REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF COUNTY EXECUTIVE OF ELGEYO MARAKWET

FOR THE YEAR ENDED 30 JUNE 2017

OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
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COUNTY GOVERNMENT OF ELGEYO MARAKWET

COUNTY EXECUTIVE
REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

Table of Contents
Page

I. KEY ENTITY INFORMATION AND MANAGEMENT 2
II. FORWARD BY THE CEC 5
III. STATEMENT OF MANAGEMENT RESPONSIBILITIES 6
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE *ENTITY* (*specify entity name*) 7
I. STATEMENT OF RECEIPTS AND PAYMENTS 8
II. STATEMENT OF ASSETS 9
III. STATEMENT OF CASH FLOWS 10
IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED 11
V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT 13
VI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT 15
VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 17
VIII. SIGNIFICANT ACCOUNTING POLICIES 18
IX. NOTES TO THE FINANCIAL STATEMENTS 22
X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 37

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

The *County Government of Elgeyo Marakwet day*-to-day management is under the following key organs:

- Governor
- Deputy Governor
- Speaker to County Assembly
- County Secretary
- CEC Member –Finance and Economic planning
- CEC Member -Health
- CEC Member –Agriculture, Livestock, Fisheries & Marketing
- CEC Member –Sports, Gender & Youth affairs
- CEC Member –Industrialization, Commerce &Tourism
- CEC Member –Environment, Water & Natural Resources
- CEC Member –Roads ,Public Works and Transport
- CEC Member – Education and
- CEC Member – ICT and Public Service
- County Public Service Board

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer-Finance	- Jeremiah Changwony
2.	Director of Accounting services	- Philip Seronei
3.	Director of Budget	- JohnKeen Murkeu
4.	Director of Economic planning	- John Maritim
5.	Director of Supply Chain	- Robert Chelagat
6.	Director of Revenue	- Josphine Koech

(d) Fiduciary Oversight Arrangements

- The County has Internal Audit department responsible for ensuring proper recording of all books of Account.

- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee activities
- Parliamentary committee activities
- Development partner oversight activities
- Other oversight activities

(e) County Government Headquarters

P.O. Box 220-30700
Elgeyo Marakwet County Building
Iten

(f) County Government Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

(g) County Government Bankers

1. Central Bank of Kenya
   Eldoret
   P.O. Box 60000-00200
   Nairobi.

2. Kenya Commercial Bank
   P.O Box 456-30700
   Iten

3. Family Bank
   P.O.Box 7415-00200
   Nairobi

4. Trans National Bank
   P.O.Box 34353-00200
   Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

The County Attorney
P.O. Box 220-30700
Iten,Kenya

II. FORWARD BY THE CEC

The financial statements for County Government of Elgeyo Marakwet for the FY 2016/17 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government of Elgeyo Marakwet operated on a Revenue Ceiling of Sh.4,739,167,911 during the FY 2016/2017 consisting of the following:

- Allocation from CRA -Sh.3,528,847,275
- Local Revenue - Sh.160,021,113
- Balance B/f Roll over funds - Sh.845,686,228
- HSSF Danida Funds - Sh.10,400,000
- World Bank HSSF - Sh.56,932,570
- Free maternity Funds - Sh.50,228,374
- User fees foregone - Sh.8,956,070
- Roads Maintenance Levy Funds - Sh.54,220,715
- World Bank Grants - Sh.23,875,566

The actual receipts realized by the County Government during the year amounted sh.3,823,457,533 comprising of :

- Exchequer Releases - Sh. 3,528,847,275
- HSSF Danida Funds - Sh.10,400,000
- Local Revenue - Sh.97,323,973
- Free maternity funds - Sh.43,897,500
- User fees foregone - Sh.8,956,070
- Roads Maintenance Levy Funds - Sh.54,220,715
- Doctors & Nurses Emergency call allowance - Sh.47,490,000
- Clinical & other Health workers workers allow - Sh.33,322,000

During the year, the total cumulative revenue amounted to Kshs. **3,823,457,533** against an approved budget of Kshs **4,739,167,911**. The actual local revenues amounted to Kshs 97,323,973 against a budgeted target of Kshs **160,021,113**. This shortfall is largely attributed to tax evasion and avoidance and significant fluctuations in major revenue sources due to changes in the economic environment.

The total expenditure amounted to Kshs **3,999,680,848** against an approved budget of Kshs **4,739,167911**, representing 85% of total expenditure against the total budget. The absorption rate for recurrent and development expenditures stood at 97% and 63% respectively.

The Retention monies held in Trust amounting to Sh.54,040,451 has been recognized under Accounts payable (Note 23 of the financial statements)

In conclusion, the financial statements for County Government of Elgeyo Marakwet for the year ended 30th June,2017 reflect the true and fair view.

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Hon.Isaac Kipchirchir Kamar
CEC –Finance and Economic planning
County Government of Elgeyo Marakwet

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2017, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 26th March, 2018.

County Executive Committee member – Finance

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

AUDIT REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF ELGEYO MARAKWET FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Elgeyo Marakwet set out on pages 8 to 43, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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 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 Executive of Elgeyo Marakwet as at June 30, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Exchequer Releases

The statement of receipts and payments for the year ended 30 June 2017 reflects exchequer releases of Kshs.3,528,847,275 which is at variance with the figure of Kshs.3,573,480,000 as indicated in the report of the Controller of Budget for the same period comprising of recurrent exchequer of Kshs.2,355,040,000 and development exchequer releases of Kshs.1,218,440,000 and therefore resulting in unexplained variance of Kshs.44,632,725. Consequently, the validity, accuracy and completeness

of the exchequer releases of Kshs.3,528,847,275 for the year ended 30 June 2017 could not be confirmed.

2.0 Compensation of Employees

2.1 Temporary Employees

Included in compensation of employees figure of Kshs.1,786,331,042 as disclosed under note 11 to the financial statements nil balance in respect of basic wages of temporary employees for the year ended 30 June 2017. However, available information revealed that the County Executive made payments to casuals totaling Kshs.5,788,125.70 under administration and lands, water, environment and natural resources departments out of which an amount of Kshs.3,358,841.70 was paid from the development vote. Management has not provided reasons for using development funds on recurrent expenditure. Further, no approval of the County Public Service Board has been provided for audit verification to confirm that the employment of casuals was approved by the board.

Consequently, the management is in breach of the law and the accuracy and propriety of the expenditure of Kshs.5,788,125.70 on basic wages of temporary employees could not be confirmed.

2.2 Fraudulent Payroll Payments

The statement of receipts and payments for the year ended 30 June 2017 reflects total payments of Kshs.3,999,680.848 which includes compensation of employees expenditure of Kshs.1,786,331,042. Included in the figure of compensation of employees is an amount of Kshs.12,753,350.00 fraudulently paid as part of staff salaries from a sample of the payroll expenditure records reviewed. Examination of the net salaries in the Integrated Payroll Personnel Database of Kshs.90,819,917.65 were at variance with the schedules total figure of Kshs.103,573,267.65 prepared in support of the net salaries sent to the bank resulting to unexplained or unreconciled variance of Kshs.12,753,350.00 as detailed below:

Date	Payment voucher number	Amount in IPPD (Kshs)	Amount in Payment voucher (Kshs)	Variance/overpayment
29-07-16	R4367-05	4,121,179.15	4,751,615.15	630,436.00
26-08-16	R4367-989	4,418,031.20	5,098,031.20	680,000.00
26-09-16	R4367/16-327	4,108,891.05	4,846,953.05	738,062.00
28-10-16	R4367/16-625	4,009,652.80	4,680,152.80	670,500.00
22-11-16	R4367/16-838	3,977,882.40	4,685,373.40	707,491.00
21-12-16	R4367/16-987	4,414,832.95	5,134,553.95	719,721.00
02/01/2017	R4367/16-1230	3,551,317.05	4,204,917.05	653,600.00
08/02/2016	R4367/16-004	9,149,819.65	9,347,119.65	

Date	Payment voucher number	Amount in IPPD (Kshs)	Amount in Payment voucher (Kshs)	Variance/overpayment
				197,300.00
26-08-16	R4367/16-190	10,444,515.60	10,643,715.60	199,200.00
22-11-16	R4367/16-833	9,836,771.10	10,034,971.10	198,200.00
29-07-16	R4367/16-05	4,121,179.15	4,751,615.15	630,436.00
26-08-17	R4367/16-989	4,418,031.20	5,098,031.20	680,000.00
26-09-16	R4367/16-327	4,108,891.05	4,846,953.05	738,062.00
28-10-16	R4367/16-625	4,009,652.80	4,680,152.80	670,500.00
22-11-16	R4367/16-987	4,414,832.95	5,134,553.95	719,721.00
21-12-16	R4367/16-987	4,414,832.95	5,134,553.95	719,721.00
02/01/2017	R4367/16-1230	3,551,317.05	4,204,917.05	653,600.00
29-07-16	R4362/16-05	326,415.45	546,415.45	220,000.00
29-08-16	R4362/16-68	326,415.45	546,415.45	220,000.00
28-09-16	R4362/16-332	326,415.45	546,415.45	220,000.00
25-10-16	R4362/16-170	326,415.45	546,415.45	220,000.00
30-11-16	R4362/16-236	326,415.45	546,415.45	220,000.00
27-12-16	R4362/16-288	326,415.45	546,415.45	220,000.00
27-01-16	R4362/16-411	326,415.45	546,415.45	220,000.00
28-09-16	R4362/16-331	251,907.60	450,107.60	198,200.00
25-10-16	R4362/16-169	527,932.60	726,132.60	198,200.00
21-12-16	R4367/16-992	251,907.60	451,107.60	199,200.00
02/01/2017	R4362/16-409	251,907.60	451,107.60	199,200.00
16-09-16	R4364/16-200	179,724.00	391,724	212,000
TOTAL		**90,819,917.65**	**103,573,267.65**	**12,753,350.00**

It was observed that after the production of the Integrated Payroll Personnel Database when preparing the payment vouchers for salaries to the bank, the schedules were forged by doubling net salaries of some staff and the amount added taken to accounts other than those of the affected staff. Although management indicates the preliminary

investigation showed that Kshs.9,746,302 was fraudulently stolen and the matter reported to the Director of Criminal Investigation of Keiyo North Sub County no evidence was provided to show that the culprits have been arrested and judged in a court of law for the offence.

Under the circumstances, the accuracy, validity and completeness of compensation of employees expenditure of Kshs.1,786,331,042 for the year ended 30 June 2017 could be ascertained.

