REPUBLIC OF KENYA

BOMET COUNTY ASSEMBLY

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 iii

II. FORWARD BY THE CLERK OF THE ASSEMBLY vi

III. STATEMENT OF RECEIPTS AND PAYMENTS 1

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES 3

V. STATEMENT OF CASH FLOWS 5

VI. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED 7

VII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT 9

VIII. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT 11

IX. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES 13

X. SIGNIFICANT ACCOUNTING POLICIES 14

XI. NOTES TO THE FINANCIAL STATEMENTS 20

XII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 34

XIII. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE 38

XIV. ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES 40

XV. ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES 41

XVI. ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER 42

XVII.ANNEX 5 – ANALYSIS OF OUTSTANDING IMPREST 44

XVII ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT 45

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 10 MCA nominated to represent special interest groups. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The County Assembly's day-to-day management is under the following key organs:

No	Name	Designation	Date of Holding office
1	Geofrey Kipngetich Korir	Speaker	2013
2	Isaac Kitur	Clerk	2013
3	Gloria Kenyatta	Deputy Clerk	2013
4	Oscar Sang	Director Legal and Committee services	2014
5	Joel Sigei	Director Finance	2015
6	Bill Ruto	Director ICT & Communication	2016

(c) Fiduciary Management

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

	Name	Designation	Date of Holding office
1.	Isaac Kitur	Clerk -Accounting Officer	2013
2.	Gloria Kenyatta	Deputy Clerk	2013
3.	Joel Sigei	Director, Financial Services	2015
4.	Stella Chemutai	Principal Finance Office	2013
5.	Clara Chebet	Senior Accountant	2013
6.	Paul Langat	Senior Accountant	2017

4. -

(d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the Count Assembly for the year ended 30th June 2017 were;

1. County Assembly Service Board.
2. Public Accounts and Investment Committee.
3. Budget and Appropriation Committee.
4. Bomet County Assembly Internal Audit Committee
5. PFM Standing committee.

(e) BOMET COUNTY ASSEMBLY

P.O. Box 590-20400,
Nairobi, KENYA

(f) BOMET COUNTY ASSEMBLY CONTACTS

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

(g) BOMET COUNTY ASSEMBLY 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

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

I. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

The County Assembly of Bomet had an approved budget of Kshs 653,721,412.00 which composed of both recurrent and development expenditure. Out of this the Assembly spent Kshs 483,573,277.85 comprising of 74% of budgeted amount on various expenditure items. The County Assembly did not receive exchequer release for the development expenditure.

Operational Performance

During the period under review the County Assembly passed three financial laws which improved the operation of the County Government in terms of collection of revenues, and requisition of funds from the Controller of Budget. These laws have also impacted positively to the population living in Bomet in terms of service delivery.

The Financial year 2016/2017 budget was passed on 30th June 2016.

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 Committee	Considers and report on all matters relating to standing orders.
Sectoral Committees	Investigate, inquire into, and report on all matters relating to the mandate,

Sign

Clerk of the County Assembly

STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended on 30th June,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 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 30th June,2017, 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 __________ 2017.

____

Clerk of the County Assembly

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

REPUBLIC OF KENYA

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 2017

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 45, which comprise the statement of financial assets and liabilities as at 30 June 2017,and the statement of receipts and payments, statement of cash flows, 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 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 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 the Public Finance Management Act, 2012.

In addition, as required by Article 229 (6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, 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. Bank Balances

The statement of assets and liabilities as at 30 June 2017 reflect bank balances of Kshs.380,839. However, the County Assembly did not prepare bank reconciliation statements in IFMIS for all the bank accounts it operates. Instead the bank reconciliations were prepared out of IFMIS which was the main system for payments. In the circumstance, the accuracy and validity of the bank balance of Kshs.380,839 could not be confirmed.

2. Compensation of Employees

The statement of receipts and payments for the year ended 30 June 2017 reflects compensation of employees figure of Kshs.227,557,004 against a budget of

Kshs.249,530,338. The expenditure of Kshs.227,557,004 against total expenditure of Kshs.486,462,727 represents forty-seven (47%) percent. The ratio of forty-seven (47%) of total expenditure may not be tenable in the future unless strict controls are instituted.

