REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY ASSEMBLY OF NANDI

FOR THE YEAR ENDED 30 JUNE 2018

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
17 NOV 2018
RECEIVED
P. O. Box 2774 - 30100, ELDORET

NANDI COUNTY ASSEMBLY

AMMENDED
REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County 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 the Honourable Speaker, 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 9 members nominated by various political parties in the Assembly to represent the special interest groups. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

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

I. The Hon. Speaker
II. The County Assembly
III. The County Assembly Service Board and
IV. The Clerk to the County Assembly.

(c) Fiduciary Management

The key management personnel who held office during the year ended June 30th, 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Clerk	Isabella J. Maiyo
2.	PFO	Wesley C. Kimeto
3.	HR	Henry Tarus
4.	HOB	Luke K. Cherutich

(d) Fiduciary Oversight Arrangements

- *County Assembly Service Board*
- *Internal Audit Reports*
- *County Assembly Inspection and Acceptance Committees*
- *Auditor General*
-

(e) Entity Headquarters

P.O. Box 673 – 30300,
COUNTY ASSEMBLY
Jean-Marie Seroney road, Bungei Street,
Kapsabet, KENYA

(f) Entity Contacts

Telephone: (254) 0535252039
E-mail: info@nandiassembly.go.ke
Website: www.nandiassembly.go.ke

(g) Entity Bankers

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

2. Cooperative Bank of Kenya
   P. O. Box 869 – 30300,
   KAPSABET

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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 CLERK OF THE ASSEMBLY

The Assembly's recurrent expenditure budget for the FY under review was *KShs.593, 045,851* representing 13.7% of the entire county recurrent expenditure budget of *KShs.4, 589,989,037*. The comprehensive annual financial statements for the FY 2017/18, here in set out;

I. The actual recurrent expenditure in the FY 2017/2018 of *KShs.50,522,927* under the County Assembly Service Board and *KShs. 531, 583,534* under the administration section.

II. The actual development expenditure in the FY 2017/2018 of *KShs.9, 000,000* utilized in the purchase of a County Assembly land earmarked for construction of Speakers residence in the future, *KShs. 94,975,870.80* spent on the Construction of the Office complex, and *KShs. 17,142,789.40* spent on the County Assembly Office Complex Studies, Project Preparation and Design and Supervision

III. Components of the financial statements being Receipts and Payments, Statement of Financial Assets, Statement of Cash flows, Comparison of budget and actual amounts and budget execution per programs.

IV. Notes to the financial statements.

In Quarter 1 of the FY 2017/2018, the County Assembly undertook rigorous capacity building trainings and inductions for new members of the County Assembly. This involved expenditure on seminars, workshops and facilitated conferences. In Quarter 2 of FY 2017/2018, the County Assembly undertook serious engagements with the stakeholders including the members of the public, constitutionally independent state institutions and the County Executive of Nandi while considering the various revenue enhancing bills that were enacted into laws. While the reports were thereafter done on the same, they were all approved in the Quarter 3 given the fact that the County Assembly engaged itself in both the preparations and games at the KICOSCA/CASA tournaments that were held in Machakos County. In Quarter 3 of FY 2017/2018, the County Assembly undertook capacity building of employees (both State Officers and public officers) on various matters in preparation for budget approval process and review of pending house business that included compilation of final report on Task Force Report on County Pending Bills that arose between 2013 and 2017. Further, this was necessitated by the entry of the new employees whose long planned recruitment got effected in February 2018. Despite the time constraints the County Assembly approved the County Fiscal Strategy Paper 2018 on March 15, 2018 as per regulations on timelines of approval of that document. In Quarter 4 of FY 2017/2018, the harmonization of County Assembly Service took effect and culminated in staff placement in respective positions that were due to them but had been delayed. Further, payment of salaries to new employees began in April 2018.

There have been challenges during the period under review including lack of sufficient office space, circulars from the Controller of Budget and Salaries and Remuneration Commission, lengthy procurement processes and the limits of expenditure as per the legal county Assembly recurrent expenditure ceilings given in CARA, 2017. Going forward, the County Assembly shall liaise with the Commission on Revenue Allocation, County Assemblies Forum and the national treasury to improve on its ceilings and address the staffing challenges in some departments including committee services sections of Clerk's department, Transport department and board secretariat.

