5,566,372,177	4,090,430,150	1,475,942,027	73%
TOTAL	**10,836,454,000**	**(3,358,862,976)**	**7,477,591,024**	**4,951,407,063**	**2,526,183,961**	**66**

The entity financial statements were approved on _____ 2021 and signed by:

Chief Officer
Name: Halkano Diida Waqo

Head of Treasury Accounts
Name: Peter Ogomo Ingwe

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

		Approved Budget	Adjustments	Final Budget	Cumulative Expenditure	Budget Utilization Difference
5311000000 COUNTY PUBLIC SERVICE BOARD	**0701000 P1 General Administration Planning and Support Services**	59,622,381	(14,126,792)	45,495,589	36,028,212	9,467,377
	0701010 SP.1.1 General Administration Planning and Support Services	59,622,381	(14,126,792)	45,495,589	36,028,212	9,467,377
	Total 5311000000 COUNTY PUBLIC SERVICE BOARD	**59,622,381**	**(14,126,792)**	**45,495,589**	**36,028,212**	**9,467,377**
5312000000 OFFICE OF GOVERNOR & DEPUTY GOVERNOR	**0718005310 General Administrative Services**	2,362,319,594	219,655,478	2,581,975,072	2,004,680,511	577,294,561
	0718015310 Sp1 General Administration & Support Services	361,289,954	74,175,903	435,465,857	338,101,605	97,364,252
	0718025310 Sp2 Sub County Administration	1,795,595,751	45,724,304	1,841,320,055	1,429,625,897	411,694,158
	0718075310 Sp7 County Executive	108,601,016	119,961,770	228,562,786	177,459,251	51,103,535
	0718095310 Sp9 Audit	96,832,873	(20,206,499)	76,626,374	59,493,757	17,132,617
	0724005310 P 24 Security and Safety Management	1,993,014,689	82,283,634	2,075,298,323	1,643,440,357	431,857,966
	0724015310 sp 24.1 investigative Services	67,068,677	(4,856,821)	62,211,856	49,265,917	12,945,939
	0724045310 Fire & Disaster Management	168,986,200	8,869,525	177,855,725	140,844,944	37,010,781
	0724055310 Inspectorate	1,756,959,812	78,270,930	1,835,230,742	1,453,329,496	381,901,246
	0725005310 P 25 management of legal affairs	196,831,449	2,205,552,648	2,402,384,097	1,902,461,412	499,922,685
	0725015310 sp 25.1 legal services	196,831,449	2,205,552,648	2,402,384,097	1,902,461,412	499,922,685
	Total 5312000000 OFFICE OF GOVERNOR & DEPUTY GOVERNOR	**4,552,165,732**	**2,507,491,760**	**7,059,657,492**	**5,550,582,280**	**1,509,075,212**
5313000000 ICT, E-GOVT & PUBLIC COMMUNICATIONS	**0207000 P1: General Administration Planning and Support Services**	100,629,519	17,136,906	117,766,425	93,259,891	24,506,534
	0207010 SP 1: General Administration, Planning And Support Services	100,629,519	17,136,906	117,766,425	93,259,891	24,506,534
	0208000 P2: Information And Communication Services	134,500,000	(1,460,000)	133,040,000	105,355,121	27,684,879
	0208010 SP 2.1: News And Information Services	122,500,000	-	122,500,000	97,008,436	25,491,564
	0208030 SP 2.3: ICT and Media Regulatory Services	5,000,000	540,000	5,540,000	4,387,157	1,152,843
	0208040 SP 2.4 E-Government Services	7,000,000	(2,000,000)	5,000,000	3,959,528	1,040,472
	0210005310 ICT Infrastructure Development	192,300,000	(125,000,000)	67,300,000	53,295,247	14,004,753
	0210010 SP1: ICT Infrastructure Connectivity	156,000,000	(95,000,000)	61,000,000	48,306,242	12,693,758
	0210035310 sp 3:Information Security	36,300,000	(30,000,000)	6,300,000	4,989,005	1,310,995
	Total 5313000000 ICT, E-GOVT & PUBLIC COMMUNICATIONS	**427,429,519**	**(109,323,094)**	**318,106,425**	**251,910,259**	**66,196,166**

5314000000 FINANCE & ECONOMIC PLANNING	**0701005310 Public Financial Management**	1,063,995,969	2,251,476,815	3,315,472,784	2,529,962,330	785,510,454
	0701015310 Assets Management Services	293,500,000	(1,500,000)	292,000,000	231,236,434	60,763,566
	0701065310 sp1.6 Accounting Services	268,587,676	2,150,708,570	2,419,296,246	1,820,275,114	599,021,132
	0701075310 sp1.7 Budget Formulation Coordination and mgt	122,800,000	18,200,000	141,000,000	111,658,689	29,341,311
	0701085310 sp1.8 Resource Mobilization	293,500,000	86,000,000	379,500,000	300,528,174	78,971,826
	0718085310 Sp8 Supply Chain Management	85,608,293	(1,931,755)	83,676,538	66,263,919	17,412,619
	0718005310 General Administrative Services	1,070,310,469	(37,095,995)	1,033,214,474	818,208,325	215,006,149
	0718015310 Sp1 General Administration & Support Services	1,070,310,469	(37,095,995)	1,033,214,474	818,208,325	215,006,149
	0719000 P3: Economic and Financial Policy Formulation and Management	150,250,000	9,651,500	159,901,500	126,626,893	33,274,607
	0719010 SP 3.1 Fiscal Policy Formulation, Development and Management	150,250,000	9,651,500	159,901,500	126,626,893	33,274,607
	Total 5314000000 FINANCE & ECONOMIC PLANNING	**2,284,556,438**	**2,224,032,320**	**4,508,588,758**	**3,474,797,548**	**1,033,791,210**
5315000000 HEALTH	**0401000 P.1 Preventive & Promotive Health Services**	126,246,501	246,757	126,493,258	100,170,719	26,322,539
	0401115310 HIV/AIDS Prevention & Control Unit	4,440,402	(1,262,750)	3,177,652	2,516,400	661,252
	0401125310 TB Control	2,392,465	(466,315)	1,926,150	1,525,329	400,821
	0401135310 Malaria Control & Other Communicable Diseases	1,789,088	(540,588)	1,248,500	988,694	259,806
	0401145310 Reproductive Health & Maternal Health (RMNCAH)	83,714,956	(9,410,000)	74,304,956	58,842,511	15,462,445
	0401155310 Environmental / Public Health	33,909,590	11,926,410	45,836,000	36,297,785	9,538,215
	0402005310 Curative care	1,010,308,540	(274,990,000)	735,318,540	582,302,867	153,015,673
	0402065310 sp.2.6 County Referral Hospitals	547,974,600	(35,250,000)	512,724,600	406,029,480	106,695,120
	0402075310 sp.2.7 Health Centers & dispensaries	462,333,940	(239,740,000)	222,593,940	176,273,387	46,320,553
	0404005310 General administration, planning and support services	5,788,383,577	(94,121,621)	5,694,261,956	4,605,280,880	1,088,981,076
	0404015310 Sp4.1 Administration/Human Resource for Health	4,942,245,849	6,927,564	4,949,173,413	4,002,684,433	946,488,979
	0404025310 Sp4.2 Health Policy, Planning & Financing	30,400,000	(14,961,250)	15,438,750	12,486,215	2,952,535
	0404035310 sp 4.3 Health Commodities	757,940,000	(76,073,207)	681,866,793	551,465,340	130,401,453
	0404045310 sp 4.4 Research, Quality assurance & standards unit	25,825,228	(11,167,228)	14,658,000	11,854,777	2,803,223
	0404055310 sp 4.5 Coroner services unit	31,972,500	1,152,500	33,125,000	26,790,114	6,334,886
	Total 5315000000 HEALTH	**6,924,938,618**	**(368,864,864)**	**6,556,073,754**	**5,287,754,466**	**1,268,319,288**