3.0 Acquisition of Assets

3.1 Purchase of Vehicles and Other Transport Equipment

The statement of receipts and payments for the year ended 30 June 2017 reflects acquisition of assets figure of Kshs.985,018,188 which includes purchase of vehicles and other transport equipment expenditure of Kshs.14,191,210 as disclosed under note 17 to the financial statements out of which an amount of Kshs.3,284,610 was incurred in the acquisition of 14 Yamaha YBR 125G Motor Bike engine. However, available information revealed that the County government used an expired contract between Toyota Kenya and Ministry of Lands and Housing and Urban Development for 2014/2015 to procure the 14 Yamaha YBR 125G Motor Bike engine .

Under the circumstances, the propriety of Kshs.3,284,610 expenditure on procurement of 14 Yamaha YBR 125G Motor Bike engine could not be confirmed.

3.2 Proposed Construction of Governors Residence

As reported in the previous year, an amount of Kshs.13,873,301.50 was paid to a construction company in respect of proposed construction of Governor's residence at Kamariny. Available information indicate that the tender was awarded to the firm at a tender sum of Kshs.56,739,518. A physical verification of the project on 19 January 2018 revealed that the site remains still deserted and the project had stalled due to a pending court case filed by the locals that they were not involved in public participation and that the County Executive utilized the land designated for a stadium for construction of Governor's residence. Materials on site and structure continue to deteriorate.

Consequently, the objective of this project has not been achieved and County has not obtained value for money for Kshs.13,873,301.50 incurred toward the project.

3.3 Proposed Construction of a Pavilion at Kamariny Stadium

As reported in the previous year, an amount of Kshs.29,995,468 was paid to a construction company in respect of proposed construction of a pavilion at Kamariny stadium. The contract sum for the proposed construction of a pavilion at Kamariny stadium was Kshs.46,843,155. During the year under audit, the contractor was paid Kshs.1,831,176. As reported previously, concrete pillars were used in walling instead of steel plates as indicated in the bill of quantities. A physical verification in January 2018 revealed that the project is incomplete. No evidence was provided when the

project will be completed, the reasons for the changes and the cost implications arising from these variation to the bill of quantities.

Consequently, the propriety of the total expenditure of Kshs.29,995,468 incurred in the construction of a pavilion at Kamariny stadium so far could not be confirmed.

3.4 Construction of Treatment/Kapshabatai Bridge Moiben Kiserwo Ward

Included in the construction and civil works of Kshs.623,649,586 as disclosed in note 17 to the financial statements is an amount of Kshs.1,485,330.25 paid to contractor.

The contractor was awarded the above tender at Kshs.4,478,860. According to the contract agreement, the contract was to take 90 days starting on 15 Feb 2017. As at the time of audit in January 2018 the project had delayed. It was also noted that the inspection and acceptance committee did not indicate details of the work done. According to the inspection and acceptance report the bridge is 50% but it was not explained how the 50% was arrived at.

Although the department of Roads, Public Works and Transport submitted a letter referenced EMC/RPW&T/EXT/01/16-17 dated 6 April 2017 on extension of contract by the contractor to resume site within 7 days after favorable conditions allow and complete the works not more than 45 days the project still was not complete.

Under the circumstance, the propriety of Kshs.1,485,330.25 expenditure on Construction of Treatment/Kapshabatai Bridge Moiben Kiserwo Ward for the year ended 30 June 2017 could not be confirmed.

4.0 Fixed Assets

4.1 Fixed Asset Register

Annex 4 to the financial statements reflects a summary of fixed assets register figure of Kshs.343,387,598 which is at variance with the acquisition of assets total amount of Kshs.985,018,188 during the year and therefore resulting in unexplained variance or unreconciled difference of Kshs.641,630,590

Consequently, the validity, accuracy and completeness of the acquisition of assets figure of Kshs.985,018,188 for the year ended 30 June 2017 could not be confirmed.

4.2 Assets and Liabilities from the Defunct Local Authorities

As reported in the previous year, Annex 4 to the financial assets reflects a summary of fixed assets figure of Kshs.1,298,922,559 as at 30 June 2017. However, management has not explained why assets from former local authorities such as land, buildings, motor vehicles, computers, and equipment have not been included in the County's fixed assets register.

Consequently, the accuracy and completeness of the fixed assets of Kshs.1,298,922,559 as at 30 June 2017 could not be confirmed.

5.0 Cash and Cash Equivalents

The statement of assets as at 30 June 2017, reflects total cash and cash equivalent figure of Kshs.733,643,455 which is at variance with the cash and cash equivalent balance of Kshs.699,521,677 at the end of the year indicated in the statement of cash flows for the year ended 30 June 2017 resulting in unexplained or unreconciled difference of Kshs.34,121,778.

Consequently, the accuracy and completeness of the cash and cash equivalent figure of Kshs.733,643,455 as at 30 June 2017 could not be confirmed.

6.0 Accounts Receivable – Outstanding imprests

The statement of assets as at 30 June 2017, reflects accounts receivable-outstanding imprests figure of Kshs.19,918,670 .However, available information revealed that twenty four (24) officers of Elgeyo Marakwet County Executive were issued with multiple imprests amounting to Kshs.8,991,690 contrary to Section 93(4) of the Public Finance Management (County) Regulations, 2015 which requires officers to surrender or account for previous imprest before being issued with another. Further, no reason has been provided for failure to recover the outstanding imprest after the due date.

Consequently, the accuracy, validity and completeness of outstanding imprest of Kshs.19,918,670 in the statement of financial assets as at 30 June 2017 could not be confirmed.

7.0 Pending Accounts Payable

Annexure 1 to the financial statements reflects pending accounts payable figure of Kshs.784,716,017 comprising of Kshs.660,325,808 development expenditure and Kshs.124, 390, 209 recurrent expenditure out of which an amount of Kshs.53,930,802 has been outstanding since 2013/2014. Further, supporting documents such as copies of advertisement, evaluations minutes, contract agreements, local purchase order (LPO), suppliers' invoices, delivery notes, inspection and acceptance committee reports confirming the quality and quantity, demand notices or suppliers statements were not availed for audit verification.

Consequently, the validity, accuracy and completeness of the pending accounts payable balance of Kshs.784,716,017 as at 30 June 2017 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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 and Other Matter sections, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Controls and Performance

1.1 Budget Performance

During the year under review, the County Executive had a total budget of Kshs.4,739,167,911 comprising of Kshs.1,859,156,992 for development and Kshs.2,880,010,919 for recurrent expenditure while the actual total expenditure amounted to Kshs.3,999,680,847 comprising of Kshs.1,166,785,198 for development and Kshs.2,832,895,649 for recurrent. Further, the total budget reflected overall under absorption of Kshs.739,487,064 of about 16% as summarized below:

Item	Approved	Actual expenditure	Under absorption (Kshs)	Under Absorption in %
	2016/2017	**2016/2017**		
Development	1,859,156,992	1,166,785,198	692,371,794	37
Recurrent	2,880,010,919	2,832,895,649	47,115,270	2
Total	**4,739,167,911**	**3,999,680,847**	**739,487,064**	**16**

The under absorption of the approved budget is an indication that activities and projects in the annual work plan were not implemented by the County Executive and this is likely to have a negative effect on the delivery on goods and services to the residents of Elgeyo Marakwet County.

1.2 Development Vote

During the year under review, the County Executive allocated Kshs.1,852,408,279 to eleven departments (11) to finance various projects. However, the implementation of these projects was behind schedule and by 30 June 2017, only Kshs.962,299,102 had been spent on the projects which represents fifty two percent (52%) of the funds allocated as summarized below:

Serial No.	Department	Approved Budget Kshs	Total payments Kshs	Variance-Kshs	% of Variance
1.	Office of the Governor	36,370,695	2,875,269	33,495,426	92
2.	Finance and Economic Planning	1,929,330	1,425,373	503,957	26
3.	Agriculture, Livestock and Fisheries	199,957,354	98,839,719	101,117,635	51
4.	Education, Science and Technology	340,269,198	179,174,703	161,094,495	47
5.	Health	235,750,428	94,877,394	140,873,034	60
6.	Lands, Housing and Physical Planning	344,808,850	171,400,730	173,408,120	50
7.	Roads, Public Works and transport	379,269,885	246,701,491	132,568,394	35
8.	Trade, Tourism, cooperative Development & energy	110,347,311	62,164,381	48,182,930	44
9.	Youth, Sports ,Culture and Gender	116,735,465	67,131,909	49,603,556	42
10.	ICT & Public Service	69,618,034	26,875,904	42,742,130	61
11.	County Public Service Board	1,512,445	962,299,102	492,145	33
Total		**1,852,408,279**	**962,299,102**	**890,109,177**	**48**

Overall, the County Executive did not utilize a total of Kshs.890,109,177 representing 48% of the County Executive's development budget. The departments of Office of the Governor, ICT & Public Service, Health, Agriculture, Livestock and Fisheries and Lands, Housing and Physical Planning had the highest unutilized development budget at 92%, 61%, 60, 51% and 50% respectively. The delay is likely to affect the implementation of 2017/2018 projects. Delay in implementation of projects means the intended objectives were not fully realized and this may hamper service delivery to the people of Elgeyo Marakwet due to lack of prerequisite infrastructure and will impact negatively on the provision of adequate facilities to improve the standards of living of the residents of Elgeyo Marakwet County.

