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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF SAMBURU

FOR THE YEAR ENDED
30 JUNE, 2020



SAMBURU 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)**

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

TABLE OF CONTENTS

1.	KEY ENTITY INFORMATION AND MANAGEMENT	ii
2.	Kenya commercial Bank	iii
	P.o Box	iii
2.	FORWARD BY THE CLERK OF THE ASSEMBLY	v
3.	STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED OBJECTIVES	vii
4.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	viii
5.	STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	x
6.	REPORT OF THE INDEPENDENT AUDITORS ON THE SAMBURU COUNTY ASSEMBLY.....	xi
7.	FINANCIAL STATEMENTS	1
7.1.	STATEMENT OF RECEIPTS AND PAYMENTS.....	1
7.2.	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES	1
7.3	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.....	2
7.4	STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED.....	3
7.5	STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT ...	4
7.6	STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT.....	5
7.7	BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	6
7.8	SIGNIFICANT ACCOUNTING POLICIES	7
7.9	NOTES TO THE FINANCIAL STATEMENTS	12
7.10	OTHER DISCLOSURES.....	19
7.	PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS	25
	ANNEXES.....	26
	ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE.....	26
	ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES	27
	ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES	28
	ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER	29
	ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS.....	30
	ANNEX 6 Contingent liabilities register	32
	ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT	33

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constituted by twenty seven (27 Members of the County Assembly (MCAs), comprising of fifteen (15) elected and twelve (12) nominated members representing the public from their respective wards. The MCAs are responsible for making laws for the effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.



(b) Key Management

The Samburu County Assembly day-to-day management is under the following key organs:

- The County Assembly Service Board
- The Speaker
- The Clerk
- The Directors

(c) Fiduciary Management

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

No	Designation	Name
<p>1</p> 	The Clerk	Patrick Kamais Leshore
<p>2</p> 	Director Finance and Accounting	Nelson Joseph Lesorogol

(d) Fiduciary Oversight Arrangements

- The Public and other stake holders through public participation play a significant role by influencing decision making and ultimately improving the governance process.
- The Budget and appropriation committee reviews the budget estimates submitted by executive and proposes the same for adoption or rejection of the same to the full house of the county assembly.
- Internal Audit Unit and Audit committee undertake periodic reviews of expenditure and make recommendations on any irregularities noted.
- Independent offices set by law such as the office of the Auditor General and office of the Controller of Budget for review of County Assembly programmes to ensure there is no wastages and ensure value for money is achieved.

(e) Entity Headquarters

P.O. Box 3
County Assembly Headquarters.
Nairobi, KENYA

(f) Entity Contacts

Telephone: (254) 721 818 492
E-mail: info@samburucountyassembly.go.ke
Website: <http://www.samburuassembly.go.ke/>

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya commercial Bank
P.o Box
Maralal

(h) Independent Auditors

Auditor General
Office of the Auditor General,
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

These are the financial statements for the County Assembly of Samburu for the financial year ended 30th June 2020, that are prepared in accordance with the standards and formats prescribed by the International Public Sector Accounting Standards - IPSAS (Cash basis). The report shows the revenue received from the national equitable share versus the expenditure incurred by the county assembly of Samburu in provision of services as per the approved budget.

Budget Performance.

RECEIPT/EXPE NSE ITEM	ORIGINAL BUDGET	ADJUSTME NTS	FINAL BUDGET	ACTUAL ON COMPARABL E BASIS	% Utilisati on
Exchequer Releases	549,895,345.00	5,401,689.00	555,297,034.00	490,297,034.00	88.29%
Payments	449,895,345.00	40,401,689.00	490,297,034.00	490,296,941.00	99.87%
SURPLUS /DEFICIT				93.00	

The percentage utilization of the exchequer releases was 88.29% while the percentage utilization of the payments was 99.87%. There was a surplus of Kshs 93.00. Exchequer releases was under funded by more than ten percent (10%) because of financial constraints, hence development project was not funded.

Operational Performance

The County Assembly of Samburu passed four bills during the financial year 2019/2020 which are, Samburu County Community Conservancies Act 2019, Samburu County Youth Polytechnic Act 2019, Samburu County Frontier Counties Development Council Act 2019 and Samburu County Cooperatives Societies Act 2019 that are to meant to help improve the living standards and the general welfare of the people of Samburu. The budget of the county assembly was passed on 30th May 2019, and there were two (2) subsequent supplementary budgets during the financial year 2019/2020.

Performance of Key development Projects

For the financial year ended 30 June 2020, the county assembly chambers and office block that has been under construction from the year 2017 had incurred total cumulative payment of Kshs 231,489,029 representing (54.52%) of the total project cost. The contractor did not raise any certificate for payment for during the financial year ended 30 June 2020 and the County Assembly Service Board (CASB) is in constant contact with the contractor to have the building complete within a reasonable time despite the COVID 19 challenges.

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

Challenges and Recommended Way Forward on Strategic objectives implementation

S/ No.	Challenges	Mitigation Measures
1.	The annual budgets have not been linked to the strategic plan.	Make strategic plan the basis of preparation of the budget.
2.	Strategic plan is not systematically approached and referenced as a source document for action.	Make strategic plan the basis of planning.
3.	Financial constraints impeding implementation of objectives and achievement of results	Lobbying for increased budget ceilings
4.	Political interference	Capacity building so that stakeholders understand county assembly roles.
5.	Covid-19	Putting in place precautionary measures within the Assembly chambers to adhere to World Health Organisation and ministry of health guidelines and containment measures



Sign
Clerk of the County Assembly

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, in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county assembly performance against predetermined objectives.

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

Outlined below are the objectives and outcomes for the county assembly in the financial year ended 30 June 2020:

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in capacity legislation	Four bills were passed in the County Assembly	MCA were trained on bills enactment and various capacity building programs.
	Enhanced professional development of MCAs – Review standing orders	Review of standing orders	15% increase in efficient Assembly operation	County Assembly of Samburu standing orders were reviewed and a hundred copies were published.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Samburu County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded the following pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Outlined below are brief highlights of our achievements in each pillar:

1. Sustainability strategy and profile -

County Assembly of Samburu is a people centred assembly with the best parliamentary practices, we enhanced stakeholder engagement and a professional approach to doing business to promote representation, legislation and oversight in achieving sustainable development for the great people of Samburu County.

The County Assembly of Samburu has embraced the following policies and guidelines.

- i. The Kenya Vision 2030
- ii. Medium Term Plan III (2018 – 2022)
- iii. The County Integrated Development Plan, 2018-2023
- iv. County Assembly of Samburu Policies and guidelines

2. Employee welfare

The County Assembly of Samburu is an equal opportunity employer and in all its hiring, promotion and career progression the gender rule is always taken into account. Skills have been improved by embracing several strategies some being appointment of training committee which perform an annual Training Needs Assessment which leads to development of Annual Training Master Plan/Training calendar which informs the training needs for our employees throughout the year. The Assembly has embraced the Performance Management System this financial year. The Clerk has signed a Performance contract while all heads of Departments are under performance appraisal.

The County Assembly of Samburu is duly registered with DOSH (Directorate of Occupational Safety and Health), it has appointed Occupational Safety and Health Committee which conducts assessment of work environment and recommends to the Management Committee on any improvements to be carried out.

3. Market place practices

County Assembly of Samburu always pays its suppliers on time based on supply of goods and services. As at 30 June 2020 no pending bill was reported as at 30th June 2020 and this is a gesture of treating suppliers responsibly by honouring contracts and respecting payment practices.

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

4. Community Engagements

Every calendar year end the county assembly through the Staff Welfare Committee conducts visits to children homes to donate food stuff, clothes etc. as our social corporate responsibility. We also participate in various community cultural events or ceremonies on occurrence, in addition to any other community requests.

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.

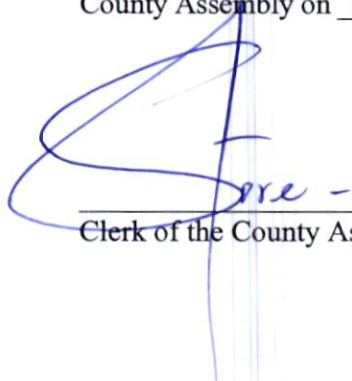
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2020. This responsibility includes: (i) maintaining adequate financial 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 quarter 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 Government's financial statements were approved and signed by the Clerk of the County Assembly on 11/12 2020.

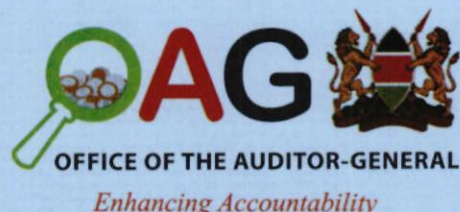


Clerk of the County Assembly

6. REPORT OF THE INDEPENDENT AUDITORS ON THE SAMBURU COUNTY ASSEMBLY.

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of County Assembly of Samburu set out on pages 1 to 25 which comprise the statement of financial assets and liabilities as at 30 June, 2020, the statement of receipts and payments, and statement of comparison of budget and actual amounts; recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the County Assembly of Samburu 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 do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Discrepancies in the Management Report and Financial Statements

The Key Management Information Report and the financial statements contain the following discrepancies:

- i. The County Assembly's address at page iii is indicated as Nairobi, Kenya instead of Maralal, Kenya.
- ii. Several pages that would have made pages 4,5 and 6 to the financial statements are not numbered.

- iii. The statement of budget execution by programmes and sub-programmes at page 6, does not disclose sub-programmes.
- iv. The statement of cash flows at the incorrectly labeled page 2 is further incorrectly titled "Statement of Financial Assets and Liabilities".
- v. The related party transactions account summary reflected at page 24, has not been populated with balances transacted in the year under review.
- vi. Progress on follow up on prior year auditor's recommendations at page 25 is blank in spite the County Assembly's report for the year ended 30 June, 2019 having highlighted numerous unsatisfactory issues.

In view of these matters, the cited disclosures in the Management report and balances in the financial statements are not fairly stated and do not conform to the format prescribed by the Public Sector Accounting Standards Board (PSASB).

2.0 Variance Between the Financial Statement and Ledger Balances

The net financial assets and net financial position balances reflected in the statement of financial assets and liabilities and Integrated Financial Management Information System (IFMIS) ledger as at 30 June, 2020 do not tally, as indicated in the following table:

Component	Financial Statements Balance (Kshs.)	IFMIS Balance (Kshs.)	Variance (Kshs.)
Net Financial Assets	93	139,526,573	139,496,424
Net Financial Position	93	85,236,921	84,926,813

Consequently, the accuracy and completeness of the financial statements could not be confirmed.

3.0 Misclassified Expenditures

The statement of receipts and payments reflects use of goods and services payments totalling Kshs.171,956,443, as further disclosed in Note 5 to the financial statements. Included in the balance are payments totalling Kshs.39,667,927 charged to inappropriate expenditure heads as detailed below:

Correct Account Item Name	Incorrect Account Charged	Amount (Kshs.)
Office and General Supplies Services	Utilities, Supplies & Services	208,596
Office and General Supplies Services	Communication, Supplies and Services	1,029,400

Correct Account Item Name	Incorrect Account Charged	Amount (Kshs.)
Domestic Travel and Subsistence	Foreign Travel and Subsistence	20,078,412
Domestic Travel and Subsistence	Printing Advertising and Information	342,770
Domestic Travel & Subsistence	Training Expenses	5,544,115
Printing Advertising and Information	Hospitality Supplies and Services	2,958,879
Foreign Travel	Other Operating Expenses	2,414,536
Domestic Travel & Subsistence	Other Operating Expenses	4,137,340
Printing Advertising and Information	Other Operating Expenses	2,953,879
Total		39,667,927

In view of inclusion of inappropriate items in the use of goods and services reflected in the balance totalling Kshs.171,956,443, the balance is not fairly stated.

5.0 Unconfirmed Balances

5.1 Compensation of Employees

The statement of receipts and payments reflects compensation of employees expenditure totalling Kshs.283,367,873 whereas the disclosure in Note 4 to the financial statements reflects a balance of Kshs.283,057,857 in respect to the account resulting to an unexplained variance of Kshs.310,016.

In addition, records provided for audit indicated that the gross payroll expenditure and Member of County Assembly (MCA) mileage claims payments in the year under review totaled Kshs.234,756,829 and Kshs.40,914,480 respectively or Kshs.275,671,309 in aggregate. The resulting variance amounting to Kshs.7,696,564 between the compensation of employee's balance totalling Kshs.283,367,873 reflected in the financial statements and the underlying records was not explained.

Further, expenditure records indicated that during the year under review, the County Assembly incurred legal costs totalling Kshs.7,418,200 reflected in records as other operating expenses under the use of goods and services expenditure item. However, the costs have not been disclosed in the Notes to the financial statements.

5.2 Social Security Benefits

The statement of receipts and payments reflects social security payments totalling Kshs.17,270,675, as disclosed in Note 9 to the financial statements. However, the payroll records reflected payments totalling Kshs.10,028,459 comprised of Employer Contributions to Local Authorities Pension Trust (LAPTRUST) and Local Authorities

Pension Fund (LAPFUND) totalling Kshs.9,898,511 and Kshs.129,948 respectively resulting to an unexplained variance of Kshs.7,242,216.

5.3 Opening Fund Balance

The statement of financial assets and liabilities reflects nil opening fund balance whereas the closing balance for the prior year was Kshs.16,680,140. The resulting variance of Kshs.16,680,140 between the two sets of records was not explained.

5.4 Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance totalling Kshs.93 as at 30 June, 2020. However, the balance was not supported with a certificate of bank balance.

In addition, the statement of cash flows reflects a nil cash and cash equivalents balance at the beginning of the year even though the prior year's closing balance reflected in the audited financial statements amounted to Kshs.15,518,826.

Further, the bank balance for the County Assembly's salary account as at 30 June, 2020 totalling Kshs.1,234,636 has been omitted from the financial statements.

In view of these issues, the accuracy and completeness of the reported , compensation of employees, social security benefits, opening fund balance, and cash and cash equivalents balances reflected in the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Samburu County Assembly 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 adverse opinion.

Key Audit Matters

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

Other Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts; recurrent and development combined reflects budgeted receipts and actual on comparable basis totalling Kshs.555,297,034 and Kshs.490,297,034 respectively resulting to a revenue shortfall of Kshs.65,000,000 or 11.70% of the budget.

Failure to utilize all the budgeted funds may have constrained the implementation of planned development projects and delivery of services to the residents of Samburu County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

There were no records indicating that Management had established a risk management policy as required by Section 158(1)(a) and (b) of the Public Finance Management Act (County Government) Regulations, 2015.

In the absence of a risk management policy, the Management lacks objective means to identify, measure and mitigate risks with potential to disrupt the operations of the County Assembly.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County 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 dissolve 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 that govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County 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 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 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

19 November, 2021

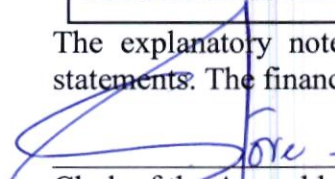
SAMBURU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

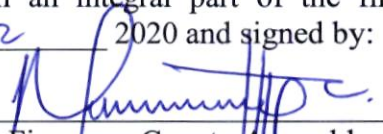
7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

		2019/20	2018/19
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	490,297,034	544,044,862
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		490,297,034	544,044,862
PAYMENTS			
Compensation of Employees	4	283,367,873	265,627,249
Use of goods and services	5	171,956,443	164,890,664
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	17,270,675	24,432,535
Acquisition of Assets	10	17,701,951	72,374,274
Finance Costs	11	-	-
Other Payments	12	-	-
TOTAL PAYMENTS		490,296,941	527,324,722
SURPLUS/DEFICIT		93	16,720,140

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12 2020 and signed by:


 Clerk of the Assembly
 Name: Patrick Kamais Leshore

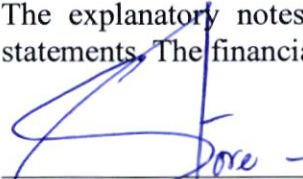

 Director Finance – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member No: 22366

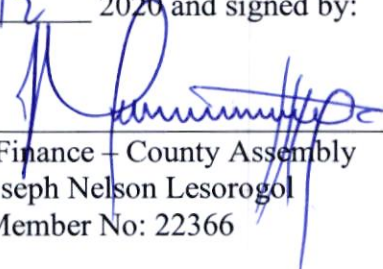
SAMBURU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		2019/20	2018/19
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	13A	93	15,518,826
Cash Balances	13B	-	-
Total Cash and cash equivalents		93	15,518,826
Accounts receivables – Outstanding Imprests	14	-	386,800
Retentions in Mortgage Account		4,232,540	-
Retentions in County Executive Retention Account		10,715,008	-
TOTAL FINANCIAL ASSETS		14,947,641	
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	14,947,548	-
NET FINANCIAL ASSETS		93	15,905,626
REPRESENTED BY			
Fund balance b/fwd	16	-	-
Surplus/Deficit for the year		93	16,680,140
NET FINANCIAL POSITION		93	16,680,140

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12 2020 and signed by:


 Clerk of the Assembly
 Name: Patrick Kamais Leshore

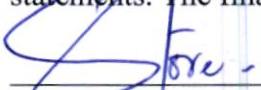

 Director Finance – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member No: 22366

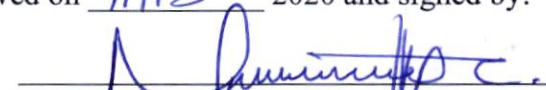
SAMBURU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.3 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2019/20 KShs	2018/19 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	490,297,034	544,004,862
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	282,724,357	265,627,249
Use of goods and services	5	171,956,443	164,890,664
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	17,270,675	24,432,535
Finance Costs	11	-	-
Other Payments	12	-	-
Adjusted for:			
Prior year adjustment	17		
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	18	-	386,800
Increase/(Decrease) in Accounts Payable: (deposits and retention)	19		
Net cash flows from operating activities		18,345,559	88,667,614
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	17,701,951	72,374,274
Net cash flows from investing activities		17,701,951	72,374,274
NET INCREASE IN CASH AND CASH EQUIVALENTS		643,608	16,293,340
Cash and cash equivalent at BEGINNING of the year	13	-	-
Cash and cash equivalent at END of the year		93	15,518,826

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12 2020 and signed by:


 Clerk of the Assembly
 Name: Patrick Kamais Leshore


 Chief Finance Office – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member Number: 22366


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

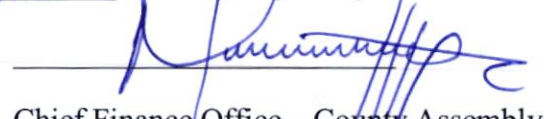
7.4 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-e	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	549,895,345	5,401,689	555,297,034	490,297,034	88.24%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	549,895,345	5,401,689	555,297,034	490,297,034	88.24%
PAYMENTS					
Compensation of Employees	270,161,136	13,545,636	283,706,772	283,367,873	99.77%
Use of goods and services	140,084,600	31,397,036	171,481,636	171,956,443	100.27%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	17,949,609	-678,934	17,270,675	17,270,675	100.00%
Acquisition of Assets	121,700,000	-38,862,049	82,837,951	17,701,951	21.37%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	549,895,345	5,401,689	555,297,034	490,296,941	99.94%
SURPLUS/ DEFICIT	-			93	

(a) Transfers from the County Treasury/Exchequer Releases was under funded in respect of development appropriation vote due to financial constraints for the financial year ended 30 June 2020 and no funds were transmitted.

The Assembly financial statements were approved on 11/12 2020 and signed by:


 Clerk of the Assembly
 Name: Patrick Kamais Leshore


 Chief Finance Office – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member Number:22366

Reports and Financial Statements

For the year ended June 30, 2020

7.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	a	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	449,895,345.00	40,401,689.00	490,297,034.00	490,297,034.00	100.00%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	449,895,345.00	40,401,689.00	490,297,034.00	490,297,034.00	100.00%
PAYMENTS					
Compensation of Employees	270,161,136.00	13,545,636.00	283,706,772.00	283,367,873	99.77%
Use of goods and services	140,084,600.00	31,397,036.00	171,481,636.00	171,956,443.00	100.27%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	17,949,609.00	-678,934.00	17,270,675.00	17,270,675.00	100.00%
Acquisition of Assets	21,700,000.00	-3,862,049.00	17,837,951.00	17,701,951.00	99.24%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	449,895,345.00	40,401,689.00	490,297,034.00	490,296,941.00	99.94%
Surplus/ Deficit				93.00	

The Assembly financial statements were approved on 11/12 2020 and signed by:

Patrick Kamais Leshore
 Clerk of the Assembly
 Name: Patrick Kamais Leshore

Joseph Nelson Lesorogol
 Chief Finance Office – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member Number: 22366

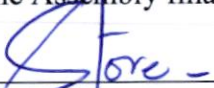
SAMBURU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

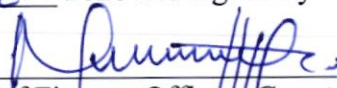
7.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

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	100,000,000.00	-35,000,000.00	65,000,000	-	0.00% -
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	100,000,000.00	-35,000,000.00	65,000,000	-	0.00% -
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	-	-	-	-	-
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	-	-	-	-	-
SURPLUS/ DEFICIT	100,000,000.00	-35,000,000.00	65,000,000	-	0.00% -

(a) Transfers from the County Treasury/Exchequer Releases was underutilized for development project due to financial constraints for the financial year 20192020. Hence development project was not funded for FY 20192020.

The Assembly financial statements were approved on 11/12 2020 and signed by:


 Clerk of the Assembly
 Name: Patrick Kamais Leshore


 Chief Finance Officer – County Assembly
 Name: Joseph Nelson Lesorogol
 ICPAK Member Number: 22366

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-Recurrent	449,895,345.00	40,401,689.00	490,297,034.00	490,297,034.00	0.00
Sub-programme 1	50,026,696.00	2,834,470.00	52,861,166.00	53,394,590.80	-533,424.80
Sub-programme 2	178,510,303.00	37,548,466.00	216,058,769.00	215,821,972.00	236,797.00
Sub-programme 3	221,358,346.00	18,753.00	221,377,099.00	220,436,863.20	940,235.80
Programme 2- Development	100,000,000.00	-35,000,000.00	65,000,000.00	-	65,000,000.00
Sub-programme 1	35,000,000.00	-35,000,000.00	-	-	-
Sub-programme 2	65,000,000.00	-	65,000,000.00	-	65,000,000.00
Sub-programme 3	-	-	-	-	-

(a) Transfers from the County Treasury/Exchequer Releases was underutilized for development project due to financial constraints for the financial year 2019/2020. Hence development project was not funded for FY 2019/2020.

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 International Public Sector Accounting Standard (Cash basis) financial reporting under the cash basis of Accounting, as prescribed by the Public Sector Accounting Standard Board 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 entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Reporting entity

The financial statements are for the Samburu 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 recognises 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.

**SAMBURU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020**

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 Assembly recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

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 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 Samburu County Assembly includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the County Assembly of Samburu. Details of payments by third parties on behalf of the county government is 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.

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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

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.

SAMBURU COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

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 entity 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 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; 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, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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 Assembly 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 Samburu County Assembly 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 County Assembly 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 Samburu County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 30th May 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There was Four number of supplementary budgets passed in the year. The supplementary budgets were approved on 30th Sep 2019 and 15th Jun 2020. A high-level assessment of the Samburu county assembly 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

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

15. Subsequent events

Events after submission of the financial statements to the County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

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.

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.

SAMBURU 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	85,000,000.00	125,473,037.00
Transfers from the County Treasury for Q2	149,217,535.00	100,000,000.00
Transfers from the County Treasury for Q3	135,216,528.00	100,000,000.00
Transfers from the County Treasury for Q4	120,862,971.00	218,531,825.00
Cumulative Amount	490,297,034.00	544,004,862.00

2. PROCEEDS FROM SALE OF ASSETS

	2019/20	2018/19
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

3. OTHER RECEIPTS

	2019/20	2018/19
	KShs	KShs
Tender fees received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. COMPENSATION OF EMPLOYEES

	2019/20	2018/19
	KShs	KShs
Basic salaries of permanent employees	179,641,022.85	162,509,456.00
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	103,416,834.60	103,117,793.00
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	283,057,857.45	265,627,249.00

5. USE OF GOODS AND SERVICES

	2019/20	2018/19
	KShs	KShs
Utilities, supplies and services	519,806.00	747,916.00
Communication, supplies and services	4,933,150.00	5,095,740.00
Domestic travel and subsistence	54,697,551.35	60,487,589.00
Foreign travel and subsistence	20,078,412.00	18,939,812.00
Printing, advertising and information supplies & services	749,576.00	2,490,775.00
Rentals of produced assets	3,701,000.00	2,653,700.00
Training expenses	5,544,115.00	6,209,500.00
Hospitality supplies and services	13,391,391.70	10,622,442.00
Insurance costs	18,374,247.00	5,738,209.00
Specialized materials and services	1,549,484.00	1,861,475.00
Office and general supplies and services	9,127,885.00	8,324,119.00
Fuel Oil and Lubricants	7,821,764.00	9,032,320.00
Other operating expenses	25,311,067.70	19,875,268.00
Routine maintenance – vehicles and other transport equipment	5,496,843.00	11,285,859.00
Routine maintenance – other assets	635,350.00	1,525,940.00
Social Benefit Schemes	24,800.00	-
Total	171,956,442.75	164,890,664.00

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

Description	2019/20	2018/19
	KShs	KShs
Subsidies to County Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises	-	-
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
	-	-
TOTAL	-	-

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2019/20	2018/19
	KShs	KShs
Transfers to National Government entities	-	-
Transfers to other County Assembly entities	-	-
(insert name of budget agency)	-	-
TOTAL	-	-

8. OTHER GRANTS AND TRANSFERS

	2019/20	2018/19
	KShs	KShs
Scholarships and other educational benefits	-	-
Membership Fees and Dues and Subscriptions to Organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. SOCIAL SECURITY BENEFITS

	2019/20	2018/19
	KShs	KShs
Government pension and retirement benefits	17,270,675.00	24,432,535.00
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	17,270,675.00	24,432,535.00

10. ACQUISITION OF ASSETS

Non- Financial Assets	2019/20	2018/19
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	-	69,998,514.00
Refurbishment of Buildings	90,800.00	-
Construction of Roads	-	-
Construction and Civil Works	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	15,443,594.00	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	2,167,556.80	1,352,760.00
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	1,023,000.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Purchase of ICT Equipment	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Other Inventories	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	72,374,274.00
Total purchase of non-financial assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	17,701,950.80	72,374,274.00
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2019/20	2018/19
	KShs	KShs
Bank Charges	-	-
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	-	-

12. OTHER PAYMENTS

	2019/20	2018/19
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfers to Private Non-Financial Enterprises	-	-
Total	-	-

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/20	2018/19
		KShs	KShs
<i>Samburu County Development, Recurrent. No. 1000195525, Kshs recurrent</i>	Development Acc	-	-
<i>Samburu County Assembly Recurrent. No. 1000195517, Kshs recurrent</i>	Recurrent Acc	92.65	15,518,826.00
<i>Name of Bank, Acc. No. & currency</i>	Deposits Acc	-	-
<i>Name of Bank, Acc. No. & currency</i>	Commercial Bank Accs.	-	-
Total		92.65	15,518,826.00

(NB: all bank accounts operated by the County Assembly should be included in this note.)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

13B. CASH IN HAND

	2019/20	2018/19
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

Description	2019/20	2018/19
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

(Provide locations where cash in hand is held e.g head office, cashier's office, cash office etc)

14. ACCOUNTS RECEIVABLE

Description	2019/20	2018/19
	KShs	KShs
Government Imprests	-	386,800.00
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total	-	386,800.00

15. ACCOUNTS PAYABLE

Description	2019/20	2018/19
	KShs	KShs
Deposits		-
Retentions	14,947,547	-
Total	14,947,547	-

16. FUND BALANCE BROUGHT FORWARD

Description	2019/20	2018/19
	KShs	KShs
Bank accounts	-	-
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PRIOR YEAR ADJUSTMENTS

a prior period adjustment really applies to the correction of an error in the financial statements of a prior period

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

18. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

19. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	14,947,547.90	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	14,947,547.90	-

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

7.10 OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
Total	-	-	-	-

2. PENDING STAFF PAYABLES (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

3. OTHER PENDING PAYABLES (See Annex 3)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

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

4. External Assistance

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		-	-
Total		-	-

c. Classes of providers of external assistance

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Provide details of the reasons for external assistance e.g.
Economic development or welfare objective
Emergency relief
Trading activities

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

d. Non-monetary external assistance

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc

e. Purpose and use of external assistance

PAYMENTS MADE BY THIRD PARTIES		
Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
TOTAL	-	-

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

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

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.

Classification by Source

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

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

Classification of payments made by Third Parties by Nature of expenses

PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Other Payments	-	-
TOTAL	-	-

6. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly:

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;
- The County Executive;
- County Ministries and Departments;
- Other County Government entities including corporations, funds and boards;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

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

Related party transactions:

	2018- 2019	2019- 2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	-	-
Key Management Compensation (Clerk and Heads of departments)	-	-
Total Compensation to Key Management	-	-
	-	-
Transfers to related parties	-	-
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g ECD centres, welfare centres etc	-	-
Total Transfers to related parties	-	-
	-	-
Transfers from related parties	-	-
Transfers from the County Executive- Exchequer	-	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

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

7. 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)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Clerk of the County Assembly

Sign.....*Jose -*

Date.....*11/2/2020*

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

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. Master Consortium Ltd	105,450,310	2014	82,013,550	23,436,760	23,436,760	77% Absorption
2. Green County Construction Ltd	262,098,210	2017	149,475,479	112,622,731	112,622,731	57% Absorption
3. Exchange Investment Limited	17,000,916	Awarded	-	17,000,916	17,000,916	NIL
4. Nurkey Technical Services Ltd	18,988,500	Awarded	-	18,988,500	18,988,500	NIL
5. White Stallion Designs Ltd	21,081,495	Awarded	-	21,081,495	21,081,495	NIL
Sub-Total	424,619,431		231,489,029	193,130,402	193,130,402	
Construction of civil works						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Sub-Total						
Supply of goods						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Sub-Total						
Supply of services						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Sub-Total						
Grand Total						

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

ANNEX 3 – 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		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Amounts due to County Govt Entities		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Amounts due to Third Parties		-	-	-	-	-	-
		-	-	-	-	-	-
Sub-Total							
Others (specify)		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Sub-Total							
Grand Total							

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2018/19	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost e/f (KShs) 2019/20
Land	32,500,000	-	-	-	32,500,000
Buildings and structures	77,225,633	90,800	-	-	77,316,433
Transport equipment	59,913,134	15,443,594	-	-	75,356,728
Office equipment, furniture and fittings	15,993,805	2,167,556.80	-	-	18,161,361.80
ICT Equipment	16,812,160	-	-	-	16,812,160
Machinery and Equipment	6,002,872	-	-	-	6,002,872
Biological assets	-	-	-	-	-
Infrastructure Assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work In Progress	231,489,029	-	-	-	231,489,029
Total	439,936,633	17,701,950.80	-	-	457,638,583.80

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

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

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

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

Imprest Register

	Staff name	Staff Personal number	Department	Imprest warrant No.	Date of issue	Expected date of surrender	Actual date of surrender	Number of days outstanding	Currency	Imprest Amount Kshs	Amount surrendered Kshs	Balance Kshs	Remarks
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

Prepared by Lesnoy J.
Name

DFA
Designation

11/12/2020
Date

Checked by:
Name

Designation

Date

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

ANNEX 6 Contingent liabilities register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	-	-	-	-	-	-
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	-	-	-	-	-	-
5	-	-	-	-	-	-
6	-	-	-	-	-	-
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9	-	-	-	-	-	-
10	-	-	-	-	-	-
11	-	-	-	-	-	-
12	-	-	-	-	-	-

