REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF MAKUENI

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY ASSEMBLY OF MAKUENI

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)

KENYA NATIONAL AUDIT OFFICE
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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Government is constituted as per the constitution of Kenya with two Arms of Government; The County Executive headed by the County Governor and the County Assembly, headed by the Speaker, who is responsible for the general, policy and strategic direction of the County Assembly.

(b) Key Management

The Makueni County Assembly day-to-day management is under the following key departments:

- County Assembly Legislative, Procedural and Committee services
- County Assembly Administrative services and
- County Assembly Budget, Finance and Accounting services.

(c) Fiduciary Management

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

No.	Designation	Name.
1.	Clerk – Accounting Officer	Mr. Edward Libendi
2.	Deputy Clerk	Mr. Robert Musyoka
3.	Finance Officer	Mr. Isaac Kiprono
4.	Head of Accounts	Mr. Francis Maitha
5	Senior Procurement Officer	Mr. Thomas Mutinda

(d) Fiduciary Oversight Arrangements

The main institution responsible for fiduciary oversight is the County Assembly through its respective house committees. These are the Finance and Planning Committee, the Budget and Appropriations Committee, the Public Investments and public Accounts Committee.
The County Assembly Service Board also plays a role in ensuring that internal controls are applied at all levels and stages of transactions. This entails budgetary oversight, implementation and monitoring role.

(e) Entity Headquarters

Former Defunct County Council offices,
Opposite Makueni County Building Headquarter,
Off Wote – Makindu Highway,
P.O. Box 572 – 90300,
MAKUENI, KENYA

Entity Contacts

Telephone: 0710761116/ 0731663505/ 020 2393005
E-mail: info@makuenicountyassembly.go.ke
Website: www.makueniassembly.go.ke

(f) Entity Bankers

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

2. Co-operative Bank
   P.O. Box 537
   Wote 90300
   Makueni, Kenya

(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

FORWARD BY THE CLERK OF THE ASSEMBLY

Section 164 of the Public Finance Management Act 2012 requires that at the end of each financial year, the Accounting officers for a County Government Entity shall prepare financial statements in respect to the entity in formats prescribed by the Public Sector Accounting Standards board and submit the entity's financial statements within three months after the end of each financial year to the Auditor General with copies delivered to the County Treasury, Controller of Budget and Commission on Revenue Allocation .

Performance of the County Assembly Budget

During this period the Makueni County Assembly received Ksh. 704 million from the County Revenue Fund. Out of this, 92 million was for Development and 611 million for recurrent. The County Assembly was able to absorb 97% of its recurrent budget and 81% of its development budget.

Performance of key development projects

The County Assembly development projects were to a great extent affected by the fire outbreak that gutted the County Assembly Chambers and upper office block. Re- adjustments had to be made to the office block under construction to accommodate a makeshift temporary chamber for the County Assembly. As such the initial projects had to be scaled down to accommodate the same. It also gave rise to a contingency to mitigate against the fire incident.

Challenges to Budget Implementation

The County Assembly experienced a number of challenges in implementation of the budget key among them the following:

- challenges in achieving full utilization of IFMIS key among them being;
    a) I sourcing module of procurement module was introduced which created a lot of confusion and consequently withdrawn to the E – Procurement model, during the period procurement of goods and services was affected, this was coupled with inadequate support from the National Treasury.
    b) Unstable internet connectivity coupled with unstable power supply in Wote town
    c) Payments in IFMIS made by the County Executive on behalf of the County Assembly, due to non access to the county executive accounts it was hard to reconcile payments made by the county Assembly on a monthly basis.
- The Commission on the dissolution of Makueni County proceedings taking place in the County affected the legislative agenda and oversight functions of the County Assembly. The proceedings ended on a positive note but during the period it was ongoing a lot of energy, time and efforts were expended in arguing the County Assembly's position on the matter and hence affected achievement of program outputs and targets for the County Assembly.

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 June 30TH 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 June 30TH 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 Government's financial statements were approved and signed by the Clerk of the County Assembly on 09/3/2017

Clerk of the County Assembly

09 MAR 2017

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Makueni County Assembly set out on pages 5 to 36, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and a statement of comparison of budget and actual amounts 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 accordance 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 Presentation, Accuracy and Completeness of the Financial Statements

The trial balance presented for audit in support of the financial statements balances for the year under review did not balance as it reflected an aggregate debit balance of Kshs.791,072,362 while credit balances totaled Kshs.826,582,814 leading to an unexplained variance of Kshs.35,510,452.
In the circumstances, the accuracy and completeness of the financial statements as at 30 June 2016 could not be ascertained.

2.0 Cash and Cash Equivalents

2.1 Maintenance of Cash Book

The County Assembly maintained three bank accounts during the year under review. However, the Assembly's manual cash books were not reviewed regularly by an officer other than the preparer contrary to the requirements of Section 147 (d) of the PFM Act, 2012. As a result, correction of errors of omission/commission were not noted on time. Further, the Cooperative Bank Account cash book was not updated for the month of July 2015 despite the bank reconciliation statement for the month showing a bank balance of Kshs.5,733,117 and a bank certificate balance of Kshs.5,965,072. In addition, cheque numbers 05572 to 05722 dated between 10 June 2016 and 28 June 2016 were posted in the cash book from 29 June 2016 after they were processed through the bank.

In view of these anomalies, the reliability, completeness and accuracy of the County Assembly's three cash book balances and, the cash and cash equivalents balance of Kshs.40,114,843 as at 30 June 2016 could not be ascertained.

3.0 Acquisition of Assets

Included in the acquisition of assets balance of Kshs.78,490,331 reflected in the financial statements are the sums of Kshs.263,261 and Kshs.5,575,011 all totaling to Kshs.5,838,272 reportedly incurred on acquisition of household furniture and specialized plant, equipment and machinery respectively. However, the two balances were not supported with schedules indicating the specific assets purchased, serial/registration number, date of purchase, delivery note/invoice number, supplier, procuring department and cost of purchase.

In the circumstance, the accuracy, existence and security of the assets stated at Kshs.5,838,272 as at 30 June 2016 could not be confirmed.

4.0 Irregularities in Constructions Works

4.1 Construction of Office Block phase II and Wall Padding

On 19 October 2015 the Makueni County Assembly advertised tender No. MCA/T/25/2015-2016 for construction of proposed County Assembly offices phase II and Tender No. MCA/T/26/2015-2016 for proposed wall padding, aluminium partitioning, gypsum and acoustic ceiling lining. The tenders were opened on 3 November 2015 and evaluated one week later on 11 November 2015. The lowest evaluated tenderers quoted Kshs.24,926,030 and Kshs.17,046,800 respectively. However, several anomalies were noted in relation to the tenders:

4.1.1 Office Block

Included in the Kshs.24,926,030 tender was a provisional sum of Kshs.540,000 set aside for expenses on general matters. The matters were however not specified. In the circumstance, the propriety and value-for-money for the expenditure amounting to Kshs.540,000 incurred on the works could not be confirmed.

4.1.2 Wall Padding and Other works

Tender documents for wall padding and other works indicated that the contract sum of Kshs.17,046,800 included a provisional sum totaling to Kshs.1,150,000. However, no documentary evidence was made available to show how the amount was spent even though the sum was paid to the contractor. Consequently, the propriety of the expenditure of Kshs.1,150,000 as at 30 June 2016 could not be confirmed.

4.2 Construction of 200 Persons Septic Tank and Drainage System

According to the Minutes of the tender evaluation committee meeting held on 5 May 2015, three firms quoted for the construction of a 200-person capacity septic tank and drainage system. The committee recommended award of the works to the lowest evaluated bidder at a contract price of Kshs.4,043,090. The Assembly entered into a contract with the firm on 3 June 2015 which was to run for a period of six (6) weeks ending 15 July 2015. The total contract sum was paid vide payment voucher No 2 for Kshs.2,074,500 dated 29 June 2015 and payment voucher number 5 dated 15 December 2015 for Kshs.1,968,590. However, verification of the tender document revealed that the contractor did not cater for project management provisions and contingencies all totaling to Kshs.300,000. No documents were made available to show how the amount was spent and as a result, the propriety of the expenditure incurred could not be confirmed.

4.3 Construction of Parking Bay and Landscaping

During the year under review, the Assembly contracted a firm to construct a parking bay and carry out Phase II of landscaping work at a contract sum of Kshs.2,492,776. However, the tender had two evaluation reports, one tender evaluation was done by four members who however did not indicate their individual scores. An additional evaluation report dated 18 March 2016 for the same works was found in the project file and was apparently carried out by one officer. The relationship between the two evaluation reports was not explained. The major works included excavations, packing hardcore and compacting and provision of chippings.

Physical verification carried out on 1 September 2016 revealed that the works were complete and the parking bay had been put into use. However, the chippings were not compacted as required in the Bills of Quantity (BQs). As a result, the chippings in sloppy areas were washed off by rain water. The BQ had set a provision of Kshs.150,000 for landscaping which however was not done and no information was provided as to whether landscaping would be carried out. Further, the BQ had an allowance of 10% for contingencies which translated to Kshs.249,277 but the respective expenditure documents were not availed for audit review.
In view of the foregoing, the propriety of the whole of the Kshs.2,492,776 expenditure incurred on the works could not be confirmed.

4.4 Construction of Cafeteria and Kitchen

The Assembly awarded the tender for the construction of Cafeteria and kitchen through restricted tender method to M/s Madulo Enterprises at a contract sum of Kshs.3,512,907 on 9 April 2015. However, site inspection on 2 September 2016 revealed that the kitchen work station shelves and the veranda floor were not completed. Further, the firm was paid the contract sum without deduction of 10% retention fees to mitigate project defect liabilities. In addition, no contract agreement and appointment letter to the tender opening committee were availed for audit review. Consequently, the propriety and value-for-money for the project worth Kshs.3,512,907 could not be confirmed.

5.0 Procurement of Specialized Services

5.1.1 Payment of Legal Fees

The County Assembly appointed a law firm to represent the Assembly at the commission of inquiry into the petition to suspend the Makueni County Government. The decision to appoint the law firm was made at a County Assembly Service Board (CASB) meeting of 22 April 2015. However, no Local Service Order was raised for the services. The hearings at the commission were to start on 24 April 2015 and subsequently the law firm issued a fee note referenced ONM/MKS/15/045 for Kshs.52,240,000. This amount was inclusive of Kshs.44,000,000 for unspecified and unsupported issues described as "care and labour required, length of papers perused, nature and importance of matter, interest of parties and complexity of this matter, research, time engaged, expenses in travel and accommodation and other special circumstances surrounding the matter". Other costs were Kshs.7,040,000 in respect to Value-Added-Tax (VAT), and Kshs.1,200,000 for disbursements including photocopies, travelling allowances, attendances and other projected fees. The basis and supporting documents for the legal fees were not provided for audit review.
In the circumstances, the propriety and value-for-money of the expenditure of Kshs.52,240,000 incurred on the legal firm could not be confirmed.

5.2 Procurement of Consultancy Services

During the year under review, the County Assembly contracted a firm to review standing orders and draft the Assembly's transport policy at a contract sum of Kshs.2,600,000. Payment was made vide payment vouchers numbers 162 of 30 July 2016 and 208 of 29 December 2015 for Kshs.1,300,000 each and Minutes of CASB of 22 October 2015 showed that the transport policy was finalized and approved by CASB for use by the County Assembly. However, despite the approval, the policy

had not been implemented as at the time of the audit in November, 2016 which was more than one (1) year after its approval. No reasons were provided for failure to implement the policy.

In the circumstance, value-for-money for the expenditure of Kshs.2,600,000 as at 30 June 2016 could not be confirmed.

5.2.1 Procurement of Insurance Services

The County Assembly spent Kshs.28,792,247 on insurance services as at 30 June 2016 comprising of general insurance of Kshs.1,681,605, motor vehicle insurance of Kshs.1,399,233, and medical insurance of Kshs.25,711,409, of these, Kshs.25,711,409 medical insurance costs comprised of two covers - one for the group medical cover for MCA's and a separate cover for the staff being provided by the Britam Insurance Company and paid as follows:

Date	Payee	PV No.	Amount (Kshs)
19.8.2015	Britam Insurance Company Limited	68	12,728,447
8.4.2016	Britam Insurance Company Limited	1059	8,283,914
8.4.2016	Britam Insurance Company Limited	1060	4,699,047
Total			**25,711,409**

However,

i. Payment voucher number 68 of Kshs.12,728,447 indicated that it was a final payment for 2015/16 financial year medical insurance cover premiums for both MCA's and Staff. Further, the payments indicated in the table as numbers 1059 and 1060 of Kshs.8,283,914 and Kshs.4,699,048 respectively were insurance covers for six months beginning January 2016 to June 2016. In addition, Contracts and policy documents were not made available to clarify the payments as these were alleged to have been burnt following a fire incident in one of the County Assembly buildings during the year.

ii. Payment vouchers numbers 1059 and 1060 of Kshs.8,283,914 and Kshs.4,699,048 respectively were supported by Local Service Order (LSO) numbers 1221187 and 1221186 respectively dated 16 March 2016 and invoice numbers 522015 and 522016 respectively dated 18 February 2015. However, the invoice date of 18 February 2015 and LSO date of 16 March 2016 implied that the services were invoiced before they were ordered.

In the circumstances, the propriety of the expenditure of Kshs.28,792,247 incurred on insurance services as at 30 June 2016 could not be confirmed.

5.2.2 Insurance Indemnification for the Burnt Building

The main County Assembly building was destroyed by fire on 7 March 2016. The fire report by the Chief Engineer Mechanical dated 7 April 2016 indicated the cause of the fire to have been faulty power supply (UPS) equipment. The building was insured through APA Insurance Company at a sum assured of Kshs.74,000,000, out of which Kshs.40,000,000 was for the building and Kshs.34,000,000 was for the equipment therein. However, no documents were presented to support the assertion. Further, only Kshs.44,274,712 had been indemnified by the insurance company as

at 30 September 2016, six months after the fire occurred. The process of restoring the building had not started and it was not possible to ascertain that the Kshs.44,274,712 would be enough to put up the building. Compensation for equipment had not been done.

In the circumstances, it has not been possible to confirm when the process of rebuilding the burnt building will begin and whether the Kshs.44,274,712 will be sufficient to restore the burnt building.

6.0 Motor Vehicles

6.1 Purchase of Motor Vehicle

The County Assembly Service Board, in its sitting held on 12 February 2016, resolved to purchase a Mitsubishi Pajero Sport vehicle 2.5L through the Government Supplies Branch contract. Local Purchase Order (LPO) number 2532006 dated 5 May 2016 for Kshs.4,652,000 was however issued to Simba Corporation for supply of the vehicle. No reasons were provided as to why the Assembly single sourced the vehicle from Simba Corporation. Although a saving of Kshs.804,000 was made on purchase of the vehicle from the supplier as opposed to the Government Supplies Branch, the purchase ought to have been subjected to competition through open tender method of procurement as provided under Section 91 of the Public Procurement and Disposal Act, 2015. Further, the pre-inspection and vehicle logbook report were not made available for verification.

In the circumstance, the propriety and value-for-money for the Kshs.4,652,000 expenditure as at 30 June 2016 could not be confirmed.

6.2 Motor Vehicle Operating Expenses

6.2.1 Un-supported Fuel Expenditure

Included in the fuel, oil and lubricants balance of Kshs.6,330,445 as at 30 June 2016 was Kshs.1,820,811 (Appendix 2) for fuel that was not recorded in the fuel register. Further, the fuel consumed was not supported by fuel card receipts and card consumption statements indicating particulars of the vehicle(s) which consumed the fuel and vehicle work tickets.

In the circumstance, the propriety of the expenditure of Kshs.6,330,445 as at 30 June 2016 could not be confirmed.

6.2.2 Un-supported Maintenance of Motor Vehicles

Included in the routine maintenance of motor vehicles expenditure of Kshs.3,715,875 was expenditure of Kshs.1,263,549 which was not properly supported by pre-inspection reports and quotations from prequalified garages. Further, purchases of tyres worth Kshs.445,000 were not supported by delivery notes, requisitions from the users, pre-inspection and acceptance committee reports and specifications of the tyres were not provided. In addition, the tyres were procured through different purchase orders (splitting of orders) contrary to the Public Procurement and Disposal Act, 2015. In the circumstances, the propriety of the expenditure of Kshs.3,715,875 incurred on maintenance of vehicles and purchase of tyres could not be confirmed.

7.0 Foreign Travel and Accommodation

7.1 Tour of Mauritius

The Members of County Assembly and staff travelled to Mauritius on 15 to 22 August 2015 for a visit to the National Assembly. The participants were paid allowances of Kshs.2,065,426 and air tickets of Kshs.1,694,620 all totaling to Kshs.3,569,941. However, the budget for the trip was not made available for audit review. Further, a letter referenced NA/1090/A dated 30 July 2015 from the clerk of the National Assembly of Mauritius indicated that the National Assembly would be on recess on the dates of the visit. In view of these anomalies the propriety and value-for-money of the expenditure of Kshs.3,569,941 as at 30 June 2016 could not be confirmed.

7.2 London Trip

The speaker, Makueni County Assembly, nominated one MCA to attend an International executive program on legislative procedures for members of parliament held at Hilton Hotel London between 9 and 13 November 2015. A payment of Kshs.294,372 was paid to the MCA vide imprest warrant number 1949187 dated 22 October 2015 for accommodation for six days. However, no participation certificate has been made available to show participation and attendance of the program.
As a result, the propriety of the Kshs.294,372 expenditure as at 30 June 2016 could not be confirmed.

7.3 Travel to Boston, USA

Two members of the County Assembly were nominated by the speaker to attend the 4 International Conference on Participatory Budgeting in Boston - North America from 20 May 2016 to 22 May 2016 at a total cost of Kshs.1,488,240. Each member was paid Kshs.273,310 to cater for accommodation while the air tickets were paid to Mara Ways Tours at a cost of Kshs.941,620. However, certificates of participation and back-to-office reports were not made available for audit review.
In the circumstance, the propriety and value-for-money of the Kshs.1,488,240 expenditure as at 30 June 2016 cannot be confirmed.

7.4 Malaysia Tour

Four members of staff were nominated to participate in an international attachment program held at the parliament of Malaysia in Kuala Lumpur from 14 to 18 December 2015. The accommodation allowance requested vide letter referenced HR/CA/GEN/Vol.I/34 dated 09 November 2015, from human resource to the clerk, totaled Kshs.1,115,295. However, evidence of travel by the four participants, such as entry visas and the costs thereof have not been made available for audit review. In addition, the objective of the trip and the intended benefits were not disclosed. Consequently, the propriety and value-for-money for the expenditure of Kshs.1,115,295 as at 30 June 2016 cannot be confirmed.

7.5 Dubai Trips

(i) The Speaker's Trip

The Speaker of the Makueni County Assembly attended a governance, leadership and integrity programme held at Sheraton Deira Hotel, Dubai between 20 and 27 September 2015 and was thus issued with an imprest of Kshs.619,920 vide warrant number 1949162 of 16 September 2015. However, the program which was organized by the Pan African Institute of Management and Governance Limited required an entry fee of Kshs.275,000 to be paid by 14 September 2015. Further, this date had already passed by the time the imprest was processed on 16 September 2015. In addition, no receipt has been made available to show that the training fee was indeed paid. Also, no certificate of participation was availed to support attendance. In the circumstance, the propriety of the expenditure of Kshs.619,920 as at 30 June 2016 could not be confirmed.

(ii) MCA's Trip

Two Members of County Assembly were nominated to attend a governance and leadership program in Dubai as from 23 to 26 November 2015. The two were paid a total of Kshs.676,872 for accommodation allowance. However, audit verification revealed the program was organized by Elevate International whereby Kshs.250,000 was payable for each participant all totaling Kshs.500,000. However, no supporting documents have been made available to show that the entry fee was paid. Further, no certificates of participation and back-to-office reports have been made available for audit.

Consequently, the propriety and value-for-money of the two Dubai trips that cost Kshs.2,071,792 in aggregate cannot be confirmed.

7.6 Singapore Tour

Four members of the County Assembly and one staff went on a study visit to the Parliament of Singapore on 28 November to 5 December 2015. The participants were paid Kshs.1,930,860 being accommodation allowance. However, no invitation letters were availed for audit review. Under the circumstance, the propriety and value-for-money of the expenditure of Kshs.1,930,860 as at 30 June 2016 could not be confirmed.

8.0 Irregular Payment of Allowances

8.1 Domestic Travel and Subsistence

Included in the domestic travel and subsistence expenditure of Kshs.82,385,636 was Kshs.6,984,752 and Kshs.17,367,999 for mileage claims and daily subsistence expenses respectively all totaling to Kshs.24,352,751 (Appendix 4). However, mileage allowances were not supported by any circulars from the salaries and remuneration commission. Further, the payments were not supported by relevant documentation including back to office reports, attendance register and evidence of travel by staff.

As a result, the propriety of the expenditure of Kshs.24,352,751 could not be confirmed.

8.2 Double Payments of Subsistence Allowances

During the year under review, Kshs.1,030,565 was paid to ten (10) MCA's and a driver in respect of per diems and mileage for taking part in inspection of water projects, attending the Mombasa International Show, participating in a bench marking exercise in Kericho County and conducting public participation activities. However, included in the payments were two (2) night-outs paid out to four (4) MCAs and a driver of which one day was for taking part in inspection of water projects in the County on 27 August 2015 while at the same time another night-out was for attendance at the Mombasa International Show on 27 August 2015. In addition, two of the MCA's and the driver were paid another night-out while attending a bench-marking exercise in Kericho County on the same day on 27 August 2015. It was not possible to ascertain how the MCAs and the driver could be in the County inspecting projects, at the Mombasa International Show and attend a bench marking exercise in Kericho in one day on 27 August 2015. Each MCA, and the driver, were paid Kshs.8,400 and Kshs.6,300 respectively for each assignment.

Further, six (6) other MCA's were paid two (2) night-outs for participating in a public participation exercise and also for attending a KEPHRA meeting both of which took place on 18 June 2016 leading to an extra night-out of Kshs.8,400 each. In the circumstances, the propriety of the expenditure of Kshs.1,030,565 (tabulated in Appendix 1 of this report) could not be confirmed.

9.0 Public Participation

9.1 Imprest for Public Participation

The finance and socio-economic planning committee of the County Assembly of Makueni through an internal memo dated 29 April, 2016 requested the department of finance to process payments totaling Kshs.718,803 being per diem to MCAs for the public participation in County Finance Bill 2016 activities between 9 - 11 May 2016. However, no imprest warrants and attendance registers were availed for audit review.

In the circumstance, the propriety of the expenditure of Kshs.718,803 could not be confirmed.

9.2 Public Participation Programme

During the financial year 2015/2016, the management issued imprests to various staff and MCAs all totaling to Kshs.2,755,732 (as shown in Appendix 3 of this report) for the procurement of transport services, refreshments and hire of social hall for public participation programs. These are as analyzed in appendix 4 attached. However, no imprest warrants were used making accountability for the amounts hard and impossible. Further, the procurement of these goods and services were not competitively sourced.
In the circumstance, the propriety of the expenditure of Kshs.2,755,732 as at 30 June 2016 could not be confirmed.

10.0 Pending Accounts Payables

Note 17.2 and 18.2 to the financial statements indicates pending Accounts payables balance of Kshs.38,794,531 and Kshs.10,815,114 for goods/services and staff payables respectively. However, no supporting documents were provided for audit review. Further, Annex 2 to the financial statements shows payments totaling Kshs.10,253,305 made to various persons but which have similarly not been supported.

In the circumstance, the authenticity and value for money of the accounts payables balance of Kshs.49,609,645 as at 30 June 2016 could not be confirmed.

11.0 Prior Year Adjustments

The previous year's adjustment of Kshs.39,024,944 reflected in the statement of assets, the cash flow statement and Note 17.1 to the financial statements is not supported or explained. Though its shown as surrender of cash balance brought forward, the utilization of the funds and documents accounting for the respective expenditures have not been provided for audit review. As a result, the validity and accuracy of the adjustment of Kshs.39,024,944 cannot be confirmed.

12.0 County Assembly Car Loan Fund Account

Included in the transfers to other government entities balance of Kshs.64,662,000 was Kshs.64,600,000 for the County Assembly car loan fund account. However, the County Assembly did not prepare financial statements for the Loan Fund as required under regulations establishing the Fund and as a result it has not been possible to confirm the financial position of the Fund as at 30 June 2016.
In the circumstance, the accuracy of the financial statements as at 30 June 2016 cannot be confirmed.

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, in all material respects, the financial position of Makueni County Assembly 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 do not comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

Other Matter

1.0 Budgetary Control and Performance

The County Assembly's approved budget for the year under review totaled Kshs.704,242,781 comprised of a recurrent budget of Kshs.611,877,328 and a development budget of Kshs.92,365,453.

1.1 Recurrent Budget

Out of the total recurrent budget of Kshs.611,877,328 for the year under review, the Assembly had spent Kshs.603,347,896 as at 30 June 2016 thus resulting to an under-expenditure of Kshs.8,529,433. Therefore, the County Assembly's overall absorption rate was 99%. The recurrent budget analysis is as shown below:

Recurrent Budget Analysis

Component	Total Budget Kshs.	Total Actual Expenditure Kshs	Variance Kshs.	Performance %	Budget Allocation (%)
Basic salaries - permanent employees	137,011,944	136,736,681	275,263	100%	22%
Basic wages - temporary employees	31,515,500	31,437,500	78,000	100%	5%
personal allowances paid as part of salaries	127,779,508	125,891,935	1,887,573	99%	21%
Employer contribution to compulsory national social security schemes	7,249,600	6,956,666	292,935	96%	1%
Govt pension and retirement benefits	16,570,831	16,550,880	19,950	100%	3%
Utilities supplies and services - (electricity, water charges)	1,180,000	1,176,110	3,890	100%	0%
Communication supplies and services	2,813,300	1,833,536	979,765	65%	0%
Domestic travel & subsistence, and other transportation costs	86,738,502	86,414,962	323,540	100%	14%
Foreign travel & subsistence, and other transportation costs	16,776,639	16,606,277	170,362	99%	3%
Printing, advertising and information supplies and services	3,732,154	2,937,229	794,924	79%	1%
Rentals of produced assets	3,900,000	3,900,000	-	100%	1%
Training expenses	6,699,087	6,685,727	13,360	100%	1%
Hospitality supplies and services	21,944,500	20,977,635	966,865	96%	4%
insurance costs	28,885,729	28,792,248	93,481	100%	5%
Specialised materials and supplies	612,300	607,856	4,444	99%	0%
Office and general supplies	7,257,000	6,474,947	782,053	89%	1%

Fuel oil and lubricants	6,389,002	6,330,445	58,557	99%	1%
Other operating expenses	91,495,642	90,660,446	835,196	99%	15%
Routine mtce - vehicles	5,058,840	4,456,407	602,433	88%	1%
Routine mtce - other assets	1,606,250	1,511,403	94,847	94%	0%
Purchase of vehicles	4,652,000	4,652,000	-	100%	1%
Purchase of household furniture and institutional appliances	300,000	263,261	36,739	88%	0%
Purchase of office furniture and general equipment	1,289,000	1,288,997	3	100%	0%
Purchase of specialised plant, equipment and machinery	420,000	204,750	215,250	49%	0%
	611,877,328	**603,347,897**	**8,529,431**	**99%**	100%

Four items with a combined budget of Kshs.443,025,596 representing 72% of the total recurrent budget recorded total under-expenditure of Kshs.3,321,572. The operating expenses comprised of various sub-items including legal fees, consultancy services and membership fees and subscriptions to professional bodies. These are summarized in the following table:

Item	Total Budget (Kshs)	Total Expenditure (Kshs)	Variance (Kshs)	Performance %
basic salaries - permanent employees	137,011,944	136,736,681	275,263	100
personal allowances paid as part of salaries	127,779,509	125,891,935	1,887,573	99
domestic travel & subsistence, and other transportation costs	86,738,502	86,414,962	323,540	100
other operating expenses	91,495,642	90,660,446	835,196	99
Total	**443,025,597**	**439,704,024**	**3,321,572**	

No plausible explanation has been provided for the under-expenditure.

1.2 Development Expenditure

Out of the total development budget of Kshs.92,365,453 for the year under review, the County Assembly spent Kshs.75,185,582 as at 30 June 2016 representing an absorption rate of 81%. The major projects undertaken were as follows:

Development Expenditure	Total Budget (Kshs)	Total Expenditure (Kshs)	Variance (Kshs)	Performance %
Emergency Contingency - Fire Disaster	6,500,000	2,898,391	3,601,609	45
Construction Of Residential Bldng - Construction Speakers	2,747,000	-	2,747,000	0

House				
Construction - Dvpmnt Of Offices And Committee Rooms	13,233,000	13,230,675	2,325	100
Contruction Of Non Residential Bldng - Office Block Phase 2	27,600,000	26,204,938	1,395,061	95
Construction Of Non Residential Blding Bal B/F 2014/15	13,952,552	13,838,514	114,038	99
Civil Works - Refurbishment Of Office	2,520,000	2,260,084	259,916	90
Construction Of Cafeteria And Equiping	4,900,000	3,324,468	1,575,531	68
Construction Of Cafeteria And Equiping Bal B/F 2014/15	963,681	963,681	-	100
Temporary Chamber	4,500,000	4,450,020	49,980	99
Other Civil Works - Installation Of Air Conditioning Office Block	5,000,000		5,000,000	0
Civil Works -Construction Of Parking Slots	2,700,000	2,266,160	433,840	84
Civil Works - Installation Of Radio Reception Mast (IFMIS) Bal B/F 2014/15	378,650	378,650	-	100
Purchase Of Generator Bal B/F 2014/15	5,370,570	5,370,000	570	100
Acquisition Of Land For Construction Of Speakers House	2,000,000		2,000,000	0
Sub Total Development	92,365,453	75,185,582	17,179,871	81

However, development programs/projects budgeted at Kshs.17,179,871 were not undertaken. These included construction of the speakers' residence at a cost of Kshs.2,747,000 and acquisition of land for the speaker's house at Kshs.2,000,000. The Salaries and Remuneration Commission (SRC) requires that the speaker be provided with accommodation, and therefore failure to implement this project has delayed the privilege due to the Speaker.

Further, a sum of Kshs.5,000,000 was allocated for the installation of air-conditioners for the administration block. However, the administration block was still under construction and therefore the equipment could not be installed.

In the circumstance, the intended beneficiaries did not get value-for-money for projects worth Kshs.17,179,871 not implemented as at 30 June 2016.

2.0 Internal Audit

The County Assembly did not have an internal audit function contrary to the requirements of the Public Finance Management Act, 2012 Section 155.

Under the circumstance, the reliability of the internal controls in place as at 30 June 2016 could not be confirmed.

3.0 Casuals in Ward Offices

The Human Resource department did not maintain updated personal files for staff working in Ward Offices. Although all members of the County Assembly were requested to provide employment documents from all Ward staff vide letter dated 12

April 2016, only three (3) Wards out of 30 complied yet monthly payments continued to be made.

Further, Ward employee turnover is high and therefore in absence of records showing entry and exit dates of these employees, presuming they were not ghost workers, could not be established.
In the circumstance, the authenticity of staff working in the various Ward Offices and compensation paid to them during the year ended 30 June 2016 could not be confirmed.

4.0 Regional Representation

Review of the staff biodata revealed skewed regional representation in the County Assembly of Makueni. The County Assembly has a total of 149 employees who represent only 7 ethnic communities of the country. Out of the total 149 employees, 140 (94%) come from the dominant ethnic community in the area. The remainder a (6%) are distributed as tabulated below:

Ethnic Community	Number of Employees	Percentage %
Kamba	140	94
Meru	1	0.7
Kisii	2	1.3
Luhya	3	2
Taita	1	0.7
Luo	1	0.7
Kalenjin	1	0.7
Total	**149**	**100%**

As the data shows, the County Assembly did not ensure that at least 30 % of its employees were from ethnic communities other than the dominant indigenous community as required by the County Government Act, 2012.
In the circumstance, the Assembly breached the County Governments Act, 2012.

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

Nairobi

15 August 2017

Appendix 1: Double Claim Kshs.1,030,565

Date	Payee	Pv no	Item description	Payment Details	Amount (Kshs.)
18.12.2015	Hon Francis Mutuku,Hon Schola Roymond, Hon Agnes Mailu, Hon Elizabeth Muasya, John Mazeras driver	323	Paid per diem and Milleage for taking part in inspection of Water projects in the County **on 27th August 2015**	Per diem each Hon member Ksh.8,400 a total of 33,600 and driver Ksh.6,300.Milleage of 19,766 for Raymond and Agnes **.Total expenditure Ksh.59,666**	59,866
29.9.2016	As above including others	84	Per diem and Milleage payments for the MCA'S who attended Msa International show **between27th August 2015** when the particular mcas were at the same time involved in Water projects inspection. This means that the officers never attended the show or the inspection	Hon F Mutuku Ksh.42,000 Hon Elizabeth Muasya Ksh.82,000 Hon Agness Mailu Ksh.74,090 Hon scholasticah Ksh.74,938 Driver Mazeras Ksh.18,900 **Total Ksh.291,928**	291,928
29.9.2015	Hon Benard Musau,Hon Joseph Muasya,Hon Francis Mutuku,John Mazeras driver	81	Per diem and Milleage paid to the mentioned persons for Benchmarking in Kericho County on **24-27th August 2015.While** at the same date being involved in other two different activities in different places	Hon B Muasu Ksh.74,000 Hon Francis Mutuku Ksh.25,200 Hon Joseph Muasya Ksh.71,208 Mazeras Ksh.12,600. **Total Ksh.183,008**	183,003
24.7.2015	Hon Martin Mutuku,Hon Julius Mwalali,Hon Josiah Kavita,Hon Sammy Maseka,Hon Gideon Mwango,Hon Francis Mutungi	34	Per diem and Milleage while attending a KEPHRA meeting between 18-21st June 2015(Kenya Parliamentary Human Rights Association)	Hon Martin Ksh.70,354 Hon Julius Ksh.57,045 Hon Josiah Ksh.67,528 Hon Sammy Ksh.70,291 Hon Gideon Ksh.73,243 Hon Francis Ksh.42,000 Total Ksh.380,000	380,000
26.8.2015	Hon Sammy Maseka,Hon Martin Mutuku,Hon Julius	41	Subsistence and Milleage payment to the officers	Josiah-Ksh.24,520 Mutungi Ksh.12,000 Maseka Ksh.25,875	115,963

	Mwalali, Hon Gideon Mwango,Hon Francis Mutungi,Hon Josiah Kavita		while conducting a public participation on 18.6.2016 when at the same time were attending a KEPHRA MEETING	Mwango Ksh.27,323 Mwalali Ksh.26,245 .Total Ksh.115,963	
TOTAL					**1,030,565**

Appendix 2 – Fuel Expenses

Cheque No	Date	Payee	Details	Amount	Test Results
786	13.6.2016	Upperland petrol station	Supply of Fuel	269,750	-Fuel register not posted -Fuel card expenditure receipts not availed -Fuel card statements also not availed as well as worktickets
446	31/3/2016	Total Kenya ltd	Supply of Fuel	270,000	=do=
781	13.6.2016	Upperland P Station	Supply of Fuel	79,640	=do=
778	13.6.2016	Upperland P Station	Insurance Premium	51,808	=do=
856	24.06.2016	Upperland P Station	Supply of Fuel	39,613	=do=
349	27.01.2016	Total Kenya Ltd	Supply of Fuel	150,000	=do=
348	29.1.2016	Total Kenya Ltd	Supply of Fuel	280,000	=do=
136	30.10.2015	Total Kenya Ltd	Supply of Fuel	340,000	=do=
172	24.11.2015	Total Kenya Ltd	Supply of Fuel	340,000	=do=
Total				**1,820,811**	

Appendix 3: Use of Cash to Procure Goods and Services for Public Participation Activities

18.11.2015	Makueni County Assembly			438	40,000.00
18.11.2015	Makueni County Assembly- Kithale			439	40,000.00
18.11.2015	Hon. Stephen Masaku			440	40,000.00
18.11.2015	Hon.Francis Mutuku			441	40,000.00
18.11.2015	Hon.Shadrack Nzamu			442	40,000.00
18.11.2015	Hon.Francis Mutungi			443	40,000.00
18.11.2015	Hon.Julius Mwalali			444	40,000.00
18.11.2015	Hon.Martin Mutuku			445	40,000.00
18.11.2015	Hon.Josiah Kavita			446	40,000.00
18.11.2015	Hon.Benard Kiswii			447	40,000.00
18.11.2015	Hon.Jonathan Mutua Ndungi			448	40,000.00
18.11.2015	Hon.Bensley Mathuku			449	40,000.00
18.11.2015	Hon.Sammy Maseka			450	40,000.00
18.11.2015	Hon.Cosmas Kaleli			451	39,250.00
18.11.2015	Hon.Samson Vaati			452	40,000.00
18.11.2015	Hon.Dickson Mutaiti			453	40,000.00
19.11.2015	Hon. Jackson Wambua			455	34,200.00
19.11.2015	Hon. Joseph Musya			455	22,650.00
23.11.2015	Hon. Jonathan Muthoka			464	40,000.00
23.11.2015	Hon. Stephen Mutiso			482	40,000.00
24.11.2015	Hon. Timothy Maneno			490	40,000.00
24.11.2015	Hon. Paul Malinda			491	40,000.00
1.12.2015	Hon. Stephen Ngelu			504	109,600.00
2.12.2015	Various			511	30,556.40
4.12.2015	Maraways Tours Travels			530	210,000.00
15.12.2015	Hon Mutinda Mwangangi			573	40,000.00
15.12.2015	Hon Mutinda Mwangangi			574	20,000.00
15.12.2015	Hon John Mwenze			584	40,000.00
13.6.2016	Hon.Samson Vaati			1436	50,000.00

13.6.2016	Hon.Christant Vaati			1437	49,000.00
13.6.2016	Hon.Paul Malinda			1438	40,500.00
13.6.2016	Hon.Stephen Masaku			1439	50,000.00
13.6.2016	Hon.Benard Kiswii			1440	50,000.00
13.6.2016	Hon.Josiah Kavita			1441	40,000.00
13.6.2016	Hon.Jackson Wambua			1442	50,000.00
13.6.2016	Hon.Joseph Musya			1443	50,000.00
13.6.2016	Hon.Jackson Ngovi			1444	50,100.00
13.6.2016	Hon.Jonathan Mutua Ndungi			1445	50,000.00
13.6.2016	Hon.Timothy Maneeno			1446	40,000.00
14.6.2016	Hon.Julius Mwalali			1458	50,000.00
16.6.2016	Hon.Philip Kisangai			1472	50,000.00
16.6.2016	Hon.Bensley Mathuku			1473	50,000.00
20.6.2016	Hon.Patrick Kithale			1484	50,000.00
20.6.2016	Hon.Shadrack Mwau			1485	50,000.00
20.6.2016	Hon.Mutinda Mwangangi			1486	50,000.00
20.6.2016	Hon.Cosmas Kaleli			1487	50,000.00
20.6.2016	Hon.Francis Mutungi			1488	50,000.00
20.6.2016	Hon.John Mwenze			1489	50,000.00
16.6.2016	Various			1478	35,776.00
16.6.2016	Hon.Francis Mutuku			1491	50,000.00
20.6.2016	Hon.Caroline Munanie			1492	50,000.00
20.6.2016	Hon.Jonathan Muthoka			1493	50,000.00
22.6.2016	Hon.Martin Mutuku			1513	50,000.00
22.6.2016	Hon.Sammy Maseka			1523	50,000.00
23.6.2016	Hon. Benard Musau			1525	40,000.00
27.6.2016	Hon.Dickson Mutaiti			1529	40,100.00
29.6.2016	Hon.Benard Musau			1571	50,000.00
29.6.2016	Hon.Mutinda Mwangangi			1572	24,000.00
29.6.2017	Hon.Stephen Mulei			1621	50,000.00
	TOTAL				**2,755,732.00**

Appendix 4: Daily Subsistence Allowances

Date	Payment Voucher no.	Payee	Description	Mileage	Daily Subsistence Allowance (DSA)	Total	Observations
19.12.2016	324	Clerk	Public participation on 17-19/8/2015	505,248	589,500	1,094,748	Mileage not supported by SRC Circular
18.12.2015	333	Clerk	Meeting Deputy president at Konza techno City	908,983		908,932	Attendance register lacking, invitation letter from the DP office
18.12.2015	332	Clerk	Benchmarking in Kiambu on 3-5/9/2016	403,904	898,000	1,302,789	Back to office Report, Mileage not supported by SRC circular
30.5.2016	681	Various	Meeting with the president 26/4/2016	407,662	959,000	1,366,661	Invitation letter lacking/mileage not supported by SRC Circular
18.5.2016	687	Various	Induction retreat on 6th&7th April 2016 NRB	107,389.44	621,600	828,989	Facilities' fees Ksh.100,000 not supported/mileage/venue not indicated
18.12.2015	330	Various	Workshop at MSA ON 15TH-20TH Sai Rock hotel	1,332,884	660,800	1,993,684	Mileage issue as above
25.2.2016	425	Various	Mileage for business committee on retreat at an undisclosed venue on 18th-21st/2/16 in Mombasa	865,817	0	865,817	No attendance register/venue not disclosed/minutes not availed
18.12.2015	340	Various	Mileage and per diem on retreat for Finance committee in Sai rock Mombasa on 18th-22/11/15	296,730	842,000	1,139,530	Booking at the hotel not availed/back to office report lacking
30.5.2016	775	Julius Nzau	Per diem for MCA'S and staff while attending a retreat at MSA Beach Hotel 0n 17,18,&19 April 2016		898700	898,700	No attendance register/back to office report
30.5.2016	715	Francis Muvengei	Benchmarking to Nairobi Assembly on 5/4-8/4/16		312,800	312,800	Transport bus tickets not dated /has no names/Back to office report lacking

30.5.2016	729	Eucabeth Mercellah	County Assemblies Forum meeting in Nairobi on 9th and 10th March 2016		257,600	257,600	DSA paid for 4 days instead of 2/Proof of travel lacking/attendance register
30.4.2016	503	Tabitha Waita	Retreat at Mombasa for Budget discussion on 8-12/march 2016 3 days DSA for 31no staff and 46 MCA'S hotel not specified, no proof of travel	0	856,100+1,982,000 +361,900	3,116,400	Ksh.361,900 extra dsa paid without any reason or justification
30.5.2016	741	Tabitha Waita	House business committee sitting 0n 18-21/2/2016 at Mombasa for 29 MCAS for 3 days and15 no staff		1,705,200	1,705,200	No proof of travelling, venue not indicated
27.10.2015	164	Various	Workshop at MSA on 15-20.Oct for 38 no staff, and 48 mcas at Sai rock-Mombasa-No proof of travel, no programs, no facilitators, Single sourcing of the venue		4,188,800	4,188,800	No proof of travel, no programs,
29.9.2015	73	Clerk	PAC Interrogation of 2013/14 Audit report on 31.8-1.9.2015 at Sai rock Mombasa	691,600	181,399	873,060	Proof of travel by staff, proof of booking of the hotel.
29.2.2016	442	Clerk	Retreat workshop in Mombasa on 27th-30/1/2016 at undisclosed venue	1,021,398		1,021,398	Attendance register lacking/mileage issue, venue not indicated
28.2.2016	430	Various	Attending a burial in Mombasa on10-11/10/2015	34,347	107,700	278,792	No attendance Register
12.4.2016	500	Various	Visiting victims of Standard Gauge Railway on4-5/4/2016		224,000	224,000	Mode of transport
26.8.2015	42	Clerk	Public participation 2015/16 budget on 18-24 June 2015	181,555	119,500	300,555	Attendance register lacking mileage not supported by SRC Circulars

30.5.2016	717	Joshua Kavulanya	Departments Budget review at Hotel Lamanda Nairobi on 17-18 April 2016	18,000 transport	480,000	498,200	Proof of travel(bus tickets)
18.12.2015	1326	Clerk	Retreat for procedures and rules committee on1-5/9/2015 at hotel lamanda Nairobi	83,724.60	579,600	663,324	Back to office Report, mileage issue.
30.6.2016	890	Stephen Musyoki	Assembly budget and appropriations committee meeting at Mombasa on 6th April 2016	125,510	541,800	667,310	Venue of the meeting not specified, no attendance register
Total				**6,984,752**	**17,367,999**	**24,352,751**	

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015/16 Kshs	2014/15 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	704,232,782	515,836,085
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	75,514,439	1,237,000
TOTAL RECEIPTS		**779,747,221**	**517,073,085**
PAYMENTS			
Compensation of Employees	4	317,573,662	247,888,512
Use of goods and services	5	271,867,702	183,301,582
Subsidies	6	-	-
Transfers to Other Government Entities	7	64,662,000	1,237,000
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	78,490,331	45,766,759
Finance Costs	11	6,297,439	-
Other Payments	12	7,448,391	-
TOTAL PAYMENTS		**746,339,525**	**478,193,853**
SURPLUS/DEFICIT		**33,407,696**	**38,879,232**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 09/03 ...2017..... and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

09 MAR 2017
P. O. BOX
MAKUENI

II. STATEMENT OF FINANCIAL ASSETS

	Note	2015/16 Kshs	2014/15 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	40,114,843	44,688,577
Cash Balances	13B	-	-
Total Cash and cash equivalents		**40,114,843**	**44,688,577**
Accounts receivables – Outstanding Imprests	14	13,200	-
TOTAL FINANCIAL ASSETS		**40,128,043**	**44,688,577**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	6,720,750	5,664,036
NET FINANCIAL ASSETS		**33,407,293**	**39,024,541**
REPRESENTED BY			
Fund balance b/fwd	16	39,024,541	8,076,450
Surplus/Defict for the year		33,407,696	38,879,232
Prior year adjustments	17.1	-39,024,944	-7,931,142
NET FINANCIAL POSITION		**33,407,293**	**39,024,540**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 09/03/ 20...17..... and signed by:

Clerk of the Assembly D/Clerk 09 MAR 2017 P. O. BOX 1 MAKUENI

Chief Finance Officer – County Assembly

III. 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	704,232,782	515,836,085
Other Receipts	3	75,514,439	1,237,000
Payments for operating expenses			
Compensation of Employees	4	-317,573,662	-247,888,512
Use of goods and services	5	-271,867,702	-183,301,582
Subsidies	6	-	-
Transfers to Other Government Entities	7	-64,662,000	-1,237,000
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	-6,297,439	-1,237,000
Other Payments	12	-7,448,391	-
Adjusted for:			
Adjustments during the year		13,200	-
Changes in receivables		1,056,714	1,128,110
Changes in payables			
Adjustments during the year	17.1	-39,024,944	-7,931,142
Net cash flows from operating activities		**73,916,597.00**	**45,766,759**

CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	78,490,331	45,766,759
Net cash flows from investing activities		**78,490,331**	**45,766,759**
NET INCREASE IN CASH AND CASH EQUIVALENT		**-4,573,734**	**32,076,200**
Cash and cash equivalent at BEGINNING of the year		**44,688,577**	**12,612,376**
Cash and cash equivalent at END of the year		**40,114,843**	**44,688,577**
As per statement of assets		**40,114,843**	**44,688,577**
Control		-	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 09/03 20..... and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

IV. 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	704,242,782	-	704,242,782	704,242,782	100%
Proceeds from Sale of Assets					
Other Receipts	-	-	-	75,514,439	
TOTAL	**704,242,782**	-	**704,242,782**	**779,757,221**	**111%**
PAYMENTS					
Compensation of Employees	374,592,342	(54,464,959)	320,127,383	317,573,662	99%
Use of goods and services	230,324,987	54,753,959	285,078,946	271,867,702	95%
Subsidies	-	-	-	-	
Transfers to Other Government Entities	-	-	-	62,000	
Other grants and transfers	-	-	-	64,600,000	
Social Security Benefits	-	-	-	-	
Acquisition of Assets	99,315,453	(6,789,000)	92,526,453	78,490,331	85%
Finance Costs	-	-	-	6,297,439	
Other Payments	-	6,500,000	6,500,000	7,448,391	115%
TOTAL	**704,232,782**	-	**704,232,782**	**746,339,525**	**106%**

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

Receipts - The 111% increase in receipts is due to unbudgeted receipts as follows:

(a) 70,897,439 relates to transfers from the County Finance and planning department towards the car and mortgage loan fund and to pay differential interest rates for MCA loans

(b) 4,555,000/- relates to life cover claim due to the estate of the late Hon. John Kilonzo

(c) 62,000/- relates to sale of tender documents for advertised tenders and pre-qualifications of suppliers for the County Assembly

Payments - The 106% increase in payments relates to unbudgeted payments as follows:

(a) under transfers to other government entities ksh 62,000/- relates to surrender of AIA to the county revenue collection account for receipts in sale of tender

(b) under other grants and transfers ksh 64,600,00/- relates to payment to the car and mortgage fund received from the County Finance and Planning department

(c.)under finance costs ksh 6,297,439/- relates to finance cost in paying interest rates differential for MCA's loans

(d) under other payments ksh 4,550,000/- relates to life assurance sums paid to the widow of the late Hon. John Kilonzo

The entity financial statements were approved on 09/3/2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

DEPUTY COUNTY CLERK MAKUENI COUNTY ASSEMBLY 09 MAR 2017 P. O. BOX 216-90300, MAKUENI

V. 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	611,877,328.33	-	611,877,328.33	611,877,328.33	100%
Proceeds from Sale of Assets					
Other Receipts	-	-	-	75,514,439	
TOTAL	**611,877,328**	-	**611,877,328**	**687,391,767**	**112%**
PAYMENTS					
Compensation of Employees	374,592,342.13	- 54,464,958.70	320,127,383.43	317,573,662.08	99%
Use of goods and services	230,324,986.94	54,753,958.70	285,078,945.64	271,867,702.00	95%
Subsidies					
Transfers to Other Government Entities	-	-	-	62,000.00	
Other grants and transfers	-	-	-	64,600,000.00	
Social Security Benefits	-	-	-	-	
Acquisition of Assets	6,950,000.00	- 289,000.00	6,661,000.00	6,409,008.00	96%
Finance Costs	-	-	-	6,297,439.00	
Other Payments	-	-	-	4,550,000.00	
TOTAL	**611,867,329**	-	**611,867,329**	**671,359,811**	**110%**

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

Receipts - The 112% increase in receipts is due to unbudgeted receipts as follows:

(a) 70,897,439 relates to transfers from the County Finance and planning department towards the car and mortgage loan fund and to pay differential interest rates for MCA loans

(b) 4,555,000/- relates to life cover claim due to the estate of the late Hon. John Kilonzo

(c) 62,000/- relates to sale of tender documents for advertised tenders and pre-qualifications of suppliers for the County Assembly

Payments - The 110% increase in payments relates to unbudgeted payments as follows:

(a) under transfers to other government entities ksh 62,000/- relates to surrender of AIA to the county revenue collection account for receipts in sale of tender

(b) under other grants and transfers ksh 64,600,00/- relates to payments to the car and mortgage fund received from the County Finance and Planning department

(c.)under finance costs ksh 6,297,439/- relates to finance cost in paying interest rates differential for MCA's loans

(d) under other payments ksh 4,550,000/- relates to life assurance sums paid to the widow of the late Hon. John Kilonzo

The entity financial statements were approved on 09/03/2017 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	92,365,453.22	-	92,365,453.22	92,365,453.22	100%
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	**92,365,453**	-	**92,365,453**	**92,365,453**	**100%**
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	92,365,453.22	- 6,500,000.00	85,865,453.22	72,081,322.90	84%
Finance Costs					
Other Payments	-	6,500,000.00	6,500,000.00	2,898,391.00	45%
TOTAL	**92,365,453**	-	**92,365,453**	**74,979,714**	**81%**

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

. *(a) Other payments underutilization is due to the creation of an emergency sum to mitigate against the fire incident. The use of the sums had to wait until a supplementary appropriation was passed which delayed the use of the funds affecting absorption of the same funds*

The entity financial statements were approved on 09/03/2017 and signed by:

D/Clerk

Clerk of the Assembly

09 MAR 2017

Chief Finance Office – County Assembly

VII. 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings (KES), which is the functional and reporting currency of Makueni County Assembly and all values are rounded to the nearest thousand (Kes'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by Makueni County Assembly.

2. Recognition of revenue and expenses

The Makueni County Assembly recognises all revenues from the various sources when the event occurs and the related cash has actually been received by Makueni County Assembly. In addition, Makueni County Assembly recognises all expenses when the event occurs and the related cash has actually been paid out by Makueni County Assembly.

3. In-kind contributions

In-kind contributions are donations that are made to Makueni County Assembly in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Makueni County Assembly includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. 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 Makueni County Assembly at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. 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 Makueni County Assembly's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Makueni County Assembly's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

VIII. NOTES TO THE FINANCIAL STATEMENTS

1.....Transfers from the County Treasury/Exchequer Releases

	2015/16	2014/15
	Kshs	Kshs
Balance b/f 2013/14	-	10,387,492
Total Exchequer Releases for quarter 1	263,417,073	92,831,086
Total Exchequer Releases for quarter 2	115,384,755	78,608,588
Total Exchequer Releases for quarter 3	200,979,611	130,752,720
Total Exchequer Releases for quarter 4	124,451,343	203,256,199
Cumulative Amount	**704,232,782**	**515,836,085**

3.....OTHER RECEIPTS

	2015/16	2014/15
	Kshs	Kshs
Makueni County Government - Car and Mortgage loan transfer	70,897,439	
Receipts from Administrative Fees and Charges - Collected as AIA	62,000	1,237,000
Insurance claims	4,555,000	
Total	**75,514,439**	**1,237,000**

4.....COMPENSATION OF EMPLOYEES

	2015/16	2014/15
	Kshs	Kshs
Basic salaries of permanent employees	136,736,681	72,437,815
Basic salaries of permanent employees paid by the county executive on behalf of the county assembly		65,131,875
Basic wages of temporary employees	31,437,500	23,550,000
Personal allowances paid as part of salary	125,891,935	70,905,243
Personal allowances paid as part of salary – paid by the county executive on behalf of the county assembly		11,188,032

Personal allowances paid as reimbursements		
Personal allowances provided in kind		2,851,200
Pension and other social security contributions	6,311,406	1,643,547
Compulsory national social security schemes	645,260	180,800
Compulsory national health insurance schemes		
Social benefit schemes outside government		
Other personnel payments – gratuity for MCA's	16,550,880	
Total	**317,573,662**	**247,888,512**

5.....USE OF GOODS AND SERVICES

	2015/16	2014/15
	Kshs	Kshs
Utilities, supplies and services	1,176,110	2,540,141
Communication, supplies and services	1,823,536	2,028,440
Domestic travel and subsistence	82,385,636	59,757,550
Foreign travel and subsistence	15,155,417	31,617,574
Printing, advertising and information supplies & services	2,937,300	2,318,389
Rentals of produced assets	3,900,000	3,855,000
Training expenses	6,335,127	1,859,518
Hospitality supplies and services	20,247,357	26,392,498
Insurance costs	28,792,248	14,619,977
Specialized materials and services	607,856	106,140
Office and general supplies and services	6,459,947	2,470,412
Other operating expenses	90,489,446	28,726,985
Fuel oil and lubricants	6,330,445	4,571,599
Routine maintenance – vehicles and other transport equipment	3,715,875	1,898,949
Routine maintenance – other assets	1,511,403	538,410
Total	**271,867,702**	**183,301,582**

6.....SUBSIDIES

Description	2015/16	2014/15
	Kshs	Kshs
Subsidies to Public Corporations		
See list attached	xxx	Xxx
(insert name)	xxx	Xxx
Subsidies to Private Enterprises		
See list attached	xxx	xxx
(insert name)	xxx	xxx
TOTAL	**xxx**	**xxx**

7.....TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2015/16	2014/15
	Kshs	Kshs
Transfers to National Government entities		
See attached list	xxx	xxx
Transfers to Counties		
Makueni County Revenue collection A/c _AIA surrender	62,000	1,237,000
	-	-
County Assembly Car Loan Fund Account	64,600,000	
TOTAL	**64,662,000**	**1,237,000**

10.....ACQUISITION OF ASSETS

Non Financial Assets	2015/16	2014/15
	Kshs	Kshs
Purchase of Buildings	Xxx	xxx
Construction of Buildings		38,857,630
Refurbishment of Buildings		
Construction of Roads		
Construction and Civil Works		4,445,900
Overhaul and Refurbishment of Construction and Civil Works		
Purchase of Vehicles and Other Transport Equipment	4,652,000	-
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment	263,261	-
Purchase of Office Furniture and General Equipment		364,300
Purchase of ICT Equipment, Software and Other ICT Assets	1,288,997	-
Purchase of Specialised Plant, Equipment and Machinery	5,575,011	2,098,929
Rehabilitation and Renovation of Plant, Machinery and Equip.	59,616,232	-
Purchase of Certified Seeds, Breeding Stock and Live Animals		
Research, Studies, Project Preparation, Design & Supervision		
Rehabilitation of Civil Works	7,094,830	-
Acquisition of Strategic Stocks and commodities	xxx	xxx
Acquisition of Land	xxx	xxx
Acquisition of Intangible Assets	xxx	xxx
Financial Assets	xxx	xxx
Domestic Public Non-Financial Enterprises	xxx	xxx
Domestic Public Financial Institutions	xxx	xxx
Foreign financial Institutions operating Abroad	xxx	xxx

Non Financial Assets	2015/16	2014/15
Other Foreign Enterprises	xxx	xxx
Foreign Payables - From Previous Years	xxx	xxx
Total	**78,490,331**	**45,766,759**

11.....FINANCE COSTS

	2015/16	2014/15
	Kshs	Kshs
Bank Charges	xxx	Xxx
Exchange Rate Losses	xxx	Xxx
Other Finance costs – differential interest payment on loans to MCA's	6,297,439	
Total	**6,297,439**	-

12.....OTHER PAYMENTS

	2015/16	2014/15
	Kshs	Kshs
Budget Reserves	xxx	Xxx
Civil Contingency Reserves	xxx	Xxx
Capital Transfers to Non-Financial Public Enterprises	xxx	Xxx
Capital Transfer to Public Financial Institutions and Enterprises	xxx	Xxx
Capital Transfer to Private Non-Financial Enterprises	xxx	Xxx
Other expenses – fire outbreak mitigation	2,898,391	-
Domestic Accounts - life assurance claim paid to the widow of the late Hon. John Kilonzo	4,550,000	-
Total	**7,448,391**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13A BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2015/16	2014/15
		Kshs	Kshs
Co-operative Bank of Kenya ltd, A/C no. 01141533915550 0 (KES	Recurrent/ Development	7,720,051.40	5,733,116.79
CBK - PMG recurrentA/c	Recurrent	12,520,661.45	11,470,427.90
CBK - PMG development A/c	Development	19,874,130.10	27,485,032.00
Total		**40,114,843**	**44,688,577**

13B CASH IN HAND

	2015/16	2014/15
	Kshs	Kshs
Cash in Hand – Held in domestic currency	xxx	xxx
Cash in Hand – Held in foreign currency	xxx	xxx
Total	**xxx**	**xxx**

Cash in hand should be analysed as follows:

	2015/16	2014/15
	Kshs	Kshs
Location 1	xxx	Xxx
Location 2	xxx	Xxx
Location 3	xxx	xxx
Total	**xxx**	**xxx**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 ACCOUNTS RECEIVABLE

	2015/16	2014/15
	Kshs	Kshs
Government Imprests	13,200	xxx
Clearance Accounts	xxx	xxx
Staff Advances	xxx	xxx
Other Advances	xxx	xxx
Total	**13,200**	**xxx**

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

15.....ACCOUNTS PAYABLE

	2015/16	2014/15
	Kshs	Kshs
Deposits and Retentions	6,720,750	5,664,036
Total	6,720,750	5,664,036

16.....FUND BALANCE BROUGHT FORWARD

	2015/16	2014/15
	Kshs	Kshs
Bank accounts	44,688,577	12,612,376
Cash in hand	-	-
Accounts Receivables		-
Accounts Payables	5,664,036	4,535,926
Total	**39,024,541**	**8,076,450**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17: OTHER IMPORTANT DISCLOSURES

17.1: PRIOR YEAR ADJUSTMENTS

	2015/16	2014/15
	Kshs	Kshs
surrender of unspent balances	39,024,541	8,076,450
overstated expenditure - bank charges		-145,308
Total	**39,024,541**	**7,931,142**

17.2: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015/16	2014/15
	Kshs	Kshs
Construction of buildings	2,446,370.00	xxx
Construction of civil works	5,492,271.00	xxx
Supply of goods	1,840,003.40	xxx
Supply of services	29,015,887.48	xxx
Total	**38,794,531.48**	**xxx**

18.2: PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2015/16	2014/15
	Kshs	Kshs
FRANCIS MUTUKU	42,000.00	xxx
STEPHEN NGELU	50,400.00	
STEPHEN NGELU	33,600.00	xxx
MUTINDA MWANGANGI	26,000.00	

STACY MBITHI	40,000.00	
COSMAS NZILILI	60,000.00	
VARIOUS PAYEES	286,166.00	
VARIOUS PAYEES	1,184,373.79	
VARIOUS PAYEES	360,415.20	
VARIOUS PAYEES	1,081,500.00	
VARIOUS PAYEES	627,900.00	
VARIOUS PAYEES	911,400.00	
VARIOUS PAYEES	4,992,000.00	
JOHN KIILU	4,500.00	
MARCELLAH EUCABETH	112,000.00	
ROBERTMUSYOKA	16,781.00	
FIDELIS NZWILI	6,500.00	
VARIOUS PAYEES	512,500.00	
JOHN KIILU	12,250.00	
JANUARIES SAMMY	1,100.00	
CHRISTINE KILATYA	1,200.00	
VARIOUS PAYEES	2,400.00	
JOHN NDUNDA	21,000.00	
JANUARIES SAMMY	8,400.00	
JAPHETH LANDU	21,000.00	
MUINDI MWELELI	4,200.00	
PAUL MUTAVA	12,600.00	
COLLETAR MBEKE	11,755.00	
JOHN KIILU	70,000.00	
JAPHETH LANDU	6,523.00	
VARIOUS PAYEES	16,000.00	
VARIOUS PAYEES	2,400.00	
VARIOUS PAYEES	169,650.00	
VARIOUS PAYEES	3,000.00	

VARIOUS PAYEES		
VARIOUS PAYEES	44,800.00	
Total	58,800.00	
	10,815,113.99	**xxx**

18.3: OTHER PENDING PAYABLES (See Annex 3)

	2015/16	2014/15
	Kshs	**Kshs**
Amounts due to National Government entities	xxx	xxx
Amounts due to County Government entities	xxx	xxx
Amounts due to third parties	xxx	xxx
Total	**xxx**	**xxx**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
Construction of buildings						
CAFETERIA –HAS LTD				1,296,370.00		
OFFICE BLOCK PHASEII-GINARD LTD				**1,150,000.00**		
Sub-Total				2,446,370.00		
Construction of civil works						
REFURBISHMENTS OFFICES-HAS LTD				502,271.00		
AIR CONDITIONING –LISA COMM				4,990,000.00		
Sub-Total				**5,492,271.00**		
Supply of goods						
HOTEL LA MADA				143,140.00		
MOMBASA BEACH				621,000.00		
MOMBASA BEACH				54,000.00		
HOTEL LA MADA				64,000.00		
GOODWIN SYSTEMS				37,500.00		
EUMOSTINE				105,000.00		
EUMOSTINE				105,000.00		
MFI SOLUCTIONS				171,900.00		
WRATEL				91,000.00		
EQUATOR STUDIOS				40,380.00		
WAVECREST				244,760.00		
WAVECREST				122,090.00		
WAVECREST				40,233.00		
Sub-Total				**1,840,003.00**		
Supply of services						

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
SIMBA COLT				571,402.48		
SIMBA COLT				55,100.00		
SIMBA COLT				40,000.00		
SIMBA COLT				60,000.00		
SIMBA COLT				50,000.00		
SIMBA COLT				184,561.00		
SIMBA COLT				50,000.00		
CAPTAIN GARAGE				28,100.00		
CAPTAIN GARAGE				8,000.00		
RENTOKIL				47,402.00		
RENTOKIL				8,352.00		
RENTOKIL				8,352.00		
RENTOKIL				8,352.00		
RENTOKIL				8,352.00		
MARAWAYS				19,500.00		
MARAWAYS				294,000.00		
MARAWAYS				142,500.00		
MARAWAYS				286,500.00		
THE STAR				78,880.00		
ATHIANI				52,200.00		
STANDARD GROUP				72,986.00		
MEDIAMAX				81,200.00		
MEDIAMAX				278,400.00		
NATION MEDIA				156,600.00		
BRITAM				1,018,311.11		
AAR KENYA				7,500,000.00		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
TELECOM KENYA				1,076,528.00		
TELECOM KENYA				837,844.00		
ANCHOR SECURITY				41,400.00		
ROVANS CONSULTANT				475,832.00		
LEGIS				900,000.00		
O.N MAKAU				14,457,033.00		
BIMKA				28,200.00		
Sub-Total				**28,925,887.48**		
Grand Total				**38,704,531.48**		

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
SENIOR MANAGEMENT							
FRANCIS MUTUKU				42,000.00			
STEPHEN NGELU				50,400.00			
STEPHEN NGELU				33,600.00			
MUTINDA MWANGANGI				26,000.00			
STACY MBITHI				40,000.00			
COSMAS NZILILI				60,000.00			
VARIOUS				286,166.00			
VARIOUS				1,184,373.79			
VARIOUS				360,415.20			
VARIOUS				1,081,500.00			
VARIOUS				627,900.00			
VARIOUS				911,400.00			
SUB TOTAL				4,992,000.00			
MIDDLE MANAGEMENT				**9,695,754.99**			
JOHN KIILU							
MARCELLAH EUCABETH				4,500.00			
ROBERTMUSYOKA				112,000.00			
FIDELIS NZWILI				16,781.00			
VARIOUS				6,500.00			
JOHN KIILU				512,500.00			
JANUARIES SAMMY				12,250.00			
CHRISTINE KILATYA				1,100.00			
VARIOUS				1,200.00			
JOHN NDUNDA				2,400.00			
JANUARIES SAMMY				21,000.00			
				8,400.00			

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
JAPHETH LANDU				21,000.00			
MUINDI MWELELI				4,200.00			
PAUL MUTAVA				12,600.00			
COLLETAR MBEKE				11,755.00			
JOHN KIILU				70,000.00			
JAPHETH LANDU				6,523.00			
VARIOUS				16,000.00			
VARIOUS				2,400.00			
VARIOUS				169,650.00			
VARIOUS				3,000.00			
VARIOUS				44,800.00			
VARIOUS				58,800.00			
Sub-Total				**1,119,359.00**			
Grand Total				**10,815,113.99**			

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical cost (kshs) 2015/16	Historical cost (kshs) 2014/15
Land		43,303,530.00
Buildings and structures	4,652,000.00	
Transport equipment	263,261.00	364,300.00
Office equipment, furniture and fittings	1,288,997.00	
ICT Equipment, Software and Other ICT Assets	72,286,073.00	2,098,929.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	78,490,331.00	45,766,759.00

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPREST

Government Imprest Holders

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Richard Ngangi	dd/mm/yy	5,200.00	-	5,200
Franklin Kisilu	dd/mm/yy	18,000.00	10,000.00	8,000
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	Xxx
Total				**13,200**

ANNEX 6 – PROGRESS REPORT ON AUDIT REPORT FINDINGS FOR FY 2014/15

Unsatisfactory budget utilization, the County Assembly has ensured budget lines are adequately funded thus avoiding over expenditure for the fy 2015/16. This was done via supplementary budgets and approved reallocations where budget deficits were forecasted in advance.

An internal audit office has been established and is headed by a competent auditor in the grade of internal auditor 1. We are in the process of advertising for the positions of Chair and Members to the Audit committee so that it is established. The delay in establishing the same was caused by the lack of guidance on the remuneration payable to the Audit committee which has been clarified via a circular form SRC. This will enable readjusting of the County Assembly budget to cater for the Audit Committee needs.

As for purchase of items via imprests, we have ensured that only safari and standing imprests are utilized. Via the standing imprest we have introduced a petty cash system where items of small value are bought via cash but within the guidelines of the procurement act.

Recoveries were made on the retention monies due to contractors whose contingency sums were paid. Of note though is that there is a challenge with the IFMIS E procurement and payment system in separating contingency/provisional sums from the whole contract amounts (the system only allows deduction of statutory charges and retention monies from the payments due to Contractors) hence the reason why some payments were made to contractors and later recovered from their retention monies.

Cash books for Central Bank of Kenya recurrent and development accounts are currently being maintained. During the previous financial year the County Assembly exchequer releases were channeled through the County Executive CBK recurrent and Development accounts hence the reason for not keeping the Cash books for the same as the County Assembly had no access to those accounts.

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report)