Sign
Ag C lerk of the County Assembly

CLERK NANDI COUNTY ASSEMBLY
22 NOV 2018
P.O. Box 673-30300, KAPSABET

3. 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, 2018. 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, 2018, 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. 2018.

ISABELLA JEBET MAIYO,
Acting Clerk of the County Assembly

NANDI COUNTY ASSEMBLY ★ CLERK ★ P.O. Box 673-30300, KAPSABET
22 NOV 2018

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NANDI FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Nandi set out on pages 1 to 33, which comprise the statement of financial assets and liabilities as at 30 June 2018, 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 County Assembly of Nandi as at 30 June 2018, 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.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial assets and liabilities as at 30 June 2018 reflects cash and cash equivalents balance of Kshs.109,484. However, the cash flow statement shows a comparative amount of cash and cash equivalents balance of Kshs.28,975,330 which has not been taken into account as beginning cash balance is reflected as nil. The balance is further collaborated by note 13A which indicates a bank balance of Kshs.28,975,330 which also differs with note 16 that shows a balance of Kshs.64,373. No explanation or reconciliation has been provided for the variances between the two sets of figures that are normally similar.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.109,484 as at 30 June 2018 could not be ascertained.

2. Accounts Payables – Deposits and Retentions

The statement of financial assets and liabilities as at 30 June 2018 reflects net financial assets figure of Kshs.109,484 with a nil balance on accounts payable- deposits and retentions. Information made available indicates that the County Assembly recovered an amount of Kshs.16,489,008 from one of the contractors which has not been disclosed in the financial statements. Further, Annex 3 indicates deposits and retention monies on construction of County Assembly Offices of Kshs.15,021,129 which is not supported by any note to the financial statements or bank account balance as at 30 June 2018.

Consequently, the accuracy and completeness of the nil balance accounts payable-deposits and retentions as at 30 June 2018 could not be confirmed.

3. Transfers from County Treasury/Exchequer

The statement of receipts and payments for the year ended 30 June 2018 reflects transfers from County Treasury/Exchequer figure of Kshs.709,064,899 which is at variance with the statement of comparison of budget and actual amounts computed figure of Kshs.640,658,724 resulting in unexplained or unreconciled difference of Kshs.68,406,175. Further, the total recurrent receipts of Kshs.519,540,064 differs with the recurrent transfers of Kshs.587,946,136 by an unexplained difference of Kshs.68,406,072.

Under the circumstances, the accuracy of the transfers from County Treasury/Exchequer figure of Kshs.709,064,899 for the year ended 30 June 2018 could not be confirmed.

4. Presentation and Disclosure

The financial statements for the year ended 30 June 2018 presented for audit review include unpopulated notes to the financial statements starting with note 2,3,6 to 9, 11,12,14,15,5.10.1 to 5.10.4. Inclusion of non-informational notes to the financial statements contradicts the financial template provided by the Public sector Accounting Standards Board and the requirements of IPSAS.

As a result, the presentation and disclosure of the financial statements could not be confirmed.

5. Fixed Assets Acquisition

Note 10 to the financial statements indicates acquisition of non-financial assets figure of Kshs.143,443,989. Included in this amount is Kshs.19,039,750 and Kshs.3,285,579 in respect of purchase of office furniture and general equipment and purchase of ICT equipment and software respectively.-However, Annex 4 shows different figures for office equipment, furniture & fittings of Kshs.25,637,368 and ICT equipment and software of Kshs.13,830,750. Further, the overall fixed assets are understated by Kshs.25,637,368 to reflect Kshs.283,176,103 instead of Kshs.308,813,471 as at 30 June 2018.