3. Use of Goods and Services

The statement of receipts and payments for the year ended 30 June 2017 reported use of goods and services expenditure of Kshs.247,185,910 against a budget of Kshs.277,005,396. The following observations were made:

3.1 Domestic Travel and Subsistence

The budget for domestic travel and subsistence was Kshs.91,066,328 against the reported expenditure of Kshs.90,957,699. However, it was observed that officers travelling on official duties were not issued with safari imprest as required but were instead allowed to travel and make claims upon return. It was therefore difficult to confirm whether actual travel took place. In addition, there were no signed attendance lists for workshops attended and it is not clear whether the workshops took place. Further, actual payment vouchers produced for audit verification in support of the expenditure totaled to Kshs.74,150,150 resulting in an overstatement of Kshs.16,807,199. In the circumstance, the expenditure of Kshs.90,957,699 on domestic travel and subsistence for the year ended 30 June 2017 could not be confirmed as fairly stated.

3.2 Foreign Travel and Subsistence

The budget for foreign travel and subsistence was Kshs.18,686,089 comprised of foreign travel of Kshs.4,321,372 and accommodation of Kshs.14,364,717 against reported actual expenditure of Kshs.18,677,631 in note 5. Examination of this expenditure revealed that cash safari imprest amounting to Kshs.22,363,369 were issued to officers without signed imprest warrants and recording in the imprest register. In addition, the Accounting Officer did not assess whether the objective of the foreign journeys could be achieved locally by any other cheaper means as required by law. Further, payment vouchers produced for audit review totaled Kshs.29,009,707 resulting in understatement of the amount by Kshs.10,332,076. Additionally, the expenditure of Kshs.29,009,707 was in excess of approved budget by Kshs.10,323,618. In the circumstance, the expenditure of Kshs.18,677,631 on foreign travel and subsistence for the year ended 30 June 2017 could not be confirmed as fairly stated.

3.3 Training Expenses

The training budget for the year was Kshs.42,092,062 comprising of travel cost Kshs.23,320,000, remuneration of instructors Kshs.2,946,130, hire of training facilities Kshs.15,322,062 and tuition fees of Kshs.493,870 against the reported expenditure of Kshs.38,099,087. However, it was observed that these training were carried out without a training needs assessment being done by the County Assembly's Human Resources Department and the participants subsequently approved by the training committee. In addition, audit examination of the payment vouchers supporting expenditure revealed a total of Kshs.23,443,658 and as such the reported expenditure of Kshs.38,099,087 is overstated by Kshs.14,655,429. In the circumstance, the reported expenditure of Kshs.38,099,087 on training may not be fairly stated.

4. Foreign Travel Payments in IFMIS Not Reflected in Financial Statement and Records

Audit examination of the Integrated Financial Management Information System (IFMIS) payment details for County Assembly of Bomet indicate that a total of Kshs.14,701,028 was paid out to individuals and companies in relation to foreign travel expenditure during the period under review. However, no supporting documentation was produced to validate these expenditures and as such it is not clear how these transactions were authorized, processed and recorded in the county assembly's books of account. The payments made and identification, selection and award of services to these individuals and companies could not be authenticated.

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 that, in my professional judgement were 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 were no Key Audit Matters to communicate in my report .

Other Matter

1. Budget Performance

The County Assembly of Bomet had budgeted to spend Kshs.655,921,412 but ended up spending Kshs.484,805,178 resulting in under expenditure of Kshs.171,116,234 or 26% of the total budget. Audit verification of the figures from expenditure schedules revealed a figure of Kshs.484,408,178 against Kshs.486,462,727 reflected in the statement of receipts and payments giving rise to unreconciled difference of Kshs.2,054,549. The following table gives analysis of budget implementation by the County Assembly of Bomet.

Item	Budget Kshs.	Actual Kshs.	Variance Kshs.
Compensation of Employees	249,530,338	227,557,004	21,973,334
Utilities and Supplies	1,432,000	775,600	656,400
Communication Supplies	5,433,579	3,101,369	2,332,210
Domestic Travel	91,066,328	90,957,699	108,629
Foreign Travel	18,686,089	18,677,631	8,458

Printing and Advertising	8,208,750	6,681,381	1,527,369
Rental of Produced Assets	780,000	780,000	0
Training Expenses	42,092,062	38,099,087	3,992,975
Hospitality Supplies	4,912,033	4,494,835	417,198
Insurance Costs	19,900,000	19,760,000	140,000
Office and General Supplies	5,033,460	3,717,615	1,315,845
Fuel and Lubricants	3,647,791	3,510,029	137,762
Bank Charges	80,000	74,002	5,998
Specialized Materials	16,016,212	5,634,899	10,381,313
Routine Maintenance Vehicles	4,653,172	1,447,245	3,205,927
Routine Maintenance Other Assets	0	1,592,860	(1,592,860)
Members Subscription	3,552,000	2,385,200	1,166,800
Administration and Security	2,200,000	2,200,000	0
Assets and Supplies	4,413,800	2,635,400	1,778,400
Security Equipment's	200,000	15,000	185,000
Mortgage and Car Loan	1,000,000	0	1,000,000
Other Operating Expenses			
Board Expenses	5,825,120	5,692,960	132,160
Public Participation	16,368,000	16,173,200	194,800
Ward Expenses	21,505,000	21,504,300	700
Asset Inventory	1,900,000	0	1,900,000
Annual Report	300,000	0	300,000
Motor Vehicle	4,650,000	4,650,000	0
Hansard Equipment	1,470,962	1,470,962	0
Office Furniture and Equipment	596,000	1,216,900	(620,900)
Capital Expenditure	120,468,716	0	120,468,716
Total	655,921,412	484,805,178	171,116,234

The following issues were noted from budget analysis:-

The County Assembly incurred an overall under expenditure of Kshs.171,116,234 which was largely on capital expenditure. The capital vote was not utilized despite being budgeted for. No explanation has been given for the under absorption of funds.

Compensation of employees reflects little movements although there was under spending of the budget by Kshs.21,973,334.

Use of goods and services reflects an increase from Kshs.215,139,421 in 2015/2016 to Kshs.247,185,910 in 2016/2017.There was in increase in domestic travel from Kshs.75,067,924 to Kshs.90,957,699. The increase of Kshs.15,889,775 represents 21%. There was also an increase in foreign travel from Kshs.10,137,539 in the previous year to Kshs.18,677,631. The increase of Kshs.8,540,092 represents 84% which is astronomical. The more than proportionate increase in the current expenditure adversely affected the development projects.

2. Other Operating Expenditure

The budget for other operating expenses was Kshs.45,898,120 comprising of board expenses Kshs.5,825,120, ward expenses Kshs.37,873,000, asset inventory Kshs.1,900,000 and annual report expenses Kshs.300,000 against the reported expenditure of Kshs.45,570,460 in note 5. It was observed that the ward expenses were incurred through issue of imprests to members of the county assembly who made returns to the accounting officer. However, the returns submitted by members of the county assembly were supported by cash sale receipts that had no Electronic Tax Registers reference recommended by Kenya Revenue Authority under the Value Added Tax Act. The expenses are equally not recorded in memorandum cash books at the ward offices and was thus difficult to reconcile against the county assembly records. In addition, differences were observed between the IFMIS payment details amount of Kshs.22,075,000 and actual payment vouchers produced of Kshs.34,964,950 resulting to unexplained difference of Kshs.15,798,000 against the budget of Kshs.37,873,000.

3. Legal Expenses

Expenditure records indicate that the County Assembly paid legal fees amounting Kshs.7,162,000 and classified them as specialized materials and services. However, the description adopted to present these expenditures does not bring out the correct nature of transactions. In addition, the fees paid could not be related or reconciled to specific Advocates Remuneration order as the value of the subject matters were not given for audit review. In the circumstances, it was not possible to ascertain whether this expenditure was a proper charge to public funds.

