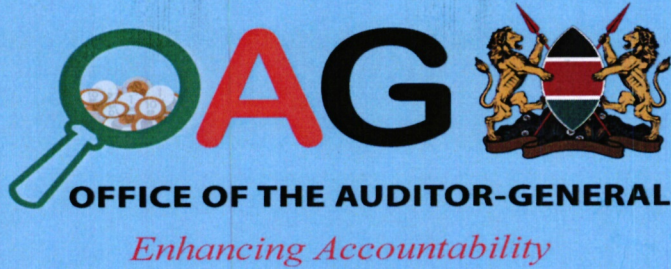


REPUBLIC OF KENYA



**REPORT**

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COMMITTEE	_____
CLERK AT THE TABLE	Abdirahman Moalim.

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF  
MARSABIT**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail.

2. The second part of the document outlines the various methods used to collect and analyze data. These methods include direct observation, interviews, and the use of specialized software tools.



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UPPER EASTERN REGIONAL OFFICE - ISIOLO

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**MARSABIT COUNTY ASSEMBLY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2022**

---

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

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

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**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**1. KEY COUNTY ASSEMBLY OF MARSABIT INFORMATION AND MANAGEMENT**

**(a) Background information**

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 10 Members of County Assembly (MCAs) nominated. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

**(b) Key Management**

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

No.	Description	Name
1.	Speaker of the County Assembly	Hon. Mathew Loltome
2.	Clerk of the County Assembly	Hon. Mohamud Kamaya
3.	Head of Departments	Mr. Mato Chare- Director of Finance and Accounts Department Mr. Jarso Roba- Director of Human Resources Department Mr. Adan Katelo- Head of Procurement Department Mrs. Christine Kurfa- Principal Committee Services Mss' Bokayo Guyo- Head of Legal Department Mr. Katelo Bitacha- Hansard Department Mr. Wario Denge- ICT Department
4.	Leader of Majority	Hon. Halkano Konso
5.	Leader of Minority	Hon. Buke Diba
6.	Board Member	Elijah Chiwe
7.	Board Member	Mary Amina

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**(c) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Hon. Mohamud Kamaya
2.	Deputy Clerk	Mariam Barako
3.	Director Finance and Accounts	CPA Chare Mato
4.	Director Human Resource Management	Jarso Roba
5.	Principal Accountant	CPA Fredrick Injela
6.	Principal Procurement	Adan Katello

**(d) Fiduciary Oversight Arrangements**

**1. Budget and Finance Committee Activities.**

The budget and finance committee of the Assembly is established under the County Assembly's standing order.

- a) To investigate, inquire into and report all matters related to budget.
- b) Discuss and review the estimates and make recommendations to the assembly.
- c) Examine county budget policy statements.
- d) Examine bills related to the county budget including appropriation of bills.
- e) Evaluate tax Estimates.
- f) Evaluate Economic and budgetary policies and programs with direct budget outlays.

The members of Budget and Finance Committee are:

No	NAME	DESIGNATION
1	Hon. Daud Tamasot Arakhole	Chairperson
2	Hon. Bashir Abdirahman Sheikh	Vice-Chairperson
3	Hon. Ltinyilan Burcha Daniel	Member
4	Hon. Godana Roba Chachole	Member
5	Hon. Hussein Abdi Wako	Member
6	Hon. Qabale Huqa	Member
7	Hon. Elema Tura Ruru	Member
8	Hon. Hadija Kontoma	Member
9	Hon. Konchora Abduba	Member

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**2. PIC and PAC Committee Activities**

PIC and PAC Committee Activities includes:

- a) Examine Accounts showing appropriation by the county assembly to meet the assembly expenditure.
- b) Examine Reports, accounts and working of the county assembly.
- c) Examine whether the affairs of the count assembly are managed with sound financial principles.

The members of PIC and PAC Committee are:

<b>No</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Hon. Bata Leakono Beranado	Chairperson
2	Hon. Stephen Sora Katelo	Vice-Chairperson
3	Hon. Saadia Araru	Member
4	Hon. Jarso Waqo	Member
5	Hon. Hadija Ibrahim Kontoma	Member
6	Hon. Susan Dabalén	Member
7	Hon. Femina Hussein Italo	Member

**3. County Assembly of Marsabit Headquarters**

County Assembly of Marsabit  
P.O Box 29-60500  
Marsabit, Kenya

**4. County Assembly of Marsabit Contacts**

E-mail: [info@countyassemblyofmarsabit.co.ke](mailto:info@countyassemblyofmarsabit.co.ke)  
Website: [www.countyassemblyofmarsabit.co.ke](http://www.countyassemblyofmarsabit.co.ke)

**5. County Assembly of Marsabit Bankers**

- a. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
- b. Equity Bank Limited  
Marsabit Branch
- c. **Independent Auditor**



**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

Auditor General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
**NAIROBI, KENYA**

d. **Principal Legal Adviser**

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

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**2. FOREWORD BY THE CLERK OF THE ASSEMBLY**

**2.1 Budget performance**

During the Financial year ended 30th June 2022, The Assembly had a recurrent budget of Kshs 799,162,425 and development of Kshs 273,772,871 However, The Assembly spent Kshs 759,162,996 on recurrent expenditure and Kshs 19,371,467 on development expenditure respectively.

The Amount unspent of Kshs 2,668 on recurrent budget was surrendered to County Revenue Account as per the PFM Act. The budget for recurrent and development was 95% and 7% funded respectively by the National Treasury.

**2.2 Operational Performance**

The Budget for County Assembly of Marsabit was passed on 30th June 2021, and the supplementary budget was passed on 17th May 2022.

-The County Assembly of Marsabit has 21 committees namely:

- a) Budget Committee
- b) Lands Committee
- c) Trade Committee
- d) Education Committee
- e) Administration Committee
- f) Water Committee
- g) Agriculture Committee
- h) PIC and PAC Committee
- i) Culture Committee
- j) Security Committee
- k) Roads Committee
- l) Delegated Legislation Committee
- m) Intercounty Committee
- n) Health Committee
- o) Procedure and Rules Committee
- p) House Business Committee
- q) Liaison Committee
- r) Vetting Committee
- s) Speakers Committee
- t) Equal Opportunities Committee
- u) Implementation Committee

And their mandates among others include:

1. To investigate, inquire into and report all matters related to budget.
2. Examine county budget policy statements.
3. Examine Accounts showing appropriation by the county assembly to meet the assembly expenditure.

