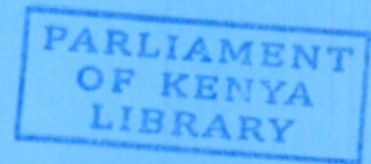


REPORT



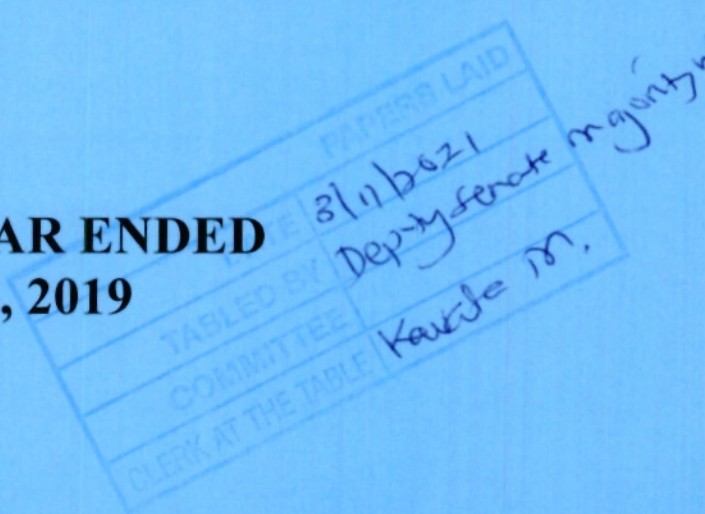
OF

THE AUDITOR-GENERAL

ON

**COUNTY GOVERNMENT OF
TAITA TAVETA EMERGENCY FUND**

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





COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30, 2019



COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED
JUNE 30, 2019

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

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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For the year ended June 30, 2019

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II. KEY COUNTY GOVERNMENT INFORMATION AND MANAGEMENT

(a) Background information

Taita Taveta County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Municipal Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC – Finance is financial reporting at the County level.

Vision

“To be a prosperous county with thriving rural and urban economies that support quality life for all its inhabitants.”

Mission

“To promote and actively participate in achievement of economic growth as well as social and cultural development with the aim of realizing sustainable development facilitated by sound management of the environment and sustainable utilization of natural resources”

Core Values

Taita Taveta County upholds the following values:

Integrity in Service Delivery

Stewardship and Leadership

Professionalism in Service Delivery

Respect for the county people

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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(b) Key management

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

	Name	Designation	Date of holding office
1.	H.E. Granton Graham Samboja	Governor	21 st August 2017
2.	H.E. Majala Mlagui	Deputy Governor	21 st August 2017
3.	Janet Mwawasi Oben	CEC Member, Public Service and Administration	25 th January 2018
4.	Daniel M. Mwakisha	CEC Member, Health Services	13 th November 2017
5.	Davis Mwangoma	CEC Member, Agriculture, Livestock and Fisheries A.g CEC Member, Member Finance and Planning	13 TH November 2017
6.	Getrude N. Shuwe	CEC Member, Trade, Tourism and Cooperative Development	13 TH November 2017
7.	Bigvai M. Ouma	CEC Member, Youth, Gender, Sport and Social Services	13 TH November 2017
8.	Mr. Gasper K. Mshighati	CEC Member, Water and Irrigation	13 TH November 2017
9.	H.E Majala Mlagui	CEC Member, Mining, ICT, Industrialization and Special Programmes	13 TH November 2017
10.	Dr. Frank Mwangemi	CEC Member, Education and Libraries	13 TH November 2017
11.	Clarice G. Mnyambo	CEC Member, Lands, Environment and Natural Resources	13 TH November 2017
12.	Eng. Houghton M. Mombo	CEC Member, Public Works and Infrastructure	13 TH November 2017

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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(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.	CEC Member, Member Finance and Planning	Davis Mwangoma
2.	Chief Officer, Finance and Planning	Leonard Langat, CPA (K)
3.	Director – Accounting	Joyce Kambe Mwachia, CPA (K)
4.	Fund Administrator	Godfrey Kalaghe

(d) Fiduciary oversight arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2019 were:

1. County Assembly of Taita Taveta County;
2. County Audit Committee
3. County Budget and Economic Forum (CBEF)

(e) Entity headquarters

P.O. Box 1066-80304
Wundanyi

(f) Entity contacts

Telephone: 0788186436/0718988717
E-mail: info@taitataveta.go.ke
Website: www.taitataveta.go.ke

(g) Entity bankers

1. Kenya Commercial Bank
Wundanyi Branch
P.O. Box 1067-80304
Wundanyi

(h) Independent Auditors

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

(i) Principal Legal Adviser

The Attorney General
State Law Office

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. FORWARD BY THE CEC

Taita Taveta Emergency fund was established by the Taita Taveta County Assembly Act of 2014 which is made of monies appropriated by the County Assembly, Grants and Donation with an aim of making payments made in respect of County urgent and unforeseen expenditure arising for which there is no specific legislative authority. It is administered by the County Executive Member for finance.

During the financial year 2018/2019, Kshs 15,000,000 was budgeted for in recurrent vote. An Amount Kshs 15,000,000 was transferred to the Fund which was mainly used to finance payments for Roads rehabilitation damaged during the rainy seasons among other Emergencies experienced during the year.



.....

County Executive Committee member – Finance

Taita Taveta County

IV. 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 of Taita Taveta Emergency Fund 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 of Taita Taveta Emergency Fund 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 of Taita Taveta Emergency Fund 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 of Taita Taveta Emergency Fund 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 of Taita Taveta Emergency Fund financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

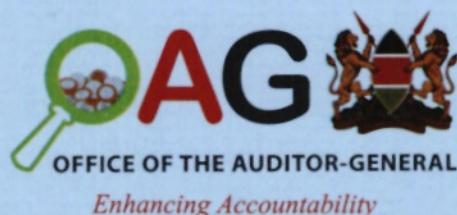
The County Government's financial statements were approved and signed by the CEC member for finance on 25/11 2019.



County Executive Committee member – Finance

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Government of Taita Taveta Emergency Fund set out on pages 9 to 21, 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 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, the financial statements present fairly, in all material respects, the financial position of County Government of Taita Taveta Emergency Fund 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 Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Government of Taita Taveta Emergency Fund 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 opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

Expenditure Budget

During the year under review, the Fund had a total expenditure budget of Kshs. 15,000,000 against actual expenditure of Kshs. 16,256,614 or 108%, resulting to net over absorption of Kshs. 1,256,614 or 8 % without approval from the County Assembly.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management had not included the Progress on Follow Up of Auditor Recommendations section in the financial statements as prescribed by the Public Sector Accounting Standards Board nor given any explanation why the issues remain unresolved.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services disclosing, as applicable, matters related to going concern and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund 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 Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

18 October, 2021

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
 Reports and Financial Statements
 For the year ended June 30, 2019

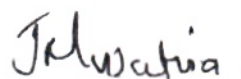
VI. STATEMENT OF RECEIPT AND PAYMENT FOR THE YEAR ENDED 30 JUNE 2019

RECEIPTS	NOTE	FY 2018-2019 KSHS	FY 2017-2018 KSHS
Transfers from IFMIS	1	15,000,000	5,000,000
Transfers from Imprest A/C	2		
TOTAL RECEIPTS		15,000,000	5,000,000
PAYMENTS			
Compensation of Employees	3		-
Use of goods and services	4	10,615,305	4,041,900
Acquisition of Assets	5	5,640,244	2,431,000
Transfers to other entities	6	-	2,300,000
Bank Charges	7	1,065	14,316
TOTAL PAYMENTS		16,256,614	8,787,216
SURPLUS/DEFICIT		(1,256,614)	(3,787,216)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/11 2019 and signed by:



Chief Officer
 Name: Leonard Langat
 ICPAK Member Number: 10793



Head of Treasury
 Name: Joyce Mwachia
 ICPAK Member Number: 12587

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
 Reports and Financial Statements
 For the year ended June 30, 2019

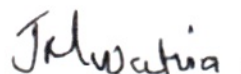
VII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2019

	NOTE	FY 2018-2019 KSHS	FY 2017-2018 KSHS
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	14,193	60,400
Cash Balances			-
Total Cash and cash equivalents		14,193	60,400
Accounts Receivables – Outstanding Imprests			-
TOTAL FINANCIAL ASSETS		14,193	60,400
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions		-	-
NET FINANCIAL ASSETS		14,193	60,400
REPRESENTED BY:			
Fund balance b/fwd.	10	60,400	3,847,616
Surplus/(Deficit)for the year		(1,256,614)	(3,787,216)
Prior Year Adjustment	11	1,210,407	
NET FINANCIAL POSITION		14,193	60,400

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/11 2019 and signed by:



Chief Officer
 Name: Leonard Langat
 ICPAK Member Number:10793



Head of Treasury
 Name: Joyce Mwachia
 ICPAK Member Number:12587

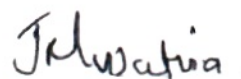
VIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

DESCRIPTION	NOTE	FY 2018-2019 KSHS	FY 2017-2018 KSHS
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts for Operating Income			
Transfers from IFMIS	1	15,000,000	5,000,000
Transfers from other entities	2	-	-
		15,000,000	5,000,000
Payment for Operating Expenses			
Compensation of Employees	3	-	-
Use of goods and services	4	10,615,305	4,041,900
Acquisition of Assets	5	5,640,244	2,431,000
Transfers to other entities	6	-	2,300,000
Bank Charges	7	1,065	14,316
		16,256,614	8,787,216
Adjusted for:			
Receivables		-	-
Payables		-	-
Prior year adjustments	11	1,210,407	-
Net Cash flow from operating activities		(46,207)	(3,787,216)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT		(46,207)	(3,787,216)
Cash and Cash equivalent at beginning of the year		60,400	3,847,616.35
Cash and Cash equivalent at End of the year		14,193	60,400
As per statement of assets		14,193	60,400

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26/11 2019 and signed by:



Chief Officer
 Name: Leonard Langat
 ICPAK Member Number:10793



Head of Treasury
 Name: Joyce Mwachia
 ICPAK Member Number:12587

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
 Reports and Financial Statements
 For the year ended June 30, 2019

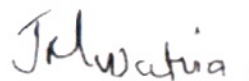
XI. SUMMARY STATEMENT OF APPROPRIATION FOR THE PERIOD ENDED 30th JUNE 2019

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants						0%
Exchequer releases						0%
Transfers from Other Government Entities	15,000,000		15,000,000	15,000,000	0	100%
Proceeds from Domestic Borrowings						0%
Proceeds from Foreign Borrowings						0%
Proceeds from Sale of Assets						0%
Reimbursements and Refunds						0%
Returns of Equity Holdings						0%
Other Receipts						0%
Total Receipts	15,000,000	-	15,000,000	15,000,000	0	100%
Payments						
Compensation of Employees						0%
Use of goods and services	10,650,000		10,650,000	10,615,305	(34,695)	100%
Transfers to Other Government Units					0	0%
Other grants and transfers						0%
Social Security Benefits						0%
Acquisition of Assets	4,350,000		4,350,000	5,640,244	1,290,244	98%
Repayment of principal on Domestic and Foreign borrowing						0%
Other Expenses				1,065	1,065	0%
Grand Total	15,000,000	-	15,000,000	16,256,614	1,256,614	98%

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/11 2019 and signed by:



Chief Officer
 Name: Leonard Langat
 ICPAK Member Number:10793



Head of Treasury
 Name: Joyce Mwachia
 ICPAK Member Number:12587

XII. 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.

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

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

2. Reporting entity

The financial statements are for The Taita Taveta County Executive Emergency Fund. 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 Fund recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

Transfers from the IFMIS

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)

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.

Use of goods and services

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

Acquisition of fixed assets

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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 Kenya commercial bank 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.

There were no other restrictions on cash during the year

5. Accounts Receivable

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. 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.

7. 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.

8. 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.

9. 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 28th April 2018 for the period 1st July 2018 to 30 June 2019 as required by law. There was a number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Comparative figures

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

11. 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.

12. 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.

13. Related party transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENT

NOTE 1. TRANSFERS FROM IFMIS

	FY 2018-2019 KSHS	FY 2017-2018 KSH
TRANSFER FROM RECURRENT A/C	15,000,000	5,000,000
TOTAL	15,000,000	5,000,000

NOTE 2. TRANSFERS FROM OTHER ENTITIES

	FY 2018-2019 KSHS	FY 2017-2018 KSH
TOTAL	-	-

NOTE 3: COMPESATION OF EMPLOYEES

	FY 2018-2019 KSHS	FY 2017-2018 KSH
Other personnel payments	-	-
Total	-	-

NOTE 4. USE OF GOODS AND SERVICES

	FY 2018-2019 KSHS	FY 2017-2018 KSH
Utility, Supplies & Service	-	-
Domestic Travel	245,000	190,000
Training Expense	-	-
Fuel, oil and Lubricants	-	-
Specialized Materials	9,370,305	198,000
Communication Supplies & Service	-	-
Other payments	1,000,000	3,653,900
Routine Maintenance	-	-
TOTAL	10,615,305	4,041,900

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5. ACQUISITION OF ASSESTS	FY 2018-2019 KSHS	FY 2017-2018 KSH
Refurbishment of Buildings	-	-
Construction of Roads		
Rehabilitation & Renovation of Plant & Equipment		
Rehabilitation of civil works	5,640,244	1,471,000
Purchase of Specialized Equipment & Plant construction and civil works		960,000
TOTAL	5,640,244	2,431,000

NOTE 6. TRANSFERS TO OTHERS ENTITIES	FY 2018-2019 KSHS	FY 2017-2018 KSH
Taita Taveta County Treasury Imprest		2,300,000
TOTAL	-	2,300,000

NOTE 7. BANK CHARGES	FY 2018-2019 KSHS	FY 2017-2018 KSH
Bank charges	1,065	14,316
TOTAL	1,065	14,316

NOTE 8. CASH AND CASH EQUIVALENT NAME OF BANK, ACCOUNT NO.	FY 2018-2019 KSHS	FY 2017-2018 KSH
Taita Taveta County Emergency Fund A/C No 1171227817	14,193	60,400
TOTAL	14,193	60,400

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9. ACCOUNTS PAYABLES	FY 2018-2019	FY 2017-2018
Description	KSHS	KSH
Deposits & Retentions	-	-
TOTAL	<u>-</u>	<u>-</u>

NOTE 10. FUND BALANCES BROUGHT FORWARD	FY 2018-2019	FY 2017-2018
Description	KSHS	KSH
Bank Accounts	60,400	3,847,616
TOTAL	<u>60,400</u>	<u>3,847,616</u>

11. PRIOR YEAR ADJUSTMENTS	FY 2018-2019	FY 2017-2018
Description	KSHS	KSH
Adjustments on bank account balances	1,210,407	-
Total	<u>1,210,407</u>	<u>-</u>

COUNTY GOVERNMENT OF TAITA TAVETA EMERGENCY FUND
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XIV. ANNEXES

ANNEX 1- SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (KShs) 2016/2017	Historical Cost (KShs) 2017/2018	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2018/2019
Land	-	-	-	-	-
Buildings and structures	1,361,583	-	-	-	1,361,583
Transport equipment	-	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-	-
ICT Equipment	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Biological assets	-	960,000	-	-	960,000
Intangible assets	-	-	-	-	-
Infrastructure assets- Roads, Rails	7,016,856	1,471,000	5,640,244	-	14,128,100
Work in progress	-	-	-	-	-
Total	8,378,439	2,431,000	5,640,244		16,449,683

*Biological Assets: Kshs 960,000 was for Purchase of Certified Seeds & Seedlings but was previously wrongly reported as Purchase of Specialised Equipment & Plants. However, now its has been rightly classified.