4. Unsupported Expenditure on Office and General Supplies

The budget was Kshs.5,033,460 against the reported expenditure of Kshs.3,717,615. However, audit examination of the schedule in support of this expenditure revealed that payments totaling Kshs.2,338,667 were not supported by payment vouchers and the relevant support documentation. It is not clear on what basis these expenditures were included in the financial statements in the absence of the relevant documentation.

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 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 Assembly's ability 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 liquidate the County Assembly or 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 Assembly's 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 Assembly'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 Assembly'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 Assembly to cease to continue offering services.

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

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

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

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

II. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016/17 Kshs	2015/16 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	483,817,000	465,500,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		483,817,000	465,500,000
PAYMENTS			
Compensation of Employees	4	227,557,004	227,776,945
Use of goods and services	5	247,185,910	215,139,421
Subsidies	6	-	-
Transfers to Other Government Entities	7	2,889,449	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	8,756,362	19,547,207
Finance Costs	11	74,002	9,840
Other Payments	12	-	-
TOTAL PAYMENTS		486,462,727	462,473,413
SURPLUS/DEFICIT		- 2,645,727	3,026,587

	-	-
TOTAL PAYMENTS	**486,462,727**	**462,473,413**
SURPLUS/DEFICIT	**2,645,727**	**3,026,587**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09/ 2017 and signed by:

Clerk of the Assembly
Assembly
Name:

Chief Finance Office – County

Name: MARITIM CHEPKWONY
ICPAK Member Number: 12685

III. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2016/2017 Kshs	2015/16 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	380,839	3,026,587
Cash Balances	13B	-	-
Total Cash and cash equivalents		**380,839**	**3,026,587**
Accounts receivables – Outstanding Imprests	14	-	-
TOTAL FINANCIAL ASSETS		**380,839**	**3,026,587**
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		**380,839**	**3,026,587**
REPRESENTED BY			
Fund balance b/fwd	16	3,026,587	
Surplus/Deficit for the year		(2,645,727)	3,026,587
NET FINANCIAL POSITION		**380,860**	**3,026,587**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09/ 2017 and signed by:

Clerk of the Assembly
County Assembly
Name:

Chief Finance Officer –

Name: MARITIM GEOFREY
ICPAK Member Number: 12685

IV. STATEMENT OF CASH FLOWS

	Note	2017/16 Kshs	2015/16 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	483,817,000	465,500,000
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	(227,557,004)	(227,776,945)
Use of goods and services	5	(247,185,910)	(215,139,421)
Subsidies	6	-	-
Transfers to Other Government Entities	7	(2,889,449)	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	(74,002)	(9,840)
Other Payments	12	-	-
Adjusted for:			
Adjustments during the year	17	-	-
Net cash flows from operating activities		6,110,635	**22,623,226**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(8,756,362)	(19,547,207)
Net cash flows from investing activities		(8,756,362)	**(19,547,207)**

NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,645,727)	**3,026,587**
Cash and cash equivalent at BEGINNING of the year	**13**	3,026,587	**0**
Cash and cash equivalent at END of the year		**380,389**	**3,026,587**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on ___________ 2017 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name: MARIAM CHEPKIRUI
ICPAK Member Number 12681

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	519,254,421	13,998,275	533,252,696	483,817,000	91
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	519,254,421	13,998,275	533,252,696	483,817,000	91
PAYMENTS					
Compensation of Employees	272,304,300	(22,773,962)	249,530,338	227,557,004	91
Use of goods and services	240,798,121	31,713,475	272,511,596	247,292,547	91
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	2,889,449	
Acquisition of Assets	122,480,716	9,118,762	131,599,478	8,756,362	0.07
Finance Costs	80,000	-	80,000	74,002	93
TOTAL				486,569,364	

TOTAL	635,663,137	18,058,275	653,721,412	486,569,364	167,152,048

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

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

(a) The transfer to other Government entities entails the unspent amount transferred to CRF account which is maintained by the County executive hence not budgeted for.

