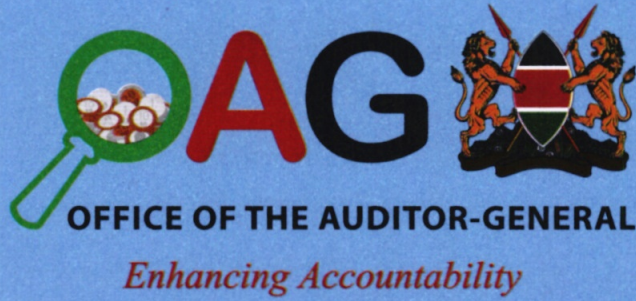
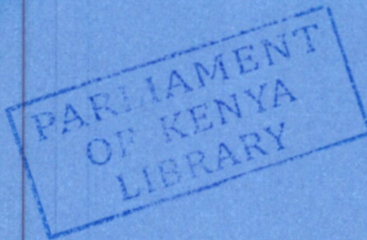


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

**TRANS NZOIA COUNTY PUBLIC
SERVICE BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
DATE	16/5/2024
TABLED BY	Maj. Leader
COMMITTEE	-
CLERK AT THE TABLE	Angelina



TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2023

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

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
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For the year ended June 30, 2023

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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Trans-Nzoia County Public Service Board was established pursuant to the provisions of section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the constitution of Kenya 2010. Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in 2013 and thereafter appointed and gazetted by H.E. the Governor.

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

b) Principal Activities

Vision: A leading Board in client-centred public service

Mission: To provide efficient and effective public service delivery through management and development of competent human capital.

Strategic goals/Objectives

- i. To ensure optimal staffing levels in all County departments
- ii. To ensure career progression of county staff
- iii. To enhance skills upgrading and multi-tasking
- iv. To provide clear information on pension and social security services
- v. To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
- vi. To inculcate good work culture in the County Public Service
- vii. To have a harmonized grading and remuneration structure for the county public service employees.
- viii. Ensure sustainability and continuity in public service delivery
- ix. To strengthen the policy and regulatory framework that governs the Board and the County Public Service
- x. Establish modern systems for record and information management.
- xi. To improve work environment and enhance efficiency and effectiveness in service delivery.

Mandate

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

The mandate of the Board is provided for under Section 59 of the County Governments Act (CGA), 2012 as follows: -

- i. Establish and abolish offices in the County Public Service.
- ii. Appoint persons to hold or act in offices of the County Public Service including in the boards of cities and urban areas within the County and to confirm appointments.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD


Reports and Financial Statements

For the year ended June 30, 2023

- iii. Exercise disciplinary control over, and remove, persons holding or acting in those offices as provided for under this part.
- iv. Prepare regular reports for submission to the County Assembly on the execution of the functions of the Board.
- v. Promote in the County Public Service the values and principles referred to in Articles 10 and 232.
- vi. Evaluate and report to the County Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County Public Service.
- vii. Facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties.
- viii. Advise the County Government on human resource management development.
- ix. Advise county government on implementation and monitoring of the national performance management system in counties.
- x. Make recommendations to the Salaries and Remuneration Commission, on behalf of the county government, on the remuneration, pensions and gratuities for county public service employees.

c) Board Members





- | | |
|----------------------------|-------------------------------|
| i) Board Chairperson | Mr Peter M. Wamoto |
| ii) Board Vice Chairperson | Mrs Rosemary N. Wanaswa |
| iii) Board Member | Mrs Elymaryta A. Khaoya |
| iv) Board Member | Mr Samuel N. Warui |
| v) Board Member | Dr. Silvester Wanyama Mackton |
| vi) Board Member | Mr Edward K. Kitur |
| vii) Ag. Board Secretary | CPA Albert Soita |

Name	Details of qualifications and experience
 <p data-bbox="252 1756 520 1832">Mr. Peter Wamoto Board Chairperson</p>	<p data-bbox="587 1429 1485 1675">Mr. Peter M. Wamoto was born in 1958 in Bungoma County. He holds a Master of Arts degree in Human Resource Management and a Diploma in Labour Administration and Management. He also has training in Strategic Leadership, Labour Law, International Labour Relations, Labour Policy and Planning, Management and Development and Prosecution.</p> <p data-bbox="587 1727 1485 1883">Mr. Wamoto has 41 ½ years of public service experience; 5 years in Foreign Service 30 years in Labour Administration, 3 years in Corporate support, and 3½ years as Chairperson, Trans Nzoia County Public Service Board.</p>

