

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

PAPERS LAID	
DATE	29/3/22
TABLED BY	S.M.L
COMMITTEE	—
CLERK AT THE TABLE	Daniel

REPORT

OF

THE AUDITOR-GENERAL

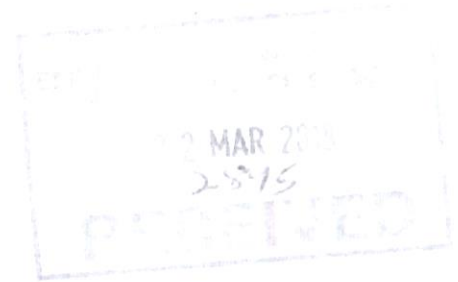
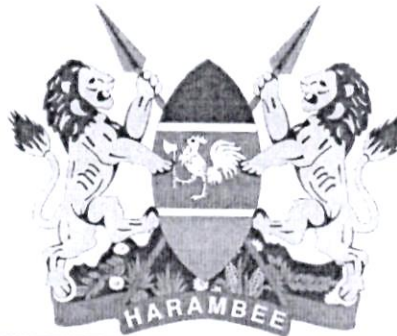
ON

**COUNTY ASSEMBLY OF ISIOLO CAR LOAN
(MEMBERS) SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2018**



COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018



COUNTY ASSEMBLY OF ISIOLO

CAR LOAN SCHEME FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

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

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

Contents

KEY ASSEMBLY INFORMATION AND MANAGEMENT	3
I. FORWARD BY THE CLERK OF THE ASSEMBLY	5
II. STATEMENT OF MANAGEMENT RESPONSIBILITIES	6
III. STATEMENT OF FINANCIAL PERFORMANCE	7
AS AT 30 JUNE 2018	7
IV. STATEMENT OF FINANCIAL POSITION	8
AS AT 30 JUNE 2018	8
V. STATEMENT OF CASHFLOW.....	9
VI. STATEMENT OF CHANGES IN NET ASSETS.....	10
VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	11
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	12
IX. NOTES TO THE FINANCIAL STATEMENTS.....	14
X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	17

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

KEY ASSEMBLY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya is headed by the Speaker, who is responsible for the general policy and strategic direction of the County Assembly.

(b) Key Management

The Assembly's day-to-day management is under the following key organs:

- Clerks Department
- Accounts and Finance Department
- Human resource and Procurement Department
- Budget and Audit Department

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Clerk	Salad Boru Guracha
2.	Principal Accountant	Issadin Muktar
3.	Principal Finance	Rahima Atikiya
4.	Principal Human Resource	Abubakar Ali Boru
5.	Principal Auditor	Hadija Yussuf

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and finance committee activities
- County Assembly's Public Accounts committee

(e) Assembly Headquarters

P.O. Box 195 - 60300
County Assembly Building
Isiolo, KENYA

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

(f) Assembly Contacts

Telephone:(254) 0719574394
E-mail: clerkisiolo@gmail.com.
Website: www.isiolo.go.ke

(g) Assembly Bankers

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

2. Equity Bank Limited
P.O. Box 197
Isiolo

3. National Bank of Kenya
National Bank Building, Harambee Avenue, Nairobi
P.O BOX 72866-00200 Nairobi

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

I. FORWARD BY THE CLERK OF THE ASSEMBLY

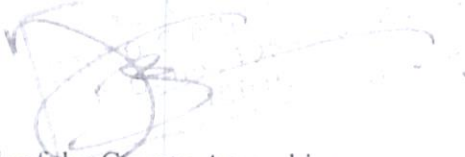
The Isiolo County Assembly Car Loan Scheme Fund was established in the financial year 2015/2016. An amount of Kshs. 22,000,000 was set aside as a revolving fund

VALUE FOR MONEY

Isiolo County Assembly car loan scheme funds were utilized in accordance with the provisions of Public Finance Management Act 2012 and the purpose for which they were intended for.

PROGRESS LOAN DISBURSEMENT

During the financial year 2017/2018 the County Assembly recovered Kshs.2,478,701.60 from members of county assembly.



Clerk of the County Assembly

Sign

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

II. STATEMENT OF MANAGEMENT RESPONSIBILITIES

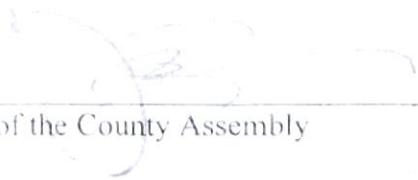
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2018 and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on **Aug 29, 2018**.



Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF ISIOLO CAR LOAN (MEMBERS) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2018

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of County Assembly of Isiolo Car Loan (Members) Scheme Fund set out on pages 7 to 17, which comprise the statement of financial position as at 30 June, 2018, and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1.0 Trial Balance

The Fund's trial balance for the financial year ended 30 June, 2018 was not availed for audit review.

In the circumstances, the validity and accuracy of all the balances in the Fund's financial statements for the year ended 30 June, 2018 could not be confirmed.

2.0 Inaccuracy of the Financial Statements

2.1 The Statement of Financial Performance

The statement of financial performance reflects Kshs.143,631 in respect to total expenditure. However, recasting of the balances gave a balance of Kshs.143,361 resulting to an unexplained variance of Kshs.270.

2.2 The Statement of Financial Position

The statement of financial position reflects Note 6 and 7 in respect to cash and bank and account receivables respectively. However, the actual notes relating to cash and bank and account receivables are Note 7 and 6 respectively.

Further, the statement of financial position reflects Kshs.22,124,494 and Kshs.444,499 in respect to car loan fund and accumulated surplus respectively, both totalling to Kshs.22,568,993. However, the reported car loan Fund balance differs with balance brought forward of Kshs.22,000,100 resulting to unexplained variance of Kshs.124,394. Similarly, the re-computed accumulated surplus balance was Kshs.572,464 instead of the reported accumulated surplus balance of Kshs.444,499 resulting to an unreconciled variance of Kshs.127,695.

2.3 The Statement of Cash Flows

The statement of cash flows reflects Kshs.1,426,156 in respect to loan repayment but the forward by the clerk of the Assembly on page 5 of the financial statements reflects Kshs.2,478,702 in respect to loan recoveries resulting to a variance of Kshs.1,052,546. However, details of loan recoveries were not availed for audit review.

Further, the statement of cash flows reflects Kshs.464,686 in respect to interest income not received whose details were not availed for audit review.

In addition, the statement of financial position reflects an increase of Kshs.20,891,576 in accounts receivables from Kshs.1,052,547 as at 30 June, 2017 to Kshs.21,944,123 as at 30 June, 2018. The statement also reflects an increase of Kshs.124,394 in car loan fund from Kshs.22,000,100 as at 30 June, 2017 to Kshs.22,124,494 as at 30 June, 2018. However, these changes have not been reflected in the statement of cash flows.

In addition, the statement of cash flows reflects an amount of Kshs.1,410,589 in respect to cash and cash equivalent at the beginning of the year. However, this balance ought to have been reflected as a cash and cash equivalent at the end of the year.

2.4 The Statement of Changes in Net Assets

The statement of changes in net assets reflects a total net assets balance of Kshs.21,199,743 as at 01 July, 2017. However, the audited financial statement for the year ended 30 June, 2017 reflects a total net assets balance of Kshs.22,127,795 resulting to an unexplained variance of Kshs.928,052.

2.5 The Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects Kshs.143,631 in respect to total payments comprising of Kshs.134,781 and Kshs.8,580 in respect to administration costs and bank charges respectively. However, the original and final budget column on the same items are blank and consequently, the basis of 100% budget utilization difference to final budget as reflected in the statement is not clear.

2.6 Notes to the Financial Statements

Note 1 and Note 5 to the financial statements are reflected as transfer from the County Assembly and non-assets respectively. However, the headings are not clear as to which items or components they related to as Note 1 in the statement of financial performance relates to interest while Note 5 in the statement of financial position is on non-current assets. It was, therefore, not possible to relate the notes to the financial statements with

the notes numbers reflected in the respective financial statement. Further, Note 9 to the financial statements for the year under review reflects an opening balance of Kshs.22,000,000 in respect to amounts transferred to the Fund while the 2016/2017 audited financial statements reflects a closing balance of Kshs.22,000,100 resulting to unreconciled variance of Kshs.100.

In the circumstances, the validity, accuracy and completeness of the Fund's financial statement for the year ended 30 June, 2018 could not be confirmed.

3.0 Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.1,410,589 in respect to cash and cash equivalents. However, the cash book, bank statements, bank reconciliations and certificate of balances as at 30 June, 2018 were not provided for audit review.

In the circumstances, the validity and accuracy of the cash and cash equivalents balance of Kshs.1,410,589 could not be confirmed.

4.0 Unsupported Account Balances

The financial statements reflected balances of Kshs.588,130, Kshs.134,781, Kshs.8,580, Kshs.21,944,123 and Kshs.785,719 relating to interest, administrative costs, bank charges, accounts receivables and deferred interest, respectively. However, the respective supporting documents and schedules for the balances were not provided for audit review.

In the circumstances, the validity and accuracy of the account balances reflected in the financial statements could not be confirmed.

5.0 Presentation of the Financial Statements

The financial statements availed for review contained the following anomalies:

- (i) While Public Sector Accounting Standards Board (PSASB) stipulates that the Fund's financial statements be prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS), the cover page of the Fund financial statements indicate that the financial statements are prepared in accordance with the both Accrual and Cash Basis of Accounting Method under the IPSAS. In addition, page 12 and 16 of the financial statements for the year under review indicate that the financial statements are prepared in accordance with Cash Basis and therefore misleading to the users of the financial statements.
- (ii) The Fund's financial statements for the year under review reflect County Assembly of Isiolo as part of the header and therefore misleading to the users of the financial statements as to whether they relate to the Fund or to County Assembly of Isiolo. In addition, page 7 and 8 representing the statement of financial performance and statement of financial position are repeated in the table of content.

- (iii) The Funds financial statements for the year under review under pages 3 and 6 reflects Key Assembly Information and Management and Statement of Management Responsibilities respectively containing information about the County Assembly instead of the Fund's information. Further, PSASB stipulates that the Fund's financial statements should reflect information about the board of trustees, management team, chairperson's report, report of the administrator, corporate governance statement, management discussion and analysis and report of the trustees. However, these details are not included in the Fund's financial statements for the year under review.
- (iv) The Fund's statement of financial performance for the year ended 30 June, 2018 has been reflected as statement of financial performance as at 30 June, 2018 contrary to Section IG4 of International Public Sector Accounting Standards (IPSAS) 1 which stipulates that the statement of financial performance should be for the year ended 30 June, 2018. In addition, IPSAS 1 (IG4 at pages 76 and 77) stipulates that the statement of changes in net assets should be "for the year ended" and not "as at" as reflected in the Fund's financial statements.
- (v) PSASB stipulates that the statement of financial performance should be signed by the Administrator of the Fund who should also indicate his/her name and the Fund Accountant who should indicate his/her name and the Institute of Certified Public Accountants of Kenya (ICPAK) membership number. However, the Administrator of the Fund did not indicate his/her name while the Fund Accountant did not indicate both his name and the ICPAK Membership Number.

In the circumstances, the Fund's financial statements are not prepared in accordance with the stipulated PSASB format.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Basis for Conclusion

Late Submission of the Financial Statements

Section 176(3) of the Public Finance Management (PFM) Act, 2012 and Section 15(1)(d) of the Public Finance Management (County Assembly of Isiolo Car Loan (Members) Scheme Fund) Regulations, 2014 requires the Administrator of the Fund to submit to the Auditor-General the financial statements of the Fund not later than three months after the end of the financial year. Further, Section 47(1) of the Public Audit Act, 2015, states that all financial statements required under all legislations shall be submitted to the Auditor-

General within three months after the end of the respective financial year. However, the financial statements for the County Assembly of Isiolo Car Loan (Members) Scheme Fund) for the year ended 30 June, 2018 were submitted to the Auditor-General on 22 March, 2019, six (6) months after the statutory deadline.

In the circumstances, the Administrator of the Fund is in breach of the law.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability 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 intention to terminate the Fund or to cease operations.

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

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


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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of County Assembly of Isiolo Car Loan (Members) Scheme Fund 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

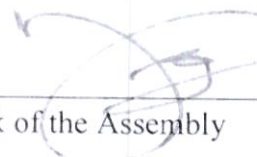
23 August, 2021

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

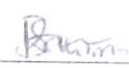
III. STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2018

	Note	2017-2018	2016-2017
Income		Kshs	Kshs.
Interest	1	588,130	359,231
Other Income	2		
Total Income		588,130	359,231
EXPENDITURE			
Administrative Costs	3	134,781	175,304
Bank Charges	4	8,580	19,800
Total Expenditure		143,631	195,104
Surplus/ (Deficit)		444,499	164,127

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Assembly financial statements were approved on Aug 29, 2018 and signed by:



 COUNTY ASSEMBLY
 ISIOLO
 P. O. BOX 17400
 - ISIOLO


 Principal Finance Officer

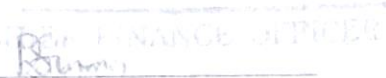
COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

IV. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2017-2018	2016-2017
		Kshs	Kshs.
Assets			
Non- Current Assets	5	-	-
Current Assets			
Cash and Bank	6	1,410,589	21,075,248
Accounts Receivables	7	21,944,123	1,052,547
Total Assets		<u><u>23,354,712</u></u>	<u><u>22,127,795</u></u>
Current Liability			
Deferred Interest	8	785,719	0
Total Current Liabilities		<u>785,719</u>	<u>0</u>
Financed by			
Car Loan Fund	9	22,124,494	22,000,100
Accumulated Surplus		444,499	127,695
Total		<u><u>22,568,993</u></u>	<u><u>22,127,795</u></u>
Total		<u><u>23,354,712</u></u>	<u><u>22,127,795</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Assembly financial statements were approved on June 29, 2018 and signed by:

Clerk of the Assembly



Principal Finance Officer

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF CASHFLOW

	Notes	2017-2018 Kshs	2016-2017 Kshs.
Statement of Cash flow			
Surplus/(deficit)		444,499	164,127
Interest income not received		464,686	(52,547)
Cash flow from Operating Activities		<u>909,185</u>	<u>111,580</u>
Financing Activities			
Loan Fund received		0	0
Loan Loan Disbursed	9	(22,000,000)	0
Loan Repayment		1,426,156	11,000,000
Net Cash from financing Activities		<u>(20,573,844)</u>	<u>11,000,000</u>
Increase in cash and cash Equivalent		(19,664,659)	11,111,580
Cash and cash equivalent at Beginning of year		21,075,248	9,963,668
Cash and cash equivalent at Beginning of year		<u><u>1,410,589</u></u>	<u><u>21,075,248</u></u>

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

VI. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2018

	Loan Fund	Accumulated Fund	Total
At July 1 2017	21,075,248	124,495	21,199,743
Transfer into the fund		-	-
Surplus/(Deficit) year		444,499	444,499
At June 2018	21,075,248	568,994	21,644,242

VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE PERIOD ENDED 30 JUNE 2018

Receipt/Expense Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis Kshs	% of utilization difference to final budget Kshs
RECEIPTS					
Interest on Loan	588,130	0		588,130	100%
Other Receipt	-	-		0	100%
TOTAL	588,130	0		588,130	100%
PAYMENTS					
Administration Costs				134,781	100%
Bank Charges				8,580	100%
TOTAL				143,631	100%

I. 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Assembly. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. **Recognition of Income**

The Assembly recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Assembly. In addition, the Assembly recognises all payments when the event occurs and the related cash has actually been paid out by the Assembly.

3. **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.

4. **Accounts Receivable**

For the purposes of these financial statements, interest on loans and principal amount due from the loans issued to authorised public officers and/or institutions which were which has not been repaid at the end of the financial year is treated as receivables.

5. **Non-current assets**

The fund did not have any no current Assets

6. **Differed Interest**

Interest due from the loan disbursed are recognised and amortized during the life time of loan repayment on annual basis.

7. **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 Assembly's budget

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates.

8. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

9. 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.

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

9. CAR LOAN FUND

	2017/2018	2016/2017
	Kshs	Kshs
Funds Transferred	22,000,000	22,000,100
Total	22,000,000	22,000,100

11 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;

Related party transactions:

	2017/2018	2016/2017
	Kshs	Kshs
Compensation to the Administrator	0	0
Key Management compensation	0	0
	=====	=====
Transfers from the County Treasury	0	0
	=====	=====

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2018

X. PROGRESS ON FOLLOW UP OF AUDITOR 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)
	No issue on Previous years audit Since this is the first time the Financial are prepared and submitted for audit				

Clerk of the County Assembly

The image shows a handwritten signature in blue ink over a rectangular official stamp. The stamp contains the text 'CLERK OF THE COUNTY ASSEMBLY' and 'ISIOLO'.

Sign.....

Date: 22-03-2019

PAID	1970
NOV 13 1970	
COMMERCIAL	
1000 000000	