2.0 Projects

2.1 Incomplete Contract Agreements

During the financial year 2016/2017, the County Executive entered into various contracts worth Kshs.23,197,754 with various contractors/suppliers to undertake various projects in the County as detailed below:

Date	Contractor/Supplier	Pv.No.	LSO	Contract Agreement	Period	Amount(Kshs)
16.6.17	Florato Constr.Coltd	D4367/16-738	1241188	Availed but incomplete	Not Indicated	1,805,678.00
9.11.16	Hurry Automart Constr. Ltd	D4367/16-72	1102073	Availed but incomplete	" "	336,638.70
9.11.16	" "	D4367/16-72	" "	Availed but incomplete	" "	269,117.00
31.5.17	Koikochwa Co.Ltd	D4367/16-628		Availed but incomplete	Not Indicated	315,000.00
31.5.17	Netspark Capital Ltd	D4367/16-624	1237375	Availed but incomplete	Not Indicated	956,343.55
28.6.17	Ncon Enterprises	D4367/16-800	1237358	Availed but incomplete	Not Indicated	1,005,497
30.6.17	Libob Enterprises Ltd	D4367/16-796	1237362	Availed but incomplete	Not Indicated	857,430.35
28.6.17	Kenela Company Ltd	D4367/16-795	1241163	Availed but incomplete	Not Indicated	610,965.67
16.6.17	Stevekor Constr.Company Ltd	D4367/16-765	1237386	Availed but incomplete	Not Indicated	700,665.07
16.6.17	Kongasis Invest. Co. Ltd	D4367/16-761	1237355	Availed but incomplete	Not Indicated	820,640.70
28.6.17	Nawiya Co. Ltd	D4362/16-788		Availed but incomplete	Not Indicated	557,655.00
30.6.17	Rodban Invest. Ltd	D4367/16-774		Availed but incomplete	Not Indicated	357,995.70
30.5.17	Afriscape Ltd	D4367/16-503		Availed but incomplete	Not Indicated	501,120.3
8.5.17	Tenderi Talents	D4367/		Availed but incomplete	Not Indicated	377,008.35
29.3.17	Saram Karewa Gen.	D4367/		Availed but incomplete	Not Indicated	1,329,500.40
29.3.1	Biscon Invest.Ltd	D4367/16-443		Availed but incomplete	Not Indicated	597,791.45
29..3.17	Gracepoint Invest.Ltd	D4367/16-		Availed but incomplete	Not Indicated	752,564.00
	Libob	D4367/4		Availed but	Not	411,265.45

29.3.17	Enterprises	33		incomplete	Indicated	
20.3.17	Tabasia Holdings Ltd	D4367/16-429		Availed but incomplete	Not Indicated	974,345.00
16.3.17	M/S Jajes Gen.Suppliers	D4367/16-		Availed but incomplete	Not Indicated	650,054.00
7.11.16	M/S Laba Constr.Ltd	D4367/16-30		Availed but incomplete	Not Indicated	668,670.50
30.12.16	Reale Centre Ltd	D4367/16-29		Availed but incomplete	Not Indicated	1,050,000.00
7.11.16	Hurry Automart Constr.Ltd	D4367/16-74		Availed but incomplete	Not Indicated	336,638.00
9.11.16	" "	D4367/16-72		Availed but incomplete	Not Indicated	269,117.00
7.11.16	Kenela Co. Ltd	D4367/16-68		Availed but incomplete	Not Indicated	347,791.80
23.6.17	Kibe Constr.Of Ltd	D4367/16-831		Availed but incomplete	Not Indicated	870,400.05
20.6.17	Kamasia Civil Tech	D4367/16-820		Availed but incomplete	Not Indicated	629,745.10
25.11.16	Belion Hardware& Buildings	D4367/16-85		Availed but incomplete	Not Indicated	1,097,995.30
31.10.16	M/S Florato Constr.Co Ltd	D4367/16-60		Availed but incomplete	Not Indicated	1,186,500.00
25.11.16	Laba Constr.Co Ltd	D4367/16-		Availed but incomplete	Not Indicated	1,205,328.00
31.10.16	Bamartex Invest. Ltd	D4367/16-56	1241188	Availed but incomplete	Not Indicated	1,015,483.65
28.10.16	Digitex Invest.Ltd	D4367/16-18		Availed but incomplete	Not Indicated	332,809.00
Total						**23,197,754.00**

Although the contract agreements between the County Government and the contractors were availed for audit verification, the contract period was not indicated. Consequently, it was not possible to confirm the commencement and completion period for these projects and the propriety of the total contracts amount of Kshs.23,197,764 for the year ended 30 June 2017.

2.2 Projects Physical Verification

From a sample of the projects verified, the audit revealed the following observations:

Serial No.	Project	Budget allocation Kshs	Payments as at 30 June 2017	Observations
1	Kapsio ECDE	12,571,250	2,638,600	County Government of Elgeyo Marakwet purchased furniture and distributed them to ECDEs' within the County from Sub-County Headquarters'. The ECDE received 35 pupil chairs, 4 tables and 2 teachers' chair.
2	Iten Theatre County Referral Hospital	8,000,000	2,460,773	The building exist, not labelled, complete and not in use.
3	Iten ECDE	12,571,250	2,119,000	County Government of Elgeyo Marakwet purchased furniture and distributed them to ECDEs' within the County from Sub-County Headquarters'. The ECDE received 28 pupil chairs.
4	Iten Vocational Training Centre		2,197,960	Received 4 desktops and Sony projector.
5	Kipsabu Primary School			Received 5000 litres water tank, water pipes and 4 cement. The tank is not in use.
6	Chepsigot - Songeto Water project			There is water and it is flowing.
7	Rimoi National Reserve	3,500,000	3,500,000	The road was graveled.
8	Kipshabatai bridge	4,600,000	2,035,195	There are two drainage systems and a bridge.
10	Chebara Vocational Training Centre		2,197,960	Received 3 desktop, 1 photocopier.
11	Nerkwa ECDE	6,600,000	5,705,960	ECDE building and toilet is complete and not in use.
12	Cheptongei Primary School	6,600,000	5,705,960	ECDE complete and not in use.
14	Kokwokor - Endiwa - Kimuro Road	5,995,250	5,995,250	The road is graveled.
15	Kapkoros Primary School	955,020	955,020	The field is levelized.
16	Chebara - Chebiemit Water Project	3,007,720	2,806,850	The water is flowing.

17	Kamessa Primary ECDE	12,571,250	2,638,600	County Government of Elgeyo Marakwet purchased furniture and distributed them to ECDEs' within the County from Sub-County Headquarters'. The ECDE received 60 pupil chairs, 8 tables and 2 teachers' chair.
18	Kitany Vocational Centre		2,197,960	Received 5 desktop and 1 printer
19	Chemargat - Kapkenda Road			The road is graveled.
20	Kapkenda Primary School ECDE	6,600,000	5,705,960	ECDE classroom is complete, not in use and not labelled.
21	Chepkorio Ward Cereal Store			The store is complete and in use.
22	Metkei Water Treatment Plant			The plant exist and in use.
23	Kamwosor Sub-County Hospital	2,029,360	1,339,378	The x-ray room is not complete.
24	Muno cattle dip	1,230,000	987,750	Complete and in use.
25	Benn cattle dip	535,000	437,778	Complete and in use.
26	Ratia ECDE	2,200,000	2,200,000	Not complete, at Linton level.
27	Koibarak ECDE	2,201,500	2,201,500	Not commenced.
28	Kipka primary field grading	1,233,540	1,233,540	Grading complete.
29	Kapchelal Primary field leveling	955,020	955,020	Grading complete.
30	Tomato processing plant - Emsoo	2,400,000	1,148,510	Construction complete.
31	Iten County Referral Hospital - Mortuary	8,000,000	5,796,000	There are 2 cooler machines, baskets.
32	Revenue collection management system	10,000,000	4,947,400	The system is functioning but not in use by the user department.
33	Renovation of offices- Construction of ablution block	1,512,445	1,020,300	Incomplete-Delay in completion of the project by approximately one year.
34	Construction of	3,374,412	3,000,000	Complete and in use.

	Kamariny Modern changing room			
35	Construction of Kamariny fence and Gate House	1,200,000	972,000	Complete and in use.
36	Construction of Kamariny Pavilion	4,523,504	2902,842	Incomplete –there are other works being done by the National government which will interfere with the completion of the pavilion.
37	Proposed governor's residence			The project still has stalled due to a court case filed by the locals on the ground that the ground was designated as stadium. This is also indication of lack of public participation before project is implemented which leads to lack of ownership of such projects contrary to Section 115(1) of the County Government Act,2012 which stipulates that public participation in the county planning process shall be mandatory.

Physical verification done on projects implemented during the year, the County Executive had eighteen (18) completed projects costing Kshs.44,833,293 which were in use, five (5) projects costing Kshs.24,526,053 were not in use and four (4) projects of Kshs.7,462,520 were incomplete.

2.3 Projects not Started

The project status report availed for audit revealed that the following 378 projects with a budget of Kshs.290,875,328 for the year ended 30 June 2017 had not commenced as at 30 June 2017:

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
	Agriculture		
1	Purchase Of Galla Bucks To Improve Local Breeds For Chesuman Location	Arror	300,000
2	Rehabilitate 2 Water Furrows	Arror	1,400,000
3	Laying Soil Conservation Structures In Farms	Chepkorio	100,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
4	Purchase Of Pyrethrum Clones	Chepkorio	100,000
5	Purchase Of Hatchery	Cherangany/Chebororwa	250,000
6	Construction Of Cattle Dip Kaitilit Cattle Dip	Embobut/Embolot	1,000,000
7	Purchase & Distribute Improved Poultry	Emsoo	100,000
8	Purchase Galla Bucks To Improve Local Breeds	Emsoo	100,000
9	Construct New Cattle Dip	Endoo	1,000,000
10	Fence Off Murkutwo Farms	Endoo	200,000
11	Acquistion Of Grinder/Chopper/ Mixer	Kabiemit	1,000,000
12	Construction Of Kapsowek Primary School Green House	Kabiemit	500,000
13	Potatoes Seed Bulking	Kabiemit	300,000
14	Renovation Of Kapchebelel Cattle Dip	Kabiemit	600,000
15	Renovation Of Lolgorin Cattle Dip	Kabiemit	500,000
16	Desilting Of Kombaemit Dam	Kamariny	1,500,000
17	Rehabilitation Of Dips At Kamariny Ward	Kamariny	810,000
18	Construction Of Cooler Room at Bugar.	Kapchemutwa	1,300,000
19	Construction Of Cereal Store Bugar.	Kapchemutwa	1,000,000
20	Construction Go-Down For Fertilizers At Cheboror	Kapchemutwa	1,500,000
21	Construction Of Milk Cooling Plant At Korkitony	Kapchemutwa	700,000
22	Laying Of Pipes Kapchesoo Cattle Dip Water Project	Kapsowar	500,000
23	Laying Of Pipes Kaptum-Katkoo Water Project	Kapsowar	608,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
24	Purchase Of Bee Hives	Kapsowar	100,000
25	Purchase Of Poultry	Kapsowar	200,000
26	Reviving /Renovation Kaptabuk Cattle Dip	Kapsowar	100,000
27	Reviving /Renovation Kapchelos Cattle Dip	Kapsowar	150,000
28	Reviving /Renovation Sinon Cattle Dip	Kapsowar	150,000
29	Equipping Of The Sale Yard With A Weighing Machine And Infrastructural Upgrade	Kaptarakwa	500,000
30	Establishment Of Nurseries	Kaptarakwa	80,000
31	Purchase Extension Motorbike To Improve Extension Coverage	Kaptarakwa	200,000
32	Purchase Generator For Poultry Incubators	Kaptarakwa	100,000
33	Purchase Of Tubes And Polythene Covers	Kaptarakwa	1,000,000
34	Construction Of Shades	Kapyego	1,000,000
35	Construction Of Shades	Kapyego	1,000,000
36	Construction Of Slaughter House	Kapyego	914,624
37	Construct New Cattle Dip At Kipchorwa(Land Available)	Metkei	1,000,000
38	Establish Tea Nursery	Metkei	100,000
39	Rehabilitation Of Kamwosor, Tabare And Kapkonga Cattle Dips	Metkei	150,000
40	Water Tanks At Kaplolo And Kapchorwa To Support Phyrethrum Nurseries.	Metkei	850,000
41	Infrastructural Development	Moiben Kuserwo	200,000
42	Purchase Of Chicks	Moiben Kuserwo	300,000
43	Renovation Vaccination Structures	Moiben Kuserwo	200,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
44	Completion Of Chesoi Multipurpose Store	Sambirir	2,000,000
45	Establishment Of Tea And Phyrethrum Nurseries	Sambirir	115,000
46	Purchase Of Poultry	Sambirir	100,000
47	Rehabilitation Of Mogil Cattledip	Sambirir	250,000
48	Purchase Of Acaricides	Sengwer	100,000
49	Renovation Of Dips At Sengwer Ward	Sengwer	150,000
50	Renovation Of Dips At Sengwer Ward	Sengwer	300,000
51	Tree Planting, Building Gabions And Bamboo For Soil Conservation	Sengwer	50,000
52	Tree Planting, Building Gabions And Bamboo For Soil Conservation	Sengwer	50,000
53	Tree Planting, Building Gabions And Bamboo For Soil Conservation	Sengwer	700,000
54	Purchase And Distribution Of Assorted Coffee Seeds	Soy North	200,000
55	Purchase Galla Bucks To Improve Local Breeds	Soy North	100,000
56	Purchase Of Generators	Soy North	220,000
57	Purchase Of Hatchery To Improve Local Breeds.	Soy North	300,000
58	Rehabilitate Cattle Dips To Improve Their Effectiveness	Soy North	750,000
59	Rehabilitate Kaptere Water Furrow	Soy North	637,534
60	Rehabilitate Toror Water Furrow	Soy North	1,000,000
61	Support 1group With Milk Dispenser	Soy North	500,000
62	Construction Of Modern Crush Kapkayo	Soy South	700,000
63	Ngobisi Water Tanks(Irrigation)	Soy South	750,000
64	Pipes For Irrigation -Kewapkwony	Soy South	192,933