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements



For the year ended June 30, 2023

 <p>Mrs. Rosemary Wanaswa Board Vice Chairperson</p>	<p>Mrs. Rosemary N. Wanaswa was born in 1958 in Bungoma County. She holds a Bachelor of Education Degree.</p> <p>Mrs Wanaswa is a renown educationist, having taught and headed some of the best national schools in Kenya such as Moi Girls, Eldoret and St. Brigids Girls, Kiminini as Chief Principal. She is currently the Vice Chairperson, Trans Nzoia County Public Service Board and has served the Board for the last 3½ years. She also Chairs the Compliance, Audit, Training and Quality Assurance Committee of the Board.</p>
 <p>Mrs. Elymaryta Agatha Khaoya Board Member</p>	<p>Mrs. Elymaryta Agatha Khaoya was born in 1956. She holds a Master of Business Administration Degree and a Bachelor of Arts Degree from the University of Nairobi.</p> <p>Mrs Khaoya has extensive experience in public service, having held various administrative positions in the civil service and retired in 2016 at the rank of Director of Administration, having worked for 34 years. She is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 3½ years. She Chairs the Performance Management Committee of the Board.</p>
 <p>Mr. Edward K. Kitur Board Member</p>	<p>Mr. Edward Kitur was born in 1978, and holds a Bachelor of Commerce Degree. He is the Chairperson of the Finance and General Purpose Committee of the Board.</p> <p>Mr. Kitur started working as an Accounts Clerk in the Ministry of Education before joining politics in the year 2007 where he served for five years as a Councilor in Trans Nzoia and chaired the Audit Committee. In the year 2013, he was elected as a Member of County Assembly, Trans Nzoia and Chair of the Public Accounts Committee. He has also been the Secretary General, Accountability Kenya. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 3½ years.</p>
 <p>Dr. Wanyama Silvester Mackton, PhD Board Member</p>	<p>Dr. Silvester Wanyama Mackton was born in 1966. He holds a PhD in Economics from Maseno University, Master of Philosophy in Economics from Moi University and a Bachelor of Education Degree from the University of Nairobi.</p> <p>Dr. Mackton has extensive experience as an educationist, having taught in a number of schools before becoming a University don. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 3½ years. He Chairs the Human Resource Committee of the Board.</p>

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements

For the year ended June 30, 2023

 <p>Mr. Samuel Warui Board Member</p>	<p>Mr. Samuel N. Warui was born in 1958 and has a Bachelors degree in Project Planning and Management from the University of Nairobi. He also has training in Governance and Management, a certificate in in Cooperative Administration from Cooperative College, Certificate in Statistics from Dar-es-salam University, a certificate in Leadership from Swedish Cooperative Centre and a Diploma in Business Management from the University of Nairobi.</p> <p>Mr. Warui joined the Kenya Civil Service in 1980 and has worked in various parts of the country in various capacities and retired from the Civil Service in 2019 at the rank of Ag. Director of Cooperative Development in Trans Nzoia County. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 3½ years. He Chairs the Planning Committee of the Board.</p>
 <p>CPA Albert Soita Ag. Board Secretary</p>	<p>Mr. Albert Soita was born in 1967 in Trans Nzoia County. He Holds a Master of Business Administration (MBA) Degree in Finance from the University of Nairobi and a Bachelor of Arts Degree in Economics from Egerton University. He is also a certified Public Accountant of Kenya with over 29 years work experience in Finance and Administration.</p>

d) Key Management

- | | |
|------------------------------------|--------------------------|
| i) Ag. Board Secretary | CPA Albert Soita |
| ii) Senior Assistant Director, HRM | Dr. Johnstone K. Wanjala |
| iii) Accountant I | Judith Chebet Maratani |

e) Fiduciary oversight arrangements

No.	Committee	Entity
1.	Public Accounts & Investments Committee	County Assembly Committee
2.	Budget & Appropriations Committee	County Assembly Committee
3.	County Audit Committee	County Executive

f) Entity Headquarters

P.O. Box 4210-30200
Near Mt. Elgon Hospital
KITALE, KENYA

g) Entity Contacts

Telephone: (254) 713 635 352
E-mail: cpsbtransnzoia@gmail.com

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

h) Entity Bankers

Trans Nzoia County Public Service Board Operation/Imprest Account
Kenya Commercial Bank
Account No. 1149298472
Kitale-Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General,
Anniversary Towers, Monrovia
P.O. Box 30084
GPO 00100
Nairobi, Kenya

j) Principal Legal Adviser

The County Attorney
County Government of Trans Nzoia
P.O. Box 4211 30200
Kitale, Kenya

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

**2. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
 PREDETERMINED OBJECTIVES**

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Board's 2022-2027 plan are:

- a) To ensure optimal staffing levels in all County departments
- b) To ensure career progression of county staff
- c) To enhance skills upgrading and multi-tasking
- d) To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
- e) To inculcate good work culture in the County Public Service
- f) Ensure sustainability and continuity in public service delivery
- g) To strengthen the policy and regulatory framework that governs the Board and the County Public Service
- h) Establish modern systems for record and information management.
- i) To improve work environment and enhance efficiency and effectiveness in service delivery.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Programme 1: Physical Infrastructure and Equipment					
Objective: To provide employees with conducive work environment for enhanced service delivery					
Outcome: Improved working conditions and service delivery					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Construction of Car shade	To provide employees with a conducive work environment for enhanced service delivery	% of completion	100%	100%	
Perimeter wall construction	Security of infrastructure/installation	% of Completion	70%	20%	BQ prepared. Procurement process not finalized.
Office Partitioning	To provide staff with ample working space for enhanced service delivery	% of completion	100%	20%	BQ prepared. Procurement process not finalized.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Online job application system	Online job application system installed	No. of modules installed	2	2	
Programme 2: Administration and support services					
Objective: To provide efficient, effective and accessible public services					
Outcome: Improved access to public service					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
SP: Policy, Legal Framework and Institutional Reforms	Human Resource policies and tools and Schemes of Service developed	No. of sector specific legislations, policies and guidelines	6	0	
	2 nd generation strategic plan developed	No. of Strategic plan prepared	1	1	
	Staff Headcount	Number of staff counted	3,960	3,960	
Programme 3: Public Service Transformation					
Objective: To improve public service delivery					
Outcome: improved public service delivery					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
SP: Human Resource Management and Development	Training & Development	No of officers trained.	120	856	Staff that had not been inducted since 2019 were inducted.
	Signed performance contract	No. of employees on performance contact	5	5	
	Performance Appraisal System	No. of CPSB employees on PAS	20	20	
	Service Charter developed	No. of Service charters developed	1		Budgetary constraints
	Customer satisfaction survey Undertaken	No. of customer satisfaction Survey report	1		Budgetary constraints
	Work environment survey Undertaken	No. of Survey report	1		Budgetary constraints
Programme 4: Governance and Administration					
Objective: To enhance effective policy coordination, public service delivery and good governance					
Outcome: Effective policy coordination, public Service delivery and Good governance					
SP: Ethics, Governance & National Values	Members of staff Sensitized on values &	No. of staff sensitized on values and	3,000	800	

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
	principles of good governance articles 10 & 232 of CoK, 2010	principles of articles 10 and 232 of COK			
	Annual reports to County Assembly, H.E. the Governor prepared in accordance to CGA 2012	No. of Annual report prepared	1	1	
	New staff sensitized on code of conduct and ethics	No. of staff sensitized and adhered to the code of conduct and ethics	800	800	
Programme 5: Human Resource Policy, Planning and Development					
Objective: To enhance the capacity of the County Public Service					
Outcome: Improved service delivery					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Recruitment, selection and succession management	Optimal staff in County departments	Number of staff recruited and appointed	350	238	Litigation matters/transition
	Continuity in service delivery	Number of staff promoted	350	80	Staff restructuring & re-organization slowed the process
Training & Development	Skilled and professional county public employees	No of officers trained.	120	856	Staff that had not been inducted since 2019 were inducted.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023


3. BOARD CHAIRPERSON'S REPORT

Trans-Nzoia County Public Service Board was established pursuant to the provisions of section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the constitution of Kenya 2010. The Inaugural Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in 2013 and thereafter appointed and gazetted by the Governor for a six (6) year term that ended in July, 2019. The second generation Board was approved by the Trans-Nzoia County Assembly in February, 2020 and thereafter appointed and gazetted by the Governor on 4th March, 2020 for a six (6) year term, and have therefore served for the last 3 ½ years.

The year under review marked the transition to a new Government, which slightly slowed down the normal operations of the Board. However, normal operations have since resumed and the Trans Nzoia County Public Service Board was able to accomplish, inter alia, the following planned activities in the financial year 2022-2023:-

- i) During the period under review, the Board appointed 238 staff; 149 on permanent and pensionable terms and 89 on contract.
- ii) The Board renewed contracts for 123 staff.
- iii) The Board promoted 80 staff
- iv) The Board confirmed 180 staff in appointment on permanent and pensionable terms and absorbed and upgraded 739 ECDE teachers who previously served on contract.
- v) The Board approved a total of 16 inter-county transfers; 10 into the county and 6 out of the county.
- vi) The Board approved seventy-eight (56) staff trainings and inducted 800 staff who had joined the county public service from 2019 but had never been inducted.
- vii) The Board conducted a staff head count in all the county departments as a tool for evidence-based human resource management.
- viii) The Board issues advisories to the county executive on need basis and provides prompt feedback to stakeholders on diverse areas touching on its mandate.
- ix) The Board completed the construction of a car park.
- x) The Board installed and commissioned an online job application system.

The Board looks forward to a brighter and successful financial year, 2023-2024.


Mr Peter M. Wamoto
Chairperson
Trans Nzoia County Public Service Board



TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements

For the year ended June 30, 2023

4. REPORT OF THE BOARD SECRETARY

During the FY 2022-2023, the Trans Nzoia County Public Service Board had an approved budget of Kshs 77,567,287 for both recurrent expenditure and development expenditure. Of the approved budget Kshs 15,072,622 was disbursed directly by the County Treasury to the Board's Imprest/Operations account, while Kshs 45,973,796 was paid by the Country Treasury on behalf of the Board, hence a total of Kshs 61,046,418 (79%) of the approved budget was accessed by the Board.

The Board plays a very critical role in all aspects of human resource planning, management and development for the County, and the support it received in FY 2022-2023 was quite encouraging. It is hoped that the support will continue so as to enable the Board fulfil its mandate as provided for under section 59 of the County Governments Act (CGA), 2012.

In the course of the FY 2022-2023, there was transition to a new one, and the transition slightly slowed down the normal operations of the Board. Normal operations have since resumed and the Board looks forward to accomplishing its planned activities.

The Board has fully embraced the Accrual Basis of Accounting method under the International Public Sector Accounting Standards (IPSAS), the basis upon which the Board's financial statements are prepared.


CPA Albert Soita
Ag. Secretary/CEO
Trans Nzoia County Public Service Board



TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

5. CORPORATE GOVERNANCE STATEMENT

Establishment of the Board

The Trans Nzoia County Public Service Board is established pursuant to Section 57 of the County Governments Act, 2012 which states that a the County Public Service Board shall comprise a chairperson, not less than three but not more than five members and a secretary appointed by the Governor with the approval of the County Assembly.

Board Meetings

- i) The Board meets as often as may be necessary for carrying out of its business, but it meets at least once every two weeks.
- ii) At least two days written notice of every meeting of the Board is given to every member of the Board.
- iii) The chairperson shall, on written application of one third of the members, convene a special meeting of the Board.
- iv) The Chairperson in consultation with the secretary shall decide the items of agenda.
- v) Where a member is unable to attend a meeting, the member may communicate through the chairperson, their contributions and concerns on the matters before the meeting.
- vi) The quorum for the conduct of business at a meeting of the Board shall be at least four members of the Board.
- vii) The chairperson shall preside at every meeting of the Board, in the absence of the chairperson the vice-chairperson shall preside and in the absence of both, members present shall elect one member to preside.
- viii) The Board Secretary shall be the secretary at all meetings of the Board.
- ix) The Board Secretary shall cause minutes of all proceedings of the meeting of the Board to be recorded.

Twenty nine (29) Board meetings were held between 1st July, 2022 and 30th June, 2023.

Roles and functions of Board members

The role and functions of Board members is outlined under Section 59(i) of the County Governments Act 2012, which entail building and managing the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services.

Board Charter

The Board Charter sets out the roles and responsibilities of and the standards, which all members are expected to observe in the performance of their duties.

Register of Conflict of Interest and Gifts Register

The Board maintains a Register of Conflict of Interest and a Gifts Register.

Board remuneration

The Board remuneration is stipulated by the Salaries & Remuneration Commission.

Removal of the Board

As per Section 58 (5) of the County Governments Act, the members of the Board may only be removed from office:-

- (a) on grounds set out for the removal of members of a constitutional commission under Article 251(1) of the Constitution; and
- (b) by a vote of not less than seventy five percent of all the members of the county assembly.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements

For the year ended June 30, 2023

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Board had an approved budget of Kshs 77,567,287 for both recurrent expenditure and development expenditure. Of the approved budget Kshs 15,072,622 was disbursed directly by the County Treasury to the Board's Imprest/Operations account, while Kshs 45,973,796 was paid by the Country Treasury on behalf of the Board, hence a total of Kshs 61,046,418 (79%) of the approved budget was accessed by the Board.

The Board was able to accomplish the following planned activities in the financial year 2022-2023:-

- During the period under review, the Board appointed 238 staff; 149 on permanent and pensionable terms and 89 on contract.
- The Board renewed contracts for 123 staff.
- The Board promoted 80 staff
- The Board confirmed 180 staff in appointment on permanent and pensionable terms and absorbed and upgraded 739 ECDE teachers who previously served on contract.
- The Board approved a total of 16 inter-county transfers; 10 into the county and 6 out of the county.
- The Board approved seventy-eight (56) staff trainings and inducted 800 staff who had joined the county public service from 2019 but had never been inducted.
- The Board conducted a staff head count in all the county departments as a tool for evidence-based human resource management.
- The Board issues advisories to the county executive on need basis and provides prompt feedback to stakeholders on diverse areas touching on its mandate.
- The Board completed the construction of a car park.
- The Board installed and commissioned an online job application system.

The Board complied with all statutory requirements in the performance of its mandate that include; fair competition and merit as the basis of appointments and promotions; timely submission of annual report to the County Assembly on the execution of the functions of the Board as well as timely remittance of withheld tax to the Kenya Revenue Authority.

The major risk facing the Board are the frequent litigations that are commenced in courts of law which at times stall the Board's activities.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements

For the year ended June 30, 2023

7. STATEMENT OF MANAGEMENT'S 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 of Trans-Nzoia, receiver of revenue 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 Board Secretary, Trans Nzoia County Public Service Board is responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Trans Nzoia County Public Service Board, for and as at the end of the financial year ended on June 30th, 2023. 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 Public Service Board; (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 Public Service Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board Secretary accepts responsibility for County Public Service Board's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Board Secretary is of the opinion that the County Public Service Board's financial statements give a true and fair view of the state of the County Public Service Board's transactions during the financial year ended June 30th, 2023, and of its financial position as at that date. The Board Secretary further confirms the completeness of the accounting records maintained for the County Public Service Board 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 Board Secretary confirms that the Trans Nzoia County Public Service Board has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that County Public Service Board'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 Board Secretary confirms that the Trans Nzoia County Public Service Board 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 statement

The County Public Service Board's financial statements were approved and signed by the Board Secretary on 16th November, 2023.


Albert Soita
Board Secretary



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON TRANS NZOIA COUNTY PUBLIC SERVICE BOARD FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the Governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

1. I have audited the accompanying financial statements of Trans Nzoia County Public Service Board set out on pages 15 to 31, which comprise the statement of financial

position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 Trans Nzoia County Public Service Board as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012 and 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 Trans Nzoia County Public Service Board 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.

Emphasis of the Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects final budget against actual receipts of Kshs.77,567,287 and Kshs.61,046,418 respectively resulting into an underfunding of Kshs.16,520,869 or 21% of the budget. Similarly, the budgeted expenditure was Kshs.77,567,287 against actual expenditure of Kshs.62,771,255 resulting into an under-expenditure of Kshs.14,796,032 or 19% of the budget.

The underfunding and under-expenditure is an indication of failure to implement some of the planned programmes for the year which may have adversely impacted on the delivery of the Board's mandate.

My opinion is not modified in respect of this matter.

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 Information

The Management is responsible for the other information set out on page 1 to 13 which comprise of Key Entity Information and Management, Statement of Performance against Predetermined Objectives, Board Chairperson's Report, Report of the Board Secretary, Corporate Governance Statement, Management Discussion and Analysis, and Statement of Management Responsibilities.

The other information does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 the International Standards of Supreme Audit Institutions (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 comply, 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 THE 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 the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 (Accrual 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 Board's ability 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 Board 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 Board's financial reporting process, reviewing the effectiveness of how the Management 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 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 Board'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 Board to cease 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 Board 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 April, 2024

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

9. FINANCIAL STATEMENTS

**9.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE, 2023**

	Note	2022/2023 KShs	2021/2022 KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	52,236,766	32,934,879
Fines, penalties & other incomes	2	-	40,000
Revenue from exchange transactions			
Other Income	3	-	5,668
Total revenue		52,236,766	32,980,547
Expenses			
Staff Costs	4	27,819,100	13,488,189
General expenses	5	26,142,502	29,377,330
Total expenses		53,961,602	42,865,519
Surplus/(deficit) for the period		-1,724,837	-9,884,972

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 16th November, 2023 and signed by:

 Albert Soita Board Secretary	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>OFFICE OF SECRETARY/CEO TRANS NZOIA COUNTY PUBLIC SERVICE BOARD</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">16 NOV 2023</p> <p>P. O. Box 4210 - 30200, KITALE TEL: 0713 635 352</p> </div>	 Judith C. Maratani Accountant I
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023

9.2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2023

	Note	2022/2023 KShs	2021/2022 KShs
Assets			
Current assets			
Cash and cash equivalents	6	15,363	11,039
Non-current assets			
Property, plant and equipment	7	30,453,540	27,050,747
Total Assets		30,468,903	27,061,786
Liabilities			
Current liabilities			
Trade payables	8	2,186,562	5,864,261
Non-current liabilities			
Total liabilities		2,186,562	5,864,261
Net assets		28,282,341	21,197,525
Capital funds	9.3	23,541,879	14,732,226
Accumulated surplus/(deficit)	9.3	4,740,462	6,465,299
Total net assets and liabilities		28,282,341	21,197,525

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 16th November, 2023 and signed by:


 Albert Soita Board Secretary	<div style="border: 1px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> <p>OFFICE OF SECRETARY/CEO TRANS NZOIA COUNTY PUBLIC SERVICE BOARD</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">16 NOV 2023</p> <p>P. O. Box 4210 - 30200, KITALE TEL: 0713 635 352</p> </div>	 Judith C. Maratani Accountant I
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Reports and Financial Statements
For the year ended June 30, 2023


9.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE, 2023

	Capital Funds	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1st July 2021		-	16,350,271	16,350,271
Surplus/(deficit) for the period	-	-	-9,884,972	-9,884,972
Funds received during the year	14,732,226	-	-	14,732,226
Balance as at 30th June 2022	14,732,226	-	6,465,299	21,197,525
Balance as at 1st July 2022	14,732,226	-	6,465,299	21,197,525
Surplus/(deficit) for the period	-	-	-1,724,837	-1,724,837
Funds received during the year	8,809,653	-	-	8,809,653
Revaluation gain	-	-	-	-
Balance as at 30th June 2023	23,541,879	-	4,740,462	28,282,341

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 16th November, 2023 and signed by:


 Albert Soita
 Board Secretary







 Judith C. Maratani
 Accountant I

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
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For the year ended June 30, 2023

9.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2023

	Note	2022/2023	2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	10	15,072,622	11,949,941
Other income	11	-	45,668
Total Receipts		15,072,622	11,995,609
Payments			
Staff costs	12	-782,500	-395,760
General expenses	13	-14,285,796	-14,959,515
Adjusted for:			
Increase/(Decrease) in Accounts Payable: (deposits and retention)	14	-	3,337,835
Net cash flows from operating activities		4,324	-21,831
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		4,324	-21,831
Cash and cash equivalent at BEGINNING of the year	6	11,039	32,869
Cash and cash equivalent at END of the year	6	15,363	11,039

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 16th November, 2023 and signed by:

 Albert Soita Board Secretary	 <p>SECRETARY/CDO COUNTY PUBLIC SERVICE BOARD 16 NOV 2023 P. O. Box 4210 - 30200, KITALE TEL: 0713 635 352</p>	 Judith C. Maratani Accountant I
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Reports and Financial Statements

For the year ended June 30, 2023

9.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE, 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
Revenue	KShs	KShs	KShs	KShs	KShs	%
Transfers from County Govt.	96,615,170	-19,047,883	77,567,287	61,046,418	16,520,869	79%
Other Income						
Total income	96,615,170	-19,047,883	77,567,287	61,046,418	16,520,869	79%
Expenses						
Staff Costs	23,149,153	5,000,000	28,149,153	27,819,100	330,053	99%
General expenses	56,811,610	-19,047,883	37,763,727	26,142,502	11,621,225	69%
Property, Plant & Equipment	16,654,407	-5,000,000	11,654,407	8,809,653	2,844,754	76%
Total expenditure	96,615,170	-19,047,883	77,567,287	62,771,255	14,796,032	81%
Surplus (Deficit) for the period				-1,724,837		


Budget notes

- (a) *The difference between the original and final budget was due to budget cuts by the County Treasury*
- (b) *The actual transfer from County Government of Kshs 61,046,418 includes Kshs 8,809,653 in respect of property plant & equipment (PPE) that was credited under the Statement of Net Assets as Capital Funds and the balance of 52,236,766 under the Statement of Financial Performance.*

The County Public Service Board financial statements were approved on 16th November, 2023 and signed by:


 Albert Soita
 Board Secretary




 Judith C. Maratani
 Accountant I

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
Reports and Financial Statements
For the year ended June 30, 2023**

9.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: a) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

b) Early adoption of standards

The Board did not early – adopt any new or amended standards in year 2020 but fully embraced the accrual basis of reporting in the year 2021.

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
Reports and Financial Statements
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budget information

The original budget for FY 2021/2022 was approved by the County Assembly in June, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The revisions /additional appropriations are deducted/added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded a downward revision of Kshs. 19,047,883 on the FY 2022-2023 budget following the governing body's approval.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 9.5 of these financial statements.

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

6. Method of Depreciation

The Board adopted the Reducing (Declining) balance method in computing depreciation amounts. This method depreciates the asset at its straight-line depreciation percentage times its remaining depreciable amount each year.

7. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

Revaluation Reserve - This is used when a revaluation assessment finds that the carrying value of the asset has changed.

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
Reports and Financial Statements
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Surplus – This is the excess of revenues over expenses from prior years that has not been set aside for specific purposes.

8. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

9. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash Imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

12. Ultimate and Holding Entity

The Board is a County Public Fund established by Section 57 of the County Governments Act 2012. Its ultimate parent is the County Government of Trans Nzoia.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs).

14. Significant judgments and sources of estimation uncertainty

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
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For the year ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
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For the year ended June 30, 2023

9.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations	15,072,622	11,949,941
Payments by County on behalf of entity-operations	37,164,143	20,984,938
Total	52,236,765	32,934,879

2. Fines, penalties and other levies

Description	2022/2023	2021/2022
	KShs	KShs
Late payment penalties		
Fines		40,000
Total		40,000

3. Other income

Description	2022/2023	2021/2022
	KShs	KShs
Insurance recoveries		
Income from sale of tender documents		
Miscellaneous income		5,668
Total other income		5,668

4. Staff Costs

Description	2022/2023	2021/2022
	KShs	KShs
Salaries and Wages	25,066,000	9,775,000
Staff gratuity		1,250,617
Staff training expenses	2,753,100	2,462,572
Total	27,819,100	13,488,189

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
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5. General expenses

Description	2022/2023	2021/2022
	KShs	KShs
Utilities, Supplies and Services	170,000	150,000
Communication, Supplies and Services	258,092	21,040
Domestic Travel and Subsistence	6,783,550	10,468,850
Printing, Advertising and Information Supplies & Services	1,095,098	924,300
Hospitality Supplies and Services	6,676,822	6,741,952
Fuel Oil and Lubricants	2,039,440	1,201,390
Specialized Materials & Supplies	68,000	
Insurance Costs	666,996	895,019
Office and General Supplies and Services	1,451,994	3,318,713
Other Operating Expenses	392,779	352,653
Routine Maintenance – Vehicles and Other Transport Equipment	983,152	697,497
Routine Maintenance – Other Assets	149,720	32,835
Depreciation and amortization costs	5,406,860	4,573,081
Total	26,142,502	29,377,330

6. Cash and cash equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Current account	15,363	11,039
Total cash and cash equivalents	15,363	11,039

Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	2022/2023	2021/2022
		KShs	KShs
a) Current account			
Kenya Commercial bank	1149298472	15,363	11,039
Sub- total		15,363	11,039
Grand total		15,363	11,039

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
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7. Property, plant and equipment

	Buildings	Motor Vehicles	Furniture and Fittings	Computers and office equipment	Total
Cost	KShs	KShs		KShs	KShs
Depreciation rate	5%	15%	10%	25%	
At 1st July 2021	2,300,000	6,825,165	5,621,382	4,974,624	19,721,171
Additions	754,328	12,780,000	699,898	498,000	14,732,226
Disposals					
Transfer/Adjustments					
At 30th June 2022	3,054,328	19,605,165	6,321,280	5,472,624	34,453,397
At 1st July 2023					
Additions	2,499,603		807,300	5,502,750	8,809,653
Disposals					
Transfer/Adjustments					
At 30th June 2023	5,553,931	19,605,165	7,128,580	10,975,374	43,263,050
Depreciation and impairment					
At 1st July 2021					
Depreciation	152,716	2,787,209	575,914	1,057,242	4,573,081
Impairment					
Depreciation and impairment					
At 30th June 2022	152,716	3,810,984	1,138,052	2,300,898	7,402,650
At 1st July 2022					
Depreciation	270,061	2,369,127	599,053	2,168,619	5,406,860
Disposals					
Impairment					
Transfer/adjustment					
At 30th June 2023	422,777	6,180,111	1,737,105	4,469,517	12,809,510
Net book values					
At 30th June 2022	2,901,612	15,794,182	5,183,228	3,171,726	27,050,747
At 30th June 2023	5,131,154	13,425,054	5,391,475	6,505,857	30,453,540

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
Reports and Financial Statements
For the year ended June 30, 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Trade and other payables from exchange transactions

Description	2022/2023	2021/2022
	KShs	KShs
Trade payables	2,186,562	5,864,261
Refundable deposits		
Accrued expenses		
Other payables		
Total trade and other payables	2,186,562	5,864,261

9. Cash generated from operations

	2022/2023	2021/2022
	KShs	KShs
Surplus/ (deficit) for the year before tax	-1,724,837	-9,884,972
Adjusted for:		
Depreciation	5,406,860	4,573,081
Amortisation	-	-
Gains on acquisition of assets	(-)	(-)
Interest income	(-)	(-)
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase/Decrease (-) in payables	-3,677,699	5,290,060
Net cash flow from operating activities	4,324	-21,831

**COUNTY PUBLIC SERVICE BOARD
TRANS NZOIA COUNTY
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For the year ended June 30, 2023**

10. NOTES TO THE STATEMENT OF CASH FLOWS

10. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations	15,072,622	11,949,941
Total	15,072,622	11,949,941

11. Other Income

Description	2022/2023	2021/2022
	KShs	KShs
Late payment penalties		
Fines & other miscellaneous income		45,668
Total		45,668

(Fine imposed on staff for loss of Board property)

12. Staff Costs

Description	2022/2023	2021/2022
	KShs	KShs
Salaries and Wages	25,066,000	9,775,000
Staff gratuity		1,250,617
Staff training expenses	2,753,100	2,462,572
Sub - total	27,819,100	13,488,189
Less: Payments by County on behalf of the entity	-27,036,600	-13,092,429
Total staff costs paid directly by entity	782,500	395,760

13. General Expenses

Description	2022/2023	2021/2022
	KShs	KShs
Total general expenses	26,142,502	29,377,330
Less; Depreciation costs	-5,406,860	-4,573,081
Less: Payments by County on behalf of the entity	-6,449,845	-9,844,734
Total staff costs paid directly by entity	14,285,798	14,959,515

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NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

14. Trade and other payables from exchange transactions

Description	2022/2023	2021/2022
	KShs	KShs
Trade payables		5,864,261
Less: Payables in respect of PPE		(1,952,226)
Total trade and other payables	-	3,912,035

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**11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S
RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
OAG/NRRO/TNCPSB/2021/2022(21)	1. Budgetary control and performance	Indeed, under-realization of revenue and under-expenditure affected implementation of some of the planned programs but we are endeavouring to resolve these challenges. These challenges were brought about by:- -Delayed disbursements by the National Treasury to the County Treasury making it difficult to utilize such funds after the financial year had lapsed. -Huge shortfalls particularly in its local revenues experienced by the County Government; hence the Board's funding, just like for other county departments also suffered. Efforts are being made by the County Government that	Board Secretary	Partially resolved	June, 2024

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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)
	2. Unresolved prior year matters.	<p>include automation and reinforcement of the revenue inspection function which we expect will improve revenue collection thus reduce revenue shortfalls.</p> <p>The Board has endeavoured to address all issues raised by the auditors.</p> <p>In the audit report of the previous year, three issues were raised, two of them were resolved and only one remained unresolved, although efforts have been made towards resolving it.</p> <p>Issues on stale cheques and delayed completion of prefabricated office blocks were resolved and are now behind us. The only issue that that was still being addressed was on basic salaries which are never funded in full. This has now been resolved and the Board is adequately funded in respect of PE in the 2023/2024 budget.</p>	Board Secretary	Resolved	

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12. BANK RECONCILIATION/FO 30 REPORT

Trans Nzoia County Public Service Board
Bank Reconciliation Statement as at 30th June, 2023

Balance as per the Bank Statement 532,533.20

<u>Less Unpresented Cheques</u>	<u>Date</u>	<u>Cheque No.</u>	<u>Kshs</u>	
African Touch Safaris	26-Jun-23	1149	297,170.00	
Kenya Power & Lighting Co.	30-Jun-23	1154	120,000.00	
Nzowasco	30-Jun-23	1155	50,000.00	
Transmatresses Ltd.	30-Jun-23	1156	50,000.00	
				<u>517,170.00</u>
Balance as per June, 2023 CB				<u><u>15,363.20</u></u>