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**2.3 Performance of key development projects**

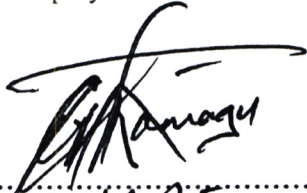
In the financial year ended 30<sup>th</sup> June 2022, the Assembly had a continuation of development project, which is the construction of chambers for the members.

**2.4 Comment on value-for-money achievements**

The Assembly undertook the development project to construct new chamber for the members, which will enable members to work efficiently.

**2.5 Challenges and Recommended Way Forward**

1. The main challenge is delayed funding of County Assemblies budget hence programs are affected. The tradition of releasing funds towards the end of financial year and some cases non-funding which results to pending bills is not appropriate.
2. IFMIS system had challenges most of time due to breakdown or network problem, hence grossly affecting program implementation. We recommend installation of a reliable and stable network.
3. Internet banking (IB) has time limits and not operational over weekends thus affecting payments. We recommend that a stable and reliable network be installed and internet banking operational hours be extended to conform with IFMIS.
4. Covid-19 Outbreak has affected the assembly's operations, and a possible solution is that employees should work from home.



Name: **CHARE MATO**  
Clerk of the County Assembly

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY  
 PREDETERMINED OBJECTIVES**

**Guidance**

**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 County Assembly of Marsabit Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government County Assembly of Marsabit's performance against predetermined objectives.

The key mandate of the County Assembly of Marsabit is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2021/2022

<b>Programme</b>	<b>Delivery Unit</b>	<b>Key Outputs (KO)</b>	<b>Key Performance Indicators (KPIs)</b>	<b>Target</b>
<b>Programme 1: General Administration support services</b>				
SP 1.1	CASB	Well remunerated employees	Employee's satisfaction	All Staff
	Human resource and directorate	Effective Assembly staff	Well trained staff and MCAs	5 training for each. Both staff and MCAs
	Human resource and directorate	Motivated Assembly Staff	Staff and MCAs salaries paid	Timely payments every month
SP 1.2	Finance Directorate	Efficient Assembly Services	Purchase and supply of office supplies and other services	All Staff, MCAs and support services
<b>Programme 2: Legislature and oversight services</b>				
SP 2.2:	Clerk Office	Hansard reports on plenary session's availability to the public	Hansard Report Publication	All Hansard Reports available in hard copies & soft copies.
		Availability of Assembly committees to the public	Committee minutes prepared and filed.	All Committee minutes availed weekly
SP 2.3	Clerk Office	Cars and houses for MCAs	Mortgage and car loans issued	Cars and houses for for 30 MCAs
SP 2.4	Clerk Office	Trained, informed and effective MCAs and staff	No. of trainings conducted	3 for each staff and 4 for each MCA
SP 2.5	Clerk Office	Involve public fully in policy making	Ward Visits	Eight (8) Ward visits

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

SP 2.5	Clerk Office	County Development	Public participation attendance lists and budgets and bills	Involve 10,000 Stakeholders in public participation.
<b>Programme 3: County Assembly Infrastructure Improvement</b>				
S.P 3.12	CASB	Improve transport	Motor vehicles well maintained.	5
S.P 3.13	CASB	ICT infrastructure improvement	ICT networked Offices	100% networked office
S.P 3.14	CASB	Improve efficiency	Construction ongoing	All staff , MCAs and ward staff
S.P 3.15	CASB	ICT infrastructure maintenance	Maintenance done	Well maintained
S.P 3.16	CASB	Service machinery	Maintenance done	5
S.P 3.17	CASB	Improve efficiency	Pay utility bills	All bills paid
S.P 3.18	CASB	Legislative efficiency	Printing bills and other documents	All bills printed 9
S.P 3.19	CASB	Lap tops and computers for all offices	Lap tops and computers bought	All staff
S.P 3.20	CASB	Improve infrastructure	Fuel, lubricants and tyres for all assembly vehicles	5
S.P 3.21	CASB	Management efficiency	Legal fees, contracted professional charges and bank charges	All charges paid
S.P 3.22	CASB	Salary for ward office staff, rents and bill payment	Ward offices established	20
S.P 3.23	CASB	Improve efficiency	No. of offices refurbished and built	11
S.P 3.24	CASB			
S.P 3.25	CASB	Improve infrastructure	No. of Vehicles purchased	4

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

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

**a) Sustainability strategy and profile -**

Marsabit County Assembly has made various sustainable efforts that focus on service delivery to the citizen.

The strategic area of focus for service delivery includes but not limited to:

- a) Legislative Services
- b) Oversight Role
- c) Committee Services
- d) Staff Management and development
- e) Physical infrastructure development
- f) Financial Resource Management
- g) Application of ICT in all our processes

**b) Environmental performance**

Marsabit County Assembly works towards the Health and Safety measures that aims at prevention and protection of officers against accidents and occupational hazards arising at workplace as well as reduce the environmental impact of the institution activities and products.

The Assembly have put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events. We have a Fire assembly point in case there is occurrence of Fire and the employees have been briefed on its importance.

**c) Employee welfare**

Marsabit County Assembly has committed to ensuring that employee welfare is taken into consideration to ensure maximum efficiency and effectiveness. Amongst the welfare opportunities present to Marsabit County Assembly Members and Staff includes: Prompt payment of Salaries, Annual incremental of Salaries, advance of salary, subsistence & foreign allowance, acting allowance and leave allowance.

The Assembly also provides Medical Cover to the Members and Staffs. The medical covers entail inpatient, outpatient, dental, Optical, Maternity as well as last expense.

The Assembly has also taken into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit Act (WIBA).

The Members and staff of Marsabit County Assembly enjoys other benefit like leave allowances and categories; not limited to the following; Annual Leave, Maternity &

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

Paternity Leave, Unpaid Leave, Compassionate Leave, Sick/Convalescent Leave, Terminal, Examination leave. The Members and staffs also enjoy various workshops and training programme intended to improve the employee performance and productivity and increase their morale.

**d) Market place practices-**

Marsabit County Assembly as a corporate citizen has always been guided by various rules and regulations, Acts and other government directions to run its day to day activities.

All procurement related issues are published through supplier portals to give fair competitions to suppliers following guidelines from PPOA and PFM ACT 2012.

**e) Community Engagements-**

The County Assembly continually engages the general public through public participations in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted.