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
65	Purchase Backup Generator-(Turesia)	Soy South	1,186,288
66	Purchase Of Pulping Machine For Cooperative Societies(Turesia,Kormut And Kocholwo)	Soy South	450,000
67	Cattle Dips Renovation	Tambach	200,000
68	Water Furrow Development	Tambach	1,100,000
69	Water Furrow Development	Tambach	1,100,000
70	Rehabilitation Of Water Furrow & Piping	Keiyo South	1,000,000
71	Rehabilitation Of Water Furrow & Piping	Marakwet West	1,440,256
72	Purchase Of Pipes And Fittings	Marakwet West	1,339,336
73	Canal Lining Of- Kamariny Irrigation Furrow	Marakwet East	696,626
74	Construction Of -Boroko Irrigation Canal	Marakwet East	448,186
75	Piping Of -Changach Barak Project	Keiyo North	1,500,000
76	Supply Of Farm Inputs For- Upendo Women Group In Sengwer Ward.	Keiyo North	100,000
77	Construction Of Dips-Korkitony Cattle Dip	Keiyo North	1,132,190
78	Construction Of Dips-Lamaiwa Cattle Dip	Keiyo South	1,199,700
79	Construction Of Dips-Kakener Cattle Dip	Marakwet East	350,000
80	Renovations Of Dips-Emsea Cattle Dip	Keiyo South	535,001
81	Renovations Of Dips-Kabokbok Cattle Dip	Keiyo South	218,000
82	Renovation Of Dips-Cheptulon Cattle Dip	Marakwet West	80,000
83	Renovation Of Dips-Cheptulon Cattle Dip	Marakwet West	80,000
84	Renovation Of Dips-Kapserbet Cattle Dip	Marakwet West	80,000
85	Renovations Of Dips-Cheles Cattle Dip	Marakwet West	

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
			199,000
86	Renovations Of Dips-Kapkonga Cattle Di[	Keiyo North	120,000
87	Renovations Of Dips-Kabiemit Cattle Dip	Keiyo South	297,000
88	Renovations Of Dips-Kimungu Cattle Dip	Marakwet West	80,000
89	Renovations Of Dips-Hossen Cattle Dip	Marakwet West	80,000
90	Renovations Of Dips-Kipyuso Cattle Dip	Marakwet West	80,000
91	Renovations Of Dips-Cheptongei Cattle Dip	Marakwet West	80,000
92	Renovations Of Dips-Kapkenda Cattle Dip	Keiyo South	753,460
93	Renovations Of Dips Chebiemit Cattle Dip	Marakwet West	160,000
94	Supply Of Vaccination Materials-County Initiative	County	90,120
95	Renovation Of Dips Kapkenda Cattle Dip	Keiyo South	80,000
96	Renovation Of Dips Chebiemit, Cheptongei Kipyuso	Marakwet West	239,995
97	Renovation Of Dips Kaptilol Cattle Dip	Marakwet West	80,000
98	Purchase Of Back Up Generators-Kocholwa Coolers	Marakwet West	1,408,950
99	Purchase Of Galla Goats-Arror,Emsoo, Soy North Wards	Keiyo North,Marakwet East& Keiyo South	455,000
100	Purchase Of Sahiwal Bulls-Endoo,Tambach Wards.	Marakwet East And West,Keiyo South	410,000
101	Dairy Goats Shades.Tambach	Keiyo North	143,760
102	Rehabilitation Of Kabe Water Furrow	Marakwet East	563,214
103	Construction Of Milk House Cooler-Kapsait	Marakwet East	1,435,960
104	Constuction Of Water Intake-Kaptich	Marakwet East	505,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
105	Construction Of -Embobut Cattle Dip	Marakwet East	995,720
106	Installation Of Milk Cooler Metkei Centre	Keiyo South	1,065,000
107	Renovation Of- Kapsowar Mala Plant	Marakwet West	162,295
108	Fencing Of Market -Kapcherop	Marakwet West	271,390
	Education.		
	Health Services		
109	Renovation Of Chebororwa Hc	Cherangany	1,000,000
110	Purchase Of Beds At Chepkorio Health Center	Chepkorio	550,000
111	Completion Of Kapchemuta Maternity Wing	Arror	500,000
112	Kondabilet Dispensary	Cherangany	700,000
113	Completion Of Lochin Dispensary	Cherangany	500,000
114	Construction Of Kamogo Health Centre Staff Houses	Embobut	4,000,000
115	Installation Of Lab Equipment At Kabulwo Dispensary	Emsoo	500,000
116	Construction Of Kapchelal Health Centre Lab	Emsoo	750,000
117	Completion Of Staff Houses-Kaparon Dspensary	Endo	600,000
118	Completion Of Ketigoi Health Center	Kabiemit	1,000,000
119	Completion Of Simotwo Health Center	Kabiemit	1,300,000
120	Expansion Of Kipkabus Forest Health Centre	Kabiemit	500,000
121	Completion And Equipment Of Katalel Dispensary	Kamariny	2,300,000
122	Purchase Of Equipment Atkendur Dispensary	Kapchemutwo	500,000
123	Purchase Of Equipment For Kapchesewes Dispensary	Kapsowar	300,000
124	Kaptabuk Dispensary Lab Equipment	Kapsowar	500,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
125	Installation Of Electricitykaptoror Dispensary	Kapsowar	200,000
126	Maternity Wing Construction At Matira Dispensary	Kapsowar	2,000,000
127	Purchase Of Equipment At Kaptarakwa Sub County Hospital	Kaptarakwa	2,000,000
128	Construction Of Kalya Dispensary	Kapyego	250,000
129	Construction Of Kamasia Health Centre	Kapyego	250,000
130	Repairs-Labot And Kipkundul Dispensaries	Lelan	1,000,000
131	Chesoiyo Dispensary Staff Houses Construction	Sambirir	800,000
132	Fencing Of Mogil Health Centre	Sambirir	400,000
133	Purchase Of Equipment For Chesubet Dispensary	Sengwer	300,000
134	Construction Of Toilets And Staff House Korongoi Dispensary	Sengwer	1,100,000
135	Kalwal Maternity Wing Construction	Soy South	1,000,000
136	Construction Of Kocholwo Health Centre Mortuary	Soy South	2,608,786
137	Mortuary Construction Tot Hospital	Arror	741,690
138	Purchase Of Water Tank Or Kalwal Dispensary	Soy South	50,000
139	Purchase Of Water Tank For Setano & Turesia	Soy South	200,000
140	Renovation Of Kipriria Health Center	Kabiemit	400,000
141	Renovation Of Tolwobei Health Center	Kabiemit	300,000
142	Renovation Of Sangurur Dispensary-	Kapsowar	500,000
143	Renovation Of Silibwet, Kilima & Chemunada Health Centres	Moiben	200,000
144	Renovation Of Sisiya Sub-Health Centre	Kapsowar	600,000
145	Renovation Of Songeto Dispensary	Tambach	472,120

