REPUBLIC OF KENYA

COUNTY GOVERNMENT OF THARAKA NITHI

COUNTY EXECUTIVE

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED

30th SEPTEMBER 2018

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

Table of Content

Page

Glossary of Abbreviations iii

I. KEY ENTITY INFORMATION AND MANAGEMENT iv

II. FORWARD BY THE CEC FINANCE AND ECONOMIC PLANNING vi

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES x

1. STATEMENT OF RECEIPTS AND PAYMENTS 11

2. STATEMENT OF FINANCIAL ASSETS 12

3. STATEMENT OF CASH FLOW 14

4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED 16

5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT 18

6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT 19

7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES **Error! Bookmark not defined.**

8. NOTES TO THE FINANCIAL STATEMENTS 22

Glossary of Abbreviations

B/F	Brought Forward
CA	County Assembly
CECM	County Executive Committee Member
CBK	Central Bank of Kenya
DANIDA	Danish International Development Agency
FS	Financial Statement
FY	Financial Year
IFMIS	Integrated Financial Management Information System
IPSAS	International public Sector Accounting Standards
PFMA	Public Finance Management Act
PSAB	Public Sector Accounting Standards Board

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Government of Tharaka Nithi is constituted as per the Constitution of Kenya 2010 is headed by the County Governor, H.E Onesmas Muthomi Njuki who is responsible for the general policy and strategic direction of the County.

(b) Key Management

The County day-to-day management is under the following key organs:

- The County Executive
- County Assembly; and
- The Public Service Board

(c) Fiduciary Management

The key management personnel who held office during the quarter ended 30th September 2018 and who had direct fiduciary responsibility were:

No.	Name	Designation
1	Dorothy I.K. Naivasha	CECM – Finance and Economic Planning
2	Zephaniah Rwanda Mbaka	C O – Finance and Economic Planning
3	Humphrey Gitonga	Director Finance

(d) Entity Headquarters

P.O. Box 02-60400
County Government Offices Building
Kathwana
Tharaka Nithi, Kenya

(e) Entity Contacts

Telephone: 064-630071
E-mail: info@Tharaka Nithi.go.ke
Website: www.Tharaka Nithi.go.ke

(f) Entity Bankers

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

2. Kenya Commercial Bank
   Chuka Branch
   P.O Box
   CHUKA

3. Co-operative Bank
   Chuka Branch
   P.O Box
   CHUKA

4. Trans Nation Sacco Society Limited
   Kathwana Banch
   P.O Box 15-60400
   CHUKA

5. Equity Bank
   Chuka Branch
   P.O Box
   CHUKA

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

II. FORWARD BY THE CEC FINANCE AND ECONOMIC PLANNING

The following is the summary of the County executive operation for the first quarter, financial year 2018/2019 period ending 30th September 2018

A. Budget Performance

(i) Summary of Revenue Realization

The table below analysis the revenue realization for the cumulative period to 30th September 2018;

Table: 1

	Source of Revenue	Original Budget (Ksh)	Budget Supplementary Adjustment FY 2018/19 (Ksh)	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
1	Own Sources of Revenue	300,000,000	-	300,000,000	45,853,259	15%
2	Equitable Share	3,642,400,000	-	3,642,400,000	437,088,000	12%
3	DANIDA	12,352,500	-	12,352,500	-	0%
4	Compensation for forgone user fees	8,218,119	-	8,218,119	-	0%
5	Road Maintenance Fuel Levy	95,901,220	-	95,901,220	-	0%
6	Other Conditional Grants	177,530,581	275,830,744	453,361,325	-	0%
7	World Bank Health Fund	50,000,000	-	50,000,000	-	0%
8	Road Maintenance Fuel Levy (bal b/f)	-	32,200,000	32,200,000	-	0%
9	ASDSP Grant	12,352,500	-	12,352,500	-	0%
10	Kenya Climate Smart Agriculture	117,000,000	-	117,000,000	-	0%
11	KDSP Grant	38,536,081	38,536,081	77,072,162	-	0%
12	Urban Development Grant	92,000,000	-	92,000,000	-	0%
13	Development of Youth Polytechnics	40,090,000	38,121,638	78,211,638	-	0%
14	Returned CRF	258,397,430	491,533,809	749,931,239	579,356,425	78%
	Total Amount	**4,544,778,431**	**876,222,272**	**5,421,000,703**	**1,062,297,684**	**20%**

The County realized cumulative total revenue amounting to Ksh. 1.0 Billion against total budget estimated revenue of Ksh. 5.4 Billion representing 20% level of revenue realization. This is far below the targeted 25% by end of first quarter of Ksh. 1.3 Billion translating to projected revenue deficit of Ksh. 0.3 Billion.

The County experienced delay by National Exchequer in release of equitable share allocation of revenue with cumulative disbursement of Ksh. 0.4 Billion, approximately 15% vis-a-vis expected release of 25% or about Ksh.0.9 Billion hence deficit of Ksh. 0.5 Billion.

Further there has been delay in release of conditional grants including money youth polytechnic development funds and world bank loan to supplement health budget not yet received by end of quarter two.

The local revenue also reported decimal performance with accumulated revenue realised amounting to Ksh. 45 Million representing 15% performance level. The trend indicate possible deficit in revenue collection and hence several austerity measures will also be implemented to cut on non essential expenditures.

(ii) Summary of Funds Utilization

Table 2

	Budget Category Executive	Original Budget FY 2018/19 (Ksh)	Budget Supplementary Adjustment FY 2018/19 Ksh	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Expenditure (Ksh)	Level of Funds Absorption (%)
1	Development	1,586,590,000	687,124,808	2,273,714,808	42,804,106	01%
2	Recurrent	2,889,188,431	189,097,464	3,078,285,895	667,663,780	22%
3	CA	369,000,000	-	369,000,000	54,241,068	15%
	Total Budget	**4,844,778,431**	**876,222,272**	**5,721,000,703**	**764,708,954**	**13%**

The County reported low funds absorption rates at 13% cumulatively for the first quarter ending 30th September 2018 with 01% and 22% for absorption rates for Development and Recurrent expenditure respectively.

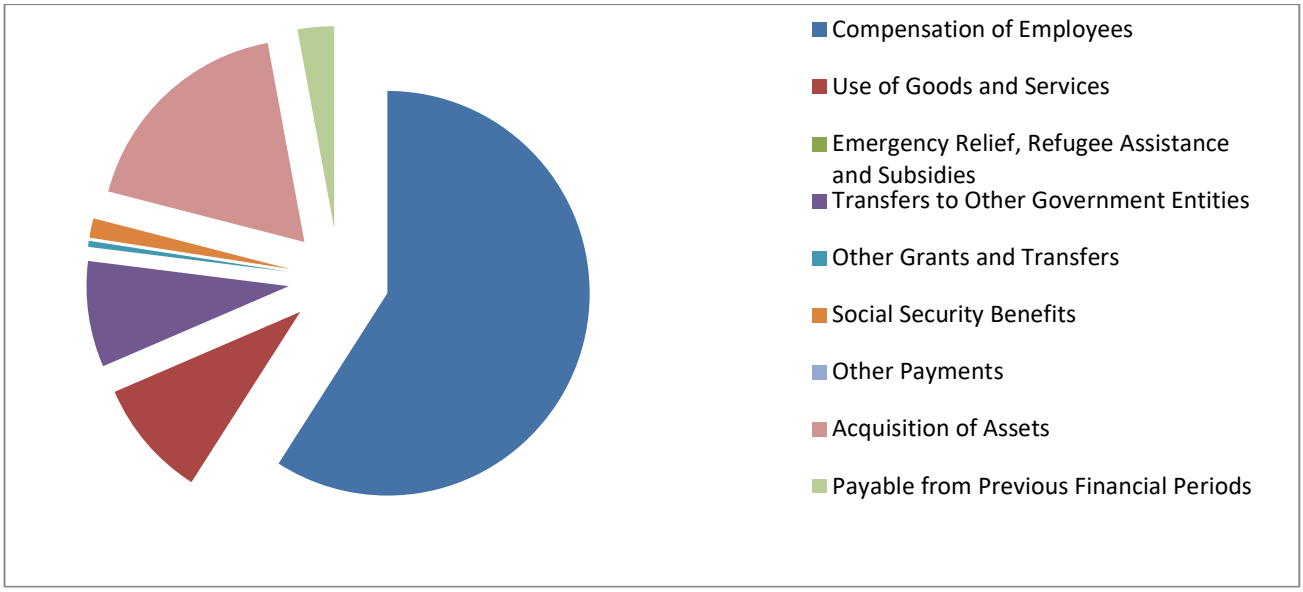
The low development funds absorption during the 1st quarter is because the project have just being awarded and contractors are on site on most of the project with payments likely to be done in coming quarter.

(iii) Summary of expenditure by category

Description	Amount Ksh.	Level of Budget Utilization %
Compensation of Employees	549,706,268	28%
Use of Goods and Services	92,886,764	11%
Emergency Relief, Refugee Assistance and Subsidies	-	0%
Transfers to Other Government Entities	54,241,068	15%
Other Grants and Transfers	7,307,606	2%
Social Security Benefits	21,416,528	36%
Other Payments	3,654,220	1%
Acquisition of Assets	35,496,500	2%
Payable from Previous Financial Periods	-	0%
Total	**764,708,954**	**13%**

Graphical presentation of the expenditure by classification

Figure 1



The personnel emolument recorded a 28% cumulative level of budget utilization for the two quarters. This indicates a likelihood of insufficient budgetary allocation and hence we may be requesting for a supplementary budget to allocate more funds to personnel expenditure.

The use of goods, recorded a moderate expenditure following more austerity measures undertaken by the County Treasury to control expenditure on non essential items.

The transfers to other government agencies relate to funds requisitioned from CRF for County Assembly amounting to Ksh. 54 Million.

The County paid gratuity due to officers whose term of contract ended during the last financial year. A total of Ksh. 21 Million was paid out of budgeted amount of Ksh. 60 Million.

The County expenditure on acquisition of assets which constitute mainly development project is expected to increase in subsequent quarters when we embark on payment for projects currently under implementation.

Thank you very much and God bless Tharaka Nithi County

Sign…….
Dorothy I. K. Naivasha
CEC - FINANCE AND ECONOMIC PLANNING
THARAKA NITHI COUNTY GOVERNMENT

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act (PFMA), 2012 requires that, at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The CECM Finance and Economic Planning is responsible for the preparation and presentation of the County Government of Tharaka Nithi financial statements, which give a true and fair view of the state of affairs of the Tharaka Nithi County Government for and as at the end of the quarter ended on 30th September 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 Tharaka Nithi County Government(v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CECM Finance and Economic Planning accepts responsibility for the County Government of Tharaka Nithi 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 CECM Finance and Economic Planning is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial quarter ended 31st September 2018, and of the County Government of Tharaka Nithi financial position as at that date. The CECM – Finance and Economic Planning further confirms the completeness of the accounting records maintained for the County Government of Tharaka Nithi which have been relied upon in the preparation of the County Government of Tharaka Nithi financial statements as well as the adequacy of the systems of internal financial control.

The CECM Finance and Economic Planning confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 CECM Finance and Economic Planning confirms that the County Government of Tharaka Nithi 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 and Economic Planning on 15th October 2018

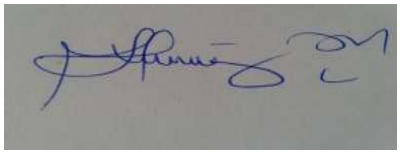
County Executive Committee Member – Finance and Economic Planning

1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	Sep(Q1)	Dec (Q2)	Mar (Q3)	June (Q4)	Cumulative Amount	Comparative Period 2017/18
		Ksh	Ksh.	Ksh.	Ksh.	Ksh	Ksh
RECEIPTS							
Equitable Share (Exchequer releases)	**1**	437,088,000		-	-	437,088,000	847,412,000
Transfers from National Government Entities	**2**	0		-	-	0	62,346,143
Proceeds from Foreign Grants / Development Partners	**3**	0		-	-	0	102,715,436
County Own Generated Revenues	**4**	45,853,259		-	-	45,853,259	44,150,919
Unspent funds Returned CRF	**5**	579,356,425		-	-	579,356,425	12,778,142
TOTAL RECEIPTS		**1,062,297,684**		**-**	**-**	**1,062,297,684**	**1,069,402,640**
PAYMENTS							
Compensation of Employees	**6**	550,036,767		-	-	550,036,767	829,936,999
Use of Goods and Services	**7**	63,260,550		-	-	63,260,550	37,687,141
Emergency Relief, Refugee Assistance and Subsidies	**8**	-				-	-
Transfers to Other Government Entities	**9**	100,992,302		-	-	100,992,302	80,500,000
Other Grants and Transfers	**10**	30,000		-	-	30,000	-
Social Security Benefits	**11**	28,786,246		-	-	28,786,246	2,381,893
Other Payments	**12**	2,374,976		-	-	2,374,976	-
Acquisition of Assets	**13**			-			

		36,452,500			-	36,452,500	1,216,628
Payable from Previous Financial Periods	**14**	-		-	-	-	-
TOTAL PAYMENTS		**781,933,341**		**-**	**-**	**781,933,341**	**951,722,661**
SURPLUS/DEFICIT		**(286,413,508)**		**-**	**-**	**(286,413,508)**	**117,679,979**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 and Signed by:



Zephaniah Rwanda Mbaka
Chief Officer - Finance
.

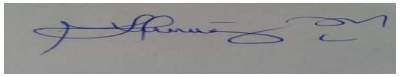
CPA, Peter Maina Gakunu
Head of Treasury - Accounting
ICPAK Member No. 6647

2. STATEMENT OF FINANCIAL ASSETS

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th September 2018

	Note	Sep (Q1)	Dec (Q2)	Mar (Q3)	June (Q4)	Comparative Period 2017/18
		Ksh	Ksh	Ksh	Ksh	Ksh
FINANCIAL ASSETS						
Cash and Cash Equivalents						
Bank Balances	**15A**	279,479,983		-	-	115,213,856
Cash Balances	**15B**	-			-	-
Total Cash and Cash Equivalent						
Accounts Receivables	**16**	47,467,280		-	-	-
TOTAL FINANCIAL ASSETS		**326,947,263**		**-**	**-**	**115,213,856**
FINANCIAL LIABILITIES						
Accounts Payables	**17**	-		-	-	-
NET FINANCIAL ASSETS		**326,947,263**		**-**	**-**	**115,213,856**
REPRESENTED BY						
Fund Balance B/Fwd	**18**	729,402,777				-
Prior Year adjustments	**19**	(116,042,006)		-	-	-
Surplus/Deficit for the quarter		(286,413,508)		-	-	117,679,979
NET FINANCIAL POSITION		**326,947,263**		**-**	**-**	**117,679,979**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 Signed by:



Zephaniah Rwanda Mbaka
Chief Officer - Finance

CPA, Peter Maina Gakunu
Head of Treasury - Accounting

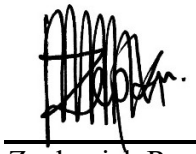
ICPAK Member No. 6647

3. STATEMENT OF CASH FLOW

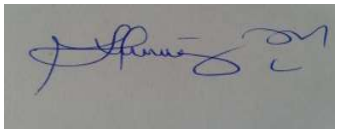
	Note	Sep (Q1)	Dec (Q2)	March (Q3)	June (Q4)	Cumulative Amount	Comparative Period 2017/18
Receipts from Operating Income		**Ksh**	**Ksh**			**Ksh**	**Ksh**
Equitable Share (Exchequer releases)	**1**	437,088,000		-	-	437,088,000	847,412,000
Transfers from National Government Entities	**2**	-		-	-	-	62,346,143
Proceeds from Foreign Grants / Development Partners	**3**	-		-	-	-	102,715,436
County Own Generated Revenues	**4**	45,853,259		-	-	45,853,259	44,150,919
Unspent funds Return CRF	**5**	579,356,425		-	-	579,356,425	12,778,142
		1,062,297,684		**-**	**-**	**1,062,297,684**	**1,069,402,640**
Payments for Operating Expenses							
Compensation of Employees	**6**	550,036,767		-	-	550,036,767	829,936,999
Use of goods and services	**7**	63,260,550		-	-	63,260,550	37,687,141
Emergency Relief, refugee Assistance and Subsidies	**8**	-		-	-	-	-
Transfers to Other Government Entities	**9**	100,992,302		-	-	100,992,302	-
Other grants and transfers	**10**	30,000		-	-	30,000	80,500,000
Social Security Benefits - Gratuity	**11**	28,786,246		-	-	28,786,246	-
Other Payments	**12**	2,374,976		-	-	2,374,976	2,381,893
Payable from Previous Financial Periods	**14**	-		-	-	-	
Total Payments for Operating Expenses		**745,480,841**		**-**	**-**	**745,480,841**	**950,506,033**
Adjusted for:							

Changes in Account Receivables (decrease / (increase)	**16**	(27,561,516)		-	-	(27,561,516)	-
Changes in Account Payables (increase / (decrease)	**17**	-		-	-	-	-
Net Adjustments		(27,561,516)		-	-	(27,561,516)	-
Net Cash flows from Operating Activities		**(277,522,524)**		**-**	**-**	**(277,522,524)**	**118,896,607**
CASHFLOW FROM INVESTING ACTIVITIES							
Acquisition of Assets	**13**	36,452,500		-	-	36,452,500	1,216,628
Net cash flows from investing activities		**36,452,500**		**-**	**-**	**36,452,500**	**1,216,628**
NET INCREASE IN CASH AND CASH EQUIVALENT		(313,975,024)		-	-	(313,975,024)	117,679,979
Cash and cash Equivalent at BEGINNING of the quarter	**15**	709,497,013			-	709,497,013	-
Prior Year adjustments	**19**	(116,042,006)		-	-	(116,042,006)	-
Cash and cash Equivalent at END of the quarter		**279,479,983**		**-**	**-**	**279,479,983**	**117,679,979**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance



CPA,Peter Maina Gakunu
Head of Treasury – Accounting
ICPAK Member No. 6647

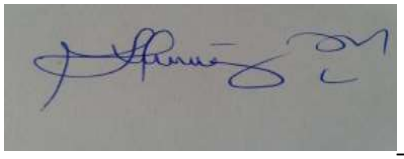
4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

SE	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
11	Own Sources of Revenue	300,000,000	-	300,000,000	45,853,259	(254,146,741)	15%
13	Proceeds from Domestic and Foreign Grants	499,771,662	314,366,825	814,138,487	-	(814,138,487)	0%
9910301	Exchequer releases	3,642,400,000	-	3,642,400,000	437,088,000	(3,205,312,000)	12%
15	Transfer from other Government Entities	144,209,339	70,321,638	214,530,977	-	(214,530,977)	0%
14	Other Receipts - Returned CRF	258,397,430	491,533,809	749,931,239	579,356,425	(170,574,814)	77%
	TOTAL RECEIPTS	**4,844,778,431**	**876,222,272**	**5,721,000,703**	**1,062,297,684**	**(4,658,703,019)**	**19%**
	PAYMENTS						
21	Compensation of Employees	1,862,685,766	(188,368)	1,862,497,398	549,706,268	(1,420,629,061)	28%
22	Use of goods and services	747,884,981	79,253,625	827,138,606	92,886,764	(725,134,011)	11%
25	Emergency Relief, refugee Assistance and Subsidies	30,000,000	38,121,638	68,121,638	-	(68,121,638)	0%
263	Transfers to Other Government Units (Assembly)	411,000,000	12,000,000	423,000,000	54,241,068	(314,758,932)	15%
261/2/4	Other grants and transfers	259,534,934	17,100,000	276,634,934	7,307,606	(319,117,328)	2%
27	Government Pension and Retirement Benefits	60,000,000	-	60,000,000	21,416,528	(38,583,472)	36%
28	Other Payments	285,000,000	81,700,000	366,700,000	3,654,220	(349,045,780)	1%

31	Acquisition of Assets	1,188,672,750	331,120,831	1,519,793,581	35,496,500	(1,453,786,981)	2%
41	Payable from Previous Financial Periods	-	317,114,546	317,114,546	-	(267,114,546)	0%
	TOTAL PAYMENTS	**4,844,778,431**	**876,222,272**	**5,721,000,703**	**764,708,954**	**(4,956,291,749)**	**13%**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 Signed by:

Zephaniah Rwanda Mbaka
Chief Officer – Finance



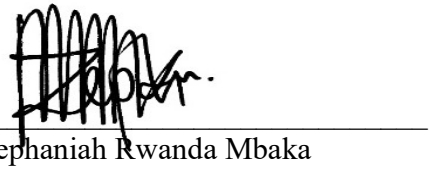
CPA,Peter Maina Gakunu
Head of Treasury – Accounting
ICPAK Member No. 6647

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

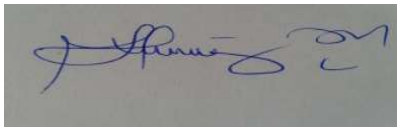
Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
11	Own Sources of Revenue	300,000,000	-	300,000,000	45,853,259	(254,146,741)	15%
13	Proceeds from Domestic and Foreign Grants	-	-	-		-	0%
9910301	Exchequer releases	2,941,188,431	-	2,941,188,431	399,434,243	(2,541,754,188)	14%
15	Transfer from other Government Entities	-	-	-	-	-	0%
14	Other Receipts - Returned CRF	-	301,749,864	301,749,864	301,749,864	-	100%
	TOTAL RECEIPTS	**3,241,188,431**	**301,749,864**	**3,542,938,295**	**747,037,366**	**(2,795,900,929)**	**21%**
	PAYMENTS						
21	Compensation of Employees	1,862,685,766	107,649,563	1,970,335,329	549,706,268	(1,420,629,061)	28%
22	Use of goods and services	709,884,981	57,135,794	767,020,775	92,886,764	(674,134,011)	12%
25	Emergency Relief, refugee Assistance and Subsidies	30,000,000	38,121,638	68,121,638	-	(68,121,638)	0%
263	Transfers to Other Government Units & Assembly	394,000,000	-	352,000,000	54,241,068	(297,758,932)	15%
261/2/4	Other Grants and Transfers	74,444,934	24,890,000	141,334,934	-	(141,334,934)	0%
27	Government Pension and Retirement Benefits	60,000,000	-	60,000,000	21,416,528	(38,583,472)	36%
28	Other Payments	10,000,000	(8,000,000)	2,000,000	3,654,220	1,654,220	183%

31	Acquisition of Assets	100,172,750	40,963,131	141,135,881	-	(141,135,881)	0%
41	Payable from Previous Financial Periods	-	40,989,738	40,989,738	-	(40,989,738)	0%
	TOTAL PAYMENTS	**3,241,188,431**	**301,749,864**	**3,542,938,295**	**721,904,848**	**(2,821,033,447)**	**20%**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance



CPA, Peter Maina Gakunu
Head of Treasury – Accounting
ICPAK Member No. 6647

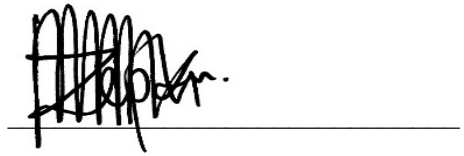
6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

COUNTY GOVERNMENT OF THARAKA NITHI - EXECUTIVE
Reports and Financial Statements
For the quarter ended 30th September 2018

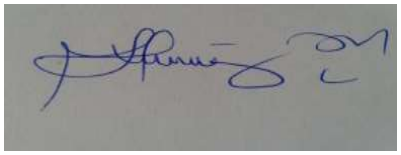
SE	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
11	Own Sources of Revenue	-	-	-	-	-	0%
13	Proceeds from Domestic and Foreign Grants	499,771,662	314,366,825	814,138,487	-	(814,138,487)	0%
9910301	Exchequer releases	701,211,569	-	701,211,569	37,653,757	(663,557,812)	5%
15	Transfer from other Government Entities	144,209,339	70,321,638	214,530,977	-	(214,530,977)	0%
14	Other Receipts - Returned CRF	258,397,430	189,783,945	448,181,375	277,606,561	(170,574,814)	62%
	TOTAL RECEIPTS	**1,603,590,000**	**574,472,408**	**2,178,062,408**	**315,260,318**	**(1,862,802,090)**	**14%**
	PAYMENTS					-	
21	Compensation of Employees	-	-	-		-	
22	Use of goods and services	38,000,000	13,000,000	51,000,000	-	(51,000,000)	0%
25	Emergency Relief, refugee Assistance and Subsidies	-	-	-	-	-	0%
263	Transfers to Other Government Units & Assembly	17,000,000	-	17,000,000		(17,000,000)	0%
261/2/4	Other grants and transfers	185,090,000	-	185,090,000	7,307,606	(177,782,394)	4%
27	Government Pension and Retirement Benefits	-	-	-	-	-	0%
28	Other Payments	275,000,000	75,700,000	350,700,000	-	(350,700,000)	0%
31	Acquisition of Assets	1,088,500,000	259,647,600	1,348,147,600	35,496,500	(1,312,651,100)	3%
41	Payable from Previous Financial Periods	-	226,124,808	226,124,808	-	(226,124,808)	0%

	TOTAL PAYMENTS	**1,603,590,000**	**574,472,408**	**2,178,062,408**	**42,804,106**	**(2,135,258,302)**	**2%**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th October 2018 Signed by:



Zephaniah Rwanda Mbaka
Chief Officer – Finance
.



CPA,Peter Maina Gakunu
Head of Treasury – Accounting
ICPAK Member No. 6647

7. NOTES TO THE FINANCIAL STATEMENTS

1. EQUITABLE SHARE (EXCHQUER RELEASES)

Exchequer Releases	**Ksh.**
Quarter 1	437,088,000
Quarter 2	-
Quarter 3	-
Quarter 4	-
Cumulative Amount	**437,088,000**

2. TRANSFERS FROM NATIONAL GOVERNMENT ENTITIES

	Q1	**Q2**	**Q3**	**Q4**	**Cumulative Amount**	**Comparative Period 2017/18**
Description	**Ksh**	**Ksh**	**Ksh**	**Ksh**	**Ksh**	**Ksh**
Reimbursement for forgone User fees health facilities	-	-	-	-	-	-
Development of Youth Polytechnic conditional grant	-	-	-	-	-	-
Road Maintenance Fuel Levy Fund	-	-	-	-	-	62,346,143
Total	-	-	-	-	-	**62,346,143**

3. PROCEEDS FROM FOREIGN GRANTS (Grants Received from Multilateral Donors (International Organizations)

Name of Donor / Grant	Date received	Q1	Q2	Q3	Q4	Cumulative Amount
		Ksh	Ksh	Ksh	Ksh	Ksh
DANIDA		-				
Transforming Health System for Universal Care		-				
Agriculture Sector Development Support Project (ASDSP)		-				
Kenya Climate Smart Agriculture Project (KCSAP)		-				
Kenya Urban Support Project		-				
Kenya Devolution Support Programme (KDSP)		-				
Other Conditional Grants		-				
Total Amount		-			-	

4. SUMMARY OF COUNTY OWN GENERATED REVENUES

	Original Estimates	Revised Estimates	Q1	Q2	Q3	Q4	Cumulative Amount
RECEIPTS	**Ksh**		**Ksh**	**Ksh**	**Ksh**	**Ksh**	**Ksh.**
Land Rates	1,600,000	1,600,000	351,823				
Plot Rents	5,350,000	5,350,000	853,614				
Single Business Permit	22,800,000	22,800,000	4,502,908				
Cess Fee	53,200,000	53,200,000	6,394,870				
Barter Market and Slaughter fee	44,800,000	44,800,000	5,394,905				
Vehicle Parking	38,500,000	38,500,000	3,139,470				
House And Stalls	3,000,000	3,000,000	364,247				
Plan Approval Fees	3,200,000	3,200,000	580,500				
Weights and Measures	6,000,000	6,000,000	123,800				
Penalties	700,000	700,000	54,552				
Livestock Sales	2,800,000	2,800,000	420,860				
Mt. Kenya Lodge/Local Tourism	-	-	235,300				
Transfer Application & Adjudication	2,300,000	2,300,000	353,200				
Search Fees Minutes Ext	2,300,000	2,300,000	81,540				
Advertisement		9,000,000					

	9,000,000		269,300				
Motor Cycle	20,000,000	20,000,000	-				
Miscellaneous	4,000,000	4,000,000	4,653,062				
Public Health/Plan Approval	400,000	400,000	15,000				
School Inspection	200,000	200,000	-				
Food Premises Permit	50,000	50,000	-				
Liqour Inspection	4,400,000	4,400,000	65,400				
HSSF (Hospitals/ Dispensaries)	68,200,000	68,200,000	17,312,143				
Private Clinics Permits	5,000,000	5,000,000	-				
Medical Examination	2,200,000	2,200,000	398,300				
Physical Planning	-	-	-				
Veterinary Services	-	-	256,895				
Co-operative Fees	-	-	31,570				
TOTAL	**300,000,000**	**300,000,000**	**45,853,259**				

5. UNSPENT FUNDS RETURNED CRF

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Tharaka Nithi Revenue Fund Account	460,893,035				460,893,035	
Tharaka Nithi County Recurrent Account	18,392				18,392	
Tharaka Nithi County Development Account	97,200,174				97,200,174	
Tharaka Nithi Fuel Levy Fund Account	3,447,054				3,447,054	
Tharaka Nithi County Deposit Account	4,924,196				4,924,196	
Tharaka Nithi County- Health Special Purpose	1,747,654				1,747,654	
Unspent Funds Returned County Assembly FY 2017/18	7,224,401				7,224,401	
Reversed Transfer to CRF Equity Revenue Account	1,744,262				1,744,262	
Returned Payments Development Account	2,157,257				2,157,257	
Total	**579,356,425**	**-**	**-**	**-**	**579,356,425**	**-**

6. COMPENSATION OF EMPLOYEES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Basic salaries of Permanent Employees	232,525,332				232,525,332	350,851,818
Basic wages of Temporary Employees	7,419,515				7,419,515	11,195,125
Personal allowances paid as part of salary	310,091,920				310,091,920	467,890,156
Compulsory National Social Security Schemes	-				-	-
Total	**550,036,767**		**-**	**-**	**550,036,767**	**829,937,099**

7. USE OF GOODS AND SERVICES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Utilities, Supplies and Services	2,485,532				4,428,649	401,589
Communication, Supplies and Services	511,283				3,867,907	363,850
Domestic Travel and Subsistence	10,363,693				20,285,612	18,885,767
Foreign Travel and Subsistence	4,021,902				5,548,686	1,140,080
Printing, Advertising and Information Supplies & Services	117,860				7,162,714	610,518
Rentals of Produced Assets	1,173,467				2,168,934	102,000
Training Expenses	2,201,300				8,240,634	7,545,480
Hospitality Supplies and Services	2,505,910				8,008,455	2,968,594

Insurance Costs	-				25,000,000	1,897,209
Specialized Materials and Supplies	23,463,141				55,175,579	22,400
Office and General Supplies and Services	29,800				1,046,283	124,512
Fuels, Oil and Lubricants	9,001,800				16,697,985	2,483,802
Other Operating Expenses	2,128,100				7,773,180	833,395
Routine maintenance – vehicles and other Transport Equipment	4,547,366				10,356,510	272,945
Routine maintenance – other assets	709,396				758,996	35,000
Total	**63,260,550**		**-**	**-**	**176,520,124**	**37,687,141**

8. EMERGENCY RELIEF , REFUGEE ASSISTANCE AND SUBSIDIES

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Subsidies to Non-Financial Public Enterprises	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Transfer to County Assembly of Tharaka Nithi	54,241,068				54,241,068	80,500,000
Transfer to other Government Agencies & Health Facilities	46,751,234		-	-	46,751,234	-

TOTAL	**100,992,302**		**-**	**-**	**100,992,302**	**80,500,000**

10. OTHER GRANTS AND TRANSFERS

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Membership Fees and Dues and Subscriptions to International Organization	-					-
Scholarships and other Educational Benefits	-					-
Other Current Transfers, Grants and Subsidies	30,000				8,766,212	-
Other Current Transfers, Grants and Subsidies	7,277,606				7,277,606	-
Total	**7,307,606**	**-**	**-**	**-**	**7,307,606**	**-**

11. SOCIAL SECURITY BENEFITS (GRATUITY)

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Government pension and retirement benefits	21,416,528				21,416,528	2,381,893
Total	**21,416,528**	**-**	**-**	**-**	**21,416,528**	**2,381,893**

12. OTHER PAYMENTS

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Other Payments- Imprest Account	3,637,640				3,637,640	-
Other Payments - Bank Charges & Fees	16,580				16,580	-
Total	**3,654,220**	**-**	**-**	**-**	**3,654,220**	**-**

13. ACQUISITION OF ASSETS

Non Financial Assets	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh

Construction of Buildings	-				-	-
Refurbishment of Buildings	-				-	-
Construction of Roads	-				-	-
Construction and Civil Works	34,998,500				34,998,500	-
Overhaul and Refurbishment of Construction and Civil Works	-				-	-
Purchase of Vehicles and Other Transport Equipment	-				-	149,148
Overhaul of Vehicles and Other Transport Equipment	-				-	-
Purchase of Household Furniture and Institutional Equipment	-				-	138,580
Purchase of Office Furniture and General Equipment	956,000				956,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-				-	-
Purchase of Specialized Plant, Equipment and Machinery	-				-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-				-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-				-	-
Research, Studies, Project Preparation, Design & Supervision	498,000				498,000	928,600
Rehabilitation of Civil Works	-				-	-
Total	**36,452,500**		**-**	**-**	**36,452,500**	**1,216,328**

14. PAYABLE FROM PREVIOUS FINANCIAL YEAR

	Q1	Q2	Q3	Q4	Cumulative Amount	Comparative Period 2017/18
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Domestic Payables – Development	-				-	-
Domestic Payables – Recurrent	-	-	-	-	-	
Total	**-**		**-**	**-**	**-**	**-**

15. BANK AND CASH BALANCES

Name of Bank, Account No. & Currency	Purpose of Account	Amount Q1	Amount Q2	Amount Q3	Amount Q4	Balances as at 30th June 2018
		Ksh	Ksh	Ksh	Ksh	Ksh
Tharaka Nithi Revenue Fund Account - CBK a/c 1000171707	Revenue Fund	297,979,954				469,768,566
Tharaka Nithi County Recurrent Account - CBK a/c 1000171375	Recurrent Acct	(62,538,809)				46,282,960
Tharaka Nithi County Development Account - CBK a/c 1000171359	Development Act	2,157,257				152,966,097
Tharaka Nithi Fuel Levy Fund Account - CBK a/c 1000251988	Fuel Levy Fund	-				22,441,481
Tharaka Nithi County Deposit Account - CBK A/c 1000251988	Retentions	1,080,000				1,080,000
Tharaka Nithi County- Health Special Purpose - CBK A/c 1000287691	Grants	20,716,569				295,617
Tharaka Nithi County KCSAP SP - CBK A/c 1000365568	Grants	-				-
Tharaka Nithi County ASDSP SP - CBK A/c 1000365579	Grants	-				-

Tharaka Nithi County KDSP - CBK A/c 1000394676	Grants	-				-
Tharaka Nithi County Poly Grant - CBK A/c 1000365579	Grants	-				-
Tharaka Nithi County Urban Institution - CBK A/c 1000371943	Grants	-				-
Tharaka Nithi County Urban Dev Grant - CBK A/c 1000371951	Grants	-				-
Tharaka Nithi Revenue Acct. - Equity Bank a/c 0210260871230	Revenue Acct	5,805,520				7,203,168
Tharaka Nithi Revenue Account - Trans Nation Sacco a/c 68260800224701	Revenue Acct	5,944,473				813,095
Tharaka Nithi Salary Account - Co-op Bank A/C 01100527727500	Salary Account	2,353,914				2,353,914
Tharaka Nithi Education Fund Acct Co-op Bank a/c 01141527727501	Education Fund	295,443				295,443
Tharaka Nithi County Imprest Acct Co-op Bank a/c 01141527727500	Imprest Account	2,307,198				2,307,198
Tharaka South District Hospital Management Board - Co-op Bank a/c 01141058220502	Hospital Account	2,449,503				2,449,503
Kibung'a Sub District Hospital - Co-op Bank a/c 01141057871700	Hospital Account	147,660				147,660
Chuka District Hospital Account - KCB a/c 1103743147	Hospital Account	250,196				250,196
Magutuni Hospital Account - KCB a/c 1129976870	Hospital Account	531,105				531,105
Total		**279,479,983**				**709,186,003**
Cash Balances	Cash in Hand					311,010
						709,497,013
Cash Balances	Cash in Hand	-	-	-	-	568,230,505

Less: Return to CRF Re-appropriation						568,230,505
Net Cash and Cash Equivalent C/Forward						**141,266,508**

16. ACCOUNTS RECEIVABLE

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Government Imprests	47,467,280				19,905,764
Staff Advances	-				-
Total Amount	**47,467,280**				**19,905,764**
Increase / (Decrease)	27,561,516		-	-	19,905,764

17. ACCOUNTS PAYABLE

Description	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Contractor's Retentions	-				-
Other Deposits	-				-
Total Account Payable	-				-

Increase / Decrease	-	-	-	-	-

18. FUND BALANCE BROUGHT FORWARD

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Bank Accounts	279,479,983		-	-	709,186,003
Cash in hand	-		-		311,010
Accounts Receivables	47,467,280		-	-	19,905,764
Accounts Payables	-		-	-	-
Total	**326,947,263**		**-**	**-**	**729,402,777**

19. PRIOR YEAR ADJUSTMENT

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Confirmed Cash and Bank Balances	593,455,007				-
Cash and Bank Balances as per Financial Statements	709,497,013	-			-

Prior year adjustment	**(116,042,006)**	**-**	**-**	**-**	**-**

OTHER IMPORTANT DISCLOSURES

20. PENDING BILLS ACCOUNTS PAYABLE (See Annex 5)

	Q1	Q2	Q3	Q4	Balances as at 30th June 2018
	Ksh	Ksh	Ksh	Ksh	Ksh
Supply of Goods and Services	254,569,697				254,569,697
Personnel Emoluments	440,514,679				440,514,679
Gratuity and Pension	60,272,601				60,272,601
Statutory Deductions	-				-
Total	**755,356,977**		**-**	**-**	**755,356,977**

APPENDICIES

ANNEX 1

COUNTY OWN GENERATED REVENUE PERFORMANCE STATEMENT

	Original Estimates	Revised Estimates	Actual cumulative Revenue	% Realized
RECEIPTS	**Ksh**	**Ksh**	**Ksh**	
Land Rates	1,600,000	1,600,000	351,823	22%
Plot Rents	5,350,000	5,350,000	853,614	16%
Single Business Permit	22,800,000	22,800,000	4,502,908	20%
Cess Fee	53,200,000	53,200,000	6,394,870	12%
Market And Slaughter	44,800,000	44,800,000	5,394,905	12%
Vehicle Parking	38,500,000	38,500,000	3,139,470	8%
House And Stalls	3,000,000	3,000,000	364,247	12%
Plan Approval Fees	3,200,000	3,200,000	580,500	18%
Weights And Measures	6,000,000	6,000,000	123,800	2%
Penalties	700,000	700,000	54,552	8%
Livestock Sales	2,800,000	2,800,000	420,860	15%
Mt. Kenya Lodge/Local Tourism	-	-	235,300	100%
Transfer Application & Adjudication	2,300,000	2,300,000	353,200	15%
Search Fees Minutes Ext	2,300,000	2,300,000	81,540	4%
Advertisement	9,000,000	9,000,000	269,300	3%
Motor Cycle	20,000,000	20,000,000	-	0%
Miscellaneous	4,000,000	4,000,000	4,941,527	124%
Public Health / Plan Approval	400,000	400,000	15,000	4%

School Inspection	200,000	200,000	-	0%
Food Premises Permit	50,000	50,000	-	0%
Liquor Inspection	4,400,000	4,400,000	65,400	1%
HSSF (Hospitals/Dispensaries)	68,200,000	68,200,000	17,312,143	25%
Private Clinics Permits	5,000,000	5,000,000	-	0%
Medical Examination	2,200,000	2,200,000	398,300	18%
Total Amount	**300,000,000**	**300,000,000**	**45,853,259**	**15%**

ANNEX 2

DETAILED ANALYSIS OF REVENUE RECEIPTS

	Source of Revenue	Original Budget (Ksh)	Budget Supplementary Adjustment FY 2018/19 (Ksh)	Revised Approved Budget FY 2018/19 (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
1	Equitable Share of National Revenue	3,642,400,000	-	3,642,400,000	437,088,000	12%
2	Compensation for forgone user fees	8,218,119	-	8,218,119	-	0%
3	Road Maintenance Fuel Levy	95,901,220	32,200,000	128,101,220	-	0%
4	Conditional Allocation for Development of Youth Polytechnics	40,090,000	38,121,638	78,211,638	-	0%
5	Danish International Development Agency (Danida)	12,352,500	-	12,352,500	-	0%
6	Transforming Health System for Universal Care Project - World Bank	50,000,000	-	50,000,000	-	0%
7	Agriculture Sector Development Support Project (ASDSP)	12,352,500	-	12,352,500	-	0%
8	Kenya Climate Smart Agriculture Project (KCSAP)	117,000,000	-	117,000,000	-	0%
9	Kenya Devolution Support Program (KDSP)	38,536,081	38,536,081	77,072,162	-	0%
10	Kenya Urban Support Project	92,000,000	-	92,000,000	-	0%
11	Other Conditional Grants	177,530,581	275,830,744	453,361,325	-	0%
12	Own Sources of Revenue	300,000,000	-	300,000,000	45,853,259	15%
13	Unspent Balances Returned CRF	258,397,430	491,533,809	749,931,239	579,356,425	78%
	Total Amount	**4,844,778,431**	**876,222,272**	**5,721,000,703**	**1,062,297,684**	**19%**