REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF MARSABIT

FOR THE YEAR ENDED 30 JUNE, 2019

OFFICE OF THE AUDITOR - GENERAL
EMBU HUB P. O. Box 113 - 60100, EMBU
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COUNTY GOVERNMENT OF MARSABIT

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

TABLE OF CONTENTS

TABLE OF CONTENTS i

1. KEY ENTITY INFORMATION AND MANAGEMENT ii

2. FORWARD BY THE CEC v

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES vi

4. REPORT OF THE INDEPENDENT AUDITORS ON COUNTY GOVERNMENT OF MARSABIT-EXECUTIVE. vii

5. FINANCIAL STATEMENTS 1

5.1. STATEMENT OF RECEIPTS AND PAYMENTS 1

5.2. STATEMENT OF ASSETS AND LIABILITIES 2

5.3. STATEMENT OF CASH FLOWS 3

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED 4

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT 5

5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT 6

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 7

5.8. SIGNIFICANT ACCOUNTING POLICIES 14

5.9. NOTES TO THE FINANCIAL STATEMENTS 20

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 34

ANNEXES 36

ANNEX 2 ANALYSIS OF PENDING ACCOUNTS PAYABLE 37

ANNEX 3 SUMMARY OF FIXED ASSET REGISTER 49

ANNEX 4 INTER-ENTITY TRANSFERS 50

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

No.	Designation	Name
1	Governor, Marsabit County	H.E. Mohamud Mohammed Ali
2	Dep. Governor, Marsabit County	H.E. Solomon Gubo Riwe
3	County Secretary	Mr Malicha Boru Wario

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	CEC-Finance & Economic Planning	Hon. Adan Guyo Kanano
2.	Chief Officer –Finance	Mr Yussuf Tusse Jillo
3.	Chief Officer-Economic Planning	Mr. Peter Galmagar Bartabes
4.	Director-Finance	Mr Wario Jirmo Harsama
5.	Director-Accounting services	CPA Shalle Ibrahim Shalle
6.	Director-Revenue	CPA Dabasso Bonaya Adano
7.	Director Internal Audit	CPA Simon Khobes Siblet
8.	Director-Procurement	Mr. Francis Kariuki Kamende
9.	Deputy Director-Accounting services	CPA Paul Onyango Owaga
10.	Assistant Director-Revenue	CPA Shukri Kosaye
11.	All County Accounting Officers	

d) Fiduciary Oversight Arrangements

Audit and finance committee activities

The county Government of Marsabit has established the Internal Audit Committee pursuant to Section 155(5) of the PFM Act 2012.

County Public Investment and Accounts Committee

- Examine accounts showing appropriation by the county Assembly to meet public expenditure.
- Examine reports, accounts & working of the county public investments.
- Examine whether the affairs of the county public investment are managed with sound financial or business principles.

County Budget and Appropriation Committee

- Investigate, Inquire in to and report all the matters related to budget
- Discuss and review the estimate and make recommendations to the County Assembly
- Examine the County Budget Policy Statements
- Examine Bills related to the County Budget, including appropriation bills
- Evaluate Tax Estimates
- Evaluate economic and budgetary policies and programmes with direct budget outlays.

e) Entity Headquarters

P.O. Box 384 - 60500
County Headquarters
Marsabit - Isiolo Highway
Marsabit, KENYA

f) Entity Contacts

Telephone: (254)0727024916
E-mail: info@treasury.marsabit.go.ke
Website: www.marsabit.go.ke

g) Entity Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya
2. Kenya Commercial Bank
   Marsabit Branch
   P.O Box 83 – 60500
   Marsabit, Kenya
3. Co-operative Bank
   Marsabit Branch
4. Equity Bank

Marsabit Branch

h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

i) Principal Legal Adviser

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

2. FORWARD BY THE CEC

Marsabit County Supplementary II Budget for the financial year 2018/19 was Kshs. **8,718,802,633** which comprises development budgetary allocation of Kshs. 4,421,964,442 (51%) and recurrent budgetary allocation of Ksh. 4,296,838,191 (49%).

To finance the budget, the County Government raised a total of **Kshs 7,810,804,816** consisting of Kshs 118,848,396 of own source revenue collections, Kshs7,002,200,000 of equitable share as per County Allocation of Revenue Act-2018,unspent balances of Kshs. 11,325,147 and Kshs.678,431,273 being conditional grants from National Government entities and development partners. It is important to note that own source revenue collections for the financial year under review represented 85% of the annual revenue target and an increase of Kshs. 26,842,687 from previous financial year's collections.

A total of Kshs. 7.98.billion was spent on both development and recurrent activities during the financial year including a transfer to **County Assembly of Marsabit of Kshs 635,237,582**. A sum of Kshs.4.14 billion was spent on recurrent activities, while Kshs.3.84 billion was spent on development activities. The recurrent expenditure represented 96 per cent of the appropriated amount for recurrent activities while development expenditure accounted for 87% of the budgeted amount for development activities.

During the financial year under review, the County Government was able to undertake some milestone/flagship projects namely the launch for the construction of Sololo level 4 hospital in Moyale Sub-County, construction of Kenya Medical Training School in Marsabit Town, completion of modern market in Marsabit town and upgrading of Moyale township roads to bitumen level.

In the period under review, the following challenges were encountered:

- Delays in funds disbursement from the National Treasury resulting in to untimely implementation of the approved budget.
- Challenges in meeting own source revenue collections targets and consequently slowing down implementation of the budget.

COUNTY GOVERMENT OF MARSABIT
COUNTY EXECUTIVE
FINANCE & ECONOMIC PLANNING
P. O. Box 384-60500 MARSABIT

CECM-Finance and Economic Planning.
County Government of Marsabit

3. 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 receipts 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, 2019. 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, 2019, 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 18-9-2019.

COUNTY GOVERMENT OF MARSABIT
COUNTY EXECUTIVE
FINANCE & ECONOMIC PLANNING
P. O. Box 384-60500 MARSABIT

County Executive Committee Member – Finance and Economic Planning

4. REPORT OF THE INDEPENDENT AUDITORS ON COUNTY GOVERNMENT OF MARSABIT-EXECUTIVE.

REPUBLIC OF KENYA

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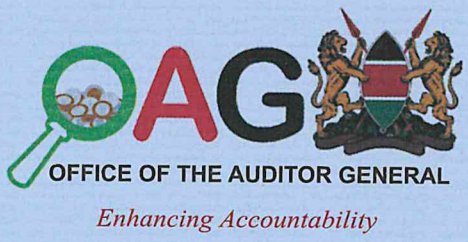

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF MARSABIT FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Marsabit set out on pages 1 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the 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.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Marsabit as at 30 June, 2019, 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 comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Un-updated Land Rate Records

As disclosed under Note 3 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2019 reflects county own generated revenue of Kshs.118,848,396. The balance includes land transaction charges amounting to Kshs.5,818,502. However, records maintained by Management revealed that nine (9) registers used for collection and recording of land rates were not updated while the rates due were not indicated in the registers.

In the circumstances, the accuracy of land transaction charges amounting to Kshs.5,818,502 for the year ended 30 June, 2019 could not be confirmed.

2. Use of Two Systems in Compensation of Employees

As disclosed under Note 3 to the financial statements, the statement of receipts and

payments reflects compensation to employees balance of Kshs.2,316,938,457. However, examination of records revealed that the Management operated two (2) payroll systems, the manual payroll system and the Integrated Payroll and Personnel Database (IPPD).

Further, Management paid an amount of Kshs.112,900,408 to four hundred (400) Early Childhood Development Education (ECDE) employees through the manual payroll but did not provide satisfactory reasons for not paying all its employees using the IPPD during the year under review.

In the circumstances, the validity and accuracy of compensation to employees amounting to Kshs.112,900,408 could not be ascertained.

3. Unsupported Expenditure - Use of Good and Services

As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects use of goods and services amounting to Kshs.1,270,407,630. Examination of records revealed that an amount of Kshs.1,475,000 under utilities, supplies and services was expended on the supply of solar power system and delivery of water to rural health facilities. However, Management did not provide for audit review, the supporting documents including the user requisitions, Inspection and acceptance minutes, delivery notes and list of beneficiaries.

Further, an amount Kshs.2,983,250, was spent on domestic travel and subsistence through issuance of imprests but the Management did not avail supporting documents such as imprest warrants, invitation letters, back to office reports, work tickets/bus tickets as well as minutes of proceedings and the hiring of venues. Similarly, an amount of Kshs.1,874,000 was incurred for evaluating, registration and pre-qualification of suppliers for tenders. The event was carried out in Nairobi contrary to the National Treasury Circular number 20/2015 dated 4 November, 2015 which requires all Accounting Officers to ensure that all workshops and retreats with majority of the participants drawn from one duty station are held from the precincts of the duty station.

In addition, an amount of Kshs.15,289,461 was paid to two (2) suppliers for the purchase of fuel, oil and lubricants. However, Management did not avail supporting documents such as fuel registers, copies of detail orders and motor vehicle work-tickets for audit review.

In the circumstances, the accuracy, completeness and validity of use of goods and services of Kshs.1,270,407,630 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

4. Unsupported Expenditure - Acquisition of Assets

As disclosed under Note 10 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2019 reflects acquisition of assets of Kshs.3,118,063,108. However, a review of the expenditure revealed the following unsatisfactory matters:

4.1. Refurbishment of Buildings

The balance constitutes expenditure amounting to Kshs.7,708,632 in respect refurbishment of buildings which includes an expenditure of Kshs.1,789,110 paid to four (4) suppliers in respect to refurbishment of buildings. However, Management did not avail supporting documents for audit review such as procurement records and payment vouchers containing full details, clear narrations, particulars of the items to which they related and the appropriate authority.

4.2. Construction and Civil Works

Further, the above balance of Kshs.3,118,063,108 includes an amount of Kshs.1,527,730,954 expended on construction and civil works out of which an amount of Kshs.12,270,840 was spent on the supply and delivery of vaccines, fishing nets and drugs but Management did not provide supporting documents such as quality, viability and quantity of the drugs and vaccines supplied, user's requisitions, list of beneficiaries and training programme reports for audit review. A further Kshs.8,388,444 was spent on the supply and delivery of four thousand (4,000) kilograms of grass seeds, five thousand (5,000) tree seedlings, four (4) ten thousand (10,000) litres plastic tanks. However, the test report to ascertain the viability and quality of the seeds, suitability for the soils and the beneficiaries were not provided for audit review.

4.3. Purchase of ICT Equipment

In addition, an amount of Kshs.3,499,700 was utilized under purchase of ICT Equipment, spent on purchase and supply of Internet Protocol (IP) phones. However, the quotations provided for audit review, did not include the detailed specification of the IP phones. An additional amount of Kshs.1,600,000 was spent on installation of earthing of County Headquarters' local area network (LAN) but completion certificates were not provided for audit review. During a physical verification carried in the month of September, 2019, it was observed that the IP phones and LAN infrastructure installed in the ground floor and 1st floors of the County Headquarters' offices were not functional.

4.4. Rehabilitation and Renovation of Plant and Machinery

The County Executive also expended an amount of Kshs.14,827,520 under rehabilitation and renovation of plant machinery and equipment out of which Kshs.1,755,544 was used for the renovation of El-Molo Bay dispensary. However, quotations, evaluation minutes and certificate of completion were not provided for audit review.

In the circumstances, the accuracy, completeness and validity of acquisition of assets of Kshs.3,118,063,108 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

5. Unsupported Expenditure - Other Current Transfers

The statement of receipts and payments reflects other grants and payments of Kshs.548,972,855 as disclosed under Note 8 to the financial statements. The balance includes Kshs.1,695,000, under other current transfers and grants, paid to an officer as a

reimbursement for a two (2) day peace meeting held in Moyale Sub-County. However, Management did not explain why the expenditure was charged to other current transfers and grants instead of domestic travel and subsistence. In addition, Management did not provide supporting documents such as approved budget or plan availed for the exercise, communication to the stakeholders, chiefs or other government offices involved notifying them of the meeting to be held and the venue.

In the circumstances, the propriety and value for money of the Kshs.1,695,000 expenditure for the year ended 30 June, 2019 could not be ascertained.

6. Unsupported Clearance of Pending Bills

Note 1 to the other important disclosures in the financial statements shows that the pending bills reduced from Kshs.778,609,328 as at 30 June, 2018, additional for the year of Kshs. 560,822,786, and paid during the year of Kshs.902,399,832 resulting to pending bill amounting to Kshs.437,032,280 as at 30 June, 2019. However, records in respect of the additional bills, bills paid during the year and closing balance for the year were not supported with payment vouchers, invoices, certificates of completion and procurement documents.

Further, among the bills discharged includes bills amounting to Kshs.85,913,805 which constitutes the following unsatisfactory matters.

i) An amount of Kshs.80,098,805 was paid to several suppliers /contractors. However, supporting documents including contract agreements, bills of quantities, local purchase/service orders, engineer's estimates, certificates of completion, quotations, evaluation minutes, tender documents and contract award notifications were not provided for audit review.

ii) Further, an amount of Kshs.3,015,000 in respect to supply and delivery of laboratory equipment to Karare Health Centre. However, the laboratory in which the items were to be kept and operated from had not been completed as at the time of audit verification in September, 2019 and the items had not been put to use more than a year after delivery.

iii) In addition, the Management paid Kshs.2,800,000 in respect of connection and fitting of 50 meters deep gravity pipeline. However, a physical verification done in September, 2019 revealed that the pipeline had already been vandalized and thirty (30) pipes were missing making the project idle.

Consequently, the accuracy and validity of the pending bills balance of Kshs.437,032,280 as at 30 June, 2019 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 Marsabit Management in accordance with ISSAI 130 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 qualified 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on financial statements, lawfulness and effectiveness in use of public resources and Effectiveness of internal control, risk management and governance. Management has not resolved the issues and has not indicated the current status or provided any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Project Implementation Report

During the year under review, the approved development budget reflects an amount of Kshs.4,421,964,442. The project implementation status report availed for audit verifications indicates that the County Executive initiated 896 projects valued at Kshs.3,582,144,301 out of which six hundred and sixty-five (665) projects with a budget of Kshs.2,745,253,551 were complete, one hundred and seventy-six (176) projects with a budget of Kshs.599,103,143 were partially complete while fifty-five (55) projects with a budget of Kshs.237,787,607 had not started.

Further, physical verification of a sample of fifty-one (51) projects revealed that forty-five (45) projects with a contract value of Kshs.194,027,475 had been completed and operational, two (2) projects with a contract value of Kshs.10,400,000 were completed and not in use while four (4) projects with a total cost of Kshs.88,400,000 were on-going.

In the circumstances, the residents of Marsabit County did not therefore get the expected value for money from budgeted projects that had not started and projects that were ongoing during the year under review.

2. Operating Commercial Bank Accounts Without Approval

Note 11A to the financial statements reflects a balance of Kshs.732,196,336 held in nine (9) bank accounts which includes two (2) commercial banks accounts with bank balances totalling to Kshs.92,350,657. The opening and operating of accounts in commercial banks, is contrary to Section 82(1) (b) of the Public Finance Management (County Governments) Regulations, 2015 which stipulate that all County Government bank accounts should be opened at Central Bank of Kenya except for imprest account for petty cash.

In the circumstances, the Management is in breach of the law.

3. Failure to Enact the Marsabit County Executive Finance Act, 2018

Section 133 of the Public Finance Management Act, 2012 stipulates that the County Assembly should consider and approve the County finance bill not later than ninety days after passing the Appropriation Bill. However, Management has continued to rely on the Marsabit County Finance Act, 2016 to collect the fees, taxes, tariffs and cess for the last two (2) years. The Management did not enact the Marsabit County Finance Act, 2018 which would have guided the revenue collecting measures for the year ended 30 June, 2019. This is contrary to Section 133 of the Public Finance Management Act, 2012.

In the circumstances, the Management is in breach of the law.

4. Compliance with the Public Procurement and Assets Disposal Act, 2015

4.1 Supply and Delivery of Printing Equipment

During the year under review, the Management made payments amounting to Kshs.1,084,000 for supply and delivery of printing equipment. Examination of records revealed that the tender opening was done three (3) months after the deadline for submission of quotations contrary to Section 78(3) of the Public Procurement and Asset Disposal (PPAD) Act, 2015 which stipulates that the opening of tenders should be done immediately after the deadline of submission of tenders. Two (2) printing machines, three (3) computer printers and four (4) laptops were supplied without the inspection and acceptance reports while stores records were not provided for audit review.

4.2 Supply of Foodstuffs

Further, the County Executive spent an amount of Kshs.2,000,000 on supply of foodstuffs and cleaning detergents for children's homes in the County. However, the requisition forms were signed on 8 March, 2019 and the quotations were opened on 14 March, 2019. However, the tender evaluation was done on 8 March, 2019 which is six (6) days prior to opening of the quotations. Further, the professional opinion was issued on 11 March,

2019 and the award letter was issued on 12 March, 2019 which is three (3) and two (2) days respectively prior to opening of tenders. This was contrary to Sections 78 to 87 of the Public Procurement and Asset Disposal Act, 2015, which outlines the procurement process. The list of the beneficiaries together with their allocations, report from the Department of Tourism and Culture outlining the need, inspection and acceptance committee minutes, motor vehicle work tickets, stores records, disbursement schedules and beneficiaries' acknowledgement were not provided for audit review.

4.3 Construction of Buildings

During the year under review, the County Executive made payments amounting to Kshs.7,383,012 spent on the completion of North-Horr Health Centres and renovations of temporary pit latrine and bathroom at Bongolle Resort respectively. However, the winning bidders were not included in the list of registered suppliers, contrary to Section 95(3) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that a procuring entity shall invite tenders from only the approved persons who have been pre-qualified. The works were procured using request for quotations rather than open tender contrary to the first Schedule of threshold matrix of the Public Procurement and Asset Disposal Regulations 2015, which caps the use of quotations to Kshs.4,000,000 for works. The procurement plan did not specify the works as it was generalized as construction of buildings. It was therefore, not possible to ascertain whether the County Executive had planned for the works in their procurement plan.

4.4 Construction of Roads

The Management made payments amounting to Kshs.4,999,548 on spot improvement works on the road from Jaldesa Bante-Malka Godhana-Babako Jaldesa-Kukub Tiro-Boru Haro. However, requisition for the works was made on 22 January, 2019 and the contract agreement signed on 21 February, 2019 while the appointment of the evaluation committee was done on 15 January, 2019 which is practically not possible as the committee appointment is alleged to have been done seven (7) days before requisition for work. The technical evaluation lacked the ranking scores for the bidders thus rendering it impossible to ascertain how the tender committee awarded the tender.

Further, during project verification on September, 2019, it was noted that although the Bill of Quantities (BQs) provided for twenty-four (24) meters of culvert, seventeen (17) drifts and eight (8) slabs, the contractor laid only eight (8) meters of the culvert and substituted the works for seventeen (17) drifts and eight (8) slabs with three (3) kilometers gravelling contrary to Section 139(1) of the Public Procurement and Asset Disposal Act, 2015, in which variation is only allowed in pricing and the quantity of goods or works supplied and does not include substitution of works to be done or type of goods to be supplied.

4.5 Construction and Civil Works

The County Executive also made payments amounting to Kshs.7,000,000 on the procurement of a generator. However, request for quotation was used instead of open tender contrary to the First Schedule of the Public Procurement and Asset Disposal Regulations, 2015 which limits the use of quotations to Kshs.2,000,000 for goods. A

review of the procurement process revealed that the supplier was not competitively sourced as two (2) of the three (3) bidders were not included in the list of registered suppliers. The existence of the three-bidding companies could not be ascertained as their bio-data and certificates of incorporation were not provided for audit review.

Further, the County Executive expended an amount of Kshs.3,000,000 on equipping of Bura Boreholes with powered overheads. However, the facility was not included in the procurement plan contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal (PPAD) Act, 2015 which stipulates that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan. In addition, the inspection committee minutes, and completion certificates from the department of works were not provided for audit review.

In the circumstances, the Management is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Understaffing of Internal Audit Department

A review of the Human Resource records revealed that the Internal Audit Department had only two (2) staff members during the year under review. This situation has hampered the efficient, effective and adequate execution of audit objectives. The coverage for the County Executive which has over ten departments is also greatly compromised.

Consequently, the effectiveness of the internal control measures through a well-resourced internal audit function put in place by Management is inadequate and ineffective to oversee and support the County operations.

2. Lack of Risk Management Policy

Management did not have Risk Management Policy during the year under review. The Internal Audit Department could not provide reasonable assurance through the Audit Committee on the state of risk management, control and governance within the organization.

In the circumstances, the effectiveness of the County Executive internal control and risk management during the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the County Executive monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 of Kenya. 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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion aboutwhether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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.

- 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 applicable 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.

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

07 April, 2021

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Notes	2018-2019 KShs	2017-2018 KShs
RECEIPTS			
Exchequer releases	1.	7,002,200,000	6,583,600,000
Proceeds from Domestic and Foreign Grants	2.	678,431,273	368,125,274
County Own Generated Receipts	3.	118,848,396	92,005,709
Returned CRF issues	4.	11,325,147	-
TOTAL RECEIPTS		**7,810,804,816**	**7,043,730,983**
PAYMENTS			
Compensation of Employees	5.	2,316,938,457	1,731,053,123
Use of goods and services	6.	1,270,407,630	1,447,985,198
Transfers to Other Government Units	7.	705,237,582	780,813,889
Other grants and transfers	8.	548,972,855	751,760,703
Social Security Benefits	9.	23,696,911	73,292,400
Acquisition of Assets	10.	3,118,063,108	1,992,270,571
TOTAL PAYMENTS		**7,983,316,543**	**6,777,175,884**
SURPLUS/DEFICIT		**-172,511,727**	**266,555,100**

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 **18.09.2019** and signed by:

Chief Officer-Finance
Name: Yussuf Tusse Jillo

Head of Treasury
Name: Shalle Ibrahim Shalle
ICPAK Member Number: 11648

5.2. STATEMENT OF ASSETS AND LIABILITIES

	Notes	2018-2019 KShs	2017-2018 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	732,196,336	936,741,751
Total Cash and cash equivalent		**732,196,336**	**936,741,751**
TOTAL FINANCIAL ASSETS		**732,196,336**	**936,741,751**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	12	**90,120,988**	**122,154,676**
NET FINANCIAL ASSETS		**642,075,348**	**814,587,075**
REPRESENTED BY			
Fund balance b/fwd	13	814,587,075	548,031,976
Surplus/Deficit for the year		-172,511,727	266,555,100
NET FINANCIAL POSITION		**642,075,348**	**814,587,075**

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 **18.09.2019** and signed by:

Chief Officer
Name: Yussuf Tusse Jillo

Head of Treasury
Name: Shalle Ibrahim Shalle
ICPAK Member Number: 11648

5.3. STATEMENT OF CASH FLOWS

	Notes	2018-2019 KShs	2017 – 2018 KShs
Receipts from operating income			
Exchequer Releases	1	7,002,200,000	6,583,600,000
Proceeds from Domestic and Foreign Grants	2	678,431,273	368,125,274
County Own Generated Receipts	3	118,848,396	92,005,709
Returned CRF issues	4	11,325,147	-
		7,810,804,816	**7,043,730,983**
Payments for operating expenses			
Compensation of Employees	5	2,316,938,457	1,731,053,123
Use of goods and services	6	1,270,407,630	1,447,985,198
Transfers to Other Government Units	7	705,237,582	780,813,889
Other grants and transfers	8	548,972,855	751,760,703
Social Security Benefits	9	23,696,911	73,292,400
		4,865,253,435	**4,784,905,313**
Adjusted for:			
Adjustments during the year		-	-
Changes in accounts payables		- 32,033,687.86	- 9,261,468.78
Net cash flow from operating activities		**2,913,517,693**	**2,249,564,201**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	- 3,118,063,108	- 1,992,270,571
Net cash flows from Investing Activities		**- 3,118,063,108**	**- 1,992,270,571**
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**-204,545,415**	**257,293,631**
Cash and cash equivalents at BEGINNING of the year	21	**936,741,751**	**679,448,120**
Cash and cash equivalents at END of the year	24	**732,196,336**	**936,741,751**

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 18/09/ 2019 and signed by:

Chief Officer
Name: Yussuf Tusse Jillo

Head of Treasury
Name: Shalle Ibrahim Shalle
ICPAK Member Number 11648

5.4. 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	6,964,909,895	898,263,719	7,863,173,614	7,002,200,000	860,973,614	89%
Proceeds from Domestic and Foreign Grants	704,303,872	-	704,303,872	678,431,273	25,872,599	96%
County Own Generated receipts	140,000,000	-	140,000,000	118,848,396	21,151,604	85%
Return issues to CRF	11,325,147	-	11,325,147	11,325,147	-	100%
TOTAL	**7,820,538,914**	**898,263,719**	**8,718,802,633**	**7,810,804,816**	**907,997,817**	**90%**
PAYMENTS						
Compensation of Employees	2,252,846,541	73,180,797	2,326,027,338	2,316,938,457	9,088,881	100%
Use of goods and services	1,302,207,636	81,438,172	1,383,645,808	1,270,407,630	113,238,178	92%
Transfers to Other Government Units	811,999,313	9,087,121	821,086,434	705,237,582	115,848,852	86%
Other grants and transfers	494,884,049	110,592,067	605,476,116	548,972,855	56,503,261	91%
Social Security Benefits	60,000,000	(36,303,089)	23,696,911	23,696,911	-	100%
Acquisition of Assets	2,898,601,375	660,268,651	3,558,870,026	3,118,063,108	440,806,918	88%
TOTAL	**7,820,538,914**	**898,263,719**	**8,718,802,633**	**7,983,316,543**	**735,486,090**	**92%**
SURPLUS/(DEFICIT)						

The entity financial statements were approved on 18/07/ 2019 and signed by:

Chief Officer
Name: Yussuf Tusse Jillo

Head of Treasury Accounts
Name: Shalle Ibrahim Shalle
ICPAK Member Number 11648

5.5. 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	3,882,497,553	234,299,277	4,116,796,830	4,080,895,445	35,901,384	99%
Proceeds from Domestic and Foreign Grants	28,716,214	-	28,716,214	28,716,214	-	100%
County Own Generated receipts	140,000,000	-	140,000,000	118,848,396	21,151,604	85%
Return CRF issues	11,325,147	-	11,325,147	11,325,147	-	100%
TOTAL	**4,062,538,914**	**234,299,277**	**4,296,838,191**	**4,239,785,203**	**57,052,988**	**99%**
PAYMENTS						
Compensation of Employees	2,252,846,541	73,180,797	2,326,027,338	2,316,938,457	9,088,881	100%
Use of goods and services	942,845,808	28,938,172	971,783,980	918,578,155	53,205,825	95%
Transfers to Other Government Units	666,999,313	-	666,999,313	666,999,313	-	100%
Other grants and transfers	109,309,049	79,369,533	188,678,582	133,797,320	54,881,262	71%
Social Security Benefits	-	-	-	-	-	-
Acquisition of Assets	90,538,203	52,810,775	143,348,978	98,814,865	44,534,113	69%
TOTAL	**4,062,538,914**	**234,299,277**	**4,296,838,191**	**4,135,128,110**	**161,710,081**	**96%**
SURPLUS/(DEFICIT)						

The entity financial statements were approved on 18/09/ 2019 and signed by:

Chief Officer
Name: Yussuf Tusse Jillo

Head of Treasury Accounts
Name: Shalle Ibrahim Shalle
ICPAK Member Number: 11648

5.6. 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	3,082,412,342	663,964,442	3,746,376,784	2,921,304,555	825,072,229	78%
Proceeds from Domestic and Foreign Grants	675,587,658	-	675,587,658	649,715,059	25,872,599	96%
TOTAL	**3,758,000,000**	**663,964,442**	**4,421,964,442**	**3,571,019,614**	**850,944,828**	**81%**
PAYMENTS						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	359,361,828	52,500,000	411,861,828	351,829,475	60,032,353	85%
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	145,000,000	9,087,121	154,087,121	61,935,180	92,151,941	40%
Other grants and transfers	385,575,000	31,222,534	416,797,534	415,175,535	1,621,999	100%
Social Security Benefits	60,000,000	(36,303,089)	23,696,911	23,696,911	-	100%
Acquisition of Assets	2,808,063,172	607,457,876	3,415,521,048	3,019,248,243	396,272,805	88%
TOTALS	**3,758,000,000**	**663,964,442**	**4,421,964,442**	**3,848,188,433**	**573,776,009**	**87%**
SURPLUS/(DEFICIT)						

The entity financial statements were approved on 18/09/ 2019 and signed by:

Chief Officer
Name: Yussuf Tusse Jillo

Head of Treasury Accounts
Name: Shalle Ibrahim Shalle
ICPAK Member Number: 11648

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
	KShs	KShs	KShs	KShs	KShs
P 1-Management of County Affairs					
Executive Infrastructure Development	360,000,000	196,762,732	556,762,732	548,520,453	8,242,279
P 2-County Management Services					
County Executive Services	453,037,254	-	453,037,254	428,530,968	24,506,286
P 3-Public Sector Advisory Services					
Public Sector Advisory Services	55,400,000		55,400,000	55,372,994	27,006
P 4-Inter/Intra Governmental Co-ordination					
Inter/Intra Governmental Co-ordination	18,000,000		18,000,000	18,000,000	-
P 5-County Legal Services					
County Legal Services	5,000,000		5,000,000	5,000,000	-
P 6-General administration planning and Support Services			-		-
Financial Services	327,335,872	70,229,744	397,565,616	353,847,552	43,718,064
ICT Services	500,000		500,000	496,000	4,000
P 7-Public Finance Management					
Budget formulation, coordination & Management	13,350,000	5,000,000	18,350,000	18,133,400	216,600
Resource Mobilization	5,800,000		5,800,000	5,795,155	4,845
Accounting Services	22,000,000	6,000,000	28,000,000	26,556,480	1,443,520
P 3-Public Participation and Civic			-		-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
Education					
Public Participation	40,000,000	-29,000,000	11,000,000	9,302,300	1,697,700
P 8-General administration planning and Support Services			-		-
General administration planning and Support Services	59,537,345		59,537,345	59,516,739	20,606
P 9-Livestock Resources Management and Development			-		-
Livestock Policy Development and Capacity Building	69,460,244		69,460,244	68,417,895	1,042,349
Livestock production and Management	48,217,543		48,217,543	45,683,043	2,534,500
Livestock Diseases Management and Control	8,000,000	1,500,000	9,500,000	7,999,000	1,501,000
P 10-Fisheries Development and Management			-		-
Fisheries Policy, Strategy and Capacity Building	3,897,872		3,897,872	2,177,808	1,720,064
Assurance of Fish Safety, Value Addition and Marketing	52,663,891	-25,000,000	27,663,891	26,969,390	694,501
P 11-Crop Development and Management			-		-
Lands and Crop Development	33,243,105	39,611,072	72,854,177	65,074,054	7,780,123
Food Security Initiatives	321,800,000	11,964,958	333,764,958	289,148,407	44,616,551
P 12-General administration planning and Support Services			-		-
Administration services	81,369,202	-7,019,203	74,349,999	67,930,658	6,419,341

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
Board Management Service	2,850,000	2,300,000	5,150,000	4,068,960	1,081,040
Ethics, Governance and Values	500,000	250,000	750,000	750,000	-
P 13-Human Resource Management and Development			-		-
Human Resource Development	4,500,000	6,563,532	11,063,532	10,738,872	324,660
Establishment, Management and Consultancy Services	780,798	219,203	1,000,001	1,000,001	-
P 14-General administration planning and Support Services			-		-
General administration planning and Support Services	61,871,247		61,871,247	60,629,075	1,242,172
P 15-Early Childhood Development and Education			-		-
Scholarships and educational benefits	-	60,000,000	60,000,000	60,000,000	-
P 16-Pre-Primary Education			-		-
Early Childhood Development and Education	201,128,753		201,128,753	199,571,685	1,557,068
Infrastructure Development and Management	187,980,000	88,413,112	276,393,112	227,579,324	48,813,788
P 17-Youth Development			-		-
Talent Search	5,000,000		5,000,000	4,740,388	259,612
Campaign and Awareness	5,000,000		5,000,000	4,093,170	906,830
Youth Environment	5,575,000		5,575,000	5,457,400	117,600
Youth Empowerment and Employment Opportunities	18,000,000		18,000,000	5,179,940	12,820,060
Youth Training and Capacity Building	3,000,000		3,000,000	2,984,200	15,800

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
P 18-Vocational Education and Training			-		-
Infrastructure Development and Expansion	29,775,000		29,775,000	26,441,882	3,333,118
P 19-Sports			-		-
Sports Training and Competition	15,500,000		15,500,000	15,068,484	431,516
Development and Management of Sports Facilities	22,000,000		22,000,000	18,099,749	3,900,251
P 20-Preventive and Promotive Health Services			-		-
Communicable disease prevention and Control	22,072,500	11,169,533	33,242,033	33,242,032	1
Non-communicable conditions Prevention and Control	6,643,714		6,643,714	6,548,888	94,826
P 21-Curative Health Services			-		-
Referral Services	44,000,000	10,000,000	54,000,000	51,159,307	2,840,693
Specialised Services	60,000,000	-36,303,089	23,696,911	23,696,911	-
Drugs and Commodities	142,500,000	10,000,000	152,500,000	146,520,873	5,979,127
P 3-General administration planning and Support Services			-		-
Health Infrastructure development	518,963,800	126,620,347	645,584,147	524,538,830	121,045,317
Health Planning and Financing	1,133,856,286	70,000,000	1,203,856,286	1,202,932,190	924,096
P 22-Integrated MCH and Family planning Services			-		-
Maternal and Child Health	20,000,000		20,000,000	17,353,066	2,646,934
P 23-General administration planning and Support Services					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
Administration services	314,500,000	6,900,000	321,400,000	302,281,313	19,118,687
Peace building and conflict resolution	7,000,000		7,000,000	7,000,000	-
Disaster management and emergency response	5,000,000		5,000,000	5,000,000	-
P24-ICT Infrastructure			-		-
Acquisition & installation of ICT Systems	8,000,000	7,300,000	15,300,000	15,237,422	62,578
P 25-Coordination of functions of devolved Units			-		-
Co-ordination of County Government Departments	10,000,000	5,000,000	15,000,000	14,224,600	775,400
Co-ordination of Non-State Actors	5,000,000		5,000,000	5,000,000	-
P 26-Public Participation and Civic Education			-		-
Civic Education	5,000,000	9,000,000	14,000,000	14,000,000	-
P 27-General Administration, Planning and Support Services			-		-
General Administration, Planning and Support Services	140,000,000		140,000,000	128,648,693	11,351,307
P 28-Urban Development Services			-		-
Town Administration Services	130,350,000	43,500,900	173,850,900	158,586,684	15,264,216
Solid Waste Management	78,300,000		78,300,000	67,721,038	10,578,962
P 29-Lands and Physical Planning Services			-		-
Development Planning and Land Reforms	20,000,000		20,000,000	19,879,800	120,200
Land Survey	27,000,000		27,000,000	26,865,500	134,500

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
P 30-General Administration, Planning and Support Services			-		-
General Administration, Planning and Support Services	43,658,442		43,658,442	42,142,255	1,516,187
P 31-Road Transport Infrastructure Development			-		-
Road Infrastructure Development	506,111,828	10,829,368	516,941,196	415,549,510	101,391,686
P 33- Housing Development			-		-
Low Cost Housing Development	31,638,172	-31,638,172	-	-	-
P 34-Public Works Services			-		-
Public Works Services	33,341,558		33,341,558	32,196,447	1,145,111
P 35-Environment and Natural Resources Services			-		-
Catchment Rehabilitation and Conservation	18,370,000		18,370,000	15,013,732	3,356,268
P 36-Water Resources Management			-		-
Water Storage	86,850,000		86,850,000	69,163,583	17,686,417
Water Supply Infrastructure Development	539,916,200	287,593,204	827,509,404	805,797,807	21,711,597
P 37-General Administration, Planning and Support Services			-		-
General Administration, Planning and Support Services	92,173,660		92,173,660	89,910,843	2,262,817
P 38-Natural Resources Conservation and Management			-		-
Forests Conservation and	37,870,315		37,870,315	36,924,294	946,021

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019		2019	Date, 2019	
Management					
P 39-General Administration, Planning and Support Services			-		-
Financial Services	83,500,000		83,500,000	77,815,088	5,684,912
P 40-Trade and Industrial Development			-		-
Upgrading rural markets	9,600,000		9,600,000	4,479,774	5,120,226
P 41-Enterprise Development			-		-
Develop infrastructure and facilities	65,000,000	34,485,762	99,485,762	95,581,104	3,904,658
Establish County Enterprise Fund	30,000,000	-30,000,000	-		-
P 42-Culture Service			-		-
Conservation of Culture and Heritage	79,500,000	-6,200,000	73,300,000	66,630,261	6,669,739
Development and Promotion of Culture	5,000,000		5,000,000	4,016,530	983,470
Cultural infrastructure development	6,000,000	31,073,505	37,073,505	32,054,035	5,019,470
P 43- Social Services			-		-
Social Protection Programme	30,000,000	-30,000,000	-		-
Development of social infrastructures	51,300,000		51,300,000	46,075,456	5,224,544
P 44-Youth Development			-		-
Youth Empowerment and Employment Opportunities	20,500,000		20,500,000	20,500,000	-
	7,010,589,601	**957,126,508**	**7,967,716,109**	**7,373,163,292**	**594,552,817**

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

5.8. 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 Marsabit 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and 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 2019, 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2019, this amounted to KShs 90,120,988 compared to KShs 122,154,676 in prior period as indicated on note 23

There were no other restrictions on cash during the year

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 28th June 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There were 2 number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

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. In particular, the following amendments have been made;

I. Transactions relating to operations of the County Emergency Fund have been excluded from the report except for the transfer from County's Central bank recurrent account to the emergency fund bank account as per the budgetary allocation i.e. annual expenditure, opening and closing bank balances have been excluded from previous financial year's comparative figures since a separate set of financial report has been prepared for the emergency fund.

II. Other current transfers and transfer to emergency fund have been moved from note 7 (Transfers to other Government units) to note 8 (Other Grants and transfer).

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.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2018 - 2019	2017 - 2018
	KShs	KShs
Total Exchequer Releases for quarter 1	350,110,000	-
Total Exchequer Releases for quarter 2	1,820,572,000	1,514,228,000
Total Exchequer Releases for quarter 3	1,925,605,000	1,810,490,000
Total Exchequer Releases for quarter 4	2,905,913,000	3,258,882,000
Total	**7,002,200,000**	**6,583,600,000**

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows: (The totals of A,B and C below should equal the total exchequer releases).

1A. Equitable Share

Description	2018/2019	2017/2018
	KShs	KShs
Total Equitable Share for quarter 1	350,110,000	-
Total Equitable Share for quarter 2	1,820,572,000	1,514,228,000
Total Equitable Share for quarter 3	1,925,605,000	1,810,490,000
Total Equitable Share for quarter 4	2,905,913,000	3,258,882,000
Total	7,002,200,000	6,583,600,000

1B: Level 5 Hospitals Allocation

Description	2018/2019	2017/2018
	KShs	KShs
Transfers for level 5 hospitals	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

Description	2018/2019	2017/2018
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	-	-
World Bank – THUSCP	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-
Kenya Devolution Support Programme	-	-
Youth Polytechnic support grant	-	-
Abolishment of user fees in health centres and dispensaries	-	-
Kenya Urban Support Programme	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-
Kenya Climate Smart Agriculture Project (KCSAP)	-	-
Total	-	-

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018 - 2019	2017 – 2018
			KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)				
Government of Denmark-Universal Healthcare in Devolved Units Programmes			22,072,500	23,186,442
Grants Received from Multilateral Donors (International Organizations)				
EU LED IDEAS			70,007,619	-
Grants Received from other levels of government				
Result Based Financing			-	34,627,134
Transforming Health Services (THS)		-	82,026,760	46,314,741

Agriculture Sector Support Programme			9,983,094	
Kenya Climate Smart Agriculture Project			50,891,757	
Kenya Urban Support Programme			50,000,000	
Kenya Devolution Support Programme			96,080,291	45,748,545
Urban Institutional Grant A/C			41,200,000	-
Food and Agriculture Organisation			5,996,770	
Grants Received from other levels of government				
Ministry of Education-Village Polytechnic Infrastructural Development			19,837,625	29,598,081
Ministry of Health-User Fees			6,643,714	6,872,636
Kenya Roads Board-Road Maintenance Fuel Levy Fund		-	223,691,143	181,777,695
TOTAL		-	**678,431,273**	**368,125,274**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. COUNTY OWN GENERATED RECEIPTS

	2018 - 2019	2017 – 2018
	KShs	KShs
Market Charges	2,701,505	2,512,090
Livestock Charges	36,322,856	16,692,961
Land Transaction Charges	5,818,502	5,479,682
Royalties	10,743,090	7,291,490
Plan Approval	224,300	15,000
Slaughter	234,450	349,330
Scrap Metal	92,862	90,200
Cement	68,300	59,953
Single business permit	22,317,540	15,681,883
Produce	22,967,435	28,645,105
Miscellaneous charges	2,733,777	5,804,346
Lease Rentals	4,397,843	3,627,379
Fish Cess	127,200	-
Hiring of Hall/Stadium	42,000	18,000
Liquor Licence	3,436,496	2,082,000
Public health	1,535,700	1,528,050
Hospital	3,252,112	85,130
AMS	572,500	218,990
Veterinary- Meat Inspection	530,428	415,835
Water Bill	233,000	246,525
Sale of Tender Documents	454,000	1,066,200
Weight and measures	42,500	95,560
Total	**118,848,396**	**92,005,709**

4. RETURNED CRF ISSUES

	2018 - 2019	2017 – 2018
	KShs	KShs
Recurrent account	830,868	-
Development account	1,407,158	-
Deposit account	9,087,121	-
Total	11,325,147	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 – 2018
	KShs	KShs
Basic salaries of permanent employees	2,203,109,132	1,630,660,828
Basic wages of temporary employees	19,352,486	17,523,253
Personal allowances paid as part of salary	69,560,457	63,922,020
Compulsory national social security schemes	24,916,382	18,947,022
Total	**2,316,938,457**	**1,731,053,123**

6. USE OF GOODS AND SERVICES

	2018 - 2019	2017 – 2018
	KShs	KShs
Utilities, supplies and services	22,565,744	19,313,075
Communication, supplies and services	10,047,956	15,994,543
Domestic travel and subsistence	133,762,500	128,894,195
Foreign travel and subsistence	21,847,927	24,310,910
Printing, advertising and information supplies & services	82,199,961	94,877,671
Rentals of produced assets	53,790,289	51,862,118
Training expenses	73,776,398	101,915,571
Hospitality supplies and services	127,351,692	148,680,292
Insurance costs	31,436,738	87,096,754
Specialized materials and services	204,357,428	205,194,247
Office and general supplies and services	54,266,653	64,898,922
Fuel, Oil and Lubricants	82,465,121	102,599,201
Other operating expenses	120,030,103	201,350,614
Routine maintenance – vehicles and other transport equipment	44,094,035	49,427,063
Routine maintenance – other assets	208,415,085	151,570,022
Total	**1,270,407,630**	**1,447,985,198**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 – 2019	2017 – 2018
	KShs	KShs
Transfers to Other Counties		
Housing Loans	-	50,000,000
Emergency Fund	70,000,000	130,000,000
Transfers to County Assembly	635,237,582	600,813,889
TOTAL	**705,237,582**	**780,813,889**

8. OTHER GRANTS AND PAYMENTS

	2018 – 2019	2017 – 2018
	KShs	KShs
Scholarships and other educational benefits	60,000,000	45,000,000
Emergency relief and refugee assistance	320,922,200	439,528,823
Other current transfers, grants	73,797,320	161,599,362
Other capital grants and transfers	94,253,335	105,632,518
Total	**548,972,855**	**751,760,703**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2018 - 2019	2017 – 2018
	KShs	KShs
Government pension and retirement benefits	-	13,292,400
Transfer to NHIF	23,696,911	60,000,000
Total	**23,696,911**	**73,292,400**

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018 – 2019	2017 – 2018
	KShs	KShs
Construction of Buildings	484,277,429	282,725,444
Refurbishment of Buildings	7,708,632	4,920,772
Construction of Roads	195,716,208	49,384,203
Construction and Civil Works	1,527,730,954	1,031,687,241
Purchase of Vehicles and Other Transport Equipment	13,968,000	19,081,693
Purchase of Household Furniture and Institutional Equipment	1,450,000	-
Purchase of Office Furniture and General Equipment	3,844,950	7,185,250
Purchase of ICT Equipment	23,730,172	13,761,842
Purchase of Specialized Plant, Equipment and Machinery	11,487,766	12,582,898
Rehabilitation and Renovation of Plant, Machinery and Equip.	14,827,520	7,203,960
Purchase of Certified Seeds, Breeding Stock and Live Animals	11,499,040	6,029,760
Research, Studies, Project Preparation, Design & Supervision	54,006,421	86,278,800
Domestic Payables from previous financial Year	767,816,016	471,428,708
Total acquisition of assets	**3,118,063,108**	**1,992,270,571**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND BANK BALANCES

11.A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency *	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2018 – 2019	2017 – 2018
				KShs	KShs
Central Bank of Kenya, County Revenue Fund Account no.1000170824		Revenue		517,207,169	769,657,019
Central Bank Fuel Levy Account no.1000299134		Development		54,665,456	7,329,573
Central Bank of Kenya, Development Account no.1000170514		Development		1,020,051	1,342,850
Central Bank of Kenya, Recurrent Account no.1000170492		Recurrent		9,637,024	352,337
Central Bank of Kenya, World Bank/Danida Account no.1000274328		Recurrent		28,483,727	11,169,534
Central Bank of Kenya, Village Polytechnic Project Account no.1000367377		Development		-	22,198,560
Central Bank of Kenya, Agriculture Sector Development Support Project Account no.1000367393		Development		-	-
Central Bank of Kenya,- Kenya Climate Smart Agriculture Account no.1000367385		Development		28,414,167	-
Central Bank of Kenya, Food & Agriculture Organisation Project Account no.1000375744		Development		-	-
Co-operative Bank,		Deposit		90,120,988	122,154,676

Marsabit Branch Account no.01141551311100					
Kenya Commercial Bank-Local Revenue, Marsabit Branch Account no.1140751484		Revenue		0	211,800
Kenya Commercial Bank-Marsabit Branch Account no.1140789724		Recurrent		418,085	549,382
Kenya Commercial Bank-Development, Marsabit Branch Account no.1162178345		Development		2,229,669	1,776,021
Total				**732,196,336**	**936,741,751**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. ACCOUNTS PAYABLE

	2018 – 2019	2017 – 2018
	KShs	KShs
Deposits	90,120,988	122,154,676
Total	**90,120,988**	**122,154,676**

13. FUND BALANCE BROUGHT FORWARD

	2018 – 2019	2017 – 2018
	KShs	KShs
Bank accounts	937,599,800	683,325,629
Emergency Fund Opening Bank account balance	-832,015	-3,851,475
Social Protection Fund Opening Bank account balance	-26,034	-26,034
Accounts Payables	-122,154,676	-131,416,144
Total	**814,587,075**	**548,031,976**

OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Construction of buildings	156,807,100	346,620,807	251,444,223	251,983,684
Construction of civil works	397,253,045	102,274,945	426,406,428	73,121,563
Supply of goods	223,899,583	47,245,447	223,899,583	47,245,447
Supply of services	649,600	64,681,587	649,600	64,681,587
Total	**778,609,328**	**560,822,786**	**902,399,832**	**437,032,280**

2. OTHER COUNTY BANK ACCOUNT DETAILS

S/NO.	Account Name	Account Number	Bank
I.	North Horr Operation a/c	1166737888	Kenya Commercial Bank, Marsabit
II.	Moyale Operation a/c	1167173546	Kenya Commercial Bank, Marsabit
III.	Saku Operation a/c	1166739309	Kenya Commercial Bank, Marsabit
IV.	Marsabit Town Board Operation a/c	1168056535	Kenya Commercial Bank, Marsabit
V.	Moyale Sub-County Operation	1159061734	Kenya Commercial Bank, Marsabit
VI.	Laisamis Operation a/c	1166736964	Kenya Commercial Bank, Marsabit
VII.	Car Loan Scheme Fund a/c	101026814974	Equity Bank, Marsabit
VIII.	Mortgage Scheme Fund a/c	1010268149700	Equity Bank, Marsabit
IX.	Marsabit County Scholarship Fund a/c	1010265975890	Equity Bank, Marsabit
X.	Marsabit County Enterprise Fund a/c	1176982540	Kenya Commercial Bank, Marsabit
XI.	Marsabit County Kenya Climate Smart Agriculture a/c	1235987442	Kenya Commercial Bank, Marsabit

XII.	Marsabit County Agriculture Sector Development Support Programme a/c	1233973339	Kenya Commercial Bank, Marsabit
XIII.	Marsabit County Food and Agriculture Support A/c	1236040392	Kenya Commercial Bank, Marsabit
XIV.	Marsabit County IDEAS LED Fisheries A/c	1239995792	Kenya Commercial Bank, Marsabit
XV.	Marsabit County Social Protection Fund-a/c	1010264004095	Kenya Commercial Bank, Marsabit
XVI.	Emergency Fund a/c.	1010262209545	Kenya Commercial Bank, Marsabit
XVII.	Marsabit County Urban Development Grant A/C	1260445232	Kenya Commercial Bank, Marsabit
VIII.	Marsabit County Urban Institutional Grant A/C	1260446824	Kenya Commercial Bank, Marsabit
XIX.	Marsabit County Scholarship Fund	1010265975890	Equity Bank, Marsabit
XX.	Marsabit County Enterprise Fund	1176982540	Kenya Commercial Bank, Marsabit

3. 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

	2018- 2019 Kshs	2017- 2018 Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
Transfers to related parties		
Transfer to the County Assembly	635,237,582	600,813,889
Transfers to other County Government Entities	130,000,000	175,000,000
Transfers to Development Projects	147,879,240	-
Transfers to non-reporting entities e.g schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	**913,116,822**	**775,813,889**
	-	-
Transfers from related parties	-	-
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

4. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve 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/Date taken over	Location	Accounting Officer responsible
Marsabit County Executive Emergency Fund	2014	County Hqs	Mr. Yussuf Tusse Jillo
Marsabit County Executive Mortgage Scheme Fund	2016	County Hqs	Mr. Yussuf Tusse Jillo
Marsabit County Executive Car Loan Scheme Fund	2016	County Hqs	Mr. Yussuf Tusse Jillo
Marsabit County Executive	2016	County Hqs	Ms Fatuma Nur

Scholarship Fund			Ibrahim
Marsabit County Executive Enterprise Fund	2015	County Hqs	Mr. Abdi Ayla Goto
Marsabit County Executive Social Protection Fund	2014	County Hqs	Ms. Fatuma Mohamed
Marsabit Water and Sewerage Company(MAWASCO)	2017	County Hqs	Mr. James Lelimoy Orre

6. 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)*
F.Y 2017/2018	1. Cash and Cash Equivalent-Missing Documents	Marsabit County Deposits account's certificate of bank balance and cash book extract was provided for audit review.	Shalle Ibrahim Shall-Head of Treasury(accounts)		
	2. Variance between F.S Balances and IFMIS Figures	The variances between Financial Statements figures and IFMIS figures were reconciled and copies of the reconciliation statement between IFMIS figures and Financial Statements (Receipts and Payments) were provided for audit review.	Shalle Ibrahim Shall-Head of Treasury(accounts)		
	3. Arrears on Land Rates Revenue	County Government has undertaken awareness campaigns through public forums, radio stations and revenue drive programmes as some of the strategies for improving revenue collection. As a result, there is an increase in land rates revenue	Dabasso Bonaya-Director Revenue and Boru Golicha-Town Administrator		

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)*
		collections and a copy of the Local Revenue reports for FY 2017-2018 and 2018 – 2019 were submitted for audit review.			
	4. Unaccounted for Training Expenses	A review of the first 5-year term (2013-2018) CIDP workshop was organized by the County in partnership with UNDP where UNDP procured and catered for conference facility for three technical county officers. In addition, the county government sponsored other officers to take part in the workshop.	Samuel Mukindia-Director Economic Planning and Shalle Ibrahim Shall-Head of Treasury(accounts)		
	5. Presentation and disclosure of financial statements	Appropriate adjustments to the Financial Statements were done as per the observations of the Auditor General.	Shalle Ibrahim Shall-Head of Treasury(accounts)		

CEC, County Treasury
Sign.....
Date 18.9.2019

COUNTY GOVERMENT OF MARSABIT
COUNTY EXECUTIVE
FINANCE & ECONOMIC PLANNING
P. O. Box 384-60500 MARSABIT

ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Other transfers- Donor funds transferred through exchequer	Total Transfers from the National Treasury/ Exchequer
Exchequer Releases for quarter 1	350,110,000	-		350,110,000
Exchequer Releases for quarter 2	1,820,572,000	11,036,250	135,133,789	1,966,742,039
Exchequer Releases for quarter 3	1,925,605,000	11,036,250	34,435,006	1,971,076,256
Exchequer Releases for quarter 4	2,905,913,000	-	177,111,352	3,083,024,352
Total	**7,002,200,000**	**22,072,500**	**346,680,147**	**7,370,952,647**

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018
	A	B	c	d=a-c	
Construction of buildings					
KFW office	4,000,000		3,200,000	800,000	
Renovation, roofing works, water catchment and car park at KCSAP	2,453,040	-		2,453,040	
construction of double pit latrine and bathroom at Elle Borr water pan	1,389,509	-		1,389,509	
Equipping of Livestock market Resort at forole	500,000			500,000	
construction of Slaughter house	2,000,000		1,200,000	800,000	
Construction of Shallow Wells & fittings of pumps	699,875			699,875	
construction of doule pit latrine at kalacha slaughter house	500,000	-	-	500,000	
proposed erection & completion of slaughter house	2,000,000	-	-	2,000,000	
Construction of Fish Factory	7,180,000			7,180,000	
Construction of County Assembly Chambers	145,000,000		38,238,269	106,761,731	
Fence and gate at manyatta pry	2,499,800		1,249,900	1,249,900	
Const. of 1 no. double door pit latrine at Uran Godha ECDE	499,898		-	499,898	
Erection and completion of Fence and Gate at Qalaliwe ECDE	1,799,160		-	1,799,160	
ECD class construction at Kalacha pry ECD	1,599,640		-	1,599,640	
Renovation of class at Balesa primary	396,708		-	396,708	
Construction of ECDE classroom at Balchaloki	1,700,000		850,000	850,000	
Construction of perimeter fence at Balchaloki	2,099,948		1,049,974	1,049,974	
Construction of ECD class at Horr –Gutha	1,499,764		899,858	599,906	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Manyatta						
Construction of ECD class at Kiwanja Forole	1,599,640		1,279,712	319,928		
Construction of double pit latrine at Balchaloki ECD	700,000		350,000	350,000		
Construction of ECDE Classroom at Dakaye Gas	1,599,582		1,279,665	319,917		
Construction of ECDE Classroom at Ntumo	1,597,713		-	1,597,713		
Construction of kitchen at Shegel ECD pry	900,000		-	900,000		
Construction of 1 No double door pit latrine at jaldesa ECD	500,000		-	500,000		
Proposed erection & completion of Kargi Youth Empowerment	2,499,800		999,920	1,499,880		
Construction of dormitory block at Obbu VTC	3,498,381		1,749,191	1,749,191		
Proposed constructions of stadium at Obbu makutano	998,180	-	-	998,180		
Construction of Governor's Residence	50,000,000			50,000,000		
Health facility at Ndikir	4,960,102		1,984,040	2,976,062		
Additional staff houses at health centre	1,994,422		797,769	1,196,653		
Construction of staff houses for health centres	2,495,426		2,245,883	249,543		
Construction of labotarory for health centre	3,240,460		2,916,414	324,046		
Construction of fully equipped maternity	5,950,080		4,760,000	1,190,080		
Construction of dispensary	3,499,318			3,499,318		
Construction of staff house at Harosa Dispensary	2,999,963		-	2,999,963		
Construction of laboratory and double door latrine at Makutano	2,998,600		2,099,020	899,580		
Construction of nurse quarters	2,668,000		1,334,000	1,334,000		
Construction of general ward at Df health Centre	3,500,000		1,750,000	1,750,000		
Construction of dispensary at abbo manyatta	3,999,900		1,999,950	1,999,950		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Construction of Dispensary Elle Dimtu Dispensary	4,524,000		2,262,000	2,262,000		
Constrution of Staff house at Elle dimtu Dispensary	2,449,676		1,224,838	1,224,838		
construction of dispensary	3,000,000			3,000,000		
Construction of dispensary	3,499,720			3,499,720		
Dispensary at Nagayo Dispensary	2,499,788			2,499,788		
Staff quarters at Segel Dispensary	1,299,528			1,299,528		
Fencing of health centre	1,497,560		1,347,804	149,756		
Construction of 3 public toilets	2,999,796		1,199,992	1,799,804		
Incenarator at baalah health centre	500,000		200,000	300,000		
Fencing and equipping of Moite dispensary with Solar panel system	2,499,850		1,499,910	999,940		
Equipping and renovation of existing Laboratory	2,194,430		1,755,544	438,886		
Construction of Fencing at Harosa Dispensary	1,499,996			1,499,996		
Double pit latrine and plumbering works at Kinisa dispensary	1,498,952		-	1,498,952		
Construction of pit latrine incenarator and bathroom at the Heatlth facility	1,499,068		-	1,499,068		
Fencing of Ramata Disp	1,998,100		-	1,998,100		
Construction of Rawan dispensary toilets	748,200		-	748,200		
Fencing of Balesa Saru Dispensary	2,499,000		-	2,499,000		
Fencing of dispensary	998,000		-	998,000		
Fencing of dispensary	1,000,000		-	1,000,000		
Installation of solar panel at Tigo dispensary	700,000		-	700,000		
Underground tank at leiyai dispensary	1,499,926		1,199,941	299,985		
Pit latrine at Karare Health Center	499,800			499,800		
Fencing at Segel Dispensary	499,960		-	499,960		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Construction of social hall at Kamboe	3,997,390		2,398,434	1,598,956		
Construction of social hall at Golole	4,300,000		1,995,311	2,304,689		
Construction of social hall at Balesa	4,499,640		2,699,784	1,799,856		
Construction of Baraza Park at Tigo	3,500,000		2,310,000	1,190,000		
Construction of Baraza Park at Burgabo	3,500,000		2,310,000	1,190,000		
Proposed Solar Installation at Balesa	500,000		-	500,000		
Renovation of Social hall at Gabrra Scheme	201,680		-	201,680		
Construction of social hall at Nana	4,199,838		-	4,199,838		
Sub-Total	346,620,807	-	94,637,123	251,983,684		
Construction of civil works						
Off take system at Elle Borr water pan	1,590,050	-		1,590,050		
Proposed solar installation of youth empowerment centre at Illeret	1,498,836	-	-	1,498,836		
Expansion of North Horr water supply	825,292		-	825,292		
Mugur Oltunga	3,000,000		1,200,000	1,800,000		
Sericho borehole water supply	2,999,999		1,200,000	1,799,999		
Fencing of Gaarite Rock Catchment	197,178		-	197,178		
Rehabilitation of Uran Ura wells in North horr	499,410		-	499,410		
Supply and delivery of 50000ltrs plastic tanks for Uran ward	1,997,520		-	1,997,520		
Supply and delivery of 50000ltrs plastic tanks	1,997,520		-	1,997,520		
Drilling of 200M deep borehole at Inchoror	4,999,950		-	4,999,950		
Consultancy on Environment	1,995,200		-	1,995,200		
Drilling of Lontolio borehole	4,999,600		2,575,200	2,424,400		
Driling of Manyatta Sec school borehole	4,994,200		2,763,700	2,230,500		
Water improvemnet at Kiwanjani in Loiyangalani	3,986,040		1,594,416	2,391,624		
Construction of Stone lined pan at Kambinye	4,000,000		1,600,000	2,400,000		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Construction of 100M3 underground tank at Boqe	1,799,995		-	1,799,995		
Intil Rock catchment	3,399,999		1,360,000	2,039,999		
Proposed piping from Silapani water tank to Primary -Laisamis	1,494,780		599,912	894,868		
Equipping of Gudas Borehole	4,699,631		-	4,699,631		
Construction of 50M3 masonry tank at Manyatta Juu	1,999,890		-	1,999,890		
Supply and delivery of 5000ltrs plastic tanks for Dadach Elele	1,500,000		-	1,500,000		
Construction of Elle Borr water pan	14,100,194			14,100,194		
Ngobolen'g water source	12,600,000		8,820,000	3,780,000		
Underground tank at Demo	2,599,998		1,039,999	1,559,999		
Underground tank at Qorobo	3,500,000			3,500,000		
Sericho borehole water supply	2,999,999		1,200,000	1,799,999		
Supply and delivery of 5000ltrs plastic tanks for Dadach Elele	1,500,000		-	1,500,000		
Construction of 100M3 underground tank at Karantina	1,999,666		1,399,766	599,900		
Underground tank Qonye	2,000,000		1,000,000	1,000,000		
water storage tank at Arillo with 1No water kiosk at Dukana	4,500,000		1,800,391	2,699,609		
Underground tank at Shankera	2,000,000		1,000,000	1,000,000		
Sub-Total	**102,274,945**	**-**	**29,153,383**	**73,121,563**		
Supply of goods						
Supply & delivery of teaching and learning materials at Chiracha ECD	399,968			399,968		
Supply & delivery of teaching and learning	999,998			999,998		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
materials for 2 classrooms at Manyatta ECDE						
Supply and delivery of furniture teaching learning material for Yaa Algana ECD	319,716			319,716		
Supply and delivery of furniture teaching learning material for Qorqa ECDE	490,000			490,000		
Supply and delivery of furniture teaching learning material at Demo	319,113			319,113		
Supply and delivery of furniture teaching learning material at Kalesa	272,252			272,252		
Supply and delivery of furniture teaching learning material at Burgabo	279,995			279,995		
Supply and delivery of furniture teaching learning material at Muude	279,560			279,560		
Supply of UNIHUT at Qorqa Dika	592,679			592,679		
Supply & delivery of new curriculum design and activity books at El-Boru Magadho and Kalacha Pry ECD	399,968			399,968		
Supply and delivery of furniture, teaching and learning materials at Ndikiro & Ririma	999,998			999,998		
Supply and delivery of furniture, teaching and learning materials at Civicon, Kambinye, Manyatta Korolle & Gatab	319,716			319,716		
Supply and delivery of furniture, teaching and learning materials at El Gufu, Karatina,Ngororoi, Lpus & Tigo.	490,000			490,000		
Supply and delivery of furniture, teaching and learning materials at Bagasi, Tungu, Serichoi, Bor & El-Boji	319,113			319,113		
Supply and delivery of furniture,teaching and	272,252			272,252		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
learning materials at Full pry ECDE						
Supply and delivery of furniture, teaching and learning materials at Garqarsa pry ECDE	279,995			279,995		
Supply and delivery of furnitures teaching and learning materials at jaldesa ECDE	600,000			600,000		
Supply and delivery of furniture, teaching and learning materials at SKM Pry, Comboni Pry & Kiwanja Ndege Pry.	499,800			499,800		
Supply & delivery of new curriculum design and activity books for all ECD Centres	499,990			499,990		
Supply & delivery of new curriculum design and activity books for all ECD Centres	1,399,800			1,399,800		
Supply and installation of PVC tanks at Saku Youth Empowerment Centre	1,799,160			1,799,160		
Proposed installation to kinisa Bore hole	1,997,520			1,997,520		
Proposed installation of security light at Hula Hula/karare	279,995			279,995		
Proposed erection and completion of boundary wall at marsabit fire station	399,040			399,040		
Proposed construction of Cabro paving and parking bay at marsabit fire station	200,000			200,000		
Solid waste collection for bubisa town	799,800			799,800		
Solid waste collection for turbi town	1,999,260			1,999,260		
Solid waste collection for korr town for months May and June 2019	1,999,269			1,999,269		
Solid waste collection for Laisamis town for months May and June 2019	1,698,588			1,698,588		
Proposed erection and completion of Dumpsite and fence at kargi town	1,600,000			1,600,000		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Proposed erection and completion of Dumpsite fence and civil works at sololo town	2,499,998			2,499,998		
Proposed erection and completion of Dumpsite fence and civil works at Laisamis town	4,999,570			4,999,570		
Car hire for solid waste management	4,998,000			4,998,000		
completion of Dumpsite fence and civil works at Bubisa town	216,674			216,674		
Solid waste management in kargi town	216,674			216,674		
Solid waste management in loiyangalani town	1,999,260			1,999,260		
Solid waste management service for the months of dec 2018 to march 2019	1,999,269			1,999,269		
medical Equipment for Maikona Health	1,698,588			1,698,588		
solo shots	1,600,000			1,600,000		
Reagents During Kalaazar	2,499,998			2,499,998		
Supply & delivery of teaching and learning materials at Chiracha ECD	4,999,570			4,999,570		
Supply & delivery of teaching and learning materials for 2 classrooms at Manyatta ECDE	4,998,000			4,998,000		
Supply and delivery of furniture teaching learning material for Yaa Algana ECD	216,674			216,674		
Supply and delivery of furniture teaching learning material for Qorqa ECDE	216,674			216,674		
Supply and delivery of furniture teaching learning material at Demo	416,666			416,666		
Supply and delivery of furniture teaching learning material at Kalesa	500,000			500,000		
Supply and delivery of furniture teaching learning material at Burgabo	1,249,900			1,249,900		
Supply and delivery of furniture teaching	713,400			713,400		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
learning material at Muude						
Supply of UNIHUT at Qorqa Dika	999,050			999,050		
Supply & delivery of new curriculum design and activity books at El-Boru Magadho and Kalacha Pry ECD	1,264,000			1,264,000		
Supply and delivery of furniture, teaching and learning materials at Ndikiro & Ririma	1,999,269			1,999,269		
Supply and delivery of furniture, teaching and learning materials at Civicon, Kambinye, Manyatta Korolle & Gatab	1,698,588			1,698,588		
Supply and delivery of furniture, teaching and learning materials at El Gufu, Karatina,Ngororoi, Lpus & Tigo.	1,600,000			1,600,000		
Supply and delivery of furniture, teaching and learning materials at Bagasi, Tungu, Serichoi, Bor & El-Boji	2,499,998			2,499,998		
Supply and delivery of furniture,teaching and learning materials at Full pry ECDE	4,999,570			4,999,570		
Supply and delivery of furniture, teaching and learning materials at Garqarsa pry ECDE	4,998,000			4,998,000		
Supply and delivery of furnitures teaching and learning materials at jaldesa ECDE	216,674			216,674		
Supply and delivery of furniture, teaching and learning materials at SKM Pry, Comboni Pry & Kiwanja Ndege Pry.	216,674			216,674		
Supply & delivery of new curriculum design and activity books for all ECD Centres	416,666			416,666		
Supply & delivery of new curriculum design and activity books for all ECD Centres	500,000			500,000		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Supply and installation of PVC tanks at Saku Youth Empowerment Centre	1,249,900			1,249,900		
Proposed installation to kinisa Bore hole	713,400			713,400		
Proposed installation of security light at Hula Hula/karare	999,050			999,050		
Proposed erection and completion of boundary wall at marsabit fire station	1,264,000			1,264,000		
Proposed construction of Cabro paving and parking bay at marsabit fire station	479,892			479,892		
Solid waste collection for bubisa town	1,666,666			1,666,666		
Solid waste collection for turbi town	1,640,000			1,640,000		
Solid waste collection for korr town for months May and June 2019	933,333			933,333		
Solid waste collection for Laisamis town for months May and June 2019	2,998,800		-	2,998,800		
Proposed erection and completion of Dumpsite and fence at kargi town	1,205,000			1,205,000		
Proposed erection and completion of Dumpsite fence and civil works at sololo town	1,115,000			1,115,000		
Proposed erection and completion of Dumpsite fence and civil works at Laisamis town	47,838,126	-	-	47,838,126		
Car hire for solid waste management	2,499,998			2,499,998		
completion of Dumpsite fence and civil works at Bubisa town	4,999,570			4,999,570		
Solid waste management in kargi town	4,998,000			4,998,000		
Solid waste management in loiyangalani town	216,674			216,674		
Solid waste management service for the months of dec 2018 to march 2019	216,674			216,674		
medical Equipment for Maikona Health	416,666			416,666		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
solo shots	500,000			500,000		
Reagents During Kalaazar	1,249,900			1,249,900		
Supply & delivery of teaching and learning materials at Chiracha ECD	713,400			713,400		
Supply & delivery of teaching and learning materials for 2 classrooms at Manyatta ECDE	999,050			999,050		
Supply and delivery of furniture teaching learning material for Yaa Algana ECD	1,264,000			1,264,000		
Supply and delivery of furniture teaching learning material for Qorqa ECDE	479,892			479,892		
Supply and delivery of furniture teaching learning material at Demo	1,666,666			1,666,666		
Supply and delivery of furniture teaching learning material at Kalesa	1,640,000			1,640,000		
Supply and delivery of furniture teaching learning material at Burgabo	933,333			933,333		
Supply and delivery of furniture teaching learning material at Muude	2,998,800		-	2,998,800		
Supply of UNIHUT at Qorqa Dika	1,205,000			1,205,000		
Supply & delivery of new curriculum design and activity books at El-Boru Magadho and Kalacha Pry ECD	1,115,000			1,115,000		
Sub-Total	**47,245,447**	-	-	**47,245,447**		
Supply of services						
service, Repair & replacement o spare parts to GKB 878G	592,679			592,679		
Support to Fishing Women Groups	2,000,000			2,000,000		
Marching Fund - EU Led IDEAS	7,000,000			7,000,000		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/2019	Outstanding Balance 2017/2018	
Spot improvement works on Ilkalkumbe – Gatab Road	6,285,300			6,285,300		
Land Compensation for Upgrade of Moyale Road to bitumen standard	40,000,000			40,000,000		
Spot improvement from Nur RSD to Slaughter Road	4,805,088			4,805,088		
Upgrading of Halakhe Babo to Majengo Road Phase 2	3,998,520			3,998,520		
Sub-Total	**64,681,587**	-	-	**64,681,587**		
Grand Total	**560,822,786**	-	**123,790,505**	**437,032,280**		

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Heritage and cultural assets					
Biological assets					
Intangible assets					
Infrastructure assets- Roads, Rails					
Work in progress					
Total					

(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 4 – 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 of Marsabit	120,000,000	95,000,000	217,538,269	202,699,313	635,237,582	635,237,582		
2.	Emergency Fund	-	70,000,000		-	70,000,000	70,000,000		
3.	Scholarship Fund		60,000,000			60,000,000	60,000,000		
4.	Kenya Climate Smart Agriculture Project	-	-	50,891,757	-	50,891,757	50,891,757		
5.	EU Led Ideas Fisheries Project	-	-	70,007,619	-	70,007,619	70,007,619		
6.	Food and Agriculture Organisation Project	-	-	5,996,770	-	5,996,770	5,996,770		
7.	Agriculture Sector Development Support Project	-	-	11,000,000	9,983,094	20,983,094	20,983,094		
	Total	**120,000,000**	**225,000,000**	**355,434,415**	**212,682,407**	**913,116,822**	**913,116,822**		

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 par