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
146	Renovation Of Tangul Health Centre	Kapyego	250,000
147	Equiping Of Tenden Dispensary	Cherangany	700,000
148	Renovation Oftenderwa Dispensary	Kapyego	250,000
149	Upgrading Of Chechan Dispensary To A Health Centre	Endo	1,150,000
150	Upgrading Of Malkich Dispensary	Endo	1,150,000
151	Kamoingon Dispensary Equipping	Emsoo	750,000
152	Equipping Of Maternity Wing	Kapyego	500,000
153	Supply Icu Beds	County	10,000,000
154	Creation Of Community Health Units	Cherangany	100,000
155	Creation Of Community Health Units	Emsoo	300,000
156	Ward Health Day/ Deworming Of School Children	Kaptarakwa	50,000
157	Purchase Emergence Medical Kits	Cherangany	75,000
158	Purchase Emergence Medical Kits	Soy South	100,000
159	Purchase Emergence Medical Kits	Kabiemit	50,000
160	Purchase Of Emergency Medical Kits	Endo	50,000
161	Purchase Of Emergency Medical Kits	Emsoo	50,000
162	Purchase Of Emergency Medical Kits	Kaptarakwa	50,000
163	Purchase Of Emergency Medical Kits	Soy North	50,000
164	Purchase Of Motorcycles For Extension	Emsoo	200,000
165	Purchase Of Motorcycles For Health Extension	Soy North	200,000
166	Purchase Of Refrigerators For Non-Kepi Vaccines	Arror	75,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
167	Purchase Of Refrigerators For Non-Kepi Vaccines	Endo	50,000
168	Purchase Of Refrigerators For Non-Kepi Vaccines	Emsoo	50,000
169	Purchase Of Refrigerators For Non-Kepi Vaccines	Soy North	200,000
170	Purchase Of Refrigerators For Non-Kepi Vaccines	Moiben	200,000
171	Purchase Of Refrigerators For Chororget & Kabalburkwo Dispensaries	Kaptarakwa	300,000
172	Purchase Of Refrigerators For Non-Kepi Vaccines	Cherangany	75,000
173	Purchase Of Assorted Food And Water Sampling Kits	Cherangany	70,000
174	Purchase Of Assorted Food And Water Sampling Kits	Kabiemit	75,000
175	Purchase Of Assorted Food And Water Sampling Kits	Endo	75,000
176	Purchase Of Assorted Food And Water Sampling Kits	Emsoo	75,000
177	Purchase Of Assorted Food And Water Sampling Kits	Soy North	75,000
178	Purchase Of Assorted Food And Water Sampling Kits	Soy South	50,000
179	Purchase Of Assorted Food And Water Sampling Kits	Kapsowar	48,310
180	Purchase Of Hand-Washing Demonstration Units	Endo	25,000
181	Purchase Of Hand-Washing Demonstration Units	Emsoo	25,000
182	Purchase Of Hand-Washing Demonstration Units	Soy North	25,000
183	Rollout Of Community Led Total Sanitation	Endo	75,000
184	Community Led Total Sanitation /Technologies	Soy South	75,000
185	Community Led Total Sanitation/Technologies	Cherangany	100,000
186	Renovations At Kapchelal Health Centre	Emsoo	337,326
188	Musekekwa Health Center	Kapchemutwa	12,202

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
189	Musekekwa Health Center	Kapchemutwa	21,037
190	Musekekwa Health Center	Kapchemutwa	332,809
191	Musekekwa Health Center	Kapchemutwa	40,672
192	Supply Of Dryview Laser Films	Kapchemutwa	306,688
193	Motor Vehicle Service And Maintanance	County	28,400
194	Motor Vehicle Service And Maintanance	County	41,600
195	Provision Of Advertisement For Vacancy Of Medical	County	60,900
196	Motor Vehicle Service And Maintanance	County	21,000
197	Motor Vehicle Service And Maintanance	County	42,000
198	Electrical Installation And Fittings	Moiben Kuserwo	122,720
199	Electrical Installation And Fittings	Kapsowar	86,773
200	Electrical Installation And Fittings	Emsoo	109,640
201	Electrical Installation And Fittings	Kapchemutwa	111,280
202	Provision For Repair For Generator.	County	77,030
203	Motor Vehicle Service And Maintanance	County	10,400
204	Motor Vehicle Service And Maintanance	County	26,800
205	Purchase Medical Equipment	Kapchemutwa	92,790
206	Purchase Medical Equipment	Kapchemutwa	87,800
207	Purchase Medical Equipment	Kapchemutwa	165,000
208	Purchase Medical Equipment	Kapchemutwa	74,960
209	Purchase Medical Equipment	Kapchemutwa	779,500

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
210	Purchase Medical Equipment	Kapchemutwa	219,000
211	Purchase Medical Equipment	Kapchemutwa	157,500
212	Purchase Medical Equipment	Kapchemutwa	278,000
213	Purchase Medical Equipment	Kapchemutwa	221,400
214	Completion Of Maternity Ward And Construction Of Pit Latrine At Kapchelal Dispensary	Emsoo	475,750
215	Completion Of Maternity Ward At Chegilet Health Center	Emsoo	701,070
216	Construction Of Maternity Wing At Sangurur Dispensary	Kapsowar	1,589,485
217	Construction Of Dispensary At Kaberwo	Sengwer	1,193,920
218	Construction Of Maternity Wing At Kapchebar Dispensary	Moiben Kuserwo	422,991
219	Construction Of Septic Tank And Pit Latrines Jemunada	Moiben Kuserwo	992,630
220	Construction At Kapcherop Dispensary Wards	Sengwer	1,400,128
221	Renovation Maternity Wing At Flax Dispensary.	Chepkorio	817,170
222	Construction Of Kitchen Block At Chebiemit	Moiben Kuserwo	90,688
223	Construction Of Kitchen Block At Chebiemit	Moiben Kuserwo	39,115
224	Purchase Of Trolley	Kapchemutwa	2,297,784
	Lands,Water And Enviroment		
225	Chebilat Water Project (To Serve Vtc, Secondary And Primary School)	Arror	2,500,000
226	Resim Water Project	Arror	3,500,000
227	Kipchepchep Dam Water Supply	Chepkorio	2,000,000
228	Samich Water Project	Chepkorio	2,000,000
229	Kapkiai Water Project [Pipe Line]	Cherangany/Che	600,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
		bororwa	
230	Kapkures Water Project [Pipe Line & Intake]	Cherangany/Che bororwa	1,000,000
231	Keu Water Project	Emsoo	500,000
232	Kakiptul Water Project	Endoo	3,300,000
233	Chepketeretwater Project	Kabiemit	1,600,000
234	Construction Of Water Tank At Kapchepter	Kabiemit	1,600,000
235	Construction Of Borowon Community Water Intake	Kabiemit	1,600,000
236	Purchase Of Pipes And Installation	Kabiemit	3,975,734
337	Construction Of Kameza Water Tank	Kamariny	600,000
338	Construction Of Kaptilit-Muno Water Tank	Kamariny	600,000
239	Construction Of Mti Moja Water Tank-Katalel	Kamariny	600,000
240	Singore Water Projects	Kapchemutwa	500,000
241	Desilting Of Kapkessum Dam	Kapchemutwa	500,000
242	Kapkatui Water Project	Kapchemutwa	500,000
243	Kapkessum Water Extension	Kapchemutwa	1,700,000
244	Koiboben Water Project	Kapsowar	300,000
245	Kapchumari Water Project	Lelan	2,500,000
246	Tumeyo Water Project	Metkei	423,490
247	Ainabyat Wate Project	Metkei	900,000
248	Kamasia Water Project	Metkei	900,000
249	Kiptengwer Water Project	Metkei	1,900,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
250	Luguget Sec School Water Project	Sambirir	2,672,786
251	Embosos- Kilangata Water Project	Sambirir	3,400,000
252	Ratia Primary School Water Project	Sambirir	2,000,000
253	Purchase Of Pipes	Sengwer	600,000
254	Epkee Water Project	Soy North	500,000
255	Kewanei Water Project	Soy North	500,000
256	Cheimen Water Project	Soy North	1,000,000
257	Construction Of Kimiloi Water Tank	Soy South	1,500,000
258	Turach Water Project	Soy South	2,033,181
259	Completion Of Water Projects	Tambach	1,500,000
250	Talal Water Project	Kabiemit	1,693,190
251	Itwasco Extensions	Kamariny	7,853,280
252	Kipkoboi-Kaptabok Sec.Sch Water Project	Kapsowar	144,480
253	Chemwon-Katipyemit Water Project	Kapsowar	855,194
254	Cheptingei(Purchase Of Pipes)	Moiben Kuserwo	193,635
255	Chemunada Water Project	Moiben Kuserwo	2,690,280
256	Rogor Water Project	Sengwer	1,008,030
257	Chepsigot-Kaptubei Water Project	Soy North	2,042,940
258	Tumeiyo Water Project	Soysouth	659,300
259	Construction Turach Intake	Soysouth	1,180,000
	Roads And Public Works		
260	Urban Roads Maintanance	Chepkorio	

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
			1,000,000
261	Culvert Installation	Chepkorio	1,480,267
262	Grading Of Flax Ifc-Kabitoi-Checktrain Rd	Chepkorio	1,800,000
263	Road Survey And Designs	County	750,000
264	Grading Of Kisimai -Kapsilong Road	Embobut/Embolot	1,500,000
265	Grading Of Kewapsui Road	Kabiemit	500,000
266	Kapchebutuk / Simotwo Road Maintainance	Kabiemit	1,500,000
267	Maintanance Of Tabagon – Leketet Road	Kapchemutwa	300,000
268	Maintanance Of Iten-- Sergoit Road Opening	Kapchemutwa	500,000
270	Maintanance Of Kabaringo – Mtimoja – Dfo's Office	Kapchemutwa	1,000,000
271	Chororget –Kapkenda Road Opening	Kaptarakwa	1,000,000
272	Kaptarakwa – Kaptagat Road Opening	Kaptarakwa	2,000,000
273	Murramming Of Chepsamo – Sevenup –Chororget, Torop – Charma, Torok – Chebior And Chemwabul- Kapkee Roads	Kaptarakwa	3,105,418
274	Maintanance Of Kapchoge–Kararia Road	Kapyego	1,000,000
275	Maintanance Of Kokwo Kibor –Kamelei Roads	Kapyego	1,000,000
276	Maintanace Of Kapchelaga	Kapyego	1,000,000
277	Maintanance Of Emkew-Yemit Road	Moiben Kuserwo	200,000
278	Maintanace Of Tolil-Cheringishe	Moiben Kuserwo	300,000
279	Maintanace Of Water Treatment-Kipshabatai	Moiben Kuserwo	300,000
280	Maintanace Of Emkew-Kapserbet	Moiben Kuserwo	300,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
281	Grading Of Kaplenge –Chepsirgen	Moiben Kuserwo	1,500,000
282	Maintanace Of Cheptulon – Chesingei-Yemit	Moiben Kuserwo	1,500,000
283	Grading Of Niwiya Foot Bridge	Sambirir	1,000,000
284	Grading Of Maina-Chenworor-Top Centre Road	Sambirir	1,038,862
285	Grading Of Tirber-Kirol Road	Sambirir	2,000,000
286	Maintanance Of Other Ward Roads	Sengwer	678,839
287	Chesubet Primary-Kalbul-Kapkanyar Pry	Sengwer	2,000,000
288	Grading Of Grading Of Toror – Korober Road	Soy North	1,000,000
289	Grading Of Emsea – Kabarku Road	Soy North	1,500,000
290	Grading Of Muskut – Simit – Chororget – Changachbarak Road	Soy North	2,000,000
291	Culverts Installation	Soy South	500,000
292	Roads Maintenance Setano	Soy South	600,000
293	Culvert Installation Kamoi-Kipsoiyo Road	Sengwer	550,000
294	Maintenance Of Nyawa Dip-Kimining Kewapsos-Kessup Road	Tambach	534,883
295	Culvert Installation At Chebilil Junction –Biwott & Liter- Borowa Road	Endo	571,000
296	Provision Of Murram For Kaptarakwa Ward	Kaptarakwa	174,000
297	Repair Of Nerkwo Footbridge	Moiben/Kuserwo	297,000
298	Maitenance Of Kapsowar Town Roads And Its Environs	Kapsowar	500,000
299	Maintenance Of Kapcherop- Kamoi Road	Sengwer	567,870
300	Maitanance Of Chebara-Chebara Secondary	Moiben/Kuserwo	2,800,000
301	Maintanance Of Sangach-Kerio River Road	Endo	1,898,200