**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 County Assembly of Marsabit to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

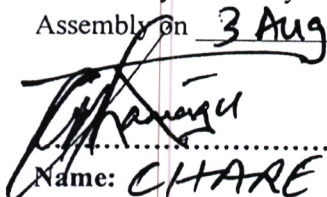
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2022. This responsibility includes: (i) maintaining adequate financial 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, 2022, 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**

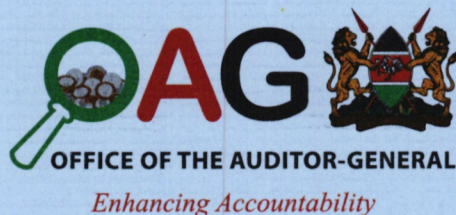
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 3 Aug 2022.

  
.....  
Name: **CHARE MATO**  
Clerk of the County Assembly

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

# REPUBLIC OF KENYA

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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MARSABIT FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Assembly of Marsabit set out on pages 1 to 39, which comprise of the statement of financial assets and liabilities

as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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 Marsabit as at 30 June, 2022, 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 Government Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Long Outstanding Unpresented Cheques**

The statement of financial assets and liabilities together with Note 13 to the financial statements reflects Kshs.2,668 on cash and cash equivalents which includes Nil balance in respect to a commercial bank account as at 30 June, 2022. However, review of the bank reconciliation statements for the same account reflects unpresented cheques totalling Kshs.17,856,000 which were payments dating back to the closure of the previous financial year and which became stale in the course of the financial year under review. New cheques replacing the stale ones were issued but did not clear as at 30 June, 2022.

Although Management explained that they are gratuity expenses awaiting the approval of the County Public Service Board, no evidence was provided to demonstrate measures the County Assembly is taking to have the Board approve the payments.

In the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,668 as at 30 June, 2022 could not be confirmed.

### **2.0 Unaccounted for Domestic Travel and Subsistence Allowances.**

The statement of receipts and payments and Note 5 to the financial statements reflects Kshs.462,008,720 in respect to use of goods and services which includes an amount of Kshs.86,257,475 in respect of domestic travel and subsistence. This amount includes Kshs.8,812,300 paid as domestic travel and subsistence for various activities.

However, supporting documents including daily workshop attendance registers, trainings and retreats attended, motor vehicle work tickets or other documentary evidence to support the officer's mode of travel, back to office reports and hotel bookings and confirmation for the facilities used to hold the workshops and seminars were not provided for audit .

In the circumstances, the accuracy and completeness of the expenditure of Kshs.8,812,300 could not be confirmed.

### **3.0 Unsupported Expenditure on Hospitality Supplies and Services**

Note 5 to the financial statements on use of goods and services reflects Kshs.462,008,720 which Includes an amount of Kshs.47,674,469 in respect to hospitality, supplies and services. This expense includes Kshs.3,888,000 paid to County Assembly Public Service Board members but no supporting documents including the minutes of the meetings, signed attendance registers and activity work plans for the year under review were provided for audit .

Further, the financial statements reflect Kshs.47,674,469 in respect to hospitality supplies and services while the total transactions in the ledger reflects Kshs.47,164,469 resulting to unexplained and unreconciled variance of Kshs.510,000.

In the circumstances, the accuracy and completeness of the Kshs.3,888,000 expenditure could not be ascertained as at 30 June 2022.

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

#### **Key Audit Matters**

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

#### **Other Matter**

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

The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs.1,072,935,867 and an actual receipt of Kshs.778,533,892 respectively resulting to under-funding of Kshs.294,401,975 or 27% of the budget. Similarly, the County Assembly spent Kshs.778,531,223 against an approved budget of Kshs.1,072,935,867 resulting to an under-expenditure of Kshs.294,404,644 or 27% of the budget

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

##### **2.0 Unresolved Prior Year Audit Matters**

The audit report for the previous year highlighted several issues in respect of the financial statements, lawfulness, and effectiveness in use of public resources. Although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate has not met to deliberate on the same.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1.0 Non-Preparation and Submission of Financial Statements**

The statement of receipts and payments and Note 12 to the financial statements reflects Kshs.44,162,996 in respect to other payments. The whole amount relates to funds transferred to Staff Car Loan and Mortgage Fund. Review of records revealed that the County Assembly through the Marsabit County Legislative Supplement No. 1 of 13 January, 2019 established the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund.

Although the County Assembly transferred Kshs.44,162,996 to the Fund, the Fund did not prepare financial statements for the year ended 30 June 2022 as required by Section 167(1) of the Public Financial Management Act which states that the administrator of a county public fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the Fund for each financial year in a form prescribed by the Accounting Standards Board.

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

### **2.0 Construction of The Speaker's Official Residence.**

The statement of receipts and payments and Note 5 to the financial statements reflects Kshs.462,008,720 in respect to use of goods and services which includes an amount of Kshs.12,200,000 in respect to rental of produced assets, out of which Kshs.900,000 relates to payments to the speaker as housing benefit.

Although the County Assembly budgeted to acquire land for the construction of the official residence for the speaker during the year under review, the County Assembly had not acquired the land or began the process of acquisition of the speaker's residence. The County Assembly was, therefore, behind schedule of construction of the speaker's official residence as guided by the Salaries and Remuneration Commission circular Ref. No. SRC/TS/CGOVT/3/61 dated 24 October, 2016 which provided the guidelines on prioritization of funds for construction of speaker's official residence in the 2018/2019 budget cycle and in any case not later than 30 June, 2022.

Further, the County Assembly was supposed to provide a status report on the implementation of the SRC guideline on construction of official residence of the speaker

within an interval period of six months so as to enable the commission assess the compliance towards the guidelines and provide any interventions required. No evidence was provided to confirm that such reports were submitted to the Salaries and Remunerations Commission.

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

### **3.0 Irregular Payment of Special House Allowance**

Note 4 to the financial statements reflects Kshs.204,454,198 in respect to compensation of employees. The whole amount relates to basic salaries of permanent employees which includes Kshs.604,200 paid as special house allowance to thirteen(13) employees. The payments were, however, contrary to the terms and conditions of service as determined by SRC through Circular Ref. No SRC/ADM/1/13 Vol. III (126) of 10 December, 2014 that did not permit the payment of the special house allowance.

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

### **4.0 Unconfirmed Contributions to Staff Pensions Scheme**

Note 9 to the financial statements reflects Kshs.32,417,163 in respect of social security benefits. This expense includes Kshs.6,550,000 being employer contribution to Compulsory National Social Security Schemes out of which gratuity payments of Kshs.2,958,855 paid to Local Trust Provident Fund which was not supported by acknowledgement receipts from the payee contrary to Section 104(1) of the Public Finance Management (County Government) Regulation, 2015 that provides that payments voucher of public moneys shall be properly supported with appropriate authority and documentation.