In view of the foregoing, the accuracy and completeness of the fixed assets acquired and total balance as at 30 June 2018 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Nandi in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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 Lawfulness and Effectiveness in Use of Public Resources section 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

1.0 Un-Accounted for Domestic Travelling and Subsistence Expenses

Included in the use of goods and services figure of Kshs.287,890,490 is an expenditure of Kshs.66,842,995 in respect to domestic travel and subsistence. Examination of the payment vouchers supporting the expenditure revealed that an amount totaling Kshs.33,167,647 were advanced out as night outs/per diems to various officers of the County Assembly to carry out various activities concerning the County Assembly. However, it was observed that officers were advanced cash which was immediately expensed rather than being recognized as temporary imprest. Further, the officers were not issued imprest warrants. In addition, examination of the payment vouchers for domestic travel and subsistence revealed that payments were not fully supported to account for the expenditure. Officers would be advanced with cash to travel but on return did not surrender the cash so advanced by providing such documents as minutes of deliberations, resultant reports, work tickets or bus/taxi tickets, signed schedules for cash advanced, authority to travel, list of sport teams and the sport activities they were to participate in and authorities to travel out of their duty stations.

Consequently, the propriety of domestic travel and subsistence amount of Kshs.33,167,647 for the period ended 30 June 2018 could not be confirmed.

2.0 Construction of County Assembly offices

The statement of receipts and payments reflects acquisition of assets figure of Kshs.143,443,989 which includes construction of buildings-Nandi County Assembly Offices figure of Kshs.94,975,871. Information made available indicates that the contract was awarded to a firm under contract number NCA/AGMNT/08/2014-2015-01 at a contract sum of Kshs.469,469,934. However the bill of quantities, contract agreement, design/drawings of the structure were not availed for audit verification. It was therefore not possible to confirm whether payments were made as per the bill of quantities and contract agreement.

Consequently, the regularity of the expenditure of Kshs.94,975,871 on construction of buildings for the year ended 30 June 2018 could not be confirmed.

3.0 Failure to Observe One Third Rule for Staff Establishment

A review of personnel records availed for audit revealed that during the year, the County Assembly recruited nine (9) staff all of whom were from one dominant community contrary to section 65(1) (e) of the county Government Act, 2012 which requires that Public Service Board in selecting employees to consider the need to ensure that at least thirty (30%) of the vacant posts at the entry level are filled by candidates who are not from the dominant community.

Consequently, County Assembly of Nandi is therefore in breach of the County Government Act, 2012 on staff establishment that provides for a means of promoting national unity.

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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Qualified Opinion and 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 internal controls, risk management and overall governance were not effective.

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 controls, risk management and governance.

In preparing the financial statements, management is responsible for assessing the County Assembly of Nandi ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Government intends to cease operations of the County Assembly, or has no realistic alternative but to do so.

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 financial 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 County Assembly's 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue sustaining 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 to continue 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 the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	FY 2017/2018	FY 2016/2017
		Kshs	Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	709,064,899	619,900,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		709,064,899	619,900,000
PAYMENTS			
Compensation of Employees	4	285,499,244	332,960,517
Use of goods and services	5	280,012,181	193,260,382
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	143,443,989	64,768,145
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		708,955,414	590,989,044
SURPLUS/DEFICIT		109,485	28,910,957

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22.11. 2018 and signed by:

CLERK NANDI COUNTY ASSEMBLY 22 NOV 2018 P.O. Box 673-30300 KAPSABET

Acting Clerk of the Assembly
Name: ISABELLA JEBET MAIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2017/2018	2016/17
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	13A	109,484	28,975,330
Cash Balances	13B	-	-
Total Cash and cash equivalents		109,484	28,975,330
Accounts receivables – Outstanding Imprests	14		-
TOTAL FINANCIAL ASSETS		109,484	28,975,330
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		-	-
NET FINANCIAL ASSETS		109,484	28,975,330
REPRESENTED BY			
Fund balance b/forward	16	-	64,373
Surplus/Deficit for the year		109,485	28,910,957

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22.11. 2018 and signed by:

Acting Clerk of the Assembly
Name: ISABELLA JEBET MUIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

NANDI COUNTY ASSEMBLY CLERK 22 NOV 2018 P.O. Box 673-30300, KAPSABET

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	709,064,899	619,900,000
Other Receipts	3	0	0
Payments for operating expenses			
Compensation of Employees	4	(285,499,244)	(332,960,517)
Use of goods and services	5	(280,012,181)	(193,260,382)
Subsidies	6	0	0
Transfers to Other Government Entities	7	0	0
Other grants and transfers	8	0	0
Social Security Benefits	9	0	0
Finance Costs	11	0	0
Other Payments	12	0	0
Adjusted for:			
Adjustments during the year			
Net cash flows from operating activities		143,553,474	93,679,102
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	(143,443,989)	(64,768,145)
Retention of funds		0	0
Net cash flows from investing activities		(143,443,989)	(64,768,145)
NET INCREASE IN CASH AND CASH EQUIVALENT		109,485	28,910,957
Cash and cash equivalent at BEGINNING of the year		0	64,373
Cash and cash equivalent at END of the year		109,484	28,975,330