5316000000 URBAN PLANNING AND LANDS	**0106000 P 6 General Administration Planning and Support Services**	250,859,856	(61,604,615)	189,255,241	149,872,285	39,382,956
	0106010 SP.6.1 Administration, Planning & Support Services	250,859,856	(61,604,615)	189,255,241	149,872,285	39,382,956
	0114005310 P.8:Urban Planning, compliance & enforcement	97,296,383	(48,559,825)	48,736,558	38,594,753	10,141,805
	0114015310 sp 8.1 Urban planning	54,960,000	(8,073,442)	46,886,558	37,129,728	9,756,830
	0114025310 sp 8.2 Enforcement and compliance	42,336,383	(40,486,383)	1,850,000	1,465,025	384,975
	0115005310 P.9:Land management	154,164,508	62,863,668	217,028,176	171,865,828	45,162,348
	0115015310 sp 9.1 valuation services	34,350,000	(9,000,000)	25,350,000	20,074,807	5,275,193
	0115025310 sp 9.2 land survey	116,314,508	72,363,668	188,678,176	149,415,304	39,262,872
	0115035310 sp 9.3 Administrative services	3,500,000	(500,000)	3,000,000	2,375,717	624,283
	Total 5316000000 URBAN PLANNING AND LANDS	**502,320,747**	**(47,300,771)**	**455,019,976**	**360,332,866**	**94,687,110**
5317000000 PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	**0207000 P1: General Administration Planning and Support Services**	1,114,679,159	(15,624,860)	1,099,054,299	870,347,251	228,707,048
	0207010 SP 1: General Administration, Planning And Support Services	1,114,679,159	(15,624,860)	1,099,054,299	870,347,251	228,707,048
	0211005310 P5:Roads,Drainage & Bridges	4,259,061,708	(394,489,862)	3,864,571,846	3,060,376,074	804,195,772
	0211015310 sp 5.1 Construction Roads & Drainages & Maintenance	4,259,061,708	(394,489,862)	3,864,571,846	3,060,376,074	804,195,772
	0212005310 P6:Road Safety Interventions	613,705,454	(383,000,000)	230,705,454	182,696,940	48,008,514
	0212015310 sp 6.1 Transport Facilities & Traffic Management	613,705,454	(383,000,000)	230,705,454	182,696,940	48,008,514
	0213005310 P7: Institutional Buildings & Maintenance	623,732,838	(233,350,000)	390,382,838	309,146,354	81,236,484
	0213015310 sp 7.1 Public street lighting Installations & Maintenances	585,932,838	(203,050,000)	382,882,838	303,207,062	79,675,776
	0213025310 sp 7.2 Motor Vehicle, Machinery & Plant Maintenance	13,800,000	(8,800,000)	5,000,000	3,959,528	1,040,472
	0213035310 sp 7.3 Institutional Buildings Maintenance	24,000,000	(21,500,000)	2,500,000	1,979,764	520,236
	Total 5317000000 PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	**6,611,179,159**	**(1,026,464,722)**	**5,584,714,437**	**4,422,566,619**	**1,162,147,818**
5318000000 EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	**0508005310 General administration, planning and support services**	1,117,556,594	116,580,654	1,234,137,248	977,320,194	256,817,054
	0508025310 sp 8.2 General Administration & Support Services	1,117,556,594	116,580,654	1,234,137,248	977,320,194	256,817,054
	0509005310 P9 Education services	250,600,000	(52,203,643)	198,396,357	157,111,186	41,285,171
	0509015310 sp 9.1 Quality Assurance and Co-curriculum	2,000,000	(1,000,000)	1,000,000	791,906	208,094

	0509025310 sp 9.2 Early Childhood Development Centers	182,750,000	(82,750,000)	100,000,000	79,190,560	20,809,440
	0509035310 sp 9.3 Technical and Vocational Training	65,850,000	31,546,357	97,396,357	77,128,720	20,267,637
	0902005310 2.1 Social Services	752,214,200	(233,906,634)	518,307,566	410,450,663	107,856,903
	0902015310 General Administration & Support Services	344,864,200	(182,856,634)	162,007,566	128,294,699	33,712,868
	0902025310 Sp.2.2 Gender and Community Empowerment	5,450,000	(5,450,000)	-	-	-
	0902035310 Sp2.3 Development and promotion of culture/ heritage	33,250,000	(6,000,000)	27,250,000	21,579,428	5,670,572
	0902045310 Sp2.4 Development and promotion of sports	298,600,000	(13,300,000)	285,300,000	225,930,667	59,369,333
	0902055310 Sp2.5 Youth Empowerment and Promotion	3,700,000	3,600,000	7,300,000	5,780,911	1,519,089
	0902065310 Sp 2.6 Social welfare and care for the Aged	12,500,000	(3,200,000)	9,300,000	7,364,722	1,935,278
	0902075310 Sp 2.7 Promotion of Library and Information Services	5,300,000	(2,350,000)	2,950,000	2,336,122	613,878
	0902085310 Sp.2 8 Rescue and Rehabilitation of Children Services	48,550,000	(24,350,000)	24,200,000	19,164,115	5,035,885
	Total 5318000000 EDUCATION,YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	**2,120,370,794**	**(169,529,623)**	**1,950,841,171**	**1,544,882,043**	**405,959,128**
5319000000 TRADE,COMMERCE, TOURISM & COOPERATIVES	**0301000 P.1 General Administration Planning and Support Services**	410,959,160	45,801,777	456,760,937	361,711,543	95,049,394
	0301010 SP1 General Administration Planning and Support Services	410,959,160	45,801,777	456,760,937	361,711,543	95,049,394
	0310005310 P.10 Co-operative Development and Audit Services	14,665,550	(4,084,275)	10,581,275	8,379,371	2,201,904
	0310015310 sp 10.1 Cooperative Development Services	9,215,550	(1,691,000)	7,524,550	5,958,733	1,565,817
	0310025310 sp 10.2 Cooperative Audit Services	5,450,000	(2,393,275)	3,056,725	2,420,638	636,087
	0311005310 P.11 Tourism Promotion and Marketing	23,599,200	(2,265,000)	21,334,200	16,894,672	4,439,528
	0311015310 sp 11.1 Tourism Development	23,599,200	(2,265,000)	21,334,200	16,894,672	4,439,528
	0312005310 P.12 Trade development and Market Services	300,615,000	(162,012,500)	138,602,500	109,760,095	28,842,405
	0312015310 sp 12.1 Trade Development	12,520,000	(1,135,000)	11,385,000	9,015,845	2,369,155
	0312025310 sp 12.2 Market Services	288,095,000	(160,877,500)	127,217,500	100,744,250	26,473,250
	0313005310 P.13 Licensing and Fair Trade Practices	59,593,500	(17,932,500)	41,661,000	32,991,579	8,669,421
	0313015310 sp 13.1 Liquor Licensing & Regulation	-	-	-		-
	0313025310 sp 13.2 Weights & Measures Services	36,588,500	(13,207,500)	23,381,000	18,515,545	4,865,455

	0313035310 sp 13.3 Trade Licensing Services	17,705,000	(3,857,500)	13,847,500	10,965,913	2,881,587
	0313045310 sp 13.4 Betting & Gaming Services	5,300,000	(867,500)	4,432,500	3,510,122	922,378
	Total 5319000000 TRADE,COMMERCE,TOURISM & COOPERATIVES	**809,432,410**	**(140,492,498)**	**668,939,912**	**529,737,260**	**139,202,652**
5320000000 PUBLIC SERVICE MANAGEMENT	**0701000 P1 General Administration Planning and Support Services**	341,344,286	(25,832,343)	315,511,943	249,855,673	65,656,270
	0701010 SP.1.1 General Administration Planning and Support Services	341,344,286	(25,832,343)	315,511,943	249,855,673	65,656,270
	0710000 P 5: Public Service Transformation	785,752,300	(164,672,484)	621,079,816	491,836,582	129,243,234
	0710010 S.P.5.1 Human Resource Management	716,744,500	(167,132,484)	549,612,016	435,240,831	114,371,185
	0710020 S.P.5.2 Human Resource Development	69,007,800	2,460,000	71,467,800	56,595,751	14,872,049
	0723005310 P 23 Performance Management and Public Service Delivery	55,472,800	(38,126,000)	17,346,800	13,737,028	3,609,772
	0723015310 sp 23.1 Performance Contracting management	33,122,800	(26,976,000)	6,146,800	4,867,685	1,279,115
	0723025310 sp 23.2 Governance Monitoring and Evaluation	11,400,000	(5,600,000)	5,800,000	4,593,052	1,206,948
	0723035310 sp 23.3 Quality Management Systems and ISO certification	10,950,000	(5,550,000)	5,400,000	4,276,290	1,123,710
	Total 5320000000 PUBLIC SERVICE MANAGEMENT	**1,182,569,386**	**(228,630,827)**	**953,938,559**	**755,429,283**	**198,509,276**
5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	**0106000 P 6 General Administration Planning and Support Services**	262,379,750	(9,688,526)	252,691,224	200,107,595	52,583,629
	0106010 SP.6.1 Administration, Planning & Support Services	262,379,750	(9,688,526)	252,691,224	200,107,595	52,583,629
	0108000 P2: Crop Development and Management	43,579,880	25,008,490	68,588,370	54,315,514	14,272,856
	0108055310 SP5 Crop Production, Marketing & Research	43,579,880	25,008,490	68,588,370	54,315,514	14,272,856
	0111000 P5: Fisheries Development and Management	36,684,486	(3,964,300)	32,720,186	25,911,298	6,808,888
	0111020 SP 5.2 Aquaculture Development Marketing & Research	36,684,486	(3,964,300)	32,720,186	25,911,298	6,808,888
	0112000 P 6: Livestock Resources Management and Development	48,225,000	(34,650,000)	13,575,000	10,750,118	2,824,882
	0112065310 Promotion of Dairy Production, Extension & Research	48,225,000	(34,650,000)	13,575,000	10,750,118	2,824,882
	0116005310 P.10:Animal Health, Safety and Quality Assurance	79,621,450	(49,210,000)	30,411,450	24,082,997	6,328,453
	0116015310 sp 10.1 Animal Research, Diseases, Pest Control & Quality Assurance	79,621,450	(49,210,000)	30,411,450	24,082,997	6,328,453
	0117005310 P.11:Aforestation	41,075,000	(18,753,497)	22,321,503	17,676,523	4,644,980

