REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF MURANG'A

FOR THE YEAR ENDED 30 JUNE, 2019

Revised template of June 2019

MURANGA COUNTY ASSEMBLY

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)

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB
30 DEC 2019
RECEIVED
P.O. Box 267 - 10100, NYERI

TABLE OF CONTENTS

TABLE OF CONTENTS i
I: KEY ENTITY INFORMATION AND MANAGEMENT ii
STATEMENT OF MANAGEMENT RESPONSIBILITIES vi
1. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name) . vii
2. FINANCIAL STATEMENTS 1
2.1. STATEMENT OF RECEIPTS AND PAYMENTS 1
2.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES 2
2.3. STATEMENT OF CASH FLOWS 3
2.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED 5
2.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT 7
2.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT 9
2.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 11
2.8. SIGNIFICANT ACCOUNTING POLICIES 12
2.9. NOTES TO THE FINANCIAL STATEMENTS 16
2.10. OTHER DISCLOSURES 27
5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 29
ANNEXES 30
ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE 30
ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES 31
ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES 32
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER 33
ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS 34
ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT 35

I: KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic *direction* of the Assembly. The County Assembly constitutes 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and an additional 18 members nominated by political parties.The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

Pursuant to section 12 of the County Government Act ,the County Assembly Service Board is responsible for:

(a) Providing services and facilities to ensure efficient and effective functioning of the County Assembly.

(b) Constituting offices in the County Assembly Service and appointing and supervising the office holder.

(c) Preparing annual estimates of expenditure of the County Assembly Service and submitting them to the County Assembly for approval and executing budgetary control over the same.

(d) Undertaking programmes to promote the ideals of parliamentary democracy.

(e) Performing the function necessary for the wellbeing of the members and staff of the County Assembly.

Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	**Annie Ngatha**
2.	Principal finance officer	**Isaac Khalisia**

(c) Fiduciary Oversight Arrangements

While the County Assembly Service Board has the overall fiduciary oversight roles the board has established the following committees:

(i) The loan management committee which considers application for car and mortgage loans . The committee is appointed by the Board and oversight the loan management .

(ii) The members welfare and Board Advisory committee comprising of 9 members of the Assembly who receive and consider the representations and suggestions of members of the County Assembly and makes recommendations to the Board for action.

(iii) The management committee consists of all heads of departments in the Assembly and is responsible for advising the board on matters relating to the functions and powers of the board

(iv) The staff Advisory Committee consists of heads of departments and the clerk and is responsible for advising the Board through the committee on matters relating to staff .

(i) Entity Headquarters

P.O. Box 731-102000
MURANGA COUNTY ASSEMBLY OFFICES
Along Muranga Kiriaini Road

(j) Entity Contacts

Telephone: 0722733391
E-mail: clerk@assembly.muranga.go.ke
Website: www.assembly.muranga.go.ke

(k) Entity Bankers

1. Central Bank of Kenya

   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya

(l) Independent Auditors

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

(m)Principal Legal Adviser

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

IV:FORWARD BY THE CLERK OF THE ASSEMBLY

The County Assembly approved a budget of Ksh.836,381,818 for the financial year 2018/2019 of which Kshs.786,381,818 was for recurrent expenditure and Kshs.50,000,000 was allocated for development expenditure.

However, by the end of June 2019, the County Assembly Service Board had received Kshs.627,000,000 through Exchequer Releases representing 75% of the approved budget .This amount is for recurrent expenditure kshs.595,000,000 and kshs.32,000,000 for development expenditure ,

Annie Ngatha
Ag Clerk of the County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2019, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

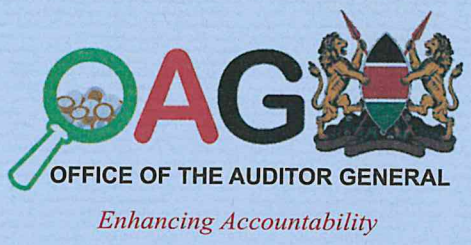
The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 22/11 2019.

Clerk of the County Assembly

1. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MURANG'A FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Murang'a set out on pages 1 to 28, which comprise the statement of financial assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts - recurrent, development and 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 effect of the matters 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 Murang'a County Assembly 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. Long Outstanding Unreconciled Cash Items

The statement of financial assets and liabilities as at 30 June, 2019 reflects a bank balance amounting to Kshs.3,993,215. In addition, the bank reconciliation statement as at 30 June, 2019 reflects payment in cashbook not in bank statement and payments in bank statement not in cashbook amounting to Kshs.27,812,950 and Kshs.2,973,676,respectively. However, reconciling items amounting to Kshs.13,924,769 shown in the statement relate to the month of August, 2018. No explanation has been provided by Management on why they have not been acted upon to reflect the correct cash and bank balances.

In view of the anomaly, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.3,993,215 reflected in the statement of assets and liabilities as at 30 June, 2019 has not been confirmed.

2. Variances Between the Financial Statements and IFMIS Balances

The financial statements for the year ended 30 June, 2019 reflect various balances which, however, differ with identical account balances reflected in the Integrated Financial Management Information System (IFMIS) report for the year. No reconciliations have been provided for the variances shown in the attached Appendix.

In view of the discrepancies, I am unable to confirm the accuracy and completeness of the financial statements.

3. Failure to Disclose Progress Made in Resolving Previous Year Issues

Management has not included in the financial statements information on progress on follow up of auditor`s recommendations on the audit for the previous year.

As a result, the annual reports and financial statements do not comply with the reporting guidelines prescribed by the Public Sector Accounting Standards Board (PSASB).

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Murang'a County Assembly 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. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budget Performance

During the year under review, the approved budget for Murang'a County Assembly was Kshs.836,381,818 comprised of Kshs.786,381,818 and Kshs.50,000,000 for recurrent and development votes, respectively. However, the County Assembly incurred expenditure totalling Kshs.595,140,317 and Kshs.22,812,724 on recurrent and development votes, respectively resulting in under-expenditure of Kshs.191,241,501 on the recurrent budget and Kshs.17,812,724 on the development budget. The deficits were equivalent to 23% and 36% of the respective budgets.

In view of the failure to utilize the whole of its operational and development budgets, the County Assembly did not realize all its targeted outputs for the year and therefore was not able to provide services to the residents of the County as required.

2. Pending Accounts Payables (Bills)

Note 2.10 - Other Disclosures - to the financial statements, reflects accounts payables (bills) amounting to Kshs.14,203,325 incurred on projects for construction of buildings. Had the bills been paid and the expenditure charged to the accounts for the year under review, the surplus of Kshs.140,316 reflected in the statement of receipts and payments for the year would have been reduced to a deficit of Kshs.14,063,009. This indicates that Management entered into financial commitments without sufficient resources to fund the expenditures.

Failure to settle bills during the year to which they relate distorts the financial statements for that year and adversely affects budgetary provisions for the subsequent year to which they have to be charged.

3. Unresolved Prior Year Issues

The audit report for the previous year highlighted various anomalies in respect to the accuracy and completeness of the financial statements, lawfulness and effectiveness in use of public resources and effectiveness of internal controls and risk management systems. As previously mentioned, Management has not disclosed the progress made in resolving the issues and these are, therefore, considered as unresolved.

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 Qualified Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing 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. Irregular Payment of Sitting Allowances to Members of County Assembly

Included in domestic travel and subsistence expenditure totalling Kshs.141,313,599 are sitting allowances totalling Kshs.4,204,200 paid to Members of the County Assembly (MCAs) for, reportedly, attending plenary sessions or committee meetings in venues away from the County Assembly Building. However, a review of records and attendance registers for the meetings revealed that MCAs paid allowances totalling Kshs.517,400 attended two or more separate meetings held on the same day, or concurrently. Management has not explained the multiple and concurrent payments of sitting allowances.

In view of the anomaly, it is not possible to confirm that the allowance payments totalling Kshs.517,400 made to the MCAs were a proper charge to public funds.

2. Delay in Construction of County Assembly Chambers

As reported previously, the original contract for construction of the County Assembly Chambers was awarded to a local construction firm on 11 November, 2014 at a contract sum of Kshs.77,484,830. The works were scheduled for completion after 24 weeks in April 2015. Available information indicates that the contractor terminated the contract in January, 2017 owing to delayed payment for certified works valued at Kshs.33,092,879. At the time, the project completion rate was 43% and time lapse at 114 weeks, equivalent to 475% of the contract period.

The records further indicated that after the original contract was terminated, a new contract was awarded on 24 October, 2017 at a contract sum of Kshs.49,016,050, for a contract period of 26 weeks. However, at the time of audit in October, 2019, the project had not been completed, nearly eighteen months after the lapse of the new contract period and more than five years after the project commenced.

The original contractor was paid Kshs.33,092,879 for certified works done up to the point of termination of his contract in January, 2017. The payments included accumulated interest on delayed payments amounting to Kshs.361,642. Following the appointment of the new contractor, the total cost of the project rose by Kshs.4,624,099 from the original contract sum of Kshs.77,484,830 to Kshs.82,108,929. The new cost entailed payments made to the first contractor totalling Kshs.33,092,879 and the new contract sum of Kshs.49,016,050.

As a result of the delay in completion of the project , value for money on the expenditure incurred on the incomplete project has not been realized more than five years after its expected completion date. Further, there is no reliable indicator that the project will be completed soon.

3. Subscription Fees Paid Without Guiding Policy

Expenditure records indicated that during the year under review, Management paid Kshs.2,800,000 in subscription fees to the County Assemblies Forum (CAF) and the Society of Clerks at the Table (SOCATT). However, at the time the payments were made, the County Assembly had not developed policies and guidelines for payment of subscriptions to such bodies.

In the circumstance, the expenditure totalling Kshs.2,800,000 incurred on subscriptions was not valid.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 processes and systems of internal control, risk management and 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 ability of the County Assembly 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 Assembly, or 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 County Assembly's reporting process, reviewing the effectiveness of how the entity 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 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. 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 about whether, 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 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 Management.

- Conclude on the appropriateness of 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 ability of the County Assembly 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 Assembly to cease sustaining 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 Assembly to express an opinion on the financial statements.

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

I communicate with 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 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

22 January, 2021

Appendix

(i) Variances between Statement of Receipts and Payments and IFMIS Ledger Balances

Details	Amounts as Per Statement of Receipts and Payments Kshs.	IFMIS Figures Kshs.	Variance Kshs.
Receipts			
Receipts-Transfers from County Treasury/Exchequer	627,000,000	677,000,000	50,000,000
Payments/Expenditure			
Compensation of Employees	282,078,630	293,228,850.9	11,150,220.9
Use of Goods and Services	271,612,408	268,996,003.5	(2,616,404.5)
Transfers to Other Government Entities	29,187,583	0	(29,187,583)
Acquisition of Assets	22,890,724	42,890,725	20,000,001
Finance cost/Interest	0	6,314,930	6,314,930

(ii) Variances between Statement of Financial Assets and Liabilities and IFMIS Report

Details	Balances as Per Statement of Financial Assets and Liabilities Kshs.	Balances as Per IFMIS Report Kshs.	Variance Kshs.
Bank Balances	3,993,215	1,321,416,499	1,317,423,284
Cash Balances	0	946,190,487.95	946,190,487.85
Accounts Receivables - Outstanding Imprest	0	2,495	2,495
Accounts Payables-Deposits and Retentions	3,993,215	204,222,451	200,229,236
Fund Balance Brought Forward	140,316	(623,649,476)	(623,789,792)

2. FINANCIAL STATEMENTS

2.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018/19 KShs	2017/18 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	627,000,000	501,971,452
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**627,000,000**	**501,971,452**
PAYMENTS			
Compensation of Employees	4	282,078,630	225,538,988
Use of goods and services	5	271,612,408	208,706,450
Subsidies	6	-	-
Transfers to Other Government Entities	7	29,187,583	16,375,590
Other grants and transfers	8	-	-
Social Security Benefits	9	15,409,069	10,321,120
Acquisition of Assets	10	22,890,724	33,946,652
Finance Costs	11	-	
Other Payments	12	5,961,902	23,391,723
TOTAL PAYMENTS		**627,140,316**	**518,280,523**
SURPLUS/DEFICIT		**- 140,316**	**(16,309,071)**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

2.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2018/19 KShs	2017/18 KShs
Cash and Cash Equivalents			
Bank Balances	13A	3,993,215	1,778,462
Cash Balances	13B	-	
Total Cash and cash equivalents		3,993,215	**1,778,462**
		-	
Accounts receivables – Outstanding Imprests	14	-	-
		-	
TOTAL FINANCIAL ASSETS		3,993,215	**1,778,462**
		-	
FINANCIAL LIABILITIES		-	
Accounts Payables – Deposits and retentions	15	3,993,215	1,711,943
		-	
NET FINANCIAL ASSETS		-	**66,519**
REPRESENTED BY			
Fund balance b/fwd		66,519	16,375,590
Prior year adjustments	17	73,797	0
Surplus/Deficit for the year		- 140,316	(16,309,071)
NET FINANCIAL POSITION		**0**	**66,519**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Officer – County Assembly

2.3. STATEMENT OF CASH FLOWS

	Note	2018/19 KShs	2017/18 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	627,000,000	501,971,452
Other Receipts	3	0	-
Payments for operating expenses			
Compensation of Employees	4	(282,078,630)	(225,538,988)
Use of goods and services	5	(271,612,408)	(208,706,450)
Subsidies	6	0	-
Transfers to Other Government Entities	7	(29,187,583)	(16,375,590)
Other grants and transfers	8	0	-
Social Security Benefits	9	(15,409,069)	(10,321,120)
Finance Costs	11	0	
Other Payments	12	(5,961,902)	(23,391,723)
Adjusted for:			
Adjustments during the year			-
Net cash flows from operating activities		**22,750,408**	**17,637,581**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	-
Acquisition of Assets	10	(22,890,724)	(33,946,652)
Net cash flows from investing activities		**(22,890,724)**	**(33,346,652)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(140,316)**	**(16,309,071)**
Cash and cash equivalent at BEGINNING of the year	16	**66,519**	**16,375,590**
Prior Year Adjustment	17	**73,797**	**0**
Cash and cash equivalent at END of the year		**0**	**66,519**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	d=e	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	894,036,391	(57,654,573)	836,381,818	627,000,000.00	75
Proceeds from Sale of Assets			-	-	
Other Receipts			-	-	
TOTAL	**894,036,391**	**(57,654,573)**	**836,381,818**	**627,000,000**	75
PAYMENTS				-	
Compensation of Employees	318,943,116		318,943,116	282,078,629.60	88
Use of goods and services	337,704,000		337,704,000	271,612,408.00	80
Subsidies				-	
Transfers to Other Government Entities	100,000,000		100,000,000	29,187,583.00	29
Other grants and transfers				-	
Social Security Benefits	22,234,702		22,234,702	15,409,069.00	69
Acquisition of Assets	107,654,573	(57,654,573)	50,000,000	22,890,724.00	46
Finance Costs			-	-	
Other Payments	7,500,000		7,500,000	5,961,902.00	79

TOTAL	**894,036,391**	**(57,654,573)**	**836,381,818**	**627,140,316**	75
SURPLUS/ DEFICIT	**-**	**-**	**-**	**(140,316)**	**(0)**

The entity financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	d-e	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	686,381,818	100,000,000	786,381,818	595,000,000	76
Proceeds from Sale of Assets	-	-	-	-	
Other Receipts	-	-	-	-	
TOTAL	**686,381,818**	**100,000,000**	**786,381,818**	**595,000,000**	76
PAYMENTS			-	-	
Compensation of Employees	318,943,116	-	318,943,116	282,078,630	88
Use of goods and services	337,704,000	-	337,704,000	271,612,408	80
Subsidies	-	-	-	-	
Transfers to Other Government Entities		100,000,000	100,000,000	20,000,308	20
Other grants and transfers	-	-	-	-	
Social Security Benefits	22,234,702	-	22,234,702	15,409,069	69
Acquisition of Assets			-	78,000	
Finance Costs	-	-	-	-	
Other Payments	7,500,000	-	7,500,000	5,961,902	79

TOTAL	**686,381,818**	**100,000,000**	786,381,818	**595,140,317**	76
Surplus/ Deficit	-	-	-	**(140,317)**	**(0)**

The entity financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

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

Receipt/Expense Item	Original Budget KShs	Adjustments KShs	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilization difference KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	207,654,573	(157,654,573)	50,000,000	32,000,000	64
Proceeds from Sale of Assets	-	-	-	-	
Other Receipts	-	-	-	-	
TOTAL	**207,654,573**	**(157,654,573)**	**50,000,000**	**32,000,000**	64
PAYMENTS					
Compensation of Employees					
Use of goods and services					
Subsidies					
Transfers to Other Government Entities				9,187,276	
Other grants and transfers					
Social Security Benefits					
Acquisition of Assets	207,654,573	(157,654,573)	50,000,000	22,812,724	46
Finance Costs	-	-	-		
Other Payments		-	-	-	

TOTAL	**207,654,573**	**(157,654,573)**	**50,000,000**	**32,000,000**	64
SURPLUS/ DEFICIT	-	-	-	-	-

The entity financial statements were approved on 22/11 2019 and signed by:

Clerk of the Assembly

Chief Finance Office – County Assembly

2.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Oversight					
Oversight	211,518,700	0	211,518,700	175,097,073	36,421,627
Legislation and representation					
Legislation and representation	277,245,727	0	277,245,727	240,398,236	36,847,491
General administration and planning support					
General administration and planning support	405,271,964	-57,654,573	347,617,391	211,645,007	135,972,384
TOTAL	**894,036,391**	**-57,654,573**	**836,381,818**	**627,140,316**	**209,241,502**

2.8. 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 statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

The financial statements are for the Muranga County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

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/ County Treasury

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)

Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

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 Muranga county Assembly in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, Muranga county Assembly 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 3,993,215 compared to KShs 1,711,943 in prior period as indicated on note 15. 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 Muranga county Assembly 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 prepared 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 .The original budget was approved by the County Assembly on 24 june for the period 1st July 2018 to 30 June 2019 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the Muranga County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in 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.

12. Subsequent events

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

2.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2018/19	2017/18
	KShs	KShs
Transfers from the County Treasury for Q1	68,000,000	41,000,000
Transfers from the County Treasury for Q2	199,000,000	135,000,000
Transfers from the County Treasury for Q3	100,000,000	126,871,452
Transfers from the County Treasury for Q4	260,000,000	199,100,000
Cumulative Amount	**627,000,000**	**501,971,452**

2. PROCEEDS FROM SALE OF ASSETS

	2018/19	2017/18
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-
	-	-

3. OTHER RECEIPTS

	2018/19	2017/18
	KShs	KShs
Tender fees received	.	.
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2018/19 KShs	2017/18 KShs
Basic salaries of permanent employees	202,451,600	189,004,045
Basic wages of temporary employees	25,187,991	10,762,854
Personal allowances paid as part of salary	51,762,672	24,923,455
Personal allowances paid as reimbursements	2,676,367	848,634
Personal allowances provided in kind	-	0
Pension and other social security contributions	-	0
Compulsory national social security schemes	-	
Compulsory national health insurance schemes	-	0
Social benefit schemes outside government	-	0
Other personnel payments	-	0
Total	**282,078,630**	**225,538,988**

5. USE OF GOODS AND SERVICES

	2018/19 KShs	2017/18 KShs
Utilities, supplies and services	745,202	1,057,794
Communication, supplies and services	6,030,705	4,759,611
Domestic travel and subsistence	141,313,599	107,939,854
Foreign travel and subsistence	19,741,622	7,053,830
Printing, advertising and information supplies & services	3,307,804	3,086,421
Rentals of produced assets	6,774,263	3,007,947

Training expenses	6,199,834	11,598,781
Hospitality supplies and services	31,163,517	29,306,567
Insurance costs	18,562,396	16,323,217
Specialized materials and services	1,374,012	577,850
Office and general supplies and services	901,437	1,902,540
Other operating expenses	31,484,498	18,833,667
Routine maintenance – vehicles and other transport equipment	960,000	361,515
Routine maintenance – other assets	704,588	1,247,743
Fuel oil and Lubricants	2,348,931	1,649,113
Total	**271,612,408**	**208,706,450**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

Description	2018/19	2017/18
	KShs	KShs
Subsidies to County Corporations		
Subsidies to Private Enterprises		
TOTAL		

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018/19	2017/18
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to County revenue fund	9,187,583	16,375,590
County Assembly Car Loan Fund Account	20,000,000	
TOTAL	**29,187,583**	**16,375,590**

8. OTHER GRANTS AND TRANSFERS

	2018/19	2017/18
	KShs	KShs
Scholarships and other educational benefits		
Emergency relief and refugee assistance		
Subsidies to small businesses, cooperatives, and self employed		
Total		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2018/19	2017/18
	KShs	KShs
Government pension and retirement benefits	15,409,069	10,321,120
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
Total	**15,409,069**	**10,321,120**

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	6,232,970	
Refurbishment of Buildings	16,579,754	12,000,000
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	21,074,552
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	78,000	872,100
Purchase of ICT Equipment	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-

MURANGA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2019

Non- Financial Assets	2018/19	2017/18
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	**22,890,724**	**33,946,652**
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	-	-
Total	**22,890,724**	**33,946,652**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2018/19	2017/18
	KShs	KShs
Bank Charges		
Exchange Rate Losses		
Other Finance costs		
Interest on borrowings		
Total		

12. OTHER PAYMENTS

	2018/19	2017/18
	KShs	KShs
Budget Reserves	5,961,902	2,404,675
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfers to Private Non-Financial Enterprises	-	-
Other expenses	-	987,048
Domestic Accounts		**20,000,000**
Total	**5,961,902**	**23,391,723**

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/19	2017/18
		KShs	KShs
CBK Muranga county assembly development account no.1000196416	Development Acc	-	-
CBK Muranga county assembly recurrent account no.1000196408	Recurrent Acc	-	66,519
CBK Muranga county assembly deposit account no.1000300469	Deposits Acc	3,993,215.00	1,711,943
	.		
Total		**3,993,215**	**1,778,462**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2018/19	2017/18
	KShs	KShs
Cash in Hand – Held in domestic currency		
Cash in Hand – Held in foreign currency		
Total		

Cash in hand should be analysed as follows:

	2018/19	2017/18
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total		

14. ACCOUNTS RECEIVABLE

	2018/19	2017/18
	KShs	KShs
Government Imprests		
Clearance Accounts		
Staff Advances		
Other Advances		
Total		

15. ACCOUNTS PAYABLE

	2018/19	2017/18
	KShs	KShs
Deposits	3,993,215	1,711,943
Retentions		
Total	**3,993,215**	**1,711,943**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2018/19	2017/18
	KShs	KShs
Bank accounts	140,316	16,375,590
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**140,316**	**16,375,590**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	KShs	KShs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables		
Adjustments on receivables		
Others (use of goods and services)		73,797

EXPLANATORY NOTE

Use of goods and services

In the financial year 2017-2018 the use good and services balance was overstated by kshs.73,797 under the item Domestic travel and subsistence so the total balance adjusted from ksh.208,706,450 to kshs.208,632,653.

2.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

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	37,584,476	0	22,812,724	14,203,325
Construction of civil works				
Supply of goods				
Supply of services				
Total	37,584,476	0	22,812,724	14,203,325

2. PENDING STAFF PAYABLES (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
Senior management				
Middle management				
Unionisable employees				
Others	32,950,892	0	32,950,892	0
Total	**32,950,892**	**0**	**32,950,892**	**0**

3. OTHER PENDING PAYABLES (See Annex 3)

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
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total				

4. 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 Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2018- 2019	2017- 2018
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs		
Key Management Compensation(Clerk and Heads of departments)		
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	20,000,000	20,000,000
Transfers to County Corporations		
Transfers to non reporting entities e.g ECD centres, welfare centres etc		
Total Transfers to related parties		
Transfers from related parties		
Transfers from the County Executive- Exchequer		
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties	**20,000,000**	**20,000,000**

5. 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)*
		SEE ANNEXURE 5			

SEE ;ANNEXURE 5.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FOR THE TABLE ABOVE

Guidance Notes:

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

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

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

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

Clerk of the County Assembly

Sign.....

Date.....22/11/2019.....

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	A	b	C	d=a-c		
Construction of buildings						
1. Stepal Builders Co .Ltd	49,016,050	24,oct ,2017	34,812,725	14,203,325	49,016,050	
2.						
3.						
Sub-Total	49,016,050	24,oct ,2017	34,812,725	14,203,325	49,016,050	
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total	49,016,050	24,oct ,2017	34,812,725	14,203,325	49,016,050	

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		A	b	C	d=a-c		
1. Pending bills					0	32,950,892	
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total					0	32,950,892	

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		a	B	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2018/19
Land	127,000,000	0	0	0	127,000,000
Buildings and structures	232,819,104	22,812,724	0	0	255,631,828
Transport equipment	49,674,794	0	0	0	49,674,794
Office equipment, furniture and fittings	8,430,935	78,000	0	0	8,508,935
ICT Equipment, Software and Other ICT Assets	11,870,209	0	0	0	11,870,209
Other Machinery and Equipment	4,454,050		0	0	4,454,050
Heritage and cultural assets	-	0	0	0	-
Intangible assets	-	0	0	0	-
Total	**434,249,092**	**22,890,724**	**0**	**0**	**457,139,816**

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

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

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

BANK RECONCILIATION STATEMENT FY 2018-2019	
ACCOUNT NO .1000300469 AT CBK	
	AMOUNT
BALANCE AS PER CASH BOOK	3,993,215
PAYMENT IN CASH BOOK NOT IN BANK STATEMENT	0
RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK	0
PAYMENT IN BANK STATEMENT NOT IN CASH BOOK	0
RECEIPTS IN CASH BOOK NOT IN BANK STATEMENT	0
BALANCE AS PER BANK STATEMENT	3,993,215

BANK RECONCILIATION STATEMENT FY 2018-2019	
ACCOUNT NO .1000196416 AT CBK	
	AMOUNT
BALANCE AS PER CASH BOOK	-
PAYMENT IN CASH BOOK NOT IN BANK STATEMENT	0
RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK	0
PAYMENT IN BANK STATEMENT NOT IN CASH BOOK	0
RECEIPTS IN CASH BOOK NOT IN BANK STATEMENT	0
BALANCE AS PER BANK STATEMENT	0

MURANGA COUNTY ASSEMBLY BANK RECONCILIATION STATEMENTS ACCOUNT NO.100016804 AT CBK			
		BALANCE AS PER CASH BOOK	2,973,676
	ADD		

		PAYMENT IN CASH BOOK NOT IN BANK STATEMENT	
		RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK	
	LESS		
		PAYMENT IN BANK STATEMENT NOT IN CASH BOOK	2,973,676
		RECEIPTS IN CASH BOOK NOT IN BANK STATEMENT	
		BALANCE AS PER BANK STATEMENT	- 0

PAYMENT IN BANK STATEMENT NOT IN CASH BOOK				
VOUCHER	DATE	DETAILS	PAYEE	AMOUNT
80006782	16-Aug-18	Boards, Committees, Conferences and Seminars	CHRIS KAMAU KINYANJUI	67,200.00
80006784	16-Aug-18	Boards, Committees, Conferences and Seminars	HILDA MARY WANJIKU KAMZEH	56,000.00
80006789	16-Aug-18	Boards, Committees, Conferences and Seminars	LEONARD NDUATI KARIUKI	67,200.00
80006791	16-Aug-18	Boards, Committees, Conferences and Seminars	ERICK KAMANDE KIMANI	63,000.00
80006794	16-Aug-18	Boards, Committees, Conferences and Seminars	PELAGIAH MUTHONI MAINA	63,000.00
80006797	16-Aug-18	Boards, Committees, Conferences and Seminars	ISAAC KHALISIA BUBIRU	63,000.00
80007175	2-Aug-18	Accommodation - Domestic Travel	SIMON NDIRANGU KAMAU	11,700.00
80007564	16-Jul-19	Catering Services (receptions), Accommodation, Gifts, Food and Drinks	KENYA REVENUE AUTHORITY	3,957.00
80007922	24-Oct-18	Accommodation - Domestic Travel	KENNETH CUBI MWANGI	8,924.00
80007930	24-Aug-18	Accommodation - Domestic Travel	IRENE MUTHONI MUNGAI	6,496.00
80007948	24-Oct-18	Accommodation - Domestic Travel	JOHN KAHARI GITHUKA	4,924.00
80007976	24-Oct-18	Accommodation - Domestic Travel	REUBEN MAINA KIMANI	8,924.00
80007991	24-Oct-18	Accommodation - Domestic Travel	ESTHER WANGECHI NGAMAU	4,924.00
80008177	25-Jul-19	Catering Services (receptions), Accommodation, Gifts, Food and Drinks	KENYA REVENUE AUTHORITY	3,957.00
80008178	16-Jul-19	Office and General Supplies -	KENYA REVENUE AUTHORITY	1,552.00
80008266	25-Jul-19	Purchase of Motor Vehicles	KENYA REVENUE AUTHORITY	8,317.00
80008341	25-Jul-19	Office and General Supplies -	KENYA REVENUE AUTHORITY	4,005.00
80008705	16-Jul-19	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	KENYA REVENUE AUTHORITY	2,400.00
80008843	2-Aug-18	Basic Salaries - County Assembly Service	MALCOM LEE NGUGI	20,380.00
80008844	2-Aug-18	Basic Salaries - County Assembly Service	DANIEL MWANIKI NJOROGE	20,008.00
80008891	25-Jul-19	Catering Services (receptions), Accommodation, Gifts, Food and	KENYA REVENUE AUTHORITY	4,143.00

		Drinks		
80008950	27-Aug-18	National Assembly Attendance Allowance	TRFS Payments	212,181.00
80008967	9-Nov-18	Supplies and Accessories for Computers and Printers	Alloysson Ventures Limited	99,569.00
80008970	27-Aug-18	Accommodation - Domestic Travel	CHARLES MWANGI NGANGA	212,000.00
80008992	16-Jul-19	Supplies and Accessories for Computers and Printers	KENYA REVENUE AUTHORITY	5,431.00
80009030	16-Jul-19	Supplies and Accessories for Computers and Printers	KENYA REVENUE AUTHORITY	2,069.00
80009031	25-Jul-19	Sanitary and Cleaning Materials, Supplies and Services	KENYA REVENUE AUTHORITY	4,397.00
80009054	9-Nov-18	Supplies and Accessories for Computers and Printers	Alloysson Ventures Limited	37,931.00
80009066	6-Dec-18	Transport Allowance	NAHASHON GACHUHI MWIRIGI	11,529.00
80009095	16-Jul-19	Office and General Supplies -	ALLOYSSON VENTUTRS	244,276.00
80009101	16-Jul-19	Supplies and Accessories for Computers and Printers	KENYA REVENUE AUTHORITY	13,324.00
80009538	1-Aug-19	Internet Connections	BORASOFT LIMITED	49,500.00
80009539	16-Jul-19	Internet Connections	KENYA REVENUE AUTHORITY	2,700.00
80009542	6-Dec-18	Transport Allowance	FRANCIS KIBE GITHUKA	16,909.00
80009594	16-Jul-19	Accommodation - Domestic Travel	INCOME TAX MAIN COLLECTION A/C	1,278.00
80009635	25-Jul-19	Office and General Supplies -	KENYA REVENUE AUTHORITY	7,604.00
80009659	20-Sep-18	Accommodation - Domestic Travel	PATRICK MURAGURI KARENGO	61,300.00
80009694	16-Jul-19	Catering Services (receptions), Accommodation, Gifts, Food and Drinks	KENYA REVENUE AUTHORITY	2,838.00
80009695	25-Jul-19	Purchase of Uniforms and Clothing - Staff	KENYA REVENUE AUTHORITY	4,800.00
80009820	20-Mar-19	Accommodation - Domestic Travel	RUTH MUMBI KIBITHE	34,100.00
80009823	20-Mar-19	Accommodation - Domestic Travel	FRANCIS MACHARIA KIMEMIA	38,600.00
80009829	20-Mar-19	Accommodation - Domestic Travel	IRENE MUTHONI MUNGAI	38,600.00
80009831	20-Mar-19	Accommodation - Domestic Travel	JANE NDUTA NJERI	38,600.00
80009837	20-Mar-19	Accommodation - Domestic Travel	PAUL NJOROGE KIRORI	38,600.00
80009838	20-Mar-19	Accommodation - Domestic Travel	DOUGLAS MWATI KAGURU	34,100.00
80009847	20-Mar-19	Accommodation - Domestic Travel	MARY NJAMBI KAMAU	38,600.00
80009853	16-Jul-19	Publishing & Printing Services	KENYA REVENUE AUTHORITY	3,347.00
80009862	16-Jul-19	Accommodation - Domestic Travel	KENYA REVENUE AUTHORITY	1,200.00
80009912	21-Sep-18	National Assembly Attendance Allowance	CO-OPERATIVE BANK	311,361.75
80009917	28-Aug-18	National Assembly Attendance Allowance	KENYA COMMERCIAL BANK LIMITED	700
80009933	28-Aug-18	National Assembly Attendance Allowance	PLATINUM CREDIT LTD	3,869.00
80009939	28-Aug-18	National Assembly Attendance Allowance	BRITISH AMERICAN INSURANCE COMPANY	2,910.00
80009940	28-Aug-18	National Assembly Attendance Allowance	MURANGA COUNTY ASSEMBLY	2,116.10
80009942	28-Aug-18	National Assembly Attendance Allowance	ZEPHANIA,JOHN,MARY	1,500.00
80009965	16-Aug-18	Accommodation - Domestic Travel	ERICK KAMANDE KIMANI	104,000.00

80009975	20-Mar-19	Accommodation - Domestic Travel	STEPHEN MWANGI CHEGE	104,000.00
80009976	20-Mar-19	Accommodation - Domestic Travel	DUNCAN MUTURI KAMAU	104,000.00
80010014	25-Jul-19	Accommodation - Domestic Travel	INCOME TAX PAYE ACCOUNT	198
80010015	16-Jul-19	Transport Allowance	INCOME TAX PAYE ACCOUNT	78,595.00
80010060	19-Jul-19	Accommodation - Domestic Travel	HILDA MARY WANJIKU KAMZEH	56,000.00
80010083	27-Aug-18	National Assembly Attendance Allowance	TRFS Payments	84,312.00
80010089	26-Jul-19	Basic Salaries - County Assembly Service	muranga county assembly revolving fund	145,020.00
80010178	26-Oct-18	Accommodation - Domestic Travel	JOHN RUOHO WANGECHI	47,000.00
80010209	7-Nov-18	Accommodation - Domestic Travel	LISPER WANJIRU MBUTHIA	38,600.00
80010211	7-Nov-18	Accommodation - Domestic Travel	DANIEL OKELLO OMOGI	34,100.00
80010213	7-Nov-18	Accommodation - Domestic Travel	STEPHEN CHEGE NGUGI	34,100.00
80010215	7-Nov-18	Accommodation - Domestic Travel	LUCY WANJIKU KINYAJUI	34,100.00
80010228	2-Aug-18	Accommodation - Domestic Travel	KENNEDY KARAYA KIMANI	18,900.00
80010229	2-Aug-18	Accommodation - Domestic Travel	LABAN MBUGUA MUNGE	18,900.00
		TOTAL		**2,973,675.85**