REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF NAKURU

FOR THE YEAR ENDED 30 JUNE 2016

COUNTY GOVERNMENT OF NAKURU

REPORTS AND FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2016

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

30 SEP 2016
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Nakuru County Government is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

(b) Key Management

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

- Governor, H E. Kinuthia Mbugua
- Deputy Governor H E. Joseph Ruto
- AG. CEC – Finance & Economic Planning Mrs. Anne Njenga
- CEC – Environment, Natural Resources, Energy and Water Mr. Richard Rop
- CEC – Lands, Housing and Physical Planning Mrs. Rachael W. Maina
- CEC – Trade, Industrialization, Marketing, Tourism and Cooperatives Mrs. Anne Njenga
- CEC – Agriculture, Livestock & Fisheries Dr. Stanley Chepkwony
- CEC – Information, Communication, Technology & E Govt. Mr. Stephen Maritim
- CEC – Public Service Management Prof. Catherine Kitetu
- CEC – Roads Public Works & Transport Mr. Maina Kairu
- CEC – Health Services Dr. Kabii Mungai
- CEC – Education, Culture, Youth Affairs & Social Services Mr. Francis G. Mathea

(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.	Chief Officer Fin & Economic Planning	- **CPA P.K. Torome**
2.	Director of Finance	- **CPA Wilson Mungai**
3.	Director of Audit	- **CPA Joseph Nyamora**
4.	Director of Economic Planning	- **Mr. Shem Siahi**
5.	Director of procurement	- **Mr. Eliasar Ngarari**

(d) Fiduciary Oversight Arrangements

County Assembly Public Accounts and Investment Committee

(e) Entity Headquarters

P.O. Box 2870-20100
NEW TOWN HALL BUILDING
MOI ROAD
NAKURU, KENYA

(f) Entity Contacts

Telephone: (051) 221-6472
E-mail: nakurucountygovernor@gmail.com
Website: www.nakurucounty.co.ke

(g) Entity Bankers

1. CENTRAL BANK OF KENYA
   HAILE SELASSIE AVENUE
   P.O BOX 60000
   CITY SQUARE 00200
   NAIROBI, KENYA

2. Central Bank of Kenya - Recurrent Account
3. Central Bank of Kenya - Development Account
4. Central Bank of Kenya - Revenue Fund Account
5. Central Bank of Kenya – Deposits Fund Account
6. Central Bank of Kenya - RML Fund Account

OTHER COMMERCIAL BANKERS

1. National Bank - Nakuru East Sub-County Imprest a/c
2. Cooperative Bank - Nakuru West Sub-County Imprest a/c
3. Equity Bank - Subukia Sub-County Imprest a/c
4. Kenya Commercial Bank -Naivasha Sub-county imprest a/c
5. Equity Bank - Gilgil Sub-County Imprest a/c
6. Equity Bank- Molo - Kuresoi North Sub-County imprest a/c
7. Equity Bank - Kuresoi South Sub-County Imprest a/c
8. National Bank - Molo Sub-County Imprest a/c
9. Equity Bank - Njoro Sub-County Imprest a/c
10. Equity Bank - Rongai Sub-County Imprest a/c
11. Kenya Commercial Bank - Bahati Sub-County Imprest a/c
12. Co-operative Bank -Public Service Board Imprest a/c
13. Co-operative Bank - Ministry of Trade Ind. & Trade Imprest a/c
14. Co-operative Bank - Office of The Governor & Deputy Governor Imprest a/c
15. National Bank of Kenya - Ministry of Agriculture, Livestock & Fisheries Imprest a/c
16. National Bank - Ministry of Education, Culture & Social Services Imprest a/c
17. National Bank of Kenya Ministry of Environment, Water & Natural Resources Imprest a/c
18. Kenya Commercial Bank -Ministry of Finance & Economic Planning Imprest a/c
19. National Bank PGH Main Nakuru - Ministry of Health services
20. National Bank - PGH Annex

21. KCB – Naivasha Sub-County Hospital
22. KCB Nakuru - Bahati Sub-County Hospital
23. KCB Gilgil - Gilgil Sub-County Hospital
24. National Bank Molo - Elburgon Sub-County Hospital
25. Co-operative Bank - Health Ministry Operational
26. Equity Bank -Ministry of ICT & E-Government Imprest a/c
27. Equity Bank - Ministry of Lands, Physical Planning & Housing
28. Kenya Commercial Bank -Ministry of Roads & Public Works Imprest a/c
29. Co-operative Bank - Ministry of Public Service Management Imprest a/c
30. Co-operative Bank -Local Revenue Collection Account
31. Family Bank - Local Revenue Collection Account
32. National Bank - Local Revenue Collection Account
33. Trans-National Bank -Local Revenue Collection Account
34. Kenya Commercial Bank -Local Revenue Collection Account
35. Equity Bank -Local Revenue Collection Account
36. Co-operative Bank -Nakuru County Imprest A/C
37. National Bank Molo - Olenguruone Sub-County Hospital
38. National Bank Molo - Molo Sub-County Hospital

(h) Independent Auditors
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser
The County Attorney
New Town Hall Building
Moi Road
P.O. Box 2870-20100
Nakuru, Kenya

I. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 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 Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 30th / Sept / 2016.

COUNTY EXECUTIVE MEMBER
FINANCE & ECONOMIC PLANNING
NAKURU COUNTY
Date.....Sign.....

County Executive Committee member – Finance & Economic Planning

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF NAKURU FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Executive of Nakuru set out on pages 6 to 38, which comprises the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 Auditing 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls 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 Executive'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 evidence obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for Adverse Opinion

1. Failure to Prepare a Trial Balance

The financial statements for the year under review were prepared in accordance with the Cash Basis accounting method prescribed under the International Public Sector Accounting Standards. However, the respective trial balance was not presented for audit and as a result the financial statements are not supported by complete and reliable records and data hence it has not been possible to confirm their completeness and accuracy.

2.0 Revenue

2.1. Unreconciled Receipts

The receipts balance increased by Kshs.1,597,800,598 from Kshs.9,644,738,420 in 2014/2015 to Kshs.11,242,539,018 in 2015/2016. Included in the receipts balance of Kshs.11,242,539,018 is Kshs.2,295,462,842 from the other receipts i.e. local sources of revenue. The local revenues were posted in the receipts cash books maintained at sub-county level using bank slips reference numbers instead of miscellaneous receipts. Further, the reconciliation of the cash books and banks statements was not updated, and as a result there were no reconciliations in the months of April, May and June 2016. As a result, it has not been possible to confirm receipt, the accuracy and propriety of revenue collected and recorded in the three months.

2.2 Under Statement of Vehicle Parking Fees

The Statement of Receipts and Payments reflects Kshs.2,295,462,842 in respect to other receipts. Included in this balance is Kshs.292,414,437 in respect to vehicle parking fees as shown under note 11 to the financial statements. Despite budgeting for Kshs.265,000,000 and collecting Kshs.292,414,437 under vehicle parking fees, the basis of determining revenue expected from parking has not been established. Further, the County is yet to determine the number of parking slots in each of the eleven (11) sub-counties. Included in the reported Kshs.292,414,437 vehicle parking fees is Kshs.214,766,210 parking fees collected from Nakuru East Sub-county. However analysis of the respective vehicle parking records revealed a balance of Kshs.248,460,430 hence resulting in an unexplained variance/understatement of Kshs.33,694,220 as shown below:

Nakuru East Sub County-Vehicle Parking Fees Items	Reported Amounts (Kshs)	Analyzed Amounts (Kshs)	Variance/ Understatement (Kshs)
Daily Street Parking Fee	95,402,050	97,662,470	2,260,420
Enclosed Bus Park Fees	116,957,310	117,493,770	536,460
Taxi & Pick-Ups	-	857,900	857,900
Motorcycle	-		-
Tuktuk	-	7,305,000	7,305,000
Clumping Fees	2,393,250	2,393,250	-
Impounding & Towing	13,600	1,111,040	1,097,440
Reserved Parking	-	21,637,000	21,637,000
Total vehicle parking fees	**214,766,210**	**248,460,430**	**33,694,220**

As the table above shows, Kshs.7,305,000 and Kshs.21,749,500 from tuktuks and reserved parking respectively were omitted from the balances reported in the financial statements. Also, revenue records to support revenue collected from motor cycles were not provided for audit. As a result, it was difficult to establish and analyze actual revenue collected and banked.

2.3. Under-collection of Flower Cess

The County Government budgeted to collect Kshs.53,906,619.89 but collected only Kshs.11,431,645 from flower cess leading to a difference of Kshs.42,474,974.89, a 21% performance of this revenue item. Further, the County has not put in place mechanisms to confirm gross turnover from each flower farm to help determine flower cess payable.

2.4. Unreconciled Single Business Permit

Single Business Permit receipts for the year under review amounted to Kshs.430,281,392 under Note 11 to the financial statements. Analysis of the revenue from the register revealed that 43,312 businesses paid only Kshs.383,607,700. Schedules presented to support the balance reflected in the financial statements indicated collections totalling Kshs.384,655,494. In view of these unreconciled variances, the accuracy of Single Business Permit revenue figure of Kshs.430,281,392 reflected in the financial statements could not be confirmed. Further, the County Government estimated to collect Kshs.447,852,253.65 from business permit revenue. However the registers showing the potential tax payers have not been updated for several years. Apparently the registers used to budget for the income were prepared by

the defunct local authorities and it is likely that many young business omitted from the registers were not paying the necessary permits.

2.5. Under Collection of Liquor Licence Fees

The Statement of Receipts and Payments reflects Other Receipts of Kshs.2,295,462,842 for the year under review and which balance is analyzed under Note 11 to the financial statements. Included in the balance is the sum of Kshs.118,449,891 in respect of various fees made up of, among other revenue items, liquor licence fees of Kshs.43,326,840 which translates to 43% level of performance since the budgeted amount was Kshs.100,170,990. The liquor licence fees were collected from various sub-counties which failed to maintain registers to capture details of the number of applicants, their respective locations, amounts approved to be paid and amounts paid. It was therefore difficult to establish whether applicants were paying their entitled fees. Audit verification of the schedules in seven (7) sub-counties sampled for the audit revealed six hundred and ninety seven (697) applicants received approvals but did not pay for the liquor licence fees, and one hundred and ninety three (193) applicants operating without approval. No enforcement action has been initiated to remedy this situation.

2.6. Building Approval Plans and Structural Drawings

Building approval plans and structural drawings revenue of Kshs.45,065,132 was reported under various fees balance of Kshs.118,449,891 shown in Note 11 to the financial statements. Examination of revenue records for sampled sub-counties of Nakuru East and Nakuru West revealed that 1,849 applicants submitted building plans and structural drawings for approval but only 996 were processed and approved. The remainder 853 or 46% of applicants were not approved and therefore no revenue was realized from them. Analysis of revenue records from the two sub-counties indicated that Kshs.22,168,581 was collected but only Kshs.16,963,712 was posted in the actual performance records leading to an unexplained variance of Kshs.5,204,869.

3. Compensation of Employees

a) Compensation of employees balance reflected in the statement of receipts and payments increased by Kshs.487,593,171 from Kshs.4,429,938,345 in 2014/2015 to Kshs.4,917,531,516 in the year under review. Though not explained, the increment may have resulted from hiring of new staff in various job groups. Analysis of schedules and payrolls revealed a balance of Kshs.4,579,962,140.49 not Kshs.4,917,531,516 reported in the financial statements leading to an unexplained variance of Kshs.337,569,375.51. In the absence of reconciliation or records to support this variance, it is likely the County Executive may be paying emoluments to non-existent staff/workers.

b) In the year under review, the employee cost balance was 43.74% of the total revenue and thus exceeded the locally generated revenue by 53%. Furthermore this employee costs balance was 44.74% of the total expenditure. It is therefore likely

that much of the County Government's resources may be directed to paying wages at the expense of service delivery. Also, the County Executive Member for Finance did not set a specific percentage of wages using total revenue as the base contrary to Section 107(2)(c) of the Public Finance Management Act 2012.

4. Use of Goods and Services

The use of goods and services balance in the statement of receipts and payments decreased by Kshs.146,517,155 from Kshs.2,412,398,083 reported in 2014/2015 to Kshs.2,265,880,928 in 2015/2016. This balance was analyzed under Note 13 to the financial statements and reflected a casting error of Kshs.66,063,267. The 2015/2016 balance ought to have been Kshs.2,331,944,195 not Kshs.2,265,880,928. Some of the major components reported under use of goods and services were as follows:

Item	2015-2016 Kshs	2014-2015 Kshs	Difference (Kshs)	% Difference
Domestic Travel and Subsistence	132,148,175.00	234,544,006.00	(102,395,831.00)	-43.7%
Foreign Travel and Subsistence	30,275,069.00	119,492,609.00	(89,217,540.00)	-74.7%
Specialized Materials and Services	825,612,947.00	458,379,583.00	367,233,364.00	80.1%
Other Operating Expenses	578,140,717.00	645,883,827.00	(67,743,110.00)	-10.5%

The operating cost balance of Kshs.578,140,717 was not explained or supported by detailed schedules, it was therefore not possible to confirm what constituted the balance.

5. Acquisition of Assets

The acquisition of assets balance in the statement of receipts and payments increased by Kshs.1,463,466,906 from Kshs.1,642,008,330 in 2014/2015 to Kshs.3,105,475,236 in 2015/2016. The balances were analyzed under Note 18 to the financial statements and had casting errors of Kshs.431,457,512 and Kshs.80,298,202 in relation to 2014/2015 and 2015/2016 balances respectively. These balances ought to have been Kshs.1,210,550,818 and Kshs.3,185,773,438 in 2014/2015 and 2015/2016 respectively. Included under acquisition of assets balance of Kshs.3,105,475,236 is Kshs.1,549,132,489 in respect of supply credits, that is, payments towards pending bills. However details of the suppliers paid and the respective assets supplied were not provided for audit. The County Government does not maintain a pending bills register and it is not clear whether suppliers paid were in the list of pending bills. Also included in the acquisition of assets balance is Kshs.91,088,928 in respect of acquisition of intangible assets which was not explained or supported by schedules.

6. Cash and Cash Equivalents

The statement of assets reflected cash and cash equivalent balance of Kshs.2,359,015,042 as at 30 June 2016 and Kshs.2,102,140,787 as at 30 June 2015. However, the comparative figure in Note 22A is incorrectly reflected as Kshs.2,105,118,787 instead of Kshs.2,102,140,787. Further, forty five (45) bank accounts holding balances totalling Kshs.2,356,925,040.86 were not sufficiently supported by bank certificates, bank statements, bank reconciliation statements and Board of Survey reports. Also fifteen (15) bank account numbers recorded in the financial statements under Note 22A to the financial statements were different from the actual bank statements account numbers presented for audit verification. The County Government also did not maintain a register of bank accounts showing the bank, branch, account number, request reference numbers and authority reference numbers among other details as required. Under the circumstances, the cash-and-cash equivalent balance of Kshs.2,359,015,042 as at 30 June 2016 is not supported by complete records and reliable data hence it is not possible to confirm its accuracy.

7. Deposits and Retentions

The statement of assets reflects accounts payables- deposits and retentions balance of Kshs.23,782,749 as at 30 June 2016, an increase of Kshs.20,804,749 from Kshs.2,978,000 as at 30 June 2015. However the balance is not supported by main cashbook, bank statements and bank confirmation certificates. A schedule of retentions due to various suppliers was provided but, the corresponding payment certificates and journal entries were not availed for audit. In the circumstance, it has not been possible to confirm the accuracy of the deposit and retentions balance of Kshs.23,782,749 as at 30 June 2016.

8. Pending Accounts Payable

The pending accounts payable as at 30 June 2016 amounted to Kshs.3,021,217,393 as detailed in annex 1 to the financial statements. The balance increased by 23% from Kshs.2,457,198,628 reported in 2014/2015. However, the figure reflected in this annex 1 has a casting error of Kshs.27,738,795 and therefore it should be Kshs.2,993,478,598. However, the analysis of pending bills in the referred annex 1 did not show the movement of the pending accounts payables during the year. Further, contrary to the requirements of the reporting template, there was no analysis and presentation of pending bills indicating the accrued balance for each supplier and also, no pending bills register was not maintained.

9. Unreconciled and unaccounted for Expenditures

9.1 Unreconciled IFMIS and Financial Statements Figures

It was noted that figures reported in the Integrated Financial Managements Information System (IFMIS) and financial statements were at variance as highlighted below:

Item	Amounts in Financial Statements (Kshs)	IFMIS Amounts (Kshs)	Variance (Kshs)
Receipts	11,242,539,018	2,717,984,632	8,524,554,386
Payments	10,989,186,080	3,231,356,348	7,757,829,732

The County did not carry out reconciliation using the IFMIS cash module and the revenue budget for 2015/2016 was not uploaded on IFMIS. Evidently, the County Treasury did not use IFMIS system to process the payments which was against the guidelines issued by National Treasury and Accounting Standards Board.

10. Unsurrendered Imprest - Operations Account

Examination of the imprest account revealed that imprests totalling Kshs.11,235,362.15 were not surrendered as per the financial regulations and were not disclosed in the financial statements. Other than imprest warrants, no other documents including payment vouchers, imprest register were prepared or presented to account for the funds issued. In the absence of surrender documents, the audit could not establish whether the funds were properly accounted for and utilized to the benefit of the County Government.

11. Foreign Travel Costs

During the year under review, the Public Service Board incurred an expenditure of Kshs.4,858,633 in respect to foreign travel on training missions by board members. Details of the payment indicated that the board members attended training organized by ESAMI in various countries where tuition fees of USD 1500 were payable before departure for the programme. Subsequently, a copy of payment receipt/proof of payment was to be presented at the venue on registration. However, it was established that no payment was made to ESAMI as tuition fees during the period. Further, there was no certificate of participation to confirm attendance to the training. In the circumstance therefore, it has not been possible to confirm whether the County Public Service made the trip or not, and therefore whether the expenditure of Kshs.4,853,333 was incurred for the purpose intended.

12. Unvouched Expenditure

During the audit exercise, the County's Ministry of Trade did not present for audit payment vouchers for development expenditures amounting to Ksh.27,599,908. In the circumstances, and in absence of relevant supporting documents the development expenditures on various projects could not be verified. The payments may therefore have been made for works not undertaken.

13. Irregular Procurement

13.1 Expenditure on Insurance

The County Government paid M/s Amaco Kshs.7,575,000 vide payment voucher number 17680/81 of 8/9/2015. The payment was in respect of insurance premiums as per a photocopy letter dated 22 June 2015 that listed invoices for various policies all totaling Kshs.28,756,383. However, a copy of the contract agreement and respective policy documents were not attached or made available for audit. Similarly acknowledgement receipts from M/s Amaco Company were not attached or provided for accountability. Therefore authenticity of the payment made could not be ascertained.

13.2 Doubtful Expenditure

The Ministry of Trade and Tourism entered into a contract with M/S Summer Winter Events Management to organize and conduct the 2015 Miss Tourism Pageant. The contract was signed on 2 February 2016 at a contract sum of Kshs.9,889,696. The finals of the event were slated for 25 March 2016. However, it was noted that the full contract sum of Kshs.9,889,696 was paid to the contractor on 02 March 2016 i.e. a three (3) weeks before the event. The contract provided for organizing and conducting preliminaries at all the eleven (11) sub-counties of the Nakuru County at a cost of Kshs.3,461,044. However, there was no evidence provided to confirm that the sub-county events took place. Furthermore, audit interviews with several sub-county administrators revealed that they were not aware of the event. In the circumstance, it has not been possible to establish whether the event took place or not. The expenditure therefore may not have been a proper charge to the public funds.

13.3 Re-roofing of Ardhi House

M/s Saikabe Construction Co. Limited of P.O. Box 137-20100 Elburgon was contracted to re-root Ardhi House through contract ref: NKCG/LHPP/534/2013-2014 at a sum of Kshs.3,988,158 which was paid in full. However, no preliminary inspections/technical report from the Ministry of Roads, Transport and public works on the assessment of the necessity and scope of works required in re-roofing Ardhi House Nakuru prior to contracting M/s Saikabe Construction Company was made available for audit review. Also the specifications re-roofing provided in the bills of quantities were not adhered to. In the absence of any reports from the technical department, and failure to adhere to the bills of quantities and in view that Ardhi House Nakuru has a concrete roof, the propriety of the entire expenditure is doubtful.

13.4 Unsupported Expenditure

Records maintained by the County's Ministry of Agriculture Livestock and Fisheries revealed that during 2015/2016, M/s Sukeb Suppliers of P.O Box 40 Mogotio was paid a sum of Kshs.3,268,000. The funds were for supply of fishmeal and farm inputs at Kshs.1,788,000 and Kshs.1,480,000 respectively. It was noted that 2400kgs of fish meal were distributed to various farmers. However the points of distribution and the location/wards were not disclosed. Further, 500 Gumboots, 500 protective cloth and 500

aprons worth Kshs.1,480,000 were supplied and delivered to unknown beneficiaries. Local Purchase Order No.001269 dated 30 June 2015 was drawn after the supplier supplied the goods. The Ministry may therefore have paid for fishmeal and farm inputs that were not supplied.

13.5 Purchase of Fertilizer and Food Items

During financial year under review, the County's Ministry of Agriculture Livestock and Fisheries spent Kshs.4,534,200 on purchase of fertilizers for Internally Displaced Persons (IDPS) at Kshs.1,499,400 and purchase of 2,625kgs beans, peas plum and green feast at Kshs.3,034,800. The Ministry purchased these items in cash and further, they were not in the annual procurement plan. Further, no details of receipt and issue of the items to properly identified IDPS beneficiaries were provided. Therefore the Ministry may have paid for items not supplied and therefore the propriety of the expenditure cannot be confirmed.

13.6 Purchase of Tools, Equipment and Materials

The County's Ministry of Education paid M/S Delani Kenya Kshs.2,996,071 for supply and delivery of tools, equipment and materials for Kikopey Youth Polytechnic in Gilgil Sub-county. However, the audit could not confirm if the purchase was subjected to any procurement process since quotations, evaluation and tender award Minutes and delivery notes, among other procurement documents, were not provided for audit. In the circumstance, it has not been possible to determine if the County Government got value for money on the expenditure of Kshs.2,996,071.

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 the County Executive of Nakuru as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Other Matter

1. Failure to Establish an Audit Committee

The County Government has not established an audit committee as required. Therefore the functions of assessment of the overall risk, review of the adequacy of internal controls, review of compliance with all the relevant legislations/ statutory requirements and review of the financial statements' compliance with the prescribed accounting framework are not performed.

2. Budgetary Control

a) During financial year under review, the receipts budget figure reported in the financial statements was Kshs.13,692,860,906 while the approved budget figure was

Kshs.13,684,096,236 thus resulting in an unexplained difference of Kshs.8,764,670 between the two records. Similarly the payments budget figure reported in the financial statements was Kshs.13,984,996,942 while the approved budget figure was Kshs.13,732,076,943. These differences may imply the County Executive incurred over or under expenditure in budgeted items with adverse effects on service delivery and also the budget cycle may not be adhered to.

b) The County spent Kshs.10,989,186,081 against a budget of Kshs.13,984,996,942 resulting to a budget variance of Kshs.2,995,810,861. The County's budget absorption rate was 92% and 58% under recurrent and development expenditures respectively.

c) The County Government budgeted Kshs.5,383,415,758 under the development vote representing 38% of the total budget. Analysis of expenditure records revealed that Kshs.3,105,475,236 was spent under the development vote which was 28% of the total expenditure. Therefore most of development projects earmarked for service delivery were not realized.

d) The receipts budget for the County was Kshs.13,692,860,906 against an actual income of Kshs.11,242,539,018 resulting to under collection of Kshs.2,450,321,888 which represents an overall budget realization of 82%.

3. Staffing

3.1 Irregular Recruitment of Ward Administrators - Job Group N

The County Public Service Management wrote to the County Public Service Board requesting for the recruitment of 80 administrative officers vide letter ref; NCG/PSM/APPT/VOL/133(A)/5 dated 1 September 2014. The advertisement was placed in the dailies on 29 September 2014 and names of shortlisted candidates and dates of interviews were communicated on 28 November 2014. Interviews for 285 applicants were conducted from 9 December 2014 to 23 December 2014. A list of 80 successful candidates was communicated vide letter ref NCPSB/RECRUIT/VOL.1/63 of 27 March 2015. An additional 10 ward administrators were requested for vide letter ref NCG/PSM/4/10 (A) VOL.1/7 of 16/4/2015 and who were subsequently recruited and forwarded by the Board through letter ref NCPSB/RECRUIT/VOL.1/70 of 20/4/2015. Examination of sampled personal records for officers recruited in this Job group N, revealed the following glaring irregularities:

i) Scrutiny of the advertisement revealed that the County Public Service Board required officers with certain levels of academic qualifications and wide relevant experience. However successful applicants fell short of this as most were fresh graduates from college without the necessary work experience required to join at Job group "N". Also some officers were engaged without having the requisite education. Some of the personal files examined had no evidence attached in the file to show that the applicants were working in the places mentioned in their respective resumes.

ii) The Nakuru County Government has fifty five (55) ward, it is therefore not clear why the County recruited 90 Ward Administrators while only 55 were deployable.

iii) The audit also observed that the County Public Service Board had not developed and adopted a scheme of service to guide in the recruitment and placement of staff into various job groups.

3.2. Irregular Recruitment under Job Group H

Examination of the payroll revealed that the County Government recruited fifty two (52) officers under job group H during the financial year under review. However, there was no budget provision for these positions, and no cabinet approval appear to have been granted for recruitment. Although a request from Ministry of roads, transport & public works to the County Public Service Board vide letter Ref: CGN/CO. Roads/CPSB/Vol.1/34 of 18 June 2015 requested for 20 cadet officers (firefighting), only thirteen (13) were interviewed and recommended for employment. No other requisition from any other Ministry was forwarded to the County Public Service Board to recruit staff under job group H. Further, no advertisement, shortlisting and interviews was conducted to fill these positions. The County did not present authority or any communication instructing the payroll officer to include the mentioned staff in the payroll. It is therefore not clear how the officers were assigned personal numbers and included in the payroll. In addition, their inclusion in the payroll was done irregularly and resulted in an increase of Kshs.17,219,112 in the annual wage bill.

4. Budget Analysis – County's Ministry of Health

During the year under review, a total of Kshs.682,194,409 was approved in the supplementary budget to undertake development projects under the County's Ministry of Health. However, analysis of the projects status report indicated that the Ministry initiated projects worth Kshs.597,773,216 leading to an unexplained variance of Kshs.84,421,193. Of the projects initiated those worth Kshs.191,747,552 did not receive any funding as at 30 June 2016. Further, various projects worth Kshs.58,249,128 completed as at 30 June 2016 under the County's Ministry of Health were not operational.

5. Bursary

During the financial year under review, a sum of Kshs.109,240,051.00 was allocated and spent in respect to bursaries. From the total sum issued, only Kshs.9,473,829 was supported by acknowledgement documents from various institutions and therefore, the remainder of Kshs.99,766,222 was unsupported. Under the circumstance it is not clear whether these funds were actually remitted to the respective institutions and received by valid beneficiaries. Each ward was allocated Kshs.2million, hence raising the question whether each ward had equal bursary needs. Analysis of application letters revealed that one of the conditions before any bursary is awarded is recommendation/approval by the Member of County Assembly (MCA). Also, beneficiaries' parents/ guardians are required to attach a copy of the voter's card to the application. In view of this, the process appears to have political connotation. Although the ward committees have

been set up to evaluate bursary applications, the evaluators, it was noted that are not conducted. Applicants were given bursaries of between Kshs.1,000 and Kshs.4,000 defeating the purpose and intent of bursary since only needy, and not all, applicants should have been issued with the bursaries. It appears that the County Government does not have a clear policy on administering bursaries. Consequently, we could not confirm the authenticity of the total bursaries disbursed.

6. Projects Status – County's Ministry of Education

Analysis of the IFMIS development budget report indicated that the County Government through the Ministry of Education, Youth, Culture and Sports made a provision of Kshs.777,074,738 for various capital projects. However, the Ministry's status report indicated that only Kshs.348,340,000, was budgeted under development expenditure, leading to unexplained variance of Kshs.428,734,738. Status reports presented for audit indicated that only projects worth Kshs.233,437,592.85 were awarded in the year under review. The reports also indicated that projects valued at Kshs.102,030,000 were not initiated at all.

7. Incomplete Borehole Projects – County's Ministry of Environment

Examination of project documents maintained by the County's Ministry of Environment, Water and Natural Resources revealed that boreholes were drilled at a cost of Kshs.40,515,355 in 2014/2015 and 2015/2016. However the boreholes have not been fully completed and equipped for use. The management has not offered tangible evidence to confirm when the intended beneficiaries would be provided with water.

8. Re-Allocation of Funds

During the year under review, the County's Ministry Environment, Water and Natural Resources allocated Kshs.15,000,000 for the rehabilitation of Naruwasco water works to improve the distribution networks of the Nakuru Rural Water and Sanitation Company (NARWASCO). However, the funds were re-allocated to other uses including drilling of some new boreholes which are not operational since they are not equipped. Meanwhile, the old water distribution lines continue to lose water through constant leakages and breakdowns with the ratio of un-accounted for water for NARWASCO during the 2015/2016 financial reaching approximately 50% of water produced.

9. County Budget

9.1. Projects not implemented – Turasha Dam Desilting

The County's Ministry Environment, Water and Natural Resource allocated during the year under review Kshs.10,000,000 for the proposed desilting of Turasha Dam in Gilgil Sub – County. The dam is the main source of water for the NARWASCO that manages water supply to the rural areas of Nakuru County. Audit verification indicated that the contractor M/S Quadd Limited who signed the agreement on 4 July 2016 for a contract sum of Ksh.7,996,679.24 was not on site and no work had been carried out at the dam.

No action has been taken or explanation given for failure to implement the project as budgeted for and as per the contract agreement.

9.2. Construction of Kivumbini (iv) – Burma Market

The County's Ministry of Trade entered into a contract for the construction of modern shades at Kivumbini (iv) – Burma market with M/S Vivi Enterprises and paid Kshs.3,849,408. Audit verification of the works revealed that the contractor did not carry out floor slab, blinding and foundation walling as provided for in the bills of quantities. Therefore, the blacksmiths working in the shade were found to be exposed to wind, dust and rain. In view of the above, the County Government did not receive full value for the payment made.

9.3. Stalled Nasha Market Sheds Projects

The County's Ministry of Trade awarded M/S Tealand Company Limited the contract for construction of the Nasha market sheds at a contract sum of Kshs.34,000,068 vide LSO NO. 0989575 dated 30/03/2015. Though the contractor has been paid Kshs.23,049.628, physical verification revealed that the project is incomplete and had stalled. The construction works did not agree with the approved bills of quantities which did not provide for a storey building while what is under construction is a storey structure. No explanation or approvals were provided for these structural alterations. Under the circumstances, it is likely that the contractor may lack the capacity to undertake a contract of this magnitude. Meanwhile Nasha Market sheds have not been completed and the intended beneficiaries' expectations have not been realized.

9.4. Construction of Stalls at the Road Round-About

During the year under review, the County Ministry of Trade incurred an expenditure totalling Ksh.4,872,725.00 paid to M/S Upperhill Universal Company Limited for construction of stalls at Shabaab office grounds. However, on verification, it was noted that the stalls were not constructed at the designated site but at the middle of a road roundabout. No documents were produced to confirm if the Kenya Urban Roads Authority (KURA) had given approval for the construction of the stalls at the round - about. Further, it was observed that apart from the stalls being an obstruction to motorists, the business people and customers risked their lives from motor vehicles likely to veer off the road and into the round - about. There is a likelihood that the County Government will incur financial losses should give Kenya Urban Roads Authority order for demolition of the structures.

9.5. Contracts Awarded But Not Implemented

The audit of the County's Ministry of Trade projects revealed that several projects costing to Kshs.53,586,912 awarded during the year and some in the previous years have not been implemented. Although the projects were budgeted for and tenders awarded, the construction works had not started as at 30 June, 2016. It was noted that the agreements signed between the contractors and the County Government did not

indicate the completion dates for the projects. Therefore, the intended beneficiaries have to wait indefinitely for the services expected from these projects.

9.6. Projects Status – Roads

Analysis of the IFMIS development budget report indicated that the County's Ministry of Roads, Public Works and Transport was allocated Kshs.1,511,387,380 for various projects. The Ministry's status report indicated that only Kshs.842,070,620, was budgeted under development expenditure, leading to unexplained variance of Kshs.669,316,760. The report further indicated that only projects worth Kshs.836,156,757 were awarded in the year under review and only Kshs.69,004,663 was paid towards these projects. The County's development agenda may not be achieved if projects are not implemented in the year they are budgeted for.

9.7. Prior-years' Projects Status

Perusal of development expenditure records maintained by the County's Ministry of Roads, Transport and Public Works revealed that pending bills totaling to Kshs.755,171.00 relating to 2013-2014, Kshs.229,625,286.27 for 2014-2015 were not settled in the respective financial years, but carried forward to the financial year under review. Further, the Kshs.229,625,286.27 carried forward from 2014/2015 was in respect to ninety (90) projects which included road maintenance, drainage projects and footbridges. Out of this amount, Kshs.164,545,510.27 or approximately 72% of the contract sum had been paid. Analysis of the projects implementation status report revealed that some of the projects were ongoing or had their contracts terminated, or default notices issued hence resulting to the stoppage/suspension of the civil works. However, the contract agreements for the respective projects specifying commencement and completion dates and instructions or default notices of the respective projects were not provided for audit purpose. The respective certificates of payments on account specifically in support of 72% works completed were not presented for audit review. The level of completion at various stages and of which the remaining unpaid balances totaling to Kshs.65,079,776 i.e. (Kshs.229,625,286 – Kshs.164,545,510) were not stated clearly in the projects implementation status made available for audit. In view of these anomalies, the Ministry has not exercised proper fiscal responsibilities in ensuring bills are promptly settled. Failure to settle bills during the year to which they relate adversely affects cash flows for the subsequent year in which they have to be settled. Further, in the absence of a pending bills register, the Ministry could pay ineligible suppliers.

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

Nairobi

30 August 2017

COUNTY GOVERNMENT OF NAKURU
Reports and Financial Statements
For the twelve months period ended June 30, 2016

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Tax Receipts	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	128,711,754	115,665,877
Exchequer releases	4	8,116,330,940	7,422,873,158
Transfers from Other Government Entities	5	702,033,482	-
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	-	-
Proceeds from Sale of Assets	8	-	-
Reimbursements and Refunds	9	-	-
Returns of Equity Holdings	10	-	-
Other Receipts	11	2,295,462,842	2,106,199,385
TOTAL RECEIPTS		**11,242,539,018**	**9,644,738,420**
PAYMENTS			
Compensation of Employees	12	4,917,531,516	4,429,938,345
Use of goods and services	13	2,265,880,928	2,412,398,083
Subsidies	14	-	-
Transfers to Other Government Units	15	504,466,129	-
Other grants and transfers	16	147,869,379	115,961,954
Social Security Benefits	17	47,962,893	-
Acquisition of Assets	18	3,105,475,236	1,642,008,330
Finance Costs, including Loan Interest	19	-	-
Repayment of principal on Domestic and Foreign borrowing	20	-	-
Other Payments	21	-	-
TOTAL PAYMENTS		**10,989,186,080**	**8,600,306,712**
SURPLUS/DEFICIT		**253,352,938**	**1,047,409,708**

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

P. K. Toromo
CHIEF OFFICER
Finance & Economic Planning
Chief Officer

COUNTY GOVERNMENT OF NAKURU
DIRECTOR OF FINANCE
Director of Finance

II. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	2,359,015,042	2,102,140,787
Cash Balances	22B	-	-
Total Cash and cash equivalent		**2,359,015,042**	**2,102,140,787**
Accounts receivables – Outstanding Imprests	23	-	543,318
TOTAL FINANCIAL ASSETS		**2,359,015,042**	**2,102,684,105**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	24	23,782,749	2,978,000
NET FINANCIAL ASSETS		**2,335,232,294**	**2,102,684,105**
REPRESENTED BY			
Fund balance b/fwd	25	2,105,662,105	2,068,650,570
Surplus/Deficit for the year		253,352,937	1,047,409,708
Prior year Adjustments	26	-	1,010,398,173
NET FINANCIAL POSITION		**2,359,015,042**	**2,105,662,105**

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

P. K. Torome
Chief Officer
Finance & Economic Planning

Director for Finance

COUNTY GOVERNMENT OF NAKURU
DIRECTOR OF FINANCE

III. STATEMENT OF CASHFLOW

	2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts for operating income		
Tax Revenues	-	-
Social Security Contributions	-	-
Proceeds from Domestic and Foreign Grants	128,711,754	115,665,877
Exchequer Releases	8,116,330,940	7,422,873,158
Transfers from Other Government Entities	702,033,482	
Reimbursements and Refunds	-	-
Returns of Equity Holdings	-	-
Other Revenues	2,295,462,842	2,109,177,385
Payments for operating expenses		
Compensation of Employees	(4,917,531,516)	(4,429,938,345)
Use of goods and services	(2,265,880,928)	(2,412,398,083)
Interest payments	-	-
Subsidies		-
Transfers to Other Government Units	(504,466,129)	(115,961,954)
Other grants and transfers	(147,869,378)	
Social Security Benefits	(47,962,893)	-
Finance Costs, including Loan Interest	-	-
Other Expenses		
Adjusted for:		
Adjustments during the year		(1,010,398,173)
Net cash flow from operating activities	**3,358,828,173**	**1,679,019,865**
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		
Acquisition of Assets	(3,105,475,236)	(1,642,008,330.00)
Net cash flows from Investing Activities	**(3,105,475,236)**	**(1,642,008,330.00)**
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from Domestic Borrowings		
Proceeds from Foreign Borrowings	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Net cash flow from financing activities	-	-
	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	253,352,938	37,011,535
Cash and cash equivalent at BEGINNING of the year	**2,105,662,105**	**2,068,650,570**
Cash and cash equivalent at END of the year	**2,359,015,042**	**2,105,662,105**

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

Chief Officer

P. K. Torome
CHIEF OFFICER
Finance & Economic Planning

for

Director for Finance

COUNTY GOVERNMENT OF NAKURU
DIRECTOR OF FINANCE

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	128,711,754		128,711,754	128,711,754	-	100%
Exchequer releases	4,534,568,075	-	4,534,568,075	4,510,855,704	23,712,371	99%
Transfers from Other Government Entities	702,033,482	-	702,033,482	504,466,129	197,567,353	72%
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings		-	-	-	-	
Other Receipts	2,911,149,689	32,982,148	2,944,131,837	2,295,462,842	648,668,995	78%
TOTAL RECIEPTS	**8,276,463,000**	**32,982,148**	**8,309,445,148**	**7,637,063,782**	**172,381,366**	
PAYMENTS						
Compensation of Employees	4,919,199,048		4,914,199,048	4,917,531,516	1,667,532	100%
Use of goods and services	2,395,945,809	304,939,952	2,700,885,761	2,265,880,928	435,004,833	84%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	702,033,482	-	702,033,482	504,466,129	197,567,353	72%
Other grants and transfers	236,500,000	-	236,500,000	147,869,378.60	-	63%
Social Security Benefits	47,962,893	-	47,962,893	47,962,893.00	-	100%
Acquisition of Assets	-	-	-	-	-	
Finance Costs, including Loan Interest	-	-	-	-	-	

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTALS	**8,301,641,232**	**299,939,952**	**8,601,581,184**	**7,883,710,845**	**717,870,339**	**92%**

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

P. K. Torome
CHIEF OFFICER
Finance & Economic Planning
Chief Officer

for

Director for Finance

V. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	3,581,762,865	1,801,652,893	5,383,415,758	3,605,475,236	1,777,940,522	67%
Transfers from Other Government Entities	-	-	-	-	-	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL RECIEPTS	**3,581,762,865**	**1,801,652,893**	**5,383,415,758**	**3,605,475,236**	**1,777,940,522**	
PAYMENTS						
Compensation of Employees	-	-	-	-	-	
Use of goods and services	-	-	-	-	-	

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	-	-	-	-	-	
Other grants and transfers	-	-	-	-	-	
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	3,581,762,865	1,801,652,893	5,383,415,758	3,105,475,236	2,277,940,522	58%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTALS	**3,581,762,865**	**1,801,652,893**	**5,383,415,758**	**3,105,475,236**	**2,277,940,522**	**58%**

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

(a) x

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

P. K. Torome
CHIEF OFFICER
Chief Officer Economic Planning

for
Director for Finance

COUNTY GOVERNMENT OF NAKURU

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	128,711,754	-	128,711,754	128,711,754	-	100%
Exchequer releases	8,116,330,940	1,801,652,893	9,917,983,833	8,116,330,940	1,801,652,893	82%
Transfers from Other Government Entities	702,033,482	-	702,033,482	702,033,482	-	100%
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
Other Receipts	2,911,149,689	32,982,148	2,944,131,837	2,295,462,842	648,668,995	78%
TOTAL RECIEPTS	**11,858,225,865**	**1,834,635,041**	**13,692,860,906**	**11,242,539,018**	**2,450,321,888**	
PAYMENTS						
Compensation of Employees	4,919,199,048		4,919,199,048	4,917,531,516	1,667,532	100%
Use of goods and services	2,395,945,809	304,939,952	2,700,885,761	2,265,880,928	435,004,833	84%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	702,033,482	-	702,033,482	504,466,129	197,567,353	72%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other grants and transfers	236,500,000	-	236,500,000	147,869,379	88,630,621	63%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	3,581,762,865	1,801,652,893	5,383,415,758	3,105,475,236	2,277,940,522	58%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTALS	**11,883,404,097**	**2,101,592,845**	**13,984,996,942**	**10,989,186,080**	**3,000,810,861**	**79%**

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

P. K. Toromo
Chief Officer
CHIEF OFFICER
Finance & Economic Planning

for Director for Finance

COUNTY GOVERNMENT OF NAKURU
DIRECTOR OF FINANCE

VI. 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 and applicable government legislations and regulations. 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, which is the functional and reporting currency of the *Nakuru County Government* and all values are rounded to the nearest Kshs. 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.

2. **Recognition of revenue and expenses**
The *Nakuru County Government* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *Nakuru County Government*. In addition, the *Nakuru County Government* recognises all expenses when the event occurs and the related cash has actually been paid out by the *Nakuru County Government*.

3. **In-kind contributions**
In-kind contributions are donations that are made to the *Nakuru County Government* 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 *Nakuru County Government* 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.

5. **Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. **Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. **Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

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

9. **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 *Nakuru County Government'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 *Nakuru County Government's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. **Comparative figures**

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

11. **Subsequent events**

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

VII. NOTES TO THE FINANCIAL STATEMENTS

1 TAX REVENUES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Taxes on Income, Profits and Capital Gains	-	-
Taxes on Property	-	-
Taxes on Goods and Services	-	-
Taxes on International Trade and Transactions	-	-
Other Taxes (not elsewhere classified)	-	-
Total	-	-

2 SOCIAL SECURITY CONTRIBUTIONS

	2015 – 2016 Kshs	2014 - 2015 Kshs
Receipts for Health Insurance Contribution	-	-
Receipts to NHIF for Health Insurance Contributions	-	-
Receipts from Govt Employees to Social & Welfare Schemes in Govt	-	-
Total	-	-

3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2015 - 2016 Kshs	2014 - 2015 Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
UNICEF			46,144,268	
DANIDA			25,260,000	
Grants Received from Multilateral Donors (International Organisations)				
Health Sector Services Fund - H.S.S.F				2,226,604
World Health Organisation (W.H.O)			49,263,026	103,267,723
Clinton Health Initiative (C.H.A.I)			4,827,500	7,449,350
A.H.F.			1,191,560	1,493,700
Doctors Without Borders (M.S.F)			927,000	1,228,500
OTHERS				
KEROCHE INDUSTRIES			100,000	

NAIVASHA CDF			200,000	
MOH			798,400	
Grants Received from other levels of government				
Total			**128,711,754**	**115,665,877**

4 TRANSFERS FROM NATIONAL TREASURY

Description and reference of the transfer	2015 - 2016	2014 - 2015
	Kshs	Kshs
1st quarter transfer	649,306,475	1,586,230,926
2nd quarter transfer	2,069,664,390	1,197,028,107
3rd quarter transfer	2,029,082,735	1,309,617,205
4th quarter transfer	3,368,277,340	2,001,176,555
Cash on Transit (see note)		1,328,820,365
Total	**8,116,330,940**	**7,422,873,158**

5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers from Central government entities		
KENYA ROADS BOARD	103,104,387	-
MINISTRY OF HEALTH - MATERNITY HEALTH	184,362,500	-
MINISTRY OF HEALTH - USER FEES FORGONE	37,373,449	
MINISTRY OF HEALTH LEVEL 5	377,193,146	
TOTAL	**702,033,482**	-

6 PROCEEDS FROM DOMESTIC BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Borrowing within General Government		
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	
Domestic Currency and Domestic Deposits	-	-
Total	-	

7 PROCEEDS FROM FOREIGN BORROWINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

8 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016 Kshs	2014 – 2015 Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

9 REIMBURSEMENTS AND REFUNDS

	2015 - 2016	2014 - 2015

	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

10 RETURNS OF EQUITY HOLDINGS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

11 OTHER REVENUES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	-
Profits and Dividends	47,475,050	79,280,991
Rents	404,399,026	275,589,583
Other Property Income	-	-
Sales of Market Establishments	75,537,677	1,210,063,037
Receipts from Administrative Fees and Charges		505,779,098
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	897,581	32,323,896
Fines Penalties and Forfeitures	-	-
Receipts from Voluntary transfers other than grants	430,281,392	-
Business permits	45,563,418	-
Cesses	-	-
Poll rates	17,479,814	-
Plot rents	-	-
Other local levies	-	-
Administrative services fees	118,449,891	3,162,78
Various fees		-
Council's natural resources	-	-
Exploitation	-	-
Sales of council assets		

Lease / rental of council's	-	-
Infrastructure assets	-	-
Other miscellaneous revenues	-	-
Other miscellaneous revenues	-	-
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr repayment)	-	-
Transfers from reserve funds	-	-
Donations	-	-
Fund raising events	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Other revenues from financial assets loan	-	-
Market/trade centre fee	67,139,546	-
Vehicle parking fees	292,414,437	-
Housing	1,345,440	-
Social premises use charges	-	-
School fees	-	-
Other education-related	946,875	-
Other education revenues	-	-
Public health services	599,598,919	-
Public health facilities operations	7,217,614	-
Environment & conservancy	168,780,867	-
Administration	-	-
Slaughter houses administration	17,935,295	-
Water supply administration	-	-
Sewerage administration	-	-
Other health & sanitation	-	-
Technical services fees	-	-
External services fees	-	-
	2,295,462,842	2,109,177,38

12 COMPENSATION OF EMPLOYEES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic salaries of permanent employees	2,903,609,740	2,201,208,444
Basic wages of temporary employees	36,715,827	-
Personal allowances paid as part of salary	1,789,303,683	2,078,916,58(
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	187,902,266	149,813,321
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-

Total	**4,917,531,516**	**4,429,938,345**

13 USE OF GOODS AND SERVICES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	122,261,344	109,911,377
Communication, supplies and services	19,494,627	10,959,045
Domestic travel and subsistence	132,148,175	234,544,006
Foreign travel and subsistence	30,275,069	119,492,609
Printing, advertising and information supplies & services	81,385,340	171,420,066
Rentals of produced assets	69,828,000	69,828,000
Training expenses	87,587,348	191,462,085
Hospitality supplies and services	102,582,826	118,580,321
Insurance costs	39,618,709	41,660,920
Specialised materials and services	825,612,947	458,379,583
Office and general supplies and services	36,187,639	36,936,034
Other operating expenses	578,140,717	645,883,827
Routine maintenance – vehicles and other transport equipment	35,532,229	17,309,095
Routine maintenance – other assets	106,594,414	186,031,115
Fuel, oil and lubricants	64,694,811	-
Total	**2,265,880,928**	**2,412,398,083**

14 SUBSIDIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Subsidies to Public Corporations	xx	xx
See list attached	xx	xx
(insert name)		
Subsidies to Private Enterprises	Xx	xx
See list attached	Xx	xx
(insert name)		
TOTAL	**Xx**	**xx**

15 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Other current transfers, grants and subsidies See attached list	-	-
Other capital grants and transfers COUNTY ASSEMBLY OF NAKURU	504,466,129	-

(insert name of budget agency)	-	-
TOTAL	**504,466,129**	**-**

16 OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Scholarships and other educational benefits	140989731	115,961,954
Emergency relief and refugee assistance	4,879,648	-
Other capital grants and transfers	-	-
Total	**147,869,379**	**115,961,954**

17 SOCIAL SECURITY BENEFITS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Government pension and retirement benefits	47,962,893	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	**47,962,893**	**-**

18 ACQUISITION OF ASSETS

Non-Financial Assets	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	284,330,134	343,190,917
Refurbishment of Buildings	34,726,881	98,771,892
Construction of Roads	295,726,513	267,860,447
Construction and Civil Works	306,947,624	-
Overhaul and Refurbishment of Construction and Civil Works	43,624,619	28,545,090
Purchase of Vehicles and Other Transport Equipment	87,419,515	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	112,000	514,750
Purchase of Office Furniture and General Equipment	35,049,894	55,761,984
Purchase of ICT Equipment	26,883,997	101,696,010
Purchase of Specialised Plant, Equipment and Machinery	199,997,675	14,192,432
Rehabilitation and Renovation of Plant, Machinery and Equip.	66,106,489	37,813,000
Purchase of Certified Seeds, Breeding Stock and Live Animals	59,572,792	22,906,091
Research, Studies, Project Preparation, Design & Supervision	80,298,205	80,298,205
Rehabilitation of Civil Works	10,320,683	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	14,435,000	-
Acquisition of Intangible Assets	91,088,928	-
Development Assembly Supply Credits	1,549,132,489	
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	159,000,000
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
Total	**3,105,475,236**	**1,642,008,330**

19 FINANCE COSTS, INCLUDING LOAN INTEREST

	2015 - 2016 Kshs	2014 - 2015 Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
NOTES TO THE FINANCIAL STATEMENTS (Continued)		
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total	-	-

20 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2015 - 2016 Kshs	2014 - 2015 Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

21 OTHER EXPENSES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other expenses	-	-
	-	-

22A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit, revenue e.t.c	Exc rate (if in foreign currency)	2015 - 2016	2014 - 2015
				Kshs	Kshs
CENTRAL BANK OF KENYA A/CNO. 1000171607	KSH.	REVENUE FUND ACCOUNT		1,619,369,167	1,511,280,979
CENTRAL BANK OF KENYA A/CNO. 1000171178	KSH.	RECCURENT ACCOUNT		20,474,441	615,113
CENTRAL BANK OF KENYA A/C NO. 1000171103	KSH.	DEVELOPMENT A/C		707,462	3,122,491
CENTRAL BANK OF KENYA A/C NO.1000238356	KSH.	DEPOSITS A/C		23,782,749	2,978,000
CENTRAL BANK OF KENYA	KSH.	RMLF		63,752,622	
COOPERATIVE BANK OF KENYA A/C NO.0114152630800	KSH.	LOCAL REVENUE A/C		341,806	4,332,509
FAMILYBANK A/C NO.018000053211	KSH.	LOCAL REVENUE A/C		118,290,947	9,800
NATIONAL BANK A/C NO.01001065283400	KSH.	LOCAL REVENUE A/C		12,697,015	19,234,583
KCB A/C NO.1140746057	KSH.	LOCAL REVENUE A/C		3,711,851	8,305,862
EQUITY BANK A/C NO.0130261954816	KSH.	LOCAL REVENUE A/C		25,278,251	5,682,739
TRANS-NATIONAL BANK A/C NO. 470610/500UCA/1/0	KSH.	LOCAL REVENUE A/C		99,140	672,733
CO-OPERATIVE BANK A/C NO. 01141506067600	KSH.	COUNTY IMPREST A/C		3,691,557	3,702,557
CO-OPERATIVE BANK A/C NO. 01141506421700	KSH.	PUBLIC SERVICE BOARD		8,210,328	574
CO-OPERATIVE BANK A/C NO. 01141506451000	KSH.	MINISTRYOF TRADE		698	8,733
CO-OPERATIVE BANK A/C NO. 01141506637700	KSH.	OFFICE OF THEGOVERNOR		-	279,510
NATIONAL BANK A/C NO. 01001062379100	KSH.	MINISTRY OF AGRICULTURE		-	4,874
NATIONAL BANK A/C NO.1001062371200	KSH.	MINISTRY OF EDUCATION		70,558	0

FAMILY BANK A/C NO. 019000036428	KSH.	EDUCATION BURSARY FUND A/C		12,382,388	4,707,856
NATIONAL BANK OF KENYA A/C NO. 01001065223600	KSH.	MINISTRY OF ENVIRONMENT		592,744	638
KENYA COMMERCIAL BANK A/C NO. 1146785305	KSH.	MINISTRY OF FINANCE		-	-
CO-OPERATIVE BANK A/C NO. 01141506787900	KSH.	HEALTH COND. GRANT A/C		288,148,901	40,097,389
CO-OPERATIVE BANK A/C NO. 01141506466100	KSH.	HEALTH MIN. OPERATIONAL		3,822,811	197,951
EQUITY BANK A/C NO. 013026666620	KSH.	MINISTRY OF ICT & E-GOVERNMENT		-	0
EQUITY BANK A/C NO. 1460261661934	KSH.	MINISTRY OF LANDS		2,323,724	374
CO-OPERATIVE ANK A/C NO. 01141506528600	KSH.	PUBLIC SERVICE MANAGEMENT		1,501,047	1,501,047
KENYA COMMERCIAL BANK A/C NO. 1146814232	KSH.	MINISTRY OF PUBLIC WORKS		20,908	9,277
CO-OPERATIVE BANK A/C NO. 01141506140000	KSH.	NAKURU COUNTY ASSEMBLY		0	367,951,158.21
FAMILY BANK A/C NO.018000055807	KSH.	NAKURU COUNTY ASSEMBLY		-	-
NATIONAL BANK (PGH ANNEX) A/C NO. 0100102351502	KSH.	PGH ANNEX		15,496,768	8,336,708
KCB NAIVASHA (NAIVASHA HOSP.)A/C NO. 1105267342	KSH.	NAIVASHA SU-COUNTY HOSPITAL		19,523,217	1,416,778
KCB NAKURU (BAHATI HOSP) A/C NO.1101860308	KSH.	BAHATI SUB-COUNTY HOSP.		5,860,983	4,619,953
KCB GILGIL (GILGIL HOSP.) A/C NO. 1106203860	KSH.	GILGIL SUB-COUNTY HOSP.		8,429,077	6,989,271
NATIONAL BANK MOLO (ELBURGON HOSP.) A/C NO. 01001053726200	KSH.	ELBURGON SUB-COUNTY HOSPITAL		863,161	1,111,549

NATIONAL BANK MOLO (OLENGURUONE) A/C NO. 01001053729100	KSH.	OLENGURUONE SUB-COUNTY HOSP.		3,250,465	3,494,424
NATIONAL BANK MOLO (MOLO HOSP.) A/C NO. 01003053628300	KSH.	MOLO SUB-COUNTY HOSP.		3,874,478	3,283,676
NATIONAL BANK A/C NO. 01001089797100	KSH.	PGH MAIN NAKURU		91,718,038	102,621,751
NATIONAL BANK (PGH) A/C 01001020341500	KSH.	PGH MAIN NAKURU		-	-
NATIONAL BANKA/C NO. 01001088445300	KSH.	NAKURU EAST SUB-COUNTY		38	2,809
CO-OPERATIVE BANK A/C NO. 01141506269600	KSH.	NAKURU WEST SUB-COUNTY		20,724	-
EQUITY BANK A/C NO. 0130261248142	KSH.	SUBUKIA SUB-COUNTY		144	739
KENYACOMMERCIAL BANK A/C NO. 1144283833	KSH.	NAIVASHA SUB-COUNTY		669,822	-
EQUITY BANK A/C NO. 0770261259459	KSH.	GILGIL SUB-COUNTY		27,298	36
EQUITY BANK MOLO A/C NO. 0230261251716	KSH.	KURESOI NORTH SUB-COUNTY		3,576	5,169
EQUITY BANK A/C NO. 023261275991	KSH.	KURESOI SOUTH SUB-COUNTY		5,543	-
NATIONAL BANK A/C NO. 0100177234100	KSH.	MOLO SUB-COUNTY		-	-
EQUITY BANK A/C NO. 1460261257158	KSH.	NJORO SUB-COUNTY		-	32,581
EQUITY BANK A/C NO. 1460261248567	KSH.	RONGAI SUB-COUNTY		-	6,930
KENYA COMMERCIAL BANK A/C NO. 1143964810	KSH.	BAHATI SUB-COUNTY		595.30	
Total				**2,359,015,042**	**2,105,118,787**

22B: CASH IN HAND

	2015 - 2016 Kshs	2014- 2015 Kshs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should also be analysed as follows:

	2015 - 2016 Kshs	2014 - 2015 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify*)	-	-
Total	-	-

[Provide cash count certificates for each]

23: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2015 - 2016 Kshs	2014 – 2015 Kshs
Government Imprests	-	-
Clearance accounts		543,318
Total		**543,318.00**

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Total				-

24. ACCOUNTS PAYABLE

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	23,782,749	2,978,000
	-	
Total	23,782,749	2,978,000

[Provide short appropriate explanations as necessary]

25. FUND BALANCE BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	2,105,118,787	2,045,932,477
Cash in hand	-	-
Accounts Receivables	543,318	22,718,093
Accounts Payables	-	-
Total	**2,105,662,105**	**2,068,650,570**

[Provide short appropriate explanations as necessary]

26. OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

26.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (*specify*)	-	-
	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (*specify*)	-	-
	-	-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
MINISTRY OF PSM	83,618,239	VARIOUS		83,618,239		
MINISTRY OF EDUCATION	674,789,465	VARIOUS		674,789,465		
MINISTRY ENVIRONMENT	265,040	VARIOUS		265,040		
MINISTRY OF LANDS & HOUS	9,579,938			9,579,938		
MINISTRYOF TRADE & TOUR	12,278,831	VARIOUS		12,278,831		
MINISTRY OF HEATH	369,559,477	VARIOUS		369,559,477		
EXECUTIVE	499,253	VARIOUS		499,253		
Sub-Total	**1,150,590,243**			**1,150,590,243**		
Construction of civil works						
PSM	-	VARIOUS				
AGRICULTURE	-	VARIOUS				
ENVIRONMENT	388,561,260	VARIOUS		388,561,260		
PUBLIC WORKS	-	VARIOUS				
HOUSING & PH. PLANNING	14,985,943	VARIOUS		14,985,943		
MINISTRY OF TRADE & TOUR	139,627,031	VARIOUS		139,627,031		
MINISTRY OF EDUCATION	-	VARIOUS				
MINISTRY OF HEATH	802,469			802,469		
EXECUTIVE	-	VARIOUS				
Sub-Total	**543,976,704**			**543,976,704**		
Supply of goods						
MINISTRY OF FINANCE	-	VARIOUS				
MINISTRY OF PSM	542,331,435	VARIOUS		542,331,435		
MINISTRY OF LANDS & HOUS.	6,360,430	VARIOUS		6,360,430		
PUBLIC SERVICE BOARD	-	VARIOUS				
MINISTRY OF TRADE & TOUR	49,789,680	VARIOUS		49,789,680		
MINISTRY OF ENVIRONMENT	6,805,789	VARIOUS		6,805,789		
MINISTRY OF ICT	33,903,765	VARIOUS		33,903,765		

COUNTY GOVERNMENT OF NAKURU
Reports and Financial Statements
For the twelve months period ended June 30, 2016

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
MINISTRY OF AGRICULTURE	6,857,111	VARIOUS		6,857,111		
MINISTRY OF EDUCATION	36,625,566	VARIOUS		36,625,566		
MINISTRY OF PUBLIC WORKS	10,073,365	VARIOUS		10,073,365		
MINISTRY OF HEALTH	407,997,371	VARIOUS		407,997,371		
EXECUTIVE	5,606,629	VARIOUS		5,606,629		
Sub-Total	**1,106,351,141**			**1,106,351,141**		
Supply of services						
MINISTRY OF FINANCE	-	VARIOUS				
MINISTRY OF PSM	-	VARIOUS				
MINISTRY OF LANDS & HOUS.	74,335,975	VARIOUS		74,335,975		
PUBLIC SERVICE BOARD	-	VARIOUS				
MINISTRY OF TRADE & TOUR	25,105,094	VARIOUS		25,105,094		
MINISTRY OF ICT	10,140,000	VARIOUS		10,140,000		
MINISTRY OF ENVIRONMENT	3,757,097	VARIOUS		3,757,097		
MINISTRY OF EDUCATION	20,405,021	VARIOUS		20,405,021		
MINISTRY OF AGRICULTURE	-	VARIOUS		-		
MINISTRY OF ROADS	-	VARIOUS				
MINISTRY OF HEALTH	7,508,249	VARIOUS		7,508,249		
EXECUTIVE	37,439,677	VARIOUS		37,439,677		
Sub-Total	**178,691,113**			**178,691,113**		
PENDING STAFF PAYABLES						
MINISTRY OF FINANCE	--	VARIOUS				
MINISTRY OF LANDS & HOUS.	-	VARIOUS				
MINISTRY OF TRADE & TOUR.	-	VARIOUS				
MINISTRY OF ENVIRONMENT	1,089,600	VARIOUS		1,089,600		
MINISTRY OF EDUCATION	2,806,355	VARIOUS		2,806,355		
MINISTRY OF HEALTH	-	VARIOUS				
PUBLIC SERVICE BOARD	-	VARIOUS				
MINISTRY OF PSM	-	VARIOUS				
MINISTRY OF AGRICULTURE	5,981,445	VARIOUS		5,981,445		
MINISTRY OF ROADS	3,991,998	VARIOUS		3,991,998		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
EXECUTIVE	-	VARIOUS				
Sub-Total	-					
AMOUNTS DUE TO THIRD PARTIES						
EXECUTIVE	13,869,398	VARIOUS		13,869,398		
	13,869,398			13,869,398		
Sub-Total	27,738,795			27,738,795		
Grand Total	3,021,217,393			3,021,217,393		

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	B	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	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	14,435,000	
Buildings and structures	319,057,015	1,221,578,973
Transport equipment	87,419,515	28,545,090
Office equipment, furniture and fittings	35,161,894	514,750
ICT Equipment, Software and Other ICT Assets	26,883,997	55,761,984
Other Machinery and Equipment	199,997,675	115,888,442
Heritage and cultural assets		37,813,000
Intangible assets	91,088,928.00	181,906,091
Total	774,044,024	1,642,008,330