OFFICE OF THE AUDITOR GENERAL
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BOMET COUNTY ASSEMBLY

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2022

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

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KEY ENTITY INFORMATION AND MANAGEMENT

Fiduciary Oversight Arrangement

1. **Internal Audit Committee**

- The role of the audit committee is to support the County Assembly in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

2. **Bomet Assembly Public Accounts and Investment committee**

- Examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit
- Examination of the reports, accounts and workings of the County public investments;
- Examination, in the context of the autonomy and efficiency of the County public investments, whether the affairs of the County public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices

3. **Senate Public Accounts and Investment committee**

The Senate Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.

4. **Bomet County Assembly Budget and Appropriation committee**

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the County budget;
- Discuss and review the estimates and make recommendations to the County Assembly;
- Examine the County Budget Policy Statement presented to the County Assembly;
- Examine Bills related to the County budget, including Appropriations Bills;
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays. and Such other functions as may be assigned by a County Legislation or this Standing Orders

GPO 00100

NAIROBI, KENYA

(h) Principal Legal Adviser

i)The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

ii)County Attorney

County headquarters

P.O. Box 19-20400

BOMET.

6	The Bomet County Supplementary Appropriation Bill 2020	21st April 2022	21st April 2022	21st April 2022	21st April 2022	Passed
7	The Bomet County Supplementary Appropriation(N0.2) Bill 2020	4th June 2022	4th June 2022	4th June 2022	4th June 2022	Passed
8	The Bomet County Appropriation Bill 2020	30th June 2022	30th June 2022	30th June 2022	30th June 2022	Passed
9	The Bomet County Finance Bill,2020	1st December 2021	9th March 2022	17th March 2022	17th March 2022	Passed

2.3 Performance of key Development Projects

Projects	Contract Sum	Start Date	Expected Completion Date	Interim Payment	Status
Construction of Mini chamber	65,596,000	2017/2018	End of 2020	61,902,077	100
Construction of the Main Chamber	478,357,128	2019/2020	2021/2022	123,798,644	40

The County Assembly have adopted the following approaches to ensure responsible competition practices;

- Have developed a whistle blowing policy to address unethical practices.
- Registered list of suppliers updated regularly and put on the website.
- 30 % of the tenders reserved for Youths, Women and person with disabilities.
- Ensure that suppliers are paid within 30 days after delivery of goods and services as per the service charter.

2.4 Mandates of the various committees

Committee on Agriculture, Fisheries and Livestock

- Deals with all matters relating to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries, animal control and welfare, including licensing of dogs and facilities for the accommodation, care and burial of animals and veterinary services (excluding regulation of the profession)

Committee on Administration, Legal Affairs and citizen engagement

- Deals with all matters relating to Administration, peace, the administration of law, ethics, integrity, ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the Second Schedule 211 local level.

Committee on Energy, Environment, Water and Natural Resources

- Deals with all matters relating to electricity, gas and energy reticulation, water conservation and sanitation services, implementation of specific national government policies on natural resources and environmental conservation, forestry, control of air pollution, noise pollution, other public nuisances and outdoor advertising. Lands, Urban Planning and Housing All matters relating to land survey and mapping, boundaries and fencing, housing, urban planning including planning in towns, urban areas, firefighting services and disaster management, cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal.

Committee on Trade, Tourism and Co-operatives

- Deals with all matters relating to trade development and regulation, including markets, trade licences (excluding regulation of professions); fair trading practices, local tourism, commerce, industry and liquor licensing.