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
	Trade And Tourism		
302	Construction Of Public Toilets Kapcherop	Sengwer	1,500,000
303	Construction Of Segut Market Center Stalls	Kapyego	150,000
304	Construction Of Tangul Market Center Stalls	Kapyego	150,000
305	Construction Of Market Stalls At Flax	Chepkorio	200,000
306	Construction Of Motorbike Shade	Cherangany/Chebororwa	200,000
307	Supply Of Hatchery Machine	Metkei	200,000
308	Establishment Of Coffee Nurseries	Soy South	220,000
309	Maintanance Of Kapchore Caves	Chepkorio	250,000
310	Construction Of Toilets Iten Town	Kapchemutwa	300,000
311	Construction Of Public Toilet	Metkei	300,000
312	Installation Of Street Lighting Kamwosor	Metkei	300,000
313	Installation Of Street Lights	Moiben Kuserwo	300,000
314	Construction Of Shoe Shiners Shades	Moiben Kuserwo	300,000
315	Installation Of Street Lighting Chesoi	Sambirir	300,000
316	Construction Of Market Stalls At Chesoi.	Sambirir	350,000
317	Development Of Chebororwa Trading Market [Landscaping/Planning]	Cherangany/Chebororwa	400,000
318	Construction Of Latrine At Kapkayao	Soy South	400,000
319	Kimwarer Market Development	Soy South	440,000
319	Installation Of Street Light	Tambach	450,000
320	Installation Of Street Light	Chepkorio	

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
			459,969
321	Construction Of Kapchemutwa Market Stalls	Kapchemutwa	500,000
322	Construction Of Shoe Shiners Shades At Iten	Kapchemutwa	500,000
323	Construction Of Kapyego Market Stalls	Kapyego	550,000
324	Construction Of Nyaru Public Toilet	Chepkorio	555,278
325	Construction Of Public Toilets	Moiben Kuserwo	597,467
326	Establishment Of Market Stalls(Kapkayo)	Soy South	657,804
327	Construction Of A New Market At Ward Head Quarters	Kabiemit	740,000
328	Installation Of Street Lighting To Centres Chebai,Tenden And Kiningi	Cherangany/Chebororwa	750,000
329	Construction Of Market Stalls	Moiben Kuserwo	750,000
330	Installation Of Kapsowar Street Lights	Kapsowar	900,000
331	Construction Of Public Toilets	Kamariny	909,741
332	Street Lights At Lemeiwo, Sitat, Wewo, Mungwa, Marichor And Moror	Embobut/Embolot	1,000,000
333	Maintanance Ofkorou Cliff Tourist Site	Embobut/Embolot	1,000,000
334	Installation Of Street Lights-Kamariny	Kamariny	1,000,000
335	Installation Of Terikmoi,Kosubwa,Matira And Sinon) Street Lights	Kapsowar	1,100,000
336	Construction Of Motorbike Shades	Lelan	300,000
337	Installation Of Street Lighting	Lelan	601,457
338	Construction Of Motor Bike Shades	Kaptarakwa	450,000
339	Installation Of Street Lighting	Kaptarakwa	

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
			450,000
340	Establishment Of Open Market-Salaba	Emsoo	500,000
341	Installation Of Street Lighting- Kilos & Additional Street Lights At Arror Centre	Arror	600,000
342	Construction Of Market Stalls At Koitilial And Chepkum	Arror	600,000
343	Installation Of Street Lights	Emsoo	600,000
344	Installation Of Street Lighting	Endoo	600,000
345	Construction Of Market Stalls Endo	Endoo	900,000
346	Construction Of Motorbike Shades	Sambirir	150,000
347	Planting Of Coffee Seedling At Ketigoi	Kabiemit	100,000
348	Construction Of Solar Street Light At Atlas,Kabiemit Market,Timor,Cheboen Centre And Sawaa Junction	Kabiemit	600,000
349	Support The Coffee Cooperative Society	County	500,000
350	Cooperatives Building Rehabilitation	County	500,000
351	Fencing Of Anin Fcs Coffee Nursery	Tambach	97,875
352	Fencing Of Kapcherop Tree Nursery	Sengwer	79,600
355	Construction Of Market Stalls In Kakimiti,Wewo And Embobut	Embobut/Embolot	272,900
356	Supply And Delivery Of Tomato Seeds –Riograde	All Wards	292,500
357	Installation Of Solar Powered Lights For Lot 7	Endoo	213,634
	Youth And Sports		
358	Levelling Of Boroon Sports Field	Lelan	400,000
359	Levelling Of Sports Fields Levelling	Lelan	650,000
360	Sports Field Grading Kamariny	Kamariny	550,000

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
361	Sports Field Grading Kamariny	Kamariny	550,000
362	Kipsinot Field –Grading	Kapsowar	800,000
363	Lawich Field -Grading	Kapsowar	800,000
364	Grading Of Koitugum Sports Field	Cherangany/Chebororwa	1,000,000
	Ict And Public Service		
365	Construction Of Ict Center At Hz	Kabiemit	1,700,000
366	Construction Of Endo Ward Office	Endoo	1,800,000
367	Construction Of Kimwarer/Kocholwo Social Hall	Soy South	2,000,000
368	Completion Of Social Hall	Arror	1,000,000
369	Construction Of Koitugum Ict Centre	Cherangany/Chebororwa	1,000,000
370	Construction Of Kapsowar Ict Centre	Kapsowar	1,000,000
371	Construction Of Ward Office	Kapyego	1,000,000
372	Construction Of Sub County Offices	County	10,000,000
373	Construction Of Ward Office Kapchemutwa	Kapchemutwa	1,651,670
374	Construction Of Ward Office Tambach	Tambach	428,300
375	Construction Of Social Hall Arror	Arror	418,760
376	Construction Of Ward Office Arror	Arror	364,930
377	Construction Of Ward Office Embobut	Embobut/Embolot	1,710,155
378	Construction Of Ward Office Kapyego	Kapyego	1,745,027
	Total		**290,875,328**
	No. Of Projects		

Serial Number	Description of the Project	Location	Estimated/Budgeted Value Of The Project
			378

It is clear that the County Executive did not implement 378 projects worth Kshs.290,875,328 during the year under audit due to improper budgeting and hence value for money for the county could not be achieved and this may hamper better service delivery to the people of Elgeyo Marakwet due to non-implementation of projects in spite the Executive having cash balance of Kshs.733,643,455 as at 30 June 2017.

3.0 Revenue Analysis

During the financial year 2016/2017, the County Executive had budgeted to collect total revenue of Kshs.160,021,113 from internally generated revenue out of which only Kshs.97,323,973 was collected thereby resulting in a shortfall of Kshs.62,697,140 (61%). The County Executive did not achieve its revenue target and this may impact negatively on the service delivery to the residents of Elgeyo Marakwet County.

4.0 Compensation of Employees

4.1 Compensation of Employees Ratio

The statement of receipts and payments for the year ended 30 June 2017 reflects compensation of employees figure of Kshs.1,786,331,042 which is 47% of the total revenue of Kshs.3,823,457,533 thereby exceeding the recommended percentage of 35% stipulated in Section 25(1b) of the Public Finance Management (County Government) Regulations 2015.

The County Executive is therefore in breach of the law.

4.2 Failure to Observe One Third Rule in Staff Establishment

A review of personnel records during the year under review revealed that during the financial year 2016/2017 the County Public Service Board recruited four hundred and fourteen (414) employees. However, out of the 414 recruited staff, four hundred thirteen (413) were from one dominant ethnic community contrary to Section 65(1)(e) of the County Government Act, 2012 which require that the Public Service Board when selecting employees to employ should consider the need to ensure that at least 30% of the vacant positions at the entry level are filled by candidates who are from the dominant ethnic candidates.

Consequently, the County Executive is therefore in breach of the County Government Act, 2012 on establishment of staff as a means promoting national unity.

4.3 Lack of Approved Staff Establishment

As reported previously, the County executive does not have an approved personnel establishment that indicates the number of employees required in each category and therefore it is not possible to ascertain the optimum number of employees required. This is contrary to section 59(1) (g) of the County Government Act,2012 which stipulates that the function of the County Public Service Board includes among others the role to facilitate the development of a coherent, intergraded human resource planning and budgeting of personnel emoluments in counties. Hence in the absence of personnel establishment, the County Executive may not be able to determine the optimum size of the establishment to discharge services to the residents' of Elgeyo Marakwet.

5.0 IT Internal Control Environment

A review of the Information and Communication Technology (ICT) of the County Executive of Elgeyo Marakwet revealed that the County lacked a formally approved ICT Policy.

Consequently, there is risk that organizational objectives may not be achieved and also it may not be possible to maximize the utilization of the IT resources.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations, or have 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.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

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

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

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

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

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue offering 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 consolidated/ financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue offering services.

