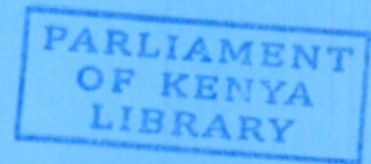


REPORT



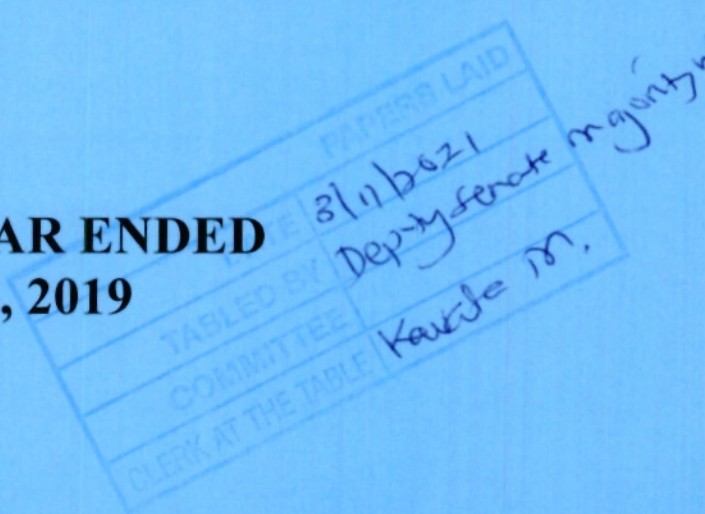
OF

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

I. TABLE OF CONTENT

	Page
I. TABLE OF CONTENT	1
II. KEY COUNTY GOVERNMENT INFORMATION AND MANAGEMENT	2
III. FORWARD BY THE CEC	6
IV. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	7
V. REPORT OF THE INDEPENDENT AUDITORS ON TAITA TAVETA EMERGENCY FUND.....	8
VI. STATEMENT OF RECEIPT AND PAYMENT.....	9
VII. STATEMENT OF ASSETS AND LIABILITIES	10
VIII. STATEMENT OF CASH FLOWS	11
XI. SUMMARY STATEMENT OF APPROPRIATION.....	12
XII. SIGNIFICANT ACCOUNTING POLICIES.....	13
XIII. NOTES TO THE FINANCIAL STATEMENT	18
XIV. ANNEXES.....	21

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

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

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

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.



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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

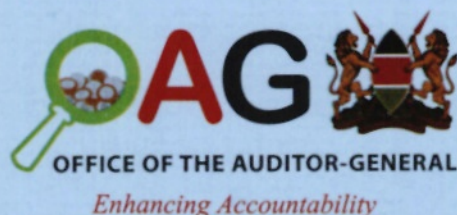
The County Government's financial statements were approved and signed by the CEC member for finance on 25/11 2019.



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