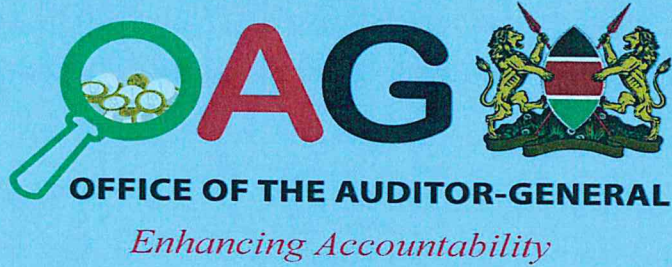


REPUBLIC OF KENYA



REPORT

OF

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DATE	18/11/2021
TABLED BY	Sen. Gideon M
COMMITTEE	
CLERK AT THE TABLE	Ms. Karuta

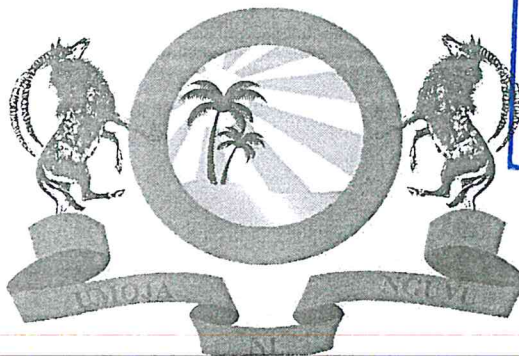
THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF KWALE

**FOR THE YEAR ENDED
30 JUNE, 2020**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 95202, MOMBASA
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KWALE COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and headed by the County Assembly Service Board which is responsible for the general policy and strategic direction of the Assembly. The County Assembly of Kwale constitutes of twenty elected Members of County Assembly and fourteen special elected members. The County Assembly members have a constitutional Mandate of representation, oversight and Legislation.

For effective performance of the County Government, the county assembly also approves plans and policies and do oversight role over the County Executive.

Vision

A hub of legislative excellence in Kenya and beyond.

Mission

To ensure transparent and accountable governance for prosperity of the people of Kwale County through effective representation, legislation and oversight

(b) Key Management.

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

A. COUNTY ASSEMBLY SERVICE BOARD

The County Assembly Service Board is composed of the Speaker to the County Assembly as the Board chairman, a representative of the Majority and Minority Political parties in the Assembly. Third and Fourth member representing the general Public. Below is a snapshot of their Profiles.



Hon. Sammy Nyamawi Ruwa, MBS

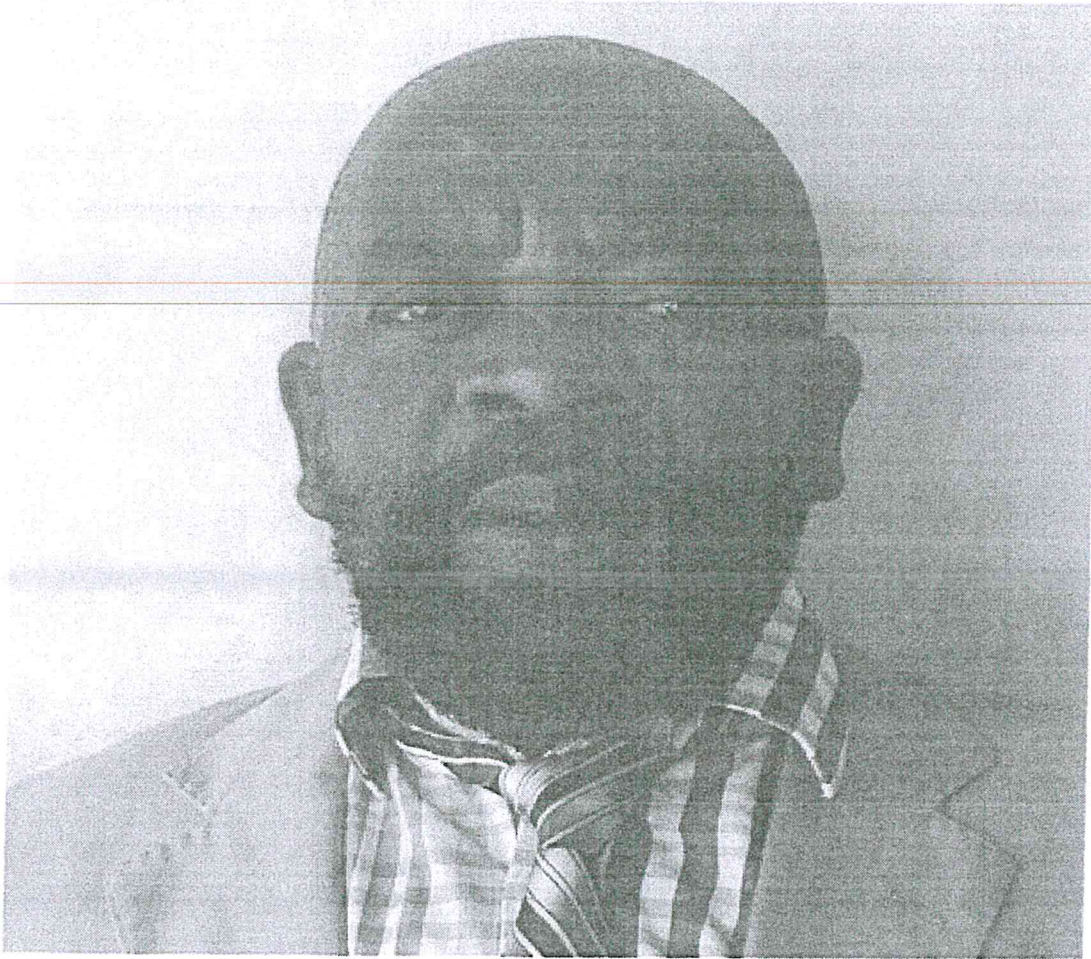
Chairperson - County Assembly Service Board.

About the Chairperson.

Hon. Sammy Ruwa is the Speaker of the Kwale County Assembly having served as such since March, 2013. He is an advocate of the High Court of Kenya and a partner in the firm of S Ruwa & Co Advocates. He holds a bachelor of Commerce degree and a post Graduate Bachelor of Law Degree.

Hon. Speaker is a member and chairperson of the **House Business Committee, Powers & Privileges Committee, Procedure & Rules Committee and Appointments Committee**. He also chairs the Kwale County Assembly Service Board. He received a presidential honour as a Moran in the order of the Burning Spear (MBS).

Before his election as the Speaker, he was an Associate advocate in the firm of Robson Harris & Company Advocates.



Hon. Hamisi Omari Kitengele

Vice Chair - County Assembly Service Board

Hon Kitengele was first elected as the MCA for Ukunda Ward in 2013 and was re-elected for a second term in 2017. He holds a bachelor of Commerce degree, Finance Option.

He is the Chairperson Committee on County Delegated Legislation and is also a member Energy, Labour and Social Welfare and Transport and Public Works Committees.



Hon Anthony Yama
Member - County Assembly Service Board

Hon Yama was first elected MCA for Kasemeni Ward in 2013 and was re-elected for a second term in 2017. He holds a bachelor of Education degree and has a wealth of experience in the teaching fraternity.

Hon Yama is the Chairman Committee on Education and is also a member of Energy, Justice and Legal Affairs, Finance, Budget and Appropriations and Appointment Committees



Miss. Celine Victory Lusweti
Member - County Assembly Service Board

Miss Celine was born and raised at Patanani village, Kundutsi ‘A’ Sub-location, in Tsimba/Golini ward Kwale County. She holds a Master of Education and a Bachelor of Education degrees from the University of Nairobi and Kenya Methodist University respectively. An alumni of Meru Teachers Training College, Matuga Girl’s High School and Matuga Primary School.

As an Educational Professional and with various educational portfolios in schools and community activities, Celine for a decade and a half has consistently been able to demonstrate hands on practical expertise in the Educational sector. Having served as an Administrator and School Manager, a Teacher, Trainer in Primary Schools in Kenya with Teachers Service Commission, a Lecturer for Teacher Trainees in Universities and Colleges: Kenyatta University, Mount Kenya University and Kenya Methodist University in Mombasa, Kenya.

She has equally been actively involved in the empowering Children and Administrative officers on children’s rights and advocacy with Plan International and Ministry of social services, gender and child welfare-Kwale and Mentoring youths under Friends for life Organization.



Mr. Mwakaribu Hamisi Mwakaribu

Member - County Assembly Service Board

Mwakaribu was born and raised in Kwale County. He holds a bachelor's degree in Education (Special needs Education) from Kenyatta University and Masters of community Rehabilitation from Griffith University in state of Queensland Australia.

Before joining the Kwale County Assembly Service Board, he was a lecturer at Kenya Institute of Special Education (Nairobi) in the Department of Intellectual Different.



Fatuma Hassan Mwalupa

Ag. Clerk - County Assembly of Kwale

Ms Fatuma is a seasoned legal luminary. She has a Degree in Law and a Masters Science in Human Resource Management.

She was employed in the County Assembly in 2014 as the Deputy Clerk. She is currently the Acting Clerk of the County Assembly.

A. BOARD OF MANAGEMENT (MANAGEMENT PERSONNEL)

The day today running of the county assembly affairs are cordinated and run by a team of qualified and Experienced personell heading departments as they realise the vision of the County Assembly.



CPA Philip Wanje Ziro

Director Finance and Accounts.

CPA Ziro has a wide experience in public sector finance having worked for various municipalities and County Councils for over 20 years before devolution.

He holds a Bachelors and a Master's degree in Business Administration from the Kenya Methodist University specialising in finance.

He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK)

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

(c) Fiduciary Management

The Fiduciary management personnel who held office during the year ended 30th June 2020 and who had direct fiduciary responsibility were:

NO.	Designation	Name
1	Ag. Clerk to the County Assembly	Fatuma Mwalupa
2	Director Finance And Accounts	CPA Philip Ziro
3	Chief Hansard Editor	Mercy Ndirangu
4	Senior Legal Council	Lucy Waweru
5	Senior Procurement Officer	John Kalu
6	Head of Sargent at Arms	Guzo Mwatero
7	Human Resource Officer	Felistus Kalungu
8	Head of ICT	Joseph Zecha
9	Ag. Head of Internal Audit	Dickson Nyundo Mangale

(d) Fiduciary Oversight Arrangements

- Internal Audit Department
- Public Accounts and Investment Committee
- Office of the Controller of Budget
- Office of the Auditor-General

(e) Entity Headquarters

P.O. Box 231 - 80403
Kwale County Head Quarters.
Kwale/Kinango Highway
Kwale, KENYA

(f) Entity Contacts.

Telephone: (254)
E-mail: Countyassemblyofkwale@gmail.com
Website: www.bungekwale.co.ke.

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200.
2. Nairobi, Kenya Kenya Commercial Bank
P.O. Box 43 – 80403,
Kwale,
Kenya

(h) Independent Auditors.

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

(i) Principal Legal Adviser

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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

The Financial Statements reflect the County Assembly's financial performance and position for the year ended 30th June 2020. These statements were prepared in accordance with **the Cash basis Accounting Method under the International Public Sector Accounting Standards (IPSAS)** as the Financial Report Framework provided for by the Public Sector Accounting Standards Board.

The County Assembly of Kwale had a total budget of Ksh 936,706,782 divided into a Recurrent Budget of Ksh 689,345,444 and a Development Budget of Ksh 247,361,338 which include domestic payables from previous financial year of Ksh 154,361,338. The actual exchequer releases was Ksh 743,449,887 translating to 79% on actual comparable basis.

The absorption of the County's recurrent budget was Ksh 586,069,641, which translated to a 85% absorption rate while the development budget had a usage of Ksh 155,395,985 a translation of 63% absorption rate. On average, 79% of the total budget was absorbed during the financial year.

In order to enable the county government implement her programs, the County Assembly passed the county budget on the 30th June 2019 and later passed four supplementary budgets in the year under review.

The County Assembly executed its oversight role through house Committees.

The vision of completing the county assembly complex during the year was not realised due to some technical challenges experienced by the contractor on the project. However, tremendous progress has been realized and it is projected that the complex will be completed by December 2020. Works for five ward offices namely, Vanga Ward, Bongwe/Gombato Ward, Ndavaya Ward Tsimba Golini and Kasemeni Ward are complete and due for handing over by the contractor.

In the year ending June 2020, the County Assembly Service Board recruited a substantive Clerk to the County Assembly and a senior administrative officer attached to the County Assembly Service Board in order seamless operations within the Service Board. The Board equally complied with SRC guideline in facilitating all the fourteen Special Elected Members of the county Assembly with personal administrative staff. The board will continue to endeavour address the issues pertaining to human resource until optimal number of staff is achieved.

Capacity building is an integral part of enhancing service delivery. The county Assembly Service Board conducted successful General trainings to all Members of the County Assembly, staff and the Service Board. Specific Trainings were conducted during the year. All drivers of the County Assembly went for refresher courses. A collaborative effort with CPST delivered training on strategic plan development to the senior staff members of the institution. The senate hosted the Substantive Clerk and the senior administrative for induction on the administrative roles.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

The County Assembly of Kwale has been very active in sporting activities and has been seconding teams in KICOSCA games. Though it was challenged in defending football championship, the Assembly retained drought trophy in 4th year running.

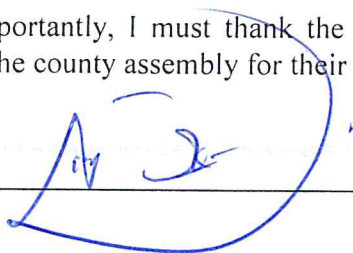
The year was not without its challenges. The County Assembly Service Board suspended the County Assembly Clerk and the Deputy Clerk took over in acting capacity in the entire year. The world also experienced an outbreak of COVID-19 pandemic, which crippled global operations. Kenya as a country was never spared, a situation which forced His excellency the president of the republic of Kenya declare the pandemic as a national disaster in march 2020. The government of Kenya took a raft of measures to curb the spread of the virus in the country, which among them was the adoption of essential service and working from home strategy. In reciprocate to this the Kwale County Assembly Service Board declared a sine die recess and the work from home strategy among other measures.

On the issue of development of MCAs ward offices, the assembly was hampered by unavailability of government land with title deeds where most ward offices are designated to be build. The Assembly is working closely with the department of lands to ensure this is resolved moving forward.

In order to enhance our financial performance, I intend to review the strategic plan, implement the already developed human resource manual as well employ appropriate project management skills to ensure that all assembly's projects contribute to the realisation of the Assemblies Vision and Mission Statement. This will greatly enhance the performance of the assembly in undertaking her key responsibilities of oversight, legislation and representation.

Finally yet importantly, I must thank the County Assembly Service Board, Members and the entire staff of the county assembly for their zeal in realizing the Vision of this great institution.

Sign: _____



FATUMA HASSAN MWALUPA
Ag. Clerk to the County Assembly of Kwale.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLYS
 PREDETRMINED OBJECTIVES.**

Guidance

The County Assembly of Kwale passed 7 Acts.

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 will do so in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board which includes a statement of the county government entity's performance against predetermined objectives.

The key mandate of the County Assembly of Kwale 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 19/20

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	7 Bills were passed in the County Assembly	In FY 19/20 MCAs were trained on Leadership and Integrity.
	Enhanced professional development of MCAs – Review standing orders	Reviewed standing orders	65% increase in efficient Assembly operations	Standing orders were reviewed and resulted to members participation in motions on the floor of the house.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

Program 2	Objective	Outcome	Indicator	Performance
General Administration	To Enhance high professional skills to the human resource to enable the assembly realise its core mandate.	Increased competence and efficiency in service delivery to the Assembly	Reports available on time as assembly sessions undertaken efficiently.	Staff training under their respective professions.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Assembly of Kwale has undertaken various activities to ensure communities within Kwale County benefits from its corporate social responsibility mandate.

On the year under review, the County was hard hit by the pandemic that resulted into lockdown that made many families unable to afford meals in a day.

The County Assembly mobilised food donations from well-wishers and distributed the same to the affected families within the County.

Through the Ward offices, the Members of the County Assembly of Kwale embarked on a raft of measures to make awareness of the pandemic at the ward level and to sensitize citizens on the importance of adherence to the protocols of the Ministry of Health.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

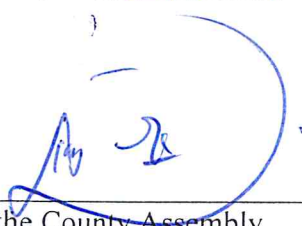
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2020, 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 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

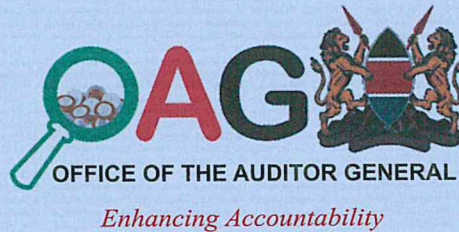
The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 31/12 2020.



Ag. Clerk of the County Assembly

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KWALE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Kwale set out on pages 1 to 40, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Kwale as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Bank Balance

The statement of financial assets and liabilities and as disclosed under Note 13A to the financial statements reflects a bank balance of Kshs.55,231,226 as at 30 June, 2020. However, the bank balance was arrived at after offsetting an amount of Kshs.368,784 relating to Central Bank of Kenya Development Account cashbook overdraft. This was contrary to Paragraph 48 of the International Public Sector Accounting Standard (IPSAS) No.1 which provides that assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by a standard.

Consequently, the bank balance of Kshs.55,231,226 as at 30 June, 2020 is inaccurate.

2. Irregular Payment of Compensation of Employees

The statement of receipts and payments and as disclosed under Note 4 to the financial statements reflects compensation of employees' expenditure of Kshs.251,878,861 as at

30 June, 2020. Included in the above amount are personal allowances paid as part of salary of Kshs.92,631,108, out of which Kshs.865,920 relates to subsistence allowances. Further, the personal allowances paid as part of salary include a debit adjustment of Kshs.430,000 in the ledger which was not supported by a journal entry. The Management did not explain why subsistence allowances were captured as personal allowances paid as part of salary or give explanations for lack of the journal vouchers.

Consequently, the accuracy of compensation of employees' expenditure of Kshs.251,878,861 as at 30 June, 2020 could not be confirmed.

3.0 Use of Goods and Services

The statement of receipts and payments for the year ended 30 June, 2020 reflects use of goods and services expenditure of Kshs.314,284,552 and as disclosed in Note 5 to the financial statements. The following issues were identified

3.1 Domestic Travel and Subsistence Allowances

Included in use of goods and service amount is Kshs.314,284,552 and as disclosed in Note 5 to the financial statements is domestic travel and subsistence allowances expenditure of Kshs.110,186,658 out of which an amount of Kshs.3,301,425 was not supported by invitation letters, programs of work, evidence of workshop attendance, reasons for holding meetings out of normal station of work and reports of findings after undertaking benchmarking tours.

In addition, temporary imprests amount of Kshs.59,246,574 advanced to staff and Members of County Assembly were expensed under subsistence allowances account before the respective imprest holders had accounted for or surrendered the same.

Consequently, the accuracy, completeness and validity of domestic travel and subsistence allowances expenditure of Kshs.110,186,658 for the year ended 30 June, 2020 could not be confirmed.

3.2 Foreign Travel and Subsistence Allowances

Included in use of goods and service amount is Kshs.314,284,552 and as disclosed in Note 5 to the financial statements is foreign travel and subsistence allowances expenditure of Kshs.28,560,939 out of which an amount of Kshs.2,644,620 was not supported by training needs assessment, relevant travel documents, certificates of participation, signed attendance registers and reports from seminars and trainings attendance.

Consequently, the accuracy, completeness and validity of foreign travel and subsistence allowances expenditure of Kshs.28,560,939 for the year ended 30 June, 2020 could not be confirmed.

3.3 Training Costs

Included in use of goods and service amount is Kshs.314,284,552 and as disclosed in Note 5 to the financial statements is training expenses of Kshs.24,047,697 which further

includes an amount of Kshs.18,149,239 in respect of provision of local and foreign training services. Kshs.4,297,800 was spent on training Members of County Assembly but it was not supported with training needs assessment reports, approval of training, identification of those to be trained and back to office reports.

Consequently, the propriety and validity of training expenses amounting to Kshs.4,297,800 could not be confirmed.

3.4 Other Operating Expenses – Legal Expenses

Included in use of goods and services and as disclosed in Note 5 to the financial statements is other operating expenses of Kshs.23,498,956 out of which an amount of Kshs.12,563,310 is in respect of legal fees paid to private law firms representing the County Assembly on various legal matters. However, the Management did not provide the case files and details of instructions from the County Assembly for representation for audit review. Further, approval and concurrence by the Attorney-General as required by the Attorney-General Circular Ref. AG/CONF/6/E/247 VOL.II of 16 April, 2014 was not provided for audit review.

3.5 Irregular Payments to the County Assembly Forum and the County Assembly Sports Association

Included in use of goods and services and as disclosed in Note 5 to the financial statements is other operating expenses of Kshs.23,498,956. Included in the other operating expenses is Kshs.5,000,000 in respect of County Assemblies Forum (CAF) and Kshs.300,000 in respect of the County Assembly Sports Association (CASA) paid as subscription. The two institutions are not provided for funding under the County Assembly. Further, the expenditure was not budgeted for under the County Assembly during the year under review.

Consequently, the propriety and validity of other operating expenses amount of Kshs.23,498,956 could not be confirmed.

4.0 Acquisition of Assets

The statement of receipts and payments and as disclosed under Note 10 to the financial statements reflects acquisition of assets expenditure of Kshs.175,000,626 as at 30 June, 2020. The following anomalies have been noted:

4.1 Variance with Summary of Fixed Assets Register

The acquisition of assets expenditure of Kshs.175,000,626 differs with an amount of Kshs.175,450,626 disclosed in Annex – 4 (summary of fixed assets register) by an amount of Kshs.450,000.

Consequently, the accuracy and completeness of the acquisition of assets expenditure of Kshs.175,000,626 for the year ended 30 June, 2020 could not be confirmed.

4.2 Lack of Ownership Documents for Land

Included in the acquisition of assets expenditure of Kshs.175,000,626 is expenditure in respect of construction of buildings of Kshs.38,418,158. Included in this amount is Kshs.19,684,358 in respect of construction of fourteen ward offices for Members of County Assembly with cumulative payments amounting to Kshs.73,304,211 as at 30 June, 2020.

However, the Management did not provide ownership documents for the land on which the offices were being constructed.

Under the circumstances, the ownership, custody and safeguard of land on which assets worth Kshs.73,304,211 had been constructed could not be confirmed.

5. Accounts Receivables – Prepayments and Advances

The statement of financial assets and liabilities and as disclosed under Note 14 to the financial statements reflects accounts receivables of Kshs.6,323,440 as at 30 June, 2020. As previously reported all amount includes payment of Kshs.6,018,449 in respect of tax notice by the Kenya Revenue Authority for which Management indicated that this was a direct debit from the Assembly's Central Bank of Kenya Recurrent Account by Kenya Revenue Authority being interest and penalties.

Although the Management indicated that the County Assembly of Kwale had been remitting its tax obligations on time and did not have any outstanding obligations, there was no evidence to confirm that Kenya Revenue Authority had accepted to refund or approved the offsetting of the amount from future tax obligations as claimed by the Management.

Consequently, the recoverability in full of Kshs.6,018,449 in respect of accounts receivables – prepayments and advances as at 30 June, 2020 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 Kwale 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

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.936,706,782 and Kshs.743,449,887 respectively resulting to a shortfall of Kshs. Kshs.193,256,895 or 21% of the budget. Similarly, the County Assembly expended Kshs.741,465,625 against an approved budget of Kshs.936,706,782 resulting to an under-expenditure of Kshs.195,241,156 or 21% of the budget. The revenue shortfall and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Late Exchequer Release

The County Assembly budgeted for Exchequer receipts of Kshs.936,706,782 from the County Treasury during the year under review. However, the County Assembly received an amount of Kshs.142,245,808 during the months of June and July, 2020. The late Exchequer releases of Kshs.142,245,808 may have largely contributed to the under absorption of budget of Kshs.195,241,156 or 21%.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Construction of the County Assembly Complex

The County Assembly commenced the construction of the County Assembly Complex at a contract sum of Kshs.466,892,170. The contract sum was later varied by Kshs.116,723,042 or 25% to Kshs.583,615,212 on 29 March, 2018. Audit review of the terms and conditions of the contract revealed that the project was to be completed by 29 June, 2017. However, the contract period was extended by 78 weeks through letter reference CAK/CL/PROC/VOL2/7 of 20 September, 2018 and for another 48 weeks through letter reference KWL/CA/ADM/CORR/PROC/VOL 2(013) of 16 June, 2020. Management did not provide evidence of the performance bond renewal covering the extension of the contract period.

In addition, audit examination of the Project's Bills of Quantities revealed provisional sums totalling Kshs.192,200,000 for various works which were sub-contracted. However, details of how the sub-contractors were identified, selected and contracted to undertake the works including relevant approval by the Project Manager were not provided for audit verification.

Consequently, value for money has not been realised in the construction of the County Assembly Complex due to the delays in completion of the works.

2. Failure to Observe One Third Staff Establishment Rule

A review of personnel records revealed that, the County Assembly had a staff establishment of sixty-one (61) employees as at 30 June, 2020. Review of the staff establishment revealed that the County Assembly had fifty-one (51) or 84% of the employees coming from the dominant community while the other ten (10) or 16% were from the other communities.

This was contrary to Section 7 of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community. This is further in contravention of Section 6(1)(e) of the County Government Act, 2012 which requires that in selecting candidates for appointment, the County Assembly Service Board shall consider, the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county.

Consequently, Management was in breach of law.

3. Telephone Allowances

Audit of payroll records revealed that telephone allowances amounting to Kshs.904,000 were paid to staff of County Assembly during the year under review, contrary to the Salary and Remuneration Commission of Kenya Circular Ref. No. SRC/TS/CGOVT/3/16 of 29 July, 2013.

Consequently, Management was in breach of the guidelines by the Salaries and Remuneration Commission.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective manner in line with article 229(6) of the Constitution of Kenya 2010.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable 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 to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of County Assembly to express an opinion on financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 October, 2021

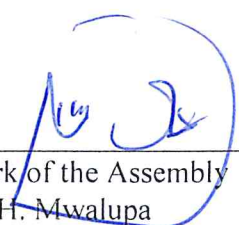
KWALE COUNTY ASSEMBLY
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For the year ended June 30, 2020

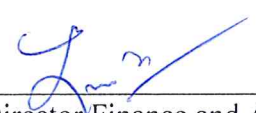
7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2019/20	2018/19
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	743,449,887	673,982,444
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		743,449,887	673,982,444
PAYMENTS			
Compensation of Employees	4	251,878,861	240,511,732
Use of goods and services	5	314,284,552	330,523,716
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Acquisition of Assets	10	175,000,626	93,568,589
Finance Costs	11	301,587	-
Other Payments	12	-	-
TOTAL PAYMENTS		741,465,626	664,604,037
SURPLUS/DEFICIT		1,984,261	9,378,407

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/12 2020 and signed by:


 Ag. Clerk of the Assembly
 Fatuma H. Mwalupa


 Director Finance and Accounts
 CPA Philip Ziro
 ICPAK 20407

KWALE COUNTY ASSEMBLY
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For the year ended June 30, 2020

7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2019/20	2018/19
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	13A	55,231,226	36,624,992
Cash Balances	13B	-	-
Total Cash and cash equivalents		55,231,226	36,624,992
Accounts receivables – Prepayments and Advances	14	6,323,440	4,455,821
TOTAL FINANCIAL ASSETS		61,554,666	41,080,812
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	55,114,584	36,624,992
NET FINANCIAL ASSETS		6,440,082	4,455,821
REPRESENTED BY			
Fund balance b/fwd	16	4,455,821	4,922,586
Surplus/Deficit for the year		1,984,261	9,378,407
NET FINANCIAL POSITION		6,440,082	4,455,821

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/12/20 2020 and signed by:

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 Fatuma H. Mwalupa

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KWALE COUNTY ASSEMBLY
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7.3. STATEMENT OF CASH FLOWS

		2019/20	2018/19
	Note	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	743,449,887	673,982,444
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	- 251,878,861	- 240,511,732
Use of goods and services	5	- 314,284,552	- 330,523,716
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	-	-
Finance Costs	11	- 301,587	-
Other Payments	12	-	-
Adjusted for:			
Prior year adjustment	17	-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	18	- 1,867,619	- 4,270,821
Increase/(Decrease) in Accounts Payable: (deposits and retention)	19	18,489,592	2,375,003
Return to CRF	20	-	- 18,561,214
Net cash flows from operating activities		193,606,860	82,489,964
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	- 175,000,626	- 93,568,589
Net cash flows from investing activities		- 175,000,626	- 93,568,589
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalent at BEGINNING of the year	13	36,624,992	47,703,617
Cash and cash equivalent at END of the year		55,231,226	36,624,992

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/12/20 2020 and signed by:

Ag. Clerk of the Assembly
 Fatuma H. Mwalupa

Director Finance and Accounts
 CPA Philip Ziro
 ICPAK 20407

KWALE COUNTY ASSEMBLY
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**7.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
 COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance difference	% Utilization difference
	KShs	KShs	c=a+b	d	e=d-c	KShs
RECEIPTS						
Transfers from the County Treasury/Exchequer						
Releases	782,345,444	154,361,338	936,706,782	743,449,887	193,256,895	79%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL	782,345,444	154,361,338	936,706,782	743,449,887	193,256,895	79%
PAYMENTS						
Compensation of Employees	276,194,154	23,286,544	252,907,610	251,878,861	1,028,749	100%
Use of goods and services	288,807,677	27,310,937	316,118,614	314,284,552	1,834,062	99%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Entities	100,000,000	-	100,000,000	-	100,000,000	0%
Other grants and transfers	-	-	-	-	-	0%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	117,143,613	150,136,945	267,280,558	175,000,626	92,279,932	65%
Finance Costs	200,000	200,000	400,000	301,587	98,413	75%
Other Payments	-	-	-	-	-	0%
TOTAL	782,345,444	154,361,338	936,706,782	741,465,625	195,241,157	79%
SURPLUS/ DEFICIT				1,984,262	1,984,262	0%

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


KWALE COUNTY ASSEMBLY
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[Commentary on significant underutilization (below 10% of utilization) and any overutilization]

- (a) Under acquisition for Assets, 35% of the total budgetary allocation was not absorbed. This majorly relates to funds set aside for development of the county assembly Complex, and by end of the year the contractor had not submitted certificates of equal worth to warrant payment*
- (b) Under finance cost, 25% of the amount set aside was not utilised. These costs majorly relate to bank charge in our Kcb account whose charges are dependent on the level of actives. During the last quarter of the year under review, the county assembly of Kwale responded to COVID-19 spread mitigation measures and as a result went into recess and staff operated from home hence significant reduction in the level of activities.*
- (c) The changes between the original revenue budget and final revenue budget was as a result of pending bills from the previous financial year which were introduced in the current budget through supplementary budget. The changes in the expenditure budget are as a result of internal reallocations. (IPSAS 1.9.23)*

The entity financial statements were approved on 31/12/2020 and signed by:


Ag. Clerk of the Assembly
Fatuma H. Mwalupa


Director Finance and Accounts
CPA Philip Ziro
ICPAK No. 20407

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance difference	% Utilisation difference
	a	b	c=a+b	d	e=d-c	
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	689,345,444	-	689,345,444	587,658,685	101,686,759	85%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL	689,345,444	-	689,345,444	587,658,685	101,686,759	85%
PAYMENTS						
Compensation of Employees	276,194,154	23,286,544	252,907,610	251,878,861	1,028,749	100%
Use of goods and services	288,807,677	27,310,937	316,118,614	314,284,552	1,834,062	99%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Entities	100,000,000	-	100,000,000	-	100,000,000	0%
Other grants and transfers	-	-	-	-	-	0%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	24,143,613	4,224,393	19,919,220	19,604,641	314,579	98%
Finance Costs	200,000	200,000	400,000	301,587	98,413	75%
Other Payments	-	-	-	-	-	0%
TOTAL	689,345,444	-	689,345,444	586,069,641	103,275,803	85%
Surplus/ Deficit				1,589,044	1,589,044	0%

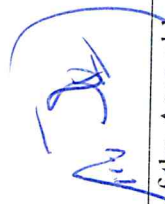
[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]


(a) 15% of the total budgeted revenue, which translate to Kshs 100,000,000, was not received. This were funds budgeted for the kwale County Assembly Members and Staff Loan scheme Fund. The Controller of budget raised issues on the Act managing the fund and advised for some amendments before she would approve the withdrawal of the funds. The Assembly was on a COVID-19 recess and could not pass all the amendments as advised by the COB.

**KWALE COUNTY ASSEMBLY
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- (b) *Under finance cost, 25% of the amount set aside was not utilised. These costs majorly relate to bank charge in our Kcb account whose charges are dependent on the level of actives. During the last quarter of the year under review, the county assembly of Kwale responded to COVID-19 spread mitigation measures and as a result went into recess and staff operated from home hence significant reduction in the level of activities.*
- (c) *A number of supplementary budgets were done during the year and a very fluid operating environment occasioned this. This realignment of the budget contributed great absorption capacity during the year.*
- (d) *The changes in the expenditure budget are as a result of internal reallocations. (IPSAS 1.9.23)*

The entity financial statements were approved on 31/12 2020 and signed by:


Ag. Clerk of the Assembly
Fatuma Hassan Mwalupa


Director, Finance and Accounts
CPA Philip Ziro
ICPAK No. 20407

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance difference	% Utilization difference
	KShs	KShs	e=a+b	d	e=d-c	KShs
RECEIPTS						
Transfers from the County Treasury/ Exchequer Releases	93,000,000	154,361,338	247,361,338	155,791,202	91,570,136	63%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL	93,000,000	154,361,338	247,361,338	155,791,202	91,570,136	63%
PAYMENTS						
Compensation of Employees	-	-	-	-	-	0%
Use of goods and services	-	-	-	-	-	0%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Entities	-	-	-	-	-	0%
Other grants and transfers	-	-	-	-	-	0%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	93,000,000	154,361,338	247,361,338	155,395,985	91,965,353	63%
Finance Costs	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	0%
TOTAL	93,000,000	154,361,338	247,361,338	155,395,985	91,965,353	63%
SURPLUS/ DEFICIT						

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


- (a) *Under acquisition for Assets, 37% of the total budgetary allocation was not absorbed. This majorly relates to funds set aside for development of the county assembly Complex, and by end of the year the contractor had not submitted certificates of equal worth to warrant payment*
- (b) *Funds from pending bills from previous budgets were rolled over as first charge item during supplementary budget(IPSAS 1.9.23)*

**KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020**

The entity financial statements were approved on 31/12/ 2020 and signed by:



Ag. Clerk of the Assembly
Fatuma Hassan Mwalupa



Director, Finance and Accounts
CPA Philip Ziro
ICPAK No. 20407

**KWALE COUNTY ASSEMBLY -
Reports and Financial Statements
For the year ended June 30, 2020**

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
0704013060 (Audit Services)	276,194,154	- 23,286,544	252,907,610	251,878,861	1,028,749
0704043060 (General Administration)	377,767,124	166,221,781	543,988,905	350,115,979	193,872,926
Programme 2	653,961,278	142,935,237	796,896,515	601,994,840	194,901,675
0705013060 (Oversight and legislation of county affairs)	128,384,166	11,426,101	139,810,267	139,470,786	339,481
	128,384,166	11,426,101	139,810,267	139,470,786	339,481
	782,345,444	154,361,338	936,706,782	741,465,626	195,241,156

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

The financial statements are for the County Assembly of Kwale. 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 actually been received by the Assembly.

Transfers from the Exchequer/ County Treasury

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to KShs 55,114,584 compared to KShs 36,624,992 in prior period as indicated on note 13A. *There were no other restrictions on cash during the year.*

7. 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 *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.

11. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. 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 *entity's* budget was approved as required by Law. The original budget was approved by the County Assembly on 30th June for the period 1st July 2019 to 30 June 2020 as required by law. There was 4 number of supplementary budgets passed in the year. The supplementary budgets were approved on 23/10/2019, 18/3/2020, 9/6/2020 and 25/6/2020 respectively. A high-level assessment of the *entity'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.

16. 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.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

17. 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.

KWALE COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2019/20	2018/19
	KShs	KShs
Transfers from the County Treasury for Aug-19	94,328,019	59,548,182
Transfers from the County Treasury for Sep-19		10,000,000
Transfers from the County Treasury for Oct-19	127,819,273	113,472,831
Transfers from the County Treasury for Nov-19		60,280,927
Transfers from the County Treasury for Dec-19	236,913,882	85,683,229
Transfers from the County Treasury for Jan-20		63,247,340
Transfers from the County Treasury for Feb-20	24,939,968	10,134,323
Transfers from the County Treasury for Mar-20	70,258,731	54,145,087
Transfers from the County Treasury for Apr-20		33,906,833
Transfers from the County Treasury for May-20	88,727,388	94,705,320
Transfers from the County Treasury for Jun-20	100,462,626	88,858,372
Cumulative Amount	743,449,887	673,982,444

2. PROCEEDS FROM SALE OF ASSETS

	2019/20	2018/19
	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

	2019/20	2018/19
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2019/20	2018/19
	KShs	KShs
Basic salaries of permanent employees	111,725,753	103,967,438
Basic wages of temporary employees	14,962,693	12,940,600
Personal allowances paid as part of salary	92,631,108	99,241,413
Personal allowances paid as reimbursements	2,146,000	-
Personal allowances provided in kind	4,351,000	-
Pension and other social security contributions	26,062,307	24,362,280
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	251,878,861	240,511,732

(The increase in compensation to employees was occasioned by the yearly annual increments, recruitment of support staff attached to all special elect Members of the County Assembly and fringe benefit tax for car and mortgage loans for staff and Members of the County Assembly)

KWALE COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. USE OF GOODS AND SERVICES

	2019/20	2018/19
	KShs	KShs
Utilities, supplies and services	1,089,812	1,088,945
Communication, supplies and services	1,859,879	5,109,520
Domestic travel and subsistence	110,186,658	132,929,148
Foreign travel and subsistence	28,560,939	29,297,500
Printing, advertising and information supplies & services	39,248,624	29,251,648
Rentals of produced assets	3,214,000	3,583,000
Training expenses	24,047,697	25,571,601
Hospitality supplies and services	33,841,971	38,884,001
Insurance costs	25,478,834	20,065,730
Specialized materials and services	1,262,050	1,265,404
Office and general supplies and services	7,759,722	6,411,548
Fuel Oil and Lubricants	5,343,059	1,393,698
Other operating expenses	23,498,956	23,011,703
Routine maintenance – vehicles and other transport equipment	6,513,372	4,018,657
Routine maintenance – other assets	2,378,980	8,641,613
Total	314,284,552	330,523,716

KWALE COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

Description	2019/20	2018/19
	KShs	KShs
Subsidies to County Corporations	-	-
Subsidies to Private Enterprises	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2019/20	2018/19
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities (insert name of budget agency)	-	-
TOTAL	-	-

8. OTHER GRANTS AND TRANSFERS

	2019/20	2018/19
	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	-	-

KWALE COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2019/20	2018/19
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

10. ACQUISITION OF ASSETS

Non- Financial Assets	2019/20	2018/19
	KShs	KShs
Purchase of Buildings	38,418,158	33,809,036
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	833,980
Purchase of Household Furniture and Institutional Equipment	-	7,682,520
Purchase of Office Furniture and Equipment	19,604,641	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
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	-	-
Purchase of ICT Equipment	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Other Inventories	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	58,022,799	42,325,536
Financial Assets		
Domestic Public Non-Financial Enterprises	116,977,827	51,243,053
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	116,977,827	51,243,053
Total	175,000,626	93,568,589

**KWALE COUNTY ASSEMBLY -
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2019/20	2018/19
	KShs	KShs
Bank Charges	301,587	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	301,587	-

12. OTHER PAYMENTS

	2019/20	2018/19
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfers to Private Non-Financial Enterprises	-	-
Total	-	-

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/20	2018/19
		KShs	KShs
Central Bank of Kenya A/C No. 1000282568 (Kshs)	Development Acc	368,784	-
Central Bank of Kenya A/C No. 1000241567 (Kshs)	Recurrent Acc	383,239	-
Central Bank of Kenya A/C No. 1000282557 (Kshs)	Deposits Acc	55,114,584	36,624,992
Kenya Commercial Bank A/C No. 1142128148 (Kshs)	Commercial Bank Acc	102,186	-
Total		55,231,226	36,624,992

KWALE COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

	2019/20	2018/19
	KShs	KShs
Cash in Hand – Held in domestic currency	0	0
Cash in Hand – Held in foreign currency	0	0
Total	0	0

Cash in hand should be analysed as follows:

Description	2019/20	2018/19
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Total	0	0

14. ACCOUNTS RECEIVABLE

Description	2019/20	2018/19
	KShs	KShs
Government Imprests	-	-
Clearance Accounts (Rent Deposit)	200,000	
Staff Advances	104,991	336,429
Prepayment - FBT & KRA	1,899,057	
Prepayment - PAYE & KRA (Demand Notice)	4,119,392	4,119,392
Other Advances	-	-
Total	6,323,440	4,455,821

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

15. ACCOUNTS PAYABLE

Description	2019/20	2018/19
	KShs	KShs
Deposits	55,114,584	36,624,992
Retentions	-	-
Total	55,114,584	36,624,992

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

Description	2019/20	2018/19
	KShs	KShs
Balance b/f		
Bank accounts	36,624,992	47,703,617
Cash in hand		-
Accounts Payables	- 36,624,992	- 34,249,989
Accounts Receivables (Recovered advances)	4,455,821	185,000
Transfers to CRF-KCB Imprest Account		- 6,049,063
Transfers to CRF-CBK Recurrent Account		- 7,636,588
Transfers to CRF-CBK Development Account	-	- 4,875,564
Total	4,455,821	- 4,922,586

KWALE COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PRIOR YEAR ADJUSTMENTS a prior period adjustment really applies to the correction of an error in the financial statements of a prior period

There are no prior year adjustments.

18. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July, (A)	4,455,821	185,000
Imprest issued during the year (B)	57,264,082	4,455,821
Imprest surrendered during the Year (C)	- 50,940,642	-
Imprest & advances as at 30th June, D=B-C	6,323,440	4,455,821
Net changes in account receivables E= A-D	- 1,867,619	- 4,270,821

19. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	36,624,992	34,249,989
Deposit and Retentions held during the year (B)	69,287,082	-
Deposit and Retentions paid during the Year (C)	14,172,498	36,624,992
Deposits & Retentions as at 30th June D=(B-C)	55,114,584	
Net changes in account payables E=D-A	18,489,593	2,375,003

Annex: Analysis of retention and deposit account

20. RETURN TO CRF

		As at Jun-20	As at Jun-19
Cash balances returned to CRF as at July,2019	Kshs		
		-	
Receivables (Recovered advances)			
Untransited payments (Kinango construction & Pemwaco)			4,875,564
Central Bank of Kenya A/C No. 1000282568 (Kshs)	Development Acc		7,636,588
Central Bank of Kenya A/C No. 1000241567 (Kshs)	Recurrent Acc		6,049,063
Kenya Commercial Bank A/C No. 1142128148 (Kshs)	Commercial Bank Accs.		
Total			18,561,214

**KWALE COUNTY ASSEMBLY -
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7.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2018/2019			FY 2019/2020
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	144,744,823	213,125,647	154,605,335	203,265,135
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
Total	144,744,823	213,125,647	154,605,335	203,265,135

2. PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2018/2019			FY 2019/2020
	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

3. OTHER PENDING PAYABLES (See Annex 3)

Description	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2018/2019			FY 2019/2020
	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

Description	FY 2019/2020	FY 2018/2019
	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	-	-

KWALE COUNTY ASSEMBLY
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a) External assistance relating loans and grants

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		-	-
Total		-	-

c. Classes of providers of external assistance

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

d. Non-monetary external assistance

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc

KWALE COUNTY ASSEMBLY
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N/B : Disclose the basis on which the value of goods and services were determined (This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.

e. Purpose and use of external assistance

PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019
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	-	-

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.

KWALE COUNTY ASSEMBLY
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f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc.

Classification by Source

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

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Classification of payments made by Third Parties by Nature of expenses

PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019
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:

- 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.

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Related party transactions:

	2019/20	2018/19
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker	111,541,871	96,891,833
Key Management Compensation (Clerk and He	19,974,425	19,969,200
Total Compensation to Key Management	131,516,296	116,861,033
Transfers to related parties		
Transfers to other County Government Entities s	-	-
Transfers to County Corporations	-	-
Transfers to CRF	-	4,920,651
Total Transfers to related parties	-	4,920,651
Transfers from related parties		
Transfers from the County Executive- Exchequer	743,449,887	673,981,354
Payments made on behalf of the County Assembl	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	743,449,887	673,981,354

KWALE COUNTY ASSEMBLY
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8. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The Kwale County Assembly has not yet received the Audit report for FY 2018-2019 for further deliberations.

Ag. Clerk of the County Assembly

Sign..... 

Date..... 31/12/2020

**KWALE COUNTY ASSEMBLY -
Reports and Financial Statements
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ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	A	b	c	d=a-c		
Construction of buildings						
AHLIMCO CONSTRUCTION LTD	6,682,821		6,682,821	-	200	
REENAH (K) LTD	6,990,502		6,807,355	183,147	160,001	
REENAH (K) LTD	6,990,502		6,990,502	-	6,990,502	
KAWANGI CONSTRUCTION CO.	6,508,690		4,638,088	1,870,602	1,634,185	
PEMWACO SUPPLIERS	6,861,423		6,481,602	379,821	2,470,336	
KISUA ENTERPRISES	6,998,152		6,515,855	482,297	2,648,004	
MAKA BUILDING AND CONST.CO	6,520,093		6,179,536	340,557	2,599,713	
ALDEM GENERAL SUPPLIERS	6,999,930		6,784,160	215,770	188,501	
DESMAN ENTERPRISES	6,830,166		6,629,156	201,010	940,979	
AHLIMCO CONSTRUCTION LTD	6,889,913		6,889,913	-	6,889,913	
SOFLEX AGENCIES LIMITED	6,896,380		4,756,365	2,140,015	4,404,962	
MAKA BUILDING AND CONST.CO	58,051,340		58,050,636	704	699,506	
EXCHANGE INVESTMENT	583,615,213		518,012,419	65,602,794	65,238,746	
KENASIA CONSULTANTS COMPANY LTD	1,567,000		1,250,821	316,179	1,567,000	
PHILLIP'S PLUMBING & ENGINEERING WORKS	1,712,713		-	1,712,713	1,496,250	
REENAH (K) LTD	15,505,883		13,995,991	1,509,892	2,436,647	

KWALE COUNTY ASSEMBLY
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ANALYSIS OF PENDING ACCOUNTS PAYABLE(Continued)

ADVANCED ENTERPRISES LIMITED	13,236,872		8,939,997	4,296,875	8,568,342
ALDEM GENERAL SUPPLIERS	24,380,473		22,867,047	1,513,426	5,981,234
RYKAN GENERAL SUPPLIES & CONSTRUCTION	9,992,530		6,891,337	3,101,193	9,992,530
DESMAN ENTERPRISES	9,920,000		9,920,000	-	9,920,000
GISDEBNER KENYA LIMITED	11,355,131			11,355,131	
GRAZHEIM COMPANY LTD	11,352,009		3,309,000	8,043,009	9,917,272
Sub-Total	809,174,915		705,909,780	103,265,135	144,744,823
Construction of civil works					
Sub-Total					
Supply of goods					
Sub-Total					
Supply of services					
CARLOAN & MORTGAGE FUND ACCOUNT	100,000,000		-	100,000,000	-
Sub-Total	100,000,000		-	100,000,000	144,744,823
Grand Total	909,174,915		705,909,780	203,265,135	144,744,823

KWALE COUNTY ASSEMBLY
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ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	b	C	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	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							

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

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

Asset class	Historical Cost b/f (KShs) 2018/19	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2019/20
Land	22,900,000				22,900,000
Buildings and structures	606,148,957	155,395,985			761,544,942
Transport equipment (Motovehicles)	27,380,048	-			27,380,048
Office equipment, furniture and fittings	9,737,162	4,370,242			14,107,404
ICT Equipment	12,342,964	8,459,400			20,802,364
Machinery and Equipment	5,434,133	7,224,999			12,659,132
Biological assets					
Infrastructure Assets	12,686,213				
Heritage and cultural assets					
Intangible assets					
Work In Progress					
Total	696,629,477	175,450,626	-	-	872,080,103

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ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

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Imprest Register

	Staff name	Staff Personal number	Department	Imprest warrant No.	Date of issue	Expected date of surrender	Actual date of surrender	Number of days outstanding	Currenty	Imprest Amount Kshs	Amount surrendered Kshs	Balance Kshs	Remarks
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													

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ANNEX 6 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						