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22.11. 2018 and signed by:

Acting Clerk of the Assembly
Name: ISABELLA JEBET MAIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

NANDI COUNTY ASSEMBLY CLERK 22 NOV 2018 P.O. Box 673-30300, KAPSABET

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	KShs	KShs	KShs	KShs	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1,045,802,098	(312,756,847)	733,045,251	709,064,899	96.73%
Proceeds from Sale of Assets		-			
Other Receipts		-			
TOTAL	1,045,802,098	(312,756,847)	733,045,251	709,064,899	96.73%
PAYMENTS		-			
Compensation of Employees	362,037,213	(75,686,742)	286,350,471	285,499,244	99.70%
Use of goods and services	384,439,438	(91,160,485)	293,278,953	280,012,181	95.48%
Subsidies		-			
Transfers to Other Government Entities		-		-	
Other grants and transfers		-			
Social Security Benefits		-			
Acquisition of Assets	294,855,446	(141,439,619)	153,415,827	143,443,989	93.97%
Finance Costs	-	-	-		
Other Payments		-			
TOTAL	1,041,332,097	(308,286,846)	733,045,251	708,955,414	96.81%

In accordance with IPSAS 1.9.23, the reallocations totalling KShs.305, 056,846 arose mainly because of;

(a) Foreseen reduction in the anticipated total expenditure arising out of the successful appeal by the AG of ruling on the case of 2015 on the petition challenging the shortened term of the MCAs. This led to the formulation and submission supplementary Budget by the County Executive and subsequent approval by the County Assembly in the light of the need for additional needs to fund county development programs.

(b) Foreseen reduction in absorption capacity of the development expenditure on the County Assembly Office Complex. This led to the formulation and submission supplementary Budget by the County Executive and subsequent approval by the County Assembly in the light of the need for additional needs to fund county development programs.

(c) Reduced number of State Officers in the County Assembly from a total of 49 to a total of 39 arising as an outcome of 2017 general election. This led to the formulation and submission supplementary Budget by the County Executive and subsequent approval by the County Assembly in the light of the need for additional needs to fund county development programs.

The entity financial statements were approved on 22.11. 2018 and signed by:

CLERK NANDI COUNTY ASSEMBLY
22 NOV 2018
P.O. Box 673-30300, KAPSABET

Acting Clerk of the Assembly
Name: ISABELLA JEBET MAIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

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

Receipt/Expense Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis. Kshs	% of utilization difference to final budget Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	756,276,651	(163,231,400)	593,045,251	587,946,136	99%
Proceeds from Sale of Assets		-			
Other Receipts		-			
TOTAL	756,276,651	(163,231,400)	593,045,251	519,540,064	99%
PAYMENTS		-			
Compensation of Employees	362,037,213	(75,921,698)	286,115,515	285,499,244	99%
Use of goods and services	394,239,438	(103,639,702)	290,599,736	280,012,181	96%
Subsidies	-				
Transfers to Other Government Entities	-				
Other grants and transfers	-				
Social Security Benefits	-				
Acquisition of Assets	16,330,000	-	16,330,000	22,325,329	137%
Finance Costs	-	-	-		
Other Payments	-				
TOTAL	772,606,651	(179,561,400)	593,045,251	587,836,754	99%

The entity financial statements were approved on 22.11. 2018 and signed by:

Acting Clerk of the Assembly
Name: ISABELLA JEBET MAIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