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

### **5.0 Commitments of Local Service Orders Outside Allowed Date**

Note 5 to the financial statements reflects Kshs.462,008,720 in respect of use of goods and services. An amount of Kshs.46,321,371 of the expense relates to printing, advertising and information supplies & services and includes an expenditure of Kshs.3,960,000 for supply of services to Marsabit County Assembly.

However, the Local Service Orders (LSOs) for the services were committed in the Assembly's vote books on 3 June, 2022 contrary to regulation 50 (1) of the Public Finance Management Regulations, 2015 which states that all commitments for supply of goods or services shall be done not later than the 31 May each year except with the express approval of the accounting officer in writing.

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

## **6.0 Delayed Construction of Chambers for County Assembly**

As previously reported, Note 10 to the financial statements reflect Kshs.34,738,145 in respect of acquisition of assets. This component includes payment certificate number 8 of Kshs.19,371,467 in respect to the payment made for the construction of County Assembly chambers. Review of construction records revealed that the County Assembly awarded the tender to a firm at a contract sum of Kshs.344,205,660 for a period of seventy (70) weeks and the Chamber was to be completed by 28 August 2019. However, the project was still in progress by October, 2022 almost three (3) years past the completion date.

Further, the project progress and oversight on implementation of the project could not be confirmed since the County Assembly did not provide evidence that the project management and other stakeholders including representatives of the County Assembly held site meetings to assess the implementation of the project and to confirm the metrics during the engineers visit to give valuation certificates for payments.

In the circumstances, the County Assembly did not realize value for money due to delays in completion of the project.

## **7.0 Lack of Assets Control Mechanisms**

Annex 4 to the financial statements reflects Kshs.509,544,649 in respect to total historical costs carried forward for all the non-current assets of the County Assembly of Marsabit. However, no evidence was provided, to confirm that the County Assembly has established policies and procedures on assets management as required by section 132. (1) of the Public Finance Management (County Government) Regulations, 2015 which states that the accounting officer of a county government entity shall take full responsibility and ensure that proper control systems exist for assets.

In the circumstance, Management was in breach of the law.

## **8.0 Other Grants and Transfers**

Note 8 to the financial statements on other grants and transfers reflects Kshs.750,000 in respect to membership fees, dues and subscriptions paid to the to the Society of Clerks at The Table (SOCATT). However, review of the SOCATT revealed that these bodies do not draw their mandate from the Constitution of Kenya or an Act of Parliament.

In addition, the final approved budget for the year 2021-2022 did not make a provision for the payment of these subscriptions. Therefore, the basis of the payments made to this institution is not legally supported and is contrary to Public Finance Management (County Governments) Regulations no. 105 (1) which explains that an Accounting Officer may authorize payment vouchers provided such expenditure is in respect of and within the provision of the services in a County Treasury warrant and in accordance with the law and regulations.

In the circumstance, Management was in breach of the law.

## **9.0 Unaccounted for Fuel, Oil and Lubricants**

The statement of receipts and payment and Note 5 to the financial statements reflects Kshs.462,008,720 in respect to use of goods and services which includes an amount of Kshs10,000,000 in respect to fuel, oil and lubricants out of which a total of Kshs.3,500,000 was paid to a supplier for the supply of fuel, oil and lubricants.

However, the expenditure was not supported with customer statements and duplicate copies of the detail orders issued by the County Assembly for drawing fuel contrary to Section 104(1) of the Public Finance Management (County Government) Regulation, 2015 that provides that payment voucher of public moneys shall be properly supported with appropriate authority and documentation.

In the circumstance, Management was 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 matters 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 governance were not effective.

### **Basis for Conclusion**

#### **1.0 Staff Payment Outside Integrated Payroll and Personnel Database (IPPD)**

Included in the statement of receipts and payments for the year ended 30 June, 2022 is an amount Kshs.204,454,199 in respect of compensation of employees. This includes an amount of Kshs.445,329 processed outside the Integrated Payroll and personnel Database (IPPD) during the year and paid to thirteen (13) staff members. It was not explained why Management did not pay all its employees using the IPPD contrary to Section 19(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 which requires a regular review of the adequacy and integrity of the entity's internal control and management information systems including compliance with applicable Laws. Consequently, it was not possible to ascertain the accuracy of Kshs.445,329 paid through manual system which requires manual calculation that could be subject to errors.

In the circumstances, Management was in breach of the Law.

## **2.0 Lack of Risk Management Policy and Disaster Recovery Plan**

During the year under review, the County Assembly did not have an approved Risk Management Policy and a disaster recovery plan. It was, further, noted that Management did not carry out a risk assessment during the year under review contrary to Section 158. (1) of the Public Finance Management (County Government) Regulations, 2015 which provides that, the accounting officer shall ensure that (a) the county government entity develops risk management strategies, a system of risk management and internal control that builds robust business operations.

In the circumstances, failure to identify and respond to risk in order to minimize or prevent their impact 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, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention 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 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 financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation

to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to 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, SBS  
**AUDITOR-GENERAL**

**Nairobi**

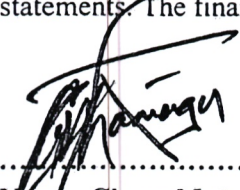
**02 March, 2023**


**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2022**

		2021-2022	2020-2021
	Note	Kshs	Kshs
<b>Receipts</b>			
Exchequer releases	1	778,533,891	691,321,023
Proceeds from sale of assets	2	-	-
Other receipts	3	-	-
<b>Total receipts</b>		<b>778,533,891</b>	<b>691,321,023</b>
<b>Payments</b>			
Compensation of employees	4	204,454,199	192,000,000
Use of goods and services	5	462,008,720	387,129,032
Subsidies	6	-	-
Transfers to other government entities	7	-	-
Other grants and transfers	8	750,000	5,500,000
Social security benefits	9	32,417,163	33,203,374
Acquisition of assets	10	34,738,145	73,446,405
Finance costs	11	-	-
Other payments	12	44,162,996	-
<b>Total payments</b>		<b>778,531,223</b>	<b>691,278,811</b>
<b>Surplus/deficit</b>		<b>2,668</b>	<b>42,212</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 3 Aug 2022 and signed by:

  
 Name: Chare Mato  
 Clerk of the Marsabit County Assembly

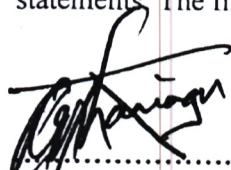
  
 Name: Fredrick Injela  
 Assistant Director(Accounts) –Marsabit  
 County Assembly  
 ICPAK Member Number: 26400

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2022**

Financial assets	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Cash and cash equivalents</b>			
Bank balances	13A	2,668	42,212
Cash balances	13B	-	-
<b>Total cash and cash equivalents</b>		<b>2,668</b>	<b>42,212</b>
Imprests and Advances	14	-	-
<b>Total financial assets</b>		<b>2,668</b>	<b>42,212</b>
<b>Financial liabilities</b>			
Third party deposits and retention	15	-	-
<b>Net financial assets</b>		<b>-</b>	<b>-</b>
<b>Represented by</b>			
Fund balance b/fwd	16	42,212	621,141
Prior year adjustment	17	(42,212)	(621,141)
Surplus/(deficit) for the year		2,668	42,212
<b>Total Net Financial Assets and Liabilities</b>		<b>2,668</b>	<b>42,212</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 3<sup>rd</sup> Aug 2022 and signed by:



.....  
**Name: Chare Mato**  
**Clerk of the Marsabit County Assembly**



.....  
**Name: Fredrick Injela**  
**Assistant Director(Accounts) – Marsabit**  
**County Assembly**  
**ICPAK Member Number: 26400**

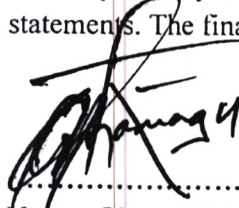
**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**9. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022**

		2021-2022	2020-2021
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Exchequer releases	1	778,533,891	691,321,023
Other receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of employees	4	204,454,198	192,000,000
Use of goods and services	5	462,008,720	387,129,032
Subsidies	6	-	-
Transfers to other government entities	7	-	-
Other grants and transfers	8	750,000	5,500,000
Social security benefits	9	32,417,163	33,203,374
Finance costs	11	-	-
Other payments	12	44,162,996	-
<b>Adjusted for:</b>			
2. Returns to CRF Account for the year 2019/2020	17		621,141
2. Returns to CRF Account for the year 2020/2021		42,212	
Decrease/(increase) in accounts receivable:	18	-	-
Increase/(decrease) in accounts payable:	19		
<b>Net cash flows from operating activities</b>		<b>34,698,602</b>	<b>72,867,476</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	34,738,145	73,446,405
<b>Net cash flows from investing activities</b>		<b>34,738,145</b>	<b>73,446,405</b>
<b>Net increase in cash and cash equivalents</b>		<b>(39,543)</b>	<b>(578,929)</b>
<b>Cash &amp; cash equivalent at Start of the year</b>	13	<b>42,212</b>	<b>621,141</b>
<b>Cash &amp; cash equivalent at end of the year</b>	13	<b>2,668</b>	<b>42,212</b>

**Marsabit County Assembly  
Annual Report and Financial Statements For the year ended 30 June 2022**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 3<sup>rd</sup> Aug 2022 and signed by:



.....  
**Name: Chare Mato**  
**Clerk of the Marsabit County Assembly**



.....  
**Name: Fredrick Injela**  
**Assistant Director(Accounts) – Marsabit  
County Assembly**  
**ICPAK Member Number: 26400**

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**10. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>Receipts</b>					
Exchequer releases	869,412,996	203,522,871	1,072,935,867	778,533,892	73%
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
<b>Total</b>	<b>869,412,996</b>	<b>203,522,871</b>	<b>1,072,935,867</b>	<b>778,533,892</b>	<b>-</b>
<b>Payments</b>					
Compensation of employees	224,678,668	(20,224,469)	204,454,199	204,454,199	100%
Use of goods and services	428,236,919	33,774,469	462,011,388	462,008,720	100%
Subsidies	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	5,500,000	(4,750,000)	750,000	750,000	100%
Social security benefits	33,217,735	(800,000)	32,417,735	32,417,163	100%
Acquisition of assets	133,616,678	155,522,871	289,139,549	34,738,145	12%
Finance costs	-	-	-	-	-
Other payments	44,162,996	40,000,000	84,162,996	44,162,996	52%
<b>Total</b>	<b>869,412,996</b>	<b>203,522,871</b>	<b>1,072,935,867</b>	<b>778,531,223</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,668</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

- (a) The reason for underutilization of 73% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for underutilization of 12% on Acquisition of assets is due to underfunding of the budget.
- (c) The reason for underutilization of 52% on other payments is due to underfunding of the budget.
- (d) The reason for budget increase of Kshs 203,522,871 under exchequer releases is as a result of passage of supplementary budget of Kshs 40,000,000 under recurrent and Kshs 163,522,871 under development budget

The County Assembly of Marsabit financial statements were approved on 3<sup>rd</sup> Aug 2022 and signed by:



.....  
Name: Chare Mato

Clerk of the Marsabit County Assembly



.....  
Name: Fredrick Injela

Assistant Director(Accounts) – Marsabit County  
Assembly

ICPAK Member Number: 26400

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

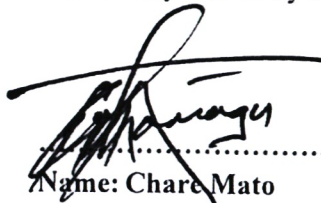
**11. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	A	B	c=a+b	e=d-c	
<b>Receipts</b>					
Exchequer releases	759,162,996	40,000,000	799,162,996	759,162,425	95%
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
<b>Total</b>	<b>759,162,996</b>	<b>40,000,000</b>	<b>799,162,996</b>	<b>759,162,425</b>	<b>-</b>
<b>Payments</b>					
Compensation of employees	224,678,668	(20,224,469)	204,454,199	204,454,199	100%
Use of goods and services	428,236,919	33,774,469	462,011,388	462,008,720	100%
Subsidies	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	5,500,000	(4,750,000)	750,000	750,000	100%
Social security benefits	33,217,735	(800,000)	32,417,735	32,417,163	100%
Acquisition of assets	23,366,678	(8,000,000)	15,366,678	15,366,678	100%
Finance costs	-	-	-	-	-
Other payments	44,162,996	40,000,000	84,162,996	44,162,996	51%
<b>Total</b>	<b>759,162,996</b>	<b>40,000,000</b>	<b>799,162,996</b>	<b>759,159,756</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,668</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

- (a) The reason for underutilization of 95% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for underutilization of 51% on other payments is due to underfunding of the budget.

The County Assembly of Marsabit financial statements were approved on 3<sup>rd</sup> Aug 2022 and signed by:



.....  
Name: Chare Mato

Clerk of the Marsabit County Assembly



.....  
Name: Fredrick Injela

Assistant Director(Accounts) – Marsabit County Assembly  
ICPAK Member Number: 26400

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

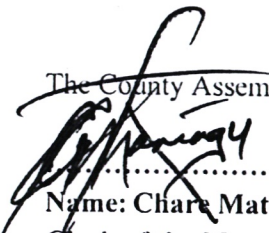
**12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
<b>Receipts</b>					
Treasury/ exchequer releases	110,250,000	163,522,871	273,772,871	19,371,467	7%
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
<b>Total</b>	<b>110,250,000</b>	<b>163,522,871</b>	<b>273,772,871</b>	<b>19,371,467</b>	<b>-</b>
<b>Payments</b>					
Compensation of employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social security benefits	-	-	-	-	-
Acquisition of assets	110,250,000	163,522,871	273,772,871	19,371,467	7%
Finance costs	-	-	-	-	-
Other payments	-	-	-	-	-
<b>Total</b>	<b>110,250,000</b>	<b>163,522,871</b>	<b>273,772,871</b>	<b>19,371,467</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

- (a) The reason for underutilization of 7% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for budget increase of Kshs 163,522,871 under exchequer releases is as a result of passage of supplementary budget under development budget.

The County Assembly of Marsabit financial statements were approved on 3<sup>rd</sup> Aug 2022 and signed by:

  
.....  
Name: Chare Mato

Clerk of the Marsabit County Assembly

  
.....  
Name: Fredrick Injela

Assistant Director(Accounts) – Marsabit County  
Assembly

ICPAK Member Number: 26400

Marsabit County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022

13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Programme 1: General Administration Support Services</b>		-	-	-	-
SP 1.1 salaries and allowances for employees and M.C.As	204,454,199	-	-	204,454,198	100%
SP 1.2 Hospitality, Catering services, donations and gifts, boards, committees, conference and seminars	47,674,469	-	-	47,674,469	100%
<b>Total Expenditure for Programme 1</b>	<b>252,128,668</b>	-	-	<b>252,128,668</b>	-
<b>Programme 2: Legislature and Oversight</b>	-	-	-	-	-
SP 2.1 Domestic and foreign accommodation, air travels and daily subsistence allowance	113,257,475	-	-	113,257,475	100%
SP 2.2 ICT, Hansard and Communication equipment	11,500,000	-	-	11,500,000	100%
SP 2.3 Mortgage & Car Loans and tax including balance carried forward	86,987,786	-	-	46,987,786	54%
SP 2.4 Staff Trainings and Development and Tuitions	37,907,263			37,907,263	100%
SP 2.5 Public Participation	-				
<b>Total Expenditure for Programme 2</b>	<b>249,652,524</b>			<b>209,652,524</b>	
<b>Programme 3: County Assembly, Infrastructure Improvement</b>					

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
SP 3.11 Equipping of library	-	-	-	-	-
SP 3.12 Maintenance of motor vehicle	12,750,000			12,750,000	100%
SP 3.13 Purchase of furniture and general equipment	7,366,678			7,366,678	100%
SP 3.14 Construction of County Assembly Headquarters and modern chambers, purchase of land for speaker's residence, construction and equipping of ward offices including pending bills	273,772,871			19,371,467	7%
SP 3.15 Improvement of ICT services	-			-	
SP 3.16 Maintenance of plants, machinery & other assets	10,016,760			10,016,760	100%
SP 3.17 Electricity, water and sewerage and other utility charges	17,428,878			17,428,878	100%
SP 3.18 Printing, advertisement and information supplies and services	46,321,371			46,321,371	100%
SP 3.19 Rental of approved assets and hire of motor vehicles	12,200,000			12,200,000	100%
SP 3.20 Insurance cost for group personal, building, motor vehicle and medical cover	27,980,382			27,980,382	100%
SP 3.21 Purchase of computers, printers and general office supplies and accessories and sanitary cleaning materials	45,020,000			45,020,000	100%
SP 3.22 Fuel, oil, lubricants and tyres	10,000,000			10,000,000	100%
SP 3.23 Bank service commission and charges, legal fees, management fees and	25,730,000			25,730,000	100%

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
contracted professional charges and other operating expenses					
SP 3.24 Ward office	28,400,000			28,400,000	100%
SP 3.25 Uniform, Specialized materials and supplies	13,000,000			13,000,000	100%
-SP 3.26 Membership fees and dues and subscription for international organization	750,000			750,000	100%
SP 3.28 Refurbishment of buildings	8,000,000			8,000,000	100%
SP 3.29 Gratuity/pension	32,417,735			32,417,735	100%
SP 3.30 Purchase of motor vehicle	-			-	-
SP 3.31 Research, Feasibility Studies, Project and Preparation and Design, Projects	-			-	-
<b>Totals</b>	<b>571,154,675</b>			<b>316,753,271</b>	
<b>Grand Totals</b>	<b>1,072,935,867</b>			<b>778,534,462</b>	

## **14. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Assembly of Marsabit 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 County Assembly of Marsabit**

The financial statements are for the Marsabit County Assembly. The financial statements encompass the reporting County Assembly of Marsabit as specified in section 164 of PFM Act 2012.

### **3. Recognition of receipts and payments**

#### **a) Recognition of receipts**

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

**Significant Accounting Policies (Continued)**

**i) 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 County Assembly of Marsabit.

**ii) 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 County Assembly of Marsabit recognises all expenses when the event occurs, and the related cash has actually been paid out by the County Assembly of Marsabit.

**i) Compensation of employees**

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

**ii) 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.

**iii) 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 County Assembly of Marsabit and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Significant Accounting Policies (Continued)**

**4. In-kind contributions**

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

**5. Third Party Payments**

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

**6. Cash and cash equivalents**

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

**7. Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30<sup>th</sup> June 2022, this amounted to Nil

**Significant Accounting Policies (Continued)**

**8. Imprests and Advances**

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.

**9. Third party deposits and retention**

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.

**10. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the County Assembly of Marsabit fixed asset register a summary of which is provided as a memorandum to these financial statements.

**11. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the County Assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Significant Accounting Policies (Continued)**

**12. Contingent Liabilities**

A contingent liability is:

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

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

**13. Contingent Assets**

The County Assembly of Marsabit does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Assembly of Marsabit 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.