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*). Where *the result of the statement of receipts and payments is a deficit, the Assembly should explain how the deficit was funded.*

The entity financial statements were approved on 30/09/ 2017 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name: MARITIM CITO FREY
ICPAK Member Number: 12685

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	519,254,421	13,998,275	533,252,696	483,817,000	91
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**519,254,421**	**13,998,275**	**533,252,696**	**483,817,000**	**91**
PAYMENTS					
Compensation of Employees	272,304,300	(22,773,962)	249,530,338	227,557,004	91
Use of goods and services	240,798,121	31,713,475	272,511,596	247,292,547	91
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	2,889,449	
Acquisition of Assets	6,072,000	5,058,762	11,130,762	8,756,362	79
Finance Costs	80,000	-	80,000	74,002	93
Other Payments	-	-	-	-	-
TOTAL				**486,569,364**	

TOTAL **Surplus/ Deficit**	**519,254,421**	**13,998,275**	**533,252,696**	**486,569,364**	**167,152,048**

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

(a) The transfer to other Government entities entails the unspent amount transferred to CRF account which is maintained by the County executive hence not budgeted for.

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

The entity financial statements were approved on 30/09/ 2017 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name: MARIAM GITOGORY
ICPAK Member Number: 12685

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation difference to final budget
	Kshs	Kshs	c=a+b	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**
PAYMENTS					
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	116,408,716	4,060,000	120,468,716	-	
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	**116,408,716**	**4,060,000**	**120,468,716**	**-**	**120,468,716**

TOTAL	**116,408,716**	**4,060,000**	**120,468,716**	**-**	**120,468,716**

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23*)

The entity financial statements were approved on 30/09/ 2017 and signed by:

Clerk of the Assembly
Name:

Chief Finance Office – County Assembly
Name:
ICPAK Member Number: MARITIM CHEPKOROM 12683

VIII. 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					

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *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. There were no other restrictions on cash during the year

SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non current assets

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

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 County Assembly's budget was approved as required by Law. The original budget was approved by the County Assembly on 30th June,2017 for the period 1st July 2016 to 30 June 2017 as required by law. There was one supplementary budget passed in the year. A high-level assessment of the 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

X. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from the County Treasury/Exchequer Releases

	2016/17	2015/16
	Kshs	Kshs
Transfers from the County Treasury for Q1	127,000,000	40,000,000
Transfers from the County Treasury for Q2	132,627,000	176,000,000
Transfers from the County Treasury for Q3	130,190,000	86,500,000
Transfers from the County Treasury for Q4	94,000,000	163,000,000
Cumulative Amount	**483,817,000**	**465,500,000**

(Where money is transferred to the County Assembly on a monthly basis, include the months instead of quarters. A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in this report.)

2 PROCEEDS FROM SALE OF ASSETS

	2016/17	2015/16
	Kshs	Kshs
Receipts from the Sale of Buildings	Xxx	Xxx
Receipts from the Sale of Vehicles and Transport Equipment	Xxx	Xxx
Receipts from the Sale Plant Machinery and Equipment	Xxx	Xxx
Receipts from Sale of Certified Seeds and Breeding Stock	Xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	Xxx	Xxx
Receipts from the Sale of Inventories, Stocks and Commodities	Xxx	Xxx
Disposal and Sales of Non-Produced Assets	Xxx	Xxx
Receipts from the Sale of Strategic Reserves Stocks	Xxx	Xxx
Total	**Xxx**	**Xxx**

3 OTHER RECEIPTS

	2016/17	2015/16
	Kshs	Kshs
Tender fees received	Xxx	Xxx
Other Receipts II	Xxx	Xxx
Other Receipts III	Xxx	Xxx

Other Receipts IV	Xxx	Xxx
Other Receipts XXXX	Xxx	Xxx
Total	**Xxx**	**Xxx**

(Provide a detailed explanation of what other receipts relate to, who they were received from and whether they had been budgeted for)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 COMPENSATION OF EMPLOYEES

