REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF MURANG'A

FOR THE YEAR ENDED 30 JUNE 2017

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB
24 APR 2018
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MURANGA COUNTY GOVERNMENT

REPORTS AND FINANCIAL STATEMENTS AMENDED

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2017

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County 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 *Murang'a county Government* day-to-day management is under the following key organs:

- Murang'a County Executive
- Murang'a County Assembly and
- Murang'a County Public Service Board

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	NAME	DESIGNATION
1.	Mr Peter G. Kahora	Accounting officer-Finance and economic planning
2.	Mr. Thomas Gakahu	Director of county treasury-Accounting service and receiver of revenue
3.	Mr Patrick Mukuria	County Secretary
4.	Mr Joseph Mbai	Accounting Officer-Health
5.	Mr Peter Gichigo	Accounting Officer-Trade
6.	Mr Gabriel Kamau	Accounting Officer-Transport & Infrastructure
7.	Mr Charles Thuo	Accounting Officer-Cooperatives development
8.	Mr Peter Mburu	Accounting Officer-Agri-business
9.	Mr Joseph Ndung'a	Accounting Officer-Agriculture
10.	Mr Moses Waiharo	Accounting Officer-Governorship and Administration
11.	Mr Titus Waweru	Accounting Officer-Human Resource
12.	Ms Catherine Mwaura	Accounting Officer-Education
13.	Ms Damaris Maina	Accounting Officer-Environment
14.	Mr John Mwangi	Accounting Officer-Lands
15.	Mr Richard Kamami	Accounting Officer-PSB
16.	Mr James Kairu	Accounting Officer-Finance

(d) Fiduciary Oversight Arrangements

The County government consists of two arms of government namely the county executive and county assembly as per the Kenya Constitution of 2010. The county assembly has an oversight role on the management of the county government through the County Public Account Committee, County Finance Committee, County Budget Committee and Committee on implementation. Sectorial committee's to have an oversight role in their respective sector programs.

The county also has an Internal Audit Department which ensures that internal control are followed
The county also works hand in hand with the development partners to ensure that funds received from donors are utilized as their terms

(e) County Headquarters

P.O. Box 52-10200
County Hall
Murang'a Town
Nairobi, KENYA

(f) County Contacts

Telephone: (254) 2030271
E-mail: info@muranga.go.ke
Website: www.muranga.go.ke

(g) County Bankers

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

2. Kenya Commercial Bank
   Murang'a

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CEC

I hereby forward the consolidated financial statements for the financial year ended 30th June 2017. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the Public Finance Management Act 2012. The accounts show the county had a surplus of 51Million

Murang'a county government had prepared its budget guided by the county's integrated development plan with key development programs been Infrastructure development, Milk production and marketing, increased food production and production and provision of water allocated the lion share of development funds. ECD and Youth polytechnics were also allocated funds to improve the infrastructure and education/training standards.

The impact of these programs can already be felt for example the two irrigation projects that have been completed have enhanced food production. Milk production has increased fourfold following the provision of quality A.I services and a ready market. These initiatives are providing farmers with guaranteed monthly income that has boosted the livelihood of many to mention but a few. The county projects are completed in time thereby ensuring the residents get value for their money.

The main challenge the county is facing is growing its revenue base. With few industries in the county and low economic activities, the county is constrained on local revenues. We also faced challenges on timely approval of budgets and processing of all financial items through IFMIS which is been addressed with assistance from the National Treasury officials. The county executive and that county assembly had a cordial working relation that has greatly contributed to the planning and implementation of development programs. We look forward to achieving a high rate of development in the county stimulated by the county government initiatives.

DAVID WAWERU
CEC-FINANCE, IT AND ECONOMIC PLANNING
MURANGA COUNTY GOVERNMENT

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of 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, 2017. 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, 2017, 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 _____ 2017

County Executive Committee member – Finance

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MURANG'A FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Executive of Murang'a set out on pages 7 to 41, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined and budget execution by programmes and sub-programmes for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of County Executive of Murang'a as at 30 June 2017, 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.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1.0 Presentation of the Financial Statements

A review of the financial statements for the year ended 30 June 2017 revealed the following misstatements:

i. Included in the annual report and accounts are the summary statement of appropriation-development and the summary statement of appropriation: recurrent and development combined which do not show actual receipts and payments for the period under review. Further, original budget figures were not posted to the statement. The budget figures reflected in the statements relate to supplementary budget which apparently remained constant throughout the year and therefore is misleading and erroneous.

ii. IFMIS generated bank reconciliations were not annexed to these financial statements as per the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB) vide circular No AG4/16/VOL.IV/76 of 3 July 2017.

iii. The management has not provided any comments for the significant over expenditure or under expenditure disclosed in the summary statement of appropriation as prescribed in the reporting template and as approved by PSASB.

iv. The financial statements for the year ending 30 June 2017 notes to accounts were not generated from IFMIS system.

Consequently, the financial statements for the year ended 30 June 2017 do not fully comply with International Public Sector Accounting Standards (Cash Basis) on presentation as prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Inaccuracies in the Financial Statements

2.1 Variances between the Financial Statements and IFMIS

The figures in the financial statements for the year ended 30 June 2017 contain various discrepancies compared with IFMIS report balances as summarized below;

Components	Financial Statements Amount-Kshs.	IFMIS Report Amount Kshs.	Variances Kshs.
Total Receipts	6,663,954,646	8,405,370,669	(1,741,416,023)
Total Payments	6,612,304,574	5,625,363,675	986,940,899
Cash and Bank	557,999,259	28,393,997,939	(27,835,998,680)
Receivables		7,980,841	(7,980,841)
Payables	1,347,501,161	19,234,397,715	(17,886,896,554)

In view of the foregoing, the accuracy and completeness of these financial statements for the year ended 30 June 2017 could not be confirmed.

2.2 Discrepancies between Financial Statements Balances and Supporting Schedules

The financial statements for the year ended 30 June 2017 reflect balances that are at variance with the supporting schedules as detailed below;

Item Description	Note	Financial Statements Amount (Kshs)	IFMIS/Supporting Payment Details Amount (Kshs)	Variance (Kshs)
Utilities, Supplies and Services	12	63,934,755	44,621,465	19,313,290
Domestic Travel and Subsistence	12	138,340,800	98,515,685	39,825,115
Foreign Travel and Subsistence	12	1,065,870	7,402,167	(6,336,297)
Printing, Advertising and Information Supplies and Services	12	150,170,042	19,367,576	130,802,466

Item Description	Note	Financial Statements Amount (Kshs)	IFMIS/Supporting Payment Details Amount (Kshs)	Variance (Kshs)
Rentals of Produced Assets	12	34,197,797	29,962,746	4,235,051
Training Expenses	12	50,693,375	53,438,174	(2,744,799)
Hospitality Supplies and Services	12	61,307,720	20,290,925	41,016,795
Insurance Costs	12	13,189,384	17,247,122	(4,057,738)
Specialized Materials and Services	12	721,474,804	589,220,872	132,253,932
Office and General Supplies and Services	12	32,639,345	11,907,462	20,731,883
Other Operating Expenses	12	153,778,151	84,788,270	68,989,881
Routine Maintenance - Vehicles and Other Transport	12	50,601,708	27,000	50,574,708
Routine Maintenance - Other Assets	12	129,890,063	7,532,293	122,357,770
Fuel	12	49,910,511	19,954,042	29,956,469
Subsidies (Grants to Public Corporations)	13	42,620,649	27,088,500	15,532,149
Scholarships and Other Educational Benefits	15	175,160,065	6,882,053	168,278,012
Subsidies to Small business and Cooperatives	15	50,388,278	23,013,311	27,374,967
Other Current Transfers and Grants	15	35,341,695	-	35,341,695
Other Capital Grants	15	35,650,733	54,438,918	(18,788,185)
Social Security benefits	16	4,084,515	4,561,110	(476,595)
Construction of Buildings	17	9,802,675	-	9,802,675
Construction of Roads	17	637,530,301	789,165,721	(151,635,420)
Refurbishment of Buildings	17	2,963,191	2,963,191	-
Construction and Civil Works	17	458,452,354	438,078,042	20,374,312
Purchase of Office Furniture and General Equipment	17	4,557,783	11,251,328	(6,693,545)
Purchase of Specialized Plant, Equipment and Machinery	17	56,262,977	55,779,216	483,761
Purchase of Certified Seeds, Breeding stock and Live animals	17	148,348,890	73,407,690	74,941,200
Other Payments	20	117,514,737	69,927,802	47,586,935

Consequently, the accuracy and completeness of the expenditure on these items for the year ended 30 June 2017 could not be confirmed.

3.0 Fixed Assets

A summary of fixed assets register was not annexed to these financial statements as per the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).The circular requires that cumulative balances of all County assets and additions during the year should be disclosed. There was no evidence also indicating that assets inherited from the defunct local authorities in the County were recorded and disclosed in these financial statements.

The financial statements, therefore, are not in line with the International Public Sector Accounting Standards and as prescribed by the PSASB.

4.0 Transfers from other Government Entities

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers from other government entities of Kshs.336,776,235 while note 3 to the financial statements indicates nil balance for the same item. No reconciliation or explanation was provided for the variance noted.

Consequently, the accuracy and completeness of the transfer from other government entities totaling Kshs.336,776,235 for the year ended 30 June 2017 could not be confirmed.

5.0 Other Revenue

5.1 County Own Generated Revenue Variance

The statement of receipts and payments for the year ended 30 June 2017 reflects County own generated receipts of Kshs.535,583,977. However, the supporting schedules for the same period indicate an amount of Kshs.506,685,731 resulting in unexplained or reconciled variance of Kshs.28,898,246.

Consequently, the accuracy and completeness of the county own generated receipts of Kshs.535,583,977 for the year ended 30 June 2017 could not be ascertained.

5.2 Under Collection of Revenue

The County Government had targeted to raise revenue amounting to Kshs.880,000,000 from local sources based on the budget approved by the County Assembly for the financial year 2016/2017. However, the actual amount generated totaled Kshs.535,583,977 as reported in the financial statements which accounted for 60.9 per cent of the local revenue target resulting in revenue shortfall of Kshs.344,416,023 or 39.1% as shown below:

Revenue Stream	Budget Estimates 2016/2017	30/6/2017 Current Year Final	% Actual to Estimates	Under collection- Kshs.	Over collection- Kshs.
Licences	126,699,980	101,119,123	80	25,580,857	
Licences Penalties	-	1,746,491			1,746,491
Plot/Land Rates	73,758,168	45,816,216	62	27,941,952	
Land Rates Penalties	2,027,459	1,060,155	52	967,304	
Market Fees	59,900,000	35,292,095	59	24,607,905	
Building Materials & Other Cess	101,180,994	58,177,928	57	43,003,066	

Revenue Stream	Budget Estimates 2016/2017	30/6/2017 Current Year Final	% Actual to Estimates	Under collection- Kshs.	Over collection- Kshs.
Bus Park Fees	50,691,113	26,907,130	53	23,783,983	
Parking Fee	29,000,900	19,233,498	66	9,767,402	
Motor Bikes	14,701,600	4,740,250	32	9,961,350	
Liquor License	32,845,000	31,093,760	95	1,751,240	
Plan Approval	30,000,000	16,962,594	57	13,037,406	
Conservancy	19,102,506	12,155,100	64	6,947,406	
Other Cess Revenue	5,285,351	2,321,190	44	2,964,161	
Sale Of Forms	11,000,000	5,727,400	52	5,272,600	
Tender Forms	285,160	35,000	12	250,160	
Advertisements	9,498,920	10,082,140	106		583,220
Self Help Group	3,613,758	1,764,900	49	1,848,858	
Land Subdivision/Transfer	14,897,097	9,492,012	64	5,405,085	
House/Stalls Rent/S. Hall	9,212,842	5,813,211	63	3,399,631	
Other Land Based Revenue	7,881,921	2,056,700	26	5,825,221	
Impounding Fees	5,500,024	2,063,160	38	3,436,864	
Morgue Fees	2,500,000	3,016,490	121		516,490
Slaughter Fees	1,670,000	594,850	36	1,075,150	
Education & Polytechnics	1,267,942	154,300	12	1,113,642	
Coffee/Tea Cess	-	10,500			10,500
Fire Fighting	-	401,000			401,000
Others	57,426,402	32,978,274	57	24,448,128	
Hospitals	117,373,140	62,167,855	53	55,205,285	

Revenue Stream	Budget Estimates 2016/2017	30/6/2017 Current Year Final	% Actual to Estimates	Under collection-Kshs.	Over collection-Kshs.
NHIF	-	3,437,000			3,437,000
Public Health	29,700,000	22,342,165	75	7,357,835	
Livestock (A.I)	17,021,296	1,888,460	11	15,132,836	
Meat Inspection	13,529,694	9,011,605	67	4,518,089	
Veterinary Clinical Services	4,514,024	915,315	20	3,598,709	
Fisheries	160,000	99,850	62	60,150	
Cooperatives	2,119,330	452,690	21	1,666,640	
Land ,Housing & Physical Planning	8,500,000	160,000	2	8,340,000	
Trade -Weight & Measures	1,499,884	1,122,850	75	377,034	
Mariira Farm	15,035,495	2,918,385	19	12,117,111	
Nema	-	8,200			8,200
Water	600,000	244,135	41	355,865	
Total Revenue	**880,000,000**	**535,583,977**	**61**	**351,118,925**	**6,702,901**

From the above table it is clear that out of the 40 main streams of revenue, the County Executive missed its targeted revenue in 33 streams. Further, the County Executive only managed to collect 60.9% of total revenue estimates during year. The actual revenue realized during the year was a significant drop by Kshs.106,228,053 from the previous year (2015/2016) collection of Kshs.641,812,030 as analyzed below:

Financial Year	Revenue Estimates Kshs.	Actual Collection Kshs.	Actual vs Estimates(%)	Change/Growth-Kshs	% Change/Growth
2014/2015	800,000,000	575,477,497	71.9		
2015/2016	850,000,000	641,812,030	75.5	66,334,533	11.5
2016/2017	880,000,000	535,583,977	60.9	(106,228,053)	-16.6
Total	**2,530,000,000**	**1,752,873,504**	**69.3**		

The decline in revenue collection has not been explained. The significant drop in revenue also points to revenue leakages which impacts negatively on the County's resources.

5.3 Un-surrendered Revenue Receipt Books

A review of Counter Receipt Book Register revealed that the sub-county revenue supervisors are issued with revenue receipts books without any proof that the previous revenue receipts have been properly accounted for. The only receipts which are accounted for are those which are listed by the field collectors in the respective revenue control sheets and which are cleared by sub county field supervisors through field collection receipts. However, a scrutiny of receipt books issued out against the surrendered ones indicated that several receipt books with a total nominal receipts value of Kshs.16,520,000, issued to various revenue clerks had not been surrendered back to the station. The revenue collected through these receipts therefore remains unaccounted for. Further, included in the list of the un-surrendered receipt books were 5,950 leaves of miscellaneous receipts which had not been denominated and did not have nominal revenue value. Consequently, there is the risk of loss of revenue.

6.0 Compensation of Employees

The statement of receipts and payments for the year ended 30 June 2017 reflects compensation of employees' amount of Kshs.2,532,431,406. However, the summary statement of appropriation: recurrent and development indicates nil expenditure balance. Further, the summary statement of appropriation reflects budgeted amount of Kshs.3,266,200,500 instead of Kshs.2,616,427,000 as per approved budget for 2016/2017 thus resulting in unexplained nor reconciled variance of Kshs.649,773,500.

Consequently, the propriety, accuracy and completeness of compensation of employees balance of Kshs.2,532,431,406 for the year ended 30 June 2017 could not be ascertained.

7.0 Use of Goods and Services

7.1 Budget

The statement of receipts and payments for the year ended 30 June 2017 reflects payments totaling Kshs.605,101,387 in respect of use of goods and services. However, during the year, the County Executive allocated Kshs.593,456,767 resulting in over expenditure of Kshs.12,227,571 or 2% of budget. Further, the following observations were made in respect of specific items as disclosed in Note 12 to the financial statements.

7.2 Foreign Travel and Subsistence

Note 12 to the financial statements for the year ended 30 June 2017 reflects foreign travel and subsistence amount of Kshs.1,065,870. However, review of payment register and votebook revealed that the figure exclude an amount of Kshs.1,476,000 incurred by four (4) Members of County Assembly (MCAs) and five officers in respect of travel to Pretoria South Africa on 25 January 2017 and Kshs.608,020 paid to the two (2) officers for foreign travel to India on 9 September 2016. The amount was charged on domestic travel and subsistence account instead of foreign travel. Further, the payments were not supported by boarding passes, reports of the meetings and evidence of travel.

Consequently, the propriety and accuracy of the foreign travel and subsistence amount of Kshs.1,065,870 for the year ended 30 June 2017 could not be confirmed.

7.3 Training

Note 12 to the financial statements for the year ended 30 June 2017 reflects training expenses of Kshs.50,693,375. Included in this figure are payments totaling Kshs.1,338,580 paid on 22 September 2016 and 25 August 2016 comprising of seminars/conference and training of fire brigade amounting to Kshs.689,500 and Kshs.649,080 respectively. However, the payments were not supported by documentation such as signed attendance list, program of training/conference and appropriate authority.

Consequently, the propriety and validity of training expenditure of Kshs.1,338,580 for the year ended 30 June 2017 could not be confirmed.

7.4 Routine maintenance – vehicles and other transport equipment

Note 12 to the financial statements for the year ended 30 June 2017 reflects routine maintenance – vehicles and other transport equipment figure of Kshs.50,601,708 which includes an amount of Kshs.4,992,140 paid to Thika Motor Dealers (K) Ltd for repair of seven (7) motor vehicles attached to the Department of Finance and Economic planning. The management explained that the services could only be rendered by Toyota Kenya since they were the dealers of those vehicles. However, the payments were neither supported with LSO for the service nor the report from the officer in charge of transport before and after the repairs were done.

Consequently, the propriety of expenditure of Kshs.4,992,140 incurred on routine maintenance – vehicles and other transport equipment for the year ended 30 June 2017 could not be confirmed.

7.5 Other Operating Expenses

Included in the use of goods and services figure of Kshs.1,651,194,325 is other operating expenses of Kshs.153,778,151 as disclosed in note 12 to the financial statements out of which an amount of Kshs.14,764,456 was paid out through KCB operations account No.1140746464 for unspecified purpose as follows;

Date	Ref. No./Cheque No.	Payee/Other Particulars	Amount-Kshs.
25.08.2016	1623904024	EE Seedling MDC	5,000,000
14.09.2016	1625811077	EE Seedling MDC	4,541,100
30.09.2016	16/0009	LC amendment commission	611,678
12.10.2016	162780000	LC Margin Provision	4,000,000
15.11.2016		LC amendment commission	611,678
		Total	**14,764,456**

These expenses were not supported with relevant payment vouchers.

7.6 Procurement of Goods and Services

Included in the use of goods and services amount of Kshs.1,651,194,325 are expenditure totaling Kshs.9,731,150 for purchase of various goods and services. However, procurement records were not presented for audit. Further, some of the documents attached to the payments had several discrepancies as detailed below;

Item	P.V No. Payee	LPO No.	Date	Purpose	Amount-Kshs.	Remarks
Printing, Advertising	31774	5746	23/8/2016	Supply of stationery	970,250	Delivery note dated 17 March 2017 while quotations were opened on 12 April 2016
Printing, Advertising		132	29/9/2016	5800 Mashujaa day programs	1,450,000	- No evidence of delivery or goods received note - No inspection report
Other payments	Cyber base printers Ltd	Various	25/8/2016	Printing of accounting documents	4,449,000	-Quotation used were floated in January 2014 - Photocopies used instead of duplicate
Specialized materials and services	31912	5695	22/8/2016	Purchase of ICT equipment and software	896,000	-Invalid quotations used 8 months after submission -Photocopies of quotations
Other operating expenses	40636	7522	28/10/2016	Supply of accountable documents/books	1,970,000	As at the time of audit the books remained unused thus may not have been required
		Total			**9,731,150**	

The discrepancies have not been explained.

8.0 Budget and Budgetary Control

8.1 Budget Performance Analysis

During the financial year ended 30 June 2017, Muranga County Executive had an approved budget of Kshs.7,411,408,000 comprising of recurrent vote of Kshs.4,035,118,000 (54%) and development vote of Kshs.3,376,290,000 (46%).The statement of receipts and payments reflected overall expenditure total of Kshs.6,612,304,574 equivalent to 89% absorption rate.

8.2 Projects not implemented

Records presented for audit revealed that several projects with a total budget of Kshs.273,678,000 had not commenced, partially utilized or no evidence was provided indicating that the budget provisions were used for the intended purpose as follows:-

Department	Item Code	Description	Amount - Kshs.	Remarks
Agriculture, Livestock and Fisheries	3111302	Purchase of Animals and Breeding Stock	32,000,000	Not implemented
	2211007	Agricultural materials, supplies and small equipment	176,000,000	Not implemented
	3110500	Tea Industry Infrastructure	42,678,000	Not implemented
	2211003	Veterinarian supplies and materials	23,000,000	Not implemented
		Total	**273,678,000**	

Consequently, it has not been possible to confirm that the management applied budgetary provisions for the year ended 30 June 2017.

9.0 Pending Bills

Note 26.1 and 26.2 to the financial statements reflects pending accounts payable and pending staff payables of Kshs.1,347,501,161 and Kshs.112,297,209 respectively totaling Kshs.1,459,798,370 (2015/2016 Kshs.1,132,753,757). However, supporting schedules provided for audit reflected pending accounts payable of Kshs.1,199,726,480 resulting in unexplained nor reconciled variance of Kshs.147,774,681.

Further had the bills been paid and the expenditure charged to the accounts for the year under review, the surplus of Kshs.51,650,072 reflected in the statement of receipts and payments would have decreased to a deficit of Kshs.1,408,148,298.

Consequently, the accuracy and completeness of the pending bills totaling Kshs.1,459,798,370 as at 30 June 2017 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Murang'a in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse Opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and Those charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the County Executive's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services.

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.

Those charged with governance are responsible for overseeing the County Executive's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the County Executive's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

  Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.

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

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

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

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

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Nairobi

16 July 2018

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Exchequer releases	1	5,779,189,434	5,040,997,309
Proceeds from Domestic and Foreign Grants	2	12,405,000	24,810,000
Transfers from Other Government Entities	3	336,776,235	91,469,030
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Fuel Levy Allocation	7	-	68,038,977
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	535,583,977	641,812,030
Returned CRF issues	10	-	-
TOTAL RECEIPTS		**6,663,954,646**	**5,867,127,346**
PAYMENTS			
Compensation of Employees	11	2,532,431,406	2,295,533,103
Use of goods and services	12	1,651,194,325	1,360,760,190
Subsidies	13	42,620,649	-
Transfers to Other Government Units	14	650,000,000	116,593,973
Other grants and transfers	15	296,540,771	133,320,120
Social Security Benefits	16	4,084,515	-
Acquisition of Assets	17	1,317,918,171	1,512,166,504
Finance Costs, including Loan Interest	18	-	25,283,423
Repayment of principal on Domestic and Foreign borrowing	19		
Other Payments	20	117,514,737	127,758,186
TOTAL PAYMENTS		**6,612,304,574**	**5,571,415,499**
SURPLUS/DEFICIT		**51,650,072**	**295,711,847**

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 _____ 2017 and signed by:

Chief Officer
Name: PETER G.KAHORA

Head of Treasury
Name: THOMAS GAKAHU
ICPAK Member Number:

II. STATEMENT OF ASSETS

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	564,235,037	515,601,658
Cash Balances	21B	976,033	1,290,509
Total Cash and cash equivalent		**565,211,070**	**516,892,168**
Accounts receivables – Outstanding Imprests	22	-	35,179,108
TOTAL FINANCIAL ASSETS		**565,211,070**	**552,071,276**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	-	-
NET FINANCIAL ASSETS		**565,211,070**	**552,071,276**
REPRESENTED BY			
Fund balance b/fwd	24	513,560,998	256,359,428
Prior year adjustments	25	-	-
Surplus/Deficit for the year		51,650,072	295,711,847
NET FINANCIAL POSITION		**565,211,070**	**552,071,275**

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 _____ 2017 and signed by:

Chief Officer
Name: PETER G. KAHORA

Head of Treasury
Name: THOMAS GAKAHU
ICPAK Member Number:

III. STATEMENT OF CASH FLOWS

		2016-2017 Kshs	2015 - 2016 Kshs
Receipts from operating income			
Exchequer Releases	1	5,779,189,434	5,040,997,309
Proceeds from Domestic and Foreign Grants	2	12,405,000	24,810,000
Transfers from Other Government Entities	3	336,776,235	159,508,007
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	535,583,977	641,812,030
Returned CRF issues	10	-	
Payments for operating expenses			
Compensation of Employees	11	(2,532,431,406)	(2,295,533,103)
Use of goods and services	12	(1,651,194,325)	(1,360,760)
Subsidies	13	(42,620,649)	-
Transfers to Other Government Units	14	(650,000,000)	(116,593,973)
Other grants and transfers	15	-	(133,320,120)
Social Security Benefits	16	(4,084,515)	-
Finance Costs, including Loan Interest	18	-	(25,283,423)
Other Payments	20	(117,514,737)	(127,758,186)
Adjusted for:			
Adjustments during the year	25	(35,179,108)	(129,890,064)
Net cash flow from operating activities		**1,334,389,135**	**1,867,410,199**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(1,317,918,171)	(1,512,166,504)
Net cash flows from Investing Activities		**(1,317,918,171)**	**(1,512,166,504)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**41,107,0914**	**355,243,695**
Cash and cash equivalent at BEGINNING of the year	21	**516,892,167**	**161,648,473**
Cash and cash equivalent at END of the year	24	**565,211,070**	**516,892,167**

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 _____ 2017 and signed by:

Chief Officer
Name: PETER G. KAHORA

Head of Treasury
Name:THOMAS GAKAHU
ICPAK Member Number

IV. 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						
Exchequer releases	5,779,189,000		5,779,189,000	5,779,189,434	(434)	100%
Transfers from National Government Entities CA-& Free maternity	121,663,000		121,663,000	227,229,881	105,566,881	186%
Proceeds from Foreign Grants/ Development Partners	25,000,000		25,000,000	12,405,000	12,595,000	50%
Proceeds from Domestic Borrowings						
Proceeds from Foreign Borrowings						
Proceeds from Sale of Assets						
Conditional Additional Allocations to County Governments-KDSP	29,535,323		29,535,323	-	29,535,323	0%
Conditional Allocation to Level 5 Hospitals						
County Own Generated revenues	880,000,000		880,000,000	535,583,977	344,416,023	63%
Unspent Funds-User fee	21,971,000		21,917,000	20,749,146	1,221,854	94%
TOTAL	**6,066,155,323**		**6,066,155,323**	**6,663,954,646**	**597,799,323)**	
PAYMENTS						
Compensation of Employees	2,431,805,000		2,431,805,000	2,431,805,000	(100,626,406)	104%
Use of goods and services	2,059,355,823		2,059,355,823	1,651,194,325	(426,234,002)	80%
Subsidies	46,580,000		46,580,000	42,620,649	3,959,351	91%
Transfers to Other Government Units	113,690,000		113,690,000	650,000,000	(623,000,000)	572%
Other grants and transfers	238,400,000		238,400,000	296,540,771	(296,540,771)	124%
Social Security Benefits	76,270,000		76,270,000	4,084,515	62,934,485	5%
Acquisition of Assets	2,223,553,500		2,223,553,500	1,317,918,171	(1,301,918,171)	59%
Finance Costs, including Loan Interest	141,213,000		141,213,000	-	141,213,000	0%

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	80,540,677		80,540,677	117,514,737	(36,974,060)	146%
TOTAL	**7,411,408,000**		**7,411,408,000**	**6,612,304,574**	**799,103,426**	
SURPLUS/(DEFICIT)						

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

(a) Transfers from National Government Entities refers to actual free maternity fees refunded by the national government
(b) Proceeds from Foreign Grants refers to the actual Danida funds granted to the county government.
(c) Transfers to Other Government Units refers to the funds that were transferred to the County Assembly during the year. This had not been anticipated at the beginning of the year.

(Explain *whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23 The total of actual on comparable basis should tie with the totals under receipts and payments where this is not the case, a reconciliation should between the two statements should be prepared and disclosed.)*

V. 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						
Exchequer releases	3,262,189,434		3,262,189,434	3,262,189,434	-	100%
Transfer from national Government Entites					-	
Proceeds from foreign Grants/Development Partners-Danida	25,000,000		25,000,000	12,405,000	12,595,000	50%
Conditional Additional Allocations to County Government-KDSP	29,535,323		29,535,323	-	29,535,323	0%
Conditional Additional Allocations to County Government-CA & Free maternity	121,663,000		121,663,000	227,229,881	105,566,881	186%
Fuel Levy Allocation						
County own Generated revenue	880,000,000		880,000,000	535,583,977	314,416,023	63%
Unspent Funds-User fee	21,971,000		21,971,000	20,749,146	1,221,854	94%
TOTAL	**4,340,358,757**		**4,340,358,757**	**4,058,157,438**	**282,201,319**	
PAYMENTS						
Compensation of Employees	2,431,805,000		2,431,805,000	2,532,431,406	(100,626,406)	104%
Use of goods and services	1,224,960,323		1,224,960,323	1,224,960,323	-	100%
Subsidies	46,580,000		46,580,000	42,620,649	3,959,351	91%
Transfers to Other Government Units	27,000,000		27,000,000	650,000,000	(623,000,000)	2407%
Other grants and transfers	-		-			
Social Security Benefits	67,019,000		67,019,000	4,084,515	62,934,485	6%
Acquisition of Assets	16,000,000		16,000,000		16,000,000	0%
Finance Costs, including Loan Interest	141,213,000		141,213,000		141,213,000	0%
Repayment of principal on Domestic and Foreign borrowing						

MURANGA COUNTY GOVERNMENT

Report and Financial Statements

For the year ended June 30, 2017

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 Payments	80,540,677		80,540,677	117,514,737	36,974,060	146%
TOTAL	**4,035,118,000**		**4,035,118,000**	**4,571,611,630**	**(536,493,630)**	
SURPLUS/(DEFICIT)						

VI. 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						
Exchequer releases	2,517,000,000		2,517,000,000	2,517,000,000	0	100%
Proceeds from Domestic and Foreign Grants						
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						
County Own Generated receipts						
Fuel Levy Allocation	88,797,000		88,797,000	88,797,208	(208)	100%
TOTAL	**2,605,797,000**		**2,605,797,000**	**2,605,797,208**	**(208)**	
PAYMENTS						
Compensation of Employees						
Use of goods and services	834,395,500		834,395,500	426,234,002	408,161,498	51%
Subsidies						
Transfers to Other Government Units	86,690,000		86,690,000	0	86,690,000	0%
Other grants and transfers	238,400,000		238,400,000	296,540,771	(58,140,771)	124%
Social Security Benefits	9,251,000		9,251,000	0	9,251,000	0%
Acquisition of Assets	2,207,553,500		2,207,553,500	1,317,918,171	889,635,329	60%
Finance Costs, including Loan Interest						
Repayment of principal on Domestic and Foreign borrowing						

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 Payments						
TOTALS	**3,376,290,000**		**3,376,290,000**	**2,040,692,944**	**1,335,597,056**	
SURPLUS/(DEFICIT)						

[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]

(a) Grants and transfers excess by 24% is as a result of the actual receipts compared to what had been anticipated in budget
(b) Own generated revenue target was less by 27% due to the prolonged draught during the year hence the county lost revenue from cess and farm produce in the markets.
(c) Transfers to Other Government Units excess by over 2000% refers to amount that was transferred to the county assembly that had not been anticipated at the beginning of the year.
(d) Acquisition of assets underutilization is a result of the actual amount absorbed by the departments during the financial year.

(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23. The total figures on the recurrent budget execution statement and development budget execution should add up to the totals of the combined statement.)

VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	20xx		20xx	Date, 20xx	
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					
Programme 2					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic)

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

SIGNIFICANT ACCOUNTING POLICIES (Continued

Acquisition of fixed assets

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

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

4. **In-kind contributions**

In-kind contributions are donations that are made to the *entity* 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 *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2017, the County did not operate a deposit account and hence did not have any money maintained in the deposit account.

6. **Accounts Receivable**

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

7. **Accounts Payable**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued

8. Non-current assets

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

9. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on April for the period 1st July 2016 to 30 June 2017 as required by law. There was one number of supplementary budgets passed in the year.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHQUER RELEASES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	1,444,797,359	428,479,785
Total Exchequer Releases for quarter 2	1,473,693,306	1,847,819,072
Total Exchequer Releases for quarter 3	1,444,797,359	1,338,999,328
Total Exchequer Releases for quarter 4	1,415,901,410	1,740,699,124
LESS Internal transfer-county assembly		**-315,000,000**
Total	**5,779,189,434**	**5,040,997,309**

2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2016 - 2017	2015 – 2016
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
	-	-	-	-
	-	-	-	-
Grants Received from Multilateral Donors (International Organisations)				
Health Sector Programme Support	-	-	-	-
Health Sector Support Project (HSSP)-DANIDA			12,405,000	24,810,000
Grants Received from other levels of government				
	-	-	-	-
	-	-	-	-
Total			**12,405,000**	**24,810,000**

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers from Central government entities		
Conditional Allocations for free Maternal health care Allocation	79,582,500	
Conditional Allocations for Compensation of user fees foregone	20,749,146	-
Ministry of transport – Coffee Cess Allocation	12,629,381	
Ministry of Health –Staff allowances (doctors,nurses,clinical officers and health staff)	135,018,000	
Fuel Levy Allocation	88,797,208	
	-	-
	-	-
TOTAL	**336,776,235**	-

4 PROCEEDS FROM DOMESTIC BORROWINGS

	2016 - 2017	2015 - 2016
	Kshs	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	-	-

5 PROCEEDS FROM FOREIGN BORROWINGS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6 PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 – 2016
	Kshs	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	-	-

7 REIMBURSEMENTS AND REFUNDS

	2016 - 2017	2015 – 2016
	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	-	-

8 RETURNS OF EQUITY HOLDINGS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
Total	-	-

9 COUNTY OWN GENERATED RECEIPTS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Interest Received	42,678,095	-
Profits and Dividends	-	-
Rents	-	-
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	-	-
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	-	-
Fines Penalties and Forfeitures	4,737,270	8,438,382
Receipts from Voluntary transfers other than grants	-	-
Business permits	134,186,130	151,599,620
Cesses	58,862,801	82,340,229
Poll rates	44,569,292	48,341,146
Plot rents	-	-
Other local levies	-	-
Administrative services fees	1,716,867	13,297,240
Various fees	25,734,623	579,970
Council's natural resources	-	14,208,370
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-
Infrastructure assets	5,655,000	250,290
Other miscellaneous receipts	20,825,989	29,235,272
Other miscellaneous receipts	-	-
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr rpayment)	-	-

Transfers from reserve funds	-	-
Donations	-	-
Fund raising events	-	-
Other receipts from financial assets loan	-	-
Market/trade centre fee	34,331,593	50,231,815
Vehicle parking fees	49,496,115	66,578,580
Housing	-	-
Social premises use charges	-	2,881,123
School fees	-	-
Other education-related	150,101	2,962,360
Other education receipts	-	-
Public health services	-	85,933,391
Public health facilities operations	88,487,868	26,148,580
Environment & conservancy	11,832,266	13,484,790
Administration	-	-
Slaughter houses administration	578,661	521,373
Water supply administration	237,490	-
Sewerage administration	-	1,715,000
Other health & sanitation	10,000	35,531,124
Technical services fees	11,493,816	7,533,375
External services fees	-	-
TOTAL	**535,583,977**	**641,812,030**

10 RETURNED CRF ISSUES

	2016 - 2017	**2015 – 2016**
	Kshs	**Kshs**
Recurrent account	-	-
Development account	-	-
Deposit account	-	-
Total	-	-

11 COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Basic salaries of permanent employees	2,532,431,406	2,295,533,103
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	2,532,431,406	2,295,533,103

12 USE OF GOODS AND SERVICES

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	63,934,755	66,310,630
Communication, supplies and services	-	7,621,818
Domestic travel and subsistence	138,340,800	149,169,783
Foreign travel and subsistence	1,065,870	11,882,075
Printing, advertising and information supplies & services	150,170,042	66,641,643
Rentals of produced assets	34,197,797	11,535,000
Training expenses	50,693,375	13,813,768
Hospitality supplies and services	61,307,720	40,245,941
Insurance costs	13,189,384	24,525,953
Specialized materials and services	721,474,804	425,514,300
Office and general supplies and services	32,639,345	51,075,546
Other operating expenses	153,778,151	418,956,915
Routine maintenance – vehicles and other transport equipment	50,601,708	28,543,912
Routine maintenance – other assets	129,890,063	15,698,574
Fuel	49,910,511	29,224,332
Total	**1,651,194,325**	**1,360,760,190**

13 SUBSIDIES

Description	2016 - 2017	2015 – 2016
	Kshs	Kshs
Subsidies to Public Corporations		
Subsidies to Public Corporations	42,620,649	-
	-	-
Subsidies to Private Enterprises		
	-	-
(insert name)	-	-
TOTAL	42,620,649	-

14 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 – 2016
	Kshs	Kshs
Transfers to Central government entities		
	-	-
Transfers to Other Counties		
County Assembly	650,000,000	116,593,973
TOTAL	**650,000,000**	**116,593,973**

15 OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Scholarships and other educational benefits	175,160,065	79,143,998
Emergency relief and refugee assistance	-	51,807,572
Subsidies to small businesses, cooperatives, and self employed	50,388,278	1,428,550
Other Current transfers,grants	35,341,695	
Other Capital Grants and Transfers	35,650,733	
Membership fees and subscriptions	-	940,000
Total	**296,540,771**	**133,320,120**

16 SOCIAL SECURITY BENEFITS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	4,084,515	-
Employer Social Benefits in cash and in kind	-	-
Total	**4,084,515**	-

17 ACQUISITION OF ASSETS

Non Financial Assets	2016 – 2017	2015 – 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	9,802,675	-
Refurbishment of Buildings	2,963,191	-
Construction of Roads	637,530,301	373,938,181
Construction and Civil Works	458,452,354	498,644,859
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	3,698,094
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	4,557,783	-
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	56,262,977	376,970,553
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	7,380,640
Purchase of Certified Seeds, Breeding Stock and Live Animals	148,348,890	235,952,323
Research, Studies, Project Preparation, Design & Supervision	-	15,581,854
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
Total	**1,317,918,171**	**1,512,166,504**

18 FINANCE COSTS, INCLUDING LOAN INTEREST

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	25,283,423
Interest on Borrowings from Other Government Units	-	-
Total	-	**25,283,423**

19 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2016 - 2017	2015 – 2016
	Kshs	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	-	-

20 OTHER PAYMENTS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Budget Reserves	117,514,737	78,913,806
Domestic Account		48,844,380
Civil Contingency Reserves	-	-
Other payments	-	-
	117,514,737	**127,758,186**

21A: Bank Accounts

Name of Bank, Account No. & currency	2016 – 2017	2015 – 2016
	Kshs	Kshs
County Revenue Fund A/C No.1000171553	379,419,218.05	424,474,572
CBK-County Development A/C No.1000170988	22,361	9,370,330
CBK-County recurrent A/C No. 1000171073	175,844,247	1,233
CBK-County RMLF Account	219,863	68,038,977
KCB-Operations A/C No. 1140746464	191,138	130,571
KCB –Revenue A/C No. 1140745859	921,449	3,014,599
Jamii Bora Bank Limited A/C No.303173364001	-	466,640
KCB –Imprest A/C No. 1141114828	68,497	200,696
Co-Operative Account –Health A/C No.	50,245	350,129
Kenya Commercial Bank HealthA/c 114761931	514,290	86,584
Kenya commercial bank infrastructure account 1147877130	7,607	56,693
Co-operative bank imprest A/C No.01141422417900	204,361	767,291
Co-operative bank Operations A/C No.01141422417800	91,839	136,189
Co-operative bank Agromarketing A/C No.01141573086800	4,298	14,299
KCB –payment A/C No.1149363819	7,211,811.21	-
Murata sacco- Muranga Coffee A/C No.002070622315	-	-
Murata sacco- Muranga Tea development A/C No.002060622315	8,529	302,006
Murata sacco- Muranga Coffee A/C No.001101000010095	408,931	123,339
Co-Operative account-Agriculture A/C No.01141573074000	1,336,934	412,399
Co-Operative account –Trade A/C No.01141573092600	4,070	-
Co-Operative account-education A/C No.01141573102800	31,898	31,399
Family Bank PSB a/c No.006000020536	29,198	33,368
Family Bank Public Service a/c No. 006000020154	-	-
Family Bank Land & Housing a/c No.006000023400	134	1,575,268
Consolidated Bank-Youth a/c No.100512030000100	72,603	3,026
KCB-Kahuro Sub County A/C No. 1174984864	2,355	3,355
KCB-Kiharu Sub County A/C No.11469664811	29,709	-
KCB-Kandara Sub County A/C No.1147280886	351,565	991
KCB –Kangema Sub County	126	-
KCB-Kigumo Sub County a/c no. 1147318395	2,700,542	1,688
KCB-Mathioya Sub County	151	1,372
KCB –Maragua Sub County a/c	-	59
KCB-Gatanga Sub County a/c no.1147279861	1,359	2,813
KCB-Town Management a/c no. 114694447	417	129

Family Bank-Muranga County Govt. bursary a/c no.006000024352				3,418,652	6,001,644
Family Bank-Muranga county govt. education recurrent A/C No.006000023401				36,443	
Total				**564,235,037.26**	**515,601,659**

21B: CASH IN HAND

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	976,033	1,290,509
Cash in Hand – Held in foreign currency	-	-
Total	**976,033**	**1,290,509**

Cash in hand should also be analysed as follows:

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Gatanga sub-county revenue office	23,430	139,430
Kandara sub-county revenue office	132,380	51,460
Maragua sub-county revenue office	54,050	61,650
Town management sub-county revenue office	158,933	153,573
Kiharu subcounty revenue office	77,620	118,530
Mathioya sub-county revenue office	26,240	346,560
Kangema sub-county revenue office	13,060	53,955
Kahuro sub-county revenue office	437,310	178,901
Kigumo sub-County revenue office	53,010	-
HQ revenue office		186,450
Total	**976,033**	**1,290,509**

22: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Government Imprests	-	-
Clearance accounts	-	-
Outstanding imprest-staff		35,179,108
Total	-	**35,179,108**

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
				-
				-
				-
				-
Total				-

23. ACCOUNTS PAYABLE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Deposits	-	-
Total	-	-

24. FUND BALANCE BROUGHT FORWARD

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Bank accounts	256,359,428	161,648,472
Cash in hand	976,033	94,710,956
Accounts Receivables	-	-
Accounts Payables	-	-
Total	257,335,461	256,359,428

25: PRIOR YEAR ADJUSTMENTS

Description of the error	2016 – 2017	2015 – 2016
	Kshs	Kshs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables		
Others (*specify*)	-	-
	-	-

OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Construction of buildings	94,090,753	75,276,494
Construction of civil works	385,495,583	387,951,061
Supply of goods	744,266,014	380,951,208
Supply of services	123,648,811	111,599,785
	1,347,501,161	**955,778,548**

26.2: PENDING STAFF PAYABLES (See Annex 2)

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Unpaid Staff Deductions	64,677,968	64,677,968
Unpaid Staff Arrears	112,297,241	112,297,241
	-	-
	-	-
Total	**176,975,209**	**176,975,209**

26.3: OTHER PENDING PAYABLES (See Annex 3)

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (*specify*)	-	-
	-	-

27 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2016/2017	2015/2016
	Kshs	Kshs
Key Management compensation	xxx	xxx
Transfers to the County Assembly	xxx	xxx
Transfers to other County Government entities	xxx	xxx
Transfers to County Ministries and Departments	xxx	xxx
Transfers from other County Government Entities	xxx	xxx

28 ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established	Location	Accounting Officer responsible
Xxx Corporation			
Xxx fund			
Xxx Board			
Xxx project			
XXX Scheme			

X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

CEC, County Treasury

Sign……..

Date……

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	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 2017	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 b/f (Kshs) 2015/2016	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2016/2017
Land	541,934,014			541,934,014
Buildings and structures	824,907,334.2	12,765,866		837,673,200.2
Transport equipment	614,759,388			614,759,388
Office equipment, furniture and fittings	64,708,457	4,557,783		69,266,240
ICT Equipment, Software and Other ICT Assets	19,672,500			19,672,500
Other Machinery and Equipment	307,518,886	56,262,977		363,781,863
Heritage and cultural assets				
Intangible assets	42,454,701			42,454,701
Total	2,415,955,280.20	73,586,626		2,489,541,906.20

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.

ANNEX 5: INTER- ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred Kshs	Amount Confirmed as received Kshs	difference	explanation
1	County Assembly								
2	Xxx fund								
3	Xxx project								
4	Xxx board								
5	Xxx corporation								
6	Xxx								
7	Xxx								
8	Xxx								
9	**Total**								

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

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

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report from IFMIS)

MURANGA COUNTY GOVERNMENT

BANK RECONCILIATION STATEMENT

CBK-County development A/C 1000170988

month of June 2017

	ksh
Balance as per Bank statement	**35,000,852.15**
Less	
a) Unpresented cheques	34,978,491.00
statement not yet	
b) recorded in Cash book	-
add	
statement not yet	
c) recorded in bank	-
yet recorded in bank	
d) statement	-
Balance as per Cashbook	**22,361.15**

Unpresented cheques

a	cheque no.	date	payee		amount
1	31664	30-Jun-17	ENTERPRISES LIMITED		2,528,500
2	25175	30-Jun-17	NIKIKANG VENTURES LIMITED		1,289,938
3	25250	30-Jun-17	RINARS CATERERS		888,000
4	32353	30-Jun-17	M.C.G EDUCATION RECURRENT		4,810,000
5	901	30-Jun-17	M.C.G EDUCATION RECURRENT		11,000,000
6	33864	30-Jun-17	CONTINUUM SUPPLIERS		900,000
7	40681	30-Jun-17	CONSTRUCTION WORKS LIMITED		2,808,303
8	28627/1	30-Jun-17	ENTERPRISES LIMITED		10,753,750
					34,978,491

	sign	date
Prepared by	.....	.....
Reviewed by	.....	.....
Approved by	.....	.....