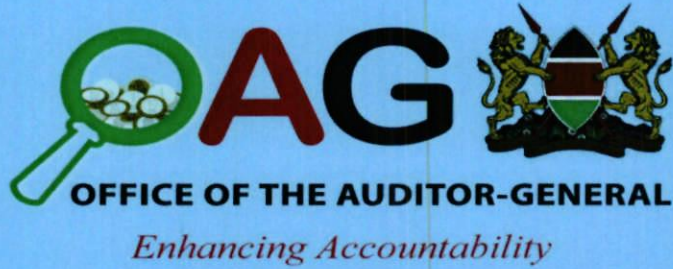


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REPORT

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OF

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
TRANS NZOIA**

**FOR THE YEAR ENDED
30 JUNE, 2020**





TRANS NZOIA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the County Government Act, Cap 11, laws of Kenya and is headed by the Speaker, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 elected and 14 nominated Members of County Assembly (MCAs) elected/nominated to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The *County Assembly of Trans Nzoia* day-to-day management is under the following key organs:

No.	Designation	Name
1.	County Assembly Speaker.....	Hon. Joshua Mutoto Werunga
2.	County Assembly Clerk.....	CS/CPA Ainea Obare Indakwa
3.	Chief Finance Officer.....	CS/CPA Moses Wanjala Lupao I.C.P.A.K NO. 8315

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Clerk of the assembly	CS/CPA Ainea Obare Indakwa
2.	Chief Finance Officer	CS/CPA Moses Wanjala Lupao I.C.P.A.K NO. 8315

(d) Fiduciary Oversight Arrangements

Audit and finance committee activities-The county assembly is in the process of constituting audit committee

County Assembly committee activities-The County Assembly sectoral committee provide oversight role over the County Executive and it is the receipt of the external audit report.

Other oversight activities-The county assembly is mandated to approve plans and policies for the county executive

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(e) Entity Headquarters

P.O. Box 4221-30200
County Assembly Building/House/Plaza
County Assembly Avenue/Road/Highway
KITALE, KENYA

(f) Trans Nzoia County Assembly Contacts

Telephone: (054)-31380/31617
E-mail: transnzoiaassembly@.go.ke
Website: www.transnzoiaassembly.go.ke

(g) Trans Nzoia County Assembly Bankers

1. Central Bank of Kenya-County Revenue Fund
Account No. 1000171596
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Central Bank of Kenya-County Assembly Recurrent
Account No. 1000240695
Nairobi, Kenya
3. Central Bank of Kenya-County Assembly Development
Account No. 1000297255
Nairobi, Kenya
4. Central Bank of Kenya-County Assembly Deposit
Account No. 1000402458
Nairobi, Kenya
5. Family Bank-Imprest Account
Account No. 093000034860
Kitale-Kenya
6. Sidian Bank Account –Honourable members Car Loan and Mortgage
Account No. 01026020002766
Kitale-Kenya
7. County Assembly Staff Car Loan and Mortgage
Account No. 01026020004442
Sidian Bank Kitale-Kenya

(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
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance
The County assembly of Trans Nzoia had a total budget allocation of Kshs. 717,139,110 for the financial year 2019/2020, consisting of recurrent budget of Kshs. 628,139,110 and development budget of Ksh.89,000,000. Total Exchequer releases for the year under audit review is Kshs.587,977,908 constituting 82 % of the total approved budget.
Operational Performance
<p>-Since the year 2013 to date, the members of County Assembly have enacted several legislations (32 Acts and 4 subsidiary, legislation) and polices. There are some pending bills and polices yet to be enacted. With these legislations in place, the county Government is able carry out the devolved functions legally and effectively in delivering services and goods to the population within and outside the County.</p> <p>-The original budget estimates for the county Executive and County Assembly were approved by the County Assembly on 27th June 2019; We had two Supplementary budgets that were approved and passed on 27th February, 2020 and 7th May, 2020 respectively.</p> <p>-The County Assembly Committees are categorized into Select/Standing Committees and Sectoral committees. We have 11 Sectoral committees mandated to Investigate, inquire into and report on all matters relating to the mandate, management, activities, administration, operation and estimate of each county executive department.</p> <p>-The County Assembly plays an oversight role over the county executive and this includes:- Ensuring the Approved county Budgets, legislation, policies and plans are implemented by the county Executive, they discuss and analyse various county reports and recommend the way forward for adoption purposes.</p>
Performance of key development projects
The projects being implemented by the county assembly include: Construction of Administration block, Renovation and repair works of assembly premises, and construction of parking sheds, perimeter wall, and installation of CCTV Cameras.
<u>OUTCOMES</u>
<ul style="list-style-type: none"> -Designs for the administration block are ready -County assembly premises have been repaired and renovated -Perimeter wall constructed up to 90% level -Car Parking sheds constructed up to 90%
Comment on value-for-money achievements
<p>Renovation and repair works of the County assembly building has provided conducive working environment for Members of county assembly and members of staff.</p> <p>-Construction of the perimeter wall has provided secure and safe working environment for Staff, Members of county assembly as well security for the county assembly assets.</p>

Challenges and Recommended Way Forward

Delays in disbursement of funds by the National Treasury have negatively affected the implementation of projects and timely delivery of services.

- Political interference has led to delays in service delivery and implementation of projects.
- COVID -19 pandemic has led to delay in service delivery and project implementation



Sign: *Audckw's*
Clerk of the County Assembly

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED 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 shall prepare in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the County Assembly of Trans Nzoia performance against predetermined objectives.

The key mandate of the County Assembly of Trans Nzoia is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output.

Below were the expected outputs of the assembly in FY 2019/2020

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs.	1.Increased ability of MCA in legislation of The Trans Nzoia County Investment and Development Corporation Act ,2019 2.Trans Nzoia County Agricultural Mechanization Act,2019	-5 No of bills passed in the County Assembly -Undertook public participation on 7 Pending bills	In FY 19/20 MCA were trained on Legislative Procedures; Public Participation
	Enhanced professional development of MCAs.	Review standing orders in progress	Over 50 % increase in efficient Assembly operation	Review of standing orders is in progress
Program 2	Objective	Outcome	Indicator	Performance
General Administrative and support services	-Improved employee welfare -Infrastructure development	-enhanced safety, improved skills, and career progression. --Renovation and Repairs of Assembly premises	-Promotions on merit and career progression -Good health -Conducive work environment	-Continuous employee training -Employee safety through provision of medical insurance scheme

TRANS NZOIA COUNTY ASSEMBLY
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Program 3	Objective	Outcome	Indicator	Performance
Security Services	Provision of security	Enhanced security	-Contracted Security Guards- Private guards, Administration police officers, sergeant- at- Arms	Enhanced security

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Assembly of Trans Nzoia exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering on relevant legislation, representation and oversight services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The County Assembly of Trans Nzoia uses participatory and collaborative approach in order to uphold the principal of public participation, it has also embraced the use of information and communication technologies and new media, i.e. social media in order to increase outreach with the residents of Trans Nzoia. This has led to the enactment of pieces of legislation during the year. However, untimely disbursements of exchequer have negatively impacted on capacity development of MCA's and effective public participation.

2. Environmental performance

The County Assembly of Trans Nzoia endeavours to go paperless in terms of notice of motions, order paper and all house communications to MCA's. To this end, MCAs were facilitated with mobile tablets.

3. Employee welfare

Employees of the County Assembly are hired competitively on merit giving equal opportunities to gender, tribe and ethnicity. Continuous employee training is encouraged through sponsorship to relevant training opportunities for improved skills and promotions and career progression rewarded to the deserving officers. The County Assembly of Trans Nzoia has ensured employee safety by provision of a medical insurance scheme, clearly marked work place emergency exits, fire assembly point and a rump for persons living with disability.

4. Market place practices-

a) Responsible competition practice.

County Assembly supply of goods and services are competitively sourced through competitive tendering, staff of the County Assembly are political, thus serves the public with political neutrality.

b) Payment for goods supplied and or services rendered are made promptly as and when goods are supplied or services rendered. The County Assembly has kept pending bills to the lowest minimum.

c) For every public engagement, the County Assembly of Trans Nzoia has ensured publication of advertisements/notices in media with the widest circulation to ensure a wider outreach.

d) Every public petition to the Assembly is treated with fair administrative justice. In conducting its oversight role every person summoned to appear before the Assembly's oversight committee is treated with utmost respect and accorded fair hearing.

5. Community Engagements-

Members of the County Assembly have annually participated in the national beyond zero campaigns marathon, aimed at eliminating child mortality and the annual County Assemblies Sports Association aimed at promoting national cohesion, and cultural diversity. In its legislative role the County Assembly has enacted the Elimu bursary regulations that has facilitated award of bursaries to needy students from across the County.

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
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5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

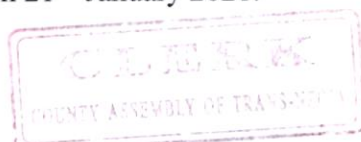
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2020. This responsibility includes: (i) maintaining adequate 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 Assembly; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2020, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly'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 Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly financial statements were amended, approved and signed by the Clerk of the County Assembly on 21st January 2021.

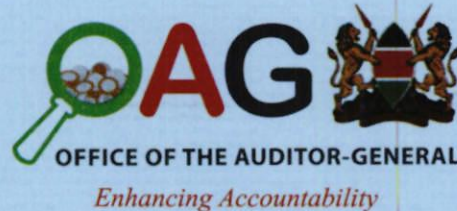


Anda KWS

Clerk of the County Assembly

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF TRANS NZOIA FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Assembly of Trans Nzoia set out on pages 1 to 21, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year the 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 the County Assembly of Trans Nzoia as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Trans Nzoia County Assembly 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. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1.0 Budget Control and Performance

The budget of the County Assembly for the year under review totalled Kshs.717,139,110 and expenditure Kshs.594,229,903 resulting to under-expenditure of Kshs.122,909,207 equivalent to 17% of the budget.

The under-expenditure mainly occurred in respect to acquisition of assets on which Kshs.21,078,943 was spent against a budget of Kshs.93,600,000, resulting to under-expenditure of Kshs.72,521,057 or 77% of the budget.

Failure to absorb the significantly large portion of the item's budget meant that most of the assets needed for the County Assembly's use were not acquired and as a result, its legislative and oversight capabilities may have been inhibited.

2.0 Previous Years' Issues

The report on progress on follow-up of auditor's recommendations at Note 14 indicates that issues highlighted in the report for the previous year have been resolved, or are nearing resolution by Management. Confirmation on the actual status of the issues shall be obtained after they are deliberated upon by the Legislature.

3.0 Pending Bills

Annexures I and II to the financial statements - other disclosures - indicate that as at 30 June, 2020, the County Assembly owed pending accounts payable totalling Kshs.19,484,365 and other pending payables totalling Kshs.36,232,631 or Kshs.55,716,996 in aggregate.

Failure to pay suppliers of goods and services in time slows down economic activity and may discourage them from trading with public entities.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Observe One-Third Salary Deduction Rule

Analysis of the payroll for permanent employees indicated that, in each month of the year under review, net monthly salaries for an average of ten (10) officers were less than one

third of their respective basic salaries due to deductions for loans and other non-statutory liabilities made on their gross pay. The excessive deductions contravened Section 19(3) of the Employment Act, 2007 which prohibits employers from deducting more than two thirds of employee wages.

Consequently, the Management breached the law and exposed the respective staff to the risk of pecuniary embarrassment.

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 procedures performed, except for the matters described in the Conclusion on Effectiveness of Internal Controls section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Weak Internal Audit Function

As similarly reported in the previous year, the County Assembly in the year under review operated without an Audit Committee, and an approved Audit Charter detailing the purpose, scope and responsibilities of the Internal Audit Unit. In addition, the Unit was functionally and administratively placed under the Clerk of the County Assembly who is the Accounting Officer. The organizational structure contravened Regulation 155(1) provides that the Internal Auditor shall enjoy operational independence by reporting functionally to the Audit Committee which, however, did not exist in this instance.

As a result, the operational independence of the Unit and its effectiveness in monitoring internal control and governance in the County Assembly was doubtful.

2.0 Inadequate Information Technology Management Systems

Review of risk management in the County Assembly indicated that Management had not established an elaborate disaster recovery and business continuity plan for the County

Assembly's Information and Communication Technology (ICT) function. This was in spite the omission having been highlighted in previous years' reports.

In addition, there was no Information Communication Technology Committee to provide guidance and direction on investment and use of ICT resources. Further, there was no policy on back-up of data and documented user-management standards and procedures that defined user-access rights and other important requirements.

Consequently, the County Assembly may not attain secure and effective use of ICT.

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 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.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to liquidate the County Assembly.

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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how 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 review is planned and performed to express a conclusion 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 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 review 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 scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2021

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7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2019/20	2018/19
	Note	Kshs	Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	587,977,908	648,714,500
Other Receipts-Interest earned	2		545,868
TOTAL RECEIPTS		587,977,908	649,260,368
PAYMENTS			
Compensation of Employees	3	259,529,828	284,081,227
Use of goods and services	4	298,553,976	293,611,427
Social Security Benefits	5	15,067,156	15,101,589
Acquisition of Assets	6	21,078,943	29,459,149
TOTAL PAYMENTS		594,229,903	622,253,392
SURPLUS/DEFICIT		(6,251,995)	27,006,976

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on 21st January 2021 and signed by:



Clerk of the Assembly
 Name: Ainea Obare Indakwa



Chief Finance Office – County Assembly
 Name: Lupao Moses Wanjala
 ICPAK Member Number: 8315

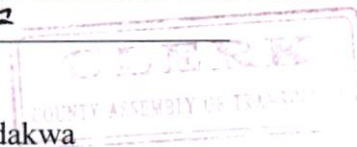
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7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2019/20 Kshs	2018/19 Kshs
Cash and Cash Equivalents			
Bank Balances	7	2,419,544	222,683,786
Total Cash and cash equivalents		2,419,544	222,683,786
Accounts receivables:	8		
A- Outstanding Imprests		-	5,527,588
B- Outstanding Salary Advances		826,669	1,400,266
Total Accounts Receivables		826,669	6,927,854
TOTAL FINANCIAL ASSETS		3,246,213	229,611,640
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	9	2,415,279	1,554,980
NET FINANCIAL ASSETS		830,934	228,056,660
REPRESENTED BY			
Fund balance b/f	10	228,056,660	201,049,684
Prior year adjustment -Staff Car Loan &Mortgage Fund		(20,427,050)	-
Prior year adjustment –Members Car Loan &Mortgage		(200,546,681)	
Prior year Adjustment on Fund balance b/f	11	7,082,929	201,049,684
Surplus/Deficit for the year		(6,251,995)	27,006,976
NET FINANCIAL POSITION		830,934	228,056,660

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on 21st January 2021 and signed by: Ainea Obare Indakwa

Clerk of the Assembly
Name: Ainea Obare Indakwa




Lupao Moses Wanjala
Chief Finance Office – County Assembly
Name: Lupao Moses Wanjala
ICPAK Member Number: 8315


TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CASH FLOWS

	Note	2019/20 Kshs	2018/19 Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	587,977,908	648,714,500
Other Receipts	2	-	545,868
Payments for operating expenses			
Compensation of Employees	3	259,529,828	284,081,227
Use of goods and services	4	298,553,976	293,611,427
Social Security Benefits	5	15,067,156	15,101,589
Adjusted for:			
Prior year adjustment			
Decrease/(Increase) in Accounts receivable:		6,101,185	5,930,926
Increase/(Decrease) in Accounts Payable: Salary Advance		860,299	1,554,980
Net cash flows from operating activities		21,788,432	52,090,179
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(21,078,943)	29,459,149
Net cash flows from investing activities		(21,078,943)	29,459,149
NET INCREASE IN CASH AND CASH EQUIVALENTS		709,489	22,631,030
Cash and cash equivalent at BEGINNING of the year		222,683,786	200,052,756
Prior year adjustment on Staff Car Loan & Mortgage		(20,427,050)	-
Prior year adjustment on Members Car Loan & Mortgage		(200,546,681)	
Adjusted Cash & cash equivalent at Beginning of the Year		1,710,055	200,052,756
Cash and cash equivalent at END of the year	7	2,419,544	222,683,786

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were amended and approved on 21st January 2021 and signed by:



 Clerk of the Assembly
 Name: Ainea Obare Indakwa

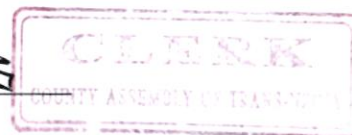

 Chief Finance Office – County Assembly
 Name: Lupao Moses Wanjala
 ICPAK Member Number: 8315


7.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	e=abs	e=d-c	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	748,139,110	(31,000,000)	717,139,110	587,977,908	82.00
Other Receipts	-	-	-	-	-
TOTAL	748,139,110	(31,000,000)	717,139,110	587,977,908	82.00
PAYMENTS					
Compensation of Employees	330,695,306	(30,695,006)	300,000,300	259,529,828	86.46
Use of goods and services	271,843,804	34,295,006	306,138,810	298,553,976	97.49
Transfers to Other Government Entities	-	-	-	-	-
Social Security Benefits	21,000,000	(3,600,000)	17,400,000	15,067,156	86.59
Acquisition of Assets	124,600,000	(31,000,000)	93,600,000	21,078,943	22.52
TOTAL	748,139,110	(31,000,000)	717,139,110	594,229,903	82.85
SURPLUS/ DEFICIT	-	-	-		

The County Assembly financial statements were amended and approved on 21st January 2021 signed by:


 Clerk of the Assembly
 Name: Ainea Obare Indakwa




 Chief Finance Office – County Assembly
 Name: Lupao Moses Wanjala
 ICPAK Member Number: 8315

TRANS NZOIA COUNTY ASSEMBLY
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7.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	a	B	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	628,139,110	-	628,139,110	566,506,241	90
Other Receipts	-	-	-	-	-
TOTAL	628,139,110	-	628,139,110	566,506,241	90
PAYMENTS					
Compensation of Employees	330,695,306	(30,695,006)	300,000,300	259,529,828	87
Use of goods and services	271,843,804	34,295,006	306,138,810	298,553,976	98
Transfers to Other Government Entities	-	-	-	-	-
Social Security Benefits	21,000,000	(3,600,000)	17,400,000	15,067,156	87
Acquisition of Assets	4,600,000	-	4,600,000	2,475,956	54
TOTAL	628,139,110	-	628,139,110	575,626,916	92
Surplus/ Deficit					

The County Assembly financial statements were amended and approved 21st January 2021 and signed by:



Clerk of the Assembly
 Name: Ainea Obare Indakwa






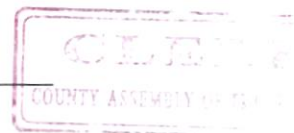
Chief Finance Officer – County Assembly
 Name: Lupao Moses Wanjala
 ICPAK Member Number: 8315


7.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget Kshs	Adjustments Kshs	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilization difference Kshs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	120,000,000	(31,000,000)	89,000,000	21,471,667	24
TOTAL	120,000,000	(31,000,000)	89,000,000	21,471,667	24
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	120,000,000	(31,000,000)	89,000,000	18,602,987	21
TOTAL	120,000,000	(31,000,000)	89,000,000	18,602,987	21
SURPLUS/ DEFICIT					

The County Assembly financial statements were amended and approved on 21st January 2021 and signed by:


 Clerk of the Assembly
 Name: Ainea Obare Indakwa




 Chief Finance Office – County Assembly
 Name: Lupao Moses Wanjala
 ICPAK Member Number: 8315

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	155,100,000	(2,404,994)	152,695,006	150,688,600	2,006,406
Sub-programme 1	155,100,000	(2,404,994)	152,695,006	150,688,600	2,006,406
Programme 2	586,212,246	(29,795,006)	556,417,240	433,287,947	123,129,446
Sub-programme 1	64,098,800	39,150,000	103,248,800	93,510,069	9,738,731
Sub-programme 2	380,045,306	(36,795,006)	343,250,300	308,148,087	36,662,061
Sub-programme 3	8,950,000	(5,900,000)	3,050,000	1,372,000	1,678,000
Sub-programme 4	122,248,140	(-24,250,000)	97,998,140	28,065,447	69,932,693
Sub-programme 5	6,000,000	(2,000,000)	4,000,000	701,000	3,299,000
Sub-programme 6	4,870,000	-	4,870,000	3,051,039	1,818,961
Programme 3	6,826,864	1,200,000	8,026,864	8,583,644	(556,780)
Sub-programme 1	6,826,864	1,200,000	8,026,864	8,583,644	(556,780)

7.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly; 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 Trans Nzoia County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Transfers from the Exchequer/ County Treasury

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

TRANS NZOIA COUNTY ASSEMBLY
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the County Assembly of Trans Nzoia.

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government are detailed in the notes to this financial statement.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to Kshs. 2,415,279 compared to Kshs. 1,554,980 in prior period as indicated on note 9. *There were no other restrictions on cash during the year.*

7. 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 are 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.

8. 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.

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. 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 *County Assembly of Trans Nzoia* fixed asset register a summary of which is provided as a memorandum to these financial statements.

10. 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 *County Assembly of Trans Nzoia* 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.

11. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *County Assembly of Trans Nzoia* ; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The *County Assembly of Trans Nzoia* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Contingent Assets

The *County Assembly of Trans Nzoia* does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *County Assembly of Trans Nzoia* budget was approved as required by Law. The original budget was approved by the County Assembly on 27th June 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 27/02/2020 and 07/05/2020. A high-level assessment of the *County Assembly of Trans Nzoia* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

14. Comparative figures

The figures for the previous financial year have been maintained as per the audit certificate.

15. Subsequent events

There have been no 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 have been adjusted.

16. 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.

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

17. 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.

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2019/20	2018/19
	Kshs	Kshs
Transfers from the County Treasury for Q1	70,344,925	153,519,603
Transfers from the County Treasury for Q2	188,516,391	153,519,603
Transfers from the County Treasury for Q3	168,398,925	102,346,402
Transfers from the County Treasury for Q4	160,717,667	239,328,892
Cumulative Amount	587,977,908	648,714,500

2. OTHER RECEIPTS

	2019/20	2018/19
	Kshs	Kshs
Interest received-County Assembly of Trans Nzoia A/C No. 01026020002766	-	545,868
Total	-	545,868

(Interest received from Sidian account number 01026020002766 held at Kitale branch)

3. COMPENSATION OF EMPLOYEES

	2019/20	2018/19
	Kshs	Kshs
Basic salaries of permanent employees/ Personal allowances paid as part of salary/ Basic wages of temporary employees	259,529,828	284,081,227
Total	259,529,828	284,081,227

(The county Assembly has 90 employees on permanent and pensionable terms, 131 contract staff that includes 2 board members for County Assembly Service Board, Ward Staff for Elected and Nominated MCA's, Staff in the office of the Speaker, Majority and Minority Office.)

TRANS NZOA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. USE OF GOODS AND SERVICES

	2019/20	2018/19
	Kshs	Kshs
Utilities, supplies and services	860,995	1,022,162
Communication, supplies and services	1,180,941	2,477,911
Domestic travel and subsistence	84,020,900	118,443,885
Foreign travel and subsistence	18,879,058	25,501,935
Printing, advertising and information supplies & services	15,067,156	9,782,001
Rentals of produced assets	7,500,000	30,000,000
Training expenses	14,728,550	17,164,588
Hospitality supplies and services	26,354,350	9,057,321
Insurance costs	20,000,000	20,217,410
Specialized materials and services	2,900,000	49,500
Office and general supplies and services	38,684,241	12,252,165
Fuel Oil and Lubricants	800,000	2,391,212
Other operating expenses	52,303,411	41,234,131
Routine maintenance –vehicles and other transport equip	572,000	3,168,800
Routine maintenance – other assets	1,431,940	848,406
Other creditors	13,270,434	-
Total	298,553,976	293,611,427

5. SOCIAL SECURITY BENEFITS

	2019/20	2018/19
	Kshs	Kshs
Government pension and retirement benefits-Gratuity	15,067,156	15,101,589
Total	15,067,156	15,101,589

(Contribution of gratuity to Lap Fund Pension scheme for Members of County Assembly (MCAs) and Board Members-County Assembly Service Board.)

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ACQUISITION OF ASSETS

Non- Financial Assets	2019/20	2018/19
	Kshs	Kshs
Construction of Buildings	10,000,000	3,547,200
Refurbishment of Buildings	4,948,987	-
Construction and Civil Works	3,654,000	22,396,862
Purchase of Office Furniture and Equipment	2,475,956	3,515,087
Total	21,078,943	29,459,149

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CASH AND BANK BALANCES

BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/20	2018/19
		Kshs	Kshs
<i>Central Bank of Kenya Acc. No.1000297255, Kes</i>	Development Account	-	-
<i>Central Bank of Kenya Acc. No.1000240695, Kes</i>	Recurrent Account	1,225	154,168
<i>Central Bank of Kenya Acc. No.1000402458, Kes</i>	Deposit Account	2,415,279	1,554,980
<i>Family Bank imprest Acc. No. 093000034860</i>	Imprest Account	3,040	907
<i>Trans Nzoia County Assembly Staff Car Loan & Mortgage A/c No. 01026020004442-Sidian Bank</i>	Staff Car Loan & Mortgage Fund Account	-	20,427,050
<i>County Assembly of Trans Nzoia A/c No.01026020002766-Sidian Bank</i>	Hon Members Car Loan and Mortgage Account	-	200,546,681
Total		2,419,544	222,683,786

8. ACCOUNTS RECEIVABLE

Description	2019/20	2018/19
	Kshs	Kshs
Government Imprests	-	5,527,588
Outstanding Staff Advances	826,669	1,400,266
	-	-
Total	826,669	6,927,854

9. ACCOUNTS PAYABLE

Description	2019/20	2018/19
	Kshs	Kshs
Deposits/Retentions-Central Bank A/c No. 1000402458	2,415,279	1,554,980
Total	2,415,279	1,554,980

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. FUND BALANCE BROUGHT FORWARD

Description	2019/20	2018/19
	Kshs	Kshs
Bank accounts	222,683,786	200,052,756
Accounts Receivables	6,927,854	996,928
Accounts Payables	(1,554,980)	-
Total	228,056,660	201,049,684

11. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
	Kshs	Kshs	Kshs
Bank accounts	222,683,786	(200,546,681)	-
Bank Account	-	(20,427,050)	1,710,055
Accounts Payables	(1,554,980)	-	(1,554,980)
Receivables	6,927,854	-	6,927,854
Others (<i>specify</i>)	-	-	-
Total	228,056,660	(220,973,731)	7,082,929

(This is an adjustment on the cash and bank balances brought forward in FY2019-2020 by netting off the bank account balances held at Sidian Account Numbers 0102620004442 in respect of staff Car Loan and Mortgage Fund of Kshs 20,427,050 and Account number 01026020004442 in respect of Members Car loan & Mortgage of Kshs 200,546,681)

TRANS NZOA COUNTY ASSEMBLY
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8.0 OTHER IMPORTANT DISCLOSURES

8.1 PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Construction of buildings	-	-	-	-
Construction of civil works	17,018,000.20	-	3,654,000.20	13,364,000.00
Supply of goods	-	-	-	-
Supply of services	7,770,365.00	-	1,650,000.00	6,120,365.00
Total	24,788,365.20	-	5,304,000.20	19,484,365.00

8.2 PENDING STAFF PAYABLES

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Senior management		-	-	
Middle management		-	-	
Unionisable employees		-	-	
Salary arrears -June 2020	-	24,894,080	-	24,894,080
Total	-	24,894,080	-	24,894,080

8.3 OTHER PENDING PAYABLES (See Annex 2)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Amounts due to third parties				
Retention/Deposits	1,554,980	860,299	-	2,415,279
Kenya Revenue Authority	30,559,223.82	-	10,000,000	20,559,223.82
Lap fund Pension Schemes	25,858,128.90	-	12,600,000	13,258,128.90
Total	57,972,332.72	860,299	22,600,000	36,232,631.72

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

OTHER IMPORTANT DISCLOSURES (CONTINUED)

8.4 Related party transactions:

	2018- 2019	2019- 2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	134,213,937	134,213,937
Key Management Compensation (Clerk and Heads of departments)	24,054,263	24,054,263
Total Compensation to Key Management	158,268,200	158,268,200
Transfers to related parties		
Transfers to County Assembly Staff car and mortgage schemes	20,427,050	-
Total Transfers to related parties	20,427,050	-
Transfers from related parties		
Payments made on behalf of the County Assembly by County Treasury- August payroll 2019	20,416,391	
(Insert any other transfers received)	-	-
Total Transfers from related parties	20,416,391	-

TRANS NZOIA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

9.0 PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

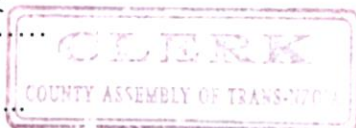
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
5.0	ICT internal control	-Working on approval of user Management standards and procedure- -Developed ICT policy document that will govern the department,	Richard Wamalwa Sirengo-ICT Officer	Resolved	
6.0	Non-Maintenance of Fixed Assets Register	Fixed asset register in place	Benette Simiyu Simali	Resolved	
8.0	Audit Committee	Re-advertisement has done and recruitment process in progress	Ainea Indakwa Clerk to Assembly/Secretary to the Board	Not resolved	Three months

Clerk of the County Assembly

Sign. Audakwa

Date. 21/01/2021



ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	A	B	C	d=a-c		
Construction of buildings						
1.						
Sub-Total						
Construction of civil works						
2. WAYSHAN LIMITED	20,800,969.20		14,964,000	5,836,969	9,490,969.20	Construction of perimeter wall
3. DANMAR COMPANY LTD	11,998,831.00		4,471,800	7,527,031	7,527,031	Construction of car parking sheds
Sub-Total	32,799,800.20		19,435,800	13,364,000	17,018,000.20	
Supply of goods						
4.						
Sub-Total						
Supply of services						
5. SKYNEST HOTEL	1,274,000		150,000	1,124,000		Hospitality services
6. BRUSHWIDE SECURITY SERVICES	2,176,000		500,000	1,676,000		Contracted guards
7. GESTERD TRAVEL & TOURS	1,647,365		500,000	1,147,365		Air Tickets
8. AGOMA GROUP	1,000,000		500,000	500,000		Air Tickets
9. AFRICAN TOUCH SAFARIS	273,000		-	273,000		Air Tickets
10. THE STAR PUBLICATION LTD	1,400,000			1,400,000		Advertisements
Sub-Total	7,770,365		1,650,000	6,120,365		
Grand Total	40,570,165.20		21,085,800	19,484,365	17,018,000.0	

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ANNEX 2 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	B	C	D=A-C		
Amounts due to National Govt Entities							
1.							
Sub-Total							
Amounts due to Third Parties							
2. Kenya Revenue Authority	TAX ARREARS/PENALTIES	30,559,223.82		10,000,000	20,559,223.82		
3. Lap Fund Pension Schemes	DEBT AND ACCRUED INTEREST	25,858,128.90		12,600,000	13,258,128.90		
Sub-Total		56,417,352.72		22,600,000	33,817,352.72		
Others-10% RETENTION							
4. Wayshan Ltd	Perimeter wall				539,400		Retention
5. Danmar Company Ltd	Parking Sheds				447,180		Retention
6. Foursmatt Investment	Renovation				371,200		Retention
7. Delta Maintenance Services	Renovation				197,200		Retention
8. Foursmatt Investment	Renovation				494,898.70		Retention
9. Wayshan Ltd	Perimeter wall				365,400		Retention
Sub-Total					2,415,279		
Grand Total		56,417,352.72		22,600,000	36,232,631.72		

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Transfers in/(out)	Historical Cost c/f
	(Kshs)				(Kshs)
	2018/19	(Kshs)	(Kshs)		2019/20
Buildings and structures	9,463,200	10,000,000	-	-	19,463,200
Construction and Civil Works	16,480,862	8,602,987	-	-	25,083,849
Office equipment, furniture and fittings	16,617,417	2,475,956	-	-	19,093,373
Total	42,561,479	21,078,943	-	-	63,640,422

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 6 on acquisition of assets during the year and subsequently the statement of receipts and payments

ANNEX 4 – ANALYSIS OF OUTSTANDING SALARY ADVANCES

Salary Advance Holders

<i>Name of Officer or Institution</i>	<i>Date salary advance Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Outstanding Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>County Assembly-Attached list of salary advance.</i>				826,669
Total				826,669

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ANNEX -5 BANK RECONCILIATION/FO 30 REPORT

(Bank reconciliation Statements)