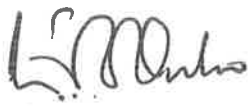
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements

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

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

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



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

Nairobi

16 July 2018

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Exchequer releases	1	3,528,847,275	3,270,440,729
Proceeds from Domestic and Foreign Grants	2	10,400,000	40,979,116
Transfers from Other Government Entities	3	54,220,715	41,545,474
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	132,665,570	50,604,640
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	97,323,973	128,055,734
Returned CRF issues	10	-	-
TOTAL RECEIPTS		**3,823,457,533**	**3,531,625,693**
PAYMENTS			
Compensation of Employees	11	1,786,331,042	1,533,304,733
Use of goods and services	12	372,231,546	288,172,770
Subsidies	13	-	-
Transfers to Other Government Units	14	493,026,873	409,338,988
Other grants and transfers	15	209,362,076	103,113,026
Social Security Benefits	16	-	-
Acquisition of Assets	17	985,018,188	421,120,842
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	153,711,122	244,480,548
TOTAL PAYMENTS		**3,999,680,848**	**2,999,530,907**
SURPLUS/DEFICIT		**(176,223,315)**	**532,094,787**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name:Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury
Name:JohnKeen M.Jairo
ICPAK Member Number:8112

II. STATEMENT OF ASSETS AS AT 30TH JUNE 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	732,518,975	839,781,675
Cash Balances	21B	1,124,480	2,590,000
Total Cash and cash equivalent		**733,643,455**	**842,371,675**
Accounts receivables – Outstanding Imprests	22	19,918,670	2,218,940
TOTAL FINANCIAL ASSETS		**753,562,125**	**844,590,616**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	54,040,448	22,886,072
NET FINANCIAL ASSETS		**699,521,677**	**821,704,544**
REPRESENTED BY			
Fund balance b/fwd	24	875,744,995	289,609,757
Prior year adjustments	25	-	-
Surplus/Deficit for the year		(176,223,315)	532,094,787
NET FINANCIAL POSITION		**699,521,677**	**821,704,544**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name:Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury
Name:JohnKeen M.Jairo
ICPAK Member Number:8112

III. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2017

		2016-2017 Kshs	2015 – 2016 Kshs
Receipts from operating income			
Exchequer Releases	1	3,528,847,275	3,270,440,729
Proceeds from Domestic and Foreign Grants	2	10,400,000	40,979,116
Transfers from Other Government Entities	3	54,220,715	41,545,474
Reimbursements and Refunds	7	132,665,570	50,604,640
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	97,323,973	128,055,734
Returned CRF issues	10	-	-
Payments for operating expenses			
Compensation of Employees	11	(1,786,331,042)	(1,533,304,733)
Use of goods and services	12	(372,231,546)	(288,172,770)
Subsidies	13	-	-
Transfers to Other Government Units	14	(493,026,893)	(409,338,988)
Other grants and transfers	15	(209,362,076)	(103,113,026)
Social Security Benefits	16		-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	(153,711,122)	(244,480,548)
		808,794,874	**953,215,628**
Adjusted for:			
Adjustments during the year	25	31,154,376	22,886,072
Net cash flow from operating activities		**839,949,250**	**976,101,701**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(985,018,188)	(421,120,842)
Net cash flows from Investing Activities		**(985,018,188)**	**(421,120,842)**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**(145,068,939)**	**554,980,859**
Cash and cash equivalent at BEGINNING of the year	21	**844,590,616**	**289,609,757**
Cash and cash equivalent at END of the year	24	**699,521,677**	**844,590,616**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance &Economic planning
Name:Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,528,847,275	-	3,528,847,275	3,528,847,275	-	100%
Proceeds from Domestic and Foreign Grants	10,400,000	-	10,400,000	10,400,000	-	100%
Transfers from Other Government Entities	78,096,281	-	78,096,281	54,220,715	23,875,566	0%
Proceeds from Domestic Borrowings	56,932,570	-	56,932,570	-	56,932,570	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	52,054,640	7,129,804	59,184,444	132,665,570	73,481,126	224%
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated receipts	160,021,113	-	160,021,113	97,323,973	62,697,140	61%
Roll over funds B/f	-	845,686,228	845,686,228	-	845,686,228	0%
TOTAL	**3,886,351,879**	**852,816,032**	**4,739,167,911**	**3,823,457,533**	**915,710,378**	**81%**
PAYMENTS						
Compensation of Employees	1,799,290,399	604,960	1,799,895,359	1,786,331,042	13,564,317	**99%**
Use of goods and services	165,359,489	231,971,042	397,330,531	372,231,546	25,098,985	**94%**
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	491,089,372	16,039,829	500,380,485	493,026,873	7,353,612	**99%**
Other grants and transfers	213,167,050	58,262,769	271,429,819	209,362,076	62,067,743	**77%**
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	974,117,951	557,452,112	1,531,570,063	985,018,188	546,551,875	**64%**
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments	243,327,618	- 11,514,680	238,561,654	153,711,122	84,850,532	**64%**
TOTAL	**3,886,351,879**	**852,816,032**	**4,739,167,911**	**3,999,680,847**	**739,487,064**	**84%**
SURPLUS/(DEFICIT)	-	-	-	**-176,223,314**	**176,223,314**	

Note: The utilisation of funds in each category exceeded 50%
-Included in Refunds and Reimbursement of **sh132,665,570** is **sh.79,812,317** being Transfers from National Government for Doctors,Nurses,Clinical and Other Health workers allowance.The funds had not been budgetted in the FY 2016/17.The same was rolled over and budgetted in the FY 2017/18 supplimentary budget

The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name: Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury Accounts
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,676,438,996	-	1,676,438,996	1,676,438,996	-	100%
Proceeds from Domestic and Foreign Grants	10,400,000	-	10,400,000	10,400,000	-	100%
Transfers from Other Government Entities	23,875,566		23,875,566	-	23,875,566	0%
Proceeds from Domestic Borrowings	56,932,570	-	56,932,570	-	56,932,570	0%
Proceeds from Foreign Borrowings					-	
Proceeds from Sale of Assets					-	
Reimbursements and Refunds	52,054,640	7,129,804	59,184,444	132,665,570	-73,481,126	224%
Doctors & Nurses allowances refunds			-	-	-	-
County Own Generated receipts	160,021,113	-	160,021,113	97,323,973	62,697,140	61%
Return CRF issues	-	845,686,228	845,686,228	-		0%
TOTAL	**1,979,722,885**	**852,816,032**	**2,832,538,917**	**1,916,828,539**	**70,024,150**	**68%**
PAYMENTS						
Compensation of Employees	1,799,290,399	604,960	1,799,895,359	1,786,331,042	13,564,317	99%
Use of goods and services	165,359,489	231,971,042	397,330,531	372,231,546	25,098,985	94%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	491,089,372	-	484,340,656	484,857,172	- 516,516	100%
Other grants and transfers	145,834,480	38,083,653	183,918,133	175,818,744	8,099,389	96%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	15,000,000	-473,760	14,526,240	13,657,145	869,095	94%
Finance Costs, including Loan Interest	-	-	-	-	-	

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTAL	**2,616,573,740**	**270,185,895**	**2,880,010,919**	**2,832,895,649**	**47,115,270**	**98%**
SURPLUS/(DEFICIT)	**- 636,850,855**	**582,630,137**	**- 47,472,002**	**- 916,067,110**	**22,908,880**	

Note: -The utilisation of funds in each category exceeded 50%

-Included in Refunds and Reimbursement of **sh132,665,570** is **sh.79,812,317** being Transfers from National Government for Doctors,Nurses,Clinical and Other Health workers allowance.The funds had not been budgetted in the FY 2016/17.The same was rolled over and budgetted in the FY 2017/18 supplimentary budget

The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name: Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury Accounts
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

VI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,852,408,279	-	1,852,408,279	1,852,408,279	-	**100%**
Proceeds from Domestic and Foreign Grants					-	
Transfers from Other Government Entities	54,220,715		54,220,715	54,220,715	-	
Proceeds from Domestic Borrowings					-	
Proceeds from Foreign Borrowings					-	
Proceeds from Sale of Assets					-	
Reimbursements and Refunds	-		-	-	-	
Returns of Equity Holdings					-	
County Own Generated receipts					-	
					-	
TOTAL	**1,906,628,994**	**-**	**1,906,628,994**	**1,906,628,994**	**-**	**100.00%**
PAYMENTS						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	-	16,039,829	16,039,829	8,169,701	7,870,128	**51%**
Other grants and transfers	67,332,570	20,179,116	87,511,686	33,543,332	53,968,354	**38%**
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	959,117,951	557,925,872	1,517,043,823	971,361,043	545,682,780	**64%**
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	243,327,618	- 11,514,680	238,561,654	153,711,122	84,850,532	**64%**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
TOTALS	**1,269,778,139**	**582,630,137**	**1,859,156,992**	**1,166,785,198**	**692,371,794**	**63%**
SURPLUS/(DEFICIT)	**636,850,855**	**- 582,630,137**	**47,472,002**	**739,843,796**	**- 692,371,794**	

Note: The utilisation of funds in each category exceeded 50%

The entity financial statements were approved on **26th March, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name: Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury Accounts
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

SIGNIFICANT ACCOUNTING POLICIES (Continued

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2016, this amounted to Kshs 54,040,451 compared to Kshs 22,886,072 in prior period as indicated on note 23

There were no other restrictions on cash during the year

6. Accounts Receivable

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

7. Accounts Payable

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

SIGNIFICANT ACCOUNTING POLICIES (Continued

8. Non current assets

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

9. Pending bills

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 18th March,2016 for the period 1st July 2016 to 30 June 2017 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHQUER RELEASES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	599,904,037	261,635,258
Total Exchequer Releases for quarter 2	582,259,800	833,962,387
Total Exchequer Releases for quarter 3	882,211,819	817,610,182
Total Exchequer Releases for quarter 4	1,464,471,619	1,357,232,902
Total	**3,528,847,275**	**3,270,440,729**

2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2016 – 2017	2015 – 2016
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
(Insert name of donor)				-
HSSF DANIDA FUNDS			10,400,000	20,800,000
Grants Received from Multilateral Donors (International Organisations)				
(Insert name of donor)				-
WORLD BANK			-	20,179,116
Grants Received from other levels of government				
(Insert name of donor)				-
(Insert name of donor)				-
Total			**10,400,000**	**40,979,116**

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 – 2016
	Kshs	Kshs
Transfers from Central government entities	-	-
Roads Maintanance Levy Funds(RMLF)	54,220,715	41,545,474
(insert name of budget agency)	-	-
Transfers from Counties	-	-
(insert name of budget agency)	-	-
(insert name of budget agency)	-	-
TOTAL	**54,220,715**	**41,545,474**

4 PROCEEDS FROM DOMESTIC BORROWINGS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

5 PROCEEDS FROM FOREIGN BORROWINGS

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

6 PROCEEDS FROM SALE OF ASSETS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

7 REIMBURSEMENTS AND REFUNDS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of User fees foregone	8,956,070	7,194,849
Reimbursement of Free Maternity Fees	43,897,500	43,409,800
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Doctors & Nurses Emergency allowance	47,490,000	-
Reimbursement of Clinical & Other Health workers allowance	32,322,000	-
Total	**132,665,570**	**50,604,640**

8 RETURNS OF EQUITY HOLDINGS

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

9 COUNTY OWN GENERATED RECEIPTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	1,769,735	439,100
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	6,255,298	25,515,840
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	432,837	777,318
Receipts from Voluntary transfers other than grants	-	-
Business permits	9,930,050	12,642,375
Cesses	25,684,755	31,585,437
Poll rates	-	-
Plot rents	2,486,912	2,330,547
Other local levies	-	-
Administrative services fees	-	-
Various fees	-	-
Council's natural resources	-	-
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-
Infrastructure assets	-	-
Other miscellaneous receipts	3,482,097	
Other miscellaneous receipts-Stock Auction fees	3,126,180	-
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr rpayment)	-	-
Transfers from reserve funds	-	-
Donations	-	-

