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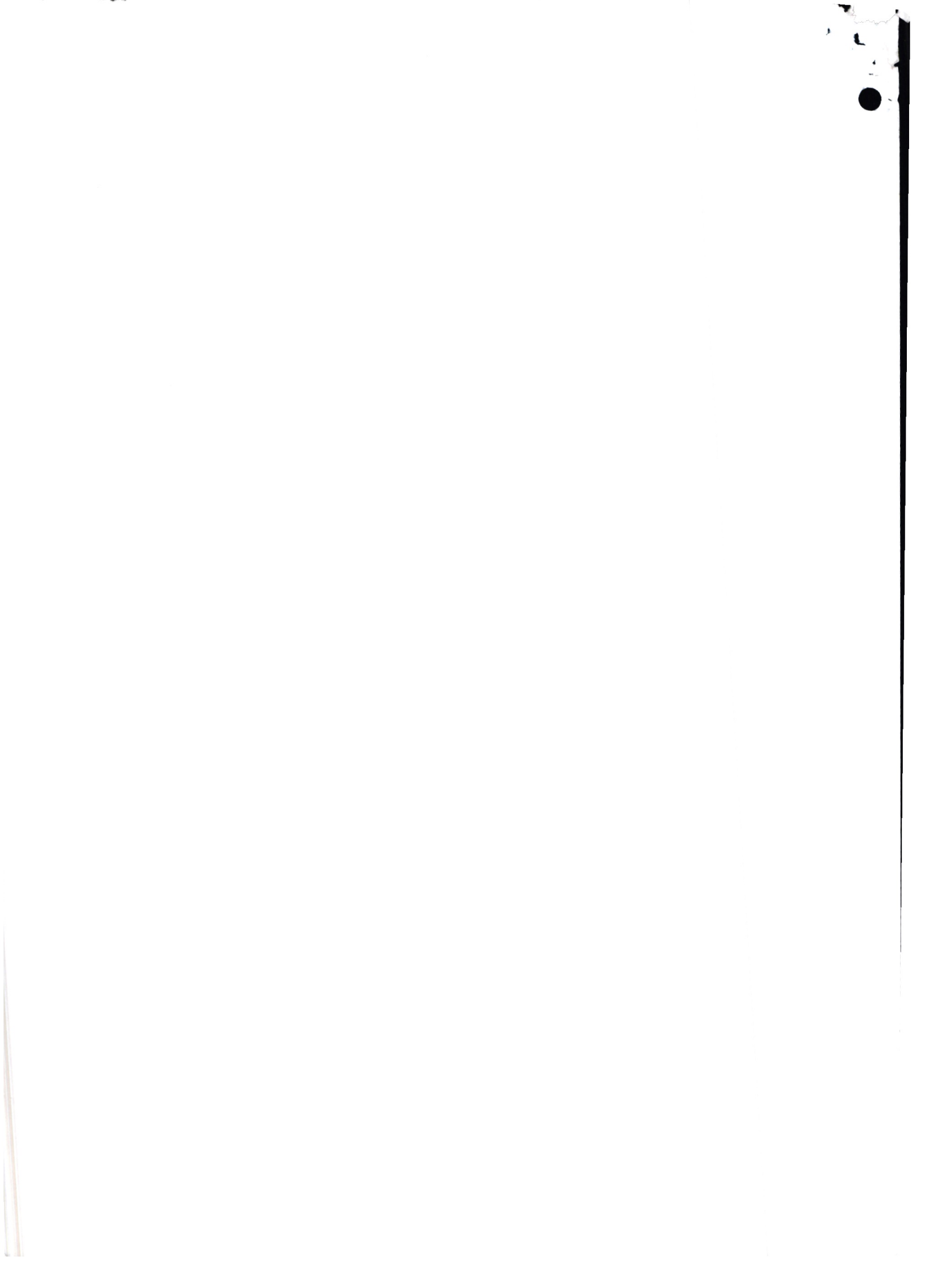
THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF KIRINYAGA

**FOR THE YEAR ENDED
30 JUNE, 2019**

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COUNTY GOVERNMENT OF KIRINYAGA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

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

1. COUNTY GOVERNMENT OF KIRINYAGA INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

Kirinyaga County Government day-to-day management is under the following key organs:

- | | |
|-------------------------------|---|
| 1) H.E. Anne Mumbi | County Governor |
| 2) Peter Ndambiri | Deputy Governor |
| 3) Moses Migwi | CEC Member for Finance and Economic Planning |
| 4) James Kinyua Mutugi | CEC Member for Education |
| 5) - | CEC Member for Health |
| 6) Mithamo Margaret Kibuci | CEC Member for Trade, Cooperatives and Tourism |
| 7) - | CEC Member for Transport and Infrastructure |
| 8) Dr. Jackan M. Gutu | CECM for Environment, Water and Natural Resources |
| 9) Jackline Wanjiku Njogu | CEC Member for Agriculture, Livestock and Fisheries |
| 10) Rev. Peter Murimi Kajombe | CEC Member for Lands, Physical Planning & Housing. |
| 11) Dennis Gichobi Mucimi | CEC Member for Youth & Sports. |
| 12) Lynette Wanjiru Njeru | CEC Member for Gender, culture & Social Development |
| 13) Joe Muriuki | County Secretary. |

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2019 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|--------------------------------------|---------------------|
| 1. | Chief Finance Officer | Patrick Mugo |
| 2. | Head of County Treasury (Accounting) | Zephaniah N. Kiongo |
| 3. | Director of Economic Planning | John N. Mbugua |
| 4. | Director, Internal Audit | Phillomena Nyokabi |
| 5. | Director Supply Chain Management | Carilus Otieno |
| 6. | Director, County Budget | Lawrence K. Muchira |

d) Fiduciary Oversight Arrangements

The County Government consists of two Arms of Government with one mainly undertaking the oversight role namely the County Assembly. The activities are checked by the activities of several committees instituted mainly by the County Assembly. The Finance committee is mandated to ensure there is that the public resources in the county are applied prudently for the activities that were meant for in the County. Additionally, the members of the County Assembly are representatives of the region all over the County and consequently are able to verify the optimal resource management of the county.

The County has a functional Internal Audit Office which oversees the day to day financial management of the County. They assure sound internal controls are adhered to. There is an audit committee in place which has an oversight role on the county executive. They make their independent recommendations based on internal and external audit reports. External audit is done by Office of Auditor General after the end of each financial year. The final external audit report is deliberated by the Senate, Public Account Committee and County Assembly Finance and Budget committee.

e) Entity Headquarters

P.O. Box 260
KUTUS, KENYA
Kutus Town

f) Entity Contacts

Telephone: 0720803286
Website: www.kirinyaga.go.ke
Email: cofinance@kirinyaga.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
P.O. Box 90 - 10300
Kerugoya
3. Co-operative Bank
P.O Box 635 – 10300
Kerugoya
4. Equity Bank
Kerugoya

h) Independent Auditors

Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GDP 00100
Nairobi, Kenya

i) Principal Legal Adviser

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

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

2. FORWARD BY THE CECM FINANCE

I have the pleasure for presenting the amended financial report of the County Government of Kirinyaga for the year ended 2018/2019. These financial reports have been prepared in accordance with Generally Accepted Accounting Principles (GAAPs), the International Accounting Standards (IAS), the International Public Sector Accounting Standards (IPSAS) cash basis, and Section 163 of the Public Finance Management Act, 2012.


The County realised a deficit of Kshs. 304,761,511 during the year, compared to an approved supplementary budget of KShs. 5,911,458,972. The total expenditure for the year was Kshs 5,241,797,280, which included both recurrent and development expenditure. The total current year revenue was Kshs 4,937,035,769 with Kshs 4,113,400,000, from equitable share and KShs. 430,961,821 from local sources.

The County endeavoured to utilise Public Finance Management procedures and regulations, which included; Procurement and Disposals Act, Public Finance Management Act, 2012 just to mention a few to ensure optimal utilisation of the County Resources and achieve value for money as enshrined in the Constitution of Kenya 2010.

In the Financial Year under review, the County was faced by various challenges. They include;

- The delay in disbursements of funds to County Governments by the National Government has persisted since inception. The County Government therefore had limited resources, which posed a challenge to timely implementation of the budget during the period under review. The county did not receive all the revenues as stipulated in CARA from National Treasury.
- The integrated Financial Information System (IFMIS) had not been fully rolled out in the County to facilitate proper accounting of revenues and auto bank reconciliations of the county bank accounts. The county treasury had resorted to manual system of accounting for revenues and bank reconciliation. This poses serious challenges in the effective management of public resources. The system also experiences network downtimes so often than not and consequently affects efficiency.
- Valuation of all the county assets has not been done. These include all lands where the county buildings are located for instance health centres, county polytechnics and county offices. This poses a great challenge in coming up with a comprehensive asset register for the county. The inter-governmental committee on asset and liabilities is in the process of carrying out valuation of all assets inherited from former county council, municipals and National Government, in order to come up with a consolidated asset register for the county. The asset register included in this report is therefore limited to those assets acquired after devolution in the year 2013.

In Conclusion, I am grateful to the County Governor, Deputy Governor, County Executive committee members, Departmental heads for the support they have given to me and the staff of my department during the year. I would also like to thank the officers from the National Treasury, the Office of the Controller of Budget, the Commission on Revenue Allocation and Kenya National Audit Office for the advice and guidance.


CPA. Moses Migwi
CECM - Finance and Economic Planning
ICPAK No.20661

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2019. 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 Government; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's amended financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2019, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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 amended financial statements were approved and signed by the CEC member for finance on 16/11 2019.



County Executive Committee Member – Finance

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KIRINYAGA FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Kirinyaga set out on pages 1 to 40, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation; recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kirinyaga 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

1.0 Accuracy of the Financial Statements

1.1 Variances Between Statement of Receipts and Payments Balances and the Integrated Financial Management Information System (IFMIS) Figures

The statement of receipts and payments for the year ended 30 June, 2019 reflects total expenditure of Kshs.5,241,797,280. However, the IFMIS report reflects a total expenditure of Kshs.4,561,101,048 on the same items resulting to unreconciled variances as shown below:

| Components | Statement of Receipts and Payments Amount (Kshs.) | IFMIS Report Amounts (Kshs.) | Variances (Kshs.) |
|-------------------------------------|--|-------------------------------------|--------------------------|
| Compensation of Employees | 2,508,203,335 | 2,438,759,239 | 69,444,096 |
| Use of goods and services | 659,319,115 | 794,869,980 | (135,550,865) |
| Transfers to Other Government Units | 1,057,098,193 | 113,559,525 | 943,538,668 |
| Other grants and transfers | 28,467,401 | 253,545,040 | (225,077,639) |
| Acquisition of Assets | 988,709,236 | 960,367,264 | 28,341,972 |
| Total | 5,241,797,280 | 4,561,101,048 | |

In the circumstances, the accuracy of the balances in respect to the five (5) items in the financial statements for the year ended 30 June, 2019 could not be ascertained.

1.2 Variances Between the Approved Budget and the Statement of Appropriation Budget Balances

The summary statement of appropriation - recurrent reflects Kshs.4,093,312,926 in respect to the final budget while the approved expenditure budget reflects Kshs.3,491,378,117 in respect to the same items resulting to an unexplained variances as shown below:

| Payments | Summary Statement of Appropriation Final Budget (Kshs.) | Approved Final Budget (Kshs.) | Variance (Kshs.) |
|-------------------------------------|--|--------------------------------------|-------------------------|
| Compensation of Employees | 2,507,244,885 | 2,500,196,975 | 7,047,910 |
| Use of Goods and Services | 642,475,905 | 739,554,700 | (97,078,795) |
| Subsidies | 0 | 7,546,868 | (7,546,868) |
| Transfers to Other Government Units | 896,774,016 | 180,257,294 | 716,516,722 |
| Other Grants and Transfers | 20,000,000 | 25,500,000 | (5,500,000) |
| Acquisition of Assets | 26,818,120 | 31,322,280 | (4,504,160) |
| Other Payments | 0 | 7,000,000 | (7,000,000) |
| Total | 4,093,312,926 | 3,491,378,117 | |

Similarly, the summary statement of appropriation - development reflects an amount of Kshs.1,818,146,046 in respect to final budget while the approved expenditure budget reflects Kshs.1,746,028,604 in respect to the same items resulting to an unexplained and unreconciled variances as shown below:

| Payments | Summary Statement of Appropriation Final Budget (Kshs.) | Approved Final Budget (Kshs.) | Variance (Kshs.) |
|-------------------------------------|--|--------------------------------------|-------------------------|
| Compensation of Employees | 2,000,000 | 5,000,000 | (3,000,000) |
| Use of Goods and Services | 62,124,042 | 68,549,182 | (6,425,140) |
| Subsidies | 0 | 13,320,000 | (13,320,000) |
| Transfers to Other Government Units | 531,301,571 | 294,411,516 | 236,890,055 |
| Other Grants and Transfers | 35,120,000 | 0 | 35,120,000 |
| Acquisition of Assets | 1,187,600,433 | 1,364,747,906 | (177,147,473) |
| Total | 1,818,146,046 | 1,746,028,604 | |

In addition, the County Executive did not avail the approved individual receipts budget for recurrent and development for audit review. It was therefore, not possible to confirm the accuracy of the final budgeted receipts balances of Kshs.4,093,312,926 and Kshs.1,818,146,046 as reflected in the summary statements of appropriation for recurrent and development respectively.

In the circumstances, the accuracy of the recurrent and development budgeted receipts of Kshs.4,093,312,926 and Kshs.1,818,146,046 respectively for the year ended 30 June, 2019 could not be confirmed.

1.3 Summary Statement of Appropriation: Recurrent and Development Combined

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 reflects an amount of Kshs.246,274,089 and Kshs.146,399,859 in respect to actual receipts on proceeds from domestic and foreign grants and actual receipts on transfers from other government entities respectively. However, Note 2 and Note 3 to the financial statements reflect a balance of Kshs.206,855,539 and Kshs.185,818,409 respectively in respect to the same items in the statement of receipts and payments resulting to an unexplained variance of Kshs.39,418,550.

In the circumstances, the accuracy of the statement of appropriation: recurrent and development combined for the year ended 30 June, 2019 could not be ascertained.

1.4 Variance Between the Statement of Budget Execution by Programs and Sub-Programs

The statement of budget execution by programs and sub-programs reflects total actual payments valued at Kshs.4,729,988,418 for twenty-three (23) items. However, the IFMIS report reflects a cumulative value of Kshs.4,693,517,942 in respect to the same items resulting to an unreconciled variances as detailed in the attached **Appendix I**.

Further, the statement of budget execution by programs and sub-programs reflects variances between the approved budget and IFMIS budget report. Under Basic Education-General Administration, the approved budget as per the Statement of Budget

Execution by Programmes and Sub-programmes of Kshs.186,405,420 is indicated as Kshs.226,055,280 as the approved budget in the IFMIS Report resulting to an over-estimation of Kshs.39,649,860. Conversely, under the Technical and Vocational Training-Village Polytechnics the approved budget as per Statement of Budget Execution by Programmes and sub-programmes of Kshs.42,439,460 is indicated as Kshs. 2,789,600 as the approved budget in the IFMIS Report resulting to an under-estimation of Kshs.39,649,860 as a compensating error.

In the circumstances, the accuracy of the statement of budget execution by programs and sub-programs for the year ended 30 June, 2019 could not be ascertained.

1.5 Statement of Cashflows

The statement of cashflows reflects a balance of Kshs.797,093,633 in respect of net cashflows from operating activities. However, a re-cast of the balances reflects an amount of Kshs.796,093,633 resulting to unexplained variance of Kshs.1,000,000. The statement also reflects a negative balance of Kshs.989,709,236 in respect to acquisition of assets while Note 17 to the financial statements reflects an amount of Kshs.988,709,236 resulting to un-reconciled variance of Kshs.1,000,000 as a compensating error.

In the circumstances, the accuracy of the statement of cash flows for the year ended 30 June, 2019 could not be ascertained.

2.0 Cash and Cash Equivalents

As disclosed in Note 21A to the financial statements, the statement of assets and liabilities as at 30 June, 2019 reflects a balance of Kshs.823,688,291 in respect to cash and cash equivalents.

However, bank reconciliation statements for four (4) bank accounts reflect receipts in bank statements not recorded in cash books amounting to Kshs.46,512,617, thereby understating the cash and cash equivalents by the same amount while payments in bank statements not reflected in cashbooks for three (3) bank accounts amounted to Kshs.351,169, thus overstating the cash and cash equivalents by the same amount. No evidence was provided to indicate that such outstanding reconciling amounts were subsequently adjusted in the cashbook.

Further, the bank reconciliation statement for one bank account with a nil closing balance includes un-presented cheques amounting to Kshs.8,429 in respect to stale cheques that had not been reversed in the cashbook thereby understating the cash book balance by Kshs.8,429 as at 30 June, 2019.

In addition, the County Executive had overdrawn one bank account at ABC Bank by Kshs.206 as at 30 June, 2019 but a bank confirmation certificate was not availed for review.

3.0 Pending Accounts Payable

As disclosed in Note 5.10.1 on the other important disclosures, the financial statements reflect an amount of Kshs.362,916,593 in respect of pending accounts payable for the year ended 30 June, 2019. However, supporting documents including approved list of the pending bills, payment vouchers, contract agreements, procurement records, invoices, delivery notes, stores ledgers, LSOs, LPOs and evidence of the existence of a pending bills committee were not availed for audit review.

Further, the County Executive's vote book reflects an amount of the Kshs.362,916,593 comprised of Kshs.159,703,664 and Kshs.203,212,929 in respect to development and recurrent commitments respectively. However, review of the outstanding commitments in the vote book status report for the year ended 30 June, 2019 reflects Kshs.1,936,711 and Kshs.1,714,900 in respect to development and recurrent commitments respectively both totalling to Kshs.3,651,611 only resulting to an unexplained variance of Kshs.359,264,982, an indication that the commitments may not have been controlled through the vote book.

In the circumstances, it was not possible to confirm the validity of the Kshs.362,916,593 for the year ended 30 June, 2019.

4.0 Compensation of Employees

As disclosed in Note 11 to the financial statements, the statement of receipts and expenditure reflects an amount of Kshs.2,508,203,335 under compensation of employees which constitutes an amount of Kshs.2,227,048,446 comprising of Kshs.2,161,751,232 and Kshs.65,297,214 in respect of basic salary of permanent employees and basic wages of temporary employees respectively. However, supporting schedules availed for audit review reflect an amount of Kshs.2,144,497,420 and Kshs.69,427,777 respectively, resulting to a total variance of Kshs.13,123,249 which has not been explained or reconciled.

Further, a review of the payroll for the year under review revealed that out of the Kshs.2,508,203,335 paid as compensation of employees, an amount of Kshs.2,161,751,232 paid as basic salaries of permanent employees includes Kshs.86,169,972 which was processed manually outside the IPPD system. The manual system requires calculation of deductions and net pay by the human resource officers and constant monthly and/or annual updates which is prone to human error. It was not clear why Management did not pay all its employees using the IPPD.

In the circumstances, the accuracy of Kshs.2,508,203,335 in respect of compensation of employees for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Kirinyaga 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 are no other key audit matters to report during the year under review.

Other Matter

1. Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.5,911,458,972 and Kshs.5,711,705,011 respectively, resulting to an under-funding of Kshs.199,753,961 or 3.3% of the budget. Similarly, the County Executive expended Kshs.5,241,797,280 against an approved budget of Kshs.5,911,458,972 resulting to an under-expenditure of Kshs.669,661,692 or 11% of the budget. The underfunding mostly occurred under proceeds from domestic and foreign travel where an amount of Kshs.304,694,304 was not received while the under-expenditure mainly occurred under transfers to other Governments of Kshs.370,977,394.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate and the County Assembly have not deliberated on the issues.

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 described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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. Lack of an Approved Staff Establishment

During the year under review, the County Executive had a total staff of two thousand six hundred and forty-four (2,644) out of which thirty-eight (38) were recruited within the year. As reported in the previous year, the County Executive did not have an approved staff establishment in the financial year under review contrary to Section B 5(2) and Section B 6(3) of the County Public Service Human Resource Manual 2013 which requires the County Government to ensure optimum staffing level are based on the authorized establishment and organization structure.

Consequently, the County Executive was in breach of the Human Resource Manual and therefore it has not been possible to establish if the County Government operated at optimum staffing levels.

2. Project Implementation Status Report

During the year under review, the project implementation status report availed for audit review indicates that one hundred and ninety-five (195) projects with an approved budget of Kshs.1,597,447,692 were rolled out across the county departments and regions. Out of these, 110 projects with a budget of Kshs.697,183,085 were fully completed, 37 projects with a budget of Kshs.771,728,258 were partially complete while 48 projects with a budget of Kshs.128,536,350 had not started as detailed in **Appendix II**:

Further, and as reported in the previous year, verification of project records and inspection of projects revealed that construction of seventy-seven (77) projects with a total contract sum of Kshs.188,085,355, which had commenced in the financial year 2016-2017 had stalled and had been abandoned. In addition, project verification conducted in the month of September, 2019 revealed four (4) additional projects with a contract sum of Kshs.119,050,684 and which were expected to be completed during the year under review, had also stalled resulting to a total of Kshs.307,136,039 in respect to stalled projects.

In the circumstances, the residents of Kirinyaga County therefore failed to get the expected goods and services equivalent to Kshs.128,536,350 and Kshs.771,728,258 totalling to Kshs.900,264,608, being the budgeted projects that had not been started or projects that were started but not completed during the year under review respectively. This is an indication of a weak project implementation mechanism. There is therefore, need for the Management to review its project planning mechanism with a view to prioritizing projects which will be implemented during the financial year resulting to higher positive impact, in order to improve service delivery to the citizens of Kirinyaga County.

3. Ethnic Composition

A review of the personnel records and the payroll availed for audit review indicated that the Executive had a total staff of two thousand six hundred and forty-four (2,644) as at 30 June, 2019 out of which 38 were recruited during the year. Out of the 38 personnel

recruited during the year, 34 (89%) are from the dominant community contrary to Section 65 1(e) of the County Government Act, 2012 which requires at least thirty percent of the vacant posts at entry level to be filled by candidates who are not from the dominant ethnic community in the county.

In the circumstances, the County Executive is in breach of law.

4. Non-Compliance with the Public Finance Management Act, 2012

As disclosed in Note 11 to the financial statements, the statement of receipts and expenditure reflects an amount of Kshs.2,508,203,335 under compensation of employees compared to the County actual total revenue of Kshs.5,711,705,011. The expenditure represents 44% of the total receipts thereby exceeding the 35% threshold contrary to Section 25 (1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the county governments expenditure on wages and benefits for public officers should not exceed 35% of the county total revenue.

5. Failure to Submit Financial and Non- Financial Reports

The County Executive did not submit monthly financial and non-financial budgetary reports to the County Treasury with copies to the Controller of Budget and the Auditor-General contrary to Section 54(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer of a county government entity shall submit a monthly financial and non-financial budgetary report in the format to be issued by the Cabinet Secretary relating to the activities of his or her county government entity for the preceding month to the County Treasury with copies to the Controller of Budget and the Auditor-General not later than the 10th day of each month.

6. Irregular Expenditure to Council of Governors

Note 14 to the financial statements reflects Kshs.1,057,098,193 in respect to transfers to other government entities for the year ended 30 June, 2019 which includes Kshs.15,287,678 relating to transfer to the Council of Governors. However, the expenditure was incurred in contravention of Section 37 of the Intergovernmental Relations Act, 2012 which stipulates that the Council's budget shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

In the circumstances, the County Executive was in breach of the law

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk management and Governance section 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. Fixed Asset Register

Annex 5 to the financial statements reflects an asset value brought forward of Kshs.1,245,972,362 and additions during the year of Kshs.618,785,641 all totalling Kshs.1,864,758,003 as the balance carried forward. However, the financial statements for 2017/2018 reflect a balance brought forward of Kshs.796,630,081 resulting to an unexplained variance of Kshs.449,342,281.

Further, Annex 5 reflects an amount of Kshs.618,785,641 in respect to additions during the year while Note 17 on acquisition of assets reflects a balance of Kshs.988,709,236 on the same item resulting to an unreconciled variance of Kshs.369,923,595.

In addition, the County Executive's assets are not coded or tagged for ease of identification and tracking as required by Section 132(b) of the Public Finance Management (County Governments) regulations, 2015 which require accounting officer to ensure that movement and conditions of assets can be tracked. There is no evidence availed for audit review indicating that assets inherited from the defunct authorities in the County were included in the summary of fixed assets.

In the circumstance, the Management has not instituted proper mechanism to safeguard the custody and ownership of public lands.

2. Land - Land Ownership Documents

As previously reported, a list of parcels of land owned by Kirinyaga County Executive's availed for audit review indicates the existence of forty-eight (48) parcels of land. However, land ownership documents for forty-five (45) parcels of land were not availed for audit verification. The schedule also lacked other vital information among them the date of acquisition, purpose of the land and its value in the list of parcels of land provided.

Further, of the forty-eight (48) parcels of land, only twelve (12) parcels with an estimated value of Kshs.2,250,000 were reflected in the fixed asset register. Management availed ownership documents for only three (3) parcels of land while ownership documents for the other nine (9) land parcels were not availed for audit verification.

In addition, and as previously reported, the County Executive is in a dispute over a parcel of land registration number KIINE/THINGIRICHI/527. The parcel of land, measuring approximately 250 acres, was registered on 5 May, 1960 as Native Trust Land Board/County Council of Kirinyaga. The land was reserved as cattle holding ground under the Veterinary Department. A civil suit No. 245 of 2000 was however filed by a petitioner against the defunct County Council of Kirinyaga claiming legal ownership of the parcel of land. On 25 November, 2004, the land was registered in the name of the petitioner's widow. Although the County Government claims that the allocation by the Commissioner of Lands to the petitioner was done illegally and that the title held by the widow is not valid, the matter is still pending in court and awaiting determination.

In the circumstances, I am unable to determine whether the County Executive has put in place policies and procedures to ensure safety and custody of its assets and public lands under its jurisdiction.

3. Weak Information, Communication Technology (ICT) Environment

During the year under review, the County Executive did not have an approved ICT policy to enable it manage business processes for the delivery of services to the public in an effective and efficient manner. The Executive also lacked an IT continuity plan and a disaster recovery plan.

Further, the data confidentiality, accuracy, reliability, integrity and availability could not be ascertained in the absence of ICT policy, IT continuity plan and a disaster recovery plan for the year ended 30 June, 2019.

In the circumstances, I am unable to determine the effectiveness of the internal controls and risk management processes.

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 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 County Executive's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to

cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive 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 Executive 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 April, 2021

Appendix I

Variance of Statement of Budget Execution by Programs and Sub-programs

| | Sub-Programme | Description | Actual Payments as per the F/S (Kshs.) | Actual Payments as per IFMIS Report (Kshs.) | Variance (Kshs.) |
|----|---------------|--|--|---|------------------|
| 1 | 106013960 | General Administration & Planning | 396,399,340 | 398,338,340 | (1,939,000) |
| 2 | 106043960 | County Spatial Planning | 71,824,108 | 71,891,708 | (67,600) |
| 3 | 106073960 | Survey and Mapping | 592,135 | 609,735 | (17,600) |
| 4 | 111003960 | Estate Management | 301,375 | 401,375 | (100,000) |
| 5 | 202023960 | ICT Governance | 8,678,391 | 8,752,631 | (74,240) |
| 6 | 206013960 | Construction and Maintenance of Roads and Bridges | 424,717,396 | 425,372,587 | (655,191) |
| 7 | 303023960 | Tourism Promotion and Marketing | 2,100,099 | 2,200,099 | (100,000) |
| 8 | 303043960 | International Tourism Promotion & Marketing | 1,405,572 | 1,805,572 | (400,000) |
| 9 | 303053960 | Promotion of Industrial Training | 818,297 | 957,028 | (138,731) |
| 10 | 304013960 | General Administration & Planning for County & Sub-county Office | 29,138,987 | 29,655,592 | (516,605) |
| 11 | 403013960 | Curative & Rehabilitative Services | 2,149,478,618 | 2,101,373,089 | 48,105,529 |
| 12 | 501013960 | General Administration | 162,522,193 | 162,700,193 | (178,000) |
| 13 | 501023960 | Sub county Education Operations | 12,285,170 | 13,354,830 | (1,069,660) |
| 14 | 503013960 | Village Polytechnic | 42,439,460 | 42,467,460 | (28,000) |
| 15 | 702013960 | Legislation & Oversight | 629,333,009 | 625,916,568 | 3,416,441 |
| 16 | 704013960 | Finance Services | 297,153,815 | 297,155,816 | (2,001) |
| 17 | 704083960 | Budget Formulation, Coordination and Management | 8,643,626.00 | 8,686,626.00 | (43,000) |
| 18 | 704093960 | Accounting Services | 6,524,857 | 6,559,457 | (34,600) |
| 19 | 705013960 | Economic Planning Services | 6,654,624 | 6,750,524 | (95,900) |
| 20 | 706013960 | County Executive Services | 284,797,477 | 287,505,609 | (2,708,132) |
| 21 | 708013960 | Coordination of County Functions | 131,584,602 | 136,261,667 | (4,677,065) |
| 22 | 709013960 | Organization of County Business | 3,387,260.00 | 5,493,029 | (2,105,769) |
| 23 | 907013960 | General Administration | 59,208,007 | 59,308,407 | (100,400) |
| | Total | | 4,729,988,418 | 4,693,517,942 | |

Appendix II

Project Implementation Status Report

| Department | Budget (Kshs.) | Disbursements (Kshs.) | Number of Projects | Current Status |
|--|--------------------|-----------------------|--------------------|----------------|
| Agriculture | 26,240,000 | 20,391,750 | 4 | Completed |
| Health | 29,047,732 | 19,442,739 | 11 | |
| Gender, Culture, Social Services | 5,000,000 | 4,912,000 | 1 | |
| Environment and Water | 48,105,102 | 44,368,326 | 7 | |
| Youth and Sports | 11,491,400 | 11,438,201 | 2 | |
| Trade, Cooperatives and Enterprise Development | 51,783,326 | 50,034,411 | 7 | |
| Transport and Infrastructure | 440,167,815 | 306,709,575 | 74 | |
| Lands and Physical Planning | 71,302,200 | 71,302,200 | 1 | |
| Finance, Economic Planning | 14,045,510 | 8,540,019 | 3 | |
| Sub - Total | 697,183,085 | 537,139,221 | 110 | |
| Agriculture | 157,981,945 | 52,883,013 | 4 | Ongoing |
| Health | 319,832,985 | 245,337,277 | 17 | |
| Gender, Culture, Social services | 21,000,000 | 0 | 1 | |
| Youth and Sports | 28,000,000 | 21,842,219 | 1 | |
| Trade, Cooperatives and Enterprise Development | 36,324,148 | 14,890,342 | 3 | |
| Transport and Infrastructure | 120,350,684 | 112,102,417 | 5 | |
| Education | 61,544,821 | 48,753,371 | 1 | |
| Lands and Physical Planning | 8,000,000 | 0 | 4 | |
| Finance, Economic Planning | 18,693,675 | 11,738,200 | 1 | |
| Sub-Total | 771,728,258 | 507,546,839 | 37 | |
| Agriculture | 1,000,000 | 0 | 1 | Not started |
| Gender, Culture, Social services | 5,605,350 | 997,600.00 | 6 | |
| Environment and Water | 59,334,000 | 3,487,733.00 | 23 | |
| Youth and Sports | 4,000,000 | 0 | 6 | |
| Trade, Cooperatives and Enterprise Development | 31,397,000 | 0 | 4 | |
| Transport and Infrastructure | 6,100,000 | 0 | 2 | |
| Education | 11,100,000 | 0 | 5 | |

| Department | Budget (Kshs.) | Disbursements (Kshs.) | Number of Projects | Current Status |
|--------------------|---------------------------|----------------------------------|-------------------------------|---------------------------|
| Executive | 10,000,000 | 4,318,408 | 1 | |
| Sub-Total | 128,536,350 | 8,803,741 | 48 | |
| Grand Total | 1,597,447,693 | 1,053,489,801 | 195 | |

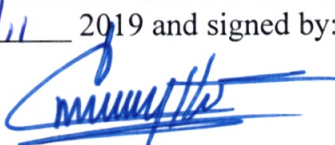
KIRINYAGA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2019

5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2018-2019 KSh | 2017-2018 KShs |
|--|------|----------------------|----------------------|
| RECEIPTS | | | |
| Equitable Share | 1A | 4,113,400,000 | 4,409,200,001 |
| Proceeds from Domestic and Foreign Grants | 2 | 206,855,539 | 189,853,577 |
| Transfers from Other Government Entities | 3 | 185,818,409 | 172,901,883 |
| Proceeds from Domestic Borrowings | 4 | | |
| Proceeds from Foreign Borrowings | 5 | | |
| Proceeds from Sale of Assets | 6 | | |
| Reimbursements and Refunds | 7 | | |
| Returns of Equity Holdings | 8 | | |
| County Own Generated Receipts | 9 | 430,961,821 | 344,408,120 |
| Returned to CRF Issues | 10 | | |
| TOTAL RECEIPTS | | 4,937,035,769 | 5,116,363,582 |
| PAYMENTS | | | |
| Compensation of Employees | 11 | 2,508,203,335 | 2,446,094,800 |
| Use of goods and services | 12 | 659,319,115 | 474,994,623 |
| Subsidies | 13 | | |
| Transfers to Other Government Units | 14 | 1,057,098,193.05 | 842,888,013 |
| Other grants and transfers | 15 | 28,467,401 | 72,068,000 |
| Social Security Benefits | 16 | | |
| Acquisition of Assets | 17 | 988,709,236 | 753,599,776 |
| Finance Costs, including Loan Interest | 18 | | 4,659 |
| Repayment of principal on Domestic and Foreign borrowing | 19 | | |
| Other Payments | 20 | | 28,200,392 |
| TOTAL PAYMENTS | | 5,241,797,280 | 4,617,850,263 |
| SURPLUS/DEFICIT | | (304,761,511) | 498,513,319 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity amended financial statements were approved on 16/11 2019 and signed by:



Chief Officer
Name: Patrick M. Ndathi



Head of Treasury
Name: Z.N. Kiongo
ICPAK Member Number: 9398

KIRINYAGA COUNTY GOVERNMENT

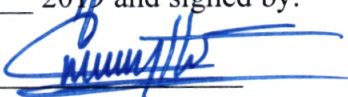
Reports and Financial Statements

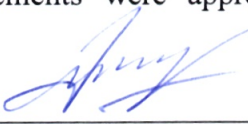
For the year ended June 30, 2019

5.2. STATEMENT OF ASSETS AND LIABILITIES

| | Notes | 2018-2019 KShs | 2017-2018 KShs |
|---|-------|--------------------|----------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 21A | 823,688,291 | 1,016,303,894 |
| Cash Balances | 21B | | |
| Total Cash and cash equivalent | | 823,688,291 | 1,016,303,894 |
| Accounts receivables – Outstanding Imprests | 22 | | |
| TOTAL FINANCIAL ASSETS | | 823,688,291 | 1,016,303,894 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables – Deposits and retentions | 23 | (209,931,506.95) | (97,785,599) |
| NET FINANCIAL ASSETS | | 613,756,784 | 918,518,295 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 24 | 918,518,295 | 420,004,976 |
| Prior year adjustments | 25 | | |
| Surplus/Deficit for the year | | (304,761,511) | 498,513,319 |
| NET FINANCIAL POSITION | | 613,756,784 | 918,518,295 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity amended financial statements were approved on 14/4 2019 and signed by:


 Chief Officer
 Name: Patrick M. Ndathi

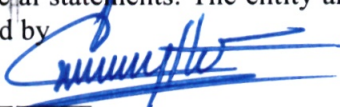

 Head of Treasury
 Name: Z.N. Kiongo
 ICPAK Member Number: 9398

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

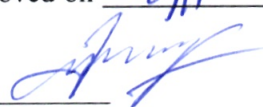
5.3. STATEMENT OF CASH FLOWS

| | Notes | 2018-2019 KShs | 2017-2018 KShs |
|---|-------|----------------------|----------------------|
| Receipts from operating income | | | |
| Exchequer Releases | 1A | 4,113,400,000 | 4,409,200,001 |
| Proceeds from Domestic and Foreign Grants | 2 | 206,855,539 | 189,853,577 |
| Transfers from Other Government Entities | 3 | 185,818,409 | 172,901,883 |
| Reimbursements and Refunds | 7 | | |
| Returns of Equity Holdings | 8 | | |
| County Own Generated Receipts | 9 | 430,961,821 | 344,408,120 |
| Returned to CRF Issues | 10 | | |
| Payments for operating expenses | | | |
| Compensation of Employees | 11 | (2,508,203,335) | (2,446,094,800) |
| Use of goods and services | 12 | (659,319,115) | (474,994,623) |
| Subsidies | 13 | | |
| Transfers to Other Government Units | 14 | (1,057,098,193) | (842,888,013) |
| Other grants and transfers | 15 | (28,467,401) | (72,068,000) |
| Social Security Benefits | 16 | | |
| Finance Costs, including Loan Interest | 18 | | (4,659) |
| Other Payments | 20 | | (28,200,392) |
| Adjusted for: | | | |
| Adjustments during the year Changes in Payables | | 112,145,908 | 72 |
| Net cash flow from operating activities | | 797,093,633 | 1,252,113,167 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 6 | | |
| Acquisition of Assets | 17 | (988,709,236) | (753,599,776) |
| Net cash flows from Investing Activities | | (989,709,236) | (753,599,776) |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from Domestic Borrowings | 4 | | |
| Proceeds from Foreign Borrowings | 5 | | |
| Repayment of principal on Domestic and Foreign borrowing | 19 | | |
| Net cash flow from financing activities | | (192,615,603) | 498,513,391 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,016,303,894 | 517,790,503 |
| Cash and cash equivalents at BEGINNING of the year | 21 | 1,016,303,894 | 517,790,503 |
| Cash and cash equivalents at END of the year | 24 | 823,688,291 | 1,016,303,894 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity amended financial statements were approved on 46/11 2019 and signed by



Chief Officer Finance
Name: Patrick M. Ndathi



Head of Treasury
Name: Z.N. Kiongo
ICPAK No: 9398

KIRINYAGA COUNTY GOVERNMENT
Consolidated Reports and Financial Statements
For the year ended June 30, 2019

5.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Budget a | Adjustments b | Budget c = a+b | Comparable Basis d | Utilisation Difference e = c-d | Utilisation n f = d/c % |
|---|----------------------|----------------------|----------------------|--------------------------|--------------------------------------|-------------------------------|
| RECEIPTS | | | | | | |
| Exchequer releases | 4,113,400,000 | | 4,113,400,000 | 4,113,400,000 | | 100% |
| Proceeds from Domestic and Foreign Grants | 317,598,693 | 233,369,700 | 550,968,393 | 246,274,088.70 | 304,694,304.30 | 45% |
| Transfers from Other Government Entities | 171,794,810 | (42,575,119) | 129,219,691.00 | 146,399,859 | (17,180,168.00) | 113% |
| Proceeds from Domestic Borrowings | | | | | | |
| Proceeds from Foreign Borrowings | | | | | | |
| Proceeds from Sale of Assets | | | | | | |
| Reimbursements and Refunds | | | | | | |
| Returns of Equity Holdings | | | | | | |
| County Own Generated receipts | 650,000,000 | (220,000,000) | 430,000,000 | 430,961,821 | (961,821.00) | 100% |
| Unspent funds | 900,123,444 | (212,252,556) | 687,870,888 | 774,669,242.40 | (86,798,354.40) | 113% |
| TOTAL | 6,152,916,947 | (241,457,975) | 5,911,458,972 | 5,711,705,011.10 | 199,753,960.90 | 97% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,102,537,860 | 403,077,255 | 2,509,244,885 | 2,508,203,335 | 1,041,550 | 100% |
| Use of goods and services | 771,962,204 | (63,732,487) | 704,599,947 | 659,319,115 | 45,280,832 | 93% |
| Subsidies | | | | | | |
| Transfers to Other Government Units | 1,122,722,114 | 305,353,473 | 1,428,075,587 | 1,057,098,193.05 | 370,977,393.95 | 74% |
| Other grants and transfers | 36,900,000 | 18,220,000 | 55,120,000 | 28,467,400.60 | 26,652,599 | 52% |
| Social Security Benefits | | | | | | |
| Acquisition of Assets | 2,118,688,769 | (904,270,216) | 1,214,418,553 | 988,709,236 | 225,709,317 | 81% |
| Finance Costs, including Loan Interest | 106,000 | (106,000) | | | | |
| Repayment of principal on borrowings | | | | | | |
| Other Payments | | | | | | |
| TOTAL | 6,152,916,947 | (241,457,975) | 5,911,458,972 | 5,241,797,279.65 | 669,661,692 | 89% |
| SURPLUS/(DEFICIT) | | | | 469,907,731.45 | | |

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) The Unspent fund brought forward from 2017/18 financial year was ksh. 774,669,242.40, this fund was utilized to finance first quarter recurrent and development budget due to delayed exchequer releases by National Treasury. The unspent fund brought forward was mainly to cater for roll over projects in development budget.*
- (b) There was a supplementary budget done during the fourth quarter which caused utilization differences in some vote heads.*
- (c) 100 % budget on local revenue was realised by the end of financial year. Supplementary budget revised the amount of local revenue from Ksh. 650,000,000 to Ksh. 430,000,000.*
- (d) Unspent fund carried forward from this financial year is kshs.571,444,015*
- (e) The National Treasury did not release all exchequers as per the CARA. No fund was released for KDSP despite been in the budget. The remaining balance which was not realised was Kshs. 170,741,357.*

The entity amended financial statements were approved on 14/11 2019 and signed by:



Chief Officer

Name: Patrick M. Ndathi



Head of Treasury

Name: Z.N. Kiongo

ICPAK Member Number: 9398

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

5.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

| Receipt/Expense Item | Budget | Adjustments | Budget | Comparable Basis | Utilisation Difference | Utilisation |
|---|----------------------|--------------------|----------------------|-------------------------|------------------------|-------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Exchequer releases | 2,879,380,000 | | 2,879,380,000 | 2,879,380,000 | | 100% |
| Proceeds from Domestic and Foreign Grants | 55,861,330 | 153,517,547 | 209,378,877 | 85,474,862.70 | 123,904,014 | 41% |
| Transfers from Other Government Entities | 113,492,570 | (101,867,492) | 11,625,078 | 11,282,570 | 342,508 | 97% |
| Proceeds from Domestic Borrowings | | | | | | |
| Proceeds from Foreign Borrowings | | | | | | |
| Proceeds from Sale of Assets | | | | | | |
| Reimbursements and Refunds | | | | | | |
| Returns of Equity Holdings | | | | | | |
| County Own Generated receipts | 455,000,000 | (149,941,917) | 305,058,083 | 346,934,502.95 | (41,876,419.95) | 114% |
| Unspent funds | 167,657,724 | 520,213,164 | 687,870,888 | 711,852,462 | (23,981,574) | 103% |
| TOTAL | 3,671,391,624 | 421,921,302 | 4,093,312,926 | 4,034,924,397.65 | 58,388,528.35 | 99% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,102,537,860 | 401,077,255 | 2,507,244,885 | 2,507,244,885.00 | | 100% |
| Use of goods and services | 771,962,204 | (125,856,529) | 642,475,905 | 577,791,549.00 | 64,684,356.00 | 90% |
| Subsidies | | | | | | |
| Transfers to Other Government Units | 752,667,309 | 144,106,707 | 896,774,016 | 932,461,172.05 | (35,687,156.05) | 104% |
| Other grants and transfers | 1,500,000 | 18,500,000 | 20,000,000 | 20,000,000.00 | | 100% |
| Social Security Benefits | | | | | | |
| Acquisition of Assets | 42,618,251 | (15,800,131) | 26,818,120 | 25,032,362.30 | 1,785,757.70 | 93% |
| Finance Costs, including Loan Interest | 106,000 | (106,000) | | | | |
| Repayment of principal on borrowings | | | | | | |
| Other Payments | | | | | | |
| TOTAL | 3,671,391,624 | 421,921,302 | 4,093,312,926 | 4,062,529,968.35 | 30,782,957.65 | 99% |
| SURPLUS/(DEFICIT) | | | | (27,605,570.70) | | |

KIRINYAGA COUNTY GOVERNMENT
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For the year ended June 30, 2019

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) The Unspent fund brought forward from 2017/18 financial year was ksh. 774,669,242.40, this fund was utilized to finance first quarter recurrent and development budget due to delayed exchequer releases by National Treasury. The unspent fund brought forward was mainly to cater for roll over projects in development budget.*
- (b) There was a supplementary budget done during the fourth quarter which caused utilization differences in some vote heads.*
- (c) 100 % budget on local revenue was realised by the end of financial year. Supplementary budget revised the amount of local revenue from Ksh. 650,000,000 to Ksh. 430,000,000.*
- (d) Unspent fund carried forward from this financial year is kshs. 571,444,015*
- (e) The National Treasury did not release all exchequers as per the CARA. No fund was released for KDSP despite been in the budget. The remaining balance which was not realised was Kshs. 170,741,357.*

The entity amended financial statements were approved on 16/11 2019 and signed by:



Chief Officer
Name: Patrick M. Ndathi



Head of Treasury
Name: Z.N. Kiongo
ICPAK Member Number: 9398

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

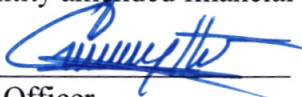
5.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Exchequer releases | 1,234,020,000 | 0 | 1,234,020,000 | 1,234,020,000 | - | 100% |
| Proceeds from Domestic and Foreign Grants | 211,737,363 | 129,852,153 | 341,589,516 | 160,799,226 | 180,790,290 | 47% |
| Transfers from Other Government Entities | 108,302,240 | 9,292,373 | 117,594,613 | 135,117,289 | (17,522,676) | 115% |
| Proceeds from Domestic Borrowings | | | | | - | |
| Proceeds from Foreign Borrowings | | | | | - | |
| Proceeds from Sale of Assets | | | | | - | |
| Reimbursements and Refunds | | | | | - | |
| Unspent funds | 732,465,720 | (732,465,720) | | 62,816,780 | (62,816,780) | |
| County Own Generated receipts | 195,000,000 | (70,058,083) | 124,941,917 | 84,027,317.55 | 40,914,599.45 | 67% |
| TOTAL | 2,481,525,323 | (663,379,277) | 1,818,146,046 | 1,676,780,612.55 | 141,365,433.45 | 92% |
| PAYMENTS | | | | | - | |
| Compensation of Employees | | 2,000,000 | 2,000,000 | 958,450.00 | 1,041,550 | 48% |
| Use of goods and services | | 62,124,042 | 62,124,042 | 81,527,566.00 | (19,403,524) | 131% |
| Subsidies | | | | | 0 | |
| Transfers to Other Government Units | 370,054,805 | 161,246,766 | 531,301,571 | 124,637,021.00 | 406,664,550 | 23% |
| Other grants and transfers | 35,400,000 | (280,000) | 35,120,000 | 8,467,400.60 | 26,652,599 | 24% |
| Social Security Benefits | | | | | 0 | |
| Acquisition of Assets | 2,076,070,518 | (888,470,085) | 1,187,600,433 | 963,676,873.70 | 223,923,559 | 81% |
| Finance Costs, including Loan Interest | | | | | 0 | |
| Repayment of principal on borrowings | | | | | 0 | |
| Other Payments | | | | | 0 | |
| TOTALS | 2,481,525,323 | (663,379,277) | 1,818,146,046 | 1,179,267,311.30 | 638,878,735 | 65% |
| SURPLUS/(DEFICIT) | | | | 497,513,301.25 | . | |

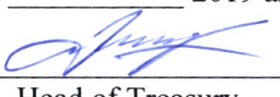
[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) *The Unspent fund brought forward from 2017/18 financial year was ksh. 774,669,242.40, this fund was utilized to finance first quarter recurrent and development budget due to delayed exchequer releases by National Treasury. The unspent fund brought forward was mainly to cater for roll over projects in development budget.*
- (b) *There was a supplementary budget done during the fourth quarter which caused utilization differences in some vote heads.*
- (c) *100 % budget on local revenue was realised by the end of financial year. Supplementary budget revised the amount of local revenue from Ksh. 650,000,000 to Ksh. 430,000,000.*
- (d) *Unspent fund carried forward from this financial year is kshs.571,444,015*
- (e) *The National Treasury did not release all exchequers as per the CARA. No fund was released for KDSP despite been in the budget. The remaining balance which was not realised was Kshs. 170,741,357.*

The entity amended financial statements were approved on 16/11 2019 and signed by:



Chief Officer
Name: Patrick M. Ndathi



Head of Treasury
Name: Z.N. Kiongo
ICPAK Member Number: 9398

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme | Sub Program | Description | Approved Budget | Actual Payments | Variance |
|------------------|--------------------|---|------------------------|------------------------|-----------------------|
| 101003960 | | LIVESTOCK RESOURCE MANAGEMENT AND DEVELOPMENT | 3,606,700.00 | 2,854,355.00 | 752,345.00 |
| | 101023960 | Livestock Extension and Capacity Building services | 1,111,700.00 | 693,200.00 | 418,500.00 |
| | 101053960 | Livestock production Management | 880,000.00 | 856,675.00 | 23,325.00 |
| | 101063960 | Livestock Disease Management &Control | 1,615,000.00 | 1,304,480.00 | 310,520.00 |
| 102003960 | | CROP DEVELOPMENT AND MANAGEMENT | 8,084,450.00 | 6,809,919.00 | 1,274,531.00 |
| | 102023960 | Agricultural Extension Services | 2,766,200.00 | 1,890,576.00 | 875,624.00 |
| | 102033960 | Agribusiness and Market Development | 447,800.00 | 418,853.00 | 28,947.00 |
| | 102063960 | Land &Crop Development | 4,263,450.00 | 3,900,595.00 | 362,855.00 |
| | 102073960 | Food Security Initiatives | 607,000.00 | 599,895.00 | 7,105.00 |
| 104003960 | | FISHERIES DEVELOPMENT | 600,800.00 | 600,800.00 | 0 |
| | 104023960 | Aquacultural Development | 600,800.00 | 600,800.00 | 0 |
| 106003960 | | LAND AND PHYSICAL PLANNING | 602,239,593.00 | 468,815,583.40 | 133,424,009.60 |
| | 106013960 | General Administration & Planning | 523,328,393.00 | 396,399,340.40 | 126,929,052.60 |
| | 106043960 | County Spatial Planning | 78,007,200.00 | 71,824,108.00 | 6,183,092.00 |
| | 106073960 | Survey and Mapping | 904,000.00 | 592,135.00 | 311,865.00 |
| 108003960 | | Policy, Strategy and Management of Agriculture | 356,845.00 | 343,894.80 | 12,950.20 |
| | 108013960 | Development of Agricultural Policy, Legal &Regulatory Framework | 356,845.00 | 343,894.80 | 12,950.20 |
| 109003960 | | Agribusiness and Information Management | 229,500.00 | 129,488.00 | 100,012.00 |
| | 109023960 | Agricultural Information Management | 229,500.00 | 129,488.00 | 100,012.00 |
| 111003960 | | Estate Management | 655,000.00 | 301,375.00 | 353,625.00 |
| | 111003960 | Estate Management | 655,000.00 | 301,375.00 | 353,625.00 |
| 202003960 | | ADMINISTRATIVE SUPPORT SERVICES | 10,512,200.00 | 8,678,391.00 | 1,833,809.00 |
| | 202023960 | ICT governance | 10,512,200.00 | 8,678,391.00 | 1,833,809.00 |
| 203003960 | | TRANSPORT MANAGEMENT | 64,965,937.00 | 63,623,501.35 | 1,342,435.65 |
| | 203013960 | General Administration Planning and Policy Developmentl | 64,965,937.00 | 63,623,501.35 | 1,342,435.65 |

KIRINYAGA COUNTY GOVERNMENT
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| | Sub Program | Description | Approved Budget | Actual Payments | Variance |
|------------------|-------------|---|-----------------------|-------------------------|-----------------------|
| 204003960 | | DISASTER MANAGEMENT | 2,130,800.00 | 1,144,611.45 | 986,188.55 |
| | 204013960 | Fire Fighting and Emergency Services | 2,130,800.00 | 1,144,611.45 | 986,188.55 |
| 206003960 | | Roads Development, Maintenance and Management | 582,918,499.00 | 424,717,396.45 | 158,201,102.55 |
| | 206013960 | Construction and Maintainance of Roads and Bridges | 582,918,499.00 | 424,717,396.45 | 158,201,102.55 |
| 207003960 | | Government Buildings Services | 3,010,908.00 | 2,127,366.50 | 883,541.50 |
| | 207013960 | Government Building Services | 3,010,908.00 | 2,127,366.50 | 883,541.50 |
| 208003960 | | Infrastructure Development, Maintenance and Management | 9,900,000.00 | 8,948,493.45 | 951,506.55 |
| | 208013960 | Infrastructure Development Services | 9,900,000.00 | 8,948,493.45 | 951,506.55 |
| 301003960 | | TRADE DEVELOPMENT AND INVESTMENT | 130,825,973.00 | 66,165,562.90 | 64,660,410.10 |
| | 301033960 | Capacity Building for traders and SMEs | 551,500.00 | 529,450.00 | 22,050.00 |
| | 301043960 | Promotion , Developement & Growth of Trade | 129,896,473.00 | 65,263,763.45 | 64,632,709.55 |
| | 301053960 | Fair Trade Practices and Consumer Protection | 378,000.00 | 372,349.45 | 5,650.55 |
| 303003960 | | TOURISM DEVELOPMENT AND MARKETING | 6,838,226.00 | 5,567,387.50 | 1,270,838.50 |
| | 303023960 | Tourism Promotion and Marketing | 2,601,800.00 | 2,100,099.00 | 501,701.00 |
| | 303043960 | International Tourism Promotion & Marketing | 1,833,000.00 | 1,405,571.50 | 427,428.50 |
| | 303053960 | Promotion of Industrial Development | 1,148,206.00 | 818,297.00 | 329,909.00 |
| | 303063960 | Provision of Industrial Training | 1,255,220.00 | 1,243,420.00 | 11,800.00 |
| 304003960 | | COOPERATIVES DEVELOPMENT AND MARKETING | 34,058,179.00 | 31,878,200.20 | 2,179,978.80 |
| | 304013960 | General administration & planning for County & Sub County Office. | 30,577,826.00 | 29,138,986.55 | 1,438,839.45 |
| | 304053960 | Cooperative Advisory and Extension Services | 2,866,703.00 | 2,275,320.85 | 591,382.15 |
| | 304063960 | Cooperative Education and Training | 329,390.00 | 329,390.00 | 0 |
| | 304073960 | Cooperative Governance & Accountability | 284,260.00 | 134,502.80 | 149,757.20 |
| 306003960 | | COOPERATIVE AUDIT SERVICES | 378,000.00 | 346,791.35 | 31,208.65 |
| | 306033960 | Inspections, and investigations for co-operatives | 378,000.00 | 346,791.35 | 31,208.65 |
| 403003960 | | Curative and Rehabilitative Services | 2,220,630,833 | 2,149,478,618.35 | 71,152,214.65 |
| | 403013960 | Curative and Rehabilitative Services | 2,220,630,833.00 | 2,149,478,618.35 | 71,152,214.65 |
| 501003960 | | BASIC EDUCATION | 198,690,590.00 | 174,807,363.00 | 23,883,227.00 |

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

| | Sub Program | Description | Approved Budget | Actual Payments | Variance |
|------------------|-------------|---|-----------------------|-----------------------|----------------------|
| Programme | | | | | |
| | 501013960 | General Administration | 186,405,420.00 | 162,522,193.00 | 23,883,227.00 |
| | 501033960 | Sub County Education Operations | 12,285,170.00 | 12,285,170.00 | 0.00 |
| 503003960 | | TECHNICAL AND VOCATIONAL TRAINING | 42,439,460.00 | 42,439,460.00 | 0.00 |
| | 503013960 | Village polytechnic | 42,439,460.00 | 42,439,460.00 | 0.00 |
| 702003960 | | LEGISLATION AND OVERSIGHT | 674,052,251.00 | 629,333,009 | 44,719,242 |
| | 702013960 | Legislation and Oversight | 674,052,251.00 | 629,333,009 | 44,719,242 |
| 704003960 | | PUBLIC FINANCE MANAGEMENT | 416,639,752.00 | 363,344,289.40 | 53,295,462.60 |
| | 704013960 | Finance services | 341,048,021.00 | 297,153,815.35 | 43,894,205.65 |
| | 704023960 | Revenue services | 45,857,675.00 | 38,790,677.80 | 7,066,997.20 |
| | 704043960 | Procurement and supply services | 8,051,660.00 | 7,161,333.25 | 890,326.75 |
| | 704053960 | Internal audit services | 1,539,188.00 | 1,388,540.00 | 150,648.00 |
| | 704083960 | Budget Formulation, Coordination and Management | 9,466,163.00 | 8,643,626.00 | 822,537.00 |
| | 704093960 | Accounting Services | 6,827,045.00 | 6,524,857.00 | 302,188.00 |
| | 704123960 | Resource Mobilization | 3,850,000.00 | 3,681,440.00 | 168,560.00 |
| 705003960 | | COUNTY PLANNING AND ECONOMIC POLICY MANAGEMENT | 6,957,390.00 | 6,654,624.00 | 302,766.00 |
| | 705013960 | Economic Planning Services | 6,957,390.00 | 6,654,624.00 | 302,766.00 |
| 706003960 | | OFFICE OF THE GOVERNOR AND DEPUTY GOVERNOR | 289,066,657.00 | 284,797,476.75 | 4,269,180.25 |
| | 706013960 | County Executive Services | 289,066,657.00 | 284,797,476.75 | 4,269,180.25 |
| 707003960 | | COUNTY EXECUTIVE ADMINISTRATION | 86,080,912.00 | 67,903,320.35 | 18,177,591.65 |
| | 707013960 | County Executive Services | 86,080,912.00 | 67,903,320.35 | 18,177,591.65 |
| 708003960 | | Management of County Affairs | 143,396,292.00 | 131,584,601.95 | 11,811,690.05 |
| | 708013960 | Coordination of County Functions | 143,396,292.00 | 131,584,601.95 | 11,811,690.05 |
| 709003960 | | County Executive Committee Affairs | 5,600,000.00 | 3,387,260.00 | 2,212,740.00 |
| | 709013960 | Organization of County Business | 5,600,000.00 | 3,387,260.00 | 2,212,740.00 |
| 710003960 | | County Public Service | 20,019,040.00 | 19,483,990.65 | 535,049.35 |
| | 710013960 | Human Resource Management Services | 20,019,040.00 | 19,483,990.65 | 535,049.35 |
| 901003960 | | WATER SUPPLY SERVICES | 108,350,504.00 | 76,653,082.20 | 31,697,421.80 |

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

| | Sub Program | Description | Approved Budget | Actual Payments | Variance |
|------------------|------------------------|--|----------------------------|----------------------------|----------------------|
| Programme | | | | | |
| | 901013960 | Water and Irrigation | 108,350,504.00 | 76,653,082.20 | 31,697,421.80 |
| 903003960 | | ENERGY PROGRAMME | 798,960.00 | 719,450.00 | 79,510.00 |
| | 903013960 | Energy Services | 798,960.00 | 719,450.00 | 79,510.00 |
| 904003960 | | CLEANSING/WASTE MANAGEMENT | 38,860,712.00 | 36,289,455.30 | 2,571,256.70 |
| | 905023960 | Environment Management and Protection | 38,860,712.00 | 36,289,455.30 | 2,571,256.70 |
| 907003960 | | SOCIAL SERVICES | 62,593,049.00 | 61,510,116.90 | 1,082,932.10 |
| | 907013960 | General Administration | 59,669,049.00 | 59,208,006.90 | 461,042.10 |
| | 907023960 | Social Welfare Services | 2,924,000.00 | 2,302,110.00 | 621,890.00 |
| 909003960 | | YOUTH | 45,187,400.00 | 34,737,899.60 | 10,449,500.40 |
| | 909013960 | Youth Development and Empowerment Services | 45,187,400.00 | 34,737,899.60 | 10,449,500.40 |
| 911003960 | | CHILDREN SERVICES | 5,402,000.00 | 3,975,027.00 | 1,426,973.00 |
| | 911013960 | Child Community Support Services | 5,402,000.00 | 3,975,027.00 | 1,426,973.00 |
| 912003960 | | | 34,786,010.00 | 34,840,768.00 | -54,758.00 |
| | 912013960 | Gender Administration Services | 34,786,010.00 | 34,840,768.00 | -54,758.00 |
| 913003960 | | | 29,994,350.00 | 9,764,170.00 | 20,230,180.00 |
| | 913013960 | Gender & Social Devpt | 29,994,350.00 | 9,764,170.00 | 20,230,180.00 |
| 914003960 | | | 16,934,000.00 | 13,533,220.00 | 3,400,780.00 |
| | 914013960 | Management & Development of sports & sports Facilities | 16,934,000.00 | 13,533,220.00 | 3,400,780.00 |
| 916003960 | | | 2,384,000.00 | 2,284,000.00 | 100,000.00 |
| | 916013960 | Control & Campaign Against Drug & Substance | 2,384,000.00 | 2,284,000.00 | 100,000.00 |
| 917003960 | | | 1,283,200.00 | 1,222,960.00 | 60,240.00 |
| | 917013960 | Preservation & Promotion of Heritage and Culture | 1,283,200.00 | 1,222,960.00 | 60,240.00 |
| | | Grand Total | 5,911,458,972 | 5,241,797,280 | 669,661,692 |

5.8. 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 receivables and payables are disclosed in the Statement of Assets and Liabilities.

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 Kirinyaga County Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

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. As at 30th June 2019, this amounted to KShs 209,931,507 compared to KShs 97,785,599 in prior period.

There were no other restrictions on cash during the year

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public offices 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 *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed 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 and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on July 2018, for the period 1st July 2019 to 30 June 2019 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of County Government of Kirinyaga actual performance against the comparable budget for the financial year under review has been included in an annex to 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 the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National 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.

5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

| | 2018 - 2019 | 2017 - 2018 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Total Exchequer Releases for quarter 1 | 205,670,000 | 308,644,000 |
| Total Exchequer Releases for quarter 2 | 1,153,480,735 | 725,687,585 |
| Total Exchequer Releases for quarter 3 | 1,157,727,904 | 1,293,553,681 |
| Total Exchequer Releases for quarter 4 | 1,854,078,020 | 2,320,132,672 |
| Total | 4,370,956,659 | 4,648,017,938 |

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows: (The totals of A, B and C below should equal the total exchequer releases).

1A. Equitable Share

| Description | 2018/2019 | 2017/2018 |
|-------------------------------------|----------------------|----------------------|
| | KShs | KShs |
| Total Equitable Share for quarter 1 | 205,670,000 | 308,644,000 |
| Total Equitable Share for quarter 2 | 1,069,484,000 | 705,472,000 |
| Total Equitable Share for quarter 3 | 1,131,185,000 | 1,212,530,000 |
| Total Equitable Share for quarter 4 | 1,707,061,000 | 2,182,554,000 |
| Total | 4,113,400,000 | 4,409,200,000 |

1B: Level 5 Hospitals Allocation

| Description | 2018/2019 | 2017/2018 |
|---------------------------------|-----------|-----------|
| | KShs | KShs |
| Transfers for level 5 hospitals | | |
| Total | | |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

| Description | 2018/2019 | 2017/2018 |
|---|--------------------|--------------------|
| | KShs | KShs |
| DANIDA - Universal Healthcare in Devolved Units Programme | 14,782,500 | 15,834,157 |
| World Bank – THUSCP | 23,485,609.70 | 10,000,000 |
| National Agricultural & Rural Inclusive Growth Project (NARIGP) | 50,078,476 | 50,609,855 |
| Kenya Devolution Support Programme | | 113,409,565 |
| Youth Polytechnic support grant | 39,418,550 | 37,339,283 |
| Abolishment of user fees in health centres and dispensaries | 11,282,570 | 11,625,078 |
| Kenya Urban Support Programme | 112,502,200 | |
| Agriculture Sector Development Support Project (ASDSP) | 6,006,753 | |
| Kenya Climate Smart Agriculture Project (KCSAP) | | |
| Total | 257,556,659 | 238,817,938 |

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

| Name of Donor | Date received | Amount in foreign currency | 2018 – 2019 | 2017 – 2018 |
|---|---------------|----------------------------|-----------------------|--------------------|
| | | | KShs | KShs |
| Grants Received from Bilateral Donors (Foreign Governments) | | | | |
| DANIDA | | | 14,782,500 | 15,834,157 |
| Grants Received from Multilateral Donors (International Organisations) | | | | |
| World Bank – THUSCP | | | 23,485,609.70 | 10,000,000 |
| Asdsp | | | 6,006,753 | |
| Kustp | | | 112,502,200 | |
| Kdsp | | | | 113,409,565 |
| Narigp | | | 50,078,476 | 50,609,855 |
| Total | | | 206,855,538.70 | 189,853,577 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | 2018 - 2019 | 2017 - 2018 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Transfers from Central government entities | | |
| Abolishment of user fees in health centers and dispensaries | 11,282,570 | 11,625,078 |
| Grants To Tvets (youth polytechnic) | 39,418,550 | 37,339,283 |
| Fuel Levy | 135,117,289 | 123,937,522 |
| | | |
| Transfers from Counties | | |
| (insert name of budget agency) | | |
| (insert name of budget agency) | | |
| TOTAL | 185,818,409 | 172,901,883 |

4. PROCEEDS FROM DOMESTIC BORROWINGS

| | 2018 - 2019 | 2017 - 2018 |
|---|-------------|-------------|
| | KShs | KShs |
| Borrowing within General Government | | |
| Borrowing from Monetary Authorities (Central Bank) | | |
| Other Domestic Depository Corporations (Commercial Banks) | | |
| Borrowing from Other Domestic Financial Institutions | | |
| Borrowing from Other Domestic Creditors | | |
| Domestic Currency and Domestic Deposits | | |
| Total | | |

(Give a brief description of the nature and sources of borrowings including any assets pledged as security)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

| | 2018 - 2019 | 2017 - 2018 |
|--|-------------|-------------|
| | KSh | KSh |
| Foreign Borrowing – Draw-downs Through Exchequer | | |
| Foreign Borrowing - Direct Payments | | |
| Foreign Currency and Foreign Deposits | | |
| Total | | |

(Give a brief explanation relating to sources of funds, interest charged and terms of repayment)

6. PROCEEDS FROM SALE OF ASSETS

| | 2018 - 2019 | 2017 - 2018 |
|---|-------------|-------------|
| | KSh | KSh |
| Receipts from the Sale of Buildings | | |
| Receipts from Sale of Vehicles and Transport Equipment | | |
| Receipts from Sale of Plant Machinery and Equipment | | |
| Receipts from Sale of Certified Seeds and Breeding Stock | | |
| Receipts from Sale of Strategic Reserves Stocks | | |
| Receipts from Sale of Inventories, Stocks and Commodities | | |
| Disposal and Sales of Non-Produced Assets | | |
| Total | | |

7. REIMBURSEMENTS AND REFUNDS

| | 2018 - 2019 | 2017 - 2018 |
|--|-------------|-------------|
| | KSh | KSh |
| Refund from World Food Programme (WFP) | | |
| Reimbursement of Audit Fees | | |
| Reimbursement on Messing Charges (UNICEF) | | |
| Reimbursement from World Bank – ECD | | |
| Reimbursement from Individuals & Private Organisations | | |
| Reimbursement from Local Government Authorities | | |
| Reimbursement from Statutory Organisations | | |
| Reimbursement within Central Government | | |
| Reimbursement Using Bonds | | |
| Total | | |

(Give a brief description on what the refunds relate to)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

| | 2018 - 2019 | 2017 - 2018 |
|---|-------------|-------------|
| | KSh | KSh |
| Returns of Equity Holdings in Domestic Organisations | | |
| Returns of Equity Holdings in International Organisations | | |
| Total | | |

(State briefly from which entities dividends or interest is derived from)

9. COUNTY OWN GENERATED RECEIPTS

| | 2018 - 2019 | 2017 - 2018 |
|--|----------------|--------------|
| | KSh | KSh |
| Interest received | | |
| Profits and Dividends | | |
| Rent | 5,388,400 | 6,371,610 |
| Plan approvals | | |
| Property Income | | |
| Sales of Market Establishments | | |
| Receipts from Administrative Fees and Charges | 25,185,549 | 10,108,664 |
| Receipts from Administrative Fees and Charges - Collected as AIA | | |
| Receipts from Sales by Non-Market Establishments | | |
| Receipts from Sale of Incidental Goods | 4,096,206.15 | 2,107,327.30 |
| Fines, Penalties and Forfeitures | | |
| Receipts from Voluntary transfers other than grants | | |
| Business permits | 103,596,963.00 | 84,814,771 |
| Cess | 4,789,835.00 | 5,267,150 |
| Poll rates | | |
| Plot rents | 21,162,524.00 | 27,515,987 |
| Local levies | 37,589,300.00 | 32,762,220 |
| Administrative services fees | | |
| County's natural resources | | |
| Sales of County assets | | |
| Lease / rental of council's Infrastructure assets | | |
| Insurance claims recovery | | |
| Medium term loans (1-3 yr repayment) | | |
| Long term loans (over 3 yr repayment) | | |
| Transfers from reserve funds | | |
| Donations | | |

KIRINYAGA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2019**

| | | |
|--|-----------------------|--------------------|
| Fund raising events | | |
| Market/trade Centre fee | 31,910,500.00 | 31,035,845 |
| Vehicle parking fees | 23,469,118.00 | 18,036,760 |
| Housing | | |
| Social premises use charges | | |
| School fees | | |
| Other education-related receipts | | |
| Public health services | 24,217,900.00 | 29,738,800 |
| Public health facilities operations | 122,004,737.35 | 73,774,016 |
| Environment & conservancy Administration | 9,141,905.00 | 7,496,486 |
| Slaughter houses administration | | |
| Water supply administration | | |
| Sewerage administration | | |
| Other health & sanitation receipts | | |
| Technical services fees | 6,867,445.00 | 6,169,280 |
| External services fees | | |
| Other miscellaneous receipts | 11,541,438.00 | 9,209,204 |
| Total | 430,961,820.50 | 344,408,120 |

Budget for local revenue was revised through supplementary budget from Ksh. 650,000,000 to 430,000,000. The revised budget for local revenue was fully realised at the end of financial year.

10. RETURNED CRF ISSUES

| | 2018 - 2019 | 2017 - 2018 |
|---------------------|-------------|-------------|
| | KSh | KSh |
| Recurrent account | | |
| Development account | | |
| Deposit account | | |
| Total | | |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

| | 2018 – 2019 | 2017 – 2018 |
|---|-------------------------|----------------------|
| | KShs | KShs |
| Basic salaries of permanent employees | 2,161,751,232.30 | 2,156,759,406 |
| Basic wages of temporary employees | 65,297,214.00 | 46,277,417.90 |
| Personal allowances paid as part of salary | | |
| Personal allowances paid as reimbursements | | |
| Personal allowances provided in kind | | |
| Pension and other social security contributions | 173,917,101.45 | 160,219,838.15 |
| Compulsory national social security schemes | 7,489,457.20 | 4,281,295.00 |
| Compulsory national health insurance schemes | 38,748,332.00 | 37,373,650.00 |
| Social benefit schemes outside government | 60,999,997.95 | 41,183,193 |
| Other personnel payments | | |
| Total | 2,508,203,334.90 | 2,446,094,800 |

12. USE OF GOODS AND SERVICES

| | 2018 – 2019 | 2017 – 2018 |
|--|-----------------------|-----------------------|
| | KShs | KShs |
| Utilities, supplies and services | 32,949,473.80 | 38,602,473.75 |
| Communication, supplies and services | 10,354,812.60 | 5,366,321.95 |
| Domestic travel and subsistence | 57,619,698.65 | 44,870,232.70 |
| Foreign travel and subsistence | 13,144,838.15 | |
| Printing, advertising and information supplies & services | 26,353,196.20 | 19,572,925.65 |
| Rentals of produced assets | 1,256,300.00 | 1,186,280.00 |
| Training expenses | 22,739,895.05 | 54,670,692.05 |
| Hospitality supplies and services | 12,662,668.00 | 23,133,966.50 |
| Insurance costs | 22,000,000.00 | 30,822,840.50 |
| Specialized materials and services | 204,471,940.95 | 190,192,429.80 |
| Office and general supplies and services | 13,289,405.25 | 10,775,039.00 |
| Other operating expenses | 166,159,659.00 | 22,048,316.65 |
| Routine maintenance – vehicles and other transport equipment | 9,207,639.00 | 18,200,548.85 |
| Fuel oil lubricants | 62,854,234.35 | 13,802,019.25 |
| Routine maintenance – other assets | 4,255,354.00 | 1,750,536.00 |
| Total | 659,319,115.00 | 474,994,622.65 |

KIRINYAGA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

| Description | 2018 – 2019 | 2017 – 2018 |
|----------------------------------|-------------|-------------|
| | KShs | KShs |
| Subsidies to Public Corporations | | |
| <i>See list attached</i> | | |
| Subsidies to Private Enterprises | | |
| <i>See list attached</i> | | |
| (insert name) | | |

(Give explanation of the nature of subsidies and the kind of services that have been subsidised)

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2018 – 2019 | 2017 – 2018 |
|--|-------------------------|--------------------|
| | KShs | KShs |
| Transfers to County Government entities | | |
| Transfers to car & mortgage fund | 2,000,000.00 | 26,000,000 |
| County Assembly | 629,333,009.00 | 651,804,733 |
| Hospital Facility improvement fund | 70,835,252.00 | 102,612,744 |
| youth polytechnic | 48,753,371.00 | 28,004,462 |
| NARIGP | 104,715,201.40 | 7,473,130 |
| Emergency fund | 4,000,000.00 | - |
| Health centres danida fund | 38,849,259.00 | 25,502,944 |
| Alcoholic fund | 2,384,000.00 | 1,490,000 |
| KUSF | 112,502,200.00 | |
| User fees | 11,282,570 | |
| ASDSP | 17,155,653.00 | |
| Transfers to National Government entities | | |
| Transfer to the Council of Governors | 15,287,677.65 | |
| TOTAL | 1,057,098,193.05 | 842,888,013 |

KIRINYAGA COUNTY GOVERNMENT
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15. OTHER GRANTS AND PAYMENTS

| | 2018 – 2019 | 2017 – 2018 |
|--|----------------------|-------------------|
| | KShs | KShs |
| Scholarships and other educational benefits/Bursary | 20,000,000.00 | 70,000,000 |
| Emergency relief and refugee assistance | | |
| Other current transfers, grants | 8,467,400.60 | 2,068,000 |
| Subsidies to small businesses, cooperatives, and self employed | | |
| Total | 28,467,400.60 | 72,068,000 |

KIRINYAGA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

| | 2018 - 2019 | 2017 - 2018 |
|--|-------------|-------------|
| | KSh | KSh |
| Government pension and retirement benefits | | |
| Social security benefits in cash and in kind | | |
| Employer Social Benefits in cash and in kind | | |
| Total | | |

17. ACQUISITION OF ASSETS

| Non- financial Assets | 2018 - 2019 | 2017 - 2018 |
|--|-----------------------|-----------------------|
| | KSh | KSh |
| Purchase of Buildings | | |
| Construction of Buildings | 225,880,348.15 | 2,323,991 |
| Refurbishment of Buildings | 5,337,685.50 | |
| Construction of Roads | | |
| Construction and Civil Works | 654,186,936.31 | 233,780,655.80 |
| Overhaul and Refurbishment of Construction and Civil Works | | |
| Purchase of Vehicles and Other Transport Equipment | | 179,872,180 |
| Overhaul of Vehicles and Other Transport Equipment | | |
| Purchase of Household Furniture and Institutional Equipment | | |
| Purchase of Office Furniture and General Equipment | 7,895,376.80 | 7,272,081 |
| Purchase of ICT Equipment | 28,440,801.00 | 6,764,510 |
| Purchase of Specialized Plant, Equipment and Machinery | 25,720,725.55 | 292,838,377.70 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 3,115,023.00 | |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | 21,219,750.00 | 15,525,750 |
| Research, Studies, Project Preparation, Design & Supervision | 16,912,590.00 | 15,222,230 |
| Rehabilitation of Civil Works | | |
| Acquisition of Strategic Stocks and commodities | | |
| Acquisition of Land | | |
| Acquisition of Intangible Assets | | |
| Total acquisition of non- financial assets | 988,709,236.31 | 753,599,775.50 |
| Financial Assets | | |
| Domestic Public Non-Financial Enterprises | | |
| Domestic Public Financial Institutions | | |
| Total acquisition of financial assets | | |
| Total acquisition of assets | 988,709,236.31 | 753,599,775.50 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

| | 2018 – 2019 | 2017 – 2018 |
|---|-------------|--------------|
| | KSh | KSh |
| Exchange Rate Losses | | |
| Interest Payments on Foreign Borrowings | | |
| Interest Payments on Guaranteed Debt Taken over by Govt | | |
| Interest on Domestic Borrowings (Non-Govt) | | |
| Interest on Borrowings from Other Government Units | | |
| Finance Costs, including Loan Interest | | 4,659 |
| Total | | 4,659 |

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

| | 2018 – 2019 | 2017 – 2018 |
|--|-------------|-------------|
| | KSh | KSh |
| Repayments on Borrowings from Domestic | | |
| Principal Repayments on Guaranteed Debt Taken over by Government | | |
| Repayments on Borrowings from Other Domestic Creditors | | |
| Repayment of Principal from Foreign Lending & On – Lending | | |
| Total | | |

20. OTHER PAYMENTS

| | 2018 – 2019 | 2017 – 2018 |
|----------------------------|-------------|-------------------|
| | KSh | KSh |
| Budget Reserves | | |
| Civil Contingency Reserves | | |
| Other payments | | 28,200,392 |
| | | 28,200,392 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

| Name of Bank, Account No. & Currency | Indicate whether recurrent, Development, deposit, receipts e.t.c | 2018 – 2019 | 2017 – 2018 |
|--|--|----------------|----------------|
| | | Kshs | Kshs |
| CBK, 10001700433, KES- CRF | REVENUE | 536,525,211.80 | 774,669,242.40 |
| CBK, 10001700336, KES-RECURRENT | RECURRENT | 4,446,334.75 | 7,988.05 |
| CBK, 1000195614, KES-COUNTY ASSEMBLY RECURRENT | RECURRENT | 0 | - |
| CBK, 1000268271, ROAD LEVY FUND A/C | DEV | 25,219,576.30 | 3,235,445.05 |
| CBK, 1000170247, KES- DEVT | DEV | 215,468.70 | 433,466.35 |
| CBK, 1000268287, COUNTY HEALTH CONDITIONAL GRANT | RECURRENT | | 99,598 |
| CBK, 1000364866, AGRIC SECTOR DEV SUPPORT PROGRAMME | RECURRENT | | 5,500,000 |
| CBK, 1000364424, KIRINYAGA COUNTY DEPOSIT ACCOUNT | DEV | 209,931,507.00 | 97,785,598.70 |
| CBK, 1000397737, KENYA URBAN SUPPORT PROGRAM DEV GRANT | DEV | 0 | |
| CBK, 1000397683, KENYA URBAN SUPPORT PROGRAM INSTITUTE GRANT | REC | 0 | |
| CBK, 1000367911, VILLAGE POLYTECHNIC GRANT | DEV | 0 | |
| CBK, 1000369938, NATIONAL AGR RURAL GROWTH INC. PROJECT | RECURRENT | 0 | 47,526,870 |
| CBK, 1000195622, COUNTY ASSEMBLY DEV | DEV | | 2,057,095.05 |
| KCB, NATIONAL AGR & RURAL GROWTH INC PROJECT | REC | | 7,473,130 |
| KCB, KIRINYAGA COUNTY ASDSP | | | |
| KCB, KIRINYAGA PUBLIC HEALTH REVENUE | REC | 232,256.08 | 25,510 |
| KCB, 12240116366, KERUGOYA COUNTY REFERRAL HOSPITAL | RECURRENT | 420,501.00 | |
| KCB, 12240116722, KIMBIMBI SUB COUNTY HOSPITAL | RECURRENT | 1,634,680.00 | |
| KCB, 12240116846, KIRINYAGA SUB COUNTY HOSPITAL | RECURRENT | 43,000.00 | |
| KCB, 12240117109, SAGANA SUB COUNTY HOSPITAL | RECURRENT | 68,461.88 | |

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| | | | |
|--|-----------|---------------|---------------|
| CO-OP, 1141034581800, KEPI MOH KIRINYAGA | RECURRENT | 592,564.60 | 9,314.60 |
| CO-OP, 1111567236900, CHMT-DANIDA | RECURRENT | | 3,982,245 |
| CO-OP, 1111567072600, CHMT-HSSF | RECURRENT | | 5,474 |
| KCB, 1140791605, OPERATIONS | RECURRENT | 2,400 | 12,934,450 |
| CO-OP BANK, STANDING IMPREST .01141271895600 | DEV | 0 | - |
| CO-OP, AC SAF OPERATIONS, 01141567202401 | RECURRENT | 0 | 313,330 |
| CO-OP, AC SAF COLLECTION, 0114567202400 | FUND | 0 | |
| CO-OP, HOSPITAL FUND OPERATION, 01141567073501 | RECURRENT | | 202,486 |
| CO-OP, HOSPITAL FUND COLLECTION, 01141567073500 | FUND | 0 | - |
| CO-OP, SUB COUNTY REVENUE, 01141489581000, | REVENUE | 295,110.00 | - |
| CO-OP, KIRINYAGA COUNTY ASSEMBLY, 01141567001400 | RECURRENT | | 323.01 |
| KCB, KIRINYAGA COUNTY REVENUE ACCOUNT, 1140758497 | REVENUE | 1,737,263.93 | 10,067,696.84 |
| EQUITY COLLECTION ACCOUNT, 0420260814601 | REVENUE | 252,875.80 | 1,700,473.86 |
| KCB, KAMWETI DEMONS FUND, 1104075997 | FUND | 12,250.00 | 954.85 |
| ABC BANK, REVENUE A/C, 001217001000046 | REVENUE | (206) | 365 |
| CO-OP, EMERGENCY FUND A/C 01141567510100 | FUND | | 2,756,908 |
| KCB, 1104073153, KERUGOYA HOSP IMPROVEMENT FUND, | FUND | 32,987,534.50 | 13,779,859.50 |
| FORTUNE SACCO, ASSEMBLY MORTGAGE, 1011518645270016 | FUND | | 6,031,286.12 |
| FORTUNE SACCO, ASSEMBLY MORTGAGE, 1011356525210011 | FUND | | |
| BINGWA, EXE. MORTGAGE & CAR LOAN FUND A/C 4107-007-124840 | FUND | | 18,199,241.90 |
| KCB, 1259401286, KUSP URBAN INST GRANT | FUND | | |
| KCB, 1259400883, KUSP URBAN DVT PROGRAM, IME | FUND | | |
| KCB, 12544141075, KIRINYAGA COUNTY HOSPITAL REVENUE | REVENUE | 9,071,501.00 | |
| KCB, K.WEST BURSARY FUND KIINE WARD A/C 1163963879 | FUND | | 432,664 |
| KCB, K.WEST BURSARY FUND KARITI WARD A/C 1152490018 | FUND | | 422,006 |
| KCB, K.WEST BURSARY FUND MUKURE WARD A/C 1163964123 | FUND | | 333,625 |
| CO-OP, TEBERE WARD KCBF A/C 01141491590400 | FUND | | 398,875 |
| CO-OP, M.JRINDUKO WARD KCBF A/C 01141491593500 | FUND | | 527,735 |

KIRINYAGA COUNTY GOVERNMENT

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| | | | |
|--|------|-----------------------|----------------------|
| CO-OP, GATHIGIRI WARD KCBF A/C 01141491590500 | FUND | | 356,157 |
| CO-OP, N'ANGATI WARD KCBF A/C 01141491590200 | FUND | | 354,845 |
| KCB, K.COUNTY BURSARY FUND INOI WARD A/C 11610815997 | FUND | | 557,634 |
| KCB, K.COUNTY BURSARY FUND KERUGOYA WARD A/C: 1161080740 | FUND | | 346,479 |
| KCB, K.COUNTY BURSARY FUND MUTIRA WARD A/C: 1161093095 | FUND | | 433,101.50 |
| KCB, K.COUNTY BURSARY FUND KANYEKIINE WARD A/C: 1161561358 | FUND | | 341,871.50 |
| KCB, K.COUNTY BURSARY FUND MUTITHI WARD A/C: 1205586253 | FUND | | 250,965.50 |
| KCB, K.COUNTY BURSARY FUND KANGAI WARD A/C: 1205585184 | FUND | | 366,249 |
| KCB, K.COUNTY BURSARY FUND WAMUMU WARD A/C: 1205585958 | FUND | | 340,965 |
| KCB, K.COUNTY BURSARY FUND THIBA WARD A/C: 1205586091 | FUND | | 265,085 |
| KCB, KARIJMANDI WARD KCBF A/C 1161083551 | FUND | | 328,377 |
| KCB, BARAGWI WARD KCBF A/C 1161083472 | FUND | | 358,425 |
| KCB, NJUKIINI WARD KCBF A/C 1161083413 | FUND | | 228,345 |
| KCB, KABARE WARD KCBF A/C 1161083677 | FUND | | 440,810 |
| KCB, NGAJIAMA WARD KCBF A/C 1161083510 | FUND | | 325,269 |
| EQUITY, K.COUNTY BURSARY FUND MUTITHI WARD A/C: 0420262390821 | FUND | | 40,925 |
| EQUITY, K.COUNTY BURSARY FUND KANGAI WARD A/C: 0420262390748 | FUND | | 9,488 |
| EQUITY, K.COUNTY BURSARY FUND WAMUMU WARD A/C 0420262390793 | FUND | | 24,545 |
| EQUITY, K.COUNTY BURSARY FUND THIBA WARD A/C: 0420262390771 | FUND | | 21,100 |
| TOTAL | | 823,688,291.34 | 1,016,303,894 |

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

21B. CASH IN HAND

| | 2018 – 2019 | 2017 – 2018 |
|--|-------------|-------------|
| | KShs | KShs |
| Cash in Hand – Held in domestic currency | | |
| Cash in Hand – Held in foreign currency | | |
| Total | | |

Cash in hand should also be analysed as follows:

| | 2018 – 2019 | 2017 – 2018 |
|--------------|-------------|-------------|
| | KShs | KShs |
| Location 1 | | |
| Location 2 | | |
| Location 3 | | |
| Total | | |

KIRINYAGA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

| <i>Description</i> | 2018 – 2019 KShs | 2017 – 2018 KShs |
|---------------------|---------------------|---------------------|
| Government Imprests | 0 | 0 |
| Clearance accounts | | |
| Total | 0 | 0 |

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

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

23. ACCOUNTS PAYABLE

| | 2018 – 2019 KShs | 2017 – 2018 KShs |
|------------------|-----------------------|----------------------|
| Deposits | 209,931,506.95 | 97,785,598.70 |
| Retention monies | | |
| Total | 209,931,506.95 | 97,785,598.70 |

24. FUND BALANCE BROUGHT FORWARD

| | 2018 – 2019 KShs | 2017 – 2018 KShs |
|----------------------|---------------------|---------------------|
| Bank accounts | 1,016,303,894 | 517,790,503 |
| Cash in hand | | |
| Accounts Receivables | | |
| Accounts Payables | (97,785,599) | (97,785,527) |
| Total | 918,518,295 | 420,004,976 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

| Description of the error | 2018 - 2019 | 2017 - 2018 |
|--------------------------------------|-------------|-------------|
| | KSh | KSh |
| Adjustments on bank account balances | | |
| Adjustments on cash in hand | | |
| Adjustments on payables | | |
| Adjustments on receivables | | |
| Others (<i>specify</i>) | | |
| | | |

KIRINYAGA COUNTY GOVERNMENT
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For the year ended June 30, 2019

5.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE

| PENDING BILLS | Pending Bill B/F | Amount Paid during F/Y 2018/2019 | Net Balance | Pending Bill F/Y 2018/2019 | Total Pending Bill C/F |
|------------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------|------------------------|
| DETAILS | a | b | a-b | d | c+d |
| Construction of buildings | | | | | |
| Health | 7,731,141.00 | 7,211,532.00 | 519,609.00 | - | 519,609.00 |
| Trade | 6,474,463.75 | | 6,474,463.75 | | 6,474,463.75 |
| Agriculture & Livestock | 9,550,627.20 | | 9,550,627.20 | 2,237,989.90 | 11,788,617.10 |
| Sub-Total | 23,756,231.95 | 7,211,532.00 | 16,544,699.95 | 2,237,989.90 | 18,782,689.85 |
| Construction of civil works | | | | | |
| Youth & sports | 547,000.00 | 547,000.00 | - | | - |
| Environment | 34,594,967.00 | | 34,594,967.00 | | 34,594,967.00 |
| Transport | 140,347,092.60 | 41,466,354.60 | 98,880,738.00 | | 98,880,738.00 |
| Agriculture & Livestock | 7,445,269.00 | | 7,445,269.00 | | 7,445,269.00 |
| Sub-Total | 182,934,328.60 | 42,013,354.60 | 140,920,974.00 | - | 140,920,974.00 |
| Supply of goods | | | | | |
| Youth & sports | 1,480,400.00 | 1,480,400.00 | - | | - |
| Physical Planning | 117,004.00 | | 117,004.00 | 66,200.00 | 183,204.00 |
| Culture and Social services | 2,315,550.00 | 1,472,730.00 | 842,820.00 | | 842,820.00 |
| Trade | 14,244,510.50 | 565,892.00 | 13,678,618.50 | 183,500.00 | 13,862,118.50 |
| Environment | 3,722,671.00 | | 3,722,671.00 | | 3,722,671.00 |
| Education | 8,349,930.00 | | 8,349,930.00 | | 8,349,930.00 |
| Health | 115,069,780.00 | 112,470,720.00 | 2,599,060.00 | 129,409,332.90 | 132,008,392.90 |
| Transport | 13,751,426.00 | | 13,751,426.00 | 948,234.70 | 14,699,660.70 |
| Agriculture & Livestock | 13,483,692.70 | | 13,483,692.70 | 1,825,147.00 | 15,308,839.70 |
| Sub-Total | 172,534,964.20 | 115,989,742.00 | 56,545,222.20 | 132,432,414.60 | 188,977,636.80 |
| Supply of services | | | | | |
| Youth & sports | 79,680.00 | 79,680.00 | | | |
| Physical Planning | 885,880.00 | | 885,880.00 | | 885,880.00 |
| Culture and Social services | 489,000.00 | | 489,000.00 | | 489,000.00 |
| Trade | 820,228.00 | 29,108.00 | 791,120.00 | | 791,120.00 |
| Environment | 178,675.00 | | 178,675.00 | | 178,675.00 |
| Education | 28,925.00 | | 28,925.00 | | 28,925.00 |
| Health | 11,824,180.00 | 11,808,180.00 | 16,000.00 | 6,554,860.00 | 6,570,860.00 |
| Agriculture & Livestock | 1,095,275.00 | | 1,095,275.00 | 234,800.00 | 1,330,075.00 |
| Sub-Total | 15,401,843.00 | 11,916,968.00 | 3,484,875.00 | 6,789,660.00 | 10,274,535.00 |
| Staff Allowance | | | | | |
| Youth & sports | 63,000.00 | | 63,000.00 | | 63,000.00 |
| Culture and Social services | 649,800.00 | 596,600.00 | 53,200.00 | | 53,200.00 |
| Trade | 341,800.00 | 341,800.00 | | | |
| Education | 797,100.00 | | 797,100.00 | | 797,100.00 |
| Physical Planning | 35,050.00 | | 35,050.00 | 10,800.00 | 45,850.00 |
| Transport | 914,600.00 | | 914,600.00 | | 914,600.00 |
| Agriculture & Livestock | | | | 2,087,007.00 | 2,087,007.00 |
| Sub-Total | 2,801,350.00 | 938,400.00 | 1,862,950.00 | 2,097,807.00 | 3,960,757.00 |
| Grand Total | 397,428,717.75 | 178,069,996.60 | 219,358,721.15 | 143,557,871.50 | 362,916,592.65 |

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

2. PENDING STAFF PAYABLES (See 5.10-1)
3. OTHER PENDING PAYABLES (See 5.10-1)

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 Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

| | 2018-2019 Kshs | 2017-2018 Kshs |
|--|-------------------------|----------------------|
| <u>Transfers to related parties</u> | | |
| Transfer to the County Assembly | 629,333,009.00 | 651,804,733 |
| Transfers to other County Government Entities | | |
| Transfers to Development Projects | 1,167,074,027.45 | 703,197,063 |
| Transfers to non reporting entities e.g schools and welfare | | |
| Transfers to County Water Service Providers | | |
| Expenses paid on behalf of County Water Service Providers | | |
| Total Transfers to related parties | 1,796,407,036.45 | 1,355,001,796 |
| <u>Transfers from related parties</u> | | |
| Transfers from the Exchequer | 4,370,956,659 | 4,648,017,938 |
| Transfers from MDAs | | |
| Transfers from SCs and SAGAs- National Government (Insert any other transfers received) | | |
| Total Transfers from related parties | 4,370,956,659 | 4,648,017,938 |

KIRINYAGA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2019****5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES**

The FFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

| Entity | Date Established | Location | Accounting Officer responsible |
|--|-------------------------|-----------------|---|
| Kirinyaga Water & Sewerage Co. | 2002 | KERUGOYA | Managing Director, Ephantus Maina |
| County Assembly car & mortgage fund | 2014 | KERUGOYA | Clerk County Assembly, Kamau Aidi |
| Kirinyaga County Emergency Fund | 2015 | KUTUS | Director Accounting services, Zephaniah N. Kiongo |
| Alcoholic Drink & Substance Abuse Fund | 2014 | KUTUS | Director Alcoholic Drinks, Samuel M. Muriithi |
| County Executive car & mortgage fund | 2015 | KUTUS | Chief officer Finance, Patrick Mugo |
| Hospital Facility Improvement Fund | 2013 | KUTUS | Chief Officer Health, Stanley Muriithi |
| Kirinyaga County Bursary Fund | 2014 | KUTUS | Chief officer Education, James Nyamu Nyaga |
| Kerugoya Kutus Municipal Board | 2018 | KERUGOYA | Municipal Manager, Paul Muchira |

KIRINYAGA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2019****5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES**

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| Entity | Date Established | Location | Accounting Officer responsible |
|--|-------------------------|-----------------|---|
| Kirinyaga Water & Sewerage Co. | 2002 | KERUGOYA | Managing Director, Ephantus Maina |
| County Assembly car & mortgage fund | 2014 | KERUGOYA | Clerk County Assembly, Kamau Aidi |
| Kirinyaga County Emergency Fund | 2015 | KUTUS | Director Accounting services, Zephaniah N. Kiongo |
| Alcoholic Drink & Substance Abuse Fund | 2014 | KUTUS | Director Alcoholic Drinks, Samuel M. Muriithi |
| County Executive car & mortgage fund | 2015 | KUTUS | Chief officer Finance, Patrick Mugo |
| Hospital Facility Improvement Fund | 2013 | KUTUS | Chief Officer Health, Stanley Muriithi |
| Kirinyaga County Bursary Fund | 2014 | KUTUS | Chief officer Education, James Nyamu Nyaga |
| Kerugoya Kutus Municipal Board | 2018 | KERUGOYA | Municipal Manager, Paul Muchira |

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|---|---|--|---|
| EXTERNAL AUDIT 2017/2018 | Inaccuracy of receipts | Financial statement corrected and amended copy submitted to the auditor | Zephaniah Ndungu Kiongo, Director Accounting Services | Resolved | |
| EXTERNAL AUDIT 2017/2018 | Variances between figures in IFMIS and figures as per the financial statement | National Treasury to operationalise the IFMIS cash payment module to enable auto bank reconciliation and accuracy of the IFMIS trial balance. IFMIS Accounts receivable module to record revenue and reconcile was not operational. | Zephaniah Ndungu Kiongo, Director Accounting Services | Partially resolved | 1 year |
| EXTERNAL AUDIT 2017/2018 | Purchase of specialised part equipment and machinery | Procurement records, tender evaluation minutes and delivery notes availed to the auditors | Zephaniah Ndungu Kiongo, Director Accounting Services | Resolved | |
| EXTERNAL AUDIT 2017/2018 | Use of goods and services and acquisition of assets supporting schedule not provided | Supporting schedule for use of good and services ,acquisition of assets, availed to auditors | Zephaniah Ndungu Kiongo, Director Accounting Services | Resolved | |
| EXTERNAL AUDIT | Unsupported | Bank certificates and | Zephaniah | Resolved | |

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

| 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) |
|--|-----------------------------------|--|--|-----------------------------------|--|
| 2017/2018 | cash and cash equivalents | reconciliations availed to the auditors | Ndungu Kiongo, Director Accounting Services | | |
| EXTERNAL AUDIT 2017/2018 | Unsupported insurance cost | Payment vouchers supporting these costs availed to the auditors. | Zephaniah Ndungu Kiongo, Director Accounting Services | Resolved | |

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.

CEC, County Treasury

Sign.....

Date.....16/7/2019.....

KIRINYAGA COUNTY GOVERNMENT
Consolidated Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

| Period | Equitable Share | DANIDA | Level 5 hospitals allocation | Other transfers- Donor funds transferred through exchequer | Total Transfers from the National Treasury/ Exchequer |
|----------------------------------|-------------------------|----------------------|------------------------------|--|---|
| Exchequer Releases for quarter 1 | 205,670,000 | | | | 205,670,000 |
| Exchequer Releases for quarter 2 | 1,069,484,000 | 7,391,250 | | 76,605,485.40 | 1,153,480,735.40 |
| Exchequer Releases for quarter 3 | 1,131,185,000 | 7,391,250 | | 19,151,654 | 1,157,727,904 |
| Exchequer Releases for quarter 4 | 1,707,061,000 | | | 147,017,019.70 | 1,854,078,019.70 |
| Total | 4,113,400,000.00 | 14,782,500.00 | | 242,774,159.10 | 4,370,956,659.10 |

ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE (See 5.10-1)

ANNEX 3 – ANALYSIS OF PENDING ACCOUNTS PAYABLE (See 5.10-1)

ANNEX 4 – ANALYSIS OF PENDING ACCOUNTS PAYABLE (See 5.10-1)

KIRINYAGA COUNTY GOVERNMENT
Consolidated Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (KShs) 2017/2018 | Additions during the year (KShs) | Disposals during the year (KShs) | Transfers in/(out) during the year (KShs) | Historical Cost c/f (KShs) 2018/2019 |
|--|--|--|--|---|--|
| Land | 2,250,000 | | | | 2,250,000 |
| Buildings and structures | 375,079,975.24 | 35,055,655 | | | 410,135,630.24 |
| Transport equipment | 734,562,198.20 | | | | 734,562,198.20 |
| Office equipment, furniture and fittings | 27,571,915.60 | 1,926,440 | | | 29,498,355.60 |
| ICT Equipment | 37,838,847.50 | 1,550,999 | | | 39,389,846.50 |
| Machinery and Equipment | | 5,604,844 | | | 5,604,844 |
| Heritage and cultural assets | | | | | |
| Biological assets | | | | | |
| Intangible assets | | 16,322,070 | | | 16,322,070 |
| Infrastructure assets- Roads, Rails | 68,669,425.30 | 318,269,450.63 | | | 386,938,875.93 |
| Work in progress | | 240,056,182 | | | 240,056,182 |
| Total | 1,245,972,361.84 | 618,785,640.63 | | | 1,864,758,002.47 |

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 17 on acquisition of assets during the year.)

KIRINYAGA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2019

ANNEX 6 – INTER-ENTITY TRANSFERS

| Ref | Entity | Q1 | Q2 | Q3 | Q4 | Amount transferred KShs | Amount Confirmed as received KShs | | |
|-----|------------------------------------|--------------------|--------------------|--------------------|-----------------------|----------------------------|--------------------------------------|--|--|
| 1 | Transfers to car & mortgage fund | | | | 2,000,000 | 2,000,000.00 | 2,000,000.00 | | |
| 2 | County Assembly | 155,699,710 | 169,430,700 | 162,576,000 | 141,626,599 | 629,333,009.00 | 629,333,009.00 | | |
| 3 | Hospital Facility improvement fund | 17,006,977.00 | 17,733,455 | 30,549,920 | 5,544,900.00 | 70,835,252.00 | 70,835,252.00 | | |
| 4 | youth polytechnic | | | | 48,753,371 | 48,753,371.00 | 48,753,371.00 | | |
| 5 | NARIGP | 1,839,000 | 1,839,000 | 44,000,000 | 57,037,201.40 | 104,715,201.40 | 104,715,201.40 | | |
| 6 | Emergency fund | | | | 4,000,000.00 | 4,000,000.00 | 4,000,000.00 | | |
| 7 | Health centres danida | 5,618,574 | 5,303,285 | 21,938,564 | 5,988,836.00 | 38,849,259.00 | 38,849,259.00 | | |
| 8 | Alcoholic fund | | 2,384,000 | | | 2,384,000.00 | 2,384,000.00 | | |
| 9 | User fee foregone | | | | 11,282,570 | 11,282,570.00 | 11,282,570.00 | | |
| 10 | KUSF | | | 71,302,200 | 41,200,000 | 112,502,200.00 | 112,502,200.00 | | |
| 11 | ASDSP | | 2,586,700.00 | | 14,568,953.00 | 17,155,653.00 | 17,155,653.00 | | |
| 12 | Transfer to COG | 150,000.00 | 9,769,538.00 | 4,400,000.00 | 968,139.65 | 15,287,677.65 | 15,287,677.65 | | |
| | Total | 180,314,261 | 209,046,678 | 334,766,684 | 332,970,570.05 | 1,057,098,193.05 | 1,057,098,193.05 | | |

Chief Officer
Name: Patrick M. Ndathi

Head of Treasury
Name: Z.N. Kiongo
ICPAK Member Number: 9398