REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF KAKAMEGA

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY ASSEMBLY OF KAKAMEGA

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Assembly is constituted as per the constitution of Kenya is headed by the Speaker to the Assembly, who is responsible for the general policy and strategic direction of the Assembly.

(b) Key Management

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

- The County Assembly Service Board (CASB)

(c) Fiduciary Management

The key management personnel who held office during the quarter ended 30th September 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Mr. Patrick Kamwessar
2.	Legal Councel	Mr.Daniel Were
3.	Deputy Clerk	Mr.John Simwa
4.	Chief Finance Office	Mr.Laban Atemba
5.	Principal fiscal analyst	Mrs Beatrice Ilavonga
6.	Principal Accountant	Mr. Pascal Mwanje
7.	Internal Auditor	Mr Nelphat Mbati

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and finance committee activities
- Parliamentary committee activities
- Development partner oversight activities
- Other oversight activities

(e) Entity Headquarters

P.O. Box 1470
Opp. Kakamega Law Courts
Kakamega, KENYA

(f) Entity Contacts

Telephone: (254)715521221
E-mail: assembly@kakamega.go.ke
Website: assembly.kakamega.go.ke

(g) Entity Bankers

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

2. Co-operative Bank
   Kakamega.

(h) Independent Auditors

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

(i) Principal Legal Adviser

Daniel Lawrence Were
Kakamega County Assembly
P.O. Box 1470
Kakamega, Kenya

II. FORWARD BY THE CLERK OF THE ASSEMBLY

The Assembly received Kshs 374,311,297 from the County treasury to finance its Operations fotr the financial year 2015-2016. Total expenditure for the same FY was Kshs 360,357,151 giving a surplus of Kshs 13,954,146.

The County Assembly had a budget of Kshs 100,000,000 for Development. This allocation was never utilised as the County Treasury failed to disburse.

The assembly did not carry out any key development. Its main key project was to develop the County assembly chambers headquarters but the funds were not disbursed by the county treasury.

The County Assembly achieved value for money in MCAs and staff trainings (capacity builbing) as these has improved the Committee working and oversight role.

Challenges and recommended way forward

1. Late disbursement of funds from exchequeraffects the planning and efficient use of funds. Funds should be disbursed on time.
2. Reluctance or non cooperation from the executive . the executive normally delays to submit its reports for approval on time hence creating a crisis which leeds to unforeseen expenditure

Sign

Clerk of the County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended on 30th June,2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended 30th June,2016, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 30/9/ 2016.

Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

THE REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KAKAMEGA FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the County Assembly of Kakamega set out on pages 1 to 15, which comprise of statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of comparison of budget and actual: 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.

Management's Responsibility for the Financial Statements

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 such 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.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Assembly's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

1.0. Accuracy and Completeness of the Financial Statements

The financial statements as at 30 June 2016 presented for audit review did not include actions taken in regard to the previous year auditors recommendations, which the County Assembly received on 5 September 2016 as required by the International Public Sector Accounting Standards (IPSAS) Cash Basis. Further, the financial statements were not well paged due to mix up of numbering.

As a result, it was not possible to confirm the accuracy and completeness of the financial statements.

2.0. Cash and Cash Equivalents

The statement of financial assets indicates cash and cash equivalents balance of Kshs.6,803,308 as at 30 June 2016 . The County Assembly has not set a limit of cash withdrawal as required by the County Government Financial Regulations and Section 83 (1) of the Public Financial Management Regulations, 2015. An audit review revealed that, within a span of three (3) days, the Assembly withdrew a total of Kshs.5,182,500 from 20 June 2016 to 23 June 2016 from their current back account No.01141543120500 held at the Cooperative bank of Kenya as follows:

Date	Cheque no	Amount (Kshs.)
20/6/2016	2436	502,500
21/6/2016	2441	2,880,000
23/6/2016	2458	1,800,000
Total		**5,182,500**

Under the circumstances, the propriety of the irregular cash withdrawal of Kshs.5,182,500 could not be confirmed.

3.0. Irregular Contract Award County Assembly Chamber

The County Assembly awarded tender for construction of Assembly's Chamber to M/S Neelcom Construction Services Ltd at a contract sum of Kshs.499,579,788. However, the Ministry of Public Works was not involved in the preparation of Bills of Quantities (BQ) and the design/plan of the building before awarding the contract. Further, the Project was not included in the annual procurement plan and in the budget. In addition, scrutiny of the bill of Quantity revealed inconsistency in some items such as plumbing

and drainage, fire protection and automatic sprinkler. Further, the capital commitment was not disclosed in the financial statement as required by the International Public Sector Accounting Standards.

In consequences, the contract award was irregular and the County Assembly risks penalties for non-implementation of the contract.

4.0. Unsupported Expenditure

The statement of receipts and payments reflects expenditure of Kshs.307,497,178 under use of goods and services. The following anomalies were noted:

4.1. Ward Offices Operation Expenses

The County Assembly disbursed Kshs.43,200,000 to the sixty (60) wards for payments of office rent and other administrative costs. However, no returns from all sixty wards had been submitted to the County Assembly rendering the expenditure unaccounted for.

Under the circumstance, the propriety and value for money for the Kshs.43,200,000 expenditure could not be ascertained.

4.2 Rental Expenditure

The statement of receipts and payments reflects a balance of Kshs.307, 497,178 under use of goods and services as at 30 June 2016. Included on this amount is Kshs.8,363,600 paid out as rent and partitioning of offices at KATECO building in Kakamega town for the MCA's offices.

However, the Assembly only accounted for Kshs.6,513,600 for office rent, leaving a balance of Kshs.1,850,000 for office partitioning unaccounted for.

Consequently, the propriety, accuracy and completeness of the Kshs.1,850,000 on office portioning could not be confirmed.

4.3 Subsistence and Other Transport Cost

The statement of receipts and payments reflects payments of Kshs.206,861,869 for Domestic travel, subsistence and other transport costs which differ with the actual cost totaling Kshs.209,079,219. The resultant difference of Kshs.2,217,350 has not been explained or supported. Further, expenditure of Kshs.93,992,034 45% had no supporting documents, such as authorized imprest warrants, internal memos, attendance register invitation letters, signed list of beneficiaries and work tickets. This included among others an amount of Kshs.4,437,700 paid to Members of the County Assembly to attend County Governments games in Eldoret town. All the listed payments did not have authorized imprest warrants as required under the Public Finance Management Regulations, 2015 Section 93(3). In addition twenty one (21)

payment vouchers had no electronic payment generation reports and electronic processing data advices in respect to expenditure amounting to Kshs.28,977,765.

Consequently, the propriety of the expenditure of Kshs.206,861,869 could not be confirmed.

4.4. Overpaid Medical Insurance

During the year under review, the County Assembly contracted Britam Insurance Company through Elbima Insurance agency to provide MCAs with medical insurance at a contract sum of Kshs.23,283,314.

However, the firm was paid Kshs.25,482,314 resulting in unsupported over payment of Kshs.2,200,000. Though management explained that the overpayment was due to omitted members, no supporting documents were provided for audit review.

Under the circumstances, the propriety of the expenditure of Kshs.2,200,000 could not be confirmed.

4.5. Expenditure on Fuel, Oil and Lubricants

Included in the use of goods and services expenditure of Kshs.307,497,778 is fuel, oil and lubricants expenditure of Kshs.2,416,000. However, Kshs.2,220,000 of the fuel expenditure not supported with source documents such as LPO.

As a result, the propriety and value for money of Kshs.2,220,000 expenditure could not be confirmed.

5.0 Fixed Assets

During the year under review, the County Assembly acquired fixed assets costing a total Kshs.13,760,973 as shown in the statement of receipts and payments. Further, annex 4 shows summary of fixed assets of Kshs.44,985,610 for fourth Quarter. In addition, fixed assets acquired of Kshs.9,042,898 including motor vehicle Registration 37CG074A at Kshs.5,200,000, photocopier of Kshs.1,539,000; and other items worth Kshs.4,504,898 were not physically verified and their existence appears in doubt.

Meanwhile, the County Assembly did not maintain an up to date summary of fixed assets register. The incomplete asset register only indicated the item, location, serial number and asset tag but lacked the purchase price and or present value among other details. Further, inherited fixed assets from the defunct local authorities in the County were not disclosed.

Under the circumstance, it has not been possible to confirm existence, ownership, valuation, completeness/security and prudent use of the fixed assets acquired by the County Assembly over the ended up to 30 June 2016.

6.0 County Assembly Car Loan and Mortgage Fund

The County Assembly established car and mortgage loan fund of Kshs.444,000,000 as at 30 June 2016. Further, a total of Kshs.440,000,000 was disbursed to the 88 MCAs at Kshs.5 million each. However, no proper records including cash book, ledger, payment vouchers and official receipts were kept for the funds by the loans and mortgage management committee to account for the monies received and disbursed. Further, no security in terms of log books and title deeds were jointly registered for the amount advanced as required by the regulations governing the fund.

Consequently, the propriety of the car and mortgage fund of Kshs.444,000,000 of the County Assembly could not be confirmed.

7.0 Un-vouched Expenditure

Included in the total expenditure figure of Kshs.360,357,151 reflected in the statement of receipts and payment is Kshs 9,608,200 incurred under five (5) items. The five (5) items were domestic travel and subsistence allowance, hospitality supplies and services, office general supplies and services, other operating expenses and printing, advertising and information supplies which were not supported with relevant payment vouchers and other related documents.

As a result, it has not been possible to confirm the propriety of the expenditure of Kshs.9,608,200 as at 30 June 2016.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of County Assembly of Kakamega as at 30 June 2016, 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 does not comply with the Public Finance Management Act, 2012.

Other Matter

1.0 Budget and Budgetary Control

Budget performance analysis revealed an over expenditure totaling Kshs.91,078,181(61%) on six budget items and an under expenditure on 8 expenditure items totaling Kshs.35,104,261 (35%) as detailed below;

1.1 Over Expenditure

Item Description	Budget (Kshs.)	Actual Expend. (Kshs.)	Variance (Kshs.)	% Var.
Receipts	374,311,297	374,311,297	-	**100%**
Expenses				
Domestic Travel, Subsistence & Other Transport Costs	130,293,258	209,079,219	(78,785,961)	**-60%**
Hospitality supplies and services	10,700,000	19,727,528	(9,027,528)	**-84%**
Office & General Supplies & Services	6,000,000	7,882,641	(1,882,641)	**-31%**
Fuel, Oil and Lubricants	1,500,000	2,416,000	(916,000)	**-61%**
Routine Maintenance - Other Assets	1,050,000	1,451,900	(401,950)	**-38%**
Utilities Supplies and Services	330,000	394,101	(64,101)	**-19%**
Total	**149,873,258**	**240,951,439**	**(91,078,181)**	**-61%**

However, no reason has been given for the huge over expenditure under domestic travel and hospitality services of Kshs.78,785,961 and Kshs.9,027,528 respectively.

1.2 Under Expenditure

Item Description	Budget (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Variance %
Communication Supplies and Services	1,000,000	737,799	262,201	26%
Printing, Advertisement and Information supplies	13,200,000	8,148,166	5,051,834	38%
Rentals of Produced Assets	23,300,000	16,548,600	6,751,400	29%
Training Expenses Staff	6,650,000	766,468	5,883,532	88%
Insurance	37,250,000	25,482,314	11,767,686	32%
Specialized Material Supplies	600,000	0	600,000	100%
Other Operating Expenses	18,150,000	13,393,200	4,756,800	26%
Routine maintenance - Vehicles & Other transport equipment	1,500,000	1,469,192	30,808	2%
	101,650,000	66,545,739	35,104,261	35%
Development Expenditure	100,000,000	0	100,000,000	100%
Total	**201,650,000**	**66,545,739**	**135,104,261**	

The total under expenditure of Kshs.135,104,261 include Kshs.100,000,000 for capital expenditure (construction of County Assembly offices and chambers). However, construction of the County Assembly offices and chambers was not undertaken. No reason has been given for this anomaly.

2.0. Unsupported Development Expenditure

As reported in the report of the Auditor-General for the year 2014/2015 two (2) in house bank transfers amounting to Kshs.4,000,000 were made to unspecified and undisclosed bank accounts to date. As a result, the propriety of the amount and utilization has not been confirmed.

3.0 Internal Control Weaknesses

3.1 Use of IFMIS

During the year under review, the County Assembly processed all its payments manually instead of using the Integrated Financial Management Information System (IFMIS) as required.

3.2 Failure to Constitute an Audit Committee

The County Assembly of Kakamega has not constituted an audit committee as required by the Public Finance Management Act, 2012 and the enabling PFM regulations 2015. No reason has been given for failure to establish an audit committee.

3.3 ICT Policy and Disaster Recovery Mechanism

The audit of the County Assembly Information Technology (IT) revealed the following unsatisfactory matters:

i. No formally approved IT security policy to ensure confidentiality, integrity and availability of information hence no clear direction to maintain information security.

ii. No disaster recovery plans hence in case of any disaster the Assembly may not be able to recover any information.

iii. No back up and retention strategy and in case of any eventualities the Assembly may encounter operational setbacks.

iv. No formally documented approved user management standards and procedures and this may lead to increased errors.

v. No processes in place to review user access rights and therefore there may be unauthorized user access to systems.

IV. STATEMENT OF FINANCIAL ASSETS

	Note	2015/16 Kshs	2014/15 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	6,803,308	-
Cash Balances		-	-
Total Cash and cash equivalents		**6,803,308**	-
Accounts receivables – Outstanding Imprests	7	7,150,838	-
TOTAL FINANCIAL ASSETS		**13,954,146**	-
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		-	-
NET FINANCIAL ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd		-	-
Surplus/Defict for the year		13,954,146	-
NET FINANCIAL POSITION		**13,954,146**	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/ 2016 and signed by:

Clerk of the Assembly

Chief Finance Officer – County Assembly

V. STATEMENT OF CASHFLOW

	Note	2015/16 Kshs	2014/15 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	374,311,297	-
Other Receipts		-,	-
Payments for operating expenses			
Compensation of Employees	2	38,999,000	-
Use of goods and services	3	307,497,178	-
Subsidies		-	-
Transfers to Other Government Entities		-	-
Other grants and transfers	4	100,000	-
Social Security Benefits		-	-
Finance Costs		-	-
Other Payments		-	-
Adjusted for:			
Adjustments during the year	7	7,150,838	-
Net cash flows from operating activities		**353,747,016**	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	5	(13,960,973)	-
Net cash flows from investing activities		**339,986,043**	-
NET INCREASE IN CASH AND CASH EQUIVALENT		-	-
Cash and cash equivalent at BEGINNING of the quarter		**6,803,308**	-
Cash and cash equivalent at END of the quarter		-	-
As per statement of assets		-	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/ 2016 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembl

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	374,311,297=	-	374,311,297=	374,311,297=	-100%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts					-
TOTAL	**374,311,297=**	-	**-374,311,297=**	**374,311,297=**	-
PAYMENTS					
Compensation of Employees	39,000,000=	-	39,000,000=	38,999,000=	100%
Use of goods and services	251,523,258=	-	251,523,258=	307,497,178=	122%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	1,000,000=	-	1,000,000=	100,000=	10%
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	25,800,000=	-	25,800,000=	13,760,973=	53%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**314,323,258=**		**317,323,258=**	**360,357,151=**	**114%**

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

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

The entity financial statements were approved on 30/9/ 2016 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	374,311,297=		374,311,297=	374,311,297=	100%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts					-
TOTAL	**374,311,297=**		**374,311,297=**	**374,311,297=**	**100%**
PAYMENTS					
Compensation of Employees	39,000,000=	-	39,000,000=	38,999,000=	100%
Use of goods and services	251,523,258=	-	251,523,258=	307,497,178=	122%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	1,000,000=	-	1,000,000=	100,000=	10%
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	25,800,000=	-	25,800,000=	13,760,973=	53%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**317,323,258=**		**317,323,258=**	**360,357,151=**	**114%**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	100,000,000=	-	100,000,000=	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**100,000,000=**	-	**100,000,000=**	-	-
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**100,000,000=**	-	**100,000,000=**	-	-

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

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

The entity financial statements were approved on 30/9/ 2016 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

X. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from the County Treasury/Exchequer Releases

	2015/16	2014/15
	Kshs	Kshs
Total Exchequer Releases for quarter 1	Xxx	Xxxx
Total Exchequer Releases for quarter 2	161,756,842=	Xxx
Total Exchequer Releases for quarter 3	67,020,623=	Xxx
Total Exchequer Releases for quarter 4	145,533,832=	Xxx
Cumulative Amount	**374,311,297=**	**Xxx**