Fund raising events	-	-
Other receipts from financial assets loan	-	-
Market/trade centre fee	5,933,515	3,958,257
Vehicle parking fees	3,610,700	4,401,850
Housing	-	-
Social premises use charges	-	-
School fees	-	-
Other education-related	-	-
Other education receipts	-	-
Public health services	2,373,220	-
Public health facilities operations	29,893,184	44,628,710
Environment & conservancy	177,250	1,514,620
Administration	-	-
Slaughter houses administration	1,465,040	-
Water supply administration	703,200	261,680
Sewerage administration		-
Other health & sanitation	-	-
Technical services fees	-	-
External services fees	-	-
	97,323,973	**128,055,734**

10 RETURNED CRF ISSUES

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

11 COMPENSATION OF EMPLOYEES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Basic salaries of permanent employees	1,722,536,398	1,483,522,502
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions- LAPTRUST	6,181,272	6,155,016
Compulsory national social security schemes –NSSF	4,707,600	3,874,630
LAPFUND	35,267,671	27,552,180
Social benefit schemes outside government	-	-
Other personnel payments- GRATUITY	17,638,101	12,200,405
Total	**1,786,331,042**	**1,533,304,733**

12 USE OF GOODS AND SERVICES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	9,854,396	10,984,919
Communication, supplies and services	9,667,360	15,453,705
Domestic travel and subsistence	30,782,768	42,501,605
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	11,632,721	21,128,041
Rentals of produced assets	4,058,109	2,503,064
Training expenses	7,097,672	20,502,251
Hospitality supplies and services	12,292,240	23,792,782
Insurance costs	13,565,457	7,087,498
Specialized materials and services	132,787,052	55,567,860
Office and general supplies and services	10,041,164	5,568,608
Other operating expenses	75,341,577	49,246,927
Routine maintenance – vehicles and other transport equipment	10,653,548	10,163,200
Routine maintenance – other assets	19,314,162	9,181,044
Fuel and Lubrications	25,143,320	14,491,266
Total	**372,231,546**	**288,172,770**

13 SUBSIDIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Subsidies to Public Corporations		
See list attached	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
See list attached	-	-
(insert name)	-	-
TOTAL	-	-

14 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Transfers to Central government entities	-	-
See attached list	-	-
Transfers to Other Counties		
Transfer to County Assembly	469,026,873	409,338,988
Transfer to Car and Mortgage fund	24,0000,000	-
TOTAL	**493,026,873**	**409,338,988**

15 OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Scholarships and other educational benefits	41,011,141	32,467,413
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Free Maternity Funds Disbursements-Health	98,269,060	41,529,409
DANIDA Funds Disbursements-Health		20,800,000
User fees charges foregone-Heath	9,079,641	8,316,204
Donations-Office of governor(Recurrent)	28,358,902	
Other transfers	33,543,332	
Total	**209,362,076**	**103,113,026**

16 SOCIAL SECURITY BENEFITS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

17 ACQUISITION OF ASSETS

Non Financial Assets	2016 – 2017	2015 – 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	258,590,001	114,889,650
Refurbishment of Buildings	-	-
Construction of Roads	-	96,960,508
Construction and Civil Works	623,649,586	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	14,191,210	-
Overhaul of Vehicles and Other Transport Equipment	328,048	612,055
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	60,859,471	25,572,187
Purchase of ICT Equipment, Software and other ICT assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	25,418,774	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	150,867,734
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	1,991,098	1,611,508
Acquisition of Intangible Assets	-	-
Purchase of ICT Equipments	-	607,200
Financial Assets	-	
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
Total	**985,018,188**	**421,120,842**

18 FINANCE COSTS, INCLUDING LOAN INTEREST

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

19 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

20 OTHER PAYMENTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	153,711,122	244,480,548
	153,711,122	**244,480,548**

21A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2016 – 2017	2015 – 2016
				Kshs	Kshs
CBK , Development Account. A/C no.100017391		Development		13,549,528	130,766,331
CBK, Recurrent Account. A/C no. 1000171421		Recurrent		11,536	53,387,279
CBK, County Revenue Fund 100017172		Revenue		535,216,508	565,700,296
KCB, Standing imprest Account 1140794779		Imprest		-	24,426
KCB, County Revenue collection A/C no.1140751360		Collection		172,064	1,915,400
KCB,County Assembly A/C 1144094828		Imprest			48
Paybill a/c -MPESA		Collection		-	4,000
Iten County Refferal Hospital a/c 1147075433		Imprest		-	2,022,160
CBK, Road maint. levy a/c 1000253948		Fund		88,549,350	20,772,737
Marakwet West –a/c 114707096				425	425
Tot Sub-county hospital a/c 114707793				-	221
Chebiemit Sub-county hospital a/c 1147077398				-	898,332
CA CBK, Recurrent a/c 1000240563		Recurrent		-	5,415
CBK Maternal health a/c 1000287748		Fund		40,979,116	40,979,116
Paybill Account-Cash in Transit		Collection		-	378,000
Tambach Sub-county hospital a/c 1147077878		Imprest		-	40,990
MOH Keiyo South a/c 1147077169		Imprest		-	-
CBK Retention monies Deposit a/c		Deposit		54,040,448	22,886,072
Kaptarakwa sub-county Hospital a/c 1147076162		Imprest			428
Total				**732,518,975**	**839,781,675**

21B: CASH IN HAND

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	1,124,480	2,590,000
Cash in Hand – Held in foreign currency		-
Total	**1,124,480**	**2,590,000**

Cash in hand should also be analysed as follows:

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Location 1	1,124,480	2,590,000
Location 2	-	-
Location 3	-	-
Other Locations (*specify*)	-	-
Total	**1,124,480**	**2,590,000**

22: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Government Imprests	19,918,670	2,218,940
Clearance accounts		-
Total	**19,918,670**	**2,218,940**

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Name of Officer or Institution	dd/mm/yy	As per list	Attached	
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				

23. ACCOUNTS PAYABLE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Deposits	54,040,448	22,886,072
Total	**54,040,448**	**22,886,072**

24. FUND BALANCE BROUGHT FORWARD

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Bank accounts	821,704,544	289,609,757
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	54,040,448	-
Total	**875,744,992**	**289,609,757**

25: PRIOR YEAR ADJUSTMENTS

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

OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1) DEVELOPMENT EXPENDITURE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Construction of buildings	201,604,441	255,330,945.50
Construction of civil works	319,702,846	338,860,006.00
Supply of goods	72,707,877	25,562,606.75
Supply of services	66,310,645	185,303,131.65
Total	**660,325,808**	**805,056,689.90**

26.2: PENDING STAFF PAYABLES (See Annex 2)

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (*specify*)	-	-
Total	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3) –RECURRENT EXPENDITURE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties-Use of goods & Services	29,082,913	-
Others (*specify*) Salary/Statutory Deductions	95,307,296	-
Total	**124,390,209**	-

27 RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Government:

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

Related party transactions:

	2016/2017	2015/2016
	Kshs	Kshs
Key Management compensation	-	-
	=======	=======
Transfers to the County Assembly	469,026,873	409,338,988
Transfers to other County Government entities	-	-
Transfers to County Ministries and Departments	164,972,735	103,113,026
Transfers to County Executive Car & Mortgage Fund	24,000,000	-
Transfers to County Bursary Fund	40,111,141	-
	=======	=======

28 ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

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

Entity	Date Established	Location	Accounting Officer responsible
County Executive Car & Mortgage Fund	-	H/Qtrs	Jeremiah Changwony
County Bursary Fund	-	H/Qtrs	Boaz Changach
Alcoholic Drinks Control Fund	-	H/Qtrs	Ishmael Chelan'ga

X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

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

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

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

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

CEC, County Treasury

Sign.....

Date.....

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE FOR DEVELOPMENT EXPENDITURE AS AT 30TH JUNE 2017

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	A	B	c	d=a-c		
Construction of buildings						
1. As per Pending bills Schedule	502,502,860		300,898,420	201,604,441	-	To be re-budgetted
2.						
3.						
Sub-Total	**502,502,860**		**300,898,420**	**201,604,441**	**-**	
Construction of civil works						
4. As per Pending bills Schedule	426,868,973		106,740,932	319,792,846	574,805	To be re-budgetted
5.						
6.						
Sub-Total	**426,868,973**		**106,740,932**	**319,792,846**	**574,805**	
Supply of goods						
7. As per Pending bills Schedule	87,209,898		14,502,020	72,707,877	-	To be re-budgetted
8.						
9.						
Sub-Total	**87,209,898**		**14,502,020**	**72,707,877**		
Supply of services						
10. As per pending bills schedule	75,420,709		6,087,150	66,310,645	-	To be re-budgetted
11.						
12.						
Sub-Total	**75,420,709**		**6,087,150**	**66,310,645**	**-**	
Grand Total	**1,091,002,440**		**428,338,521**	**660,325,808**	**-**	

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	B	c	d=a-c		
Senior Management							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Middle Management							
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Unionisable Employees							
7.	-	-	-	-	-	-	-
8.	-	-	-	-	-	-	-
9.							
Sub-Total							
Others (*specify*)							
10.	-	-	-	-	-	-	-
11.	-	-	-	-	-	-	-
12.							
Sub-Total							
Grand Total	-	-	-	-	-	-	-

Note: There are no pending payables relating to staff as at 30th June,2017.

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES –RECURRENT EXPENDITE AS AT 30TH JUNE,2017

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	B	C	d=a-c		
Amounts due to National Govt Entities							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Amounts due to County Govt Entities							
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Amounts due to Third Parties							
7. Use of goods & Services	-	-	-	-	29,082,913	-	-
8.	-	-	-	-	-	-	-
9.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	**29,082,913**	-	-
Others (*specify*)							
10. Salary deductions/Statatutory	-	-	-	-	95,307,298	-	-
11.	-	-	-	-	-	-	-
12.							
Sub-Total					**95,307,298**		
Grand Total					**124,390,209**		

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2015/2016	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2016/2017
Land	127,486,508	-	-	127,486,508
Buildings and structures	324,939,007	266,757,702	-	591,696,709
Transport equipment	100,785,750	14,191,210	-	114,976,960
Office equipment, furniture and fittings	108,349,405	61,943,686		170,293,091
ICT Equipment, Software and Other ICT Assets	17,953,591	495,000		18,448,591
Other Machinery and Equipment	275,920,700	-		275,920,700
Heritage and cultural assets	-	-	-	-
Intangible assets	100,000	-	-	100,000
Total	**955,534,961**	**343,387,598**	-	**1,298,922,559**

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 18 on acquisition of assets during the year.

ANNEX 5: INTER- ENTITY TRANSFERS

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

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT