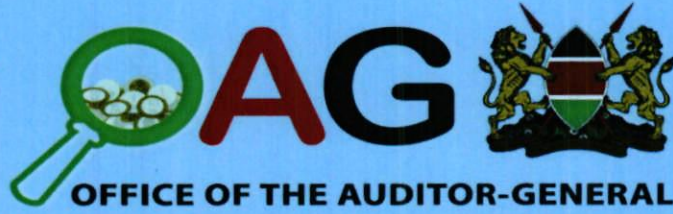


REPUBLIC OF KENYA

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**OFFICE OF THE AUDITOR-GENERAL**

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY EXECUTIVE OF NANDI**

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

| PAPERS LAID        |                    |
|--------------------|--------------------|
| DATE               | 16/02/2022         |
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**COUNTY EXECUTIVE OF NANDI**  
**REPORT 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

COUNTY GOVERNMENT OF NANDI



STATE EXECUTIVE OF NANDI  
AND FINANCIAL STATEMENTS

STATE OF NANDI

State of Nandi

State of Nandi

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COUNTY GOVERNMENT OF NANDI

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**I. Vision**

“To be the leading County in Kenya where people are empowered economically, socially and politically through equitable sharing of resources to achieve the highest standards of living

**II. Mission**

“To improve the living standards of all residents of Nandi County by offering quality and sustainable services in an equitable and transparent manner through modern technology, innovation, enhance workforce, environmental sustainability and entrepreneurship in all spheres of life.”

**III. Core Values**

County Government of Nandi upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and teamwork.

**(b) Key Management**

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

| S/No | Name                      | Designation   | Date of holding office     |
|------|---------------------------|---|----------------------------|
| 1.   | H.E. Stephen Kipyego Sang | Governor  | 21 <sup>st</sup> Aug. 2017 |
| 2.   | H.E. Dr. Yulita Cheruiyot | Deputy Governor                                     | 21 <sup>st</sup> Aug. 2017 |
| 3.   | CPA Alfred Lagat          | CECM, Finance and Economic Planning                 | 24th Oct. 2017             |
| 4.   | Ms.Ruth Koech             | CECM, Health & Sanitation                           | 24th Oct. 2017             |
| 5.   | Ms. Teresa Morogo         | CECM, Administration, Public Service & E-Government | 24th Oct. 2017             |
| 6.   | Mr.Elly Kurgat            | CECM, Sports, Youth Affairs and Arts                | 24th Oct. 2017             |
| 7.   | Dr. Benard K. Lagat       | CECM, Agriculture and Cooperative Development       | 24th Oct. 2017             |
| 8.   | Mr. Jacob Tanui           | CECM, Trade, Investment and                         | 24th Oct. 2017             |

|     |                            |   |                            |
|-----|----------------------------|---|----------------------------|
|     |                            | Industrialization                                 |                            |
| 9.  | Mr. Wilson Taiy            | CECM, Tourism, Culture and Social Welfare         | 24th Oct. 2017             |
| 10. | Eng. Drice Rono            | CECM, Transport & Infrastructure                  | 25 <sup>th</sup> Oct. 2019 |
| 11. | Dr. Philemon Kiptoo Bureti | CECM, Land Environment & Natural Resources        | 25 <sup>th</sup> Oct. 2019 |
| 12. | Ms.Grace Sugut             | CECM, Education, Research and Vocational Training | 25 <sup>th</sup> Oct.2019  |

**The County Executive team during the financial year consisted of:**



**H.E. Stephen Kipyego Sang - Governor**

H.E. Stephen Kipyego Sang was elected the second Governor of Nandi County on 21<sup>st</sup> Aug. 2017. The governor was elected on an agenda of transforming Nandi County, improving the County's roads, boosting agriculture output, improving the health sector and uplifting the people of Nandi County from poverty. It is on these key pillars that the government of H.E. Stephen Kipyego Sang has been working on since coming into power.

Governor Sang holds a Bachelor of Law Degree from the University of Nairobi and postgraduate Diploma from Kenya School Of Law. Before his election as the governor, he served as the Senator for Nandi County for one term.

**H.E. Dr. Yulita Cheruiyot - Deputy Governor**

H.E. Dr. Yulita Cheruiyot was elected as the second Deputy Governor of Nandi County on 21<sup>st</sup> Aug 2017. Before her election as the Deputy Governor, she served as a Senior lecturer at the University of Eldoret. She has also held various top management positions in different institutions among them chairperson of the Disability Mainstreaming Committee at the University of Eldoret. The Deputy Governor has a passion for PWLDs and the less fortunate whom she has been championing for the empowerment.





**CPA Alfred Lagat - CECM, Finance and Economic Planning**  
CPA Alfred Lagat was appointed as the CECM, Finance and Economic Planning on 24th Oct 2017. He has since been in the same role and has been driving the financial management agenda in the County.

Before his appointment, he worked as a Senior Associate in Deloitte and Touche. He also worked as an Assistant Finance Manager at Diamond Trust Bank. He was previously the lead consultant for Tullon Consulting Ltd. CPA Alfred holds a Bachelor Of Commerce (Finance). He is also a Certified Public Accountant of Kenya (CPAK).

**Ms. Ruth C. Koech - CECM, Health Services and sanitation**

Ms. Ruth C. Koech was appointed the CECM, Health services on 24th Oct 2017. Ruth is a well renowned healthcare provider with global acclamations for her work. She has been involved in Health Administration for Iowa State Public Health Department in the USA.

Mrs.Koech has a degree in Nursing, Biology and Masters in Public Health Management, with a public background in the Health sector for over two decades.



**Dr. Benard Kiplimo Lagat - CECM, Agriculture and Cooperative Development**

Dr. Benard Kiplimo Lagat is a Development Economist with over ten years experience in consultancy research and training in both Public and Private sectors.

He was initially a senior Lecturer and the postgraduate Chairman in the department of Economic, School of Business and Economics at Moi University teaching both postgraduate and undergraduate students.

Dr. Lagat was initially in-charge of Trade.



**Mr. Jacob Tanui - CECM, Trade and Investment**

Jacob heads the Department of Trade and Investment. He was appointed into this position on 24th Oct 2017. Mr Tanui graduated from JKUAT with a Bachelor of Science Degree in Applied Mathematics, Computer and Physics.

Jacob has over ten years experience in the Banking sector, having worked in the Cooperative Bank, branch manager K-Rep Bank and Business Growth Development Manager Equity Bank.



**Mr. Wilson Kibor Taiy - CECM, Tourism, culture & social welfare** Mr. Wilson Kibor Taiy is a holder of a masters Degree in Agricultural extension and Bachelor's Degree in Animal Production and has worked in the Agricultural sector for 32 years. He was appointed into this position on 24th Oct 2017

Mr. Taiy initially headed the docket of Agriculture before being moved to head the department of Tourism, culture & social welfare



**Ms. Teresa Morogo - CECM, Administration, Public Service & E-Government**

Ms. Teresa Morogo is a human resource practitioner who is licensed to practice HR by the Institute Of Human Resource Management. she was appointed into this position on 24th Oct 2017. She has worked with several public in institution for close to twenty years. She holds a BSc. Degree from University of Eastern Africa,Baraton.She has a post Graduate Diploma in Business Management(KIM).She is a master's holder with specialization in Human Resource Management From Egerton University She formerly worked at university of Eldoret and was the head of HR and Administration at KALRO-Sugar resource Institute.



**Mr. Elly Kurgat - CECM, Sports, Youth Affairs & Arts.**

Mr. Elly Kurgat is an Agribusiness Management graduate who has demonstrated experience developing intervention strategies that addresses youth radicalization in high risk environments.

He has practical experience designing, sourcing funds and implementing ideas geared towards addressing youth unemployment.

He is credited with the generation and development of the Youth Agribusiness Incubation centers that trains, mentors and support Youth Led Initiatives in the Agribusiness Sector.

Elly has been extensively involved in community youth mentorship programmes and initiatives and has widely consulted with international donor agencies on multi-cultural projects and supported their implementations, simultaneously.

Recently, he consulted as a Youth Sector Specialist in the development of the Kenya Investment Mechanism; a funded programme that aims at boosting investments and business development by the youth by \$1M in five years.

He has also worked with Agricultural Development Corporation.



**Grace Sugut CECM, Education, Research and Vocational Training**

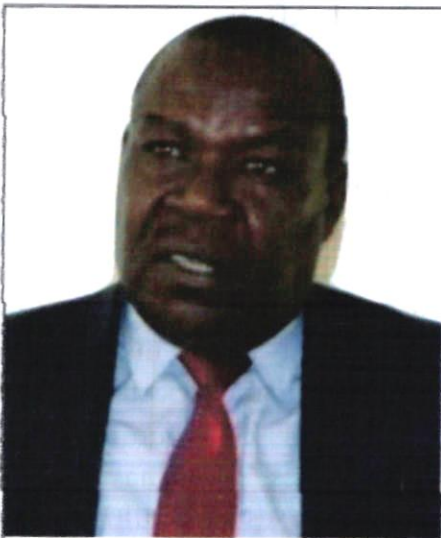
Grace Sugut was appointed as a CECM, Education, Research and Vocational Training on 20<sup>th</sup> October 2019. Before her appointment; she served as a member of the Nandi County Public Service Board. She holds a Bachelor of Arts degree in Government & Linguistics from University Of Nairobi, and a Post Graduate Diploma In Education from Egerton University.



**ENG. DRICE RONO  
CECM, TRANSPORT & INFRASTRUCTURE**

Eng. Drice Rono was appointed as a CECM, Transport and Infrastructure on 20<sup>th</sup> October 2019. Before his appointment he had served as Senior Superintendant Engineer Mechanical in Samburu County Government.

He holds a Bachelor of Engineering (Mechanical & Production) Moi University ,executive certificate of proficiency in insurance (ECOP)



**DR. PHILEMON KIPTOO BURETI  
CECM, LAND ENVIRONMENT & NATURAL RESOURCES**

Dr. Philemon Kiptoo Bureti was appointed as a CECM, Land Environment and Natural Resources on 20<sup>th</sup> October 2019. Before his appointment he had served in a dynamic academician and administrator with 10 years In Teaching, Research And Administration at the University, 10 years as an Accountant in the Army and 10 years as a Finance Officer in the Kenyan Ordinance and Factories Corporation.

He holds a MBA in strategic management-GLUK, BBM-Accounting option-GLUK, DPHIL in Religious Studies-Southern Evangelical Seminary (USA), MA in Strategic Leadership-Luther Rice University, CPA-KASNEB and ACNC-KASNEB.

**(c) Fiduciary Management**

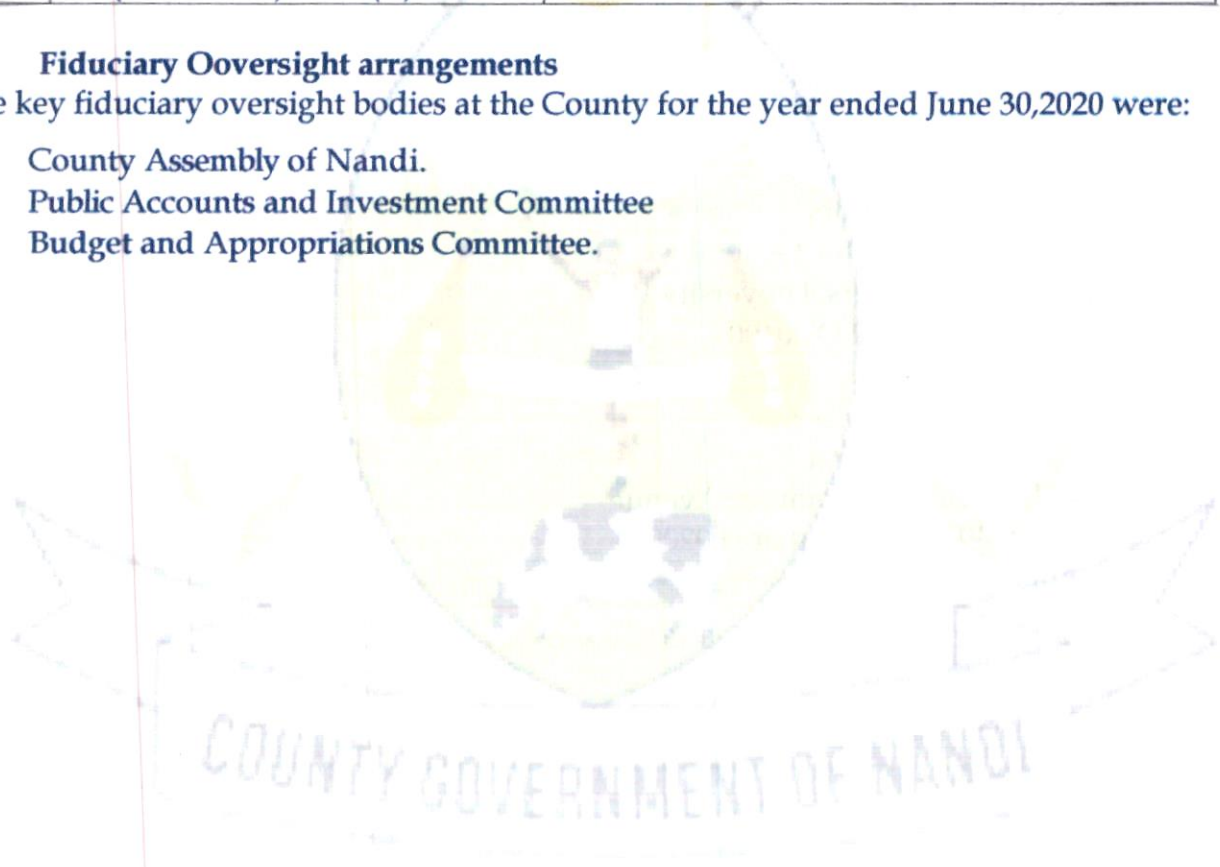
The key management personnel who were in office during the financial year ended June 30,2020 and who had direct fiduciary responsibility were:

| No. | Name  | Designation                         |
|-----|---|-------------------------------------|
| 1.  | CPA. Alfred Lagat Bcom,CPA (K),               | CECM, Finance and Economic Planning |
| 2.  | Mr. Meshack Malakwen BSc Agri,(MBA)           | Chief Officer Finance               |
| 3.  | CPA Hellen Kemboi, Bcom,CPA (K),(MBA Finance) | Director of Finance                 |
| 4.  | CPA Prisca Jepchirchir, BA(Economics) CPA (K) | Head of Budget & Economic Planning  |

**(d) Fiduciary Oversight arrangements**

The key fiduciary oversight bodies at the County for the year ended June 30,2020 were:

1. County Assembly of Nandi.
2. Public Accounts and Investment Committee
3. Budget and Appropriations Committee.



**(e) Entity Headquarters**

**1. County Government of Nandi**

P.O. Box 802 - 30300,  
Kapsabet, Kenya.

Telephone: (254) 053 525 2355

E-mail: [info@nandi.go.ke](mailto:info@nandi.go.ke)

Website: [www.nandi.go.ke](http://www.nandi.go.ke)

**2. Entity Bankers**

**a) Central Bank of Kenya Haile Selassie Avenue**

P.O. Box 60000  
City Square 00200,  
Nairobi, Kenya.

**b) Cooperative Bank**

P.O. Box 19828 - 00100,  
Nairobi, Kenya.

**3. Independent Auditors**

**Office of the Auditor General**

Anniversary Towers, University Way

P.O. Box 30084 -GPO 00100,

Nairobi, Kenya.

**4. Principal Legal Adviser**

**The Attorney General**

State Law Office Harambee Avenue

P.O. Box 40112 City Square 00200,

Nairobi, Kenya.

COUNTY GOVERNMENT OF NANDI

## 2. FORWARD BY THE CEC

It is my pleasure to present the Financial Statement for the County Government of Nandi for the year ended June 30,2020. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance.

The devolved system of governance consists of the National Government and 47 County Governments.

### a. Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Nandi County includes Health and Sanitation, Vehicle Parking Fees, Business Permits, Kiborgok tea Estate proceeds, liquor licensing, House and stall Rents, Cess, Plot Rents, Agriculture ,Market/Trade Centre fees ,Slaughter Houses Administration cost ,Sewerage and water, Cattle dips/veterinary and other small varied sources.

The County continues to explore new and innovative ways of increasing its own source revenue collections.

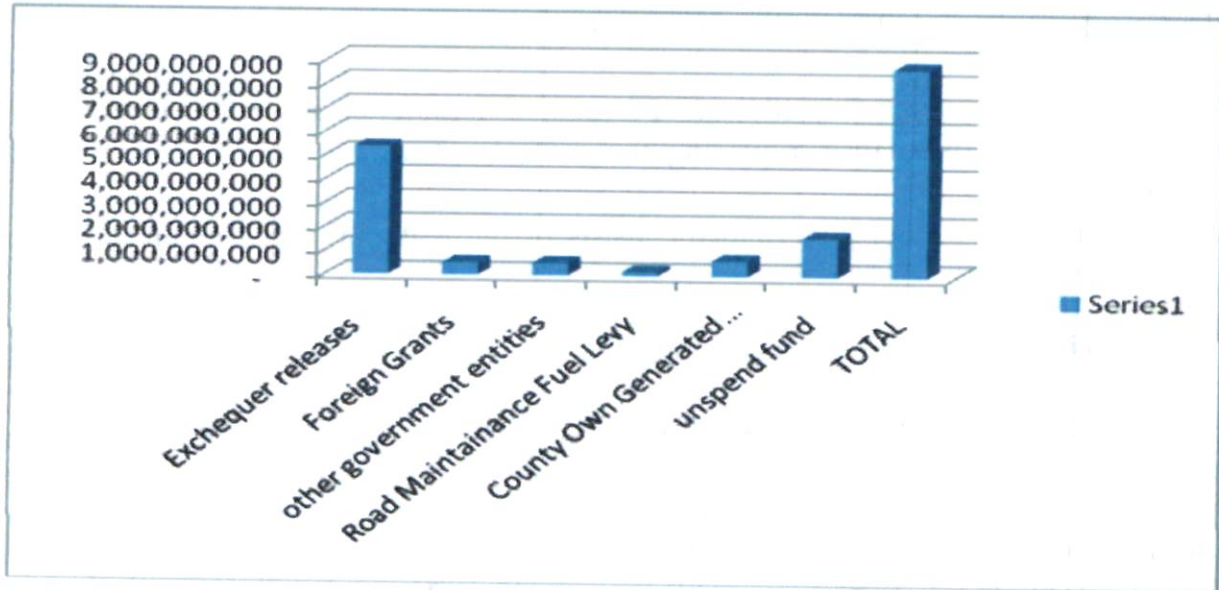
### b. Financial Performance

#### (i) Revenue

In the year ended June 30,2020, the County had projected revenues of Kshs 8,720,452,276 consisting of Kshs 629,900,204 from own sources and Kshs 8,090,552,072 from other sources ie equitable share, transfer from other government entities and proceeds from domestic and foreign grants.

A graphical representation of the revenue budget is as shown below:

1.0 Graph 1: Graphical Representation of the Budget

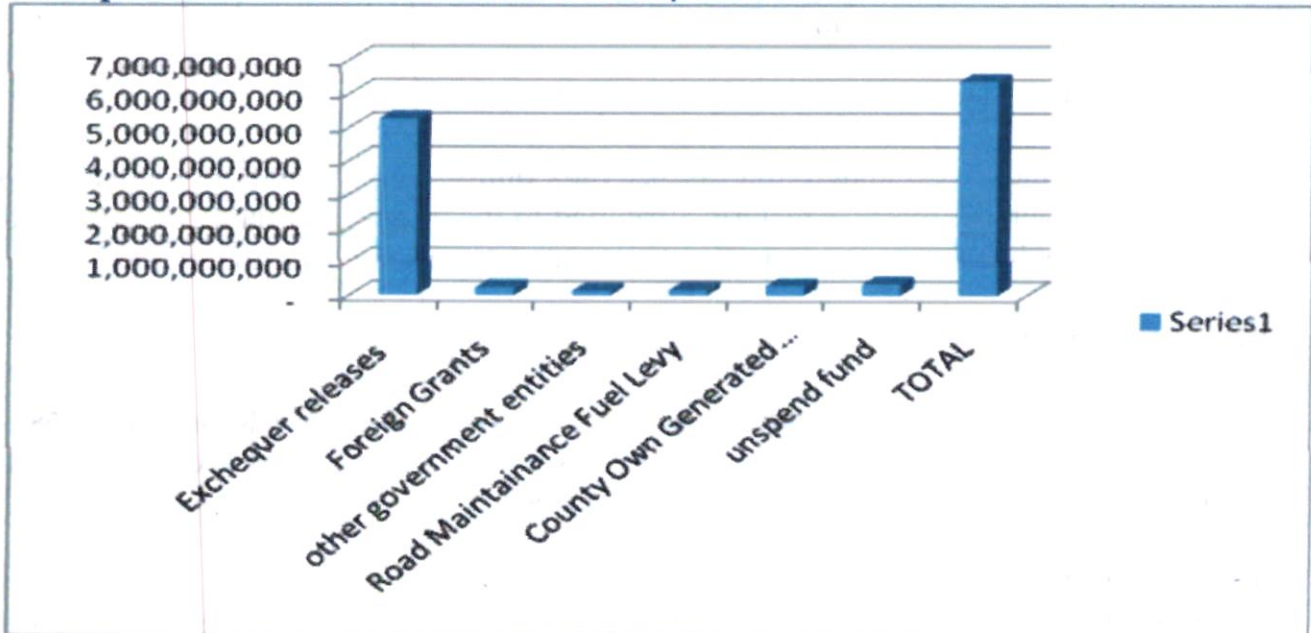


1.1 Figure 1: Nandi County revenue sources in FY 2019/2020

Sharable revenue continues to form the largest part of our revenue budget, contributing 61% towards our budget. Our own generated revenues formed 7% of our budget. In order to plug in the deficit, we projected revenue from grants and transfer from other government entities of 6 % and 8% respectively of our budget. Out of the projected revenue, the County was able to realize Kshs 6,671,704,894 in actual revenues, representing 76% performance. This performance decreased by 14% compared to previous financial year. In the table below, we present an analysis of revenue performance during the year.

| Revenue classification                    | Budgeted(Kshs)       | Actual (Kshs)        | Realization (%) |
|---|----------------------|----------------------|-----------------|
| Exchequer releases                        | 5,348,850,000        | 4,888,848,900        | 91%             |
| Proceeds from Domestic and Foreign Grants | 487,415,711          | 465,234,027          | 95%             |
| Transfers from Other Government Entities  | 498,161,000          | 253,522,061          | 51%             |
| Road Maintenance Fuel Levy                | 151,830,656          | 151,830,656          | 100%            |
| County Own Generated Receipts             | 629,900,204          | 282,051,152          | 44%             |
| Unspent fund                              | 1,604,294,705        | 630,218,098          | 39%             |
| <b>TOTAL</b>                              | <b>8,720,452,276</b> | <b>6,671,704,894</b> | <b>76%</b>      |

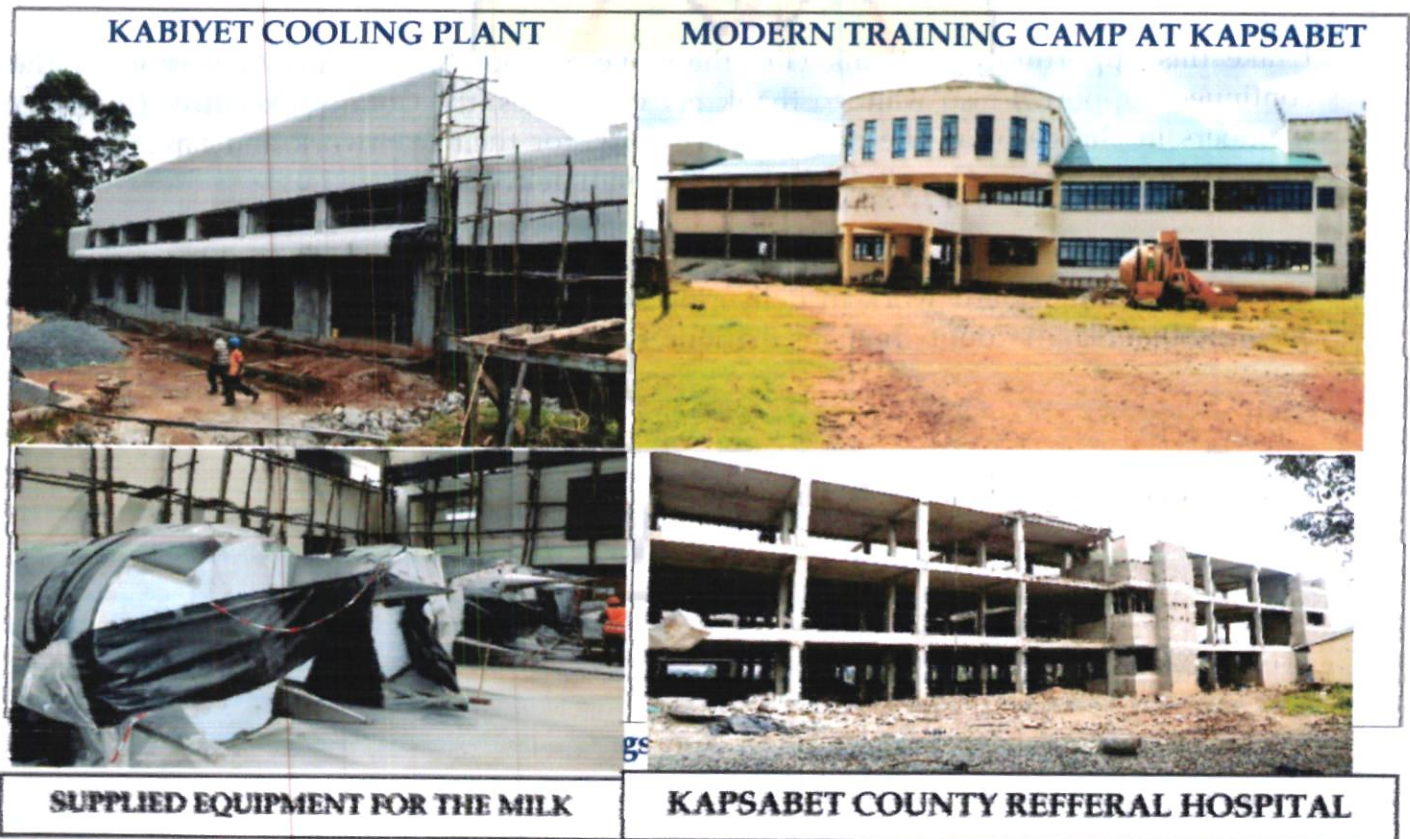
Graph 2: Revenue Performance in FY 2019/2020



(ii) Payments

Our total expenditure for the year amounted to Ksh 6,234,604,409 comprising of recurrent, other grants and transfers and development.

Some of the development projects in FY 2019/2020 included the following:



In the FY 2019/2020, we did experience cash flow disruptions. This was as a result of an outbreak of the COVID 19 pandemic which hampered with the disbursements by the National

Treasury. The cash and cash equivalents decreased from Kshs 630,218,098 as at 30<sup>th</sup> June 2019 to Kshs 437,100,485 as at 30<sup>th</sup> June 2020.

**(iv) Accounts Receivables**

During the financial year ended June 30, 2020 the County Government did not realise 100% in sharable revenue, this was majorly attributed to the outbreak of the Covid 19 pandemic where the June disbursement amounting to a tune of 460 million was not released.

**(v) Pending Bills**

The total pending bills as the end of the financial year was at a tune of Kshs 331,085,588. Our focus as a County is to settle bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of the same.

**(vi) Fixed Assets**

Nandi County Government has made significant investments in fixed assets since its inception in 2013. Additionally, we inherited some assets from the defunct local authorities. A newly developed asset management system is operational and currently we are in process of tagging all county assets, which we hope to finalize in FY 2020/2021. The system has among other things incorporated physical verification of all assets, valuation of assets and maintenance of asset register.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their continued support. I also want to thank my colleagues, the County Executive Committee Members in charge of all the other departments, for their teamwork and having worked tirelessly to ensure that County Government Nandi delivers.

I thank all staff in the entire County Government for their continued commitment and dedication through hard work in delivering services to the people of Nandi County and ensuring that Nandi County remains the source of champions.

Sign



CECM Finance and Economic Planning



### 3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

#### Introduction

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

#### Strategic development objectives

The County's 2018-2022 CIDP has identified seven key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Nandi County's 2018-2022 CIDP are to:

- a) Provide quality physical infrastructure in the County
- b) Provision of maternal and child health services.
- c) Improved livestock breed.
- d) Expansion of ECDE infrastructure.
- e) Construction and upgrading of sports facilities within the county.
- f) Establishment of resource centres at community level.
- g) Increased access to safe and clean water

#### Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

| Department                      | Objective  | Outcome  | Indicator   | Performance   |
|---------------------------------|--|--|---|---|
| Public Works, Roads & Transport | To develop and maintain roads and storm water drainage to global standards | Increased efficient transportation of people, goods and services | 70% of motorable and passable roads within the city | In FY 19/20 we increased motorable and passable roads by 10% the following No. of Km were maintained.2830 |
| Health                          | To reduce incidences   | Reduction of   | 60%   | In FY 19/20 we  |

| Services    | of child birth death        | child birth related complications | reduction of child birth death     | reduced incidents of child birth death by 10%  |
|-------------|-----------------------------|-----------------------------------|------------------------------------|--|
| Agriculture | To Improve livestock breeds | Improvement of livestock breed    | 70% Improvement of livestock breed | In FY 19/20 we improved livestock breed by 12% |

#### 4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Corporate social responsibility is an integral part of our culture. As a responsible organization, we respect the interests of our stakeholders – our employees, customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities around us.

During the financial year 2017/18, the County Government carried out its first two (2) corporate social responsibility activities. This includes:

##### 1. Environmental performance

County Government of Nandi indeed carried out environmental performance exercise; a clean-up exercise was carried out during the financial year within Kapsabet town and its environs.

##### 2. Employee welfare

Nandi county government has provided instruction, training and supervision so as to ensure health and safety at work of his workers.

Policies have been put in place to ensure Employment of worker at any machine or in any process that may cause ill health or bodily injury is prohibited unless worker has been fully instructed about the hazards involved and precautions that must be observed. Worker should be properly trained or required to work under supervision of experienced persons

##### 1. Market place practices-

###### a) Responsible Supply chain and supplier relation

During the financial year 19/20 there was timely payment to the suppliers.30% of the total contracts for the year were reserved to groups under AGPO

##### 2. Community Engagements-

During the budget making process public participations were conducted in all the six sub-counties during the financial year 19-20.Also access to Government procurement opportunities were provided.

## 5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of

each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 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 Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government'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

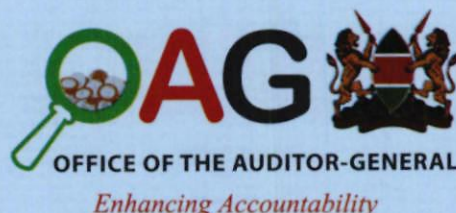
The County Government's financial statements were approved and signed by the CEC member for finance on 5<sup>th</sup> Feb, 2021.



County Executive Committee Member - Finance

# REPUBLIC OF KENYA

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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 FOR COUNTY EXECUTIVE OF NANDI FOR THE YEAR ENDED 30 JUNE, 2020

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Executive of Nandi set out on pages 1 to 46, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation-recurrent, development and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Nandi 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 County Government Act, 2012 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Inaccuracies in the Financial Statements

The financial statements reflect receipts and payments figures for various account items which are at variance with Integrated Financial Management Information System, IFMIS Reports as detailed below:

| Details                         | Financial Statements (Kshs.) | IFMIS Reports (Kshs.) | Variance (Kshs.) |
|---------------------------------|------------------------------|-----------------------|------------------|
| Exchequer releases              | 5,489,278,988                | 429,552,000           | 5,059,726,988    |
| Transfer from Other Governments | 270,156,656                  | 82,400,000            | 187,756,656      |
| County Own Generated Receipts   | 282,051,152                  | 62,562,202            | 219,488,950      |
| Returned CRF Issues             | 630,218,098                  | -                     | 630,218,098      |
| Compensation of Employees       | 3,191,219,469                | 3,655,472,893         | (464,253,423)    |
| Use of Goods and Services       | 846,152,271                  | 1,060,392,540         | (214,240,269)    |

| Details                            | Financial Statements (Kshs.) | IFMIS Reports (Kshs.) | Variance (Kshs.) |
|------------------------------------|------------------------------|-----------------------|------------------|
| Transfer to Other Government Units | 753,825,357                  | 0                     | 753,825,357      |
| Other Grants and Transfers         | 619,565,832                  | 106,105,940           | 499,266,040      |
| Acquisition of Assets              | 823,841,480                  | 838,594,960           | (14,753,479)     |
| Other Payments                     | 0                            | 471,445,408           | (471,445,408)    |

In absence of any reconciliation, the accuracy and completeness of the figures for the above account items as reflected in the financial statements for the year ended 30 June, 2020 could not be confirmed.

In the circumstance, the presentation, accuracy and completeness of exchequer releases totalling to Kshs.5,489,278,988 for the year ended 30 June, 2020 could not be confirmed.

## 2. Unsupported Payment to Kenya Revenue Authority (KRA)

As disclosed in Note 12 to the financial statements, the statements of receipts and payments reflects an expenditure of Kshs.846,152,271 in respect of use of goods and services which include other operating expenses amounting to Kshs.209,535,311. The amount constitutes a balance of Kshs.202,895,083 which was paid to KRA. Although, bank statements showing deductions and communication between the County Executive and KRA on payment plan were seen, related payment vouchers were not provided for audit review.

In the circumstances, the accuracy, completeness, and propriety of the payment amounting to Kshs.202,895,083 for the year ended 30 June, 2020 could not be confirmed.

## 3. Unsupported Scholarships and Other Educational Benefits

As disclosed in Note 15 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.619,565,832 in respect of other grants and transfers which includes payments for scholarships and other educational benefits amounting to Kshs.21,251,649. However, transfer vouchers, cash book and expenditure returns to account for the transfers made were not provided for audit verification.

Consequently, the accuracy and validity of the transfers made for scholarships and other educational benefits of Kshs.21,251,649 for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Nandi 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 qualified opinion.

### **Emphasis of Matter**

#### **Pending Bills**

##### **i) Accumulation of Pending Bills**

Annex 2 to the financial statements shows pending accounts payables totalling to Kshs.331,085,588 as at 30 June, 2020. However, the annexure does not indicate the movement of the pending bills during the financial year 2018/2019 as required under the reporting template prescribed by the Public Sector Accounting Standards Board. Accumulation of unpaid bills contravened National Treasury Circular Ref. AG 3/101/75 which requires Accounting Officers, to ensure prudent use of resources and avoid accumulation of pending bills.

##### **ii) Outstanding Electricity Bills Owed to The Kenya Power and Lighting Company Plc**

Further, according to The National Treasury Circular No.17/2020 Ref. IGRF/COD/01/E/45 dated 24 August 2020, the County Executive of Nandi owed The Kenya Power and Lighting Company, Plc a total of Kshs.2,691,929 comprising of June, 2020 bill of Kshs.1,092,067 and arrears of Kshs.1,599,862 as at 30 June, 2020. The amount owed to KPLC therefore, constitutes part of accounts payables but not disclosed in the financial statements for the year under audit. Management has not given any explanation for the omission or registered any dispute on the Report.

##### **iii) Long Outstanding Debts – Ministry of Health**

In addition, during 2013/2014 financial year, the Ministry of Health paid on behalf of the Nandi County Government salaries totalling to Kshs.316,123,713 which were to be recovered in the same financial year. Documents and information available indicate that the County Government of Nandi did not make payment to the Ministry of Health. The amount has remained outstanding to date but was not included as part of the pending bills as at 30 June, 2020 in the financial statements for the year then ended. Management has not given any explanation for the omission and has not disputed the liability.

My opinion is not modified based on the effects of the above matter

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.8,720,452,281

and Kshs.6,671,704,84 respectively resulting to an under-funding of Kshs.2,048,747,386 or 23% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.8,720,452,281 and Kshs.6,234,604,409 respectively resulting to an under-funding of Kshs.2,485,847,872 or 29% of the budget. The expenditure was limited to the amount realised.

Management explained that the variances mainly occurred as a result of failure to collect own generated receipts, low transfers from other Government entities and delays in the disbursement of funds from the National Government. The delay has the effect of denying the residents of Nandi County the benefits accruing from the planned projects.

The underfunding and under-expenditure affected the planned activities and impacted adversely on service delivery to the residents of Nandi County.

## **2.0 Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for 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**

#### **1. Unconfirmed County Own Generated Receipts - Kiborgok Tea Proceeds**

As disclosed in Note 9 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.282,051,152 under county own generated receipts which constitutes an amount of Kshs.15,352,946 received from Kiborgok tea proceeds. The proceeds arise from contract agreement between the County Government of Nandi and Chebut Tea Factory signed on 2 February, 2018. Review of the contract revealed the following anomalies:

- i. The contract was entered between the CEC Finance and Economic Planning and Chebut Tea Factory instead of the CEC Agriculture.

- ii. The County Government has another tea estate measuring approximately 3 hectares which is managed under the factory but no contract was provided for the same.
- iii. The tea factory had leased 2 tractors from the County Government but no lease agreement was provided for audit verification.
- iv. According to the revenue schedule from Chebut Tea Factory, the County Government was paid Kshs.229,890 for leasing out the 2 tractors during the financial year 2019/2020. However, according to the fifteenth schedule Part 1 of Nandi County Finance Act, 2019, the tea factory should have remitted an amount of Kshs.8,064,000 since it had the tractors throughout the financial year.
- v. The County Government did not provide the title deeds for the 2 farms under Chebut Tea Factory to confirm ownership status of the land.
- vi. According to Section 4.1 of the contract agreement, the County Government as the principal ought to have entered into agreement with the pluckers and not the agent (factory).
- vii. The rates being offered by Chebut Tea Factory are decided by its directors and not according to the prevailing market rates.
- viii. The Tea Factory deducts for expenses which includes farm security and new factory project from tea sale proceeds, yet the expenses are borne by the County Government but the same were not provided for in the contract.

From the forgoing, Management is in breach of the law.

## **2. Non-Compliance with the Law on Fiscal Responsibility - Wage Bill**

The statements of receipts and payments reflects an expenditure of Kshs.3,191,219,469 on compensation of employees representing 53% of the total receipts of Kshs.6,041,486,796. This is contrary to the provisions of Regulation 25(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which limits the County Executive's expenditure on wages and benefits to not more than 35% of the total revenue for the year.

Consequently, Management is in breach of the law.

## **3. Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees of County Assembly was four thousand nine hundred and five (4,905) employees out of which four thousand six hundred and sixty-nine (4,669) or 95% were members of the dominant ethnic community in the county. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to



represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community”.

Further, out of the seventy-five (75) new employees recruited by Nandi County Public Service Board during the year, 97% were from the dominant community. This was contrary to provisions of Section 65(1e) of County Governments Act, 2012 which requires that, in selecting candidates for appointment, the board shall consider the need to ensure that at least thirty percent (30%) of the vacant positions at the entry level are filled by candidates who are not from the dominant ethnic community in the County.

In addition, Management did not provide an approved Staff Establishment for audit review. In the circumstances, it could not be confirmed whether the vacancies were filled in accordance with Part B.5(2) of the County Human Resources Manual, 2013.

From the foregoing, Management is in breach of the law.

#### **4. Non-Compliance with the One Third of Basic Salary Rule**

During the year ended 30 June, 2019, review of the payroll for the months of January to June 2020 revealed that a number of employees earned a net salary of less than a third (1/3) of the basic salary as shown below: -

| <b>Salary Month</b>  | <b>January 2020</b> | <b>February 2020</b> | <b>March 2020</b> | <b>April 2020</b> | <b>May 2020</b> | <b>June 2020</b> |
|--|---------------------|----------------------|-------------------|-------------------|-----------------|------------------|
| Number of employees whose net salaries were less than one third of their basic salaries. | 29                  | 19                   | 34                | 9                 | 5               | 4                |

This is contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 and Section 19 (3) of the Employment Act, 17 of 2007 which requires that deductions made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages. Management has not given explanation for failure to comply with the policy.

In the circumstances, Management is in breach of the law.

#### **5. Delayed Construction of Urban Economic and Infrastructure Project**

As disclosed in Note 15 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.619,565,832 under Other grants and transfers which includes an amount of Kshs.101,143,935 in respect of the Kenya Urban Support Project, KUSP. The expenditure includes an amount of Kshs.52,808,618 paid to a construction company for proposed construction of urban economic and infrastructure project. However, the following unsatisfactory matters were noted:

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*Report of the Auditor-General on County Executive of Nandi for the year ended 30 June, 2020*

- i. Review of the project bills of quantities revealed that a sum of Kshs.5,500,000 was provided for and paid under Certificate No. 03. However, documents were not provided to support or account for the payment made.
- ii. According to the agreement signed between the construction firm and the County Government on 14 May, 2020, the contract period was extended for 8 weeks effective 2 April, 2020 until 30 June, 2020. However, physical verification on the site revealed that the project was about 90% complete. No explanation was provided for the delayed completion of the project by the contractor despite the extension.
- iii. The Kenya Power and Lighting Company's approval for the street lighting under the project was not provided for audit while publicity boards/signage for Jua Kali shades and the street lighting projects were not erected.

In the circumstances, it has not been possible to ascertain whether public resources have been utilised effectively and value for money realised from the payments of Kshs.52,808,618 made to the contractor.

## **6. Acquisition of Assets**

### **6.1 Delayed Installation and Commissioning of a Project**

As disclosed in Note 17 to the financial statements, the statement of receipts and payments reflects acquisition of assets expenditure amounting to Kshs.823,841,480 which includes an amount of Kshs.102,190,154 paid in respect of a contract for the design, supply, delivery, installation and commissioning of Nandi Co-operative Creameries Milk Processing Plant and civil works that was signed on 14 June, 2019. Included in the latter are payments totalling Kshs.65,000,000 made to Co-operative Bank of Kenya against a letter of credit for payment to the construction company.

Further, the Department of Agriculture under NARIGP project made a transfer of Kshs.55,808,331 towards issuance of a letter of credit to the equipment supplier. Verification of documents provided revealed. The tender for the supply and delivery of the equipment was entered into before the main builder's works were completed and the equipment delivered are likely to lie idle over a long period of time. A site visits carried out revealed the following anomalies:

The quality, efficiency and performance of the machines delivered could not be confirmed as the machines had not been put into use and inspection reports were not provided.

- i. It is not clear how NARIGP came on board as no agreement with the donor to finance the project was provided for audit review.
- ii. As at the time of our audit, it could not be confirmed how much had been transferred to the supplier and how much was still held by the banks against the letters of credit issued due to the fact that documentary evidence relating

to instructions to the banks and transfer documents to the supplier were not provided for audit review.

- iii. Copies of the letters of credit issued by the banks to the supplier were not provided for audit verification.
- iv. Inspection and acceptance committee reports giving an okay for transfers of funds to the supplier against verified deliveries were not produced.

In the circumstances, County Government may not get value for money from the equipment.

## **6.2 Incomplete Utilisation of an Enterprise Resource Planning System**

As disclosed in Note 17 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.823,841,480 under acquisition of assets which constitutes a balance of Kshs.19,520,560 in respect of purchase of ICT equipment and Kshs.9,494,994 in respect of acquisition of intangible assets all amounting to Kshs.29,015,554. Verification of documents revealed that forty-nine (49) features under the ten (10) modules could not be captured and were not functioning. It was not clear whether all the features were required by the institution.

In the circumstances, the County Executive may not have received value for money from the payment for modules that were not developed and applied.

## **7. Stalled Project on Construction of Nandi County Governor's Office**

As reported in the previous year, the County Executive hired a contractor to build the County Governor's Office at a cost of Kshs.103,383,420. Thereafter, the contract was varied to accommodate an additional floor at a cost of Kshs.21,191,200 equivalent to 20.5% of the original contract price.

Review of the progress on the project revealed that payments totalling Kshs.97,685,287 had been made to the contractor. However, the contractor was not on site and the project had stalled. In addition, the County budget for the year 2019/2020 provided for an allocation of Kshs.20,780,655 to the project towards its completion but the funds were not utilized.

In view of the delay, no value has been obtained on payments totalling to Kshs.97,685,287 made to the contractor.

## **8. Leased Medical Equipment**

As reported in the previous year, the County Executive signed a Memorandum of Understanding with the National Government for provision of medical equipment and related services. The equipment was to be procured by the National Government and thereafter supplied to the County in several lots as follows: Lot 1 - Theatre Equipment, Lot 2 - Theatre Sterilization Equipment, Lot 5- Renal Dialysis Equipment, Lot 6 - Intensive Care Unit Equipment and Lot 7- Radiology /Imaging Equipment.

Records presented for audit indicated that an amount of Kshs.131,914,894 was directly deducted by The National Treasury from the equitable share of revenue for payment for the leased equipment during the year under review, thereby bringing the total lease rental payments made by the County Executive to Kshs.522 million as at 30 June, 2020.

Further, Lot 6 - Intensive Care Unit Equipment has not delivered. As a result, Nandi County did not establish an Intensive Care Unit as expected.

However, the values of the equipment supplied were not reflected in the County's asset records and the criteria used to charge the lease rentals could not be confirmed.

In view of these anomalies, the valuation of the assets obtained through the Scheme, and validity of the lease payments amounting to Kshs.131,914,894 for the year could not be confirmed.

#### **9. Non-Compliance with the Public Finance Management (County Governments) Regulations, 2015**

During the year under review, the Nandi County Assembly had an approved budget of Kshs.674,665,357, equivalent to 10% of the total revenues of the county government of Kshs.6,671,704,894. The former exceeded the lower of seven per cent of the total revenues of the county government of Kshs.6,671,704,894 or twice the personnel emoluments of the County Assembly of Kshs.743,754,274, (whichever is lower). This is contrary to Regulation 25 (1)(f) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, Management is in breach of the law.

#### **10. Delayed Completion of Projects**

Physical verification of projects was conducted in the December, 2020 and January, 2021. A total of forty-six (46) projects with a total budget of Kshs.733,244,090 and total payments of Kshs.411,189,931 were verified. Out of the forty six (46) projects verified, thirty-four (34) projects were complete. However, the twelve (12) projects with total payments of Kshs.311,578,818 were found either not complete and put into use or works were ongoing or the contractors were not on site.

Consequently, value for money has not been realized because of the inefficiencies in the implementation of some of the projects.

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, GOVERNANCE RISK MANAGEMENT

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness on Internal Controls, Risk Management and Governance 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. Fixed Assets Register**

Annex 5 - summary of fixed assets register to the financial statements discloses the total value of the County Executive's fixed assets as at 30 June, 2020 amounted to Kshs.6,733,309,506. The balance excludes assets which had been taken over from defunct local authorities which includes land, buildings, motor vehicles, computers and other office equipment. The fixed assets register was not provided for audit review.

In the circumstances, it has not been possible to ascertain the value of the assets owned by the County Government of Nandi

### **2. Internal Audit Function and Audit Committee**

During the year under review, the Internal Audit Unit was reporting both functionally and administratively to the Accounting Officer while the Audit committee members had also resigned after citing lack of goodwill from the management in discharging their duty. Whereas the Internal Audit Department is well staffed with twelve (12) officers, who are duly qualified to discharge their mandate, the function had no budgetary provision to support its activities.

Consequently, internal audit function lacks operational independence and may not adequately discharge its mandate.

### **3. Information and Communication Technology**

Review of the Information Technology internal controls revealed that the County Executive did not have an approved ICT Policy, IT security policy, policy on physical access to IT environment and IT continuity and disaster recovery plan to guide ICT operations. It did not have an approved IT steering committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly. No risk assessment was done during the year and no risk management policy was in place. As a result, there is a likelihood that risks occurring in the normal course of operations of the County Government may not be identified and corrected.

In the circumstances it has not been possible to establish whether the County Executive have an effective ICT infrastructure to assist in the achievement of organizational objectives.

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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intentions to dissolve the County Executive or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 going concern 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 Executive'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 Executive to cease to continue sustaining 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 Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 December, 2021

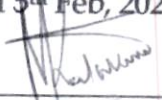



**7. FINANCIAL STATEMENTS**

**7.1 STATEMENT OF RECEIPTS AND PAYMENTS**

|  | Notes | 2019-2020<br>KShs           | 2018-2019<br>KShs           |
|--|-------|-----------------------------|-----------------------------|
| <b>RECEIPTS</b>  |       |                             |                             |
| Exchequer releases                                       | 1     | 5,489,278,988               | 6,846,540,611               |
| Proceeds from Domestic and Foreign Grants                | 2     | -                           | -                           |
| Transfers from Other Government Entities                 | 3     | 270,156,656                 | 177,409,091                 |
| Proceeds from Domestic Borrowings                        | 4     | -                           | -                           |
| Proceeds from Foreign Borrowings                         | 5     | -                           | -                           |
| Proceeds from Sale of Assets                             | 6     | -                           | -                           |
| Reimbursements and Refunds                               | 7     | -                           | -                           |
| Returns of Equity Holdings                               | 8     | -                           | -                           |
| County Own Generated Receipts                            | 9     | 282,051,152                 | 286,235,013                 |
| Returned CRF issues                                      | 10,25 | 630,218,098                 | -                           |
| <b>TOTAL RECEIPTS</b>                                    |       | <b><u>6,671,704,894</u></b> | <b><u>7,310,184,715</u></b> |
| <b>PAYMENTS</b>  |       |                             |                             |
| Compensation of Employees                                | 11    | 3,191,219,469               | 2,853,606,088               |
| Use of goods and services                                | 12    | 846,152,271                 | 1,393,082,676               |
| Subsidies  | 13    | -                           | -                           |
| Transfers to Other Government Units                      | 14    | 753,825,357                 | 840,570,909                 |
| Other grants and transfers                               | 15    | 619,565,832                 | 427,522,230                 |
| Social Security Benefits                                 | 16    | -                           | -                           |
| Acquisition of Assets                                    | 17    | 823,841,480                 | 1,991,372,897               |
| Finance Costs, including Loan Interest                   | 18    | -                           | -                           |
| Repayment of principal on Domestic and Foreign borrowing | 19    | -                           | -                           |
| Other Payments   | 20    | -                           | -                           |
| <b>TOTAL PAYMENTS</b>                                    |       | <b><u>6,234,604,409</u></b> | <b><u>7,506,154,799</u></b> |
| <b>SURPLUS/DEFICIT</b>                                   |       | <b><u>437,100,485</u></b>   | <b><u>(195,970,084)</u></b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 5<sup>th</sup> Feb, 2021 and signed by:


  
 \_\_\_\_\_  
 Chief Officer  
 Name: Meshack K Malakwen

  
 \_\_\_\_\_  
 Director Finance  
 Name: CPA Hellen Kemboi  
 ICPAK Member Number: 11936

7.1. STATEMENT OF ASSETS AND LIABILITIES

|   | Notes | 2019-2020<br>KShs         | 2018-2019<br>KShs         |
|---|-------|---------------------------|---------------------------|
| <b>FINANCIAL ASSETS</b>                     |       |                           |                           |
| <b>Cash and Cash Equivalents</b>            |       |                           |                           |
| Bank Balances                               | 21A   | 437,071,221               | 352,583,562               |
| Cash Balances                               | 21B   | 29,266                    | 67,230                    |
| <b>Total Cash and cash equivalent</b>       |       | <b><u>437,100,486</u></b> | <b><u>352,650,792</u></b> |
| Accounts receivables - Outstanding Imprests | 22    | -                         | -                         |
| <b>Total Financial Assets</b>               |       | <b><u>437,100,486</u></b> | <b><u>352,650,792</u></b> |
| <b>FINANCIAL LIABILITIES</b>                |       |                           |                           |
| Accounts Payables - Deposits and retentions | 23    | -                         | -                         |
| <b>Net Financial Assets</b>                 |       | <b><u>437,100,486</u></b> | <b><u>352,650,792</u></b> |
| <b>REPRESENTED BY</b>                       |       |                           |                           |
| Fund balance b/fwd                          | 24    | -                         | 548,620,876               |
| Prior year adjustments                      | 25    | -                         | -                         |
| Surplus/Deficit for the year                |       | 437,100,485               | (195,970,084)             |
| <b>Net Financial Position</b>               |       | <b><u>437,100,486</u></b> | <b><u>352,650,792</u></b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 5<sup>th</sup> Feb, 2021 and signed by:

  
 Chief Officer Finance  
 Name: Meshack K Malakwen

  
 Director Finance  
 Name: CPA Hellen Kemboi  
 ICPAK Member Number: 11936

7.2. STATEMENT OF CASH FLOWS

|  | Note | 2019-2020<br>KShs    | 2018-2019<br>KShs    |
|--|------|----------------------|----------------------|
| <b>Receipts from operating income</b>                                |      |                      |                      |
| Exchequer Releases   | 1    | 5,489,278,988        | 6,846,540,611        |
| Proceeds from Domestic and Foreign Grants                            | 2    | -                    | -                    |
| Transfers from Other Government Entities                             | 3    | 270,156,656          | 177,409,091          |
| Reimbursements and Refunds   | 7    | -                    | -                    |
| Returns of Equity Holdings   | 8    | -                    | -                    |
| County Own Generated Receipts  | 9    | 282,051,152          | 286,235,013          |
| Returned CRF issues  | 10   | -                    | -                    |
| <b>Payments for operating expenses</b>                               |      |                      |                      |
| Compensation of Employees  | 11   | (3,191,219,469)      | (2,853,606,088)      |
| Use of goods and services  | 12   | (846,152,271)        | (1,393,082,676)      |
| Subsidies  | 13   | -                    | -                    |
| Transfers to Other Government Units                                  | 14   | (753,825,357)        | (840,570,909)        |
| Other grants and transfers   | 15   | (619,565,832)        | (427,522,230)        |
| Social Security Benefits   | 16   | -                    | -                    |
| Finance Costs, including Loan Interest                               | 18   | -                    | -                    |
| Other Payments   | 20   | -                    | -                    |
| <b>Adjusted for:</b>   |      |                      |                      |
| Decrease/(Increase) in Accounts receivable:<br>(outstanding imprest) | 26   | -                    | -                    |
| Increase/(Decrease) in Accounts Payable:<br>(deposits and retention) | 27   | -                    | -                    |
| Other Adjustments  | 28   | -                    | -                    |
| <b>Net cash flow from operating activities</b>                       |      | <u>630,723,867</u>   | <u>1,795,402,813</u> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                            |      |                      |                      |
| Proceeds from Sale of Assets   | 6    | -                    | -                    |
| Acquisition of Assets  | 17   | (823,841,480)        | (1,991,372,897)      |
| <b>Net cash flows from Investing Activities</b>                      |      | (823,841,480)        | (1,991,372,897)      |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                            |      |                      |                      |
| Proceeds from Domestic Borrowings                                    | 4    | -                    | -                    |
| Proceeds from Foreign Borrowings                                     | 5    | -                    | -                    |
| Repayment of principal on Domestic and Foreign<br>borrowing          | 19   | -                    | -                    |
| <b>Net cash flow from financing activities</b>                       |      | -                    | -                    |
| <b>NET INCREASE/DECREASE IN CASH AND CASH<br/>EQUIVALENTS</b>        |      | <u>(193,117,613)</u> | <u>(195,970,084)</u> |
| Cash and cash equivalents at BEGINNING of the year                   | 21   | 630,218,098          | 548,620,876          |



7.3. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item                      | Original Budget      | Adjustments        | Final Budget         | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
|   | a                    | b                  | c=a+b                | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                           |                      |                    |                      |                            |                               |                  |
| Exchequer releases                        | 5,239,000,000        | 11,850,000         | 5,250,850,000        | 4,979,287,436              | 271,562,564                   | 95%              |
| Proceeds from Domestic and Foreign Grants | 236,560,282          | 138,235,209        | 374,795,491          | 374,795,491                | -                             | 100%             |
| Transfers from Other Government Entities  | 498,161,000          | 210,620,225        | 708,781,225          | 253,522,061                | 455,259,164                   | 36%              |
| Road Maintenance Fuel Levy                | 151,830,656          | -                  | 151,830,656          | 151,830,656                | -                             | 100%             |
| County Own Generated Receipts             | 376,829,833          | 253,070,371        | 629,900,204          | 282,051,152                | 347,849,052                   | 45%              |
| Returned CRF issues                       | 1,604,294,705        |                    | 1,604,294,705        | 630,218,098                | 974,076,607                   | 39%              |
| <b>TOTAL</b>                              | <b>8,106,676,476</b> | <b>613,775,805</b> | <b>8,720,452,281</b> | <b>6,671,704,894</b>       | <b>2,048,747,386</b>          | <b>77%</b>       |
| <b>PAYMENTS</b>                           |                      |                    |                      |                            |                               |                  |
| Compensation of Employees                 | 2,947,770,854        | 482,457,335        | 3,430,228,189        | 3,191,219,469              | 239,008,720                   | 93%              |
| Use of goods and services                 | 927,201,643          | 43,784,438         | 970,986,081          | 846,152,271                | 124,833,809                   | 87%              |
| Other grants and transfers                | 1,107,684,999        | -                  | 1,107,684,999        | 619,565,832                | 488,119,167                   | 56%              |
| Acquisition of Assets                     | 2,163,033,994        | 87,534,032         | 2,250,568,026        | 823,841,480                | 1,426,726,546                 | 37%              |
| Transfers to Other Government Entities    | 960,984,986          | -                  | 960,984,986          | 753,825,357                | 207,159,629                   | 78%              |
| <b>TOTAL</b>                              | <b>8,106,676,476</b> | <b>613,775,805</b> | <b>8,720,452,281</b> | <b>6,234,604,409</b>       | <b>2,485,847,872</b>          | <b>71%</b>       |
|   | (0)                  | -                  | (0)                  | 437,100,485                | (437,100,486)                 | 0                |

- (a) The 91% receipts in exchequer releases was due to timely release by the National Government ]during the financial year 2019/2020
- (b) The 100 % realization of receipts under road maintenance fuel levy was attributed to timely release by the national treasury.
- (c) The 40 % under utilization of the development fund was attributed to the un finished projects, most of the projects were works in Progress

The entity financial statements were approved on 5<sup>th</sup> Feb,2021 and signed by:

Chief Officer Finance  
Name: Meshack K Malakwen

Director Finance  
Name: CPA Hellen Kemboi  
ICPAK Member Number: 11936

(SUMMARY STATEMENT OF APPROPRIATION: RECURRENT


| Receipt/Expense Item                      | Original Budget      | Adjustments        | Final Budget         | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
|   | a                    | b                  | c=a+b                | d                          | e=c-d                         | f=d/%            |
| <b>RECEIPTS</b>                           |                      |                    |                      |                            |                               |                  |
| Exchequer releases                        | 3,667,300,000        | 11,850,000         | 3,679,150,000        | 3,512,632,766              | 166,517,234                   | 95%              |
| Proceeds from Domestic and Foreign Grants | 203,766,984          | 138,235,209        | 342,002,193          | 342,002,193                | -                             | 100%             |
| Transfers from Other Government Entities  | -                    | 123,086,193        | 123,086,193          | 118,326,000                | 4,760,193                     | 96%              |
| County Own Generated Receipts             | 376,829,833          | 253,070,371        | 629,900,204          | 282,051,152                | 347,849,052                   | 45%              |
| Returned CRF issues                       | 535,401,473          |                    | 535,401,473          | 535,401,473                | -                             | 100%             |
| <b>TOTAL</b>                              | <b>4,783,298,290</b> | <b>526,241,773</b> | <b>5,309,540,063</b> | <b>4,790,413,584</b>       | <b>519,126,479</b>            | <b>90%</b>       |
| <b>PAYMENTS</b>                           |                      |                    |                      |                            |                               |                  |
| Compensation of Employees                 | 2,947,770,854        | 482,457,335        | 3,430,228,189        | 3,191,219,469              | 239,008,720                   | 93%              |
| Use of goods and services                 | 927,201,643          | 43,784,438         | 970,986,081          | 846,152,271                | 124,833,809                   | 87%              |
| Other grants and transfers                | 356,900,043          | -                  | 356,900,043          | 140,720,603                | 216,179,440                   | 39%              |
| Transfers to Other Government Entities    | 551,425,750          |                    | 551,425,750          | 551,425,750                | -                             | 100%             |
| <b>TOTAL</b>                              | <b>4,783,298,290</b> | <b>526,241,773</b> | <b>5,309,540,063</b> | <b>4,729,518,093</b>       | <b>580,021,970</b>            | <b>89%</b>       |
|   | -                    | -                  | -                    | <b>60,895,491</b>          | <b>(60,895,491)</b>           |                  |

(d) The 91% receipts in exchequer releases was due to timely release by the National Government ]during the financial year 2019/2020

(e) The 100 % realization of receipts under road maintenance fuel levy was attributed to timely release by the national treasury.

(f) The 40 % under utilization of the development fund was attributed to the un finished projects, most of the projects were works in Progress

The entity financial statements were approved on 5<sup>th</sup> Feb, 2021 and signed by:

  
**Chief Officer Finance**  
 Name: Meshack K Malakwen

  
**Director Finance**  
 Name: CPA Hellen Kemboi  
 ICPAK Member Number: 11936

7.4. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

| Receipt/Expense Item                      | Original Budget      | Adjustments       | Final Budget         | Actual on Comparable Basis | Budget utilization Difference | % of utilization |
|---|----------------------|-------------------|----------------------|----------------------------|-------------------------------|------------------|
|   | a                    | b                 | c=a+b                | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                           |                      |                   |                      |                            |                               |                  |
| Exchequer releases                        | 1,571,700,000        | -                 | 1,571,700,000        | 1,466,654,670              | 105,045,330                   | 93%              |
| Proceeds from Domestic and Foreign Grants | 32,793,298           | -                 | 32,793,298           | 32,793,298                 | -                             | 100%             |
| Transfers from Other Government Entities  | 498,161,000          | 87,534,032        | 585,695,032          | 135,196,061                | 450,498,971                   | 23%              |
| Road Maintenance Fuel Levy                | 151,830,656          |                   | 151,830,656          | 151,830,656                | -                             | 100%             |
| Returned CRF issues                       | 1,068,893,232        |                   | 1,068,893,232        | 94,816,625                 | 974,076,607                   | 9%               |
| <b>TOTAL</b>                              | <b>3,323,378,186</b> | <b>87,534,032</b> | <b>3,410,912,218</b> | <b>1,881,291,310</b>       | <b>1,529,620,907</b>          | <b>55%</b>       |
| <b>PAYMENTS</b>                           |                      |                   |                      |                            |                               |                  |
| Other grants and transfers                | 750,784,956          | -                 | 750,784,956          | 478,845,229                | 271,939,727                   | 64%              |
| Acquisition of Assets                     | 2,163,033,994        | 87,534,032        | 2,250,568,026        | 823,841,480                | 1,426,726,546                 | 37%              |
| Transfers to Other Government Entities    | 409,559,236          | -                 | 409,559,236          | 202,399,607                | 207,159,629                   | 49%              |
| <b>TOTAL</b>                              | <b>3,323,378,186</b> | <b>87,534,032</b> | <b>3,410,912,218</b> | <b>1,505,086,316</b>       | <b>1,905,825,902</b>          | <b>44%</b>       |
|   | (0)                  | -                 | (0)                  | 376,204,994                | (376,204,995)                 | 0                |

(g) The 91% receipts in exchequer releases was due to timely release by the National Government ]during the financial year 2019/2020

(h) The 100 % realization of receipts under road maintenance fuel levy was attributed to timely release by the national treasury.

(i) The 40 % under utilization of the development fund was attributed to the un finished projects,most of the projects were works in Progress.

The entity financial statements were approved on 5<sup>th</sup> Feb, 2021

  
 Chief Officer Finance  
 Name: Meshack K Malakwen

  
 Director Finance  
 Name: CPA Hellen Kemboi  
 ICPAK Member Number: 11936

7.5. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Head       | Program    | Description   | Approved Budget | Actual Payments | Variance       |
|------------|------------|---|-----------------|-----------------|----------------|
| 4411000100 |            | Office of Governor  | 587,402,580.00  | 449,941,856.80  | 137,460,723.20 |
|            | 0701004410 | General Administration and Support Services                 | 582,402,580.00  | 449,941,856.80  | 132,460,723.20 |
|            | 0708004410 | Disaster Risk Reduction and Emergency                       | 0.00            | 0.00            | 0.00           |
|            | 0706004410 | Enforcement of Domesticated or Enacted Laws and Regulations | 0.00            | 0.00            | 0.00           |
|            | 0705004410 | Facilitation of Public Participation Forums                 | 0.00            | 0.00            | 0.00           |
|            | 0709004410 | County Bursary Scheme                                       | 0.00            | 0.00            | 0.00           |
|            | 0704004410 | Public Sector Advisory                                      | 0.00            | 0.00            | 0.00           |
|            | 0707004410 | Physical Infrastructure                                     | 0.00            | 0.00            | 0.00           |
|            | 0404004410 | Health care Infrastructure                                  | 0.00            | 0.00            | 0.00           |
|            | 0101004410 | Administration and general support services                 | 5,000,000.00    | 0.00            | 5,000,000.00   |
|            | 0702004410 | County Executive Committee Services                         | 0.00            | 0.00            | 0.00           |
|            | 0703004410 | Coordination of County Functions                            | 0.00            | 0.00            | 0.00           |
|            | 0501004410 | General administration & support services                   | 0.00            | 0.00            | 0.00           |
| 4411000200 |            | Office of the Deputy Governor                               | 0.00            | 0.00            | 0.00           |
|            | 0704004410 | Public Sector Advisory                                      | 0.00            | 0.00            | 0.00           |
| 4411000300 |            | County Administration and Public Service                    | 20,780,655.00   | 514,500.00      | 20,266,155.00  |
|            | 0705004410 | Facilitation of Public Participation                        | 0.00            | 0.00            | 0.00           |



|                   |            |   |                      |                      |                      |
|-------------------|------------|---|----------------------|----------------------|----------------------|
|                   |            | <b>Public Service</b>   |                      |                      |                      |
|                   | 0705004410 | Facilitation of Public Participation Forums                   | 0.00                 | 0.00                 | 0.00                 |
|                   | 0706004410 | Enforcement of Domesticated or Enacted Laws and Regulations   | 0.00                 | 0.00                 | 0.00                 |
|                   | 0707004410 | Physical Infrastructure                                       | 20,780,655.00        | 514,500.00           | 20,266,155.00        |
|                   | 0703004410 | Coordination of County Functions                              | 0.00                 | 0.00                 | 0.00                 |
| <b>4411000400</b> |            | <b>HRM</b>  | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
|                   | 0709004410 | County Bursary Scheme   | 0.00                 | 0.00                 | 0.00                 |
| <b>4412000100</b> |            | <b>ICT</b>  | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
|                   | 0721004410 | Administration & Support of Human Resources                   | 0.00                 | 0.00                 | 0.00                 |
|                   | 0710004410 | Public Finance & Accounts                                     | 0.00                 | 0.00                 | 0.00                 |
|                   | 0717004410 | Revenue Enhancement and Infrastructure                        | 0.00                 | 0.00                 | 0.00                 |
|                   | 0718004410 | ICT Infrastructure  | 0.00                 | 0.00                 | 0.00                 |
|                   | 0716004410 | Economic development coordination and monitoring & evaluation | 0.00                 | 0.00                 | 0.00                 |
|                   | 0707004410 | Physical Infrastructure                                       | 0.00                 | 0.00                 | 0.00                 |
| <b>4412000200</b> |            | <b>Economic Planning</b>                                      | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
|                   | 0712004410 | Fiscal planning   | 0.00                 | 0.00                 | 0.00                 |
|                   | 0716004410 | Economic development coordination and monitoring & evaluation | 0.00                 | 0.00                 | 0.00                 |
|                   | 0701004410 | General Administration and Support Services                   | 0.00                 | 0.00                 | 0.00                 |
| <b>4412000300</b> |            | <b>Audit</b>  | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
|                   | 0714004410 | Audit Services  | 0.00                 | 0.00                 | 0.00                 |
| <b>4412000400</b> |            | <b>Revenue</b>  | <b>45,639,914.00</b> | <b>24,914,480.00</b> | <b>20,725,434.00</b> |
|                   | 0717004410 | Revenue Enhancement and Infrastructure                        | 45,639,914.00        | 24,914,480.00        | 20,725,434.00        |
| <b>4412000500</b> |            | <b>Procurement</b>  | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |

|                   |            |                                  |                         |                         |                       |
|-------------------|------------|----------------------------------|-------------------------|-------------------------|-----------------------|
|                   |            | management                       |                         |                         |                       |
| <b>4412000700</b> |            | <b>Finance and Accounting</b>    | <b>437,422,915.00</b>   | <b>422,767,620.80</b>   | <b>14,655,294.20</b>  |
|                   | 0713004410 | Budget formulation and           | 0.00                    | 0.00                    | 0.00                  |
|                   |            | management                       |                         |                         |                       |
|                   | 0701004410 | General Administration and       | 437,422,915.00          | 422,767,620.80          | 14,655,294.20         |
|                   |            | Support                          |                         |                         |                       |
|                   |            | Services                         |                         |                         |                       |
|                   | 0712004410 | Fiscal planning                  | 0.00                    | 0.00                    | 0.00                  |
|                   | 0717004410 | Revenue Enhancement and          | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Infrastructure                   |                         |                         |                       |
|                   | 0711004410 | Public Procurement               | 0.00                    | 0.00                    | 0.00                  |
|                   | 0714004410 | Audit Services                   | 0.00                    | 0.00                    | 0.00                  |
|                   | 0401004410 | Health Service Delivery          | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Administration Services          |                         |                         |                       |
|                   | 0721004410 | Administration & Support of      | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Human Resources                  |                         |                         |                       |
|                   | 0710004410 | Public Finance & Accounts        | 0.00                    | 0.00                    | 0.00                  |
|                   | 0716004410 | Economic development             | 0.00                    | 0.00                    | 0.00                  |
|                   |            | coordination and monitoring      |                         |                         |                       |
|                   |            | & evaluation                     |                         |                         |                       |
|                   | 0718004410 | ICT Infrastructure               | 0.00                    | 0.00                    | 0.00                  |
|                   | 0715004410 | Debt management                  | 0.00                    | 0.00                    | 0.00                  |
| <b>4413000100</b> |            | <b>Sub-County Administration</b> | <b>469,525,824.00</b>   | <b>457,748,364.40</b>   | <b>11,777,459.60</b>  |
|                   | 0720004410 | Special Programmes               | 0.00                    | 0.00                    | 0.00                  |
|                   | 0405004410 | Health Sector Programme          | 17,661,585.00           | 5,563,510.00            | 12,098,075.00         |
|                   |            | Support                          |                         |                         |                       |
|                   |            | (DANIDA FUNDS)                   |                         |                         |                       |
|                   | 0719004410 | County Administrative            | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Services                         |                         |                         |                       |
|                   | 0721004410 | Administration & Support of      | 451,864,239.00          | 452,184,854.40          | (320,615.40)          |
|                   |            | Human                            |                         |                         |                       |
|                   |            | Resources                        |                         |                         |                       |
|                   | 0701004410 | General Administration and       | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Support Services                 |                         |                         |                       |
| <b>4413000200</b> |            | <b>Town Administration</b>       | <b>506,566,187.50</b>   | <b>63,765,157.00</b>    | <b>442,801,030.50</b> |
|                   |            | <b>Section</b>                   |                         |                         |                       |
|                   | 0701004410 | General Administration and       | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Support Services                 |                         |                         |                       |
|                   | 0719004410 | County Administrative            | 179,383,529.00          | 10,862,414.00           | 168,521,115.00        |
|                   |            | Services                         |                         |                         |                       |
|                   | 0720004410 | Special Programmes               | 0.00                    | 0.00                    | 0.00                  |
|                   | 0721004410 | Administration & Support of      | 327,182,658.50          | 52,902,743.00           | 274,279,915.50        |
|                   |            | Human Resources                  |                         |                         |                       |
| <b>4413000300</b> |            | <b>Ward Administration</b>       | <b>0.00</b>             | <b>0.00</b>             | <b>0.00</b>           |
|                   | 0720004410 | Special Programmes               | 0.00                    | 0.00                    | 0.00                  |
| <b>4414000100</b> |            | <b>Public Health and</b>         | <b>1,788,920,071.00</b> | <b>1,406,142,477.40</b> | <b>382,777,593.60</b> |
|                   |            | <b>Sanitation</b>                |                         |                         |                       |
|                   | 0402004410 | Preventive & Promotive           | 0.00                    | 0.00                    | 0.00                  |
|                   |            | Health Services                  |                         |                         |                       |

|                   |            |   |                       |                       |                       |
|-------------------|------------|---|-----------------------|-----------------------|-----------------------|
|                   |            | <b>Sanitation</b>                               |                       |                       |                       |
|                   | 0402004410 | Preventive & Promotive Health Services          | 0.00                  | 0.00                  | 0.00                  |
|                   | 0107004410 | Physical Planning                               | 415,563,515.00        | 97,003,773.00         | 318,559,742.00        |
|                   | 0403004410 | Curative Health Services                        | 0.00                  | 0.00                  | 0.00                  |
|                   | 0405004410 | Health Sector Programme Support (DANIDA FUNDS)  | 0.00                  | 0.00                  | 0.00                  |
|                   | 0401004410 | Health Service Delivery Administration Services | 1,373,356,556.00      | 1,309,138,704.40      | 64,217,851.60         |
|                   | 0404004410 | Health care Infrastructure                      | 0.00                  | 0.00                  | 0.00                  |
|                   | 0101004410 | Administration and general support Services     | 0.00                  | 0.00                  | 0.00                  |
| <b>4414000200</b> |            | <b>Preventive Health Services</b>               | <b>735,136,501.00</b> | <b>564,926,522.80</b> | <b>170,209,978.20</b> |
|                   | 0405004410 | Health Sector Programme Support (DANIDA FUNDS)  | 30,016,250.00         | 23,816,032.70         | 6,200,217.30          |
|                   | 0402004410 | Preventive & Promotive Health Services          | 558,221,800.00        | 511,535,545.10        | 46,686,254.90         |
|                   | 0403004410 | Curative Health Services                        | 118,326,000.00        | 0.00                  | 118,326,000.00        |
|                   | 0401004410 | Health Service Delivery Administration Services | 28,572,451.00         | 29,574,945.00         | (1,002,494.00)        |
|                   | 0404004410 | Health care Infrastructure                      | 0.00                  | 0.00                  | 0.00                  |
| <b>4414000300</b> |            | <b>Curative Health Services</b>                 | <b>423,642,186.00</b> | <b>354,818,259.20</b> | <b>68,823,926.80</b>  |
|                   | 0403004410 | Curative Health Services                        | 423,642,186.00        | 352,648,259.20        | 70,993,926.80         |
|                   | 0402004410 | Preventive & Promotive Health Services          | 0.00                  | 2,170,000.00          | (2,170,000.00)        |
|                   | 0404004410 | Health care Infrastructure                      | 0.00                  | 0.00                  | 0.00                  |
|                   | 0401004410 | Health Service Delivery Administration Services | 0.00                  | 0.00                  | 0.00                  |
|                   | 0201004410 | General Administration and Support Services     | 0.00                  | 0.00                  | 0.00                  |
| <b>4415000100</b> |            | <b>Agriculture and Crop Production</b>          | <b>668,618,698.00</b> | <b>557,844,915.40</b> | <b>110,773,782.60</b> |
|                   | 0101004410 | Administration and general support Services     | 278,118,698.00        | 253,169,134.40        | 24,949,563.60         |
|                   | 0104004410 | Fisheries Development and Management            | 0.00                  | 0.00                  | 0.00                  |
|                   | 0102004410 | Crop Development and Management                 | 390,500,000.00        | 304,675,781.00        | 85,824,219.00         |
| <b>4415000200</b> |            | <b>Livestock and Veterinary</b>                 | <b>383,436,485.00</b> | <b>95,829,478.50</b>  | <b>287,607,006.50</b> |
|                   | 0104004410 | Fisheries Development and Management            | 0.00                  | 0.00                  | 0.00                  |
|                   | 0102004410 | Crop Development and Management                 | 0.00                  | 0.00                  | 0.00                  |
|                   | 0103004410 | Livestock Resources Management and Development  | 383,436,485.00        | 95,829,478.50         | 287,607,006.50        |
| <b>4415000300</b> |            | <b>Fisheries</b>                                | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           |
|                   | 0102004410 | Crop Development and Management                 | 0.00                  | 0.00                  | 0.00                  |
|                   | 0104004410 | Fisheries Development and Management            | 0.00                  | 0.00                  | 0.00                  |
| <b>4416000100</b> |            | <b>Tourism</b>                                  | <b>56,508,489.00</b>  | <b>30,176,311.60</b>  | <b>26,332,177.40</b>  |
|                   | 0307004410 | Cooperative Development and Management          | 0.00                  | 0.00                  | 0.00                  |

**COUNTY EXECUTIVE OF NANDI: Reports and Financial Statements For the year ended June 30, 2020**

|                   |            |   |                       |                       |                      |
|-------------------|------------|---|-----------------------|-----------------------|----------------------|
|                   | 0306004410 | Culture   | 24,189,479.00         | 6,180,480.00          | 18,008,999.00        |
| <b>4416000200</b> |            | <b>Culture</b>                                    | <b>18,100,000.00</b>  | <b>6,153,865.00</b>   | <b>11,946,135.00</b> |
|                   | 0306004410 | Culture   | 18,100,000.00         | 6,153,865.00          | 11,946,135.00        |
| <b>4416000300</b> |            | <b>Co-operatives</b>                              | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>          |
|                   | 0307004410 | Cooperative Development and Management            | 0.00                  | 0.00                  | 0.00                 |
|                   | 0305004410 | Tourism Development and Promotion                 | 0.00                  | 0.00                  | 0.00                 |
|                   | 0904004410 | Gender  | 0.00                  | 0.00                  | 0.00                 |
| <b>4417000100</b> |            | <b>Youth Affairs</b>                              | <b>50,829,851.00</b>  | <b>32,180,287.35</b>  | <b>18,649,563.65</b> |
|                   | 0904004410 | Gender  | 0.00                  | 0.00                  | 0.00                 |
|                   | 0905004410 | Social Services                                   | 0.00                  | 0.00                  | 0.00                 |
|                   | 0903004410 | Youth affairs                                     | 0.00                  | 0.00                  | 0.00                 |
|                   | 0902004410 | Sports Development                                | 0.00                  | 0.00                  | 0.00                 |
|                   | 0901004410 | General Administration and Support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0301004410 | General Administration and Support Services       | 50,829,851.00         | 32,180,287.35         | 18,649,563.65        |
| <b>4417000200</b> |            | <b>Gender and Social Services</b>                 | <b>7,500,000.00</b>   | <b>0.00</b>           | <b>7,500,000.00</b>  |
|                   | 0904004410 | Gender  | 7,500,000.00          | 0.00                  | 7,500,000.00         |
|                   | 0905004410 | Social Services                                   | 0.00                  | 0.00                  | 0.00                 |
| <b>4417000300</b> |            | <b>Sports</b>                                     | <b>69,237,355.00</b>  | <b>8,958,616.35</b>   | <b>60,278,738.65</b> |
|                   | 0902004410 | Sports Development                                | 69,237,355.00         | 8,958,616.35          | 60,278,738.65        |
| <b>4418000100</b> |            | <b>Pre-education and care services</b>            | <b>419,044,158.00</b> | <b>340,553,725.75</b> | <b>78,490,432.25</b> |
|                   | 0502004410 | Education   | 209,560,919.00        | 150,315,711.00        | 59,245,208.00        |
|                   | 0501004410 | General administration & support services         | 209,483,239.00        | 190,238,014.75        | 19,245,224.25        |
|                   | 0503004410 | Youth Training and Development                    | 0.00                  | 0.00                  | 0.00                 |
| <b>4418000200</b> |            | <b>Quality assurance, evaluation and research</b> | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>          |
|                   | 0502004410 | Education   | 0.00                  | 0.00                  | 0.00                 |
| <b>4418000300</b> |            | <b>Vocational trainning</b>                       | <b>103,339,295.00</b> | <b>17,397,649.00</b>  | <b>85,941,646.00</b> |
|                   | 0503004410 | Youth Training and Development                    | 103,339,295.00        | 17,397,649.00         | 85,941,646.00        |
|                   | 0502004410 | Education   | 0.00                  | 0.00                  | 0.00                 |
| <b>4419000100</b> |            | <b>Enviromenta Protection</b>                     | <b>10,600,000.00</b>  | <b>0.00</b>           | <b>10,600,000.00</b> |
|                   | 0201004410 | General Administration and Support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0109004410 | Environmental Conservation & Protection           | 10,600,000.00         | 0.00                  | 10,600,000.00        |
|                   | 0306004410 | Culture   | 0.00                  | 0.00                  | 0.00                 |
| <b>4419000200</b> |            | <b>Lands</b>                                      | <b>25,000,000.00</b>  | <b>5,000,000.00</b>   | <b>20,000,000.00</b> |
|                   | 0101004410 | Administration and general support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0108004410 | Land adjudication                                 | 25,000,000.00         | 5,000,000.00          | 20,000,000.00        |
|                   | 0105004410 | Housing   | 0.00                  | 0.00                  | 0.00                 |

|                   |            |   |                       |                      |                       |
|-------------------|------------|---|-----------------------|----------------------|-----------------------|
|                   | 0108004410 | Land adjudication                           | 25,000,000.00         | 5,000,000.00         | 20,000,000.00         |
|                   | 0105004410 | Housing                                     | 0.00                  | 0.00                 | 0.00                  |
|                   | 0107004410 | Physical Planning                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0109004410 | Environmental Conservation & Protection     | 0.00                  | 0.00                 | 0.00                  |
| <b>4419000300</b> |            | <b>Natural resources and mining</b>         | <b>68,029,251.00</b>  | <b>37,329,680.55</b> | <b>30,699,570.45</b>  |
|                   | 0110004410 | Water Supply                                | 0.00                  | 0.00                 | 0.00                  |
|                   | 0901004410 | General Administration and Support Services | 0.00                  | 0.00                 | 0.00                  |
|                   | 0106004410 | Land survey                                 | 0.00                  | 0.00                 | 0.00                  |
|                   | 0105004410 | Housing                                     | 0.00                  | 0.00                 | 0.00                  |
|                   | 0201004410 | General Administration and Support Services | 68,029,251.00         | 37,329,680.55        | 30,699,570.45         |
|                   | 0107004410 | Physical Planning                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0108004410 | Land adjudication                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0109004410 | Environmental Conservation                  | 0.00                  | 0.00                 | 0.00                  |
| <b>4419000400</b> |            | <b>Water</b>                                | <b>266,212,131.00</b> | <b>113,409,268</b>   | <b>152,802,863.00</b> |
|                   | 0110004410 | Water Supply                                | 266,212,131.00        | 113,409,268          | 152,802,863.00        |
| <b>4419000500</b> |            | <b>Survey</b>                               | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0107004410 | Physical Planning                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0109004410 | Environmental Conservation & Protection     | 0.00                  | 0.00                 | 0.00                  |
|                   | 0108004410 | Land adjudication                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0106004410 | Land survey                                 | 0.00                  | 0.00                 | 0.00                  |
| <b>4420000100</b> |            | <b>Physical and structural planning</b>     | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0202004410 | Road Transport                              | 0.00                  | 0.00                 | 0.00                  |
|                   | 0502004410 | Education                                   | 0.00                  | 0.00                 | 0.00                  |
|                   | 0301004410 | General Administration and Support          | 0.00                  | 0.00                 | 0.00                  |
|                   | 0307004410 | Cooperative Development and Management      | 0.00                  | 0.00                 | 0.00                  |
|                   | 0301004410 | General Administration and Support Services | 30,224,961.00         | 23,048,541.60        | 7,176,419.40          |
|                   | 0305004410 | Tourism Development and Promotion           | 2,094,049.00          | 947,290.00           | 1,146,759.00          |
|                   | 0306004410 | Culture                                     | 24,189,479.00         | 6,180,480.00         | 18,008,999.00         |
| <b>4416000200</b> |            | <b>Culture</b>                              | <b>18,100,000.00</b>  | <b>6,153,865.00</b>  | <b>11,946,135.00</b>  |
|                   | 0306004410 | Culture                                     | 18,100,000.00         | 6,153,865.00         | 11,946,135.00         |
| <b>4416000300</b> |            | <b>Co-operatives</b>                        | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0307004410 | Cooperative Development and Management      | 0.00                  | 0.00                 | 0.00                  |
|                   | 0305004410 | Tourism Development and Promotion           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0904004410 | Gender                                      | 0.00                  | 0.00                 | 0.00                  |
| <b>4417000100</b> |            | <b>Youth Affairs</b>                        | <b>50,829,851.00</b>  | <b>32,180,287.35</b> | <b>18,649,563.65</b>  |

COUNTY EXECUTIVE OF NANDI: Reports and Financial Statements For the year ended June 30, 2020

|                   |            |   |                       |                       |                      |
|-------------------|------------|---|-----------------------|-----------------------|----------------------|
|                   | 0903004410 | Youth affairs                                     | 0.00                  | 0.00                  | 0.00                 |
|                   | 0902004410 | Sports Development                                | 0.00                  | 0.00                  | 0.00                 |
|                   | 0901004410 | General Administration and Support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0301004410 | General Administration and Support Services       | 50,829,851.00         | 32,180,287.35         | 18,649,563.65        |
| <b>4417000200</b> |            | <b>Gender and Social Services</b>                 | <b>7,500,000.00</b>   | <b>0.00</b>           | <b>7,500,000.00</b>  |
|                   | 0904004410 | Gender  | 7,500,000.00          | 0.00                  | 7,500,000.00         |
|                   | 0905004410 | Social Services                                   | 0.00                  | 0.00                  | 0.00                 |
| <b>4417000300</b> |            | <b>Sports</b>                                     | <b>69,237,355.00</b>  | <b>8,958,616.35</b>   | <b>60,278,738.65</b> |
|                   | 0902004410 | Sports Development                                | 69,237,355.00         | 8,958,616.35          | 60,278,738.65        |
| <b>4418000100</b> |            | <b>Pre-education and care services</b>            | <b>419,044,158.00</b> | <b>340,553,725.75</b> | <b>78,490,432.25</b> |
|                   | 0502004410 | Education   | 209,560,919.00        | 150,315,711.00        | 59,245,208.00        |
|                   | 0501004410 | General administration & support services         | 209,483,239.00        | 190,238,014.75        | 19,245,224.25        |
|                   | 0503004410 | Youth Training and Development                    | 0.00                  | 0.00                  | 0.00                 |
| <b>4418000200</b> |            | <b>Quality assurance, evaluation and research</b> | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>          |
|                   | 0502004410 | Education   | 0.00                  | 0.00                  | 0.00                 |
| <b>4418000300</b> |            | <b>Vocational trainning</b>                       | <b>103,339,295.00</b> | <b>17,397,649.00</b>  | <b>85,941,646.00</b> |
|                   | 0503004410 | Youth Training and Development                    | 103,339,295.00        | 17,397,649.00         | 85,941,646.00        |
|                   | 0502004410 | Education   | 0.00                  | 0.00                  | 0.00                 |
| <b>4419000100</b> |            | <b>Enviromenta Protection</b>                     | <b>10,600,000.00</b>  | <b>0.00</b>           | <b>10,600,000.00</b> |
|                   | 0201004410 | General Administration and Support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0109004410 | Environmental Conservation & Protection           | 10,600,000.00         | 0.00                  | 10,600,000.00        |
|                   | 0306004410 | Culture   | 0.00                  | 0.00                  | 0.00                 |
| <b>4419000200</b> |            | <b>Lands</b>                                      | <b>25,000,000.00</b>  | <b>5,000,000.00</b>   | <b>20,000,000.00</b> |
|                   | 0101004410 | Administration and general support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0108004410 | Land adjudication                                 | 25,000,000.00         | 5,000,000.00          | 20,000,000.00        |
|                   | 0105004410 | Housing   | 0.00                  | 0.00                  | 0.00                 |
|                   | 0107004410 | Physical Planning                                 | 0.00                  | 0.00                  | 0.00                 |
|                   | 0109004410 | Environmental Conservation & Protection           | 0.00                  | 0.00                  | 0.00                 |
| <b>4419000300</b> |            | <b>Natural resources and mining</b>               | <b>68,029,251.00</b>  | <b>37,329,680.55</b>  | <b>30,699,570.45</b> |
|                   | 0110004410 | Water Supply                                      | 0.00                  | 0.00                  | 0.00                 |
|                   | 0901004410 | General Administration and Support Services       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0106004410 | Land survey                                       | 0.00                  | 0.00                  | 0.00                 |
|                   | 0105004410 | Housing   | 0.00                  | 0.00                  | 0.00                 |
|                   | 0201004410 | General Administration and Support Services       | 68,029,251.00         | 37,329,680.55         | 30,699,570.45        |
|                   | 0107004410 | Physical Planning                                 | 0.00                  | 0.00                  | 0.00                 |

|                   |            |   |                       |                      |                       |
|-------------------|------------|---|-----------------------|----------------------|-----------------------|
|                   | 0201004410 | General Administration and Support Services | 68,029,251.00         | 37,329,680.55        | 30,699,570.45         |
|                   | 0107004410 | Physical Planning                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0108004410 | Land adjudication                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0109004410 | Environmental Conservation                  | 0.00                  | 0.00                 | 0.00                  |
| <b>4419000400</b> |            | <b>Water</b>                                | <b>266,212,131.00</b> | <b>113,409,268</b>   | <b>152,802,863.00</b> |
|                   | 0110004410 | Water Supply                                | 266,212,131.00        | 113,409,268          | 152,802,863.00        |
| <b>4419000500</b> |            | <b>Survey</b>                               | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0107004410 | Physical Planning                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0109004410 | Environmental Conservation & Protection     | 0.00                  | 0.00                 | 0.00                  |
|                   | 0108004410 | Land adjudication                           | 0.00                  | 0.00                 | 0.00                  |
|                   | 0106004410 | Land survey                                 | 0.00                  | 0.00                 | 0.00                  |
| <b>4420000100</b> |            | <b>Physical and structural planning</b>     | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0202004410 | Road Transport                              | 0.00                  | 0.00                 | 0.00                  |
|                   | 0502004410 | Education                                   | 0.00                  | 0.00                 | 0.00                  |
|                   | 0301004410 | General Administration and Support          | 0.00                  | 0.00                 | 0.00                  |
| <b>4420000200</b> |            | <b>Roads and infrastructure</b>             | <b>452,338,867.00</b> | <b>382,220,050</b>   | <b>70,118,817</b>     |
|                   | 0202004410 | Road Transport                              | 452,338,867.00        | 382,220,050          | 70,118,817            |
|                   | 0201004410 | General Administration and Support Services | 0.00                  | 0.00                 | 0.00                  |
| <b>4420000300</b> |            | <b>Public works</b>                         | <b>96,132,976.00</b>  | <b>92,184,388.40</b> | <b>3,948,587.60</b>   |
|                   | 0203004410 | Government Buildings                        | 0.00                  | 0.00                 | 0.00                  |
|                   | 0202004410 | Road Transport                              | 0.00                  | 3,945,817.00         | (3,945,817.00)        |
|                   | 0201004410 | General Administration and Support Services | 96,132,976.00         | 90,238,571.40        | 5,804,404.60          |
| <b>4420000400</b> |            | <b>Transport</b>                            | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0201004410 | General Administration and Support Services | 0.00                  | 0.00                 | 0.00                  |
|                   | 0202004410 | Road Transport                              | 0.00                  | 0.00                 | 0.00                  |
| <b>4421000100</b> |            | <b>Weights and measures</b>                 | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0303004410 | Weights and Measures                        | 0.00                  | 0.00                 | 0.00                  |
| <b>4421000200</b> |            | <b>Trade shows and exhibitions</b>          | <b>0.00</b>           | <b>0.00</b>          | <b>0.00</b>           |
|                   | 0302004410 | Trade development                           | 0.00                  | 0.00                 | 0.00                  |

|                   |            |   |                       |                       |                       |
|-------------------|------------|---|-----------------------|-----------------------|-----------------------|
|                   | 0304004410 | Industry Development                        | 0.00                  | 0.00                  | 0.00                  |
|                   | 0302004410 | Trade development                           | 59,600,000.00         | 2,500,000.00          | 57,100,000.00         |
| <b>4421000400</b> |            | <b>Markets</b>                              | <b>76,078,075.00</b>  | <b>28,844,662.60</b>  | <b>47,233,412.40</b>  |
|                   | 0301004410 | General Administration and Support Services | 41,078,075.00         | 21,942,007.60         | 19,136,067.40         |
|                   | 0304004410 | Industry Development                        | 0.00                  | 0.00                  | 0.00                  |
|                   | 0302004410 | Trade development                           | 35,000,000.00         | 6,902,655.00          | 28,097,345.00         |
| <b>4422000100</b> |            | <b>Headquarters</b>                         | <b>24,799,559.00</b>  | <b>13,546,838.05</b>  | <b>11,252,720.95</b>  |
|                   | 0721004410 | Administration & Support of Human Resources | 24,799,559.00         | 13,546,838.05         | 11,252,720.95         |
|                   | 0722004410 | Human Resource Management                   | 0.00                  | 0.00                  | 0.00                  |
| <b>4423000100</b> |            | <b>County assembly service board</b>        | <b>29,149,490.00</b>  | <b>28,058,261.20</b>  | <b>1,091,228.80</b>   |
|                   | 0724004410 | County Assembly Clerk services              | 0.00                  | 0.00                  | 0.00                  |
|                   | 0725004410 | County Assembly Service Board               | 29,149,490.00         | 28,058,261.20         | 1,091,228.80          |
| <b>4423000200</b> |            | <b>Finance and Accounts</b>                 | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           |
|                   | 0723004410 | Physical Infrastructure and Equipment       | 0.00                  | 0.00                  | 0.00                  |
| <b>4423000400</b> |            | <b>Administration Section</b>               | <b>820,860,762.00</b> | <b>646,607,095.80</b> | <b>166,899,167.85</b> |
|                   | 0723004410 | Physical Infrastructure and Equipment       | 0.00                  | 0.00                  | 0.00                  |
|                   | 0701004410 | General Administration and Support Services | 0.00                  | 0.00                  | 0.00                  |
|                   | 0721004410 | Administration & Support of Human Resources | 0.00                  | 0.00                  | 0.00                  |
|                   | 0725004410 | County Assembly Service Board               | 620,610,762.00        | 600,824,948.5         | 12,431,315.15         |
|                   | 0724004410 | County Assembly Clerk services              | 0.00                  | 0.00                  | 0.00                  |
|                   | 0901004410 | General Administration and Support Services | 200,250,000.00        | 45,782,147.30         | 154,467,852.70        |



|  |                    |                         |                      |                      |
|--|--------------------|-------------------------|----------------------|----------------------|
|  | Support            |                         |                      |                      |
|  | Services           |                         |                      |                      |
|  | <b>Grand Total</b> | <b>8,720,452,275.50</b> | <b>6,234,604,409</b> | <b>2,485,847,867</b> |



## 7.6. 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 receivables and payables are disclosed in the Statement of Assets and Liabilities.

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 Nandi County Government. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

### 3. Recognition of receipts and payments

#### a) Recognition of receipts

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

#### Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

#### Transfers from the Exchequer

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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

### External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

### Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

### Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

### Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended June 30,2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes

### County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

### Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds.

These funds are recognised once appropriated through a supplementary budget process.

**b) Recognition of payments**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

**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 *entity* 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 *entity* 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.

#### **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 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.

#### **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 entity at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

##### **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 entity; 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 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 Entity 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 developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on July for the period 1<sup>st</sup> July 2019 to 30 June 2020 as required by law. There were two number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

### **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**

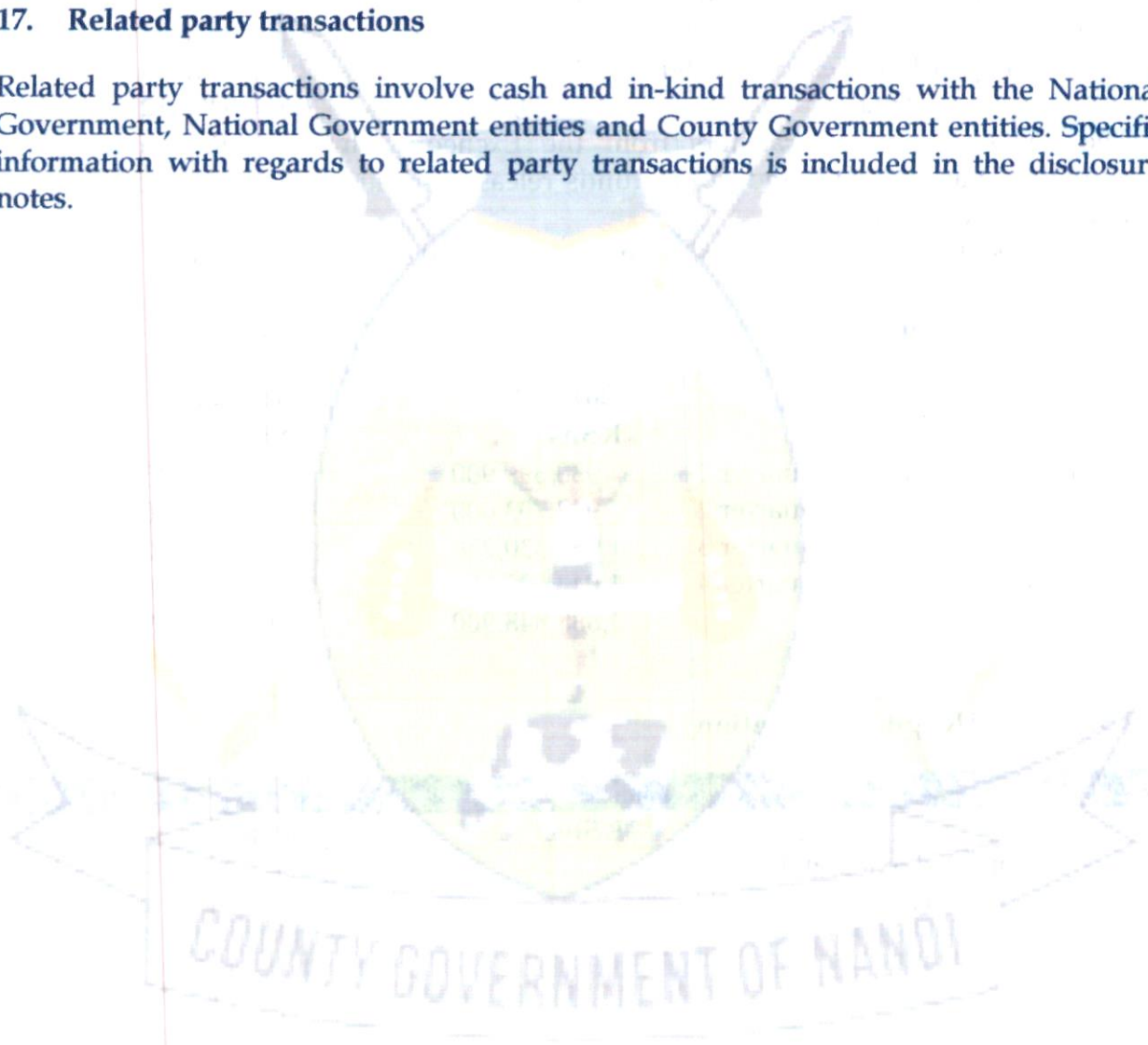
Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

**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.





NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

|  | 2019 - 2020                 | 2018 - 2019                 |
|--|-----------------------------|-----------------------------|
|  | KShs                        | KShs                        |
| Total Exchequer Releases for quarter 1 | 930,699,900                 | 1,385,077,945               |
| Total Exchequer Releases for quarter 2 | 1,027,050,697               | 1,600,652,167               |
| Total Exchequer Releases for quarter 3 | 2,100,942,945               | 1,507,265,091               |
| Total Exchequer Releases for quarter 4 | 1,430,585,446               | 2,353,545,409               |
| <b>Total</b>                           | <b><u>5,489,278,988</u></b> | <b><u>6,846,540,612</u></b> |

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer. Exchequer releases are as follows:

(The totals of A, B and C below should equal the total exchequer releases).

1A. Equitable Share

| Description                         | 2019 - 2020                 | 2018 - 2019                 |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | KShs                        | KShs                        |
| Total Equitable Share for quarter 1 | 930,699,900                 | 1,385,077,945               |
| Total Equitable Share for quarter 2 | 962,793,000                 | 1,396,044,000               |
| Total Equitable Share for quarter 3 | 1,952,330,250               | 1,476,585,000               |
| Total Equitable Share for quarter 4 | 1,043,025,750               | 2,228,301,000               |
| <b>Total</b>                        | <b><u>4,888,848,900</u></b> | <b><u>6,486,007,945</u></b> |

1B: Level 5 Hospitals Allocation

| Description                     | 2019 - 2020 | 2018 - 2019 |
|---------------------------------|-------------|-------------|
|                                 | KShs        | KShs        |
| Transfers for level 5 hospitals | -           | -           |
| <b>Total</b>                    | <b>-</b>    | <b>-</b>    |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1C: Donor Funds released through Exchequer Releases as per CARA

| Description   | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|---------------------|---------------------|
| DANIDA - Universal Healthcare in Devolved Units Programme       | 22,016,250          | 17,111,250          |
| World Bank - THUSCP   | 44,928,998          | 49,821,285          |
| National Agricultural & Rural Inclusive Growth Project (NARIGP) | 242,399,538         | 50,078,476          |
| Kenya Devolution Support Programme                              | 30,000,000          | -                   |
| Youth Polytechnic support grant                                 | 32,793,298          | -                   |
| Abolishment of user fees in health centres and dispensaries     | 18,086,363          | 18,086,363          |
| Kenya Urban Support Programme                                   | 135,562,988         | 218,431,700         |
| Agriculture Sector Development Support Project (SIDA)           | 16,172,654          | 7,003,592           |
| M.O.H-Doctors and Nurse allowances                              | 58,470,000          | -                   |
| <b>Total</b>  | <b>600,430,088</b>  | <b>360,532,666</b>  |

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

| Name of Donor   | Date received | Amount in foreign currency | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|---------------|----------------------------|---------------------|---------------------|
| <b>Grants Received from Bilateral Donors (Foreign Governments)</b>            |               |                            |                     |                     |
| (Insert name of donor)  | -             | -                          | -                   | -                   |
| <b>Grants Received from Multilateral Donors (International Organisations)</b> |               |                            |                     |                     |
| (Insert name of donor)  | -             | -                          | -                   | -                   |
| (Insert name of donor)  | -             | -                          | -                   | -                   |
| <b>Grants Received from other levels of government</b>                        |               |                            |                     |                     |
| (Insert name of donor)  | -             | -                          | -                   | -                   |
| (Insert name of donor)  | -             | -                          | -                   | -                   |
| <b>Total</b>  | -             | -                          | -                   | -                   |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description   | 2019 - 2020<br>KShs       | 2018 - 2019<br>KShs       |
|---|---------------------------|---------------------------|
| <b>Transfers from Central government entities</b>                 |                           |                           |
| RMLF  | 151,830,656               | 177,409,091               |
| Emergency Fund  | 118,326,000               | -                         |
| <b>Transfers from Counties<br/>(insert name of budget agency)</b> | -                         | -                         |
| <b>(insert name of budget agency)</b>                             | -                         | -                         |
| <b>TOTAL</b>  | <b><u>270,156,656</u></b> | <b><u>177,409,091</u></b> |

4. PROCEEDS FROM DOMESTIC BORROWINGS

|  | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|--|---------------------|---------------------|
| Borrowing within General Government                          | -                   | -                   |
| Borrowing from Monetary Authorities<br>(Central Bank)        | -                   | -                   |
| Other Domestic Depository<br>Corporations (Commercial Banks) | -                   | -                   |
| Borrowing from Other Domestic<br>Financial Institutions      | -                   | -                   |
| Borrowing from Other Domestic<br>Creditors                   | -                   | -                   |
| Domestic Currency and Domestic<br>Deposits                   | -                   | -                   |
| <b>Total</b>   | <b>-</b>            | <b>-</b>            |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

|  | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|--|---------------------|---------------------|
| Foreign Borrowing - Draw-downs Through Exchequer | -                   | -                   |
| Foreign Borrowing - Direct Payments              | -                   | -                   |
| Foreign Currency and Foreign Deposits            | -                   | -                   |
| <b>Total</b>                                     | -                   | -                   |

(Give a brief explanation relating to sources of funds, interest charged and terms of repayment)

6. PROCEEDS FROM SALE OF ASSETS

|   | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|---------------------|---------------------|
| Receipts from the Sale of Buildings                       | -                   | -                   |
| Receipts from Sale of Vehicles and Transport Equipment    | -                   | -                   |
| Receipts from Sale of Plant Machinery and Equipment       | -                   | -                   |
| Receipts from Sale of Certified Seeds and Breeding Stock  | -                   | -                   |
| Receipts from Sale of Strategic Reserves Stocks           | -                   | -                   |
| Receipts from Sale of Inventories, Stocks and Commodities | -                   | -                   |
| Disposal and Sales of Non-Produced Assets                 | -                   | -                   |
| <b>Total</b>  | -                   | -                   |

7. REIMBURSEMENTS AND REFUNDS

|  | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|--|---------------------|---------------------|
| Refund from World Food Programme (WFP)                 | -                   | -                   |
| Reimbursement of Audit Fees                            | -                   | -                   |
| Reimbursement on Messing Charges (UNICEF)              | -                   | -                   |
| Reimbursement from World Bank - ECD                    | -                   | -                   |
| Reimbursement from Individuals & Private Organisations | -                   | -                   |
| Reimbursement from Local Government Authorities        | -                   | -                   |
| Reimbursement from Statutory Organisations             | -                   | -                   |
| Reimbursement within Central Government                | -                   | -                   |
| Reimbursement Using Bonds                              | -                   | -                   |
| <b>Total</b>   | -                   | -                   |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

|   | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|---------------------|---------------------|
| Returns of Equity Holdings in Domestic Organisations      | -                   | -                   |
| Returns of Equity Holdings in International Organisations | -                   | -                   |
| <b>Total</b>  | -                   | -                   |

9. COUNTY OWN GENERATED RECEIPTS

|                        | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|------------------------|---------------------|---------------------|
| Business Permits       | 34,701,074          | 46,102,045          |
| liquor licensing       | 5,452,300           | 10,312,700          |
| Plot rents             | 1,836,141           | 2,036,359           |
| Land Rates             | 20,276,625          | 24,319,280          |
| House and Stalls Rent  | 7,609,364           | 6,589,508           |
| Parking Fees           | 25,043,106          | 30,601,568          |
| Market Fees            | 11,360,326          | 14,615,695          |
| Cess                   | 10,307,903          | 11,663,613          |
| Health and Sanitation  | 131,216,059         | 97,713,219          |
| Kiborgok Tea Proceeds  | 15,352,946          | 13,205,201          |
| Slaughter Fees         | 1,010,450           | 167,545             |
| Sewerage and water     | 1,113,137           | 1,516,235           |
| Agriculture            | 2,021,237           | 3,604,807           |
| Cattle Dips/Veterinary | 6,954,115           | 6,479,775           |
| Miscellaneous          | 7,796,369           | 17,307,463          |
| <b>TOTAL</b>           | <b>282,051,152</b>  | <b>286,235,013</b>  |

10. RETURNED CRF ISSUES

|                     | 2019 - 2020<br>KShs   | 2018 - 2019<br>KShs |
|---------------------|-----------------------|---------------------|
| Recurrent account   | 3,333.05              | -                   |
| Development account | 16,133.20             | -                   |
| CRF Account         | 630,198,631.75        | -                   |
| <b>Total</b>        | <b>630,218,098.00</b> | -                   |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

|   | 2019 - 2020          | 2018 - 2019          |
|---|----------------------|----------------------|
|   | KShs                 | KShs                 |
| Basic salaries of permanent employees           | 2,949,368,359        | 2,432,126,631        |
| Basic wages of temporary employees              | 24,319,861           | 227,928,412          |
| Personal allowances paid as part of salary      | -                    |                      |
| Personal allowances paid as reimbursements      | -                    |                      |
| Personal allowances provided in kind            | -                    |                      |
| Pension and other social security contributions | 148,922,626          | 127,967,681          |
| Compulsory national social security schemes     | 5,126,600            | 4,561,454            |
| Compulsory national health insurance schemes    | 60,252,500           | 53,610,386           |
| Social benefit schemes outside government       | -                    |                      |
| Other personnel payments                        | 3,229,524            | 7,411,523            |
| <b>Total</b>                                    | <b>3,191,219,469</b> | <b>2,853,606,088</b> |

12. USE OF GOODS AND SERVICES

|  | 2019 - 2020        | 2018 - 2019          |
|--|--------------------|----------------------|
|  | KShs               | KShs                 |
| Utilities, supplies and services                             | 27,322,017         | 50,746,977           |
| Communication, supplies and services                         | 6,456,933          | 4,859,369            |
| Domestic travel and subsistence                              | 145,769,216        | 319,632,969          |
| Foreign travel and subsistence                               | 4,268,086          | 12,070,698           |
| Printing, advertising and information supplies & services    | 8,065,025          | 20,847,147           |
| Rentals of produced assets                                   | 1,740,000          | 3,602,484            |
| Training expenses  | 7,834,432          | 25,527,897           |
| Hospitality supplies and services                            | 66,070,931         | 111,277,381          |
| Insurance costs  | 405,617            | 33,835,290           |
| Specialised materials and services                           | 305,488,864        | 505,916,090          |
| Office and general supplies and services                     | 14,403,225         | 57,775,490           |
| Other operating expenses                                     | 209,535,311        | 158,995,437          |
| Routine maintenance - vehicles and other transport equipment | 19,422,109         | 18,660,824           |
| Fuel Oil and Lubricants                                      | 24,409,710         | 65,517,108           |
| Routine maintenance - other assets                           | 4,960,794          | 3,817,516            |
| <b>Total</b>   | <b>846,152,271</b> | <b>1,393,082,676</b> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

| Description                      | 2019 - 2020 | 2018 - 2019 |
|----------------------------------|-------------|-------------|
|                                  | KShs        | KShs        |
| Subsidies to Public Corporations | -           | -           |
| See list attached                | -           | -           |
| <b>Totals</b>                    | <b>-</b>    | <b>-</b>    |

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description                                | 2019 - 2020               | 2018 - 2019               |
|--|---------------------------|---------------------------|
|  | KShs                      | KShs                      |
| Transfers to Central government entities   | -                         | -                         |
| See attached list                          | -                         | -                         |
| Transfers to Other Counties                | -                         | -                         |
| Nandi County Assembly                      | 674,665,357               | 726,570,909               |
| Nandi County Education Fund                | 41,160,000                | 74,000,000                |
| Nandi County Executive Car & Mortgage Fund | 5,000,000                 | 40,000,000                |
| Emergency fund                             | 33,000,000                | -                         |
| <b>TOTAL</b>                               | <b><u>753,825,357</u></b> | <b><u>840,570,909</u></b> |

15. OTHER GRANTS AND PAYMENTS

| Description                                 | 2019 - 2020               | 2018 - 2019               |
|---|---------------------------|---------------------------|
|   | KShs                      | KShs                      |
| Emergency fund                              | 115,326,000               | -                         |
| Scholarships and other educational benefits | 21,251,649                | 29,282,394                |
| KDSP  | -                         | -                         |
| K.U.S.P-UDG                                 | 101,143,935               | 177,231,160               |
| K.U.S.P-UIG                                 | 21,534,995                | -                         |
| NARIGP                                      | 275,791,800               | 105,688,331               |
| World Bank - THUSCP                         | -                         | 26,144,786                |
| ASDSP                                       | 5,098,401                 | 18,003,592                |
| DANIDA & FIF Disbursement                   | 16,031,250                | 17,111,250                |
| WORLD BANK(UHC)                             | 59,122,850                | 54,060,717                |
| KANAWASCO                                   | 4,264,952                 | -                         |
| <b>TOTAL</b>                                | <b><u>619,565,832</u></b> | <b><u>427,522,230</u></b> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

|  | 2019 - 2020 | 2018 - 2019 |
|--|-------------|-------------|
|  | KShs        | KShs        |
| Government pension and retirement benefits   | -           | -           |
| Social security benefits in cash and in kind | -           | -           |
| Employer Social Benefits in cash and in kind | -           | -           |
| <b>Total</b>                                 | -           | -           |

17. ACQUISITION OF ASSETS

| <u>Non- Financial Assets</u>                                 | 2019 - 2020        | 2018 - 2019          |
|--|--------------------|----------------------|
|  | KShs               | KShs                 |
| Purchase of Buildings  | -                  | -                    |
| Construction of Buildings                                    | 113,409,268        | 245,381,860          |
| Refurbishment of Buildings                                   | 19,585,015         | 140,330,652          |
| Construction of Roads  | 382,220,050        | 885,343,708          |
| Construction and Civil Works                                 | 102,190,154        | 349,481,558          |
| Overhaul and Refurbishment of Construction and Civil Works   | 717,359            | 20,725,983           |
| Purchase of Vehicles and Other Transport Equipment           | 24,000,000         | 59,280,088           |
| Overhaul of Vehicles and Other Transport Equipment           | 1,424,851          | 38,124,642           |
| Purchase of Household Furniture and Institutional Equipment  | -                  | -                    |
| Purchase of Office Furniture and General Equipment           | -                  | 15,770,457           |
| Purchase of ICT Equipment                                    | 19,520,560         | 19,976,308           |
| Purchase of Specialised Plant, Equipment and Machinery       | 106,881,298        | 24,495,424           |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | -                  | -                    |
| Purchase of Certified Seeds, Breeding Stock and Live Animals | 1,564,655          | 33,630,971           |
| Research, Studies, Project Preparation, Design & Supervision | 14,347,922         | 54,056,724           |
| Rehabilitation of Civil Works                                | -                  | -                    |
| Acquisition of Strategic Stocks and commodities              | 28,485,354         | 104,774,522          |
| Acquisition of Land  | -                  | -                    |
| Acquisition of Intangible Assets                             | 9,494,994          | -                    |
| <u>Financial Assets</u>                                      |                    |                      |
| Domestic Public Non-Financial Enterprises                    | -                  | -                    |
| Domestic Public Financial Institutions                       | -                  | -                    |
| <b>Total</b>   | <b>823,841,480</b> | <b>1,991,372,897</b> |



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

|   | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|---------------------|---------------------|
| Exchange Rate Losses                                    | -                   | -                   |
| Interest Payments on Foreign Borrowings                 | -                   | -                   |
| Interest Payments on Guaranteed Debt Taken over by Govt | -                   | -                   |
| Interest on Domestic Borrowings (Non-Govt)              | -                   | -                   |
| Interest on Borrowings from Other Government Units      | -                   | -                   |
| <b>Total</b>  | -                   | -                   |

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

|  | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|--|---------------------|---------------------|
| Repayments on Borrowings from Domestic                           | -                   | -                   |
| Principal Repayments on Guaranteed Debt Taken over by Government | -                   | -                   |
| Repayments on Borrowings from Other Domestic Creditors           | -                   | -                   |
| Repayment of Principal from Foreign Lending & On - Lending       | -                   | -                   |
| <b>Total</b>   | -                   | -                   |

20. OTHER PAYMENTS

|                            | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|----------------------------|---------------------|---------------------|
| Budget Reserves            | -                   | -                   |
| Civil Contingency Reserves | -                   | -                   |
| Other payments             | -                   | -                   |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

| Name of Bank, Account No. & currency            | Amount in bank account currency * | Indicate whether recurrent, Development, deposit, receipts e.t.c | Ex. rate (if in foreign currency) | 2019 - 2020 KShs | 2018 - 2019 KShs |
|---|-----------------------------------|--|-----------------------------------|------------------|------------------|
| NANDI COUNTY RECURRENT A/C NO.1000170719        | -                                 | -  | -                                 | 2,177            | 3,333            |
| NANDI COUNTY DEVELOPMENT A/C NO.1000170678      | -                                 | -  | -                                 | 115,031          | 16,133           |
| NANDI COUNTY REVENUE FUND A/C NO.1000171278     | -                                 | -  | -                                 | 192,113,824      | 331,791,333      |
| NANDI COUNTY REVENUE FUND A/C NO.0490260871255  | -                                 | -  | -                                 | 403,711          | 215,318          |
| EQUITY  |                                   |  |                                   |                  |                  |
| Nandi County NHIF Nandi Hills County Hospital   |                                   |  |                                   | 1,021,620.50     |                  |
| Nandi County Meteitei Sub county Hospital       |                                   |  |                                   | 31,480.00        |                  |
| Nandi county NHIF Kaptumo sub District Hospital |                                   |  |                                   | 707,710.75       |                  |
| Kapsabet District Hospital account              |                                   |  |                                   | 5,541,170.50     |                  |
| Chepterwai Sub-district account                 |                                   |  |                                   | 44,130.25        |                  |
| NANDI COUNTY G S A/C NO.01141327524300 COOP.    | -                                 | -  | -                                 | 2,000,447        | -                |
| NANDI COUNTY R.M.L A/C NO. 1000250828           | -                                 | -  | -                                 | 21,632,518       | 20,261,598       |
| Mpesa 299299                                    | -                                 | -  | -                                 | 383,654          | 295,847          |
| NANDI COUNTY A.S.D.S.P 1226115853               | -                                 | -  | -                                 | 26,132,062       | -                |

|   |                    |                    |
|---|--------------------|--------------------|
| NARIGP A/C                                  | 30,026,905         | -                  |
| NO.1226530680                               |                    |                    |
| Scholarships and other educational benefits | 875,000            | -                  |
| WORLD                                       | 29,672,475         | -                  |
| BANK(DANIDA& THS                            |                    |                    |
| KDSP  | 30,000,000         | -                  |
| KUSP-UDG                                    | 78,555,825         | -                  |
| KUSP-UIG                                    | 14,811,480         | -                  |
| N.I   | 3,000,000          | -                  |
| <b>Total</b>                                | <b>437,071,221</b> | <b>352,583,562</b> |

**21B. CASH IN HAND**

|  | 2019 - 2020   | 2018 - 2019   |
|--|---------------|---------------|
|  | KShs          | KShs          |
| Cash in Hand - Held in domestic currency | 29,266        | 67,230        |
| Cash in Hand - Held in foreign currency  | -             | -             |
| <b>Total</b>                             | <b>29,266</b> | <b>67,230</b> |

Cash in hand should also be analysed as follows:

|                 | 2019 - 2020   | 2018 - 2019   |
|-----------------|---------------|---------------|
|                 | KShs          | KShs          |
| Revenue section | 28,920        | 67,230        |
| Imprest Account | 346           | -             |
| Location 3      | -             | -             |
| <b>Total</b>    | <b>29,266</b> | <b>67,230</b> |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

| Description         | 2019 - 2020 | 2018 - 2019 |
|---------------------|-------------|-------------|
|                     | KShs        | KShs        |
| Government Imprests | -           | -           |
| Clearance accounts  | -           | -           |
| <b>Total</b>        | <b>-</b>    | <b>-</b>    |

|                                | Imprest<br>Taken | Taken<br>KShs | Surrendered<br>KShs | KShs |
|--------------------------------|------------------|---------------|---------------------|------|
| Name of Officer or Institution | dd/mm/yy         | -             | -                   | -    |
| Name of Officer or Institution | dd/mm/yy         | -             | -                   | -    |
| Name of Officer or Institution | dd/mm/yy         | -             | -                   | -    |
| Name of Officer or Institution | dd/mm/yy         | -             | -                   | -    |
| <b>Total</b>                   |                  |               |                     |      |

**23. ACCOUNTS PAYABLE**

|                  | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|------------------|---------------------|---------------------|
| Deposits         | -                   | -                   |
| Retention monies | -                   | -                   |
| <b>Total</b>     | -                   | -                   |

**24. FUND BALANCE BROUGHT FORWARD**

|                      | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|----------------------|---------------------|---------------------|
| Bank accounts        | -                   | 548,556,708         |
| Cash in hand         | -                   | 64,168              |
| Accounts Receivables | -                   | -                   |
| Accounts Payables    | -                   | -                   |
| <b>Total</b>         | -                   | <u>548,620,876</u>  |

COUNTY GOVERNMENT OF NANDI

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. PRIOR YEAR ADJUSTMENTS** a prior period adjustment really applies to the correction of an error in the financial statements of a prior period

| Description of the error | Balance b/f<br>FY 2018/2019 as per<br>Financial statements<br>Kshs | Adjustments<br>Kshs | Adjusted Balance<br>b/f<br>FY 2018/2019<br>Kshs |
|--------------------------|--|---------------------|---|
| Bank account Balances    | 352,583,562  | 277,634,536         | 630,218,098                                     |
| Cash in hand             | -  | -                   | -   |
| Accounts Payables        | -  | -                   | -   |
| Receivables              | -  | -                   | -   |
| Others (specify)         | -  | -                   | -   |

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

**26. CHANGES IN RECEIVABLES**

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

**27. CHANGES IN ACCOUNTS PAYABLES - DEPOSITS AND RETENTIONS**

| Description of the error                                   | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|--|---------------------|---------------------|
| Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A) | -                   | -                   |
| 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                | -                   | -                   |

7.7 OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

| Description                 | Balance b/f<br>FY 2018/2019<br>Kshs | Additions for<br>the period<br>Kshs | Paid during<br>the year<br>Kshs | Balance c/f<br>FY 2019/2020<br>Kshs |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Construction of buildings   | 743,220,000                         |                                     |                                 | 126,587,281                         |
| Construction of civil works | 717,444,157                         |                                     |                                 | 52,490,984                          |
| Supply of goods             | 94,175,608                          |                                     |                                 | 81,663,192                          |
| Supply of services          | 79,526,691                          |                                     |                                 | 70,344,131                          |
| <b>Total</b>                | <b>1,634,366,456</b>                |                                     |                                 | <b>331,085,588</b>                  |

2. PENDING STAFF PAYABLES (See Annex 2)

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

3. OTHER PENDING PAYABLES (See Annex 3)

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

4. External Assistance

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

a) External assistance relating loans and grants

| Description                            | FY 2019/2020<br>Kshs | FY 2018/2019<br>Kshs |
|--|----------------------|----------------------|
| External assistance received as loans  | -                    | -                    |
| External assistance received as grants | -                    | -                    |
| <b>Total</b>                           | -                    | -                    |

b)

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

c).

| Description                                   | FY 2019/2020<br>Kshs | FY 2018/2019<br>Kshs |
|---|----------------------|----------------------|
| Multilateral donors                           | -                    | -                    |
| Bilateral donors                              | -                    | -                    |
| International assistance organization<br>NGOs | -                    | -                    |
| National Assistance Organization              | -                    | -                    |
| <b>Total</b>                                  | -                    | -                    |

*d. Non-monetary external assistance*

| Description  | FY 2019/2020 | FY 2018/2019 |
|--------------|--------------|--------------|
|              | Kshs         | Kshs         |
| Goods        | -            | -            |
| Services     | -            | -            |
| <b>Total</b> | -            | -            |

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

*N/B : Disclose the basis on which the value of goods and services were determined ( This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.*

*e. ....Purpose and use of external assistance*

| PAYMENTS MADE BY THIRD PARTIES                           | FY 2019/2020 | FY 2018/2019 |
|--|--------------|--------------|
| 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   | -            | -            |
| <b>TOTAL</b>   | -            | -            |

*N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.*

COUNTY GOVERNMENT OF NANDI



**1. 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*

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

*Classification of payments made by Third Parties by Nature of expenses*

| PAYMENTS MADE BY THIRD PARTIES                           | FY 2019/2020 | FY 2018/2019 |
|--|--------------|--------------|
| 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   | -            | -            |
| <b>TOTAL</b>   | -            | -            |

*N/B The above sub-classification will be adopted based on the appropriate county's operations*

**2. 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 Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies

**Related party transactions**

|  | 2019- 2020<br>Kshs        | 2018- 202019<br>Kshs |
|--|---------------------------|----------------------|
| Key Management Compensation (Governors, CEC Members and COs) | -                         | -                    |
| <b><u>Transfers to related parties</u></b>                   |                           |                      |
| Nandi County Assembly  | 674,665,357               | -                    |
| Nandi County Education Fund                                  | 41,160,000                | -                    |
| Nandi executive car & mortgage loan                          | 5,000,000                 | -                    |
| Nandi County Emergency Fund                                  | 151,326,000               | -                    |
| <b>Total Transfers to related parties</b>                    | <b><u>872,151,357</u></b> | =                    |
| <b><u>Transfers from related parties</u></b>                 |                           |                      |
| Transfers from the Exchequer                                 | -                         | -                    |
| Transfers from MDAs  | -                         | -                    |
| Transfers from SCs and SAGAs- National Government            | -                         | -                    |
| (Insert any other transfers received)                        | -                         | -                    |
| <b>Total Transfers from related parties</b>                  | -                         | -                    |

### 3. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

| Entity                         | Date Established/Date taken over | Location | Accounting Officer responsible |
|--------------------------------|----------------------------------|----------|--------------------------------|
| Xxx Corporation                | -                                | -        | -                              |
| Xxx Water and Sewerage Company | -                                | -        | -                              |
| Xxx Fund                       | -                                | -        | -                              |
| Xxx Board                      | -                                | -        | -                              |
| Xxx Project                    | -                                | -        | -                              |
| XXX Scheme                     | -                                | -        | -                              |

### 4. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances need to be disclosed at the end of the reporting period as below. Revenue collection accounts should be swept to CRF on reporting dates.

| Name of Bank, Account No. & currency            | Amount in bank account currency* | Ex. rate (if in foreign currency) | 2019 - 2020<br>KShs | 2018 - 2019<br>KShs |
|---|----------------------------------|-----------------------------------|---------------------|---------------------|
| Nandi County NHIF Nandi Hills County Hospital   | -                                | -                                 | -                   | -                   |
| Nandi County Meteitei Sub county Hospital       | -                                | -                                 | -                   | -                   |
| Nandi county NHIF Kaptumo sub District Hospital | -                                | -                                 | -                   | -                   |
| Kapsabet District Hospital account              | -                                | -                                 | -                   | -                   |
| Chepterwai Sub-district account                 | -                                | -                                 | -                   | -                   |
| <b>Total</b>                                    | -                                | -                                 | -                   | -                   |

**5. PROGRESS ON FOLLOW UP 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) |
|--|--|--|--|-----------------------------------|--|
| 1.   | Erroneous presentation of Exchequer Releases                   | An amount of Kshs 729,551,945 was received towards the end of the financial year this amounts was expensed under the budget of F/Y 2019/2020 | Chief officer finance  | resolved                          | 1 <sup>st</sup> November 2020                                    |
| 2.   | Unexplained Variance of Transfers to Other Government Entities | Variance of Kshs 57,590,909 under RMLF relates to the funds which remained in the CRF account during the financial year 2017/2018            | Chief officer transport and infrastructure                     | resolved                          | 1 <sup>st</sup> November 2020                                    |
| 3.   | Unconfirmed cash and cash equivalents balance                  | for the purposes of bringing the true and fair view of the county's position an annexure to the financial statement has                      | Chief officer finance  | resolved                          | 1 <sup>st</sup> November 2020                                    |

| 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) |
|--|----------------------------------|---|--|-----------------------------------|--|
|  |                                  | been provided   |  |                                   |  |
| 4.   | Unconfirmed fixed assets balance | the county treasury has initiated a process of the acquisition of an assets management information system which shall help in tracking and managing all the county assets   | Chief officer ICT and E-government                             | resolved                          | 1 <sup>st</sup> November 2020                                    |
| 5.   | Unconfirmed delivery of murram   | Bills of quantities in place, inspection and acceptance certificate of the murram delivered, project evaluation and monitoring report captured road work on which murram was used on and completion certificates issued | Chief officer roads and infrastructure                         | resolved                          | 1 <sup>st</sup> November 2020                                    |

| 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) |
|--|-----------------------------------|---------------------|--|-----------------------------------|--|
|--|-----------------------------------|---------------------|--|-----------------------------------|--|

**Other matters**

|    |                               |   |                                 |          |                               |
|----|-------------------------------|---|---------------------------------|----------|-------------------------------|
| 1. | Budgetary performance         | all the budget to activities for projects were procured and carried forward, the 2019/2020 F/Y works in progress        | Chief officer economic planning | resolved | 1 <sup>st</sup> November 2020 |
| 2. | Accumulation of pending bills | Inclusion of Kshs 39,440,972 as pending bill was used to guide the budget making process as this was works yet to start | Chief officer economic planning | resolved | 1 <sup>st</sup> November 2020 |

**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.

CEC, County Treasury

Sign..



Date 5th Feb,2021

ANNEXES

ANNEX 1 - Analysis Of Transfers From The Exchequer

| Period                           | Equitable Share      | DANIDA            | Level 5 hospitals allocation | Other transfers- Donor funds transferred through exchequer | Total Transfers from the National Treasury/ Exchequer |
|----------------------------------|----------------------|-------------------|------------------------------|--|---|
| Exchequer Releases for quarter 1 | 930,699,900          | -                 | -                            | 56,242,072   | 986,941,972   |
| Exchequer Releases for quarter 1 | 962,793,000          | 8,015,625         | -                            | 148,612,695  | 1,119,421,320   |
| Exchequer Releases for quarter 1 | 1,952,330,250        | -                 | -                            | -  | 1,952,330,250   |
| Exchequer Releases for quarter 1 | 1,043,025,750        | 14,000,625        | -                            | 373,559,072  | 1,430,585,447   |
| <b>Total</b>                     | <b>4,888,848,900</b> | <b>22,016,250</b> |                              | <b>578,413,839</b>   | <b>5,489,278,989</b>                                  |

COUNTY GOVERNMENT OF NANDI

ANNEX 2 - Analysis of Pending Accounts Payable

| Supplier of Goods or Services      | Original Amount    | Date Contracted | Amount Paid To-Date | Outstanding Balance 2018/2019 | Outstanding Balance 2017/2018 | Comments |
|------------------------------------|--------------------|-----------------|---------------------|-------------------------------|-------------------------------|----------|
|                                    | A                  | B               | c                   | d=a-c                         |                               |          |
| <b>Construction of buildings</b>   |                    |                 |                     |                               |                               |          |
| 1.                                 | 126,587,281        | -               | -                   | 126,587,281                   | 126,587,281                   |          |
| 2.                                 | -                  | -               | -                   | -                             | -                             |          |
| 3.                                 | -                  | -               | -                   | -                             | -                             |          |
| <b>Sub-Total</b>                   | <b>126,587,281</b> | <b>-</b>        | <b>-</b>            | <b>126,587,281</b>            | <b>126,587,281</b>            |          |
| <b>Construction of civil works</b> |                    |                 |                     |                               |                               |          |
| 4.                                 | 52,490,984         | -               | -                   | 52,490,984                    | 52,490,984                    |          |
| 5.                                 | -                  | -               | -                   | -                             | -                             |          |
| 6.                                 | -                  | -               | -                   | -                             | -                             |          |
| <b>Sub-Total</b>                   | <b>52,490,984</b>  | <b>-</b>        | <b>-</b>            | <b>52,490,984</b>             | <b>52,490,984</b>             |          |
| <b>Supply of goods</b>             |                    |                 |                     |                               |                               |          |
| 7.                                 | 81,663,192         | -               | -                   | 81,663,192                    | 81,663,192                    |          |
| 8.                                 | -                  | -               | -                   | -                             | -                             |          |
| 9.                                 | -                  | -               | -                   | -                             | -                             |          |
| <b>Sub-Total</b>                   | <b>81,663,192</b>  | <b>-</b>        | <b>-</b>            | <b>81,663,192</b>             | <b>81,663,192</b>             |          |
| <b>Supply of services</b>          |                    |                 |                     |                               |                               |          |
| 10.                                | 70,344,131         | -               | -                   | 70,344,131                    | 70,344,131                    |          |
| 11.                                | -                  | -               | -                   | -                             | -                             |          |
| 12.                                | -                  | -               | -                   | -                             | -                             |          |
| <b>Sub-Total</b>                   | <b>70,344,131</b>  | <b>-</b>        | <b>-</b>            | <b>70,344,131</b>             | <b>70,344,131</b>             |          |
| <b>Grand Total</b>                 | <b>331,085,588</b> | <b>-</b>        | <b>-</b>            | <b>331,085,588</b>            | <b>331,085,588</b>            |          |

COUNTY GOVERNMENT OF NANDI



**ANNEX 3 - Analysis of Pending Staff Payables**

| Name of Staff                | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2018/2019 | Outstanding Balance 2017/2018 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|-------------------------------|-------------------------------|----------|
|                              |           | a               | b                       | c                   | d=a-c                         |                               |          |
| <b>Senior Management</b>     |           |                 |                         |                     |                               |                               |          |
| 1.                           |           |                 |                         |                     |                               |                               |          |
| 2.                           |           |                 |                         |                     |                               |                               |          |
| 3.                           |           |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>             |           |                 |                         |                     |                               |                               |          |
| <b>Middle Management</b>     |           |                 |                         |                     |                               |                               |          |
| 4.                           |           |                 |                         |                     |                               |                               |          |
| 5.                           |           |                 |                         |                     |                               |                               |          |
| 6.                           |           |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>             |           |                 |                         |                     |                               |                               |          |
| <b>Unionisable Employees</b> |           |                 |                         |                     |                               |                               |          |
| 7.                           |           |                 |                         |                     |                               |                               |          |
| 8.                           |           |                 |                         |                     |                               |                               |          |
| 9.                           |           |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>             |           |                 |                         |                     |                               |                               |          |
| <b>Others (specify)</b>      |           |                 |                         |                     |                               |                               |          |
| 10.                          |           |                 |                         |                     |                               |                               |          |
| 11.                          |           |                 |                         |                     |                               |                               |          |
| 12.                          |           |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>             |           |                 |                         |                     |                               |                               |          |
| <b>Grand Total</b>           |           |                 |                         |                     |                               |                               |          |

COUNTY GOVERNMENT OF NANDI

ANNEX 4 - Analysis of Other Pending Payables

| Name   | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2018/2019 | Outstanding Balance 2017/2018 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|-------------------------------|-------------------------------|----------|
|  |                               | a               | b                       | c                   | d=a-c                         |                               |          |
| <b>Amounts due to National Govt Entities</b> |                               |                 |                         |                     |                               |                               |          |
| 1.   |                               |                 |                         |                     |                               |                               |          |
| 2.   |                               |                 |                         |                     |                               |                               |          |
| 3.   |                               |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>                             |                               |                 |                         |                     |                               |                               |          |
| <b>Amounts due to County Govt Entities</b>   |                               |                 |                         |                     |                               |                               |          |
| 4.   |                               |                 |                         |                     |                               |                               |          |
| 5.   |                               |                 |                         |                     |                               |                               |          |
| 6.   |                               |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>                             |                               |                 |                         |                     |                               |                               |          |
| <b>Amounts due to Third Parties</b>          |                               |                 |                         |                     |                               |                               |          |
| 7.   |                               |                 |                         |                     |                               |                               |          |
| 8.   |                               |                 |                         |                     |                               |                               |          |
| 9.   |                               |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>                             |                               |                 |                         |                     |                               |                               |          |
| <b>Others (specify)</b>                      |                               |                 |                         |                     |                               |                               |          |
| 10.  |                               |                 |                         |                     |                               |                               |          |
| 11.  |                               |                 |                         |                     |                               |                               |          |
| 12.  |                               |                 |                         |                     |                               |                               |          |
| <b>Sub-Total</b>                             |                               |                 |                         |                     |                               |                               |          |
| <b>Grand Total</b>                           |                               |                 |                         |                     |                               |                               |          |

COUNTY GOVERNMENT OF NANDI

| Asset class                                  | Historical Cost<br>b/f<br>(KShs )<br>2017/2018 | Additions<br>during the<br>year<br>(KShs ) | Disposals<br>during<br>the year<br>(KShs ) | Transfers<br>in/(out)<br>during<br>the year<br>(KShs) | Historical Cost<br>(KShs )<br>2018/2019 |
|--|--|--|--|---|---|
| Land   | 541,127,600                                    | -  | -  | -   | 541,127,600                             |
| Buildings and structures                     | 2,006,904,582                                  | 618,121,846                                | -  | -   | 2,625,026,427                           |
| Transport equipment                          | 412,510,118                                    | 25,424,851                                 | -  | -   | 437,934,968                             |
| Office equipment, furniture and fittings     | 93,689,683                                     | -  | -  | -   | 93,689,683                              |
| ICT Equipment, Software and Other ICT Assets | 64,415,692                                     | 19,520,560                                 | -  | -   | 83,936,253                              |
| Other Machinery and Equipment                | 255,094,904                                    | 106,881,298                                | -  | -   | 361,976,202                             |
| Heritage and cultural assets                 | 1,329,650,101                                  | 30,050,009                                 | -  | -   | 1,359,700,110                           |
| wip  | 1,150,716,858                                  | -  | -  | -   | 1,150,716,858                           |
| Intangible assets                            | 55,358,488                                     | 23,842,916                                 | -  | -   | 79,201,405                              |
| <b>Total</b>                                 | <b>5,909,468,026</b>                           | <b>823,841,480</b>                         | <b>-</b>                                   | <b>-</b>  | <b>6,733,309,506</b>                    |

COUNTY GOVERNMENT OF NANDI

**ANNEX 6 - Inter-Entity Transfers**

ANNEX 6 - Inter-Entity Transfers

| Ref | Entity                              | Quarter 1          | Quarter 2          | Quarter 3          | Quarter 4          | Amount transferred KShs | Amount Confirmed as received KShs | difference | Explanation |
|-----|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|-----------------------------------|------------|-------------|
| 1   | Nandi County Assembly               | 85,660,528         | 219,118,729        | 183,048,342        | 186,837,758        |                         | 674,665,357                       | -          | -           |
| 2   | Nandi County Education Fund         | -                  | -                  | 41,160,000         |                    |                         | 41,160,000                        | -          | -           |
| 3   | Nandi executive car & mortgage loan | -                  | 5,000,000          | -                  |                    |                         | 5,000,000                         | -          | -           |
| 4   | Emergency Fund                      |                    |                    |                    | 151,326,000        |                         | 151,326,000                       | -          | -           |
| 5   | <b>Total</b>                        | <b>151,411,431</b> | <b>171,717,581</b> | <b>222,368,178</b> | <b>338,163,758</b> | <b>-</b>                | <b>872,151,357</b>                | <b>-</b>   | <b>-</b>    |

Director of Finance  
Administrator  
County Executive

Received by:

Chief Officer,

Fund


Director of Finance


County Assembly

Education and Vocational Training

Nandi Executive car and Mortgage loan





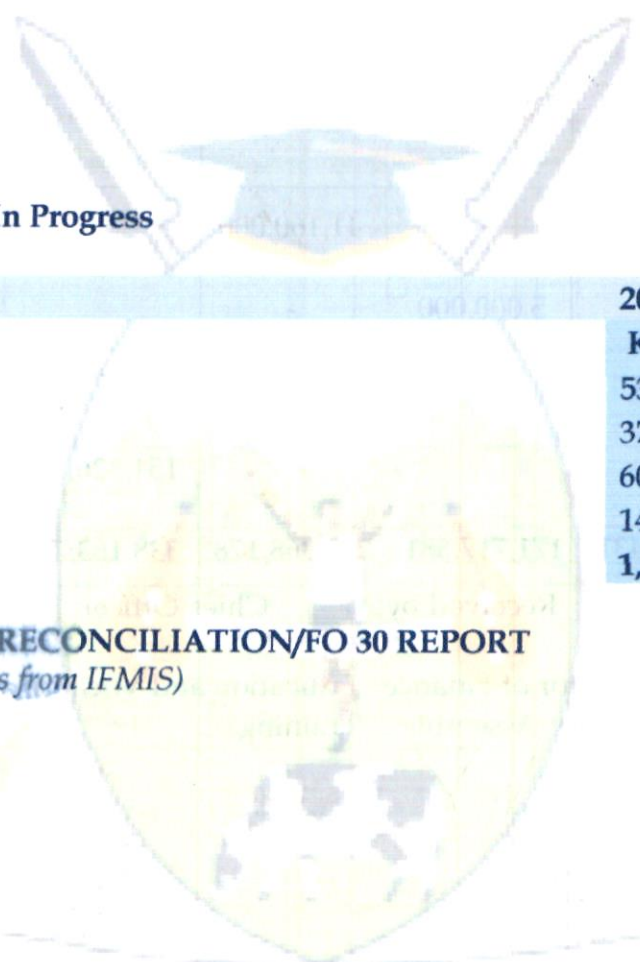




COUNTY GOVERNMENT OF NANDI

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**ANNEX 8- Works In Progress**



Construction of buildings  
Construction of civil works  
Supply of goods  
Supply of services

| 2018/2019            |
|----------------------|
| KShs                 |
| 539,180,256          |
| 377,114,485          |
| 60,665,558           |
| 142,986,459          |
| <b>1,119,946,758</b> |

**ANNEX 9 - BANK RECONCILIATION/FO 30 REPORT**  
(Attach FO 30 Reports from IFMIS)

COUNTY GOVERNMENT OF NANDI