County Public Investment and Accounts Committee

- The County Public Investments and Accounts Committee shall be responsible for- (a) the examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit. (b) the examination of the reports, accounts and workings of the county public investments; (c) the examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

County Budget and Appropriations Committee

- The functions of the Committee shall be to- (a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget, Select Committees 151 (b) discuss and review the estimates and make recommendations to the County Assembly; (c)

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY PREDETERMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key mandate of the Bomet County Assembly is legislation, oversight, and representation. To achieve this, the assembly's program was documented in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2021/2022

Program	Objective	Outcome	Indicator
Train Members to adequately carry out general legislative work	Conduct workshops trainings and benchmarking visits	Continuous	No. of workshops, trainings and benchmarks undertaken
Build capacity of the legal department to provide legislative support services, etc.	Carry out training of staff working in the legal department	Continuous	No. of legal department staff trained and providing support services

Fully operationalize all ward offices	• Provide guidance on the procedures and policies of the operations of the ward offices • Develop a detailed Ward Office Operations Manual • Build staff capacity of the ward staff • Conduct regular and structured dialogue with stakeholders on matters of concern to residents	2022	• No. functional ward offices • No. of meetings held and improved relations with the public
Enhance public relation activities both within and outside the Assembly	Undertake outreach programmes	Continuous	• No. of Corporate events • No. of open days

Consumers shall, in their purchasing commodities or receiving services, have the right to obtain fair deal prerequisites such as guarantee of quality, reasonable prices and correct measurement, and have the right to refuse any compulsory transaction of business

e) **Community Engagements-**

The twenty-five ward offices act as the linkage between the County Assembly and the citizens. These offices are funded so that public citizens can engage on the policies and programmes being carried out by the County Government.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on **13 December 2022**.

ISAAC KITUR

CLERK OF THE ASSEMBLY

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BOMET FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

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 40, which comprise of the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows

4. Inaccuracies in Pending Accounts Payable Balance

Note 1 to the financial statements under other important disclosures reflects pending accounts payables balance of Kshs.5,852,827. However, the disclosed balance excludes Kshs.120,568,388 and Kshs.411,546,463 reflected in the County Assembly and Kenya Revenue Authority I-Tax ledgers respectively. Although Management provided correspondences with the Kenya Revenue Authority (KRA) indicating that the County Assembly had been remitting taxes, no explanation was provided why the County Assembly tax account and the KRA ledger reflected outstanding balances.

In the circumstances, the accuracy of the pending accounts payables balance of Kshs.5,852,827 could not be confirmed. In addition, the County Assembly is at risk of incurring interest and penalties due to failure to remit the outstanding taxes.

5. Unsupported Accounts Payables –Retentions and Deposits

The statement of assets and liabilities reports accounts payables-deposits and retentions balance of Kshs.5,852,827. However, a detailed schedule showing opening balances, additions for the year and payments for the year to arrive at the closing balance was not provided for audit.

In the circumstances, the accuracy and completeness of the accounts payables – retentions and deposits balance of Kshs.5,852,827 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Bomet Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development combined reflects a final receipts budget of Kshs.935,721,526 against actual receipts of Kshs.731,128,005 resulting to budget under funding of Kshs.204,593,521 or 22% of the budget. Similarly, the statement reflects a final expenditure budget of Kshs.935,721,526

In the circumstances, Management was in breach of the law.

4. Acting Appointments in Excess of Policy Period

Review of personnel records indicated that three officers appointed on acting capacity on diverse dates exceeded the twelve (12) months mandatory period of appointment without renewal. This is contrary to Section B. 32 of the Human Resource Manual that require acting appointments to be limited to twelve months at any given time for substantive vacant position.

In the circumstances, Management was in breach of the law.

5. Irregular Retirement of an Employee

Review of records indicated that one officer went into early retirement on 3 February, 2022. Though her request was approved on 24 February, 2022 she failed to attend the exit interview. In addition, the officer has not submitted the handing over report or filled the clearing form. Further, she has not handed over any assets she possessed belonging to the County Assembly.

In the circumstances, the County Assembly's assets may not be adequately safeguarded.

6. Over Employment of Ward Staff

Review of records revealed that the County Assembly had in place one hundred and thirty-six (136) ward employees in contravention of circular Ref. No. CRA/COS/CMG/9/Vol.V (43) of 3 August, 2020 which provides that each of the thirty-six (36) Members of the County Assembly are allowed to employ a maximum number of three employees each giving a total expected ward employees of one hundred and eight (108). This resulted to over employment of twenty-eight (28) ward employees.

In the circumstances, Management was in breach of the law.

7. Lack of Needs Assessment

The statements of receipt and payments reflects use of goods and services amount of Kshs.322,579,589. Included in the amount is training expenses totaling Kshs.35,828,549 incurred without a training needs assessment or identification of skill gaps in breach of the County Assembly's Human Resource Manual requirements.

In the circumstances, Management was in breach of the manual.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how Management 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 February, 2023

7. Statement of Receipts and Payments for the Year Ended 30 June 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts			
Exchequer releases	1	731,128,005	803,142,363
Proceeds from sale of assets	2	-	-
Other receipts	3	-	-
Total receipts		**731,128,005**	**803,142,363**
Payments			
Compensation of employees	4	275,411,366	284,651,200
Use of goods and services	5	322,579,589	292,560,621
Subsidies	6	-	-
Transfers to other government entities	7	30,000,000	56,039,168
Other grants and transfers	8	-	-
Social security benefits	9	29,090,285	12,371,752
Acquisition of assets	10	73,803,147	157,474,516
Finance costs	11	840	3,720
Other payments	12	-	-
Total payments		**730,885,226**	**803,100,977**
Surplus/deficit		**242,779**	**41,386**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **13 December 2022** and signed by:

ISAAC K KITUR
CLERK OF THE ASSEMBLY

GEOFREY MARITIM
DEPUTY DIRECTOR FINANCIAL SERVICES
ICPAK Member Number:12685

9. Statement of Cash Flows for the Period Ended 30 June 2022

		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts from operating income			
Exchequer releases	1	731,128,005	803,142,363
Other receipts	3	-	-
Total		**731,128,005**	**803,142,363**
Payments for operating expenses			
Compensation of employees	4	275,411,366	284,651,200
Use of goods and services	5	322,579,589	292,560,621
Subsidies	6	-	-
Transfers to other government entities	7	30,000,000	56,039,168
Other grants and transfers	8	-	-
Social security benefits	9	29,090,285	12,371,752
Finance costs	11	840	3,720
Other payments	12	-	-
Total		**657,082,080**	**645,626,461**
Adjusted for:			
Prior year adjustment	17	80,554	-
Decrease/(increase) in accounts receivable:	18	-	-
Increase/(decrease) in accounts payable:	19	2,014,038	3,838,789
Net cash flows from operating activities		**75,979,409**	**161,354,691**
Cash flow from investing activities			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	(73,803,147)	(157,474,516)
Net cash flows from investing activities		**(73,803,147)**	**(157,474,516)**
Net increase in cash and cash equivalents		**2,176,262**	**3,880,175**
Cash & cash equivalent at Start of the year	13	**3,919,343**	**39,168**
Cash & cash equivalent at end of the year	13	**6,095,606**	**3,919,343**

10. Statement of Comparison of Budget & Actual Amounts: Recurrent and 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					
Exchequer releases	935,721,526	-	935,721,526	731,128,005	22
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
Total	**935,721,526**	**-**	**935,721,526**	**731,128,005**	**22**
Payments					
Compensation of employees	279,012,638	3,601,272	275,411,366	275,411,365	-
Use of goods and services	284,975,251	(37,611,146)	322,586,397	322,579,589	100
Subsidies	-	-	-	-	-
Transfers to other government entities	75,000,000		75,000,000	30,000,000	40
Other grants and transfers	-	-	-	-	-
Social security benefits	28,976,285	(114,000)	29,090,285	29,090,285	-
Acquisition of assets	267,733,552	34,103,074	233,630,478	73,803,147	27
Finance costs	23,800	20,800	3,000	840	28
Other payments	-	-	-	-	-
Total	**935,721,526**	**-**	**935,721,526**	**730,885,226**	**-**
Surplus/ deficit	**-**	**-**	**-**	**242,779**	**-**

11. 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					
Exchequer releases	723,066,449	-	723,066,449	678,066,449	6.2
Proceeds from sale of assets	-	-	-	-	-
Total	**723,066,449**	**-**	**723,066,449**	**678,066,449**	**6.2**
Payments					
Compensation of employees	279,012,638	3,601,272	275,411,365	275,411,365	-
Use of goods and services	284,975,552	(37,611,146)	322,586,397	322,579,589	1
Transfers to other government entities	75,000,000	-	75,000,000	30,000,000	60
Social security benefits	28,976,285	(114,000)	29,090,285	29,090,285	-
Acquisition of assets	55,078,174	34,102,772	20,975,402	20,977,562	-
Finance costs	23,800	20,800	3,000	840	72

12. 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					
Treasury/ exchequer releases	212,655,077	-	212,655,077	53,061,556	75
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
Total	**212,655,077**	**-**	**212,655,077**	**53,061,556**	**75**
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	212,655,077	-	212,655,077	52,825,585	75
Finance costs	-	-	-	-	-
Other payments	-	-	-	-	-
Total	**212,655,077**	**-**	**212,655,077**	**52,825,585**	**75**
Surplus/ deficit	**-**	**-**	**-**	**235,971**	**-**

13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	Kshs	%	%	Kshs	Kshs
PROGRAMME 1: COUNTY LEGISLATURE (LEGISLATIVE SERVICES)					
Sub-Programme 1.1: Legislative Services	182,727,631	-	-	182,727,631	-
Sub-Programme 1.2: Committee Services and House Proceedings	106,714,523	-	-	106,714,523.50	-
Sub-Programme 1.3: Office of the Speaker	8,000,000	-	-	8,000,000	-
TOTAL FOR LEGISLATIVE SERVICES	**297,442,155**			**297,442,155**	
PROGRAMME 2: OVERSIGHT AND REPRESENTATION					
Sub-Programme 2.1: Decentralization of Services	30,579,107	-	-	30,579,107	-
Sub-Programme 2.2: Public Participation	66,533,770	-	-	66,533,770	-
Sub-Programme 2.3: Site Visits	0	-	-	0	-
TOTAL FOR OVERSIGHT AND REPRESENTATION	**97,112,877**			**97,112,877**	
PROGRAMME 3: OFFICE OF THE CLERK - GENERAL ADMINISTRATION,					

14. 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 imprest 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 Public Sector Accounting Standard Board(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 recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

9. 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.

10. 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 Bomet Assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. 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 Assembly's budget was approved as required by Law. The original budget was approved by the County Assembly on 28th June 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 28th June 2022. A high-level assessment of the 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.

14. Comparative figures

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

15. Subsequent events

Events after 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.

15. Notes to the Financial Statements

1. Exchequer Releases

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for Quarter 1	101,237,223	40,992,500
Transfers from the county treasury for Quarter 2	177,712,031	324,957,250
Transfers from the county treasury for Quarter 3	178,957,109	104,723,805
Transfers from the county treasury for Quarter 4	273,221,642	332,468,808
Cumulative amount	**731,128,005**	**803,142,363**

2. Proceeds From Sale Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	**-**	**-**

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Tender Fees Received	-	-
Other Receipts II	-	-

Training expenses	35,828,549	23,598,725
Hospitality supplies and services	38,096,241	26,359,000
Insurance costs	16,907,723	18,802,676
Specialized materials and services	1,306,084	1,515,000
Office and general supplies and services	3,836,800	3,526,716
Fuel, oil and lubricants	2,501,518	3,032,938
Other operating expenses	79,660,450	104,303,904
Routine maintenance – vehicles and other transport equipment	2,155,405	2,230,000
Routine maintenance – other assets	2,054,005	938,662
Total	**322,579,624**	**292,560,621**

Notes to The Financial Statements (Continued)

8. Other Grants And Transfers

	2021-2022	2020-2021
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. Social Security Benefits

	2021 - 2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits	29,090,285	12,371,752
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	**29,090,285**	**12,371,752**

Notes to The Financial Statements (Continued)

11. Finance Costs

	2021- 2022	2020 – 2021
	Kshs	Kshs
Bank charges	840	3,720
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	**840**	**3,720**

12. Other Payments

	2021 – 2022	2020 – 2021
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
	-	-

Notes to The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	**2021 – 2022**	**2020 – 2021**
	Kshs	**Kshs**
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	**-**	**-**

14. Impressts and Advances

Description	**2021 – 2022**	**2020– 2021**
	Kshs	**Kshs**
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
Total	**-**	**-**

Breakdown Of Imprest And Salary Advance Per Department	**2021 – 2022**	**2020 – 2021**
Imprests	**Kshs**	**Kshs**
Department Xx	-	-
Department Xx	-	-
Department Xx	-	-
Sub-Total	**-**	**-**
Salary Advance		
Department Xx	-	-
Department Xx	-	-
Sub-Total	**-**	**-**
Grand Total	**-**	**-**

17. Prior Year Adjustments

	Balance b/f FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
Description Of The Error	Kshs	Kshs	Kshs
Adjustment on Bank Account Balances	3,919,343	80,554	3,838,789
Adjustment on Cash In Hand	-	-	-
Adjustment on Accounts Payables	3,838,789	-	3,838,789
Adjustment on Accounts Receivables	-	-	-
Others (*Specify*)			
	80,554	**80,554**	**0**

18. Changes In Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Account Receivables As At 1st July 2021	-	-
Closing Account Receivables As At 30th June 2022	-	-
Change In Account Receivables	-	-

19. Changes in Third Party Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Accounts Payables As At 1st July 2021	3,838,789	-
Closing Accounts Payables As At 30th June 2022	5,852,827	-
Change In Accounts Payables	2,014,038	3,838,789

3. Other Pending Payables (See Annex 3)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Amounts due to National Government entities	-	-	(-)	-
Amounts due to County Government entities	-	-	(-)	-
Amounts due to third parties	-	-	(-)	-
Total	**-**	**-**	**(-)**	**-**

4. External Assistance

	FY 2021-2022	FY 2020-2021
Description	**Kshs**	**Kshs**
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	**-**	**-**

a) External assistance relating loans and grants

	FY 2021-2022	FY 2020-2021
Description	**Kshs**	**Kshs**
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

d. Non-Monetary External Assistance

	FY 2021-2022	FY 2020-2021
Description	**Kshs**	**Kshs**
Goods	-	-
Services	-	-
Total	-	-

e. Purpose and use of external assistance.

Payments Made By Third Parties	FY 2021-2022	FY 2020-2021
Description	**Kshs**	**Kshs**
Compensation Of Employees	-	-
Use Of Goods And Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants And Transfers		
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	FY 2021-2022	FY 2020-2021
Description	**Kshs**	**Kshs**
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers		
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

6. 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:

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

16. Progress On Follow up of Prior Year Auditor's 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	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Over commitment of salary beyond the statutory limit	During the year under review, few Members and staff went down below the third rule, this was affected by review of PAYE tax from 25 percent*%(to 30% percent. Which had earlier been reduced from 30% percent to 25% percent during COVID 19 period. This Affected a third rule since most Members and Staff had borrowed bank loans, that was based on the 25% percent tax bracket, which rendered them to fall below the third 1/3 third rule.	Not resolved	Will be resolved as at 30 June 2023.
2	Non Compliance with the law on staff Ethnic Composition	The Assembly Advertised Job Openings during in the year 2013, many of the applicants were majorly from one ethnic Community.	Not resolve	It is a work in progress

17. Annexes

Annex 1 – Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction Of Buildings							
1.							
Sub-Total							
Construction Of Civil Works							
2.							
Sub-Total							
Supply Of Goods							
3.							
Sub-Total							
Supply Of Services							
4.							
Sub-Total							
Grand Total							

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments

Annex 3 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			A	b	c=a-b		
Amounts Due To National Govt Entities							
1.							
Sub-Total							
Amounts Due To County Govt Entities							
2.							
Sub-Total							
Amounts Due To Third Parties							
3.							
Sub-Total							
Others (*Specify*)							
4.							
5.							
6.							
Sub-Total							
Grand Total							

Annex 8: Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						

Annex 9 – Bank Reconciliation/FO 30 Report