	2016/17	2015/16
	Kshs	Kshs
Basic salaries of permanent employees	131,580,226	118,505,483
Basic wages of temporary employees	16,398,494	13,665,000
Personal allowances paid as part of salary	25,566,787	23,018,379
Personal allowances paid as reimbursements	35,506,120	33,248,910
Personal allowances provided in kind	4,327,000	3,743,500
Pension and other social security contributions	13,902,177	35,372,273
Compulsory national social security schemes	276,200	223,400
Compulsory national health insurance schemes	-	
Social benefit schemes outside government	-	
Other personnel payments	-	
Total	**227,557,004**	**227,776,945**

(Provide detailed explanation with regard to the number of employees recruited by the Assembly, new employees and resignations. Explain what other personnel costs relate to)

5 USE OF GOODS AND SERVICES

	2016/17	2015/16
	Kshs	Kshs
Utilities, supplies and services	775,600	1,286,530
Communication, supplies and services	3,101,369	2,734,085
Domestic travel and subsistence	90,957,699	75,067,924
Foreign travel and subsistence	18,677,631	10,137,539

Printing, advertising and information supplies & services	6,681,381	6,467,271
Rentals of produced assets	780,000	780,000
Training expenses	38,099,087	56,878,754
Hospitality supplies and services	4,494,835	4,837,771
Insurance costs	19,760,000	11,333,393
Specialized materials and services	5,634,899	3,982,662
Office and general supplies and services	3,717,615	5,732,595
Fuel and Lubricants	3,510,029	2,349,370
Other operating expenses	45,570,460	31,656,718
Routine maintenance – vehicles and other transport equipment	1,447,245	1,894,809
Routine maintenance – other assets	1,592,860	
Membership dues and Subscription	2,385,200	
Total	**247,185,910**	**215,139,421**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 SUBSIDIES

Description	**2016/17**	**2015/16**
	Kshs	**Kshs**
Subsidies to County Corporations		
See list attached	xxx	Xxx
(insert name)	xxx	Xxx
Subsidies to Private Enterprises		
See list attached	xxx	Xxx
(insert name)	xxx	Xxx
TOTAL	**xxx**	**Xxx**

(Provide explanations as to what subsidies relate to)

7 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	**2016/17**	**2015/16**
	Kshs	**Kshs**
Transfers to National Government entities		
See attached list	xxx	Xxx
Transfers to Counties		
Transfer to CRF A/C	2,889,449	0
(insert name of budget agency)	xxx	Xxx
TOTAL	**2,889,449**	**0**

Transfer to CRF

The transfer to CRF A/C of Kshs 2,889,449 was the balances at the end of 30th June 2016.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER GRANTS AND TRANSFERS

	2016/17	2015/16
	Kshs	**Kshs**
Scholarships and other educational benefits	xxx	Xxx
Emergency relief and refugee assistance	xxx	Xxx
Subsidies to small businesses, cooperatives, and self employed	xxx	Xxx
Other current transfers, grants	xxx	Xxx
Other capital grants and transfers	xxx	Xxx
Total	**xxx**	**Xxx**

(Give explanations on what other grants and transfers relate to and who the beneficiaries are)

9 SOCIAL SECURITY BENEFITS

	2016/17	2015/16
	Kshs	**Kshs**
Government pension and retirement benefits	Xxx	Xxx
Social security benefits in cash and in kind	Xxx	Xxx
Employer Social Benefits in cash and in kind	Xxx	Xxx
Total	**xxx**	**Xxx**

(Give explanations and distinguish between NSSF benefits and contributions made to other entities on behalf of staff.)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 ACQUISITION OF ASSETS

Non Financial Assets	**2016/17**	**2015/16**
	Kshs	**Kshs**
Purchase of Buildings	-	
Construction of Buildings	-	
Refurbishment of Buildings	-	
Construction of Roads	-	
Construction and Civil Works	-	2,805,611
Overhaul and Refurbishment of Construction and Civil Works	-	
Purchase of Vehicles and Other Transport Equipment	4,650,000	12,615,448
Overhaul of Vehicles and Other Transport Equipment	-	
Purchase of Household Furniture and Institutional Equipment	-	
Purchase of Office Furniture and General Equipment	1,216,900	3,483,148
Purchase of ICT Equipment, Software and Other ICT Assets	1,418,500	498,000
Purchase of Specialised Plant, Equipment and Machinery	1,470,962	
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	
Research, Studies, Project Preparation, Design & Supervision	-	
Rehabilitation of Civil Works	-	
Acquisition of Strategic Stocks and commodities	-	
Acquisition of Land	-	
Acquisition of Intangible Assets	-	145,000
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions	-	
Foreign financial Institutions operating Abroad	-	-

Non Financial Assets	2016/17	2015/16
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
	-	-
Total	8,756,362	19,547,207

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FINANCE COSTS

	2016/17	2015/16
	Kshs	Kshs
Bank Charges	74,002	9,840
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings		
Total	**74,002**	**9,840**

12 OTHER PAYMENTS

	2016/17	2015/16
	Kshs	Kshs
Budget Reserves	Xxx	Xxx
Civil Contingency Reserves	Xxx	Xxx
Capital Transfers to Non-Financial Public Enterprises	Xxx	Xxx
Capital Transfer to Public Financial Institutions and Enterprises	Xxx	Xxx
Capital Transfer to Private Non-Financial Enterprises	Xxx	Xxx
Other expenses	Xxx	Xxx
Domestic Accounts	Xxx	Xxx
Total	**Xxx**	**Xxx**

(Provide detailed explanations for other payments)

13 A BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2016/17	2015/16
		Kshs	Kshs
Central Bank of Kenya, County Assembly Account no. 1000239727	Recurrent Acc	132,386,216	137,088
	Development	0	0

	Acc		
EquityBank, Account No. 1220261153628-standing imprest		78,539	2,889,499
Total		**132,464,755**	**3,026,587**

(NB: The County Assembly operates Car Loan Mortgage Fund A/C held with Transnational Bank Limited, Bomet Branch Account No. 171053/500UCA00/1/0 of which the balance as at 30th June 2017 was Kshs 50,685,035.

Included in the repayment of Kshs 82,110,00 was the portion of the bank which it had advance to MCAs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 B CASH IN HAND

	2016/17	2015/16
	Kshs	Kshs
Cash in Hand – Held in domestic currency	xxx	Xxx
Cash in Hand – Held in foreign currency	xxx	Xxx
Total	**xxx**	**Xxx**

13 C Cash in hand should be analysed as follows:

	2016/17	2015/16
	Kshs	Kshs
Location 1	xxx	Xxx
Location 2	xxx	Xxx
Location 3	xxx	Xxx
Total	**xxx**	**Xxx**

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

14 ACCOUNTS RECEIVABLE

	2016/17	2016/17
	Kshs	Kshs
Government Imprests	Xxx	Xxx
Clearance Accounts	Xxx	Xxx
Staff Advances	Xxx	Xxx
Other Advances	Xxx	Xxx
Total	**Xxx**	**Xxx**

**See Annex 6 for a detailed analysis of the outstanding imprests.*

15 ACCOUNTS PAYABLE

	2016/17	2015/16
	Kshs	Kshs
Deposits and Retentions	Xxx	Xxx
Total	**Xxx**	**Xxx**

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 FUND BALANCE BROUGHT FORWARD

	2016/17	2015/16
	Kshs	**Kshs**
Bank accounts	137,088	-
Cash in hand	-	
Accounts Receivables	-	
Accounts Payables	4,060,000	
Total	**4,197,088**	-

17 PRIOR YEAR ADJUSTMENT

Description of the adjustment	2016/17	2015/16
Adjustments on bank account balances	**Kshs**	**Kshs**
Adjustments on cash in hand	Xxx	Xxx
Adjustments on payables	Xxx	Xxx
Adjustments on receivables	Xxx	xxx
Others (*specify*)	Xxx	xxx
Total	**Xxx**	**xxx**

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

DISCLOSURE NOTES

18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016/17	2015/16
	Kshs	Kshs
Construction of buildings		
Construction of civil works	4,060,020	4,060,020
Supply goods and services	17,174,959	0
Total	**21,234,979**	**4,060,020**

18.2: PENDING STAFF PAYABLES (See Annex 2)

	2016/17	2015/16
	Kshs	Kshs
Personnel Emolument	**20,550,799.40**	0
Total	**20,550,799**	**0**

Note The pending bills of above were as a result of unreleased funds to the County Assembly during the month of June ,2017.

18.3: OTHER PENDING PAYABLES (See Annex 3)

	2016/17	2015/16
	Kshs	Kshs
Amounts due to National Government entities	Xxx	xxx
Amounts due to County Government entities	Xxx	xxx
Amounts due to third parties	Xxx	xxx
Total	**Xxx**	**xxx**

19 RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Assembly.

- Members of County Assembly;

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

Related party transactions:

	2015/2016	2016/2017
	Kshs	**Kshs**
Compensation to the MCAs	xxx	xxx
Key Management compensation xxx	xxx	
	======	======
Transfers from the County Treasury	xxx	xxx
Transfers to/ from other County Government entities xxx	xxx	
Transfers to/ from County Ministries and Departments xxx	xxx	
Payments made in favour of other related parties	xxx	xxx
Payments made by related parties on behalf of Assembly	xxx	xxx
	======	======

XI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.0	Compensation of Employees The Statement of receipts and payments for the year ended 30th June 2016 reflects compensation of employee's expenditure of Kshs 227,776,945. The Compensation of employee's costs of Kshs 227,776,945 could not be confirmed.	The Assembly is an entity under the County Government and thus its expenditure on salaries and wages are part of the entire county government expenditure on compensation of employees where the law on percentage threshold is applicable.	Peter Bii- Senior Human Resource Officer	Resolved	Continuous

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)*
2.0	**Use of Good and Services Domestic travel** Expenditure on domestic travel increased from Kshs 43,716,924 in the year ended 30th June 2015 to Kshs 75,067,924 at 30th June 2016.The budget for domestic trav el was Kshs 72,703,641 against actual expenditure of Kshs 75,067,924 resulting to an over expenditure of kshs 2,364,283.	The County Assembly had two supplementary budgets for the year in question. The final and approved supplementary budget for the domestic travel was Kshs 75,067,924 and not Kshs 72,703,641 as stated in the report resulting to an under expenditure of Kshs 8,405		Resolved	
2.1	Training Expenses	The budgetary allocation to the County Assembly		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)*
	Training expenses increased from Kshs 6,460,096 in 2015 to Kshs 56,878,754 in the year ended 30 June 2016.The Budget for the training expenses was Kshs 57,174,797 against actual of Kshs 56,878,754.The increased of Kshs 50,418,658 represents an increase in expenditure of 780%.The increase of just a magnitude could not be justified.	in the FY 2014/2015 was kshs 265,000,000 viz a viz Kshs 499,000,000 for the FY 2015/2016. Owing to the budget constrains in the year ended 2015, the Assembly was unable to allocate sufficient funds to training. But in the subsequent year the money allocated to training was substantial enough for capacity building for MCAs and staff.			

Guidance Notes:

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

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

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

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

Clerk of the County Assembly

Sign................................

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

XII. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works	4,060,000		0	4.0	4,060,000	
4.						
5.						
6.						
Sub-Total						
Supply of goods					17,174,959	
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total					**17,174,959**	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments

XIII. ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	B	c	d=a-c		Due to unrelease funds
1. MCA & STAFF						**20,550,799**	
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

XIV. ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	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.							
8.							
9.							
Sub-Total							
Others (*specify*)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

XV. 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				
Buildings and structures	2,805,611			2,805,611
Transport equipment	12,615,448	4,650,000		17,265,448
Office equipment, furniture and fittings	3,483,148	1,216,900		4,700,048
ICT Equipment, Software and Other ICT Assets	498,000	1,418,500		1,916,500
Purchase of Specialised Plant, Equipment and Machinery(Handsard)		1,470,962		1,470,962
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets	145,000			
Total	**19,547,207**	**8,756,362**		**28,303,569**

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

XVI. ANNEX 5 – ANALYSIS OF OUTSTANDING IMPREST

Government Imprest Holders

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

XVII. ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report)