	0117015310 sp 11.1 Forestry Services	41,075,000	(18,753,497)	22,321,503	17,676,523	4,644,980
	0118015310 Food Systems and Surveillance	10,000,000	3,080,000	13,080,000	10,358,125	2,721,875
	0118015310 sp18:1 Food Systems and Surveillance Services	10,000,000	3,080,000	13,080,000	10,358,125	2,721,875
	Total 5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	**521,565,566**	**(88,177,833)**	**433,387,733**	**343,202,170**	**90,185,563**
COUNTY ASSEMBLY	**07220001 Legislation, Oversight and Representation**	1,978,671,700	(556,430,000)	1,422,241,700	1,306,378,715	115,862,985
	07220001 Legislation, Oversight and Representation	1,978,671,700	(556,430,000)	1,422,241,700	1,306,378,715	115,862,985
	Total COUNTY ASSEMBLY	**1,978,671,700**	**(556,430,000)**	**1,422,241,700**	**1,306,378,715**	**115,862,985**
5323000000 ENVIROMENT,WATER,ENERGY & NATURAL RESOURCES	**1001005310 P1 General Administration & Support Services**	457,680,964	31,089,793	488,770,757	387,060,298	101,710,459
	1001015310 Sp1 General Administration & Support Services	457,680,964	31,089,793	488,770,757	387,060,298	101,710,459
	1002005310 P2 Environment Management and Protection.	1,565,405,547	504,534,576	2,069,940,123	1,715,164,936	354,775,187
	1002035310 sp 2.3 Solid waste management	1,444,461,723	566,254,812	2,010,716,535	1,666,091,912	344,624,623
	1002045310 sp 2.4 Beautification, Recreation and Greening Services	97,829,825	(48,000,000)	49,829,825	41,289,295	8,540,530
	1002055310 sp 2.5 Environment planning Management Services	23,113,999	(13,720,236)	9,393,763	7,783,729	1,610,034
	1004005310 P4 Water Resources Management	296,467,000	(138,867,000)	157,600,000	124,804,322	32,795,678
	1004055310 sp 4.5 Energy & Natural resources	296,467,000	(138,867,000)	157,600,000	124,804,322	32,795,678
	Total 5323000000 ENVIROMENT,WATER, ENERGY & NATURAL RESOURCES	**2,319,553,511**	**396,757,369**	**2,716,310,880**	**2,227,029,556**	**489,281,324**
5324000000 URBAN RENEWAL AND HOUSING	**0102000 P.2 Housing Development and Human Settlement**	322,548,000	(218,676,558)	103,871,442	82,256,376	21,615,066
	0102045310 SP4 Urban Renewal	70,048,000	(61,348,000)	8,700,000	6,889,579	1,810,421
	0102055310 SP5 Management of Rental Housing	252,500,000	(157,328,558)	95,171,442	75,366,797	19,804,645
	0106000 P 6 General Administration Planning and Support Services	60,097,106	33,498,388	93,595,494	74,118,796	19,476,698
	0106010 SP.6.1 Administration, Planning & Support Services	60,097,106	33,498,388	93,595,494	74,118,796	19,476,698
	0113005310 P.7: Building Services	27,225,000	(11,575,000)	15,650,000	12,393,323	3,256,677
	0113015310 sp 7.1 Building services research and information	27,225,000	(11,575,000)	15,650,000	12,393,323	3,256,677
	Total 5324000000 URBAN RENEWAL AND HOUSING	**409,870,106**	**(196,753,170)**	**213,116,936**	**168,768,495**	**44,348,441**

5325000000 WARD DEVELOPMENT FUND	**0214005310 P8:Ward Development**	1,238,158,748	(1,136,343,348)	101,815,400	80,628,185	21,187,215
	0214015310 sp 8.1 Ward Development & Administration	1,238,158,748	(1,136,343,348)	101,815,400	80,628,185	21,187,215
	Total 5325000000 WARD DEVELOPMENT FUND	**1,238,158,748**	**(1,136,343,348)**	**101,815,400**	**80,628,185**	**21,187,215**
5326000000 EMERGENCY FUND	**0718005310 General Administrative Services**	80,000,000	-	80,000,000	27,384,680	52,615,320
	0718015310 Sp1 General Administration & Support Services	80,000,000	-	80,000,000	27,384,680	52,615,320
	5326000000 EMERGENCY FUND	80,000,000	-	80,000,000	27,384,680	52,615,320
5327000000 LIQOUR LICENSING BOARD	**0313015310 sp 13.1 Liquor Licensing & Regulation**	287,836,000	(11,233,184)	276,602,816	-	276,602,816
	0313015310 sp 13.1 Liquor Licensing & Regulation	287,836,000	(11,233,184)	276,602,816	-	276,602,816
	Total 5327000000 LIQOUR LICENSING BOARD	**287,836,000**	**(11,233,184)**	**276,602,816**	**-**	**276,602,816**
	Total Voted Expenditure.... Ksh.	**32,310,240,815**	**1,034,610,724**	**33,344,851,538**	**26,367,412,637**	**6,977,438,901**

5.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the County Government of Nairobi City in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the County Government of Nairobi City 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.

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 are 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 County Government of Nairobi City at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Nairobi City budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly in June 2019 for the period 1st July 2019 to 30 June 2019 as required by law. There were three supplementary budgets passed in the year. A high-level assessment of the County Government of Nairobi City actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

Description	2018/2019	2017/2018
	Ksh	Ksh
Total Equitable Share for quarter 1	789,710,000	3,792,280,000
Total Equitable Share for quarter 2	4,132,310,750	3,914,579,120
Total Equitable Share for quarter 3	4,374,462,717	2,186,592,368
Total Equitable Share for quarter 4	6,591,258,742	5,692,285,625
Total	**15,887,742,209**	**15,585,737,113**

1A: Equitable Share

Description	2018/2019	2017/2018
	Ksh	Ksh
Total Equitable Share for quarter 1	789,710,000	3,792,280,000
Total Equitable Share for quarter 2	4,106,492,000	3,897,570,000
Total Equitable Share for quarter 3	4,343,405,000	2,136,320,000
Total Equitable Share for quarter 4	6,554,593,000	5,575,830,000
Total	**15,794,200,000**	**15,402,000,000**

1B: Level 5 Hospitals Allocation

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

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2018/2019	2017/2018
	Ksh	Ksh
DANIDA - Universal Healthcare in Devolved Units Programme	51,637,500	-
World Bank – THUSCP	32,562,789	-
Health Sector Programme Support - World Bank	-	58,162,149
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	17,009,120

Youth Polytechnic support grant	-	77,910,897
Abolishment of user fees in health centers and dispensaries	-	30,654,947
Kenya Urban Support Programme	-	79,879,082
Agriculture Sector Development Support Project (ASDSP)	9,341,920	-
Total	**93,542,209**	**263,616,195**

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

	2018/2019	2017/2018
Name of Donor	**Ksh**	**Ksh**
Grants Received from Bilateral Donors (Foreign Governments)		
DANIDA	51,637,500	58,162,149
World Bank- Youth polytechnics	-	30,654,947
World Bank-Loan for Health	32,562,789	17,009,120
World Bank-KDSP Level 1	-	77,910,897
World Bank-ADSPII	9,341,920	-
TOTAL	**93,542,209**	**183,737,113**

3. TRANSFERS FROM OTHER GOVENMENT ENTITIES

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Transfers from Central government entities		
Ministry of Health - Free maternity	-	-
KRB - Roads Maintenance Levy Fund	-	401,201,575
User Fees foregone	79,423,251	79,879,082
Ministry of Health - Doctors' Allowances	-	
	-	-
Total	**79,423,251**	**481,080,657**

