BOMET COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

TABLE OF CONTENTS

TABLE OF CONTENTS i
1. KEY ENTITY INFORMATION AND MANAGEMENT ii
2. FORWARD BY THE CLERK OF THE ASSEMBLY v
3. STATEMENT OF MANAGEMENT RESPONSIBILITIES vii
4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name) viii
5. FINANCIAL STATEMENTS 1
5.1. STATEMENT OF RECEIPTS AND PAYMENTS 1
5.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES 2
5.3. STATEMENT OF CASH FLOWS 3
5.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED 5
5.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT 7
5.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT 9
5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 11
5.8. SIGNIFICANT ACCOUNTING POLICIES 12
5.9. NOTES TO THE FINANCIAL STATEMENTS 16
5.10. OTHER DISCLOSURES 28
5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 30
ANNEXES 32
ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE 32
ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES 35
ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES 36
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER 37
ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS 38
ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT 39

(d) Fiduciary Oversight Arrangements

(e)

No.	Details
1.	Senate
2.	Budget & Appropriation Committee
3	Public Accounts & Investment Committee
4.	Audit Committee
5.	Internal Audit
6	Office of the Auditor General

(f) Entity Headquarters

Bomet County Assembly,
P.O. Box 590-20400
BOMET.

(g) Entity Contacts

Telephone: (254) 727887146
E-mail: bometcountyassembly@gmail.com.go.ke
Website: www.bometassembly.or.ke

(h) Entity Bankers

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

2. EQUITY BANK
   Bomet Branch
   A/C NO 1220261153628

2. FOREWORD BY THE CLERK OF THE ASSEMBLY

Put the forward note by the Clerk of the County Assembly.

Budget performance

The County Assembly of Bomet had an approved budget of Kshs 749,851,506 which composed of both recurrent and development expenditure. Out of this the Assembly spent **Kshs** 608,596,841 comprising of 81.2 % of budgeted amount on various expenditure items.

Operational Performance

During the period under review the County Assembly passed the following laws;
(*i*) The Bomet Support for the Needy (Amendment) Act 2017- 28th December 2017-

(a) The Act facilitated award of bursary funds to needy students
(b) The Act has also promoted the increase in enrolment, retention, completion and transition rates in schools

(ii) The Bomet County Supplementary Appropriation Act 2018-30th December 2017- The law allowed the county to re-allocate funds to priority areas and projects
(iii) The Bomet County Supplementary Appropriation (No.2) Act 2018-16th May 2018- This law further allowed the County government to re-allocate funds to priority projects.

The Assembly Committees includes;

Name	Mandate.
Budget and Appropriation Committee	Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget.
Committee on appointment	Shall consider, for approval by the County Assembly, appointments under Article 179 (2) (Members of the County Executive Committees)
Public Accounts and Investment Committee. (PAC/PIC)	Examination of the Accounts showing appropriations of the sum voted by the County Assembly to meet the public expenditure and such other accounts laid before the county Assembly as the Committee may think fit.
County Assembly Business Committee	Monitor and oversee implementation of the County Assembly Business and programmes Prepare and, if necessary, from time to time adjust the County Assembly Calendar with approval of the County Assembly.
County Assembly Procedure and Rules	Considers and report on all matters relating

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2018, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on ___________ 2018.

____
Clerk of the County Assembly

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Bomet set out on pages 1 to 38, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statements of comparison of budget and actual amounts - recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Bomet as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Compensation of Employees

The statement of receipts and payments for the year ended 30 June 2018 reflects an amount of Kshs.208,888,868 in respect of compensation of employees. However, an analysis of IPPD and manual payrolls show a total expenditure of Kshs.202,389,670 for compensation of employees, leading to an unreconciled and unexplained variance of Kshs.6,499,198.

2. Travel and Subsistence Expenses

Included in use of goods and services expenditure of Kshs.291,142,260 is an amount of Kshs.115,794,895 in respect of travel and subsistence expenses. The latter in turn includes an expenditure of Kshs.528,500 which was not supported by relevant documentation including attendance register. As a result, the regularity and validity of the expenditure of Kshs.528,500 on travel and subsistence cannot be confirmed.

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

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

Key Audit Matters

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

Other Matter

1. Budget Performance

The Bomet County Treasury did not release funds amounting to Kshs.140,319,534 allocated for the County Assembly in the year under review. The Assembly received Kshs.608,882,000 only, out of the final approved total budget of Kshs.749,201,534 translating into 19% budget shortfall or underfunding as shown below:

Component	Final Approved Budget Kshs	Actual Receipts/ Expenditure Kshs	Variance Kshs	Variance %
Receipts				
Receipts from Bomet County Executive	749,201,534	608,882,000	140,319,534	19%
Payments				
Compensation of Employees	235,423,846	208,888,868	26,534,978	11%
Use of Goods and Services	318,427,664	291,142,260	27,285,404	9%
Transfers to Other Govt. Entities	140,000,000	94,000,000	46,000,000	33%
Acquisition of Assets	55,350,024	14,460,936	40,889,088	74%
Finance Costs	0.00	104,777.00	-104,777	
Total	**749,201,534**	**608,596,841**	**140,604,693**	**19%**

respect of petition No 1 of 2017.The County Assembly of Bomet agreed to pay the law firm an amount of Kshs.3,400,000 in an agreement dated 7 February 2017. However,

i. It is not clear how the remuneration of Kshs.3,400,000 payable to the firm was arrived at.

ii. The petition was filed on 25 January 2017, while the instructions by the County Assembly of Bomet to the law firm requesting representation in court were issued on 7 February 2017.The petition was withdrawn on 28 March 2017 before going to a full hearing. It is not possible to justify the payment of Kshs.3,066,363.80 given that it does not correspond to the work done in the petition.

2.2 Civil Suit No. 3358 of 2014

Another law firm was paid a total of Kshs.4,136,488.85 as settlement for civil suit No.3358 of 2014 which was between a plaintiff versus Chairman Bomet County Assembly, Clerk Bomet County Assembly and Attorney General. The payment consisted of the principal amount Kshs.2,959,300 and an interest amount of Kshs.1,177,188.85. The suit arose out of the refusal by the County Assembly to pay the Plaintiff a total of Kshs.2,959,300 which he claimed for facilitating the training of Members of the County Assembly. The County Assembly advocate, on 8th September 2015, advised the County Assembly to negotiate with the plaintiff in light of the overwhelming evidence in favour of the plaintiff. However,

i. It is unclear why the above option was not pursued as it would have saved the County Assembly the interest amount of Kshs.1,177,188.85 and the legal fees arising out of the case.

ii. Further, the services of the law firm were directly outsourced and they were not in the list of prequalified law firms.

2.3 Industrial Cause No. 72 of 2016 – Employment and Labour Relations Court, Kericho

A law firm was also paid Kshs.754,000 for representing the County Assembly of Bomet in industrial cause No.72 of 2016 at Employment and Labour Relations Court, Kericho. The matter was between the County Executive Committee Member for Finance and Economic Planning for the County Government of Bomet versus the Clerk, County Assembly of Bomet and the County Assembly Service Board for the County Assembly of Bomet. However,

i. It is unclear if an alternative dispute resolution mechanism was sought in order to avoid burdening the residents of Bomet with unnecessary legal expenses.

ii. The law firm was directly procured contrary to the Public Procurement and Asset Disposal Act 2015.

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of the County Assembly to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

Nairobi

18 February 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note		2017/18 KShs	2016/17 KShs	
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1		608,882,000	483,817,000	-
Proceeds from Sale of Assets	2		-		-
Other Receipts	3		72,687		-
TOTAL RECEIPTS			**608,954,687**		-
PAYMENTS					
Compensation of Employees	4		208,888,868	227,557,004	
Use of goods and services	5		291,142,260	247,185,931	
Subsidies	6		-	-	
Transfers to Other Government Entities-(Car Loan)	7		94,000,000	2,889,449	
Other grants and transfers	8		-	-	
Social Security Benefits	9		-	-	
Acquisition of Assets	10		14,460,936	8,756,362	
Finance Costs	11		104,777	74,002	
Other Payments	12		-	-	
TOTAL PAYMENTS			**608,596,841**	**486,462,748**	
SURPLUS/DEFICIT			**357,846**	**-2,645,748**	

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

Clerk of the Assembly
Name: ISAAC KITUR

Chief Finance Officer – County Assembly
Name: MARITIM GEOFREY
ICPAK Member Number:12685

5.3. STATEMENT OF CASH FLOWS

	Note	2017/18 KShs	2016/17 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	608,882,000	483,817,000 -
Other Receipts	3	72,687	-
Payments for operating expenses			
Compensation of Employees	4	208,888,868	227,557,004
Use of goods and services	5	291,142,260	247,185,910 -
Subsidies	6		-
Transfers to Other Government Entities(Car loan)	7	94,000,000	2,889,449 -
Other grants and transfers	8		-
Social Security Benefits	9	-	-
Finance Costs	11	104,777	74,002 -
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flows from operating activities		**51,818,782** -	-
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	14,460,936	8,756,362
Net cash flows from investing activities		**14,460,936**	**8,756,362**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**357,846**	**2,645,748**
Cash and cash equivalent at BEGINNING of the year	13	**380,839**	**3,026,597**
Cash and cash equivalent at END of the year		**738,685**	**380,839**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	849,765,837	(100,564,303)	749,201,534	608,882,000	81.3
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	72,687	
TOTAL	**849,765,837**	**(100,564,303)**	**749,201,534**	**608,954,687**	**81.3**
PAYMENTS					
Compensation of Employees	322,622,535	(87,198,689)	235,423,846	208,882,000	88.7
Use of goods and services	183,543,302	130,548,115	311,091,417	291,142,260	93.6
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	140,000,000	-	140,000,000	94,000,000	67.14
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	206,520,000	(143,963,729)	62,556,271	14,460,936	23.1
Finance Costs	80,000	50,000	130,000	104,777	80.6
Other Payments	-	-	-	-	-
TOTAL	**849,765,737**	**44,085,773**	**749,201,534**	**608,596,841**	**81.2**
SURPLUS/ DEFICIT	**72,687**	**-**	**72,687**	**357,846**	

(NB: the total under actual on comparable basis should be the same as the totals under the statement of receipts and payments, where the two statements are not in agreement, a reconciliation of these two statements should be prepared as required under IPSAS and presented hereunder).

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	649,765,837	44,085,673	693,851,510	608,882,000	86.6
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts			-	72,687	-
TOTAL	**649,765,837**	**44,085,673**	**693,851,510**	**608,954,687**	**86.6**
PAYMENTS					
Compensation of Employees	322,622,535	(87,198,689)	235,423,846	208,888,868	88.7
Use of goods and services	180,543,302	130,548,115	311,091,417	291,142,260	93.6
Subsidies	-	-	-	-	-
Transfers to Other Government Entities-car	140,000,000		140,000,000	94,000,000	67.14
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	6,520,000	686,247	7,206,247	6,949,360	96.4
Finance Costs	80,000		130,000	104,771	80.6
Other Payments	-	-	-	-	-
TOTAL **Surplus/ Deficit**	**649,765,737**	**44,085,773**	**693,810,510**	**601,085,265**	**86.7**

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

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx
(e) Xxxx

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	200,000,000	-144,649,976	55,350,024	8,000,000	14.5
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**200,000,000**	**-144,649,976**	**55,350,024**	**8,000,000**	**14.5**
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	200,000,000	-144,649,976	55,350,024	7,511,576	13.6
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**200,000,000**	**-144,649,976**	**55,350,024**	**7,511,576**	**13.6**
SURPLUS/ DEFICIT					

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

(a) Xxxx
(b) Xxxx
(c) Xxxx
(d) Xxxx

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1	509,765,737	44,085,773	553,810,510	507,085,265	8.5%
Sub-programme 2	140,000		140,000,000	94,000,000	33%
Sub-programme 3					
Programme 2	200,000,000	-144,649,976	55,350,024	7,511,576	86.5%
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Ensure this document is accurately presented to enable consolidation with other County Entities).

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pending bills

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

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Bomet County Assembly's budget was approved as required by Law. The original budget was approved by the County Assembly on 31st May ,2017 for the period 1st July 2017 to 30 June 2018 as required by law. There was 2 (two) of supplementary budgets passed in the year. A high-level assessment of the Bomet County Assembly's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

Total		**72,687**	**-**

Notes: Other Receipts II of **Kshs 36,937** was unknown banking on the Equity bank standing imprest, whereas Other Receipt III of **Kshs 35,750** was returned RTGS which was meant for payment of fees to Kenya school of Government.

		3,510,029
Other operating expenses	47,607,994	45,570,460
Routine maintenance – vehicles and other transport equipment	2,959,980	1,447,245
Membership dues and subscriptions	4,667,410	1,592,860
Routine maintenance – other assets	771,235	2,385,200
Total	**291,142,260**	**247,185,910**

Notes: There was no grants and transfers during the year.

Non-Financial Assets		**2017/18**	**2016/17**
			-
Acquisition of Land		-	-
Acquisition of Intangible Assets		-	-
Financial Assets		-	
Domestic Public Non-Financial Enterprises		-	
Domestic Public Financial Institutions		-	-
Total		**14,460,936**	**16,801,948**

Assembly A/c No 1000304804			
Equity Bank, Account No.1220261153628	Standing Imprest A/c	14,895	2,414
Transnational Bank A/c No 171053	Car Loan & Mortgage Fund Account		
Total		**738,685**	**380,839**

(NB: The balances for Car Loan and Mortgage Fund Account will be disclosed separately in the Fund account financials which is prepared under IPSAS accrual basis. The closing balance was Kshs 121,113.)

Not included in the bank balances was cash in transit of Kshs 37,0000,000 which had not been received as at 30th June 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

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

Cash in hand should be analysed as follows:

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

(Provide locations where cash in hand is held e.g head office, cashier's office, cash office etc.)

14. ACCOUNTS RECEIVABLE

	2017/18	2016/17
	KShs	**KShs**
Government Imprests	Xxx	Xxx
Clearance Accounts	Xxx	Xxx
Staff Advances	Xxx	Xxx
Other Advances	Xxx	Xxx
Total	**Xxx**	**Xxx**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

		2017/18	2016/17
		KShs	KShs
Bank accounts		380,839	3,026,587
Cash in hand		-	-
Accounts Receivables		-	
Accounts Payables		-	-
Total		**380,839**	**3,026,587**

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment		2017/18	2016/17
		KShs	KShs
Adjustments on bank account balances			
Adjustments on cash in hand			
Adjustments on payables			
Adjustments on receivables			
Others (*specify*)			
Total			

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	20xx- 20xx	20xx- 20xx
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs		xxx
Key Management Compensation(Clerk and Heads of departments)		xxx
Total Compensation to Key Management		**xxx**
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	94,000,000	xxx
Transfers to County Corporations	xxx	xxx
Transfers to non-reporting entities e.g. ECD centres, welfare centres etc	xxx	xxx
Total Transfers to related parties	**94,000,000**	**xxx**
Transfers from related parties		
Transfers from the County Executive- Exchequer	xxx	xxx
Payments made on behalf of the County Assembly by other Government Agencies	xxx	xxx
(Insert any other transfers received)	xxx	xxx
Total Transfers from related parties	**xxx**	**xxx**

Date......................................

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
10. Brevan Hotel	267,500			267,500		
11. Kiso Auto Garage	8,950			8,950		
12. Memic Enterprises	230,000			230,000		
13. Kiso Auto Garage	14,000			14,000		
14. The Nation Media Group	73,080			73,080		
15. New Kenya cooperatives creameries	60,000			60,000		
16. Bomet Twiggs Restaurant	27,805			27,805		
17. Ken-Net communication Ltd	218,000			218,000		
18. Brevan Hotel	30,000			30,000		
19. Postal Corporation of kenya	3,420			3,420		
20. Bomet Water Company	86,200			86,200		
21. Brevan Hotel	74,500			74,500		
22. Brevan Hotel	76,700			76,700		
23. sunset hotel ltd	118,900			118,900		
24. Brevan Hotel	190,000			190,000		
25. Nation Media Group Ltd	464,000			464,000		
26. Sahara Gardens	24,000			24,000		
27. Institute of Human Resource management	52,200			52,200		
28. Kenya Power	10,000			10,000		
29. Nation Media Group Ltd	142,680			142,680		
30. Perch Limited	34,400			34,400		
31. sunset hotel ltd	114,000			114,000		
32. African Touch Safaris	1,408.000			1,408.000		
33. Seasons Restaurant and Hotel.	213,000			213,000		
34. Brevan Hotel	30,900			30,900		
35. Multimedia University	517,000			517,000		
36.						
37. Bomet Oilibya service station	236,000			236,000		

ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land				
Buildings and structures	**999,200**	**6,890,253**		**7,889,227**
Transport equipment				
Office equipment, furniture and fittings		**3,948,400**		**3,948,400**
ICT Equipment, Software and Other ICT Assets		**2,959,960**		**2,959,960**
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	**999,200**	**14,797,587**		**14,797,587**

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