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REPORT

OF

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
THARAKA NITHI**

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



THARAKA NITHICOUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEARENDED
JUNE 30, 2020**

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

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the County Assembly. The Second County Assembly constitutes 15 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and an additional 5 members nominated by political parties. It has 10 MCAs from Jubilee Party, 3 from NARC Kenya and 2 Independent elected MCAs. 4 of the nominated MCAs are under Jubilee while 1 is under the NARC Kenya emblem. The constitution of the County Assembly Committees is all-inclusive regardless of party affiliations, a pointer to the legislators working together for the common good of the people of Tharaka Nithi. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

Tharaka Nithi County Assembly has its Vision, Mission and Core Values as highlighted below:

Vision

To be a supreme, effective, efficient and self-sustaining County Assembly as a major participant in the process of good governance

Mission

To facilitate members of Tharaka Nithi County Assembly to efficiently and effectively fulfil the constitutional mandate in a representative system of devolved government

Core Values

- ✓ Professionalism and Team Work
- ✓ Accountability
- ✓ Transparency and Integrity
- ✓ Courtesy
- ✓ Efficiency and Responsiveness
- ✓ Prudent use of Resources

(b) Key Management

The *Tharaka Nithi County Assembly's* day-to-day management is under the following key organs:

- **Tharaka Nithi County Assembly Service Board**

Pursuant to Section 12 of the County Government Act, the County Assembly Service Board is responsible for:

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- Providing services and facilities to ensure efficient and effective functioning of the County Assembly
- Constituting offices in the County Assembly Service and appointing and supervising the office holder
- Preparing Annual Estimates of expenditure of the County Assembly Service and submitting them to the County Assembly for approval and executing budgetary control over the same.
- Undertaking programmes to promote the ideas of parliamentary democracy
- Performing the function necessary for the wellbeing of the members and staff of the County Assembly

- **The Clerk of the County Assembly**

In accordance to PFM Act 2012, the Clerk of the County Assembly is the Accounting Officer and is responsible for:

147(1) Subject to the Constitution, the Accounting Officer of a County Assembly shall monitor, evaluate and oversee the management of their public finances, including:-

- (a) Promoting and enforcing transparency, effective management and accountability with regard to the use of their finances
- (b) Ensuring that accounting standards are applied
- (c) Implementing financial policies in relation to their finances
- (d) Ensuring proper management and control of, and accounting for, their finances in order to promote the efficient and effective use of budgetary resources
- (e) Preparing Annual Estimates of expenditures
- (f) Acting as custodian of the entity's assets except as may be provided by the other legislation or the constitution
- (g) Monitoring the management of their finances and their financial performance
- (h) Reporting regularly to the County Assembly on the implementation of their budget and
- (i) Take such action, not inconsistent with the constitution, as will further the implementation of this Act

The core responsibility of various departments is to facilitate the Members of County Assembly to achieve their mandates. Tharaka Nithi County Assembly is made up of various departments i.e. Office of the Speaker, Office of the Clerk, Finance & Accounts, Human Resource, Internal Audit, Procurement, Sergeant at-arms, Hansard & Communication, Administration, Legal and ICT departments. Through team work, these various departments have had the following achievements under the new management:

- Development of various County Assembly policies such as Transport, Secondment and Training Policies

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- In the process of developing the Tharaka Nithi County Assembly Strategic Plan for 2019-2024

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Amos Kiangwe Sikweya
2.	Director Finance & Accounting	Purity Kawira Njeru
3.		
4.		

(d) Fiduciary Oversight Arrangements

The following committees have been established in the County Assembly:

- The Loan Management Committee which considers application for Car loan and Mortgage loans
- The Management Committee that consists of the Clerk of the County Assembly and Heads of departments in the Assembly and is responsible for advising the Board on matters relating to the functions and powers of the County Assembly Service Board
- The Staff Advisory Committee that consists of staff from various departments and is responsible for advising the County Assembly Service Board through the Assembly Clerk on matters relating to staff
- County Assembly Audit Committee

(e) Entity Headquarters

Tharaka Nithi County Assembly
P.O. Box 694
Chuka, Kenya

(f) Entity Contacts

Telephone: 202399828
E-mail: tharakanithicountyassembly@gmail.com
Website: [Http://.tharakanithica.go.ke](http://.tharakanithica.go.ke)

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(g) Entity 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 213
Chuka, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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2. FORWARD BY THE CLERK OF THE ASSEMBLY

The County Assembly approved a budget of Kshs. 410,650,000 for the Financial Year 2019/2020 of which Kshs.400,650,000 was for Recurrent Expenditure and Kshs.10,000,000 was for Development Expenditure. The budget was later reviewed thrice through Supplementary Budget to the total of Kshs.403,650,000 as Recurrent Expenditure and Kshs.10,000,000 as Development Expenditure.

However, by the end of Financial Year 30th June, 2020, the County Assembly had received Kshs.357,770,800 through exchequer releases representing 87.12% of the total annual budget, 87.66% of the Recurrent Expenditure budget and 65.47% of the Development Expenditure.

Operational Performance

-The County Assembly original budget was passed on 30th June, 2019, the 1st supplementary budget was passed on 27th November, 2019, the 2nd supplementary budget was passed on 25th March, 2020 and the 3rd supplementary budget was passed on 20th May, 2020.

County Assembly Sectoral committees and their mandates include the following:

1. Agriculture, Environment and Natural Resources-Deals with all matters related to agriculture and implementation of specific county government policies on natural resources and environmental conservation.
2. Health Services Committee-Deals with all matters related to county health services and control undertakings that sell food to the public.
3. Children culture and community Services-Deals with all matters related to cultural activities, public entertainment and public amenities.
4. Transport and public works-Deals with all matters related to county transport.
5. Planning, Trade, Tourism and Cooperatives-Deals with all matters related to County Planning and development.
6. Early Childhood Education and Vocational Training-Deals with all matters relating to pre-primary education, village polytechnics, home crafts centres and child care facilities.
7. Labour and Social Welfare-Deals with all matters relating to labour, trade union relations, manpower, sports etc.
8. Justice and Legal Affairs-Deals with constitutional affairs, administration of law and justice e.g. elections, ethics, integrity and anti-corruption and human rights.

- The oversight role of the County Assembly is done through the various committees where these committees receive annual reports from the relevant departments in executive which they deliberate and table the reports to the assembly for further deliberations and approval.

Further, committees undertake county tours for fact findings on the progress of projects implementation and further draft motions, statements or compile reports to the assembly.

The following are the successes of the sectoral committees over the period:

1. Various bills have been tabled, debated and passed

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2. Various motions and statements have been passed
3. Various regulations and policy papers have been approved
4. They have promptly scrutinized Audited Reports that have also been tabled in the Assembly
5. Investigated and made recommendations on various corruption cases
6. Played an effective role in the budget development
7. Effectively observed the 2/3 gender rule in all appointments
8. Development of various policy manuals to guide the administration function
9. Development of National Legislation that affect County Governments e.g. County Assembly Service Act, County Government Amendment Act, Amendments to the PFM Act and Ward Development Fund Bill
10. Adoption of various policy circulars issued by the Constitutional Commissions e.g. Salaries and Remuneration Commission.

Performance of key development projects

The first development project is renovation of County Assembly Chuka offices, which are a completed project in the County Assembly. This has enhanced convenient and good working conditions for the staff of the County Assembly. Procurement plan/ Work Plan were in place. The construction of the County Assembly building is Work in Progress as development project. The County Assembly is in the process of developing its Strategic Plan for 2019-2024 and a draft of the same is ready. The construction of the County Assembly building is included in the County Assembly Strategic Plan and Work Plan. When the said development project is complete, there would be effectiveness and efficiency of the operations of Tharaka Nithi County Assembly due to good working conditions and environment, good and spacious offices hence value addition will be realised.

Comment on value-for-money achievements

The Tharaka Nithi has undertaken a completed project of renovating the County Assembly offices. This has enhanced good working conditions for the employees of the County Assembly. Value for money was realised. The construction of Tharaka Nithi County Assembly building as a development project would enhance good working conditions and environment. This would improve the performance of the employees and thus would be at a position of serving the members of County Assembly at their best. These members would then serve the citizens due to good service from the employees hence improving the lives of the citizens of the County.

Challenges and Recommended Way Forward

The following are some of the implementation challenges of strategic objectives for the County Assembly or the key factors that caused the County Assembly not to achieve its goals and the recommended way forward:

Implementation Challenges:

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1. The irregular, unpredictable and delays in Exchequer Releases from the National Treasury which in effect hinders effective planning and Budget implementation.
2. Integrated Financial Management Information System(IFMIS) connectivity challenges
3. Limited budget resources vis a vis demand for the resources to support operations of the County Assembly
4. Inadequate basic infrastructure, equipment's and facilities

Recommended Way Forward:

1. The National Treasury through Controller of Budget to release the County Assembly's Exchequer in time and without delays for proper planning and budget execution
2. The National Treasury to address the challenge of Integrated Financial Management Information System(IFMIS)connectivity through its ICT department
3. Budget ceiling for the County Assembly of Tharaka Nithi be increased to avoid limited resources while operating the County Assembly.
4. Adhere to the annual budget allocations for the procurement of the various equipment's and facilities for good performance and working conditions

NB:

The County Assembly of Tharaka Nithi is in the process of developing its Strategic Plan 2019-2024.



Amos Kiangwe Sikweya
Clerk of the County Assembly

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3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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.

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

Below were the expected outputs of the assembly in FY 19/20

The County Assembly of Tharaka Nithi in enhancing their mandate undertook trainings, which enabled them to achieve the following:

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Business Generation for the House Business in terms of Committee Reports on various issues affecting the County, Motions, Statements and Petitions.	50 % increase in efficient Assembly operation	Standing orders were reviewed and resulted to better response and coordination of Assembly business
Program 2	Objective	Outcome	Indicator	Performance
Fiscal management		Budget and Budgetary Processes in terms of scrutiny and approval of Budgetary documents such a CIDP, ADP, CFSP & Budget Estimates.	CIDP, ADP and budget estimates passed	Budget passed
Law making Process and Bills		Development and passing of bills	Following bills were passed i) Tharaka Nithi	5 laws passed

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Development			County Finance Bill, 2019 ii)Tharaka Nithi County Climate Change Bill, 2019 iii) Tharaka Nithi County Persons with Disability Bill, 2020 iv) Tharaka Nithi County Tea Bill, 2020 v)Kathwana Municipality: Urban development framework policy frame work	

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Tharaka Nithi County Assembly Service Board stands committed to the social, economic and environmental development of the community in which it operates. The institution's commitment towards this includes contributing to other institutions, which are engaged in activities aligned to the activities forming part of its CI policy.

The Community Involvement Policy of Tharaka Nithi County Assembly focuses on addressing critical social, economic and environmental needs of the underprivileged and downtrodden sections of the society. We adopt an approach that integrates the solutions to these problems into the strategies of the Institution to benefit the community at large and create social, economic and environmental impact.

CI projects are the projects that do not form part of the normal course of business of the Assembly. All our CI projects will be reviewed and updated by the CI committee of the Board. The normal course of business of the Assembly is legislation, representation, oversight and budgeting.

The objectives of this policy are to:

1. Provide a framework on the institution's management of CI programs and activities;
2. Establish a mechanism of funding the CI programs and activities;
3. Formulate a partnerships and synergies creation mechanism;
4. Foster a positive image of Tharaka Nithi County Assembly on the Community;
5. Contribute towards the social and economic welfare of the vulnerable in the society;
6. Contribute towards environmental sustainability.

Modalities of Execution and Implementation:

The CI Committee may decide to undertake its activities as approved by the Board through:

1. The Institution (or)
2. A registered Welfare group, a registered Community Based Organization or an NGO subject to following conditions:
 - a) Such NGO, CBO or welfare group has an established record of accomplishment of three years in undertaking similar programs or projects
 - b) The Assembly has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism; (or)
 - c) Collaboration with other institutions in such manner that the CI Committees of respective companies are in a position to report separately on such CI activities in accordance with CI Rules

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Monitoring and review of the Policy:

- a. Tharaka Nithi County Assembly Board (TNCASB) on advice of the Committee will review the project proposal and monitor the implementation of the projects on regular basis and establish evaluation framework for supported causes;
- b. The Board will lay down organizational supervision and oversight requirements before release of funds;
- c. The Committee will submit quarterly reports to the Board;
- d. There will be physical verification of the projects status, reports of which will be shared with the board on a quarterly basis;
- e. The CI committee will be made aware of major updates, and drawbacks by the beneficiaries and other stakeholders;
- f. The CI committee shall present an annual report to the Board regarding the expenses incurred on donations and CI activities by 31 July of every calendar year.

The annual report shall include the following particulars:

1. Overview of projects or programs proposed to be undertaken.
2. The composition of the CI Committee;
3. Total CI Expenditure;
4. Achievements
5. Challenges
6. Recommendations
7. A responsibility statement of the CI Committee that the implementation and monitoring of CI Policy, is in compliance with CI objectives and Policy of the Tharaka Nithi County Assembly.

The Board may review the policy on the CI Committee's advice from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Community Engagements:

The County Assembly of Tharaka Nithi carried out CSR activities as follows:

- i. Hon. Members visited most vulnerable homesteads with foodstuffs

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5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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


The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

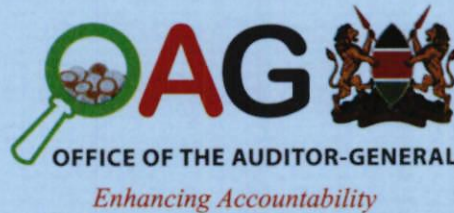
Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 08-09-2020.


Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Tharaka Nithi set out on pages 1 to 22, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts, recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Tharaka Nithi as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1.0 Cash and Bank Balances

As disclosed in Note 8A to the financial statements, the statement of financial assets reflects an amount of Kshs.24,428 in respect of cash and bank balances as at 30 June, 2020. However, the certificate of bank balance provided for audit review reflects Kshs.11,620 resulting to an unexplained and unreconciled variance of Kshs.12,808.

In the circumstances, the validity and accuracy of the Kshs.24,428 in respect of cash and bank balances as at 30 June, 2020 could not be ascertained.

2.0 Unsupported Expenditures - Use of Goods and Services

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.155,909,381 in respect of use of goods and services. Review of records revealed that the balance constitutes expenditure amounting to Kshs.12,717,158 under foreign travel and subsistence which includes an amount of Kshs.1,028,273 whose supporting documents including payment vouchers were not provided for audit review.

In the circumstances, the accuracy and propriety of the expenditure amounting to Kshs.1,028,273 could not be ascertained.

3.0 Unsupported Expenditure - Acquisition of Assets

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.15,025,372 in respect of acquisition of assets which includes Kshs.543,310 spent on purchase of Information and Communication Technology (ICT) equipment, software and other ICT assets, installation of internet mast and testing of internet. However, supporting documents including approved requisition, quotations, certificate of completion were not provided for audit review.

In the circumstances, the propriety and accuracy expenditure could not be ascertained.

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

Unsupported Pending Bills

I draw your attention to Note 7.10 – Other disclosures to the financial statements which reflects an amount of Kshs.40,894,958 (2019: Kshs.10,517,225) in respect of outstanding pending bills as at 30 June, 2020. Available records indicate that balance brought forward was cleared during the year and the Kshs.40,894,958 represents the outstanding bills for the year under review.

However, creditors' ledgers were not provided to ascertain the creditors' movement within the year and whether the Kshs.10,517,225 paid during the year was eligible. Further, the additional pending bills of Kshs.40,894,958 relating to supply of goods and services were not supported by payment vouchers and certificates of work done.

Failure to settle bills in the year to which they relate will adversely affect the implementation of the subsequent year's budgeted programs as the pending bills form a first charge.

My opinion is however not qualified in respect 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 other key audit matters to report during the year under review.

Other Matter

1.0 Budgetary Control and Performance

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.413,650,000 and Kshs.357,770,800 respectively, resulting to an under-funding of Kshs.55,879,200 or 14% of the budget. Similarly, the County Assembly expended an amount of Kshs.357,137,470 against an approved budget of Kshs.413,650,000 resulting to an under-expenditure of Kshs.56,512,530 or 14% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: 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 procedures performed, except for the matters described in the Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Compensation of Employees

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.176,965,725 in respect of compensation of employees which includes a balance of Kshs.266,350 in respect of salary and allowances paid to a security warden. Review of documents provided for audit review revealed that the County Assembly Service Board renewed employment contract for the security warden with effect from 1 February, 2020 for a period of three years. Review of the payroll and personal file provided for audit review revealed that as at the time of the contract renewal, the employee had attained the age of 60 years. However, no evidence was provided for audit review to confirm why the contract was renewed contrary to Section D.21 of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which stipulates that all officers shall retire from the service on attaining the mandatory retirement age of 60 years or 65 years for persons with disabilities and/or as may be prescribed by the Government from time to time.

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

2.0 Non-Compliance with the One Third of Basic Salary Rule

During the year ended 30 June, 2019, three (3) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. Management has not given explanation for failure to comply with the policy.

In the circumstances, the County contravened Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 as this may expose the staff to pecuniary embarrassment.

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

3.0 Non-Compliance with the Public Procurement and Asset Disposal Act, 2015 – Use of Goods and Services

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.155,909,381 in respect of use of goods and services. A review of the procurement process and documents revealed the following unsatisfactory matters:

3.1 Procurement Outside the Procurement Plan

The balance includes an amount of Kshs.1,286,800 spent under printing, advertising and information supplies and services. However, review of the procurement plan revealed that Kshs.920,120 out of the Kshs.1,286,800 was spent on procurement of goods and services that were not included in the procurement plan for the year ended 30 June, 2020

contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal Act, 2015 and Section 50(2)(3) of Public Finance Management (County Governments) Regulations, 2015 which stipulates that all expenditures shall be within the approved budget of the procuring entity and shall be planned through an annual procurement plan. The regulations also stipulate that expenditure commitments for goods and services shall be controlled against spending and procurement plans approved by the responsible accounting officer, based on allocations and allotments from approved budgets.

3.2 Failure to Append Signatures on Documents

Further, the balance constitutes an amount of Kshs.18,213,711 in respect of insurance costs which further includes Kshs.2,463,711 and Kshs.15,000,000 paid to two suppliers for group personal accident cover, work injury cover, group life cover and medical covers respectively, totalling to Kshs.17,463,711. However, review of tender opening committee minutes revealed that members did not initial, append their signatures, indicate their full names and designations on the tender documents contrary to Section 78(11)(a) and (b) of Public Procurement and Asset Disposal Act, 2015 which stipulates that each member of the tender opening committee shall initial each page of the minutes and append his or her signature as well as initial to the final page of the minutes indicating their full name and designation. Review of the tender evaluation minutes revealed that one (1) out of the three (3) members did not append his signature on the evaluation report contrary to Section 80(7) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the evaluation report shall be signed by each member of the evaluation committee while signed professional opinion to the accounting officer on the procurement proceedings was not provided for audit review contrary to Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the head of procurement shall, alongside the report to the evaluation committee, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement proceedings.

3.3 Failure to Disclose Percentage of Share Holding

Review of tender documents provided for audit revealed that one (1) supplier had three (3) shareholders from Netherlands out of ten (10) shareholders. However, percentage of their shareholding was not disclosed. It was therefore not possible to confirm that the evaluation complied with Section 86(2) of Public Procurement and Asset Disposal Act, 2015 which stipulates that citizen contractors, or those entities in which Kenyan citizens own at least fifty-one per cent shares, shall be entitled to twenty percent of their total score in the evaluation, provided the entities or contractors have attained the minimum technical score.

3.4 Hospitality Supplies and Services

The balance constitutes an amount of Kshs.14,288,050 spent in respect of hospitality supplies and services which includes Kshs.3,996,200 paid as allowances for retreats, report writing and E-legislative & Information and Communication Technology (ICT).

However, the retreats for report writing and E-Legislative & ICT were held in Mombasa, Embu and Nairobi instead of precincts of the County Assembly contrary to Section 12 of the National Treasury Circular No.20/2015 of 4 November, 2015 which stipulates that an accounting officer shall ensure that all workshops and retreats with majority of participants drawn from one duty station are held within the precincts of the duty station.

3.5 Training Expenses

The balance includes payments amounting to Kshs.765,400 paid as allowances to five (5) Members of the County Assembly (MCAs) and ten (10) members of staff for attending a three (3) day retreat at a Nairobi hotel for deliberation on various plans, policies, manual and supplementary budget. However, the retreat was held in Nairobi instead of the precincts of the County Assembly contrary to Section 12 of the National Treasury Circular No.20/2015 of 4 November, 2015 which stipulates that accounting officer shall ensure that all workshops and retreats with majority of participants drawn from one duty station are held within the precincts of the duty station.

3.6 Office and General Supplies and Services

Further, an amount of Kshs.12,594,095 was spent in respect of office and general supplies and services which further includes payments amounting to Kshs.746,000 paid to two (2) suppliers for supply of ink cartridges and plotter cartridges. However, review of the quotations revealed that the County Assembly split the quotations number TNCA/QT/006/19-21 between the two (2) suppliers.

Review of updated list of registered suppliers revealed that, one (1) of the suppliers was not in the updated list of registered suppliers. Further, approved requisition and professional opinion were not provided for audit review.

In addition, included in Kshs.12,594,095 was Kshs.349,050 paid to a supplier for supply of stationeries. However, review of the tender evaluation committee minutes revealed that the committee consisted of three (3) members of staff from procurement department contrary to Section 46(4)(b) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that an established evaluation committee shall consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments.

3.7 Failure to Publish and Publicize Awarded Tender

During the financial year under review, the Fund did not prepare, publish, publicize all contract awards and submit them to Public Procurement Regulatory Authority as required by Section 138(1) and (2) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the accounting officer of a procuring entity shall publish and publicise all contract awards on their notice boards at conspicuous places, and website if available within a period as prescribed.

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

4.0 Non-Compliance with the Public Procurement and Asset Disposal Act, 2015 – Acquisition of Assets

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.15,025,372 in respect of acquisition of assets. The balance constitutes an amount of Kshs.833,400 in respect of purchase of office furniture and equipment which includes Kshs.799,400 paid to a supplier for supply of office furniture. However, review of the evaluation committee minutes revealed that only two (2) out of the three (3) members appended their signatures on the evaluation minutes. Further, initials, full names and designation of the evaluation committee members were not included in the final page of the evaluation committee minutes contrary to Section 78(11)(a) and (b) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that each member of the tender opening committee shall initial each page of the minutes and append his or her signature as well as initials to the final page of the minutes indicating their full name and designation.

In addition, quotations received were not assigned identification numbers by tender opening committee contrary to Section 78(5) of the Act which stipulates that the tender opening committee shall assign an identification number to each tender and record the number of pages received. In addition, review of documents provided revealed that two different evaluation committee teams were appointed to evaluate the same tender. Review of the tender evaluation committee minutes revealed that the committee consisted of three (3) members of staff from procurement department contrary to Section 46 (4) (b) of the same Act which stipulates that an evaluation committee established, shall consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments.

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

5.0 Compliance with the Public Finance Management (County Governments) Regulations, 2015

i. Payment to County Assembly Forum

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.155,909,381 in respect of use of goods and services which includes Kshs.25,906,590 in respect of other operating expenses out of which Kshs.2,800,000 was paid as membership subscription to County Assembly Forum which is a private body. However, no evidence was provided for audit that the expenditure was budgeted for in line with Section 31(a) and 50(2)(3) of Public Finance Management (County Governments) Regulations, 2015 which stipulates that all expenditure shall be entered into the budget and shall be committed only against approved procurement plan based on allocation and

commitments. Further, specific activities being funded and the basis for such payment were not provided for audit review.

ii. Accounts Receivables – Outstanding Imprest

Annex 5 to the financial statements reflects Kshs.1,382,729 in respect of account receivables (outstanding imprests) as at 30 June, 2020 which relates to imprest issued between 24 June, 2019 and 25 June, 2020. However, the imprest had not been surrendered or accounted for as at the time of the audit in October, 2020 which is more than four (4) month since imprest was issued contrary to Section 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station. Further, explanation on measures taken to recover the long outstanding imprests was not provided for audit review.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of 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

Information and Communication Technology

Review of the County Assembly's Information and Communication Technology (ICT) environment revealed that there was no formal approved ICT policy in place during the year ended 30 June, 2020. The policy would have included data security and disaster recovery plans. Further, the ICT organization structure was not provided for audit review.

In the circumstances, the security and reliability of the County Assembly's data including the Management Information System could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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 with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and 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 County Assembly's policies and procedures may deteriorate.

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

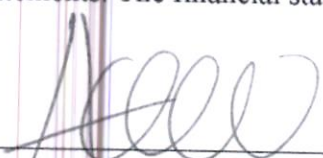
THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020


7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

THARAKA NITHI COUNTY ASSEMBLY			
STATEMENT OF RECEIPTS AND PAYMENTS			
FOR THE YEAR ENDED 30TH JUNE, 2020			
	Note	2019/20	2018/19
		KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	357,770,800	351,999,598
Other Receipts	2		612,000
TOTAL RECEIPTS		357,770,800	352,611,598
PAYMENTS			
Compensation of Employees	3	176,965,725	184,481,628
Use of goods and services	4	155,909,381	153,089,155
Transfers to Other Government Entities	5	18,450	934,504
Social Security Benefits	6	9,218,542	7,604,664
Acquisition of Assets	7	15,025,372	5,752,250
TOTAL PAYMENTS		357,137,470	351,862,201
SURPLUS/DEFICIT		633,330	749,397

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08- 09- 2020 and signed by:


 Clerk of the Assembly
 Name: Amos Kiangwe Sikweya



 Dir. Finance & Accounting- Assembly
 Name: Purity Kawira Njeru
 ICPAK Member No: 18093


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

7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

THARAKA NITHI COUNTY ASSEMBLY STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE, 2020		2019/20	2018/19
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	8A	24,428	24,428
Cash Balances	8B	-	-
Total Cash and cash equivalents		24,428	24,428
Accounts receivables – Outstanding Imprests	9	1,382,727	749,397
TOTAL FINANCIAL ASSETS		1,407,155	773,825
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		1,407,155	773,825
REPRESENTED BY			
Fund balance b/fwd	10	773,825	24,428
Prior year adjustment			
Surplus/Deficit for the year		633,330	749,397
NET FINANCIAL POSITION		1,407,155	773,825

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08- 09- 2020 and signed by:


 Clerk of the Assembly
 Name: Amos Kiangwe Sikweya



 Director Finance & Accounting –Assembly
 Name: Purity Kawira Njeru
 ICPAK Member Number: 18093

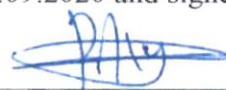
THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CASH FLOWS

THARAKA NITHI COUNTY ASSEMBLY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE, 2020	Note	2019/20 KShs	2018/19 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	357,770,800	351,999,598
Other Receipts	2	0.00	612,000
Total Receipts		357,770,800	352,611,598
Payments for operating expenses			
Compensation of Employees	3	176,965,725	184,481,628
Use of goods and services	4	155,909,381	153,089,155
Transfers to Other Government Entities	5	18,450	934,504
Social Security Benefits	6	9,218,542	7,604,664
Total Payments for operating expenses		342,112,098	346,109,951
Adjusted for:			
Prior year adjustment			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		(633,330)	(749,397)
Increase/(Decrease) in Accounts Payable: (deposits and retention)			
Net cash flows from operating activities		15,025,372	5,752,250
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(15,025,372)	(5,752,250)
Net cash flows from investing activities		(15,025,372)	-
Net increase in cash			
NET INCREASE IN CASH AND CASH EQUIVALENTS		-	-
Cash and cash equivalent at BEGINNING of the year	8	24,428	24,428
Cash and cash equivalent at END of the year		24,428	24,428

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08.09.2020 and signed by:


 Clerk of the Assembly
 Name: Amos Kiangwe Sikweya


 Director Finance & Accounting – Assembly
 Name: Purity Kawira Njeru
 ICPAK Member Number 18093

**7.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
 COMBINED FOR THE YEAR ENDED 30 JUNE 2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	e=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	400,650,000	3,000,000	403,650,000	351,222,138	87.01%
Other Receipts-Development	10,000,000	-	10,000,000	6,548,662	65.49%
TOTAL	410,650,000	3,000,000	413,650,000	357,770,800	86.49%
PAYMENTS					
Compensation of Employees	178,395,528	-	178,395,528	176,965,725	99.20%
Use of goods and services	197,804,930	3,000,000	200,804,930	155,909,381	77.64%
Transfers to Other Government Entities		-		18,450	
Social Security Benefits	10,218,542	-	10,218,542	9,218,542	90.21%
Acquisition of Assets	24,231,000	-	24,231,000	15,025,372	62.01%
TOTAL	410,650,000	3,000,000	413,650,000	357,137,470	86.34%
SURPLUS/ DEFICIT				633,330	

The reallocations to the budget was due to additional fund granted to County Assembly

The entity financial statements were approved on 08.09.2020 and signed by:



Clerk of the Assembly
 Name: Amos Kiangwe Sikweya



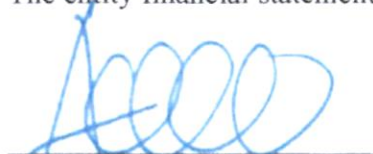
Director Finance & Accounting – County Assembly
 Name: Purity Kawira Njeru
 ICPAK Member Number: 18093

7.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	b	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	400,650,000	3,000,000	403,650,000	351,222,138	87.01%
TOTAL	400,650,000	3,000,000	403,650,000	351,222,138	87.01%
PAYMENTS					
Compensation of Employees	178,395,528	-	178,395,528	176,965,725	99.20%
Use of goods and services	197,804,930	3,000,000	200,804,930	155,909,381	77.64%
Transfers to Other Government Entities		-		18,450	
Social Security Benefits	10,218,542	-	10,218,542	9,218,542	90.21%
Acquisition of Assets	24,231,000	-	24,231,000	8,476,710	34.98%
TOTAL	410,650,000	3,000,000	413,650,000	350,588,808	84.75%

The reallocations to the budget was due to additional fund granted to County Assembly

The entity financial statements were approved on 08.09. 2020 and signed by:



Clerk of the Assembly
 Name: Amos Kiangwe Sikweya





Director Finance & Accounting – County Assembly
 Name: Purity Kawira Njeru
 ICPAK Member Number: 18093

7.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	10,000,000	-	10,000,000	6,548,662	65.49%
TOTAL	10,000,000	-	10,000,000	6,548,662	65.49%
PAYMENTS					
Acquisition of Assets	10,000,000	-	10,000,000	6,548,662	65.49%
TOTAL	10,000,000	-	10,000,000	6,548,662	65.49%
SURPLUS/ DEFICIT					

The entity financial statements were approved on 08.09.2020 and signed by:


 Clerk of the Assembly
 Name: Amos Kiangwe Sikweya


 Director Finance & Accounting – County Assembly
 Name: Purity Kawira Njeru
 ICPAK Member Number: 18093

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1	147,241,744	-	147,241,744	135,097,243	91.75%
Sub-programme 2	16,671,100	-	16,671,100	15,539,100	93.21%
Sub-programme 3	25,978,991		25,978,991	25,517,791	98.22%
	189,891,835	-	189,891,835	176,154,134	
Programme 2					
Sub-programme 1	136,700,367	-	136,700,367	106,799,872	78.13%
Sub-programme 2	36,545,368	-	36,545,368	35,451,952	97.01%
Sub-programme 3	37,512,430	3,000,000	40,512,430	32,182,850	79.44%
	210,758,165	3,000,000	213,758,165	174,434,674	
Programme 3					
Sub programme 1	10,000,000		10,000,000	6,548,662	65.49%
Grand Total	410,650,000	3,000,000	413,650,000	357,137,470	

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Transfers from the Exchequer/ County Treasury

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

THARAKA NITHI COUNTY ASSEMBLY
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For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receipts

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Acquisition of fixed assets

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

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

4. In-kind contributions

In-kind contributions are donations that are made to the *Tharaka Nithi County Assembly* 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 *Tharaka Nithi County Assembly* includes such

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

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 Assembly 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.

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.

THARAKA NITHI COUNTY ASSEMBLY
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the 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 *Tharaka Nithi County Assembly* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

11. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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, and 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

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
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loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

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 prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *Tharaka Nithi County Assembly* budget was approved as required by Law. A high-level assessment of the *Tharaka Nithi County Assembly* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

14. Comparative figures

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

15. Subsequent events

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

16. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

	2019/20	2018/19
	KShs	KShs
Transfers from the County Treasury for July		
Transfers from the County Treasury for August		54,241,068
Transfers from the County Treasury for September	40,000,000	
Transfers from the County Treasury for October	58,000,000	48,980,000
Transfers from the County Treasury for November		14,978,804
Transfers from the County Treasury for December	40,000,000	39,507,819
Transfers from the County Treasury for January	35,321,400	34,951,986
Transfers from the County Treasury for February	41,208,300	15,000,000
Transfers from the County Treasury for March	35,321,400	11,000,000
Transfers from the County Treasury for April	15,834,885	41,000,000
Transfers from the County Treasury for May	15,555,115	16,502,564
Transfers from the County Treasury for June	76,529,700	75,837,357
Cumulative Amount	357,770,800	351,999,598

2. OTHER RECEIPTS

	2019/20	2018/19
	KShs	KShs
Tender fees received	-	-
Transfer from Pension Fund	-	612,000
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	612,000

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. COMPENSATION OF EMPLOYEES

	2019/20	2018/19
	KShs	KShs
Basic salaries of permanent employees	124,295,491.48	123,826,361
Basic wages of temporary employees	18,928,490.52	14,340,000
Personal allowances paid as part of salary	33,741,743	36,477,133
Pension and other social security contributions		9,838,134
Total	176,965,725	184,481,628

4. USE OF GOODS AND SERVICES

	2019/20	2018/19
	KShs	KShs
Utilities, supplies and services	205,000	108,040
Communication, supplies and services	70,000	29,245
Domestic travel and subsistence	50,115,822	57,939,623
Foreign travel and subsistence	12,717,158	18,197,988
Printing, advertising and information supplies & services	1,286,800	2,977,621
Rentals of produced assets	840,000	840,000
Training expenses	14,666,177	18,390,600
Hospitality supplies and services	14,288,050	13,954,722
Insurance costs	18,213,711	12,560,916
Specialized materials and services	1,292,600	1,474,900
Office and general supplies and services	12,594,095	1,780,538
Fuel Oil and Lubricants	1,948,400	960,330
Other operating expenses	25,906,590	22,972,700
Routine maintenance – vehicles and other transport equipment	1,610,378	901,932
Routine maintenance – other assets	154,600	-
Total	155,909,381	153,089,155

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2019/20	2018/19
	KShs	KShs
Transfers to CRF unspent balances	18,450	934,504
Transfers to other County Assembly entities	-	-
(insert name of budget agency)	-	-
TOTAL	18,450	934,504

6. SOCIAL SECURITY BENEFITS

	2019/20	2018/19
	KShs	KShs
Government pension and retirement benefits	9,218,542	7,604,664
Social security benefits in cash and in kind		-
Total	9,218,542	7,604,664

7. ACQUISITION OF ASSETS

<u>Non- Financial Assets</u>	2019/20	2018/19
	KShs	KShs
Refurbishment of Buildings	6,548,662	-
Purchase of Vehicles and Other Transport Equipment	7,100,000	-
Purchase of Household Furniture and Institutional Equipment		28,000
Purchase of Office Furniture and Equipment	833,400	4,672,550
Purchase of Specialized Plant, Equipment and Machinery		507,400
Purchase of ICT Equipment, Software and other ICT Assets	543,310	544,300
Total purchase of non-financial assets		5,752,250
Total	15,025,372	5,752,250

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. CASH AND BANK BALANCES

8A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/20	2018/19
		KShs	KShs
<i>Central Bank of Kenya, Acc. No 1000199407 & Kshs.</i>	Development Acc	0.00	-
<i>Central Bank of Kenya, Acc. No 1000199393 & Kshs.</i>	Recurrent Acc	0.00	-
<i>Name of Bank, Acc. No. & currency</i>	Deposits Acc	0.00	-
<i>Equity Bank Limited, Acc. 0210261489699 & Kshs.</i>	Commercial Bank Acc	24,428	24,428
Total		24,428	24,428

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8B. CASH IN HAND

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

Cash in hand should be analysed as follows:

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

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

THARAKA NITHI COUNTY ASSEMBLY
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9. ACCOUNTS RECEIVABLE-OUTSTANDING IMPRESTS

Description	2019/20	2018/19
	KShs	KShs
Government Imprests	1,382,727	749,397
Clearance Accounts		-
Staff Advances		-
Other Advances		-
Total	1,382,727	749,397

**See Annex 6 for a detailed analysis of the outstanding imprests.*

10. FUND BALANCE BROUGHT FORWARD

Description	2019/20	2018/19
	KShs	KShs
Bank accounts	24,428	24,428
Cash in hand	-	-
Accounts Receivables	1,382,727	749,397
Accounts Payables	-	-
Total	1,407,155	773,825

11. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	749,397	-
Imprest issued during the year (B)	35,168,052	-
Imprest surrendered during the Year (C)	34,534,722	-
Net changes in account receivables D= A+B-C	1,382,727	-

THARAKA NITHI COUNTY ASSEMBLY
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7.10. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	4,358,572	3,295,480	(4,358,572)	3,295,480
Construction of civil works	-	-	-	-
Supply of goods	186,580	16,356,552	(186,580)	16,356,552
Supply of services	5,972,073	21,242,925.75	(5,972,073)	21,242,925.75
Total	10,517,225	40,894,957.75	(10,517,225)	40,894,957.75

2. PENDING STAFF PAYABLES (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Senior management	6,504,990	171,500	(6,504,990)	171,500
Middle management	1,261,200	1,077,750	(1,261,200)	1,077,750
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	7,766,190	1,249,250	7,766,190	1,249,250

3. OTHER PENDING PAYABLES (See Annex 3)

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

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
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4. RELATED PARTY DISCLOSURES

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

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

Related party transactions:

	2019- 2020	2018- 2019
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	77,670,120	94,527,684
Key Management Compensation (Clerk and Heads of departments)	24,427,320	18,007,680
Total Compensation to Key Management	102,097,440	112,535,364
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	-	-
Total Transfers to related parties	-	-
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer Releases	357,770,800	351,999,598
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	357,770,800	351,999,598

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
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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)
		We have not received the Auditor General's report for 2018/2019. Therefore issues to be resolved have not been summarized in the table.			

Clerk of the County Assembly

Sign.....

Date 19

October

2020

THARAKA NITHI COUNTY ASSEMBLY
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For the year ended 30 June 2020

ANNEXES

ANNEX 1–ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	A	b	c	d=a-c		
Construction of buildings						
1. Pidngich Technologies Ltd	522,000		0.00	522,000		
2. Rezworld Services	597,870		0.00	597,870		
3. Pidngich Technologies Ltd	2,175,610		0.00	2,175,610		
Sub-Total	3,295,480		0.00	3,295,480		
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Kinsmin Logistics Ltd	147,824		0.00	147,824		
8. Fesi Investors Ltd	199,400		0.00	199,400		
9. Rovel Group(k) Ltd	264,500		0.00	264,500		
10. Samawati Consortium Ltd	272,000		0.00	272,000		
11. Vivo Energy Kenya Ltd	300,000		0.00	300,000		
12. Neo Industrial Smart Enterprises	351,000		0.00	351,000		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
13. Ziko Investments Ltd	393,000		0.00	393,000		
14. Dynamite Enterprises	484,785		0.00	484,785		
15. Adventure Supplies Ltd	615,000		0.00	615,000		
16. Eastlines Ventures	699,500		0.00	699,500		
17. Asigi Holdings Co. Ltd	1,000,000		0.00	1,000,000		
18. Ndirach Group Ltd	1,330,000		0.00	1,330,000		
19. Amandla Enterprises	1,407,703.45		0.00	1,407,703.45		
20. Silver-dean Investment Co. Ltd	2,000,000		0.00	2,000,000		
21. Triple A Sahara Holdings Ltd	2,091,000		0.00	2,091,000		
22. Master Fabricators Ltd	2,992,500		0.00	2,992,500		
23. Mekiany General Suppliers	1,250,000		0.00	1,250,000		
24. Silver Premium Enterprises Ltd	198,000		0.00	198,000		
25. Leemax Executive Kenya Ltd	360,340		0.00	360,340		
26.						
Sub-Total	16,356,552		0.00	16,356,552		
Supply of services						
27. Clarkson Insurance Brokers Ltd	99,997.80		0.00	99,997.80		
28. Zeal Auto Limited	110,260		0.00	110,260		
29. Mutindwa Enterprises Ltd	114,282		0.00	114,282		
30. Nation Media Group Ltd	140,220		0.00	140,220		
31. The Star Publications Ltd	254,863		0.00	254,863		
32. Standard Group Ltd	262,100		0.00	262,100		
33. Nkubu Heritage Hotel	309,600		0.00	309,600		
34. Moto Rangi	347,304		0.00	347,304		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
35. Lloyds Fire Equipment and Security	394,400		0.00	394,400		
36. Nation Media Group Ltd	652,436		0.00	652,436		
37. The Star Publications Ltd	677,400		0.00	677,400		
38. Esami	791,840		0.00	791,840		
39. Zeal Auto Ltd	851,700		0.00	851,700		
40. County Assembly Forum	2,200,000		0.00	2,200,000		
41. Madison Insurance Co. K Ltd	2,202,942.95		0.00	2,202,942.95		
42. Madison Insurance Co. K Ltd	10,000,000		0.00	10,000,000		
43. Izaak Walton	64,000		0.00	64,000		
44. KSG(Embu)	92,800		0.00	92,800		
45. KSG(Nairobi)	742,400		0.00	742,400		
46. Kenya Institute of Supplies Management	285,060		0.00	285,060		
47. ICPAK	150,000		0.00	150,000		
48. The Star Publications	499,320		0.00	499,320		
Sub-Total	21,242,925.75		0.00	21,242,925.75		
Grand Total	40,894,957.75		0.00	40,894,957.75		

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
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ANNEX 2–ANALYSIS OF PENDING STAFF PAYABLES

	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
			A	b	C	d=a-c		
1.	Amos Sikweya		33,600		33,600	-	33,600	
2.	Hon. Anita Karimi		217,900		217,900	-	217,900	
3.	Antony Karimi		61,600		61,600	-	61,600	
4.	Hon. Asumpta Gabriel		313,500		313,500	-	313,500	
5.	Hon. Bernard Rugia		113,900		113,900	-	113,900	
6.	Hon. Boniface Njeri		435,100		435,100	-	435,100	
7.	Elijah Buyanga		190,400		190,400	-	190,400	
8.	Canvat Muriungi		60,200		60,200	-	60,200	
9.	Catherine Njeri		16,800		16,800	-	16,800	
10.	Daisy Kainyu		50,800		50,800	-	50,800	
11.	Hon. Denis Mutwiri		254,400		254,400	-	254,400	
12.	Hon. D.J. Mbaya		201,600		201,600	-	201,600	
13.	Donnah Muthomi		6,800		6,800	-	6,800	
14.	Duncan Birichi		25,200		25,200	-	25,200	
15.	Hon. Erastus Kinyua		496,600		496,600	-	496,600	
16.	Eric Micheni		77,000		77,000	-	77,000	
17.	Festus Kinoti		28,200		28,200	-	28,200	
18.	Joy Gakii		10,000		10,000	-	10,000	
19.	Hon. Gataya Mwenda		259,600		259,600	-	259,600	
20.	Genson Mwende		12,600		12,600	-	12,600	

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	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
21.	Ginson Gikundi		85,000		85,000	-	85,000	
22.	Hon. Godfrey Muriithi		343,900		343,900	-	343,900	
23.	Irichu Edward		64,200		64,200	-	64,200	
24.	Hon. Jones Kabii		206,600		206,600	-	206,600	
25.	Muriithi Kanampiu		235,800		235,800	-	235,800	
26.	Hon. Karen Karimi		141,900		141,900	-	141,900	
27.	Kendi Mary		177,800		177,800	-	177,800	
28.	Kanake Kennedy		81,200		81,200	-	81,200	
29.	Kenneth Nyagah		28,000		28,000	-	28,000	
30.	Peterson Kinyua		1,500		1,500	-	1,500	
31.	Benson Kitheeru		135,400		135,400	-	135,400	
32.	Hon. Justin Kithinji		263,190		263,190	-	263,190	
33.	Lee		8,400		8,400	-	8,400	
34.	Hon. Leonard Gitonga		152,000		152,000	-	152,000	
35.	Linos Kinyua		16,800		16,800	-	16,800	
36.	Machura		500		500	-	500	
37.	Peterson Maimbu		93,800		93,800	-	93,800	
38.	Fridah Makena		70,000		70,000	-	70,000	
39.	Hon. Margaret Gitari		309,900		309,900	-	309,900	
40.	Mathenge		7,000		7,000	-	7,000	
41.	Meeni Francis		52,600		52,600	-	52,600	
42.	Mercy Kendi		2,000		2,000	-	2,000	
43.	Eric Micheni		63,700		63,700	-	63,700	

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	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
44.	Hon. Morgan Millicent		186,900		186,900	-	186,900	
45.	Mitugo Silas		22,400		22,400	-	22,400	
46.	Monicah Wangari		165,200		165,200	-	165,200	
47.	Munene Joseph		3,600		3,600	-	3,600	
48.	Muniu Peter		16,000		16,000	-	16,000	
49.	Munyua		1,500		1,500	-	1,500	
50.	Eric Murimi - Legal		98,000		98,000	-	98,000	
51.	Hon. Muthini Karangi		139,000		139,000	-	139,000	
52.	Muthomi Eric		63,700		63,700	-	63,700	
53.	Mwani		2,000		2,000	-	2,000	
54.	Mwathi Nicholus		29,400		29,400	-	29,400	
55.	Hon. Mwirigi Peterson		146,000		146,000	-	146,000	
56.	Denis Kimathi		92,400		92,400	-	92,400	
57.	Hon. John Njagi John		172,400		172,400	-	172,400	
58.	Joy Nkunja		10,000		10,000	-	10,000	
59.	Eric Muthumbi		19,000		19,000	-	19,000	
60.	Hon. Nyaga Charles		187,900		187,900	-	187,900	
61.	Patrick Mwirigi		10,200		10,200	-	10,200	
62.	Peterson Pele		10,000		10,000	-	10,000	
63.	Purity Makena		70,200		70,200	-	70,200	
64.	Robert Mutwiri		49,000		49,000	-	49,000	
65.	Romethew Mukembu		12,600		12,600	-	12,600	
66.	Rose Kendi		44,800		44,800	-	44,800	

THARAKA NITHI COUNTY ASSEMBLY
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For the year ended June 30, 2020

	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
67.	Sarah Wanja		70,200		70,200	-	70,200	
68.	Sartunina Mutegi		19,000		19,000	-	19,000	
69.	Hon. Susan Ngugi		256,000		256,000	-	256,000	
70.	Paul Thirika		95,200		95,200	-	95,200	
71.	Titary Mutugi		7,000		7,000	-	7,000	
72.	Vera Wendwa		102,200		102,200	-	102,200	
73.	Vincent		2,000		2,000	-	2,000	
74.	Hon. Wilson Nyaga		255,400		255,400	-	255,400	
75.	Linos Kinyua		33,600			33,600		
76.	Peterson Kinyua		11,200			11,200		
77.	Patrick Mwirigi		81,000			81,000		
78.	Canvat Muriungi		11,200			11,200		
79.	Peter Mutiri		16,200			16,200		
80.	Canvat Muriungi		33,600			33,600		
81.	Alexander Mugendi		4,500			4,500		
82.	Kenneth Nyaga		4,500			4,500		
83.	Silas Kariuki		3,000			3,000		
84.	Morris Njeru		3,000			3,000		
85.	Joseph Munene		3,000			3,000		
86.	Francis Meeni		3,000			3,000		
87.	Dennis Kimathi		2,000			2,000		
88.	Antony Kirimi		3,000			3,000		
89.	Peterson Murithi		3,000			3,000		

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	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
90.	Genson Mwenda		3,000			3,000		
91.	Linos Kinyua		1,000			1,000		
92.	anvat Muriungi		2,000			2,000		
93.	Lucy Kagendo		3,000			3,000		
94.	Reuben Mutwiri		2,250			2,250		
95.	Kanake Kimbo		2,250			2,250		
96.	Mutegi Kanake		2,250			2,250		
97.	Eric Micheni		2,250			2,250		
98.	Robert Mutwiri		3,000			3,000		
99.	Fridah Makena		1,000			1,000		
100.	Peterson Kinyua		1,000			1,000		
101.	Nicholus Mwathi		750			750		
102.	Agostino Matumo		8,000			8,000		
103.	Mary Kendi		3,000			3,000		
104.	Peterson Murithi		2,000			2,000		
105.	Silas Kithinji		2,000			2,000		
106.	Joseph Munene		2,000			2,000		
107.	Francis Meeni		2,000			2,000		
108.	Lucy Kagendo		2,000			2,000		
109.	Genson Mwenda		2,000			2,000		
110.	Eric Nthumbi		1,500			1,500		
111.	Linos Kinyua		1,000			1,000		
112.	Benson Kitheru		8,000			8,000		

THARAKA NITHI COUNTY ASSEMBLY
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	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
113.	Monicah Ndungu		21,000			21,000		
114.	Paul Thirika		3,000			3,000		
115.	Nyaga Irichu		3,000			3,000		
116.	Evans Mugambi		3,000			3,000		
117.	Stella Mbabu		2,100			2,100		
118.	Canvat Muriungi		11,200			11,200		
119.	Paul Thirika		9,000			9,000		
120.	Titary Mutugi		9,000			9,000		
121.	Nyaga Irichu		9,000			9,000		
122.	Linos Kinyua		9,000			9,000		
123.	Festus Kinoti		27,000			27,000		
124.	Nyaga Irichu		9,000			9,000		
125.	Joshua Mwenda		18,000			18,000		
126.	Peter Mutwiri		18,000			18,000		
127.	Stella Mbabu		12,600			12,600		
128.	Purity Kawira		29,250			29,250		
129.	Polly Kagendo		19,500			19,500		
130.	Daisy Kainyu		30,000			30,000		
131.	Eric Karani		30,000			30,000		
132.	Nicholus Kajogo		30,000			30,000		
133.	Nancy Kaimuri		30,000			30,000		
134.	Silas Kithinji		30,000			30,000		
135.	Josphine Gaceri		37,500			37,500		

THARAKA NITHI COUNTY ASSEMBLY
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	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
136.	Agustino Matumo		37,500			37,500		
137.	Josphine Gaceri		6,000			6,000		
138.	Agustino Matumo		6,000			6,000		
139.	Elizaphan Gitari		5,000			5,000		
140.	Verah Mwendwa		9,000			9,000		
141.	Linos Kinyua		9,000			9,000		
142.	Peterson Kinyua		9,000			9,000		
143.	Nyaga Irichu		61,000			61,000		
144.	Elijah Buyanga		4,000			4,000		
145.	Nyaga Irichu		4,000			4,000		
146.	Nicholus Kajogo		4,000			4,000		
147.	Linos Kinyua		4,000			4,000		
148.	Silas Kariuki		25,000			25,000		
149.	Lucy Kagendo		6,000			6,000		
150.	Reuben Mutwiri		5,250			5,250		
151.	Joseph Mutegi		5,250			5,250		
152.	Mutegi M'kimbo		3,750			3,750		
153.	Linos Kinyua		8,400			8,400		
154.	Canvat Muriungi		100,800			100,800		
155.	Peter Mutwiri		51,000			51,000		
156.	Festus Kinoti		33,000			33,000		
157.	Joshua Mwenda		83,600			83,600		
158.	Saturina Mutegi		5,000			5,000		

THARAKA NITHI COUNTY ASSEMBLY
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For the year ended June 30, 2020

	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
159.	Genson Mwenda		5,000			5,000		
160.	Josphine Gaceri		7,500			7,500		
161.	Donnah Karwitha		7,500			7,500		
162.	Stella Karegi		7,500			7,500		
163.	Amos K Sikweya		12,000			12,000		
164.	Eric Nthumbi		9,000			9,000		
165.	Catherine Njeri		11,250			11,250		
166.	Festus Kinoti		18,000			18,000		
167.	Peter Mwenda		6,000			6,000		
168.	Peter Muniu		6,750			6,750		
	Sub-Total		1,249,250	-	7,766,190	1,249,250	7,766,190	
	Grand Total		1,249,250	-	7,766,190	1,249,250	7,766,190	

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

ANNEX 3—ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to County Govt Entities							
4.							
5.							
	Sub-Total						
Amounts due to Third Parties							
6.							
7.							
8.							
	Sub-Total						
Others (specify)							
9.							
10.							
	Sub-Total						
	Grand Total						

THARAKA NITHI COUNTY ASSEMBLY**Reports and Financial Statements****For the year ended June 30, 2020****ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (KShs) 2018/19	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2019/20
Land					
Buildings and structures					
Household furniture	28,000				28,000
Office equipment and furniture	4,453,790				4,453,790
ICT Equipment	1,181,800	543,310	0.00	0.00	1,725,110
Furniture and Fittings	6,358,310	833,400	0.00	0.00	7,191,710
Other machinery and equipment	10,986,000	7,100,000	0.00	0.00	18,086,000
Office Renovation of buildings		6,548,662	0.00	0.00	6,548,662
Intangible assets					
Total	23,007,900	15,025,372	0.00	0.00	38,033,272

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly since its inception. Additions during the year should tie to note 7 on acquisition of assets during the year and subsequently the statement of receipts and payments

ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

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

Government Imprest Holders

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
Peterson Mugendi	24/6/19	25,000	-	25,000
Festus Kinoti	24/6/19	132,567	-	132,567
Peterson Mugendi	24/6/19	120,000	-	120,000
Eric Murimi – Legal	18/6/19	471830	-	471830
Titary Mutugi	25/06/20	25,500	-	25,500
Peter Mwenda	14/01/20	30,000	-	30,000
Joshua Mwenda	25/02/20	88,832	-	88,832
Nyaga Irichu	29/10/19	75,000	-	75,000
Paul Thirika	25/09/19	414,000	-	414,000
<i>Total</i>		1,382,729		1,382,729

THARAKA NITHI COUNTY ASSEMBLY
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Imprest Register

	Staff name	Staff Personal number	Department	Imprest warrant No.	Date of issue	Expected date of surrender	Actual date of surrender	Number of days outstanding	Currency Kshs	Imprest Amount Kshs	Amount surrendered Kshs	Balance Kshs	Remarks
1	Peterson Mugendi	20170129094		2942840	24/6/19	23/07/19		369		25,000		25,000	Overdue
2	Festus Kinoti	20160072668		2942883	24/6/19	23/07/19		369		132,567		132,567	Overdue
3	Peterson Mugendi	20170129094		2942884	24/6/19	23/07/19		369		120,000		120,000	Overdue
4	Eric Murimi – Legal	20130005999		2942779	18/6/19	14/07/19		379		471830		471830	Overdue
5	Titary Mutugi	20130046614		3977238	25/06/20	31/07/20		0		25,500		25,500	Overdue
6	Peter Mwenda	20130046436		2942950	14/01/20	30/3/20		164		30,000		30,000	Overdue
7	Joshua Mwenda	2010123745		3977163/4	25/02/20	24/03/20		125		88,832		88,832	Overdue
8	Nyaga Irichu	20130046623		2942910	29/10/19	30/11/19		240		75,000		75,000	Overdue
9	Paul Thirika	20130046383		2942890	25/09/19	24/10/19		244		414,000		414,000	

Prepared by

Name

Designation

Date

Pauline Kagendo

Accountant



30 June 2020

Checked by

Name

Designation

Date

Purity Kawira

Director Finance



30 June 2020

THARAKA NITHI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

ANNEX 6 Contingent liabilities register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1						
2	There were no contingent Liabilities					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

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

ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(FO 30 Reports for recurrent and development accounts from IFMIS attached)