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

Receipt/Expense Item	Original Budget KShs	Adjustments KShs	Final Budget KShs	Actual on Comparable Basis KShs	% of utilization difference to final budget
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	289,525,446	(149,525,446)	140,000,000	121,118,763	87%
Proceeds from Sale of Assets		-			
Other Receipts		-			
TOTAL	289,525,446	(149,525,446)	140,000,000	121,118,763	87%
PAYMENTS		-			
Compensation of Employees		-			
Use of goods and services		-			
Subsidies		-			
Transfers to Other Government Entities		-			
Other grants and transfers		-			
Social Security Benefits		-			
Acquisition of Assets	121,118,660	-	121,118,660	121,118,660	100%
Finance Costs		-			
Other Payments		-			
TOTAL	121,118,660	-	121,118,660	121,118,660	100%

The entity financial statements were approved on 22-11- 2018 and signed by:

Acting Clerk of the Assembly
Name: ISABELLA JEBET MAIYO

Chief Finance Officer – County Assembly
Name: WESLEY CHERUIYOT KIMETO
ICPAK Member Number: 11505

CLERK NANDI COUNTY ASSEMBLY
22 NOV 2018
P.O. Box 673-30300, KAPSABET

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program/ Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Program 1 County Assembly Service Board	121,793,060	(71,226,764)	50,566,296	50,522,927	43,369
Program 2 Administration Section	634,483,591	(92,004,036)	542,479,555	531,583,534	10,896,021
Program 3 Physical Infrastructure					
	756,276,651	(163,230,800)	593,045,851	582,106,461	10,939,390

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 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 Nandi 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 t 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

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

Compensation of employees

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

Use of goods and services

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

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 *Nandi County Assembly* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Nandi 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.

There were no 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 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 30th ne 2017 for the period 1st July 2017 to 30 June 2018 as required by law. There were 2 supplementary budgets passed in the year. A high-level assessment of the *Nandi County Assembly's* 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 Nandi County Assembly. Specific information with regards to related party transactions is included in the disclosure notes.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

Monthly Treasury Releases in FY 2017/2018;

CBK RECURRENT EXPENDITURE ACCOUNT NO. 1000197056

TRANSACTION NO	DATE	REFERENCE NO.	PARTICULARS	AMOUNT
48	18-Aug-17	FT172305HN83	Account Transfer to Account No. 1000197056	20,339,726.00
74	11-Sep-17	FT172543F4S3	Account Transfer to Account No. 1000197056	28,418,857.00
228	13-Nov-17	FT173173DQPQ	Account Transfer to Account No. 1000197056	44,228,194.00
328	14-Dec-17	FT17348WCDRB	Account Transfer to Account No. 1000197056	47,107,595.00
461	22-Dec-17	FT173565H7R6	Account Transfer to Account No. 1000197056	38,276,429.00
546	29-Jan-18	FT180295RT9T	Account Transfer to Account No. 1000197056	61,294,084.00
781	28-Feb-18	FT180592BVD4	Account Transfer to Account No. 1000197056	70,186,667.00
955	29-Mar-18	FT18088SSPW6	Account Transfer to Account No. 1000197056	53,602,448.00
1079	2-May-18	FT181220PS6K	Account Transfer to Account No. 1000197056	31,530,924.00
1129	15-May-18	FT1813598MZS	Account Transfer to Account No. 1000197056	20,000,000.00
1133	29-May-18	FT1814947DQL	Account Transfer to Account No. 1000197056	78,312,134.00
1303	27-Jun-18	FT18178FM2PT	Account Transfer to Account No. 1000197056	68,562,998.00
158	6-Oct-17	FT17279SVQMT\ELD	Account Transfer to Account No. 1000197056	26,086,080.00
				587,946,136.00
48	15-Jan-18	FT18015K2K0N	Account Transfer to Account No. 1000197048	37,270,477.00
74	27-Mar-18	FT18086SW3SW	Account Transfer to Account No. 1000197048	8,700,000.00
228	4-Apr-18	FT1809482LKW	Account Transfer to Account No. 1000197048	19,460,586.00
328	29-May-18	FT181496S20H	Account Transfer to Account No. 1000197048	51,905,223.00
461	27-Jun-18	FT181780V84B	Account Transfer to Account No. 1000197048	3,782,477.00
				121,118,763.00

TRANSACTION NO	DATE	REFERENCE NO.	PARTICULARS	AMOUNT
				709,064,899

Treasury releases indicated per quarter.

QUARTER	FY 2017/2018	FY 2016/2017
Total Exchequer Releases for quarter 1	48,753,583	145,000,000
Total Exchequer Releases for quarter 2	155,698,298	155,000,000
Total Exchequer Releases for quarter 3	250,514,262	200,000,000
Total Exchequer Releases for quarter 4	254,093,756	119,900,000
Total	**709,064,899**	**619,900,000**

2. PROCEEDS FROM SALE OF ASSETS

	2017/18 KShs	2016/17 KShs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from Sale of Certified Seeds and Breeding Stock	0	0
Receipts from the Sale of Strategic Reserves Stocks	0	0
Receipts from the Sale of Inventories, Stocks and Commodities	0	0
Disposal and Sales of Non-Produced Assets	0	0
Receipts from the Sale of Strategic Reserves Stocks	0	0
Total	0	0

3. OTHER RECEIPTS

	2017/18	2016/17
	KShs	KShs
Other Receipts I	0	0
Other Receipts II	0	0
Other Receipts III	0	0
Other Receipts IV	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2017/18 KShs	2016/17 KShs
Basic salaries of permanent employees	224,096,516	241,171,356
Basic wages of temporary employees	1,000,000	719,000
Personal allowances paid as part of salary	60,402,727	72,747,461
Personal allowances paid as reimbursements	0	18,322,700
Personal allowances provided in kind	0	0
Pension and other social security contributions	0	0
Compulsory national social security schemes	0	0
Compulsory national health insurance schemes	0	0
Social benefit schemes outside government	0	0
Other personnel payments	0	0
Total	**285,499,244**	**332,960,517**

The County Assembly recruited additional 10 staff and received one secondment from the County Executive arm of the County Government of Nandi. The ten employees were; **2 Principal Officers,** one each to serve under internal audit and legal affairs sections of the County Assembly, **7 Clerk Assistants** and a **Personal Assistant** to the Speaker. The seconded public officer was a ward administrator and was seconded into a capacity of **office administrator** upon consultation between the county public service board and the County Assembly Service Board. Arising from a retainer allowances approved vide a new SRC circular on members of the Assembly Service Board are now under new monthly remuneration equivalent to the basic salaries of the Members of County Assembly.

5. USE OF GOODS AND SERVICES

	FY 2017/2018	**FY 2016/2017**
	KShs.	**KShs.**
Utilities, supplies and services	1,010,470	668,247
Communication, supplies and services	5,003,583.30	1,353,678
Domestic travel and subsistence	66,030,635	55,416,813
Foreign travel and subsistence	19,999,999	9,368,555

	FY 2017/2018	FY 2016/2017
	KShs.	KShs.
Printing, advertising and information supplies & services	5,366,915	5,582,278
Rentals of produced assets	825,000	990,000
Training expenses	21,539,399	19,068,795
Hospitality supplies and services	14,099,999	4,658,907
Insurance costs	23,214,816	25,584,259
Specialized materials and services	647,588	820,384
Office and general supplies and services	2,425,524	163,800
Other operating expenses	80,893,660	56,748,159
Routine maintenance – vehicles and other transport equipment	4,281,343	5,707,909
Routine maintenance – other assets	1,800,000	428,040
Fuel, Oil and Lubricants	12,873,250	6,700,557
Domestic Loans to Individuals and Households	20,000,000	0
System Operating Expenses		0
Total	**280,012,182**	**193,260,382**

6. SUBSIDIES

Description	2017/18 KShs	2016/17 KShs
Subsidies to Public Corporations		
See list attached		
Nyumbani Sugar Company		
Subsidies to Private Enterprises		
See list attached		
Vijana Fisheries Ltd		
TOTAL	**0**	**0**
Subsidies to Public Corporations		

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2017/18 KShs	2016/17 KShs
	KShs	**KShs**
Transfers to National Government entities	0	0
	0	0
	0	0

8. OTHER GRANTS AND TRANSFERS

	2017/18 KShs	2016/17 KShs
Scholarships and other educational benefits	0	0
Emergency relief and refugee assistance	0	0
Subsidies to small businesses, cooperatives, and self employed	0	0
Other current transfers, grants	0	0

9. SOCIAL SECURITY BENEFITS

	2017/18	2016/17
	KShs	KShs
Government pension and retirement benefits	0	0
Social security benefits in cash and in kind	0	0
Employer Social Benefits in cash and in kind	0	0

10. ACQUISITION OF ASSETS

	FY 2017/2018	FY 2016/2017
Non-Financial Assets	KShs	KShs
Purchase of Buildings	0	0
Construction of Buildings	94,975,871	55,235,423
Refurbishment of Buildings	0	0
Construction of Roads	0	0
Construction and Civil Works	0	0
Overhaul and Refurbishment of Construction and Civil Works	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	720,000	0
Purchase of Office Furniture and General Equipment	17,487,750	0
Purchase of ICT Equipment, Software and Other ICT Assets	3,285,579	0
Purchase of Specialised Plant, Equipment and Machinery	832,000	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Purchase of Certified Seeds, Breeding Stock and Live Animals	0	0
Research, Studies, Project Preparation, Design & Supervision	17,142,789	9,532,722
Rehabilitation of Civil Works	0	0
Acquisition of Strategic Stocks and commodities	0	0
Acquisition of Land	9,000,000	0

	FY 2017/2018	FY 2016/2017
Non-Financial Assets	KShs	KShs
Acquisition of Intangible Assets	0	0
	0	0
Financial Assets	0	0
Domestic Public Non-Financial Enterprises	0	0
Domestic Public Financial Institutions	0	0
Foreign financial Institutions operating Abroad	0	0
Other Foreign Enterprises	0	0
Foreign Payables - From Previous Years	0	0
	0	0
Total	**143,443,989**	**64,768,145**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2017/18 KShs	2016/17 KShs
Bank Charges	0	0
Exchange Rate Losses	0	0
Other Finance Costs	0	0
Total	**0**	**0**

12. OTHER PAYMENTS

	2017/18 KShs	2016/17 KShs
Budget Reserves	0	0
Civil Contingency Reserves	0	0
Capital Transfers to Non-Financial Public Enterprises	0	0
Capital Transfer to Public Financial Institutions and Enterprises	0	0
Capital Transfer to Private Non-Financial Enterprises	0	0
Other expenses	0	0
Domestic Accounts	0	0
Total	**0**	**0**

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No, & Currency	Indicated whether recurrent or development	2017/18 KShs	2016/17 KShs
Central Bank of Kenya, 1000197056	Recurrent	99,773	335,822
Central Bank of Kenya, 1000197048	Development	103	28,481,932
Cooperative Bank of Kenya,	Commercial Bank	9,608	157,576
Total		**109,484**	**28,975,330**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2017/18 KShs	2016/17 KShs
Cash in Hand – Held in domestic currency	0	0
Cash in Hand – Held in foreign currency	0	0
Total	**0**	**0**

Cash in hand were analysed as follows:

	2017/18 KShs	2016/17 KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Total	**0**	**0**

14. ACCOUNTS RECEIVABLE

	2017/18 KShs	2016/17 KShs
Government Imprests (COUNTY EXECUTIVE)	0	0
Clearance Accounts	0	0
Staff Advances	0	0
Other Advances	0	0
Total	**0**	**0**

15. ACCOUNTS PAYABLE

	2017/18 KShs	2016/17 KShs
Deposits and Retentions	16,489,008	0
Total	16,489,008	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

	2017/18 KShs	2016/17 KShs
Bank accounts	0	64,373
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**0**	**64,373**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2017/18 KShs	2016/17 KShs
Bank accounts	109,484	64,373
Cash in hand		
Accounts Receivables		
Accounts Payables		
Total	**109,484**	**64,373**

5.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/18 KShs	2016/17 KShs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

2. PENDING STAFF PAYABLES (See Annex 2)

Name of Staff	2017/18 KShs	2016/17 KShs
	0	0
	0	0
Total	**0**	**0**

3. OTHER PENDING PAYABLES (See Annex 3)

	2017/18 KShs	2016/17 KShs
Amounts due to National Government entities	0	0
Amounts due to County Government entities	0	0
Amounts due to third parties	0	0
Total	0	0

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:

	2017- 2018 Kshs	2016- 2017 Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	0	0
Key Management Compensation(Clerk and Heads of departments)	0	0
Total Compensation to Key Management	**0**	**0**
Transfers to related parties		
Transfers to other County Assembly Car and Mortgage schemes	0	0
Total Transfers to related parties	**0**	**0**
Transfers from related parties		
Transfers from the County Executive- Exchequer	0	0
Payments made on behalf of the County Assembly by other Government Agencies	0	0
(Insert any other transfers received)	0	0
Total Transfers from related parties	**0**	**0**

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)*
1.1	Non provision of BQs, Architectural Drawings and bid documents	The said documents are still with the PPOA and an effort has been made to have the documents returned.	Clerk	Not resolved	December 31, 2018
1.2	Construction of Perimeter Wall at the County Assembly was then reported as stalled.	The Contractor was paid in full upon the completion of works on the perimeter walls.	Procurement Officer I	Resolved	N/A
1.3	Non submission of financial statements for car loans and mortgage fund.	The management established a Fund whose administrator caused the preparation and submission of Financial Statements for FY 2017/2018 to the Auditor General.	Fund Administrator	Resolved	N/A

ISABELLA JEBET MAIYO
Acting Clerk of the County Assembly

Sign.....

Date.....22/11/2018.....

NANDI COUNTY ASSEMBLY ★ CLERK ★ P.O. Box 673-30300 KAPSABET
22 NOV 2018

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Out B 20
		a	b	c	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. Deposits and Retention monies	Construction of County Assembly Offices	15,021,129.00		0.00	15,0
11.					
12.					
Sub-Total					
Grand Total					

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land	18,000,000	9,000,000	0	27,000,000
Buildings and structures	75,577,074	94,975,871	0	170,552,945
Transport equipment	59,039,408	0	0	59,039,408
Office equipment, furniture and fittings	11,338,000	25,637,368	0	11,338,000
ICT Equipment, Software and Other ICT Assets	1,415,000	13,830,750	0	15,245,750
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	165,369,482	143,443,989	0	283,176,103

308,813,471

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 10 on acquisition of assets during the year and subsequently the statement of receipts and payments

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	00	00	00
Name of Officer or Institution	dd/mm/yy	00	00	00
Name of Officer or Institution	dd/mm/yy	00	00	00
Name of Officer or Institution	dd/mm/yy	00	00	00
Name of Officer or Institution	dd/mm/yy	00	00	00
Name of Officer or Institution	dd/mm/yy	00	00	00
Total				

TRIAL BALANCE

	RECEIPTS:	
	Exchequer Receipts –	***709,064,899***
1.	*Basic Salaries of permanent employees*	*224,096,516*
2.	*Basic wages of temporary employees*	*1,000,000*
3.	*Personal allowances paid as part of salary*	*60,402,727*
4.	*Utilities, supplies and services*	1,010,470
5.	*Communication, supplies and services*	5,003,583.30
6.	*Domestic travel and subsistence*	66,030,635
7.	*Foreign travel and subsistence*	19,999,999
8.	*Printing, advertising and information supplies & services*	5,366,915
9.	*Rentals of produced assets*	825,000
10.	*Training expenses*	21,539,399
11.	*Hospitality supplies and services*	14,099,999
12.	*Insurance costs*	23,214,816
13.	*Specialized materials and services*	647,588
14.	*Office and general supplies and services*	2,425,524
15.	*Other operating expenses*	80,893,660
16.	*Routine maintenance – vehicles and other transport equipment*	4,281,343
17.	*Routine maintenance – other assets*	1,800,000
18.	*Fuel, Oil and Lubricants*	12,873,250
19.	*Domestic Loans to Individuals and Households*	20,000,000
20.	*System Operating Expenses*	*0*
21.	*Construction of Buildings*	*94,975,871*
22.	*Purchase of Household Furniture and Institutional Equipment*	*720,000*
23.	*Purchase of Office Furniture and General Equipment*	*17,487,750*
24.	*Purchase of ICT Equipment, Software and Other ICT Assets*	*3,285,579*
25.	*Purchase of Specialised Plant, Equipment and Machinery*	*832,000*
26.	*Research, Studies, Project Preparation, Design & Supervision*	*17,142,789*
27.	*Acquisition of Land*	*9,000,000*
28.	*Cash at bank*	*109,484*
	TOTAL	***709,064,899***

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT