

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
TAITA/TAVETA**

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

| PAPERS LAID | |
|--------------------|----------------|
| DATE | 18/11/2021 |
| TABLED BY | Sen. Gideon M. |
| COMMITTEE | |
| CLERK AT THE TABLE | Ms. Kavata |

Revised template of June 2020



TAITA TAVETA 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)**

Table of Contents

| | |
|---|-------------|
| 1. KEY ENTITY INFORMATION AND MANAGEMENT | ii |
| 2. FORWARD BY THE CLERK OF THE ASSEMBLY | vi |
| 3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED OBJECTIVES..... | viii |
| 4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING | x |
| 5. STATEMENT OF MANAGEMENT RESPONSIBILITIES | xii |
| 6. REPORT OF THE INDEPENDENT AUDITORS ON COUNTY ASSEMBLY OF TAITA..... | xiii |
| 7.0 FINANCIAL STATEMENTS..... | 1 |
| 7.1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 TH JUNE 2020 | 1 |
| 7.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR THE YEAR ENDED..... | 2 |
| 30TH JUNE 2020 | 2 |
| 7.3 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020..... | 3 |
| 7.4 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020 | 4 |
| 7.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2020 | 5 |
| 7.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2020 | 6 |
| 7.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2020..... | 7 |
| 7.8 SIGNIFICANT ACCOUNTING POLICIES | 8 |
| 7.9 NOTES TO THE FINANCIAL STATEMENTS | 14 |
| 7.10 OTHER DISCLOSURES | 22 |
| 7. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS..... | 27 |
| ANNEXES..... | 28 |
| ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE..... | 28 |
| ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES..... | 37 |
| ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES | 42 |
| ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER..... | 43 |
| ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS..... | 44 |
| ANNEX 6 - CONTINGENT LIABILITIES REGISTER..... | 46 |
| ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT..... | 47 |

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 20 Members of County Assembly (MCAs) elected and 13 nominated Members of County Assembly (MCAs) to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The *entity's* day-to-day management is under the following key organs:

Name

Designation



1. Hon. Meshack Maganga Maghanga

Speaker County Assembly



2. Hon. Harris Keke

Leader of Majority



3. Hon. Ronald Habel Sagurani

Leader of Minority



4. CPA Gadiel Mnyambo Maghanga

Clerk of County Assembly



5. Mrs. Sophie Muindi

CASB External Member



6. Mr. Raymond Mwangola

CASB External Member

(c) Fiduciary Management

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

Designation

Name



1. Accounting Officer

CPA Gadiel Mnyambo Maghanga



2. Principal Finance Officer

CPA Joseph Waduu



3. Principal Internal Auditor

Renson Peter Mambaria



4. Principal Legal Officer

Fredrick Mwambili

(d) Fiduciary Oversight Arrangements

The following provided key fiduciary oversight arrangements

- Office of Controller of Budget
- Commission on Revenue Allocation
- Public Accounts Committee

(e) Entity Headquarters

P.O. Box 1142 - 80304
Taita Taveta County Assembly Building
Wundanyi, Kenya.

(f) Entity Contacts

Telephone: (254) 0718703359/0732604811

E-mail: clerk@taitatavetaassembly.go.ke

Website: www.taitatavetaassembly.go.ke

(g) Entity Bankers

1. Central Bank of Kenya Haile Selassie Avenue
P.O. Box 60000 City Square
00200 Nairobi, Kenya
2. Kenya Commercial Bank
Wundanyi Branch
P.O. Box 1067 - 80304
Wundanyi.

(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

| |
|--|
| Budget performance |
| The total County Assembly expenditure for the 2019/2020 financial year amounted to Kshs. 593,880,350 which represented a total absorption rate of 95% of the total budget. The largest proportion of the expenditure comprised of Use of Goods and Services Kshs. 275,403,164 which accounted for 50% of the expenditure. |
| Operational Performance |
| The County Assembly has been able to pass numerous bills, motions, regulations and policies. Furthermore, a number of statements and petitions have been received and most of them dealt with. The County Assembly approved a total of thirteen bills, policies and regulations. The budget of 2019-2020, was approved by the County Assembly on the 6 th November, 2019 The 1 st Supplementary was approved on 7 th February, 2020 and the 2 nd Supplementary was approved on 10 th June, 2020. |
| Performance of key development projects |
| The County Assembly embarked on construction of a new office block within the financial year 2017-2018 to reduce congestion within the offices. The county assembly continued to struggle with limited office space as well as committee rooms. County assembly of Taita Taveta has put a mechanism to ensure that tenders advertised by the Assembly can be assessed through the system and all application for quotations of work and suppliers are all done in the system. This has enhanced transparency and fair competition among the suppliers and limited bias in supplier selection. |
| Payments of suppliers has been improved and are being paid within the prescribed time. |
| Comment on value-for-money achievements |
| The County Assembly embarked on tree planting on schools, churches and community areas as a community social investment and corporate social responsibility. But due to outbreak of covid-19 the activity was halted. |
| Challenges and Recommended Way Forward |
| <p>The following challenges were encountered by the County Assembly during financial year 2019/2020.</p> <ul style="list-style-type: none">• Outbreak of covid-19 led to delay of activities and passing of bills by the County Assembly due to social distance factor making it impossible to get a quorum.• Delay in disbursement of funds from National Government which hindered the smooth flow of the County Assembly operations and subsequently limiting the number of bills passed.• Inadequate office space. The County Assembly still uses the old municipal council buildings which do not have adequate space for staff and committee meetings. |

To overcome the challenge of office space, the county assembly has opted to hold most of the committee meetings at the local hotels while at the same time undertaking construction of the new office block which will also include committee rooms.

A handwritten signature in black ink, consisting of a series of loops and a trailing line.

Sign

Clerk of the County Assembly

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED OBJECTIVES

Guidance

The County Government will implement its accelerated transformative agenda. Priority will be given towards projects with high impact for socio –economic development. The priority areas that will continue to be pursued in FY 2020/2021 and the medium term include:

The Broad County priorities include among the following:-

1. Increasing access to clean, quality, affordable and potable water for all households, schools and health facilities.
2. Improved Food and Nutrition Security and community resilience through provision of adequate water for irrigation, livestock and wildlife throughout the County.
3. Improved household income and livelihood through value addition, marketing and establishment of fruits, tomatoes, beef and dairy processing plants.
4. Investing sufficiently in quality, accessible and affordable health care services including provision of prerequisite equipment, drugs and health personnel.

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 Government entities 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 County Assembly of Taita Taveta is legislation, oversight, and representation. To achieve this, the assembly's program was document 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 | No of bills passed in the County Assembly | In FY 19/20 MCA were trained on - |
| | Enhanced | Review standing | % increase in | - standing |

| | | | | |
|------------------|--|--------|------------------------------------|--|
| | professional development of MCAs – Review standing orders | Orders | efficient Assembly operation | orders were reviewed and resulted to - |
| Program 2 | - | - | - | - |

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Assembly of Taita Taveta exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on among the pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

The top management will ensure that there is sustainability risks, engage with your stakeholders and Seek feedback and continually improve

2. Environmental performance

The assembly started a tree planting project but failed to continue due to covid-19 outbreak

3. Employee welfare

There is employee welfare which addresses workers issued and any issue to be raised

4. Market place practices-

The County Assembly ensures that:-

- i. Build The Marketplace Into Your Existing E-Commerce Web Site
As a marketplace operator you act as a trusted third party and you should be worthy of that trust by selecting the right vendors.
- ii. Build Trust Through Transparency
Consumers value transparency in the purchases they make. They are familiar with the marketplace model and already trust your brand as a shopping destination, so trying to hide the fact that a third party is involved makes no sense.

5. Community Engagements-

- a) Start off with a transparent community selection process and share results:-
There are many options on how to go about selecting your target communities. Donor requirements may indicate specific selection criteria or prioritized geographic or socio-demographic sectors. The quality and availability of quantitative data such as average family income or school dropout rates will also drive selection criteria. As important as defining your community selection process may be, it is equally important that you are transparent and publically share selection criteria and the results of the community selection process. Post the results of your community selection process online and share them with program stakeholders, including the communities that were not selected.
- b) Map community priorities and identify community leaders through community assessments: -
Once we identified our target communities, we designed a simple questionnaire with the goal of identifying potential community leaders as well as what community members saw as their most pressing priorities. The questionnaire was applied through a house-to-house survey approach and carried out by our program staff. This is a great opportunity to inform community members about your upcoming program, its objectives and next steps. We found that when interviewed individually and anonymously, community members

were more forthcoming about their needs and priorities, as well as their perceptions of who the “go-to” people were within the community.

- c) Hold preliminary meetings with community leaders and enlist their support to mobilize community participation:

Often vulnerable communities are skeptical of outsiders and have been on the receiving end of broken promises to improve community infrastructure or provide much needed basic services. Trying to engage communities directly through public calls for meetings without establishing community channels and trusted intermediaries may limit or delay your success in mobilizing communities to participate early in the program. Once Sowing Futures systematized the results of leaders identified by community members during the community assessment surveys, we convened leaders to introduce them to the program and request feedback and advice on how best to engage the broader community. We asked leaders to help us reach out to the community and to help organize the first community assembly meetings.

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

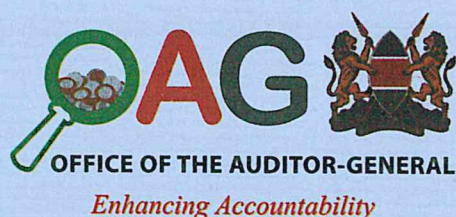
The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 28th December, 2020.



Clerk of the County Assembly

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF TAITA/ TAVETA 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 Taita/Taveta set out on pages 1 to 28, 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, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Taita/Taveta 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 Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Discrepancies in the Financial Statements

The financial statements contain the following errors and inaccuracies:

1.1 Variances Between Financial Statements and Integrated Financial Management System (IFMIS) Report

The statement of receipts and payments reflects receipts totalling Kshs.593,911,763 and payments totalling Kshs.593,880,350 whereas the Integrated Financial Management Information System(IFMIS) records as at 30 June, 2020 reflected receipts totalling Kshs.602,000,000 and payments totalling Kshs.509,450,725 respectively in respect to the County Assembly. The differences amounting to Kshs.8,088,237 in receipts and Kshs.84,429,625 in payments was not reconciled.

Consequently, the accuracy and completeness of the receipts and payments balances totalling Kshs.593,911,763 and Kshs.593,880,350 respectively reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be confirmed.

1.2 Overcast Cash Balance in the Statement of Cash flows

The statement of assets and liabilities as at 30 June, 2020 reflects cash and bank balance totalling Kshs.3,906,103. However, the amounts in the accounts included in the balance amount to Kshs.1,038,309 and therefore the financial statements' balance is overcast by Kshs.2,867,794.

Further, the statement of cash flows reflects a closing cash and cash equivalents balance totalling Kshs.3,906,103 and an opening balance of Kshs.1,006,896 resulting to a difference of Kshs.2,899,207 which does not tally with the net increase in cash and cash equivalents amounting to Kshs.31,413 reflected in the statement. As a result, the statement of cash flows is not balanced and is therefore inaccurate.

In view of these discrepancies, the accuracy and completeness of the statement of assets and liabilities as at 30 June, 2020 and the statement of cash flows for the year then ended could not be confirmed.

1.3 Unsupported Prior Year Adjustments

The statement of financial assets and liabilities reflects net debit prior year adjustments totalling Kshs.3,533,380 in the year under review and a net credit balance of Kshs.5,296,191 for the financial year 2018/2019. No explanation was provided for the adjustment.

In addition, the statement of assets and liabilities includes a balance of Kshs.3,533,380 described as prior year adjustment on accounts payables and bank account balances. However, records to support how the balance changed from a credit balance of Kshs.5,296,191 in the previous year to a debit balance of Kshs.3,533,380 in the year under review were not presented for audit. In the circumstance, the accuracy of the balance could not be confirmed.

1.4 Differences in Budget Balances

The statement of comparison of budget and actual amounts: recurrent and development combined reflects total budgeted expenditure totalling Kshs.627,775,000 which, however, differs with the balance of Kshs.582,775,000 reflected in respect to the account in the statement of budget execution by programmes and sub-programmes. The resultant difference of Kshs.45,000,000 was not explained.

1.5 Undisclosed Deposits and Retentions

The statement of financial assets and liabilities reflects nil balances for accounts payables-deposits and retentions for both 2018/2019 and 2019/2020 financial years.

However, Note 19 to the financial statements reflects deposits and retentions totalling Kshs.3,800,000 held as at 30 June, 2020. The amounts are not, however, accounted for in the statement of assets and liabilities. As a result, the accuracy and completeness of the accounts payables as at 30 June, 2020 could not be confirmed.

1.6 Overstated Pending Bills

Note 1 and Note 2 on other important disclosures to the financial statements reflect pending accounts payables totalling Kshs.30,116,116 and pending staff payables totalling Kshs.3,147,010 as at 30 June, 2020 respectively. However, the following anomalies were noted in regard to the two sets of pending bills totalling Kshs.33,263,126:

1.6.1 Accounts Payables

The pending accounts payables balance totalling Kshs.30,116,116 reflected in Note 1 on other disclosures is comprised of supply of goods balance amounting to Kshs.15,022,791 and supply of services balance amounting to Kshs.15,093,325. However, a recast of the amounts included in the two balances yielded Kshs.7,332,014 and Kshs.284,171 respectively or Kshs.7,516,185 in aggregate. Therefore, the accounts payables balance reflected in the financial statements is overcast by KShs.22,499,931.

1.6.2 Pending Bills

In addition, other important disclosures to the financial statements reflect pending accounts payables totalling Kshs.30,116,116 incurred in the year under review. However, the bills included in the account yielded a sum of Kshs.7,616,185 and therefore the balance reflected in the financial statements is overstated by Kshs.22,499,931.

In view of these discrepancies, the accuracy and completeness of the pending bills balance totalling Kshs.33,263,126 reflected in the financial statements has not been confirmed.

Further, failure to pay the bills in due time has distorted the financial statements for the year under review and will adversely affect the budgetary provisions for the 2020/2021 financial year to which they are expected to be charged.

1.7 Unreconciled Exchequer Releases

The statement of receipts and payments for the year ended 30 June, 2020 reflects Exchequer releases totalling Kshs.587,000,000, whereas the County Treasury report for the year indicates that Exchequer releases to the County Assembly in the year under review amounted to Kshs.608,852,400. The difference of Kshs.21,852,400 between the two sets of records has not been reconciled.

Consequently, the accuracy and completeness of the Exchequer releases totalling Kshs.587,000,000 for the year ended 30 June, 2020 could not be confirmed.

1.8 Overstated Other Receipts

The statement of receipts and payments reflects other receipts totalling Kshs.6,911,763, as further disclosed in Note 3 to the financial statements. Included in the balance is Kshs.3,911,763 of returned Real Time Gross Settlement (RTGS) receipts treated erroneously as income in these financial statements.

Consequently, the other receipts balance totalling Kshs.6,911,763 is overstated by Kshs.3,911,763.

2. Unsupported Expenditure on Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure totalling Kshs.275,403,164, as further detailed in Note 5 to the financial statements. However, several items included in the balance were not supported with relevant documents as highlighted below:

2.1. Domestic Travel Expenditure

Included in the domestic travel and subsistence expenditure totalling Kshs.197,373,774 highlighted in Note 5 to the financial statements are unsupported payments amounting to Kshs.6,051,900.

2.2. Foreign Travel Expenses

Note 5 to the financial statements reflects foreign travel and subsistence expenses totalling Kshs.19,571,324, out of which Kshs.1,101,424 relates to costs of attendance at regional games in Kampala, Uganda. However, travel records including exit and entry stamps on passports used by the participants were not presented for audit.

2.3. Training Expenses

Note 5 to the financial statements further reflects training expenses totalling Kshs.4,291,987. However, payment vouchers totalling Kshs.2,360,775 were not supported with signed attendance lists and training programs.

In view of lack of insufficient documentation, the occurrence, measurement and validity of the payments for domestic and foreign travel as well as training expenses totalling Kshs.11,445,311 could not be confirmed.

3. Inaccurate Summary of Fixed Assets Register

Annex 4 to the financial statements reflects a summary of fixed assets register comparative balance of Kshs.69,318,940 which, however, differs by Kshs.25,807,523

with the audited balance of Kshs.95,126,463 for the year 2018/2019. No explanation was provided for the difference between the two sets of records. As a result, the completeness and accuracy of the fixed assets balance totalling Kshs.109,783,935 reflected in the summary of fixed assets 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 County Assembly of Taita/Taveta 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. I have determined that there were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects final receipts budget and actual on comparable basis totalling Kshs.627,775,000 and Kshs.593,911,763 respectively resulting to an under-funding of Kshs.33,895,649 or 5% of the budget. Similarly, the County Executive expended Kshs.593,880,350 against an approved budget of Kshs.627,775,000 resulting to under-expenditure of Kshs.33,895,649 or 5% of the budget. As a result, all the activities planned for the year were not implemented.

2. Incomplete Report on Prior Year Issues

Note 7 to the financial statements indicates that two issues raised in the report for the previous year had since been resolved. However, no information was provided on the other matters highlighted in the audit report of the previous year. Consequently, the report on progress on follow up on prior year auditor's recommendations is not complete and does not meet the requirements set by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing 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

Accounts Receivables - Outstanding Imprests

Note 14 to the financial statements reflects outstanding imprests totalling Kshs.665,586 as at 30 June, 2020. Examination of the imprests register indicated that the amounts had been outstanding for over six months.

Failure to recover the imprests from staff contravened Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender it within seven days after returning to the duty station.

Management is, therefore, in breach of regulations on issue and surrender of imprests.

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 SYSTEMS AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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

Lack of Controls on Management of Fixed Assets

Section 149(2)(o) of the Public Finance Management Act, 2012 requires the Accounting Officer in each public entity to ensure that adequate systems and processes are in place to plan for, procure, account for, maintain, store and dispose of assets. These would include an asset register that is current, accurate and available to the relevant County Treasury. In addition, a functional internal control system should provide accuracy and clarity in accounting for the assets of the entity.

Annex 4 to the financial statements reflects a summary of fixed assets register balance of Kshs.109,783,935. However, the dates of acquisition and costs of the assets were not indicated in the fixed assets register and the assets were not tagged to disclose their location and users.

In view of these omissions, controls on the County Assembly's assets are inadequate and as a result, the assets are at risk of loss and misuse.

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, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the ability of the County Assembly 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.

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 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 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 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 the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 ability of County Assembly 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 the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

7.0 FINANCIAL STATEMENTS

7.1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

| | | 2019/20 | 2018/19 |
|---|------|--------------------|---------------------|
| | Note | KShs | KShs |
| RECEIPTS | | | |
| Transfers from the County Treasury/Exchequer Releases | 1 | 587,000,000 | 661,875,359 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | 6,911,763 | - |
| TOTAL RECEIPTS | | 593,911,763 | 661,875,359- |
| PAYMENTS | | | |
| Compensation of Employees | 4 | 236,794,221 | 247,703,175 |
| Use of goods and services | 5 | 275,403,164 | 321,550,353 |
| Subsidies | 6 | - | - |
| Transfers to Other Government Entities | 7 | 7,500,000 | 58,500,000 |
| Other grants and transfers | 8 | - | - |
| Social Security Benefits | 9 | 20,424,825 | 23,351,306 |
| Acquisition of Assets | 10 | 40,464,995 | 38,497,067 |
| Finance Costs | 11 | - | 47,806 |
| Other Payments | 12 | 13,293,146 | - |
| TOTAL PAYMENTS | | 593,880,350 | 689,649,707 |
| SURPLUS/DEFICIT | | 31,413 | -27,774,348 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th December, 2020 and signed by:



Clerk of the Assembly



Principal Finance Officer – County Assembly

**7.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR THE YEAR ENDED
30TH JUNE 2020**

| | | 2019/20 | 2018/19 |
|---|-------------|------------------|------------------|
| FINANCIAL ASSETS | Note | KShs | KShs |
| | | | Restated |
| Cash and Cash Equivalents | | | |
| Bank Balances | 13A | 3,906,103 | 1,006,896* |
| Cash Balances | 13B | - | - |
| Total Cash and cash equivalents | | 3,906,103 | 1,006,896 |
| Accounts receivables – Outstanding Imprests | 14 | 665,586 | - |
| TOTAL FINANCIAL ASSETS | | 4,571,689 | 1,006,896 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables – Deposits and retentions | 15 | - | - |
| NET FINANCIAL ASSETS | | 4,571,689 | 1,006,896 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 16 | 1,006,896 | 34,077,435 |
| Surplus/Deficit for the year | | 31,413 | -27,774,348 |
| Prior year adjustments | | 3,533,380 | -5,296,191 |
| NET FINANCIAL POSITION | | 4,571,689 | 1,006,896 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th December, 2020 and signed by:



Clerk of the Assembly



Principal Finance Officer – County Assembly

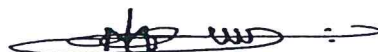
7.3 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2020

| | | 2019/20 | 2018/19 |
|--|------|--------------------|--------------------|
| | Note | KShs | KShs |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | Restated |
| Receipts from operating income | | | |
| Transfers from the County Treasury/Exchequer Releases | 1 | 587,000,000 | 661,875,359 |
| Other Receipts | 3 | 6,911,763 | - |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 236,794,221 | 247,703,175 |
| Use of goods and services | 5 | 275,403,164 | 321,550,353 |
| Subsidies | 6 | - | - |
| Transfers to Other Government Entities | 7 | 7,500,000 | 58,500,000 |
| Other grants and transfers | 8 | - | - |
| Social Security Benefits | 9 | 20,424,825 | 23,351,306 |
| Finance Costs | 11 | - | 47,806 |
| Other Payments | 12 | 13,293,146 | - |
| | | | |
| Net cash flows from operating activities | | 40,496,407 | 10,722,719 |
| | | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 10 | -40,464,995 | -38,497,067 |
| Net cash flows from investing activities | | -40,464,995 | -38,497,067 |
| | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 31,413 | -27,774,348 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 1,006,896 | 28,476,446 |
| Cash and cash equivalent at END of the year | | 3,906,103 | 1,006,896* |
| | | | |
| | | | |
| | | | |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th December, 2020 and signed by:



Clerk of the Assembly



Chief Finance Officer – County Assembly

*See restatement detail on note 13

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

**7.4 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
 COMBINED FOR THE YEAR ENDED 30TH JUNE 2020**

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % Utilization difference |
|---|--------------------|--------------------|--------------------|-------------------------------|-----------------------------|
| | KShs | KShs | a+b | c-d-c | KShs |
| RECEIPTS | | | | | |
| Transfers from the County Treasury/Exchequer Releases | 648,175,000 | -20,400,000 | 627,775,000 | 587,000,000 | 94% |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Other Receipts | - | - | - | 6,911,763 | - |
| TOTAL | 648,175,000 | -20,400,000 | 627,775,000 | 593,911,763 | 95% |
| PAYMENTS | | | | | |
| Compensation of Employees | 226,090,638 | -4,583,036 | 221,507,602 | 236,794,221 | 107% |
| Use of goods and services | 287,055,960 | 22,403,422 | 309,459,382 | 275,403,164 | 89% |
| Subsidies | - | - | - | - | 0% |
| Transfers to Other Government Entities | 29,147,397 | -508,000 | 28,639,397 | 7,500,000 | 26% |
| Other grants and transfers | - | - | - | - | 0% |
| Social Security Benefits | 11,183,749 | -7,179,388 | 4,004,361 | 20,424,825 | 510% |
| Acquisition of Assets | 71,797,256 | -22,152,998 | 49,644,258 | 40,464,995 | 82% |
| Finance Costs | 400,000 | -380,000 | 20,000 | - | 0% |
| Other Payments | 22,500,000 | -8,000,000 | 14,500,000 | 13,293,146 | 0% |
| TOTAL | 648,175,000 | -20,400,000 | 627,775,000 | 593,880,350 | 95% |
| SURPLUS/DEFICIT | - | - | - | 31,413 | |

The entity financial statements were approved on 28th December, 2020 and signed by:


 Clerk of the Assembly


 Principal Finance Officer – County Assembly

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

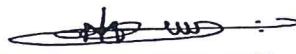
7.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2020

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % Utilisation difference |
|--|--------------------|------------------|--------------------|----------------------------|--------------------------|
| | a | b | c=a+b | d-e | |
| RECEIPTS | | | | | |
| Transfers from the County Treasury/ Exchequer Releases | 581,175,000 | 1,600,000 | 582,775,000 | 549,000,000 | 94% |
| Proceeds from Sale of Assets | - | - | - | - | |
| Other Receipts | - | - | - | 6,911,763 | |
| TOTAL | 581,175,000 | 1,600,000 | 582,775,000 | 555,911,763 | 95% |
| PAYMENTS | | | | | |
| Compensation of Employees | 226,090,638 | -4,583,036 | 221,507,602 | 236,794,221 | 107% |
| Use of goods and services | 287,055,960 | 22,403,422 | 309,459,382 | 275,403,164 | 89% |
| Subsidies | - | - | - | - | 0% |
| Transfers to Other Government Entities | 29,147,397 | -508,000 | 28,639,397 | 7,500,000 | 26% |
| Other grants and transfers | - | - | - | - | 0% |
| Social Security Benefits | 11,183,749 | -7,179,388 | 4,004,361 | 20,424,825 | 510% |
| Acquisition of Assets | 4,797,256 | -152,998 | 4,644,258 | 2,493,183 | 54% |
| Finance Costs | 400,000 | -380,000 | 20,000 | - | 0% |
| Other Payments | 22,500,000 | -8,000,000 | 14,500,000 | 13,293,146 | 0% |
| TOTAL | 581,175,000 | 1,600,000 | 582,775,000 | 555,908,539 | 92% |
| Surplus/ Deficit | - | - | - | 3,224 | |

The entity financial statements were approved on 28th December, 2020 and signed by:



Clerk of the Assembly



Principal Finance Officer – County Assembly

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

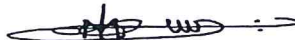
7.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2020

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % Utilization difference |
|--|-----------------|-------------|--------------|----------------------------|--------------------------|
| | KShs | KShs | c=a+b | c=d-e | KShs |
| RECEIPTS | | | | | |
| Transfers from the County Treasury/ Exchequer Releases | 67,000,000 | -22,000,000 | 45,000,000 | 38,000,000 | 84% |
| Proceeds from Sale of Assets | | | | | - |
| Other Receipts | | | | | - |
| TOTAL | 67,000,000 | -22,000,000 | 45,000,000 | 38,000,000 | 84% |
| 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 | 67,000,000 | -22,000,000 | 45,000,000 | 37,971,811 | 84% |
| Finance Costs | - | - | - | - | - |
| Other Payments | - | - | - | - | - |
| TOTAL | 67,000,000 | -22,000,000 | 45,000,000 | 37,971,811 | 84% |
| SURPLUS/ DEFICIT | | | | 28,189 | |

The entity financial statements were approved on 28th December, 2020 and signed by:



Clerk of the Assembly



Principal Finance Officer – County Assembly

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

7.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2020

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|-------------------------|--------------------|------------------|--------------------|----------------------------|-------------------------------|
| | KShs | KShs | KShs | KShs | KShs |
| Programme 1 | 261,528,750 | 720,000 | 262,248,750 | 267,246,158 | -4,997,408 |
| Sub-programme 1 | | | | | |
| Sub-programme 2 | | | | | |
| Sub-programme 3 | | | | | |
| Programme 2 | 319,646,250 | 880,000 | 320,526,250 | 326,634,193 | -6,107,943 |
| Sub-programme 1 | | | | | |
| Sub-programme 2 | | | | | |
| Sub-programme 3 | | | | | |
| | | | | | |
| | | | | | |
| Grand Total | 581,175,000 | 1,600,000 | 582,775,000 | 593,880,350 | -11,105,350 |

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

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 Taita Taveta 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 recognizes 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.

TAITA TAVETA COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

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.

Recognition of payments

The entity recognizes 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.

TAITA TAVETA COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

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 3,800,000 compared to KShs nil 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.

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

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 recognized 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, and 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.

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

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 6th November, 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 07/02/2020 and 10/06/2020. 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.

TAITA TAVETA 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.

TAITA TAVETA 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 Q1 | 45,000,000 | 102,315,833 |
| Transfers from the County Treasury for Q2 | 210,000,000 | 165,559,526 |
| Transfers from the County Treasury for Q3 | 185,000,000 | 166,000,000 |
| Transfers from the County Treasury for Q4 | 147,000,000 | 228,000,000 |
| Cumulative Amount | 587,000,000 | 661,875,359 |

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-Returned RTGS | 3,911,763 | - |
| Other Receipts III- M.C.A facilitation from Executive | 3,000,000 | - |
| Other Receipts IV | - | - |
| Total | 6,911,763 | - |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

| | 2019/20 | 2018/19 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Basic salaries of permanent employees | 111,014,944 | 125,543,285 |
| Basic wages of temporary employees | 22,464,820 | 16,061,130 |
| Personal allowances paid as part of salary | 76,454,332 | 81,377,239 |
| Personal allowances paid as reimbursements | 21,308,300 | - |
| Personal allowances provided in kind | | - |
| Pension and other social security contributions | 4,326,533 | 14,862,740 |
| Compulsory national social security schemes | 1,225,292 | 2,319,138 |
| Compulsory national health insurance schemes | - | 2,439,509 |
| Social benefit schemes outside government | - | - |
| Other personnel payments | - | 5,100,135 |
| Total | 236,794,221 | 247,703,175 |

5. USE OF GOODS AND SERVICES

| | 2019/20 | 2018/19 |
|--|--------------------|--------------------|
| | KShs | KShs |
| Utilities, supplies and services | 155,249 | 628,206 |
| Communication, supplies and services | 7,500 | 704,764 |
| Domestic travel and subsistence | 197,373,774 | 179,891,825 |
| Foreign travel and subsistence | 19,571,324 | 15,024,346 |
| Printing, advertising and information supplies & services | 3,700,289 | 5,595,954 |
| Rentals of produced assets | - | 9,334,500 |
| Training expenses | 4,291,987 | 29,057,286 |
| Hospitality supplies and services | 8,884,818 | 27,877,603 |
| Insurance costs | 21,094,500 | 25,484,107 |
| Specialized materials and services | 416,450 | 1,166,380 |
| Office and general supplies and services | 5,264,967 | 2,053,580 |
| Fuel Oil and Lubricants | 4,615,788 | 6,128,537 |
| Other operating expenses | 9,261,255 | 13,968,478 |
| Routine maintenance – vehicles and other transport equipment | 713,479 | 3,405,532 |
| Routine maintenance – other assets | 51,785 | 1,229,257 |
| Total | 275,403,164 | 321,550,353 |

TAITA TAVETA COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

| Description | 2019/20 | 2018/19 |
|----------------------------------|---------|---------|
| | KShs | KShs |
| Subsidies to County Corporations | | |
| <i>See list attached</i> | - | - |
| (insert name) | - | - |
| | | |
| Subsidies to Private Enterprises | | |
| <i>See list attached</i> | - | - |
| (insert name) | - | - |
| | | |
| | | |
| 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- | - | - |
| (Mortgage and car loan) | 7,500,000 | 58,500,000 |
| TOTAL | 7,500,000 | 58,500,000 |

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 | - | - |

TAITA TAVETA COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

| | 2019/20 | 2018/19 |
|---|-------------------|-------------------|
| | KShs | KShs |
| Government pension and retirement benefits (Lapfund. Laptrust and gratuity) | 20,424,825 | 23,351,306 |
| Social security benefits in cash and in kind | - | - |
| Employer Social Benefits in cash and in kind | - | - |
| Total | 20,424,825 | 23,351,306 |

10. ACQUISITION OF ASSETS

| Non-Financial Assets | 2019/20 | 2018/19 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Purchase of Buildings | - | - |
| Construction of Buildings | 37,971,811 | 33,804,000 |
| 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 | - | - |
| Purchase of Household Furniture and Institutional Equipment | - | - |
| Purchase of Office Furniture and Equipment | - | - |
| 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 | - | 172,757 |
| Purchase of ICT Equipment | 2,493,183 | 4,520,310 |
| Acquisition of Strategic Stocks and commodities | - | - |
| Acquisition of Other Inventories | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Total purchase of non-financial assets | 40,464,995 | 38,497,067 |
| Financial Assets | - | - |
| Domestic Public Non-Financial Enterprises | - | - |
| Domestic Public Financial Institutions | - | - |
| Total purchase of financial assets | - | - |
| Total | 40,464,995 | 38,497,067 |

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

11. FINANCE COSTS

| | 2019/20 | 2018/19 |
|-------------------------------------|---------|---------------|
| | KShs | KShs |
| Bank Charges | - | 47,806 |
| Exchange Rate Losses | - | - |
| Other Finance costs-Withholding tax | - | - |
| Interest on borrowings | - | - |
| Total | - | 47,806 |

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 | - | - |
| Pending Bills | 13,293,146 | - |
| | - | - |
| Total | 13,293,146 | - |

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 |
| | | | Restated |
| CBK NAIROBI A/C 1000402857 & Currency Kshs. | Development Acc | 28,189 | 704,058 |
| CBK NAIROBI A/C 1000245743 & Currency Kshs. | Recurrent Acc | 3224 | 8,347 |
| CBK NAIROBI A/C 436627 & Currency Kshs. | Deposits Acc | 3,800,000 | - |
| KCB-WUNDANYI BRANCH, 1145543405 & Currency Kshs. | Commercial Bank Accs. | 36,512 | -10,307 |
| KCB BANK-DEVELOPMENT A/C 1158049811 | Commercial Bank Accs. | 38,178 | 304,798* |
| Total | | 3,906,103 | 1,006,896 |

*This bank balance was erroneously omitted in 2018/2019 balances

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13B. CASH IN HAND

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

Cash in hand should be analyzed as follows:

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

14. ACCOUNTS RECEIVABLE

| Description | 2019/20 | 2018/19 |
|---------------------|---------|---------|
| | KShs | KShs |
| Government Imprests | 665,586 | - |
| Clearance Accounts | - | - |
| Staff Advances | - | - |
| Other Advances | - | - |
| Total | 665,586 | - |

15. ACCOUNTS PAYABLE

| Description | 2019/20 | 2018/19 |
|--------------|---------|---------|
| | KShs | KShs |
| Deposits | - | - |
| Retentions | - | - |
| Total | - | - |

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

16. FUND BALANCE BROUGHT FORWARD

| Description | 2018/19 | 2017/18 |
|----------------------|------------------|-------------------|
| | KShs | KShs |
| Bank accounts | 1,006,896 | 28,781,244 |
| Cash in hand | - | - |
| Accounts Receivables | - | 5,296,191 |
| Accounts Payables | - | - |
| Total | 1,006,896 | 34,077,435 |

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PRIOR YEARS ADJUSTMENTS

| | Balance b/f FY 2018/2019 as per Financial statements | Adjustments | Adjusted Balance b/f FY 2019/2020 |
|---------------------------|--|-------------|--|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | - | - | (266,620) |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | 3,800,000 |
| Receivables | -5,296,191 | - | - |
| Others (<i>specify</i>) | - | - | - |
| Total | -5,296,191 | - | 3,533,380 |

18. CHANGES IN RECEIVABLE

| Description of the error | 2019 - 2020 | 2018 - 2019 |
|---|-------------|-------------|
| | KShs | KShs |
| Outstanding Imprest as at 1 st July 2019 (A) | - | - |
| Imprest issued during the year (B) | 29,883,688 | - |
| Imprest surrendered during the Year (C) | 29,218,102 | - |
| Net changes in account receivables D= A+B-C | 665,586 | - |

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) | - | - |
| Deposit and Retentions held during the year (B) | 3,800,000 | - |
| Deposit and Retentions paid during the Year (C) | - | - |
| Net changes in account receivables D= A+B-C | 3,800,000 | - |

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

7.10 OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction of buildings | - | 37,971,811 | (37,971,811) | - |
| Construction of civil works | - | - | (-) | - |
| Supply of goods | 7,690,777 | 7,332,014 | (7,690,777) | 15,022,791 |
| Supply of services | 14,809,154 | 284,171 | (14,809,154) | 15,093,325 |
| Total | 22,499,931 | 45,587,996 | -60,471,742 | 30,116,116 |

2. PENDING STAFF PAYABLES (See Annex 2)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|-----------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Senior management | 1,030,724 | 1,368,300 | (1,030,724) | 1,368,300 |
| Middle management | 7,437,300 | 744,630 | (7,437,300) | 744,630 |
| Unionisable employees | - | - | (-) | - |
| Others | 853,800 | 1,034,080 | (853,800) | 1,034,080 |
| Total | 9,321,824 | 3,147,010 | (9,321,824) | 3,147,010 |

3. OTHER PENDING PAYABLES (See Annex 3)

| | Balance b/f FY 2018/2019 | Additions for the period | Paid during the year | Balance c/f FY 2019/2020 |
|---|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts due to National Government entities | - | - | (-) | - |
| Amounts due to County Government entities | - | - | (-) | - |
| Amounts due to third parties | - | - | (-) | - |
| Total | - | - | (-) | - |

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

4. EXTERNAL ASSISTANCE

| | FY 2019/2020 | FY 2018/2019 |
|---|--------------|--------------|
| 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 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 | - | - |

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

d. Non-monetary external assistance

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

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 | - | - |
| Repayment of principal on Domestic and Foreign borrowing | - | - |
| Other Payments | - | - |
| TOTAL | - | - |

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 | - | - |
| Multilateral donors | - | - |
| Bilateral donors | - | - |
| International assistance organization | - | - |
| NGOs | - | - |
| National Assistance Organization | - | - |
| Total | - | - |

TAITA TAVETA COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

Classification by Source

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

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 | - | - |

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

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.

Related party transactions:

| | FY 2019/2020 | FY 2018/2019 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Compensation to Key Management | | |
| Compensation to the Speaker, Deputy Speaker and the MCAs | - | - |
| Key Management Compensation (Clerk and Heads of departments) | - | - |
| Total Compensation to Key Management | - | - |
| Transfers to related parties | | |
| Transfers to other County Government Entities such as car and mortgage schemes | 7,500,000 | 58,500,000 |
| Transfers to County Corporations- | - | - |
| Transfers to non-reporting entities e.g. ECD centres, welfare centres etc | - | - |
| Total Transfers to related parties | 7,500,000 | 58,500,000 |
| Transfers from related parties | | |
| Transfers from the County Executive- Exchequer | 587,000,000 | 661,875,359 |
| Payments made on behalf of the County Assembly by other Government Agencies | - | - |
| (Insert any other transfers received) | - | - |
| Total Transfers from related parties | 587,000,000 | 661,875,359 |

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

7. PROGRESS ON FOLLOW ON 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 | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|----------------------------------|--|--|-----------------------------------|--|
| | | | | | |
| 3.0 | Unsupported expenditure | All expenditures were supported | Gadiel Maghanga | Solved | |
| 5.0 | Compensation of employees | All employees are under the I.P.P.D system | Joseph Mkala | Solved | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Clerk of the County Assembly

 1/20

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

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 | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Construction of civil works | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | | | | | | |
| AAR | 2,000,000 | | | 2,000,000 | | |
| Azania Sports House | 1,030,960 | | | 1,030,960 | | |
| Asthel Enterprises Ltd | 2,500 | | | 2,500 | | |
| Bahari Filling Station | 121,405 | | | 121,405 | | |
| Bahari Filling Station | 150,000 | | | 150,000 | | |
| Bahari Filling Station | 100,000 | | | 100,000 | | |
| Bouncy Ventures Ltd | 185,000 | | | 185,000 | | |
| Chalasa Limited | 1,823,500 | | | 1,823,500 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|---------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Chenga Auto Hardware | 18,200 | | | 18,200 | | |
| CMC Motors | 185,766 | | | 185,766 | | |
| Coastal Image Technologies | 125,000 | | | 125,000 | | |
| County (K) Ltd | 300,000 | | | 300,000 | | |
| County (K) Ltd | 490,500 | | | 490,500 | | |
| Davarros | 248,000 | | | 248,000 | | |
| Hi-Techz Investments | 1,193,100 | | | 1,193,100 | | |
| Hornet General Merchants | 1,000,000 | | | 1,000,000 | | |
| Jemka Enterprises | 86,000 | | | 86,000 | | |
| Juluva Enterprises | 258,950 | | | 258,950 | | |
| Jumejo Enterprises | 497,200 | | | 497,200 | | |
| Kidaya Investments | 629,780 | | | 629,780 | | |
| Larisco Builders & Construction | 684,500 | | | 684,500 | | |
| Litez Computer & Stationery Ltd | 437,000 | | | 437,000 | | |
| M/S Double Tap Entertainment | 127,350 | | | 127,350 | | |
| Maxworld Investments | 792,000.00 | | | 792,000.00 | | |
| Mt. Camel Timberland & Hardware | 4,500 | | | 4,500 | | |

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

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|----------------------------------|-------------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Mt. Camel Timberland & Hardware | 24,760 | | | 24,760 | | |
| Mt. Camel Timberland & Hardware | 19,500 | | | 19,500 | | |
| Silver Splash Furniture Mart | 37,000 | | | 37,000 | | |
| Trade Magnet Ltd | 377,188 | | | 377,188 | | |
| Top Shop | 155,400 | | | 155,400 | | |
| Waka ICT Solutions | 662,700 | | | 662,700 | | |
| Yes Yes General Supplies | 199,440 | | | 199,440 | | |
| Yes Yes General Supplies | 412,600 | | | 412,600 | | |
| Yes Yes General Supplies | 239,360 | | | 239,360 | | |
| Zipak General Contractors | 403,633 | | | 403,633 | | |
| Sub-Total | 15,022,791 | | | 15,022,791 | | |
| Supply of services | | | | | | |
| Bliss Resort (Isinya Resort Ltd) | 188,490 | | | 188,490 | | |
| Bliss Resort (Isinya Resort Ltd) | 198,000 | | | 198,000 | | |
| Gracious Tents and Sounds | 310,000 | | | 310,000 | | |
| Gracious Tents and Sounds | 501,000 | | | 501,000 | | |
| Gracious Tents and Sounds | 175,000 | | | 175,000 | | |
| Green Park Hotel | 43,964 | | | 43,964 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Lavender Garden Hotel | 142,000 | | | 142,000 | | |
| Lavender Garden Hotel | 96,000 | | | 96,000 | | |
| Lavender Garden Hotel | 90,000 | | | 90,000 | | |
| Lavender Garden Hotel | 16,330 | | | 16,330 | | |
| Lavender Garden Hotel | 93,400 | | | 93,400 | | |
| Lavender Garden Hotel | 50,400 | | | 50,400 | | |
| Lavender Garden Hotel | 42,000 | | | 42,000 | | |
| Lavender Garden Hotel | 18,000 | | | 18,000 | | |
| Mombasa Beach Hotel | 125,000 | | | 125,000 | | |
| Mombasa Beach Hotel | 72,000 | | | 72,000 | | |
| Mombasa Beach Hotel | 533,100 | | | 533,100 | | |
| Mombasa Beach Hotel | 38,000 | | | 38,000 | | |
| Mombasa Beach Hotel | 41,000 | | | 41,000 | | |
| Mombasa Beach Hotel | 176,000 | | | 176,000 | | |
| Mombasa Beach Hotel | 86,302 | | | 86,302 | | |
| Mombasa Beach Hotel | 325,000 | | | 325,000 | | |
| Mombasa Beach Hotel | 160,000 | | | 160,000 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Mombasa Beach Hotel | 168,000 | | | 168,000 | | |
| Mombasa Beach Hotel | 140,000 | | | 140,000 | | |
| Mombasa Beach Hotel | 384,000 | | | 384,000 | | |
| Mombasa Beach Hotel | 250,000 | | | 250,000 | | |
| Mombasa Beach Hotel | 168,000 | | | 168,000 | | |
| Mombasa Beach Hotel | 202,500 | | | 202,500 | | |
| Mombasa Beach Hotel | 176,000 | | | 176,000 | | |
| Mombasa Beach Hotel | 130,500 | | | 130,500 | | |
| Mombasa Beach Hotel | 31,500 | | | 31,500 | | |
| Mombasa Beach Hotel | 350,500 | | | 350,500 | | |
| Mombasa Beach Hotel | 1,069,940 | | | 1,069,940 | | |
| Mombasa Beach Hotel | 285,700 | | | 285,700 | | |
| Mombasa Beach Hotel | 70,000 | | | 70,000 | | |
| Mombasa Beach Hotel | 519,000 | | | 519,000 | | |
| Mombasa Beach Hotel | 143,500 | | | 143,500 | | |
| Mombasa Beach Hotel | 118,500 | | | 118,500 | | |
| Mombasa Beach Hotel | 71,500 | | | 71,500 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Mombasa Continental Resort | 206,700 | | | 206,700 | | |
| Mombasa Continental Resort | 202,500 | | | 202,500 | | |
| Nation Media Group | 125,480 | | | 125,480 | | |
| Nation Media Group | 376,768 | | | 376,768 | | |
| Nation Media Group | 111,812 | | | 111,812 | | |
| Nation Media Group | 141,629 | | | 141,629 | | |
| Nation Media Group | 142,680 | | | 142,680 | | |
| Nation Media Group | 273,760 | | | 273,760 | | |
| Panlis Resort Hotel | 22,500 | | | 22,500 | | |
| Prideinn Paradise | 652,000 | | | 652,000 | | |
| Sarova Taita Hills | 150,000 | | | 150,000 | | |
| Sarova Taita Hills | 250,000 | | | 250,000 | | |
| Sarova Taita Hills | 336,000 | | | 336,000 | | |
| Shades of Africa | 44,200 | | | 44,200 | | |
| Shades of Africa | 24,200 | | | 24,200 | | |
| Taita Rocks Hotel | 92,500 | | | 92,500 | | |
| Taita Rocks Hotel | 37,000 | | | 37,000 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| Taita Rocks Hotel | 300,000 | | | 300,000 | | |
| Taita Rocks Hotel | 37,500 | | | 37,500 | | |
| Taita Rocks Hotel | 52,500 | | | 52,500 | | |
| Taita Rocks Hotel | 5,600 | | | 5,600 | | |
| Taita Rocks Hotel | 16,650 | | | 16,650 | | |
| Telkom Kenya Limited | 139,664 | | | 139,664 | | |
| Telkom Kenya Limited | 139,200 | | | 139,200 | | |
| Toyota Kenya | 46,001 | | | 46,001 | | |
| Toyota Kenya | 31,199 | | | 31,199 | | |
| Toyota Kenya | 14,800 | | | 14,800 | | |
| Toyota Kenya | 27,169 | | | 27,169 | | |
| Toyota Kenya | 119,145 | | | 119,145 | | |
| Toyota Kenya | 14,800 | | | 14,800 | | |
| Toyota Kenya | 282,243 | | | 282,243 | | |
| Toyota Kenya | 176,562 | | | 176,562 | | |
| Toyota Kenya | 38,500 | | | 38,500 | | |
| The Standard Group | 168,200 | | | 168,200 | | |

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

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-------------------------------|-------------------|-----------------|---------------------|-----------------------------|-----------------------------|----------|
| The Standard Group | 244,296 | | | 244,296 | | |
| The Standard Group | 168,200 | | | 168,200 | | |
| The Standard Group | 133,400 | | | 133,400 | | |
| The Standard Group | 127,600 | | | 127,600 | | |
| The Standard Group | 127,600 | | | 127,600 | | |
| The Standard Group | 255,200 | | | 255,200 | | |
| The Standard Group | 133,400 | | | 133,400 | | |
| The Star | 85,504 | | | 85,504 | | |
| The Star | 290,148 | | | 290,148 | | |
| The Star | 342,014 | | | 342,014 | | |
| The Star | 342,014 | | | 342,014 | | |
| The Star | 169,360 | | | 169,360 | | |
| Sub-Total | 15,093,325 | | | 15,093,325 | | |
| Grand Total | 30,116,116 | | | 30,116,116 | | |
| | | | | | | |

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

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 | | |
| Benjamin Mwashumbe | | 40,493.00 | | | 40,493 | | |
| Fredrick Mwabili | | 8,630.00 | | | 8,630 | | |
| Gabriel Zai | | 7,587.00 | | | 7,587.00 | | |
| Shannel Machu | | 7,300.00 | | | 7,300.00 | | |
| Chrispin Kijana | | 22,400.00 | | | 22,400.00 | | |
| Gabriel Zai | | 33,600.00 | | | 33,600.00 | | |
| Gabriel Zai | | 22,400.00 | | | 22,400.00 | | |
| Hon. Meshack Maghanga | | 33,600.00 | | | 33,600.00 | | |
| Hon. Beatrice Mwabili | | 38,000.00 | | | 38,000.00 | | |
| Hon. Christopher Mwambingu | | 38,000.00 | | | 38,000.00 | | |
| Gabriel Zai | | 22,400.00 | | | 22,400.00 | | |
| Jonnes Mwailongo | | 22,400.00 | | | 22,400.00 | | |
| Hon. Meshack Maghanga | | 33,600.00 | | | 33,600.00 | | |
| Hon. Beatrice Mwabili | | 38,000.00 | | | 38,000.00 | | |
| Hon. Christopher Mwambingu | | 38,000.00 | | | 38,000.00 | | |
| Gabriel Zai | | 22,400.00 | | | 22,400.00 | | |
| Jonnes Mwailongo | | 22,400.00 | | | 22,400.00 | | |
| Hon. Meshack Maghanga | | 67,200.00 | | | 67,200.00 | | |
| Stanely Mwakio | | 44,800.00 | | | 44,800.00 | | |
| Jonnes Mwailongo | | 44,800.00 | | | 44,800.00 | | |
| Hon. Meshack Maghanga | | 50,400.00 | | | 50,400.00 | | |

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

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-----------------------|-----------|-----------------|-------------------------|---------------------|-----------------------------|-----------------------------|----------|
| Gabriel Zai | | 33,600.00 | | | 33,600.00 | | |
| Jonnes Mwailongo | | 33,600.00 | | | 33,600.00 | | |
| Hon. Meshack Maghanga | | 67,200.00 | | | 67,200.00 | | |
| Gabriel Zai | | 44,800.00 | | | 44,800.00 | | |
| Jonnes Mwailongo | | 44,800.00 | | | 44,800.00 | | |
| Hon. Meshack Maghanga | | 33,600.00 | | | 33,600.00 | | |
| Gabriel Zai | | 22,400.00 | | | 22,400.00 | | |
| Jonnes Mwailongo | | 22,400.00 | | | 22,400.00 | | |
| Chrispin Kijana | | 22,400.00 | | | 22,400.00 | | |
| Hon. Meshack Maghanga | | 33,600.00 | | | 33,600.00 | | |
| Gabriel Zai | | 22,400.00 | | | 22,400.00 | | |
| Jonnes Mwailongo | | 22,400.00 | | | 22,400.00 | | |
| Chrispin Kijana | | 22,400.00 | | | 22,400.00 | | |
| Renson Mambaria | | 25,200.00 | | | 25,200.00 | | |
| John Njore | | 22,400.00 | | | 22,400.00 | | |
| Bashir Ramadhan | | 21,000.00 | | | 21,000.00 | | |
| Mwake Githinji | | 21,000.00 | | | 21,000.00 | | |
| Florence Shake | | 21,000.00 | | | 21,000.00 | | |
| Siblina Mwashighadi | | 21,000.00 | | | 21,000.00 | | |
| Pauline Mwabili | | 21,000.00 | | | 21,000.00 | | |
| Nelly Manga | | 12,600.00 | | | 12,600.00 | | |
| Hon. Joyce Mwangoji | | 52,000.00 | | | 52,000.00 | | |

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

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|--------------------------|-----------|-----------------|-------------------------|---------------------|-----------------------------|-----------------------------|----------|
| Phelis Mwambere | | 43,600.00 | | | 43,600.00 | | |
| Hon. Maria Chao | | 20,000.00 | | | 20,000.00 | | |
| Hon. Marther Kenio | | 20,000.00 | | | 20,000.00 | | |
| Hon. Catherine Mwakiwiwi | | 20,000.00 | | | 20,000.00 | | |
| Stella Woresha | | 4,000.00 | | | 4,000.00 | | |
| Rodgers Maganga | | 4,000.00 | | | 4,000.00 | | |
| Davis Mlati | | 4,000.00 | | | 4,000.00 | | |
| Steven Mwakio | | 66,000.00 | | | 66,000.00 | | |
| Mary Ambi Mjomba | | 38,000.00 | | | 38,000.00 | | |
| Hon. Jackson Mwagharo | | 80,000.00 | | | 80,000.00 | | |
| Hon. Rose Shingira | | 80,000.00 | | | 80,000.00 | | |
| Benjamin Mwashumbe | | 54,800.00 | | | 54,800.00 | | |
| Davis Mlati | | 66,000.00 | | | 66,000.00 | | |
| Hon. Daniel Nguzo | | 80,000.00 | | | 80,000.00 | | |
| Hon. Lilian Kidali | | 80,000.00 | | | 80,000.00 | | |
| Gadiel Maghanga | | 94,000.00 | | | 94,000.00 | | |
| Joseph Waduu | | 80,000.00 | | | 80,000.00 | | |
| Wilson Mnyamwezi | | 66,000.00 | | | 66,000.00 | | |

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

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|------------------------|-----------|-----------------|-------------------------|---------------------|-----------------------------|-----------------------------|----------|
| Hon. Johnes Maskuji | | 2,500.00 | | | 2,500.00 | | |
| Hon. Paul Waweru | | 2,500.00 | | | 2,500.00 | | |
| Hon. Godfrey Mwambi | | 2,500.00 | | | 2,500.00 | | |
| Hon. Godwin Kilele | | 2,500.00 | | | 2,500.00 | | |
| Hon. Abednego Mwanjala | | 2,500.00 | | | 2,500.00 | | |
| Norman Mbula | | 750.00 | | | 750.00 | | |
| Thomas lombola | | 750.00 | | | 750.00 | | |
| Benjamin Mwashumbe | | 62,000.00 | | | 62,000.00 | | |
| Cosmas Karewi | | 37,500.00 | | | 37,500.00 | | |
| Godwin Machila | | 37,500.00 | | | 37,500.00 | | |
| Phelis Mwambere | | 76,000.00 | | | 76,000.00 | | |
| Eunice Mchikirwa | | 62,000.00 | | | 62,000.00 | | |
| Hon. Crispus Tondoo | | 62,000.00 | | | 62,000.00 | | |
| Hon. Meshack Maghanga | | 67,200.00 | | | 67,200.00 | | |
| Hon. Paul Waweru | | 62,000.00 | | | 62,000.00 | | |
| Hon. Joan Akinyi | | 62,000.00 | | | 62,000.00 | | |
| Hon. Newton Kifuso | | 62,000.00 | | | 62,000.00 | | |
| Hon. Nobert Chanzu | | 62,000.00 | | | 62,000.00 | | |
| William Sowa | | 62,000.00 | | | 62,000.00 | | |
| Fredric Mwabili | | 62,000.00 | | | 62,000.00 | | |
| Margaret Mwanguo | | 62,000.00 | | | 62,000.00 | | |
| Hon. Meshack Maghanga | | 22,000.00 | | | 22,000.00 | | |
| Hon. Jason Tuja | | 17,800.00 | | | 17,800.00 | | |
| Hon. Ronald Sagurani | | 17,800.00 | | | 17,800.00 | | |

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

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|-----------------------|-----------|------------------|-------------------------|---------------------|-----------------------------|-----------------------------|----------|
| Hon. Raymond Mwangola | | 17,800.00 | | | 17,800.00 | | |
| Mrs. Sophie Wavua | | 17,800.00 | | | 17,800.00 | | |
| Sub-Total | | 3,147,010 | | | 3,147,010 | | |
| | | 3,147,010 | | | 3,147,010 | | |
| Grand Total | | | | | | | |

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

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 | | | | | | | |

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| 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 | | | | | |
| Buildings and structures | 49,294,870 | 37,971,811 | - | | 87,266,681 |
| Transport equipment | 11,865,234 | | - | | 11,865,234 |
| Office equipment, furniture and fittings | 859,064 | | - | | 859,064 |
| ICT Equipment | 7,299,772 | 2,493,183 | - | | 9,792,955 |
| Machinery and Equipment | | | | | |
| Biological assets | | | | | |
| Infrastructure Assets | | | | | |
| Heritage and cultural assets | | | | | |
| Intangible assets | | | | | |
| Work In Progress | | | | | |
| Total | 69,318,940 | 40,464,995 | | | 109,783,935 |

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

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>Fredrick Mwabili</i> | 22/10/2019 | 500,000 | - | 500,000 |
| <i>Davis Mlati</i> | 19-06-2020 | 165,586 | - | 165,586 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| Total | | 665,586 | | 665,586 |

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

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 | Currency | Imprest Amount Kshs | Amount surrendered Kshs | Balance Kshs | Remarks |
|----|------------|-----------------------|------------|---------------------|---------------|----------------------------|--------------------------|----------------------------|----------|---------------------|-------------------------|--------------|---------|
| 1 | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | |

Prepared by:

 Name

 Designation

 Date

Checked by:

 Name

 Designation

 Date

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

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 | | | | | | |

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

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)
