



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NANDI

FOR THE YEAR ENDED 30 JUNE, 2019





NANDI COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

"AMMENDED COPY"

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

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NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

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1. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The Nandi County Assembly 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 39 Members of County Assembly (MCAs), among them 30 were elected on the Tuesday August 8, 2019 General Election to represent members of the public from their respective wards, 9 who were nominated by political parties in accordance with their numerical strength, as an affirmative action of a gender top up and special interest groups as part of the constitutional requirements. The MCAs are responsible for making any laws for effective performance of the County Government of Nandi, approving plans and policies and playing the oversight role over the County Executive.

II. Key Management

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

- I. The Hon. Speaker
- II. The County Assembly
- III. The County Assembly Service Board and
- IV. The Clerk to the County Assembly.

III. Fiduciary Management

The key management personnel who held office during the year ended June 30th, 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name	
1)	Clerk	Barnaba GK Kosgei	
2)	CFO	Wesley C. Kimeto	
3)	HR	Henry Tarus	
4)	HOB	Luke K. Cherutich	

IV. Fiduciary Oversight Arrangements

- County Assembly Service Board
- Internal Audit Reports
- County Assembly Inspection and Acceptance Committees
- Auditor General

V. Entity Headquarters

P.O. Box 673 – 30300, COUNTY ASSEMBLY Jean-Marie Seroney Road, Bungei Street, Kapsabet, KENYA

VI. Entity Contacts

Telephone: (254) 0535252039 E-mail: info@nandiassembly.go.ke Website: www.nandiassembly.go.ke - |-

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended June 30, 2019

2. REPORT OF THE INDEPENDENT AUDITORS ON THE NANDI COUNTY ASSEMBLY

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000 E-mail: info@oagkenya.go.ke Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NANDI FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Nandi set out on pages 10 to 42, which comprise the statement of financial assets and liabilities as at 30 June, 2019, 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 Nandi as at 30 June, 2019, 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 and the County Governments Act (2012).

Basis for Qualified Opinion

1. Unaccounted for Retention Monies

The statement of financial assets and liabilities reflects a nil balance in respect to accounts payable-deposits and retentions. However, expenditure records presented for audit indicated that the County Assembly set aside Kshs.25,302,745 from payments made to a contractor during the year under review. In addition, although the County Assembly operates a bank account for deposits at the Central Bank of Kenya, there were no retention monies deposited in the account and therefore it is not clear how the sum of Kshs. 25,302,745 was accounted for.

No plausible explanation has been provided by Management for failure to disclose the deposit in the financial statements.

Consequently, the accuracy and completeness of the nil accounts payable-deposits and retentions balance reflected in the statement of assets and liabilities as at 30 June, 2019 has not been confirmed.

2. Unconfirmed Fixed Assets

The summary of fixed assets register reflected in Annex 4 to the financial statements reflects assets totaling Kshs.387,471,305. However, Management did not avail an assets register with detailed analysis of each category of assets as required by Section 136 of the Public Finance Management Regulations, 2015. Similarly, title deeds for the parcels of land as well as log books for three (3) of the motor vehicles owned by the County Assembly, were not availed for audit.

In the circumstances, the ownership and valuation of the parcels of land and the three (3) motor vehicles has not been confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Nandi 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. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

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 matter(s) described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Observe Diversity in Recruitment of Staff

A review of personnel records availed for audit indicated that during the year under review, the County Assembly recruited five (5) employees all of whom were from the dominant community in the County. This was contrary to Section 65(1)(e) of the County Governments Act, 2012 which requires every County Public Service Board to ensure that at least thirty percent (30%) of the vacant posts at the entry level are filled by candidates who are not from the dominant community in the respective County.

Consequently, the Management of Nandi County Assembly breached provisions of the County Governments Act, 2012 on promotion of diversity in public service employment.

2. Irregular Loan Recoveries and Share Capital Contributions

Examination of imprest records indicated that several Members of the County Assembly(MCAs) were paid travel and subsistence imprests totaling Kshs.5,593,328 during the year under review. The imprests were paid net of share contributions and loan deductions remitted to the Nandi County Assembly Savings and Credit Co-operative Society (SACCO) to which the MCAs made monthly share contributions and owed loans.

Apparently, Management had allowed the MCA's to take excessive loans from the Sacco which had resulted in salary deductions in excess of the two-thirds of salary limit prescribed in Section 19(3) of the Employment Act.

No plausible explanation was provided by Management for the irregular use of imprests to pay off loans advanced to the MCAs.

In the circumstance, the County Assembly flouted conditions on issuance of imprests and provisions of the Employment Act.

3. Non-Adherence to Regulations on Issuance of Temporary Imprests

The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.285,974,904 which in turn includes domestic travel and foreign travel and subsistence expenditure amounting to Kshs.63,410,879.10 and Kshs.28,047,700 respectively, as further disclosed in Note 5 to the financial statements.

Examination of expenditure records indicated that in place of temporary imprests, Management issued cash to several officers of the County Assembly assigned to carry out various duties and activities away from their duty stations. The cash advances, were expensed directly without sufficient supporting documents contrary to Section 91 of Public Finance Management (County Governments) Regulations, 2015 which requires such expenditures to be funded through temporary imprests.

No plausible explanation has been provided by Management for disregarding regulations on use of public funds.

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

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE SYSTEMS

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 Qualified Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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 ICT Steering Committee and Other Internal Controls

Audit review of the Information and Communication Technology (ICT) system deployed by the County Assembly indicated that Management had not formulated an ICT Policy and framework to promote and guide effective and efficient use of the County Assembly's ICT resources. Further, the County Assembly did not have an ICT Steering Committee to provide oversight on the activities of the ICT Department as well as leadership in formulating relevant policies.

Further, system security plans including means to recover data in the event of unfavorable events were not documented.

No plausible explanations were provided by Management for these omissions.

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 effective processes and systems of internal control, risk management and 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 continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of

accounting unless the Management is aware of the intention to dissolve the County Assembly, or cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective 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 22£(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 the County Assembly to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of 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

17 December, 2020

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3. FINANCIAL STATEMENTS

3.1 STATEMENT OF RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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		2018/18	2017/18
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RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	726,570,909	709,064,899
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	
TOTAL RECEIPTS		726,570,909	709,064,899
PAYMENTS			
Compensation of Employees	4	294,106,886	285,499,244
Use of goods and services	5	285,974,904	280,012,181
Subsidies	6		-
Transfers to Other Government Entities	7		-
Other grants and transfers	8		-
Social Security Benefits	9	19,865,191	1-
Acquisition of Assets	10	78,657,834	143,443,989
Finance Costs	11	7,335	
Other Payments	12		•
TOTAL PAYMENTS		678,612,150	708,955,414
SURPLUS/DEFICIT		47,958,759	109,485

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2019 and signed by: CLERK OF COUNTY ASSEMBLY

NANDI COUNTY

Clerk of the Assembly

Name: BARNABA GK KOSGEI

Box 673 - 30300, KAPSABET Chief Finance Officer – County Assembly

Name: WESLEY C. KIMETO ICPAK Member Number: 11505

3.1 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT THE YEAR ENDED JUNE 30, 2019

AS AT THE TEAR E		20(8/18)	2017/18
FINANCIAL ASSETS	Note	KShs	IK/Shis
Cash and Cash Equivalents			
Bank Balances	13A	47,958,759	109,485
Cash Balances	13B	-	_
Total Cash and cash equivalents		47,958,759	109,485
Accounts receivables - Outstanding Imprests	14		
TOTAL FINANCIAL ASSETS		47,958,759	109,485
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	
NET FINANCIAL ASSETS		47,958,759	109,485
REPRESENTED BY		-	
Fund balance b/fwd.	16	-	
Surplus/Deficit for the year		47,958,759	109,485
NET FINANCIAL POSITION		47,958,759	109,48

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2019 and signed by:

Clerk of the Assembly

Name: BARNABA GK KOSGEI

CLERK OF COUNTY ASSEMBLY

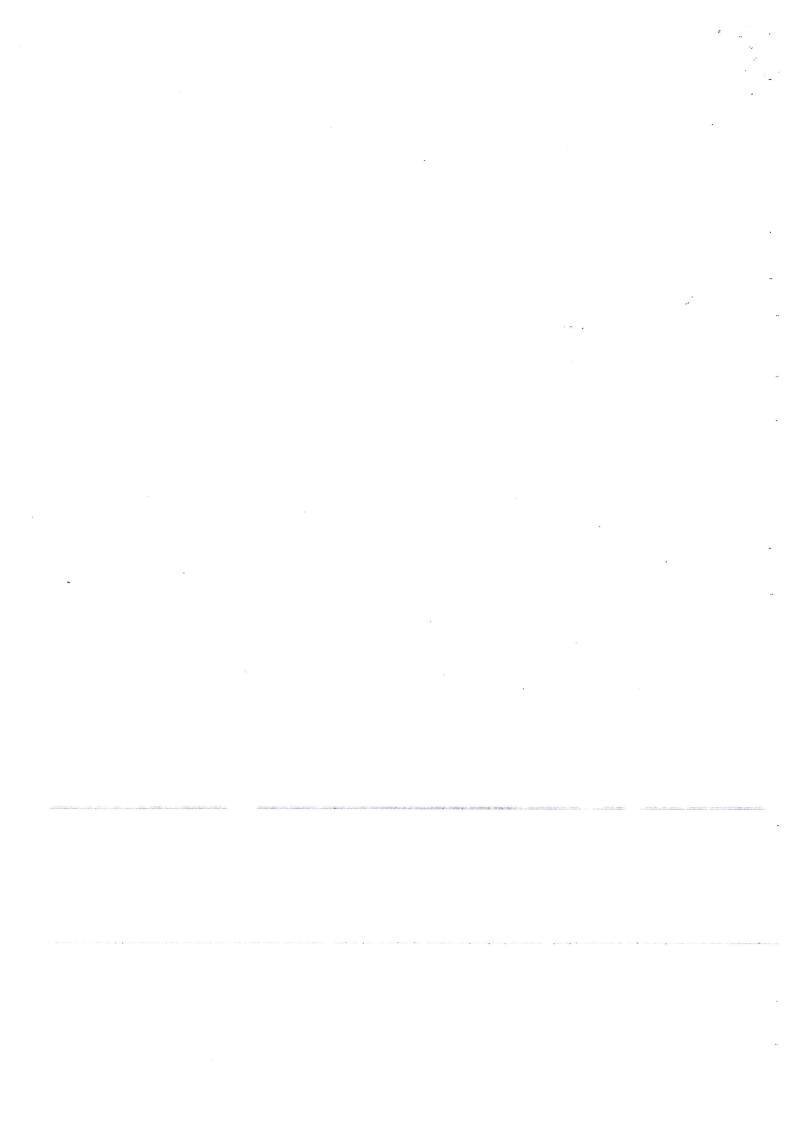
NANDI COUNTY

P. O. Box 673 - 30300, KAPSABET

Sign:

Chief Finance Officer - County Assembly

Name: WESLEY & KIMETO ICPAK Member Number: 11505



3.2 STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED JUNE 30, 2019

		2018/19	2017/18
Section 1 Section 2 Control of the C	Note	KShs	KShs
Receipts from operating income			
Transfers from the County	1	726,570,909	709,064,899
Treasury/Exchequer Releases	3	0	0
Other Receipts	-		n
Payments for operating expenses	4	(294,106,886)	(285,499,244)
Compensation of Employees		-	(280,012,181)
Use of goods and services	5	(285,974,904)	(200,012,101)
Subsidies ·	6	0	0
Transfers to Other Government Entities	7	0	0
Other grants and transfers	8	0	. 0
Social Security Benefits	9	(19,865,191)	0
Finance Costs	11	(7,335)	0
Other Payments	12	0	0.
And the second s	returning account there .	a angla ti a a maga ti ta a maga maga maga ta a ta a ta a ta a	men company of the contract of
Adjusted for:			
Adjustments during the year			
Net cash flows from operating activities		126,616,593	143,553,474
The second secon			Control of the contro
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	(78,657,834)	(143,443,989)
Retention of funds		0	0
Net cash flows from investing activities		(78,657,834)	(143,443,989)
NET INCREASE IN CASH AND CASH		47 050 750	109,485
EQUIVALENT PECININING		47,958,759	109,405
Cash and cash equivalent at BEGINNING of the year		0	0
Cash and cash equivalent at END of the year		47,958,759	109,485
As per statement of assets		47,958,759	10 8 60 21 00000

The explanatory notes to these financial statements form an integral part of/the financial statements. The financial statements were approved on 30th September 2019 and signed by;

"KAPSABET

Clerk of the Assembly

Chief Finance Officer - County Assembly

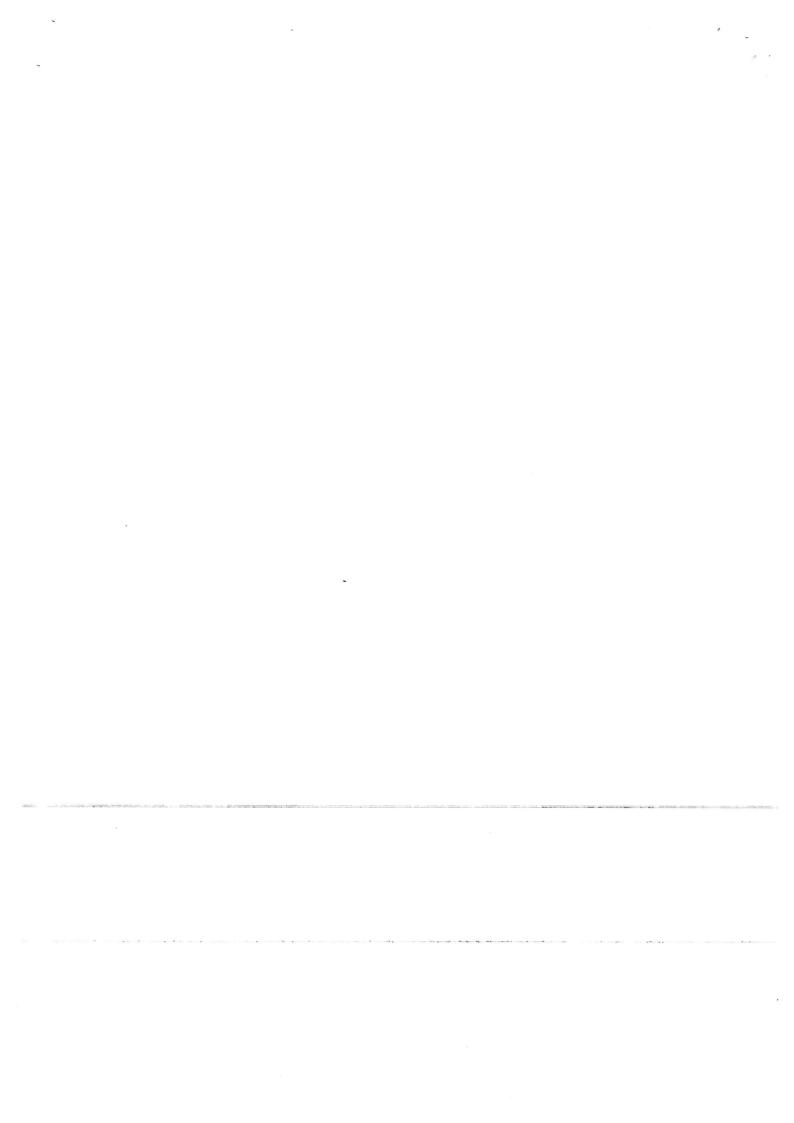
Name: BARNABA GK

SERK NANDI COUNTY

Name: WESLEY C. Kyn

ASSEMBLY ICPAK Member Number 11505

P. O. Box 673-30300, Name: WESLEY C. KIMETO



Reports and Financial Statements
For the year ended June 30, 2019

3.3 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: COMBINED

RECURRENT AND DEVELOPMENT FOR THE YEAR ENDED JUNE 30, 2019

Receipt/Expense Item	Oligina Briddell	Adjustments	Final Budget	Actual on Comparable Basis	%Utilization difference
	K(Shs	Susy	c=a+(b)		KShs
RECEIPTS					
Transfers from the County	894,678,919	(128,250,000)	766,428,919	726,570,909	94.80%
Treasury/Exchequer Releases					
Proceeds from Sale of Assets					
Other Receipts			2		7000,70
TOTAL	894,678,919	(128,250,000)	766,428,919	726,570,909	84.80%
PAYMENTS					
Compensation of Tmnlovees	280.935.067	(15,036,060)	321,745,483	294,106,886	91.41%
Lies of species and services	308,768,805	(25,774,356)	282,994,449	285,974,904	101.05%
מספים מוות פסים מוחספים					
Subsidies					
Transfers to Other Government Entities	5				
Other grants and transfers	House a				2000
Social Security Benefits	13,255,047	0	13,255,047	19,865,191	150.00%
Acquisition of Assats	291,720,000	(143,286,060)	148,433,940	78,657,834	52.99%
Addistrict of the section				7,335	
Finance Costs			000000000000000000000000000000000000000		
Other Payments		-		010 010	00 2 40/
TOTAL	894,678,919	(128,250,000)	766,428,919	678,612,150	00,3470

The over expenditure in the use of goods and expenditure was occasioned by outlays which did not match with the budget, specifically taxes amounting to KShs. 6,655,203 on gratuity payments on the October 2018 to the first Members of County Assembly. The Nandi County Assembly financial statements were approved on 30th September 2019 and signed by:

CLERK NANDI COUNTY
ASSEMBLY
Clerk of the Assembly
Name: BARNABA GK KOSOFF KAPSABET

Chief Finance Officer – County Assembly Name: WESLEY CHERUIYOT KIMETO ICPAK Member Number; 11505

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3.4 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

FOR THE YEAR ENDED JUNE 30, 2019

Receiptiegense flem	Original Burigai	Actiusments Is	gebane gebane	Company of Ekoks	difference
RECEIPTS					4000/
Transfers from the County Treasury/Exchequer	631,178,919	0	631,178,919	631,178,919	0,001
Releases					
Proceeds from Sale of Assets					
Other Receipts			070 017 700	000 470 040	400%
TOTAI	631,178,919	0	631,178,919	031,170,313	200
DAVMENTS				000 00r 700	040/
	780.935.067	40,810,416	321,745,483	784,100,880	0/10
Compensation of Employees	308 768 805	(25 774 356)	282,994,449	285,974,904	101%
Use of goods and services	200,001,000	(22)			
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers	10.		770 07	40 885 404	150%
Social Security Benefits	13,255,047		13,233,047	13,000,101	102%
Acquisition of Assets	28,220,000	(15,036,060)	13,183,940	70,104,01	0.750
Acquisition of Assets				7,335	
Finance Costs					
Other Payments	0.00		624 478 949	613.406.287	0
TOTAL	631,178,919	> =	0.0.1,17.0,01.0	Sold of the high the high taxes	t specifically taxes

The over expenditure in the use of goods and expenditure was occasioned by outlays which did not match with the budget, sper amounting to KShs.6,655,203 on gratuity payments on the October 2018 to the first Members of County Assembly. The Nandi County Assembly financial statements were approved on 30th September 2019 and signed by:

STOCKO

Name: BARNABA GK KOSGEI Clerk of the Assembly

NANDI COUNTY

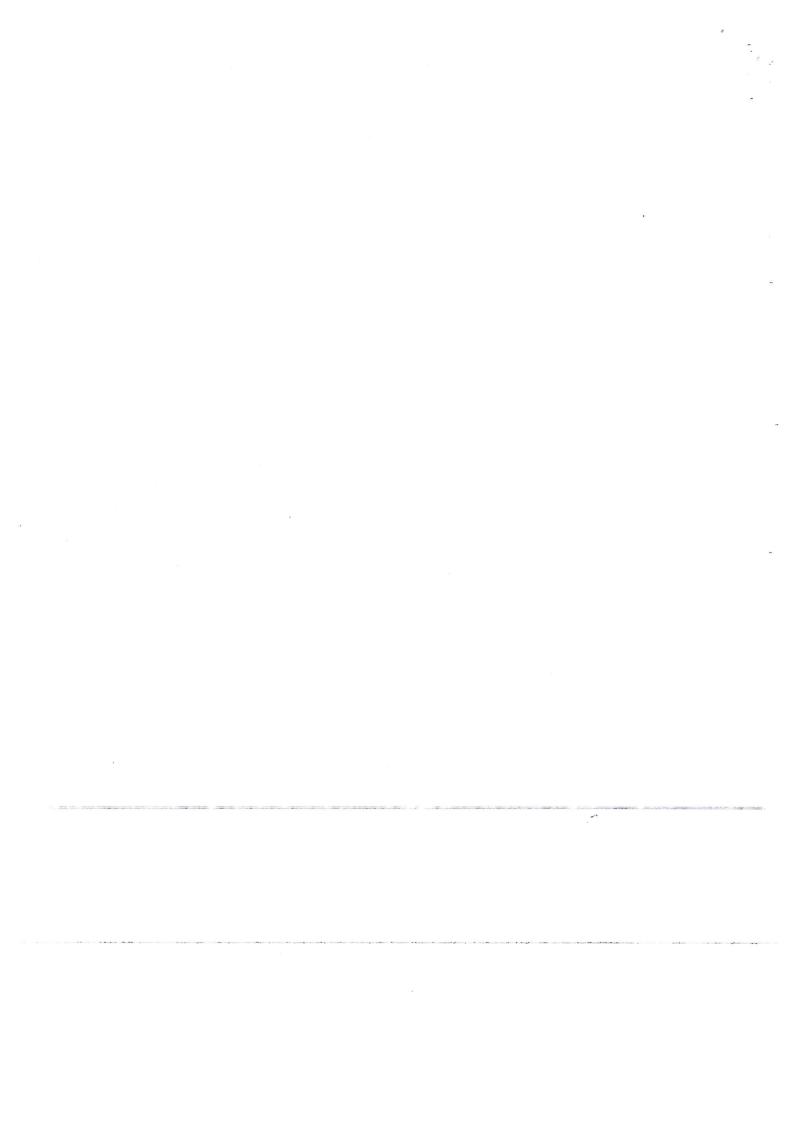
P. O. Box 673 - 30300, KAPSAB, Grife Financel Officer — County Assembly

P. O. Box 673 - 30300, KAPSAB, Griffer — County Assembly

R. O. Box 673 - 30300, KAPSAB, Griffer — County Assembly

R. O. Box 673 - 30300, KAPSAB, Griffer — County Assembly CLERK OF COUNTY ASSEMBLY

TČPAK Member Number: 11505



3.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

FOR THE YEAR ENDED JUNE 30, 2019

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Receiptiffresense from	Opremen		Akingtrienis – Phalisticoler	Archite Breis Compendate Breis	ອາແອນສູກຄົນ ການການສູກຄົນ
	AUS X	7. Ste	(4.16.15)) 3)-(0) <u>(</u> 5	KShs
	0				
RECEIPTS					
Transfers from the County	263,500,000	(128,250,000)	135,250,000	95,391,990	70.5%
Proceeds from Sale of Assets					
Other Receipts				000	70 50/
TOTAL	263,500,000	(128,250,000)	135,250,000	95,391,990	10.070
PAYMENTS					
Compensation of Employees					
Use of goods and services					
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits				000 100 10	700 07
Acquisition of Assets	263,500,000	(128,250,000)	135,250,000	65,205,865	40.2.70
Finance Costs					
Other Payments				200 700 70	/00 0/
TOTAL	263,500,000	(128,250,000)	135,250,000	65,205,865	

The low level expenditure at 48.2% in development component of the budget was due to delays in funds requisition in June 2019 which consequently made the payments amounting to KShs. 30,186,127 due to the main contractor in May 2019 to be paid on July 1, 2019.

The Nandi Çounty Assembly financial statements were approved on 30th/September 2019 and signed by:

Name: BARNABA GK KOSGEI 1660 Co où " Clerk of the Assembly

CLERK OF COUNTY ASSEMBLY
NANDI COUNTY

P. O. Box 673 - 30300, KAPSABE@hief Finance Officer - County Assembly Name: WESLEY CHERUIYOT KIMETO

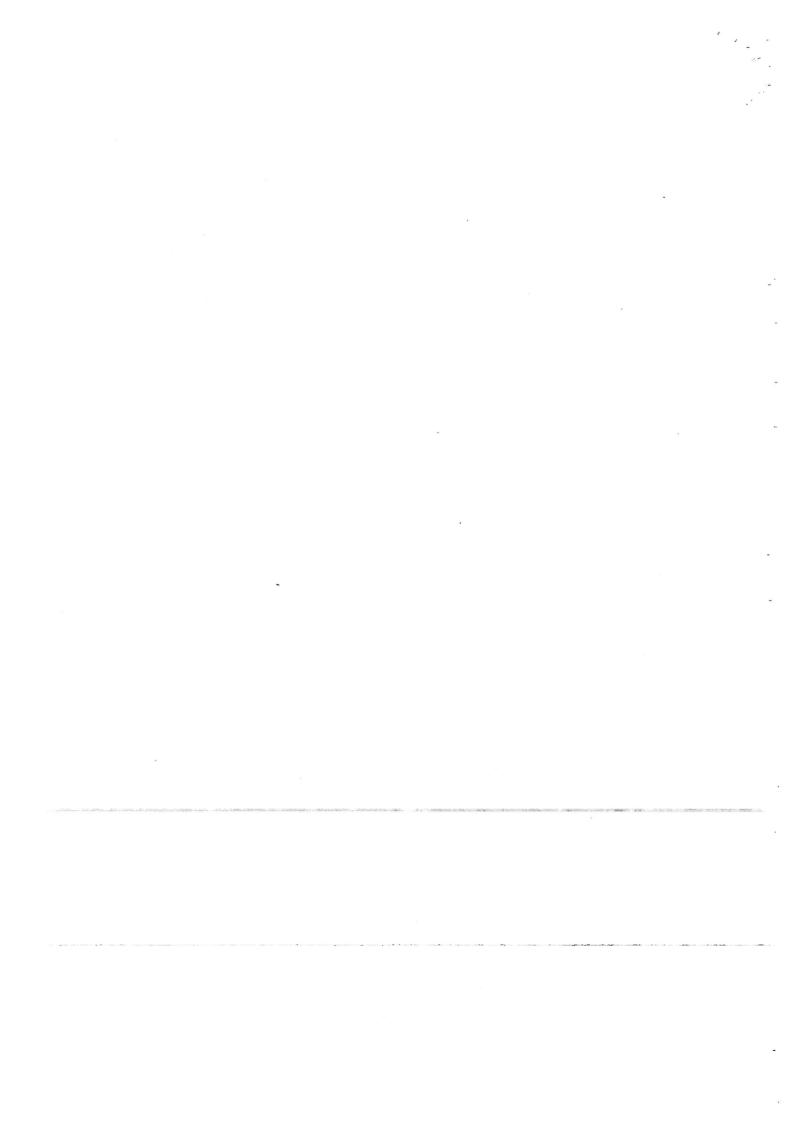
ICPAK Member Number: 11505



3.6 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

IN THE YEAR ENDED JUNE 30, 2019

		のでは、日本の日本には、日本の日本の日本の日本の日本の日本の日本の日本の日本の日本の日本の日本の日本の日			
Programma/Sub-orogramme	Optigithed Evitégest Vestes	Auflithmailis Kalis	Anali Singgeli KShs	companable basis Kõns	etifization etiferanea KSlis
Program 1 County Assembly Service Board	147,607,428	18,671,679	166,279,107	166,279,107	0
					(
Program 2 Administration Section 48	483,571,491	(18,671,679)	464,899,812	464,899,812	0
				000	20 958 040
Program 3 Physical Infrastructure	263,500,000	(128,250,000)	135,250,000	088,188,68	010,000,60
			766 428 949	726.570.909	39,858,010
	894,678,919	(128,250,000)	100,420,010		



NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

3.7 SIGNIFICANT ACCOUNTING POLICIES

FOR FINANCIAL STATEMENTS OF THE YEAR ENDED JUNE 30, 2019

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer/ County Treasury

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

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.



SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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. However, as at 30th June 2019, this amount to *KShs* 25,302,000 had not been deposited in the deposit account as was a requirement and therefore remained as accounts payable. There were no other restrictions on cash during the year.

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pending bills

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

10. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Nandi County Assembly budget was approved as required by Law .The original budget was approved by the County Assembly on 27th June 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There were 2 supplementary budgets passed in the year. A high-level assessment of the Nandi County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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

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3.8 NOTES

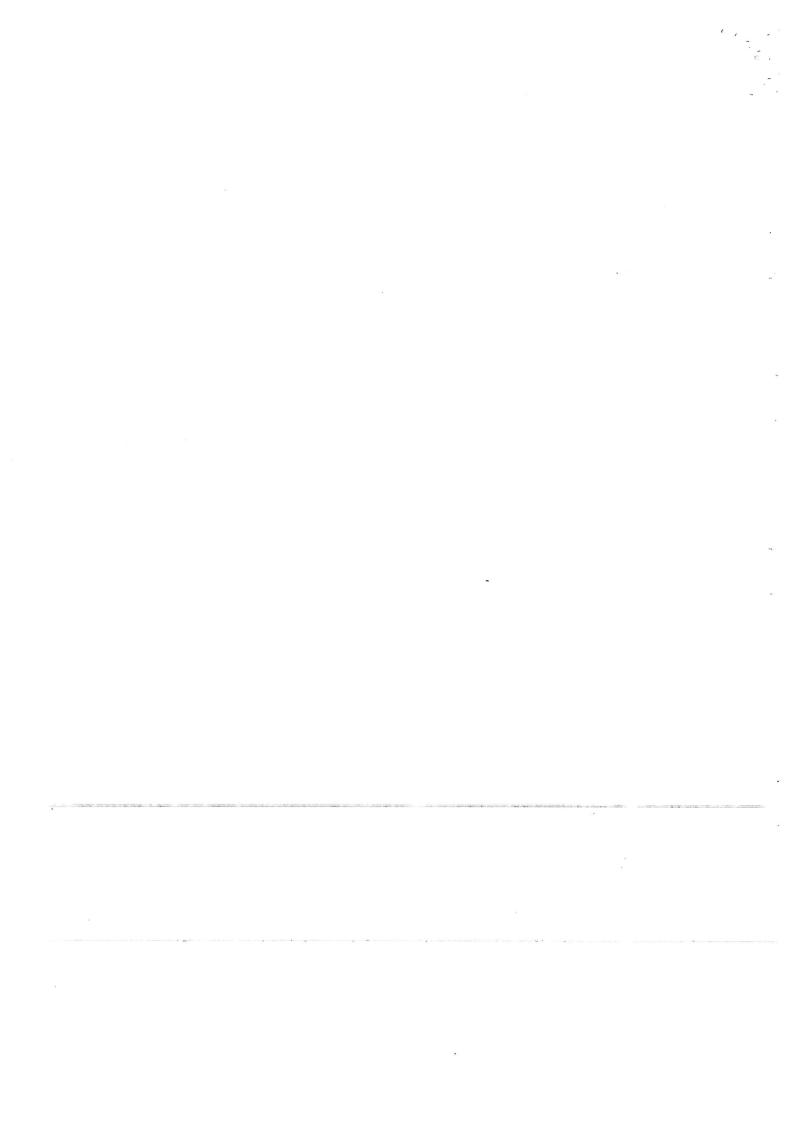
TO THE FINANCIAL STATEMENTS OF THE FINANCIAL YEAR ENDED JUNE 30, 2019

1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

	2018/19	2017/19
	KShs	KShs
Total Exchequer Releases for quarter 1	151,411,431	48,758,583
Total Exchequer Releases for quarter 2	171,717,581	155,698,298
Total Exchequer Releases for quarter 3	166,368,178	250,514,262
Total Exchequer Releases for quarter 4	237,073,719	254,093,756
Total	726,570,909	709,064,899

R4423: RECURRENT EXPENDITURE RECEIPTS FOR THE FY 2018/2019

Value Date	Reference No.	Quarter of the FY	Transaction Details	Amount
20-Aug-18	FT18232XGT7C	Q1	Account Transfer from the CRF	65,018,699.00
30-Aug-18	FT1824267HPD	Q1	Account Transfer from the CRF	33,161,865.00
27-Sep-18	FT18270VV3X4	Q1	Account Transfer from the CRF	53,230,867.00
8-Oct-18	FT182812HBFG	Q2	Account Transfer from the CRF	14,276,420.00
31-Oct-18	FT183047Y0DQ	Q2	Account Transfer from the CRF	43,541,143.00
12-Nov-18	FT183161PK7J	Q2	Account Transfer from the CRF	14,286,508.00
26-Nov-18	FT183303LPG4	Q2	Account Transfer from the CRF	35,614,591.00
18-Dec-18	FT183520ZXHP	Q2	Account Transfer from the CRF	24,598,197.00
21-Dec-18	FT18355KVZQQ	Q2	Account Transfer from the CRF	37,400,722.00
28-Jan-19	FT190281117S	Q3	Account Transfer from the CRF	45,901,062.00
8-Feb-19	FT190390J05Q	Q3	Account Transfer from the CRF	22,000,000.00
28-Feb-19	FT19059J3HC9	Q3	Account Transfer from the CRF	79,730,961.00
1-Apr-19	FT19091JY1CL	Q4	Account Transfer from the CRF	56,542,938.00
4-Apr-19	FT190942S49T	Q4	Account Transfer from the CRF	10,428,749.00
30-Apr-19	FT19120PNTTW	Q4	Account Transfer from the CRF	38,444,046.00
22-May-19	FT191429VXDF	Q4	Account Transfer from the CRF	34,434,417.00
11-Jun-19	FT191629YRP0	Q4	Account Transfer from the CRF	4,826,999.00
28-Jun-19	FT19179Q1D6D	Q4	Account Transfer from the CRF	17,740,735.00
				631,178,919.00



D4423: DEVELOPMENT EXPENDITURE RECEIPTS

Value Date	Reference No.	Quarter of the FY 2018/19	Transaction Details	Amount
18-Dec-18	FT18352CK2NG	Q2	Account Transfer from the CRF	2,000,000.00
28-Jan-19	FT19028BWWS8	Q3	Account Transfer from the CRF	18,736,155.00
28-Jun-19	FT1917970WMJ	Q4	Account Transfer from the CRF	30,186,126.00
10-May-19	FT191301CQRS	Q4	Account Transfer from the CRF	44,469,709.00
				95,391,990.00
				726,570,909.00

2. PROCEEDS FROM SALE OF ASSETS

The same of the sa	2018/19	2017/4%
The second secon	IAShis I	Kishne
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from Sale of Certified Seeds and Breeding Stock	0	0
Receipts from the Sale of Strategic Reserves Stocks	0	0
Receipts from the Sale of Inventories, Stocks and Commodities	. 0	0
Disposal and Sales of Non-Produced Assets	0	0
Total	00	00

3. OTHER RECEIPTS

	20f(8/18/	20/17/418
	(CS)	KShs
Tender fees received	0	0
Other Receipts II	0	0
Other Receipts III	0	0
Other Receipts IV	0	0
Total	00	00

4. COMPENSATION OF EMPLOYEES

	2018/19	2017/18
	KShs	KShs
Basic salaries of permanent employees	148,786,433.45	227,980,116.70
Basic wages of temporary employees	1,000,000.00	1,000,000.00
Personal allowances paid as part of salary	129,393,910.30	56,519,127.00
Personal allowances paid as reimbursements	0.00	0.00
Personal allowances provided in kind	0.00	0.00
Pension and other social security contributions	0.00	0.00
Compulsory national social security schemes	14,926,542.05	0.00
Compulsory national health insurance schemes	0.00	0.00
Social benefit schemes outside government	0.00	0.00
Other personnel payments	0.00	0.00
Total	294,106,885.80	285,499,243.70

The County Assembly received one extra state officer nominated by political party that was pending a determination from the court of law. The Speaker further recruited two (2) domestic servants allowed by the Salaries and Remuneration Commission. The County Assembly Service Board also recruited Head of Supply Chain Management, Public Relations Officer and 3 drivers. However, there was an exit from the service arising from death of one public officer.

5. USE OF GOODS AND SERVICES

	2018/19	2017/18
	KShs	KShs
Utilities, supplies and services	458,347.00	1,010,470.00
Communication, supplies and services	1,860,639.30	5,003,583.30
Domestic travel and subsistence	63,410,879.10	66,030,635.00
Foreign travel and subsistence	28,047,700.00	19,999,999.00
Printing, advertising and information supplies & services	2,807,633.60	5,366,915.00
Rentals of produced assets	900,000.00	825,000.00
Training expenses	30,492,210.00	21,539,399.00
Hospitality supplies and services	13,907,559.00	14,099,999.00
Insurance costs	25,906,970.00	23,214,816.00
Specialized materials and services	1,728,900.00	647,588.00
Office and general supplies and services	5,710,810.50	2,425,524.00
Other operating expenses	64,984,532.00	80,893,660.00
Routine maintenance – vehicles and other transport equipment	7,644,606.10	4,281,343.00



	2018/19	2017/18
	KShs	KShs:
Routine maintenance – other assets	2,333,800.00	1,800,000.00
Fuel, Oil and Lubricants	13,780,317.00	12,873,250.00
Domestic Loans to Individuals and Households	22,000,000.00	20,000,000.00
Total	285,974,904	280,012,181

.

6. SUBSIDIES

Describation	2018/19	2017/11
	Keller	KSha
Subsidies to County Corporations	00	00
Subsidies to Private Enterprises	00	00
TOTAL	000	000

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description 2018/19		20,17/18
A Company of the Comp	L.Shie	K9hs
Transfers to National Government entities	. 00	00
Transfers to other County Assembly entities	00	00
(insert name of budget agency)	00	00
TOTAL	000	000

8. OTHER GRANTS AND TRANSFERS

	494(8)(10)	2017.018
	KShs,	K Stria
Scholarships and other educational benefits	00	00
Emergency relief and refugee assistance	00	00
Subsidies to small businesses, cooperatives, and self	00	00
employed		
Total	000	000



9. SOCIAL SECURITY BENEFITS

	26) 8/18	20017/18
	KShe	KShe
Government pension and retirement benefits	19,865,191.35	0.00
Social security benefits in cash and in kind	0.00	0.00
Employer Social Benefits in cash and in kind	0.00	0.00
Total	19,865,191.35	0.00

10. ACQUISITION OF ASSETS

Non- Financial Assets	2018/19	2017/18
	Ksijs	KShş
Purchase of Buildings	0.00	0.00
Construction of Buildings	63,205,863.25	94,975,871.00
Refurbishment of Buildings	0.00	0.00
Construction of Roads	0.00	0.00
Construction and Civil Works	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	13,000,000.00	0.00
Overhaul of Vehicles and Other Transport Equipment		0.00
Purchase of Household Furniture and Institutional Equipment	451,970.65	720,000.00
Purchase of Office Furniture and General Equipment	W (-)	17,487,750.00
Purchase of ICT Equipment, Software and Other ICT Assets		3,285,579.00
Purchase of Specialised Plant, Equipment and Machinery		832,000.00
Rehabilitation and Renovation of Plant, Machinery and Equip.		0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals		0.00
Research, Studies, Project Preparation, Design & Supervision	2,000,000.00	17,142,789.00
Rehabilitation of Civil Works		0.00
Acquisition of Strategic Stocks and commodities		0.00
Acquisition of Land		9,000,000.00
Acquisition of Intangible Assets		0.00
		0.00
Financial Assets		0.00
Domestic Public Non-Financial Enterprises		0.00
Domestic Public Financial Institutions		0.00
Total	78,657,833.90	143,443,989.00

11. FINANCE COSTS

	2018/19	
	KShs	KShs
Bank Charges	7,335	0
Exchange Rate Losses	0	0
Other Finance Costs	0	0
Total	7,335	0

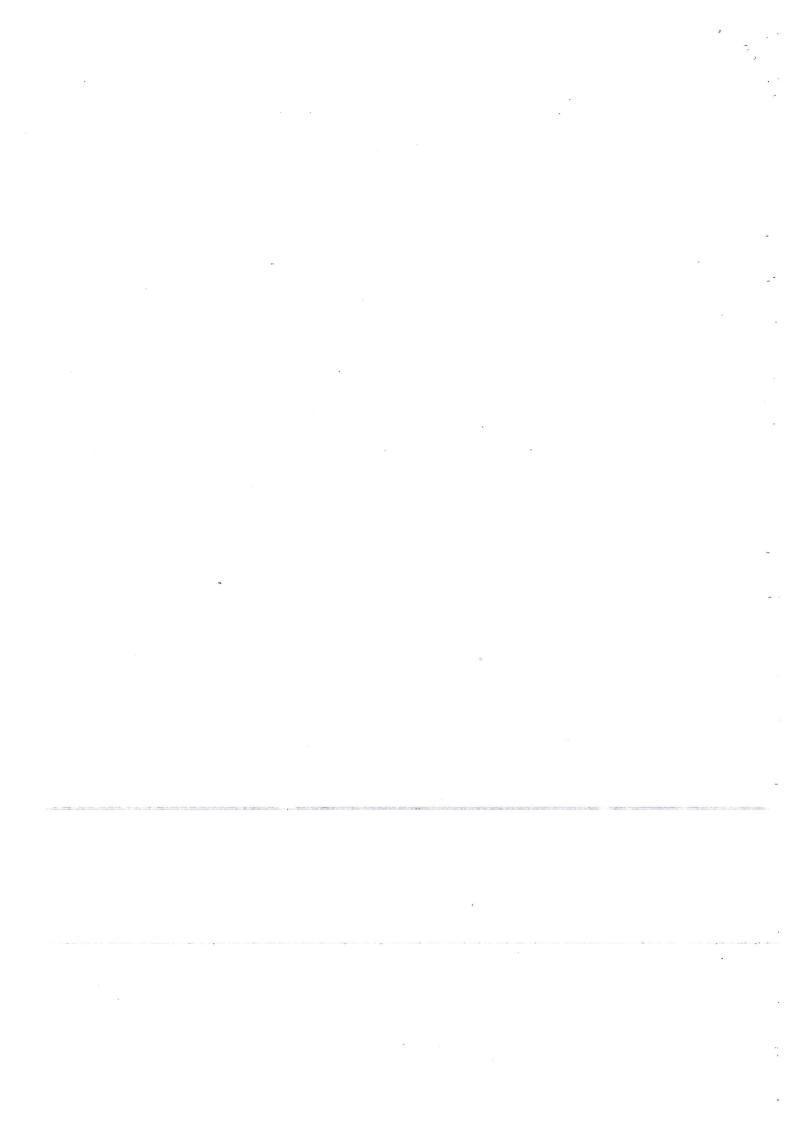
12. OTHER PAYMENTS

	2001/18	2017/48
THE RESIDENCE OF THE PARTY OF T	Kâns	KShs
Budget Reserves	00	00
Civil Contingency Reserves	00	00
Capital Transfers to Non-Financial Public Enterprises	00	00
Capital Transfer to Public Financial Institutions and Enterprises	00	00
Capital Transfers to Private Non-Financial Enterprises	00	00
Total	000	000

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. 8. Corrency	imelicatae wire (co reconstantial reconsponent	Zinciaje Kenje	2047/418 - 16846
Central Bank of Kenya, 1000197056,	Recurrent	17,740,831	99,773
Central Bank of Kenya, 1000197048,	Development	30,186,127	103
Central Bank of Kenya, 1000416308, Deposit/Retention	Development	0	0
National Bank of Kenya,01020212740800,	Recurrent	5,826	0
Cooperative Bank of Kenya,011401327553600,	Recurrent	25,975	9,609
Total		47,958,759	109,485



13B. CASH IN HAND

	20/1/8//19	2017/18
The second secon	KShs	KShs
Cash in Hand – Held in domestic currency	00	00
Cash in Hand – Held in foreign currency	00	00
Total	000	000

Cash in hand should be analysed as follows:

	2018/191 ₃	
	KSis	K.Sins
Location 1	00	00
Location 2	00	00
Location 3	00	00
Total	000	000

14. ACCOUNTS RECEIVABLE

	20/8/19]	
	Kisha	KShs.
Government Imprests	00	00
Clearance Accounts	00	00
Staff Advances	00	00
Other Advances	. 00	00
Total	000	000

^{*}See Annex 6 for a detailed analysis of the outstanding Imprests.

15. ACCOUNTS PAYABLE

	204887(9)	2017/18
	Kestis	Kishe
Deposits	00	00
Retentions	00	00
Total	000	000

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

* ÷

16. FUND BALANCE BROUGHT FORWARD

	2018/19	240177/18
	Kaha	Kaha
Bank accounts	00	00
Cash in hand	00	00
Accounts Receivables	00	00
Accounts Payables	00	00
Total	000	000

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2018/19	2017/18
	K.She	KShe
Adjustments on bank account balances	00	00
Adjustments on cash in hand	00	00
Adjustments on payables	00	00
Adjustments on receivables	00	00
Others (specify)	00	00
Total	000	000

3.9 OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

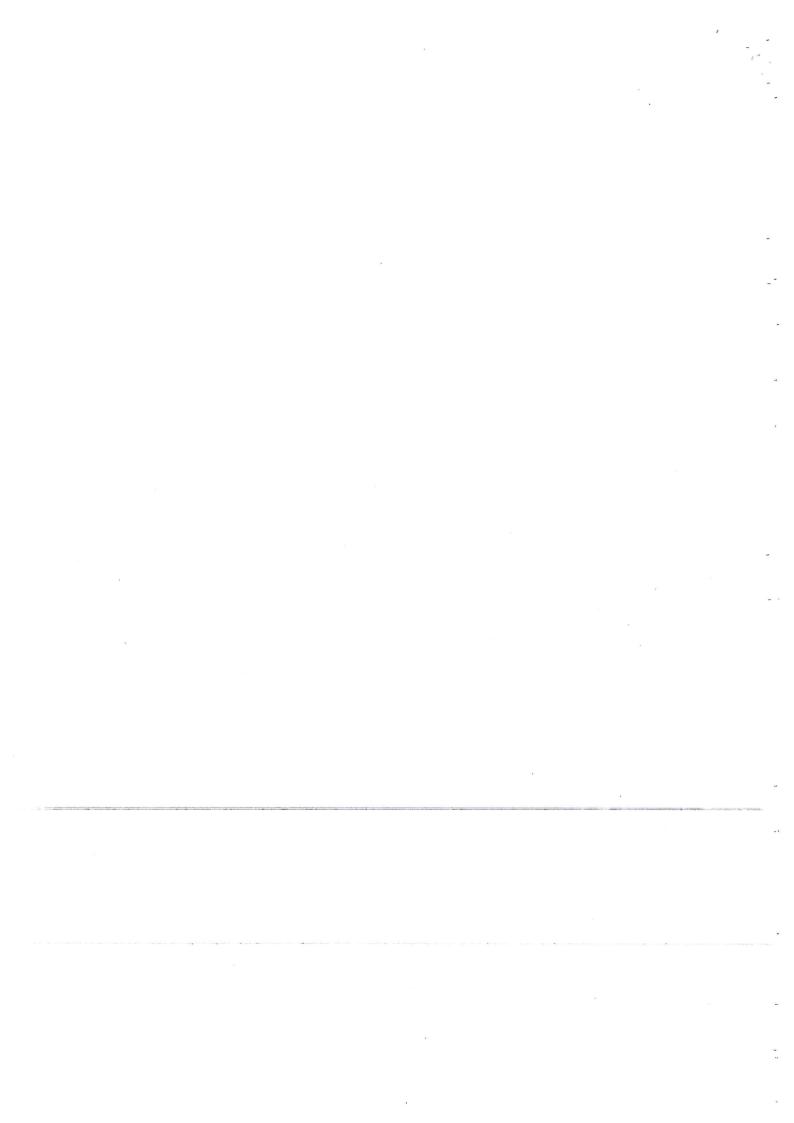
	Balance b# FY	Additions fighthre period		Balence Of PY 2 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Description	KShs	KShs	KShs -	KShs # 1
Construction of buildings-Main works	221,381,309.83	0.00	63,205,863.25	158,175,446.58
Construction of civil works	100,734,335.00	0.00		100,734,335.00
Supply of goods				0.00
Supply of services	10,483,768.25	0.00	2,000,000.00	8,483,768.25
Total	332,599,413.08	0.00	65,205,863.25	267,393,549.83

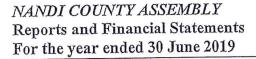
2. PENDING STAFF PAYABLES (See Annex 2)

	istationalore lotti ipay 2001/7/20198	Additions for this period	Paic during me veat	6-alance c/i 6-1-20-65/20-18
Description	Kishis	Kenie.	KSIG	Kelle I
Senior management	00	00	00	00
Middle management	00	00	00	00
Unionisable employees	00	00	00	00
Others	00	00	00	00
Total	000	000	000	000

3. OTHER PENDING PAYABLES (See Annex 3)

Description	Batanue bli FY 2017/2018 IXShs	Additions for the partod KSha	Panorduning the year Kesha	Balance of Py 2068/2068 KShis
Amounts due to National Government entities	00	00	00	00
Amounts due to County Government entities	00	00	00	00
Amounts due to third parties	00	00	00	00
Total	000	000	000	000





4. 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;

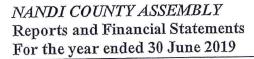
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations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

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	7450G 70050	24000 24000
	. Kehe	Ketis
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	00	00
Key Management Compensation(Clerk and Heads of departments)	00	00
Total Compensation to Key Management	000	000
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	00	00
Transfers to County Corporations	00	00
Transfers to county corporations Transfers to non-reporting entities e.g. ECD centres, welfare centres etc.	00	00
Total Transfers to related parties	000	000
Two of the more related parties		
Transfers from related parties Transfers from the County Executive- Exchequer	00	00
Payments made on behalf of the County Assembly by other Government		
	00	00
Agencies (In any other transfers received)	00	00
(Insert any other transfers received) Total Transfers from related parties	000	000





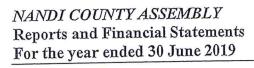
5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

SECURIOR OF THE PROPERTY OF TH		Witernetgrehmenne	Fotal Folgt person o receive life (Sour	Status (Riesofwed / Net (Resofwed)	Turneitrames
Basis No.1 for Qualified Opinion.	Cash and Cash equivalents. Concern raised on KShs.28,975,330 that were funds available for payment as at 30th June 2017 that did not appear as cash and cash equivalent at the beginning of the year.	It true that the Kshs.28, 975,330 were cash and cash equivalent at the beginning of the year. These funds arose from delayed exchequer release for June 2018. These funds related to expenses of the FY 2017/2018.	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019
Basis No.2 for Qualified Opinion.	Accounts Payable- Deposits and Retention. Concern was that KShs. 16,489,008 recovered from the contractors had not been deposited in a deposit account as appropriate	It is true that at the time of the audit of Financial Statements for FY 2017/2018, no account had been opened for the purposes of project retention monies. However, an account has now been opened at the Central Bank Account Number: 1000416308 whose disclosure has been made in Note 13A.	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019
Basis No.3 for Qualified Opinion.	Transfers from County Treasury/Exchequer. Concern was made on the presentation of unreconciled KShs.68, 406,072 appearing in	We noted this error arising from presentation of figures inclusive of requisitioned release of June 2018 which	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

THE RESERVE OF THE PARTY OF THE	llsswe / Observations from Auditor	Vianagement	Forest Point presson to resolve the tissue	Sigilus. (Fostiva) (Noti (Flesolveil)	Thirefame.
	statement of comparison of budget and actual as part of KShs.640, 658,724 differing with statement of receipts and payments figure of KShs.709,064,899.	were delayed. However, a proper presentation of the same has been made as an adjustment and is available for your subsequent perusal and confirmation.			
Basis No.4 for Qualified Opinion.	Presentation and disclosure-Notes 2,3,6 to 9,11,12,14,15,5.10.1 and 5.10.4 were not populated as anticipated by the auditors and this apparently contradicts the provisions of the IPSAS and the PSASB whose template was used in preparation of the financial statement.	While it is true that the County Assembly did not populate the notes listed and left the parts in the template that were not applicable to the County Assembly, the matter will be considered with the view of resolving the presentation by disclosing all information that is relevant.	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019
Basis No.5 for Qualified Opinion.	Fixed Assets Acquisition- Arithmetic error was noted by the auditors in the financial statement was a presentation of a total figure of KShs.283, 176,103 instead of Kshs.308, 813,471. Further, the figures indicated in the Note 10 differed from the figures indicated in Annex 4 in respect of acquired office furniture and general	While this is true, the presentation of fixed assets in Annex 4 to these financial statements indicates a correct figure of KShs.308, 813,471 as Historical Cost brought forward from the FY 2016/2017, therefore taking into account audit recommendation. In FY 2018/2019, the fixed assets acquired	Ollicoi	Resolved	June 30,2019



		Wanagement	passina day ina ata	Sizius; Rosolved Vien Presidred)	Timeliane.
	equipment and purchase of ICT equipment and software.	total KShs. 76,657,834 and description in Annex 4 matches that the description in Note 10.			
Basis No.1 for Conclusion.	Un-accounted for Domestic Travel and Subsistence Expenses. While it was the observation of the auditors that payment vouchers for payments totalling KShs.33, 167,647 were those that relate to travels by officers who were not issued with imprest warrants, therefore without recognizing them as temporary imprest. The observation was that no minutes of deliberation, resultant reports, work tickets or bus/taxi tickets, signed schedules for cash advanced, authority to travel, list of sport teams and sport activities they participated in and authorities to travel out of the duty stations.	While our review indicated that the minutes of deliberations, accompanying supporting documents including resultant reports, letters showing that travels were approved and signed attendance sheets were kept in separate files of committees, imprest warrants were actually not issued. In the financial year 2018/2019, the audit recommendation was taken into account.	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019
Basis No.2 fo Conclusion.	Construction of County Assembly Offices –The auditors reported not to have been given Bill of Quantities, Contract Agreements and designs/drawings of the structure which therefore led them to not to confirm	auditors undertaking the audit review were provided with letters showing that the documents they required had been given out to the	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019



NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

Ē		A A A SHE SHOULD	Management comments	Focal Point person to resolve the issue	Status (symmitted / Woi Resolved)	Hanefrante.
		whether payments were as per Bills of Quantity and contract agreement.	Regulatory Authority, the PPRA, who had not returned them to the County Assembly. However, the County Assembly has since received the documents and they are now available for review in the next audit.			·
	Basis No.3 for Conclusion.	Failure to Observe one Third Rule for Staff Establishment- It was the observation at that time, the County Assembly has not recruited officers from outside the dominant community; explanation had been advanced on the same.	The County Assembly has since recruited an officer from Luhya ethnicity and a County Assembly Service Board has adopted in a policy to affect freeze in future recruitments altogether, while replacing exits with those from other communities.	Barnaba GK Kosgei, Accounting Officer	Resolved	June 30,2019

BARNABA GK KOSGEI,

Clerk of the County Assembly

Sign XXOCQU

Date 30.09.2019

CLERK OF COUNTY ASSEMBLY NANDI COUNTY P. O. Box 573 - 30300,KAPSABET

Sign:

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

	-		Amount Paid	Paid during the	Outstanding	Outstanding
Supplier of Goods or	Original Amount	Date Collifacted	To-Date	year	Balance	Balance
Services				2018/19	2018/19	2017/18
				7		
	a	p	S	0 = a-c		
Construction of					30 000 200 007	16E 201 70E 8E
1.SHIV	368,735,599.00	Friday, December 30, 2016	203,108,472.75	46,694,704.90		00.00 1,100,001
CO LTD-Main						
Works		-	203 408 472 75	46.694.704.90	108,697,090.95	155,391,795.85
	368,735,599.00		200,100,412.10	000	0.00	
Sub-Total				000	000	
Construction of				0.00		
civil works	- 1	1700 70	000	000	7.569.110.00	7,569,110.00
3.NEW EDGE TECHNOLOGIES	7,569,110.00	Friday, July 31, 2015	000			
LIMITED -Air				07 077	02 252 200 ZO	34 484 240 00
4. EXPRESS	34,481,210.00	Thursday, June 18, 2015	7,097,446.40	7,097,446.40	71,363,763.00	00:01-2:10-1:10
PLUMBERS						
LIMITED -Drainage and						
Plumbing		0700 27		000	19.943.966.00	19,943,966.00
5.SCHINDLER	19,943,966.00	Thursday, December 15, 2010	0.00	200		
רוואון -						

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			Piol Jane	Daid during the	Outstanding	Outstanding
Supplier of	Original	Date Contracted	Amount raid To-Date	year	Balance	Balance
Goods or	Amount					
Services						
- Lift Installation						700000
			0.00	0.00	7,955,789.00	00.887,668,7
6. HAVA	7,955,789.00	Inursday, June 10, 2013				
CONSTRUCTION				*		z
LIMITED -						
Cabling			0 442 742 00	9 413 712 00	21,370,548.00	30,784,260.00
6.AIRCON	30,784,260.00	Thursday, June 18, 2015	9,410,712,00			
ELECTRA						
SERVICE		ž –				
LIMITED -						00 100 701 007
Electrical Works			16 511,158.40	16,511,158.40	84,223,176.60	100,734,335.00
Sub-Total	100,734,335.00			0.00	0.00	
Supply of goods				0.00	0.00	
Sub-Total				000	0.00	
Supply of				0.00		
services			ED 026 724 85	2 000 000.00	55,936,721.85	57,936,721.85
2.HOUSE OF	70,420,490.10	Monday, May 12, 2014	09,900,121.00			
ARCHITECTURE		2				
- 017		,				
Project				2		
Management						044 063 069 70
Services			279.556,353.00	65,205,863.30	248,856,989.40	3.14,002,032.10
	539,890,424.10					

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

ANNEX - ANALYSIS OF PENDING STAFF PAYABLES

Comments												
Outstanding Balance 2017/18												
Outstanding Balance 2018/19		¥			ě.						mereka territ	
Amount Paid To-	Cata											
Date Payable	Contracted		*									
Original	٨										rense.	Section Sec
Job	500											
Nam (f	. o of Sta		1.	2.	4.	5.	9	3	9.	11.	12. Sub-Total	Grand Total

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NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

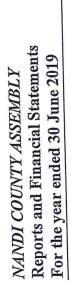
nding Outstanding		д-с											SE CHICAGO DE TATA CAMPANA.					
Amount Outstanding	Paid To-Balance Date 2018/19	c d=a-c																The state of the s
	Payable Contracted	q																いてきないというないのであるというできた。神社のないないないないのかのである
	Original Amount	n	5							必要認	9			15-21-12				0.00
	Brief Transaction	Describitori																一日 かられていているかんとはいいというできないできないと
	Name		Amounts due to National Government	Entities	2	Lebot die	A TRANSPORT	Entities 4	5.	6.	CHARLES .	7.	8,	9. Sub-Total	7.1世纪2	10.	H	

NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

ANNEX 4 - SUMMARY OF FIXED ASSET REGISTER

	Phstodead Cost biff	Avelatifions chapting The year (*SPS)	Disposels (Auring dhe Vaai	Thensiers	Historical Cost aff (KShs)
Land	27,000,000	1	1		27,000,000
Buildings and structures	170,552,945	65,205,863.25	1 1		72,275,800
Transport equipment Office equipment, furniture and	36,975,368	215,578.50	1		37,190,947
Ittilities ICT Equipment, Software and	15,245,750	0	I.		15,245,750
Biological assets					0
Infrastructure Asset					
Other Machinery and Equipment		1	1		
Heritage and cultural assets	1	1	'		0
Intangible assets	ı	١	1		
Work in Progress	1	1	1	c	387 474 305
Total	308,813,471	78,657,834	0	0	000, 11, 100

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



ANNEX 5 - ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

Nerves of Officer or fassilitien	Chite WingTesst Felfelt	Appropriate Torker	Armound Syrreprotected	Sougle's
		KShs	KShs	KShs
			00	00
in the state of th	dd/mm/w	00	00	
Name of Officer of Institution	daniming y	00	00	98
doll illian and and and a	dd/mm/vv	00	00	
Name of Officer of Institution	44	00	CO	3
noith the all and the still the	hy/mm/hy	00	8	00
Name of Officer of Institution	66	00	90	- 25
C.J. 177	dd/mm/w	30	8	
Name of Officer of Institution		000	00	000
	dd/mm/w	20	00	
Name of Officer or Institution	daminings	000	00	000
- 11. 11. 1	dd/mm/vv	3	00	
Name of Officer or Institution			000	000
		000	000	
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NANDI COUNTY ASSEMBLY Reports and Financial Statements For the year ended 30 June 2019

ANNEX 6 - BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)

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