2 COMPENSATION OF EMPLOYEES

	2015/16	2014/15
	Kshs	Kshs
Basic salaries of permanent employees	xxx	xxx
Basic wages of temporary employees	38,999,000	xxx
Personal allowances paid as part of salary	xxx	xxx
Personal allowances paid as reimbursements	xxx	xxx
Personal allowances provided in kind	xxx	xxx
Pension and other social security contributions	xxx	xxx
Compulsory national social security schemes	xxx	xxx
Compulsory national health insurance schemes	xxx	xxx
Social benefit schemes outside government	xxx	xxx
Other personnel payments	xxx	xxx
Total	**xxx**	**xxx**

3 USE OF GOODS AND SERVICES

	2015/16	2014/15
	Kshs	Kshs
Utilities, supplies and services	394,101=	xxx
Communication, supplies and services	737,799=	xxx
Domestic travel and subsistence	206,861,869=	xxx
Foreign travel and subsistence	2,217,350=	xxx
Printing, advertising and information supplies & services	8,148,166=	xxx
Rentals of produced assets	16,548,600=	xxx
Training expenses	766,468=	xxx
Hospitality supplies and services	19,727,528=	xxx
Insurance costs	25,482,314=	xxx
Specialized materials and services	0	xxx
Office and general supplies and services	7,882,641=	xxx
Other operating expenses	13,393,200	xxx
Routine maintenance – vehicles and other transport equipment	1,469,192=	xxx
Fuel oil and lubricants	2,416,000=	xxx
Routine maintenance – other assets	1,451,950=	xxx
Total	**307,497,178=**	**xxx**

4 OTHER GRANTS AND TRANSFERS

	2015/16	2014/15
	Kshs	Kshs
Other current transfers, grants	100,000=	xxx
Other capital grants and transfers	xxx	xxx
Total	**100,000=**	**xxx**

5 ACQUISITION OF ASSETS

Non Financial Assets	2015/16	2014/15
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	3,000,000=	xxx
Overhaul of Vehicles and Other Transport Equipment	Xxx	xxx
Purchase of Household Furniture and Institutional Equipment	xxx	xxx
Purchase of Office Furniture and General Equipment	1,539,000=	xxx
Purchase of ICT Equipment, Software and Other ICT Assets	4,248,898=	xxx
Purchase of Specialised Plant, Equipment and Machinery	4,973,075=	xxx
Total	**13,760,973=**	**xxx**

6 BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2015/16	2014/15
		Kshs	Kshs
CBK 1000201018 KSHS	Recurrent account	5,000=	Nil
COOP BANK 01141545120500 KSHS	Recurrent account	6,798,308.07=	34,514.52=
CBK 1000201029	Development account	Nil	Nil
Total		**6,803,308.07=**	**34,514.52=**

7 ACCOUNTS RECEIVABLE

	2015/16	2014/15
	Kshs	Kshs
Government Imprests	7,150,838.00=	xxx
Clearance Accounts	xxx	xxx
Staff Advances	xxx	xxx
Other Advances	xxx	xxx
Total	**7,150,838.00=**	**xxx**

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

8 FUND BALANCE BROUGHT FORWARD

	2015/16	2014/15
	Kshs	Kshs
Bank accounts	2,580,083=	xxx
Total	**2,580,083=**	**xxx**

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Q1	Q2	Q3	Q4
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	-	-	-	**14,242,500=**
ICT Equipment, Software and Other ICT Assets	-	-	-	**30,743,110=**
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	-	-	-	**44,985,610=**

ANNEX 2 – ANALYSIS OF OUTSTANDING IMPREST

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Abdul Mukhwana	2nd Feb 2016	165,850	-	165,850
Andrew Njirimani	13th June 2016	30,800	-	30,800
Beatrice Ilavonga	16th June 2016	3,350,376	-	3,350,376
Chris Mahandara	8th March 2016	1,327,400	-	1,327,400
Esther Ariko	16th June 2016	340,300	-	340,300
John Opondo	11th October 2015	95,862	-	95,862
Laban Atemba	20th June 2016	384,500	-	384,500
Patrick Kamwessar	10th May 2016	610,000	-	610,000
Pascal Mwanje	5th April 2016	727,500	-	727,500
Patrick Litaba	12th April 2016	20,000	-	20,000
Veronica Mangeni	9th Feb 2016	98,250	-	98,250
Total			-	**7,150,838**

ANNEX 3– BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report from IFMIS)