4. COUNTY OWN GENERATED RECEIPTS

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
RECEIPTS		
Business Permits	1,870,210,231	1,646,949,189
Cess	179,210,293	286,922,856
Poll Rates	1,873,196,052	2,093,070,761
Plot Rents	53,306,977	57,253,944
Other Local Levies	362,996,267	378,162,165
Administrative Services Fees	83,592,247	144,959,096
Various Fees	1,631,973,265	989,918,730
Council's Natural Resources Exploitation	40,307,258	49,760,543
Sales Of Council Assets	18,788	-
Lease / Rental Of Council's Infrastructure Assets	16,759,056	-
Other Miscellaneous Receipts	39,375,429	224,645,122
Insurance Claims Recovery	986,971	-
Long Term Loans (Over 3 Yr Payment)	12,219,285	24,249,648
Market/Trade Centre Fee	102,106,372	96,251,392
Vehicle Parking Fees	1,841,483,948	1,881,783,131
Housing	507,818,368	537,487,026
Social Premises Use Charges	6,373,597	8,396,096
School Fees	-	3,865,175
Other Education-Related Fees	256,718	94,764
Other Education Receipts	237,667	3,614,041
Public Health Services	279,011,179	287,156,234
Public Health Facilities Operations	26,315,007	16,314,486
Environment & Conservancy Administration	3,570,930	8,667,595
Other Health & Sanitation Revenues	543,496,910	96,810,373
Technical Services Fees	241,425,455	914,007,924
External Services Fees	327,061,789	407,253,835
TOTAL	**10,043,310,059**	**10,157,594,130**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. REFUNDS TO CRF ACCOUNT

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Recurrent account	38,775,977	134,355,100
Total	**38,775,977**	**134,355,100**

6. UNSPENT FUNDS RE-APROPRIATED

	2019/2018	2018/2017
Description	**Ksh**	**Ksh**
Previous year balances Re- appropriated	1,714,621,771	-
Total	**1,714,621,771**	-

7. COMPENSATION OF EMPLOYEES

	2018/2019	2017/2018
	Ksh	**Ksh**
Basic salaries of permanent employees	6,225,134,387	6,578,177,149
Basic wages of temporary employees	131,592,680	21,427,780
Personal allowances paid as part of salary	5,051,056,115	5,208,623,031
Personal allowances provided in kind	29,332,346	-
Compulsory national social security schemes	990,270,602	1,173,783,446
Total	**12,427,386,130**	**12,982,011,406**

8. USE OF GOODS AND SERVICES

	2018/2019	2017/2018
	Kshs	**Kshs**
Utilities, supplies and services	242,139,214	236,427,550
Communication, supplies and services	20,611,971	13,139,980
Domestic travel and subsistence	337,112,059	239,918,597
Foreign travel and subsistence	102,781,501	28,521,884
Printing, advertising and information supplies & services	96,774,048	82,659,972
Rentals of produced assets	88,839,139	-
Training expenses	145,971,490	204,045,834
Hospitality supplies and services	126,095,397	144,832,779

Insurance costs	757,229,949	1,983,135,524
Specialized materials and services	778,369,128	295,164,566
Office and general supplies and services	143,589,147	78,380,330
Other operating expenses	3,272,233,973	1,609,205,789
Routine maintenance – vehicles and other transport equipment	34,194,082	5,054,694
Fuel Oil and Lubricants	145,671,700	114,020,955
Routine maintenance – other assets	52,763,450	8,893,708
Other Creditors	770,387,724	1,538,611,118
Construction and Civil Works	5,890,000	-
Overhaul and Refurbishment of Construction and Civil Works	12,000	-
Purchase of Office Furniture and General Equipment	22,515,116	-
Purchase of Specialized Plant, Equipment and Machinery	2,717,342	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	4,000,000	-
Research, Studies, Project Preparation, Design & Supervision	19,638,815	-
Total	**7,169,537,245**	**6,582,013,280**

9. TRANSFER TO OTHER GOVERNMENT ENTITIES

	2018/2019	2017/2018
Description	**Kshs**	**Kshs**
Transfer to Nairobi City County Assembly	1,306,378,715	1,237,058,777
TOTAL	**1,306,378,715**	**1,237,058,777**

10. OTHER GRANTS AND OTHER PAYMENTS

	2018/2019	2017/2018
Description	**Kshs**	**Kshs**
Scholarships and other educational benefits	402,499,394	421,287,000
Current Grants to Government agencies and other levels of Government	79,575,000	52,900,000
Emergency relief and refugee assistance- Civil Contingency Reserves	27,384,680	-
Subsidies to small businesses, cooperatives, and self employed		
TOTAL	**509,459,074**	**474,187,000**

11. SOCIAL SECURITY BENEFITS

	2018/2019	2017/2018
	Ksh	Ksh
Government pension and retirement benefits	3,244,410	4,513,552
Employer Social Benefits in cash and in kind		
Total	**3,244,410**	**4,513,552**

12. ACQUISITION OF ASSETS

	2018/2019	2017/2018
	Ksh	Ksh
Non-Financial Assets		
Routine maintenance – other assets	171,560,445	-
Other Creditors	689,416,468	-
Construction of Buildings	28,265,856	31,897,772
Refurbishment of Buildings	88,431,045	601,222,054
Construction of Roads	2,073,417,839	363,901,975
Construction and Civil Works	1,108,739,336	287,949,730
Overhaul and Refurbishment of Construction and Civil Works	573,168,753	15,833,601
Purchase of Vehicles and Other Transport Equipment	27,668,921	-
Purchase of Household Furniture and Institutional Equipment	12,256,500	-
Purchase of Office Furniture and General Equipment	11,026,084	40,078,720
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	113,959,172	60,610,345
Rehabilitation and Renovation of Plant, Machinery and Equip.	10,067,674	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	4,425,000
Research, Studies, Project Preparation, Design & Supervision	43,428,970	29,759,649
Total	**4,951,407,063**	**1,435,678,846**

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

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Repayments on Borrowings from Domestic	-	868,192,719
Total	-	**868,192,719**

14. OTHER PAYMENTS

	2018/2019	2017/2018
	Ksh	Ksh
Other expenses bank charges	-	101,779,511
Other expenses-Debt repayment KRA AGENCY NOTICE	-	350,000,000
Total	-	**451,779,511**

15. BANK ACCOUNTS

	Amount in bank account currency	Indicate whether recurrent or development, deposits, receipts, etc	Ex. rate (if in foreign currency)	2018/2019	2017/2018
			Ksh	Ksh	Ksh
Name of Bank, Account No. & Currency					
Central Bank of Kenya-ASDSPII A/C No: 1000367709	Ksh	Recurrent		11,000,000	-
Central Bank of Kenya-Development A/C No: 1000171413	Ksh	Development		-	130,989,362
Central Bank of Kenya-KRB RMLF A/C No: 1000248106	Ksh	Fund		3,637,460	729,208
Central Bank of Kenya-Recurrent A/C No: 1000171502	Ksh	Recurrent	-	113,599	3,358,296
Central Bank of Kenya-Revenue A/C No: 1000171863	Ksh	Revenue	-	2,447,994,749	1,174,603,925

Central Bank of Kenya-Special Purpose A/C No: 1000309741	Ksh	Recurrent		18,571,152	17,009,120
Central Bank of Kenya-Youth Poly PRJ Grant A/C No: 1000367431	Ksh	Recurrent		30,654,947	-
Chase Bank- Nairobi Ward Development Fund A/C No: 0082120378001	Ksh	Recurrent		-	-
Cooperative Bank-Bursary Fund A/C No: 01141232396612	Ksh	Fund		13,503,516	287,714,335
Cooperative Bank-Bursary Fund A/C No: 01141232396613	Ksh	Fund		304,495,474	-
Cooperative Bank-Free Education Current Account A/C No: 01139232396601	Ksh	Recurrent		13,557,370	-
Cooperative Bank-Development A/C No: 01141232396602	Ksh	Development		0	7,134,703
Cooperative Bank-Imprest A/C No: 01141232396601	Ksh	Recurrent		18,362,157	7,253,942
Cooperative Bank-Kenya Roads Board A/C No: 01141232396604	Ksh	Development	Closed	-	24,823,927
Cooperative Bank - Kenya Roads Board A/C No: 01136005723604	Ksh	Development		24,815,078	-
Cooperative Bank-Loan call A/C No: 01150232396600	Ksh	Loan	Closed	-	11,853,960

Cooperative Bank - University of Maryland Health Services 01141232396611	Ksh	Recurrent		151,648,604	10,977,546
Cooperative Bank-Revenue A/C No: 01141232396600	Ksh	Revenue		680,435	13,544,774
Cooperative Bank-Salary A/C No: 01692232396600	Ksh	Recurrent		-	2,667,274
Cooperative Bank-Solid waste management A/C No: 01141232396606	Ksh	Development		43,900	5,000
Cooperative Bank-Waithaka Technical A/C No: 01141232396600	Ksh	Recurrent		578,413	383,171
Equity Bank - Operations A/C 0810277333578	Ksh	Recurrent		1,137,488	-
Equity Bank-County Imprest collection A/C No: 0810278212344	Ksh	Recurrent		-	-
Equity Bank-General collection A/C No: 0810263520904	Ksh	Revenue	Closed	-	-
Equity Bank-County Revenue collection A/C No: 0810264036845	Ksh	Revenue		(27)	-
Equity Bank-County Bursary Account A/C No: 0810277333599	Ksh	Recurrent	Dormant	-	-
Equity Bank-County Development Account A/C No: 0810277333586	Ksh	Development	Dormant	-	-
Equity Bank-General collection A/C No:	Ksh	Revenue		495,087	96,637

0810271586663					
KCB - Embakasi District Hospital Ac No 1122416512	Ksh			18,898,101	-
KCB Loan Ac No MG 1424500930 A/C 105991342	Ksh			-	-
Kenya Commercial Bank - Mama Lucy Hospital A/C-1133233864	Ksh	Recurrent		48,237,895	77,227,904
Kenya Commercial Bank-current A/C No: 1159076065	Ksh	Recurrent		(542,465)	(3,794,555)
Kenya Commercial Bank-Trust fund A/C No: 1149229667	Ksh	Trust Fund		45,563,891	29,860,902
Kenya Commercial Bank- Mutuini A/C No: 1122980027	Ksh	Recurrent		1,535,056	383,464
National Bank - Revenue A/C No: 01060217197400	Ksh	Revenue		90,630,284	-
National Bank - Mbagathi Hospital A/C No:01001031663101	Ksh	Recurrent		26,791,996	39,338,647
National bank - Nairobi County Imprest Account A/C 01560202877200	Ksh	Recurrent		-	-
National Bank - Pumwani Hospital A/C No:102100895400	Ksh	Recurrent		22,863,240	10,074,556
National Bank - Pumwani Maternity College A/C No: 01285123637400	Ksh	Recurrent		5,326,894	1,120,815
National Bank -UN Habitat A/C No:01001067824200	Ksh	Recurrent		2,861	3,961

National Bank-Emergency fund A/C No: 01001091113700	Ksh	Emergency Fund		1,614,778	1,615,998
Total				**3,302,211,934**	**1,848,976,871**

16. ACCOUNTS RECEIVABLE –OUTSTANDING IMPRESTS

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Outstanding Imprests	21,610,708	78,385,142
Total	**21,610,708**	**78,385,142**

17. OTHER ACCOUNTS RECEIVABLES

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Sundry Debtors	415,077,733	382,137,689
Rents-Estate Other than Eastlands	132,439,814	94,963,031
TPS/MKT Stalls	82,256,347	68,901,023
Rates	587,401,038,906	419,961,575,555
Private Loading zones	16,460,000	30,620,000
Loading Zones GOK	677,600,800	577,100,800
Eastlands Rents	140,902,441	92,809,848
Advertisements	281,206,502	209,022,876
S.B.P	467,013,500	815,870,689
Way leave Fees	946,143,955	860,130,868
KPLC	820,000,000	1,132,465,298
Total	**591,380,139,998**	**424,225,597,677**

18. FUND BALANCE BROUGHT FORWARD

	2018/2019	2017/2018
Description	**Ksh**	**Ksh**
Bank accounts	1,848,976,871	(499,972,132)
Cash in hand	-	29,854,631
Accounts Receivables	78,385,142	74,147,605
Total	**1,927,362,013**	**(395,969,896)**

19. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established	Location	Accounting Officer responsible
Nairobi city county alcoholic drinks control Fund	1st Nov 2015	Weights and measures complex- Popo Road, South C.	Chief officer-Trade
Nairobi County Liquor Board	1st July 2014	Weights and measures complex- Popo Road, South C.	Chief officer-Trade

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.

1	**Cash and Cash Equivalents**			
1.1	Unaccounted for Cash Withdrawals - Ksh. 209,385,752	Cash withdrawal by cashier-206M Cash bails-3M	The county government operated an imprest system managed by the County chief cashier who withdrew cash, made payments and accounted for funds given before being reimbursed. It is unfortunate that the County Treasury delayed in providing documentation and payment vouchers in support of the said expenditure. This was occasioned by suspension of County Treasury officers responsible for coordinating issuance of requested documents and the fact that some of the documents had been forwarded for scrutiny by investigation agencies. Approved, serialized supporting documentation for imprests issued to County Cashier been submitted for audit verification. The Ksh. 3,000,000.00 was withdrawn by County	Chief Officer-Finance/ Head of County Treasury (Accounting) County Chief Cashier Court bails cashier In charge Bank Reconciliation

			officer who was responsible for managing cash bail refunds for clients who had deposited their cash bail to our Nairobi City County Trust Account at KCB Bank, Account No. 1149229667 and who, after court judgment, were refunded their deposits from cash withdrawn by the said cashier. We provided payments vouchers for requesting for refunds with supporting bail receipts, court judgment and court payment summary sheets to the auditors.	
1.2	Irregular Payment of Suppliers Through Cash - Ksh. 381,841,224	Payments made below the budget line pending supplementary budget.	These payments, due to various budgetary challenges, were initially invoiced and processed in IFMIS as a below the budget line item. When supplementary budget was passed, the said expenditures were regularized and an IFMIS adjustment journal made	Chief Officer-Finance/ Head of County Treasury (Accounting) Sector Accountant Finance Sector Accountant Trade

			accordingly. IFMIS journal entries made were submitted for verification by auditor.	
1.3	Overdrawn Accounts- Ksh. 3,794,555 - KCB Bank Current Account No. 1159076065 was overdrawn by Ksh. 3,794,555 on 30 June 2018.	Loan interest carried forward	The overdraft of KCB Current account resulted from non-payment of KCB Loan interest in the financial year 2016/2017 which was carried forward to financial year 2017/2018. The loan was initially taken from Equity Bank but was later transferred to Kenya Commercial Bank as per the attached agreement. We recall that the loan was initially taken on understanding that the National Government will honour its (Contribution In Lieu Of Rates) CILOR remittance to County Government which will then be used to retire the loan. The National Government has not	Chief Officer-Finance/ Head of County Treasury (Accounting) In charge- Bank Reconciliation Director Debt Mgt.

			honoured its obligation. The above status notwithstanding, the County is engaging the National Treasury on how best to retire the KCB loan and related interest which will cause the account not to be overdrawn. We have availed to the Auditors correspondences between County Government and National Treasury.	
1.4	Un-disclosed Bank Account Balances - Ksh. 3,045,914,596	Provide bank statements	The error was corrected by restating Financial Statements and resubmission done to Auditor General. Attached is a copy of the restated financial statements for the FY 2018-2019. (Refer to note 13A on page 39.)	Chief Officer-Finance/ Head of County Treasury (Accounting) In charge- Bank Reconciliation
2.1	Irregular Withdrawals from Revenue Account - Ksh. 6,022,896,123 - at the Co-operative Bank of Kenya, Account No. 01141232396600,	Unexplained debits in the revenue a/c	The reported irregular withdrawals indicated in the Audit Report of Ksh. 6,022,896,123 were daily sweeping of County Revenue from Nairobi City	Chief Officer-Finance Head of County Revenue

			County Revenue (Collection) Account No. 01141232396600 at Co-operative Bank to Nairobi City County Revenue Fund Account No. 1000171863 at Central Bank of Kenya (CBK). Nairobi City County still has an arrangement with Co-operative Bank to automatically sweep all daily revenue collected at our Co-operative Revenue Account to CBK Revenue Account at stroke of mid-night in compliance with Section 109 (2) of the Public Finance Management Act, 2012. It should be noted that Nairobi City County Government is one of the first Counties to sweep all its revenue collected to CBK Revenue Fund Account and expend the same by applying for approval for withdraw from the CBK revenue account (Form A, B and C).	

			We submitted the bank statement and supporting schedules for Audit.	
2.2	Unexplained Cash Receipts - Ksh. 5,353,171,175 - a bank statement for the Revenue Account Number 01141232396600 at Co-operative Bank of Kenya.	Exchequer receipts in LAIFOMS	The figure of Ksh. 5,393,110,716 was extracted by auditors from County's LAIFOMS Direct Banking Report which was erroneously captured as a direct banking to Nairobi City County's Co-operative Bank Revenue Account though this was actually part of the National Treasury's Exchequer Receipts paid directly to County Revenue Fund account at CBK. The errors were inadvertently done by our LAIFOMS receipting cashiers. It is worth noting that no revenue was lost in the process, County Cashiers have been sensitized of the errors and daily reconciliations are done now to avoid recurrence of	Chief Officer-Finance Head of County Revenue

			the same. We have availed to the auditors Central Bank of Kenya (CBK) bank statement supporting the corresponding entries made by the county cashier.	
2.3	KRB Road Maintenance Levy Fund Receipts - The statement of receipts and payments reflects Transfer to Other Government Entities of Ksh. 481,080,657 for the year ended 30 June, 2018.	Understated receipts	It is true that we had understated, through omission, the amount stated by auditors. The county government has rectified the omission by reinstating the financial statements with understated amount of Ksh. 152,543,953.00 The error was rectified in the restated Financial Statements. (Refer to note 3 on page 31.)	Chief Officer-Finance/ Head of County Treasury (Accounting) Assistant Director Financial Reporting

CEC, County Treasury

Sign.....

Date.....10/02/21.....

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	ADSP II	User Fees Foregone	World Bank-Health	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	789,710,000					789,710,000
Exchequer Releases for quarter 2	4,106,492,000	25,818,750				4,137,789,760
Exchequer Releases for quarter 3	4,343,405,000	-			31,057,717	4,374,462,717
Exchequer Releases for quarter 4	6,554,593,000	25,818,750	9,341,920	79,423,251	1,505,072	6,670,681,993
Total	**15,794,200,000**	**51,637,500**	**9,341,920**	**79,423,251**	**32,562,789**	**15,967,165,460**

OTHER IMPORTANT DISCLOSURES

SUMMARY OF PENDING ACCOUNTS PAYABLES

	2018-2019 Ksh	2017-2018 Ksh
Pending Merchants Payables (Annex 1)	7,155,323,236	11,515,741,109
Pending Staff Payables (Annex 2)	171,662,290	134,647,551
Other Pending Bills (Annex 3)	59,014,825,645	51,901,253,775
Outstanding Loan (Annex 4)	4,310,087,246	3,024,371,706
	70,651,898,417	**66,576,014,141**

PENDING ACCOUNTS PAYABLE - Annex 1

	2018 – 2019	2017 – 2018
	Ksh	Ksh
Construction of buildings	451,521,243	413,022,549
Construction of civil works	1,114,169,326	442,916,795
Supply of goods	1,843,359,440	2,546,318,041
Supply of services	3,746,273,227	8,113,483,724
Total	**7,155,323,236**	**11,515,741,109**

PENDING STAFF PAYABLES - Annex 2

	2018 – 2019	2017 – 2018
	Ksh	Ksh
Retirees	171,662,290	134,647,551
	171,662,290	**134,647,551**

OTHER PENDING PAYABLES - Annex 3

	2018 – 2019	2017 – 2018
	Ksh	Ksh
Amounts due to National Government entities	4,139,567,364	5,010,660,716
Amounts due to County Government entities	381,536,111	424,342,472
Amounts due to third parties	19,143,925,000	19,143,925,000
Others (*specify*)	35,349,797,170	27,322,325,587
	59,014,825,645	**51,901,253,775**

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comment
	A	B	c	d=a-c	d=a-c	
Construction of buildings				451,521,243	413,022,548	
Sub-Total				**451,521,243**	**413,022,548**	
Construction of civil works				**1,114,169,326**	442,916,795	
Sub-Total				**1,114,169,326**	**442,916,795**	
Supply of goods				1,843,359,440	2,546,318,041	
Sub-Total				**1,843,359,440**	**2,546,318,041**	
Supply of services						
10. PUMWANI MATERNITY AND OTHER HOSP				**302,265,325**	225,050,118	
11.SUPPLY OF SERVICES				1,074,193,739	1,570,589,713	
12.LEGAL CREDITORS				1,559,548,405	5,442,127,208	
13.KPLC				575,268,699	640,719,627	
14.WATER BILLS				234,997,059	234,997,059	
Sub-Total				**3,746,273,227**	**8,113,483,724**	
Grand Total				**7,155,323,236**	**11,515,741,108**	

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2018/2019	2017/2018	
		a	b	c	d=a-c	d=a-c	
10. Retirees and Deceased cases Terminal Dues					171,662,290	134,647,551	
Total					**171,662,290**	**134,647,551**	

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	Comments
		a	b	c	d=a-c	d=a-c	
Amounts due to National Government Entities							
1. KRA(PAYE)					3,715,743,107	4,039,759,099	
2. KRAPAYE-PENALTIES&INTEREST						688,989,096	
3. KRA(VAT)					423,824,257	281,912,521	
Sub-Total					**4,139,567,364**	**5,010,660,716**	
Amounts due to County Government Entities							
4. NSSF					381,536,111	424,342,472	
Sub-Total					**381,536,111**	**424,342,472**	
Amounts due to Third Parties							
5. GOVT GUARANTEED LOANS					15,328,285,000	15,328,285,000	
6. ONLENT WATER (FOREIGNLOANS)					3,815,640,000	3,815,640,000	
Sub-Total					**19,143,925,000**	**19,143,925,000**	

Others (*specify*)							
7. LAPTRUST PRINCIPAL					6,574,420,864	6,334,269,486	
8. LAPTRUST PENALTIES					6,342,172,826	4,573,813,957	
9. LAPFUND PRINCIPAL					2,111,706,421	1,982,017,715	
10. LAPFUND PENALTIES					17,697,124,486	11,807,851,856	
11. LAPTRUST (ACTURIAL DEFICIT)					2,624,372,573	2,624,372,573	
Sub-Total					**35,349,797,170**	**27,322,325,587**	
Grand Total					**59,014,825,645**	**51,901,253,775**	

ANNEX 4
OUTSTANDING LOAN

Name	**Brief Transaction Description**	**Original Amount**	**Date Payable Contracted**	**Amount Paid To-Date**	**Outstanding Balance 2018/2019**	**Outstanding Balance 2017/2018**	**Comments**
		a	b	c	d=a-c	d=a-c	
Amounts due to Third Parties							
12. KCB LOAN				-	4,310,087,246	3,024,371,706	
Sub-Total				-	**4,310,087,246**	**3,024,371,706**	

RELATED PARTY DISCLOSURES

	2019-2018	**2018-2017**
	Ksh	**Ksh**
Key Management Compensation(Governors, CEC Members and C.Os)	78,553,440	58,515,835
Transfers to related parties		

Transfer to the County Assembly	1,306,378,715	1,237,058,777
Transfers to other County Government Entities	43,812,240	-
Total Transfers to related parties	**1,350,190,955**	**1,237,058,777**
Transfers from related parties		
Transfers from the Exchequer	15,794,200,000	15,402,000,000
Proceeds from Domestic and Foreign Grants	93,542,209	183,737,113
Transfers from Other Government Entities	79,423,251	481,080,657
Total Transfers from related parties	**15,967,165,460**	**16,066,817,770**

1. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established	Location	Accounting Officer responsible
Nairobi city county alcoholic drinks control Fund	1st Nov 2015	Weights and measures complex- Popo Road, South C.	Chief officer-Trade
Nairobi County Liquor Board	1st July 2014	Weights and measures complex- Popo Road, South C.	Chief officer-Trade

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Ksh)	(Ksh)	(Ksh)	(Ksh)
	2017/2018			2017/2018
Land	-	-	-	-
Buildings and structures	5,106,959,650	116,696,901	-	5,223,656,551
Transport equipment	1,019,354,389	27,668,921	-	1,047,023,310
Office equipment, furniture and fittings	841,496,870	23,282,584	18,788	864,760,666
ICT Equipment, Software and Other ICT Assets	111,039,747	-	-	111,039,747
Other Machinery and Equipment	453,080,838	295,587,291	-	748,668,129
Heritage and cultural assets	112,432,000	-	-	112,432,000
Intangible assets	65,830,919	43,428,970	-	109,259,889
Purchase of certified seeds, breeding stock and live animals	34,843,630	-	-	34,843,630
Infrastructure	9,232,706,910	4,444,742,396	-	13,677,449,306
W.I.P	2,826,814,000	-	-	2,826,814,000
Total	**19,804,558,953**	**4,951,407,063**	**18,788**	**24,755,947,228**

ANNEX 6 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Amount transferred	Amount Confirmed as received	difference	explanation
						Ksh	Ksh		
	County Assembly	302,632,444	367,719,298	**310,268,765**	325,758,208	1,306,378,715	1,306,378,715	-	
	Total	**302,632,444**	**367,719,298**	**310,268,765**	**325,758,208**	**1,306,378,715**	**1,306,378,715**	-	

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)