**Significant Accounting Policies (Continued)**

**14. Budget**

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly of Marsabit's budget was approved as required by Law. The original budget was approved by the County Assembly on 30<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. The supplementary budgets were approved on 17<sup>th</sup> May 2022. A high-level assessment of the County Assembly of Marsabit's 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.

**15. Comparative figures**

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

**16. 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.

**17. Prior Period Adjustment**

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

**18. Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party County Assembly of Marsabit and another County Assembly of Marsabit are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**15. NOTES TO THE FINANCIAL STATEMENTS**

**1. Exchequer Releases**

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for Q1	119,998,475	49,502,189
Transfers from the county treasury for Q2	144,970,074	170,009,770
Transfers from the county treasury for Q3	222,875,173	189,999,019
Transfers from the county treasury for Q4	290,690,169	281,810,045
<b>Cumulative amount</b>	<b>778,533,891</b>	<b>691,321,023</b>

**2. Proceeds From Sale Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to the Financial Statements**

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Tender Fees Received	-	-
Other Receipts II	-	-
Other Receipts III	-	-
Other Receipts IV	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	204,454,198	192,000,000
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	-	-
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
<b>Total</b>	<b>204,454,198</b>	<b>192,000,000</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**5. Use Of Goods And Services**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	17,428,878	18,557,546
Communication, supplies and services	11,500,000	7,000,000
Domestic travel and subsistence	86,257,475	76,257,725
Foreign travel and subsistence	27,000,000	-
Printing, advertising and information supplies & services	46,321,371	35,995,050
Rentals of produced assets	12,200,000	11,094,640
Training expenses	37,907,263	33,940,514
Hospitality supplies and services	47,674,469	56,300,000
Insurance costs	27,980,382	28,115,461
Specialized materials and services	13,000,000	14,000,000
Office and general supplies and services	45,020,000	34,700,000
Fuel, oil and lubricants	10,000,000	9,000,000
Other operating expenses	54,127,332	40,600,000
Routine maintenance – vehicles and other transport equipment	12,750,000	10,000,000
Routine maintenance – other assets	10,016,760	8,743,306
Domestic Loans to Individuals and Households	2,824,790	2,824,790
<b>Total</b>	<b>462,008,720</b>	<b>387,129,032</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**6. Subsidies**

Description	2021-2022	2020-2021
	Kshs	Kshs
Subsidies to County Corporations		
See List Attached	-	-
(Insert Name)	-	-
	-	-
Subsidies to Private Enterprises	-	-
See List Attached	-	-
(Insert Name)	-	-
	-	-
<b>Total</b>	-	-

**7. Transfers To Other Government Entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transfers to national government entities</b>	-	-
	-	-
<b>Transfers to other county assembly entities</b>	-	-
Car loan scheme fund	-	-
Mortgage	-	-
Others (insert name of budget agency)	-	-
	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**8. Other Grants And Transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	750,000	5,500,000
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
<b>Total</b>	<b>750,000</b>	<b>5,500,000</b>

This money paid relates to subscriptions paid by the County Assembly of Marsabit for the year ended 30th June 2022 to Society of the Clerk-At-The-Table (SOCCATT).

**9. Social Security Benefits**

	2021 - 2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits	25,867,163	25,867,735
Social Security Benefits	-	-
Employer Contribution to Compulsory National Social Security Schemes	6,550,000	7,335,639
<b>Total</b>	<b>32,417,163</b>	<b>33,203,374</b>

This relates to payment to Lap trust Umbrella Retirement Funds and Local Authority Provident Fund (Lap fund)

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**10. Acquisition Of Assets**

Non-financial assets	2021 - 2022	2020-2021
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	19,371,467	51,179,727
Refurbishment of buildings	8,000,000	4,000,000
Construction of roads	-	-
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	9,500,000
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	7,366,678	8,766,678
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of Computers and Printers and Other IT Equipment	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
<b>Total acquisition of non- financial assets</b>	<b>34,738,145</b>	<b>73,446,405</b>
<b><u>Financial assets</u></b>		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
<b>Total acquisition of financial assets</b>	<b>-</b>	<b>-</b>
<b>Total acquisition of assets</b>	<b>34,738,145</b>	<b>73,446,405</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**11. Finance Costs**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank charges	-	-
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
<b>Total</b>	-	-

**12. Other Payments**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Staff Car Loan and Mortgage	44,162,996	-
Civil Contingency Reserves	-	-
Other Payments	-	-
<b>Totals</b>	<b>44,162,996</b>	-

This payment relates to payment for Marsabit county assembly car loan and mortgage

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**13. Cash and Bank Balances**

**13A. Bank Balances**

Name of Bank/Account Name & Currency	Account Number	Indicate whether Rec. Dev, Dep e.t.c	2021 - 2022 Kshs	2020 - 2021 Kshs
Central Bank of Kenya, Kshs	1000198761	Development Account	0	1
Central Bank of Kenya, Kshs	1000198753	Recurrent Account	2,668	23,669
Equity Bank, Kshs	1010261309104	Imprest Account	0	18,542
<b>Total</b>			<b>2,668</b>	<b>42,212</b>

**13B. Cash in Hand**

	2021 - 2022 Kshs	2020 - 2021 Kshs
Cash in Hand – Held in Domestic Currency	-	-
Cash in Hand – Held in Foreign Currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

Cash in hand should be analysed as follows:

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
<b>Total</b>	-	-

**14. Imprests and Advances**

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
<b>Total</b>	-	-

Breakdown of Imprest And Salary Advance Per Department	2021 - 2022	2020 - 2021
Imprests	Kshs	Kshs
Department	-	-
Department	-	-
Department	-	-
<b>Sub-Total</b>	-	-
<b>Salary Advance</b>	-	-
Department	-	-
Department	-	-
<b>Sub-Total</b>	-	-
<b>Grand Total</b>	-	-

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**15. Third Party Deposits and Advances**

Description	2021 – 2022	2020 - 2021
	Kshs	Kshs
Deposits	-	-
Retentions	-	-
<b>Total</b>	-	-

**16. Fund Balance Brought Forward**

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank Accounts	2,668	42,212
Cash in Hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
<b>Total</b>	<b>2,668</b>	<b>42,212</b>

**17. Prior Year Adjustments**

Description of The Error	Balance b/f FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
	Kshs	Kshs	Kshs
Bank Account Balances	42,212	(42,212)	-
Cash in Hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (Specify)	-	-	-
<b>TOTALS</b>	<b>42,212</b>	<b>(42,212)</b>	<b>-</b>

(Prior period adjustment applies to the correction of an error in the financial statements of a prior period. Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**18. Changes in Imprests and Advances**

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Account Receivables as at 1 <sup>st</sup> July 2021	-	-
Closing Account Receivables as at 30 <sup>th</sup> June 2022	-	-
Change in Account Receivables	-	-

**19. Changes In Third Party Deposits and Retention**

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Accounts Payables As At 1 <sup>st</sup> July 2021	-	-
Closing Accounts Payables As At 30 <sup>th</sup> June 2022	-	-
Change In Accounts Payables	-	-

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes to The Financial Statements (Continued)**

**Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	128,522,871	145,250,000	19,371,467	254,401,404
Construction of Civil Works	-	-	-	-
Supply of Goods	3,346,680	-	3,346,680	-
Supply of Services	54,139,777	40,000,000	53,866,502	40,273,274
<b>Total</b>	<b>186,009,328</b>	<b>185,250,000</b>	<b>76,584,649</b>	<b>294,674,678</b>

**2. Pending Staff Payables (See Annex 2)**

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**3. Other Pending Payables (See Annex 3)**

Description	Balance b/f	Additions for	Paid during	Balance c/d
	FY 2020-2021	the period	the year	FY 2021-2022
	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	-	-	-	-

**4. External Assistance**

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	-	-

**a) External assistance relating loans and grants**

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
**Annual Report and Financial Statements For the year ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**b) Undrawn external assistance**

Description	Purpose for which the undrawn external assistance may be used	FY 2021-2022 Kshs	FY 2020-2021 Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
<b>Total</b>		-	-

**c) Classes of providers of external assistance**

Description	FY 2021-2022 Kshs	FY 2020-2021 Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
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**Notes to The Financial Statements (Continued)**

**d. Non-Monetary External Assistance**

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Goods	-	-
Services	-	-
<b>Total</b>	-	-

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

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
Compensation of Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment of Principal on Domestic & Foreign Borrowing	-	-
Other Payments	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
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**Notes to The Financial Statements (Continued)**

**f. External Assistance paid by Third Parties on behalf of the County Assembly of Marsabit by Source**

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

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY**

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc.

**Classification by Source**

Description	FY 2021-2022	FY 2020-2021
	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
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**Classification of payments made by Third Parties by Nature of expenses**

Payments made by third parties	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
<b>Total</b>	-	-

**6. Related Party Disclosures**

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

The following comprise of related parties to the County Assembly:

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

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**Related party transactions:**

	2021-2022	2020-2021
	Kshs	Kshs
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	99,960,000	-
Key Management Compensation (Clerk and Heads of departments)	13,080,000	-
<b>Total Compensation to Key Management</b>	<b>113,040,000</b>	-
<b><u>Transfers to related parties</u></b>	-	-
Transfers to other County Government Entities such as car and mortgage schemes	44,162,996	-
Transfers to County Corporations	-	-
Transfers to non-reporting entities e.g ECD centres, welfare centres etc	-	-
<b>Total Transfers to related parties</b>	<b>44,162,996</b>	-
<b><u>Transfers from related parties</u></b>	-	-
Transfers from the County Executive- Exchequer	778,533,891	-
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	<b>778,533,891</b>	-

**7. Contingent Liabilities**

	2021-2022	2020-2021
	Kshs	Kshs
Court case against the County Assembly of Marsabit	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
<b>Total</b>	-	-

**Marsabit County Assembly**  
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**16. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unsupported domestic travel and subsistence allowances	We agree with the auditors observation, the document was not availed but the same was presented for audit.	Resolved	
2.0	Compensation of employees- Over Commitment of Salary.	We agree with the above observations from the auditor and mechanisms have been put in place to correct the anomaly.	Resolved	
3.0	Other Grants and Transfers- Membership Fees, Dues and Subscriptions.	County Assemblies Forum (CAF) is an entity which champions the welfare of County Assemblies hence all the County Assemblies in the Republic of Kenya subscribe to this bodies since it also supports the mission and vision of these establishments. The final approved budget for 2020-2021 had the provision for Membership fees, dues and subscriptions under the budget line 2620161	Resolved	
4.0	Delay in Completion of Construction of Chambers for the County	The delay in Completion of the construction of the County Assembly Chamber was necessitated by the delay in funding from the Exchequer where by the	Resolved	

**Marsabit County Assembly**  
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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Assembly	Controller of Budget queried on the total Cost of the project viz-a viz the Circular on the cycling for the Construction of County Assembly Chambers by the State department of Public Works. This matter was escalated to the senate through the Commission on Revenue Allocation.		



.....  
 Clerk of the Marsabit County Assembly  
 Date

**Marsabit County Assembly  
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**17. Annexes**

**Annex 1 – Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			A	B	C	D=A+B-C	
<b>Construction Of Buildings</b>							
1. Precision Civil Engineering ltd			128,522,871	145,250,000	19,371,467	254,401,404	
<b>Sub-Total</b>			<b>128,522,871</b>	<b>145,250,000</b>	<b>19,371,467</b>	<b>254,401,404</b>	
<b>2. Supply Of Goods</b>							
a) Halamco Properties Limited			1,408,680	-	1,408,680	-	
b) Sansar Company Limited			1,938,000	-	1,938,000	-	
<b>Sub-Total</b>			<b>3,346,680</b>	<b>-</b>	<b>3,346,680</b>	<b>-</b>	
<b>3. Supply Of Services</b>							
a) Local Authority Provident Fund (LAPFUND)			8,653,268	-	8,653,268	-	
b) Haisor Computing and Technology Ltd			1,078,000	-	1,078,000	-	
c) Local Authority Provident Fund(LAPFUND)			2,682,689	-	2,682,689	-	

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Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
d) Marsabit County Assembly			81,895.91	-	81,895.91	-	
e) Saku Guest House			478,437	-	478,437	-	
f) Gof Hotel			273,274	-	-	273,274	
g) Arbycom Enterprises Limited			850,000	-	850,000	-	
h) Marsabit County Assembly (Staff Car Loan and Mortgage)			40,000,000	40,000,000	40,000,000	40,000,000	
i) Marsabit County Assembly			42,212	-	42,212	-	
<b>Sub-Total</b>			<b>54,139,777</b>	<b>40,000,000</b>	<b>53,866,502</b>	<b>40,273,274</b>	
<b>Grand Total</b>			<b>186,009,328</b>	<b>185,250,000</b>	<b>76,584,649</b>	<b>294,674,678</b>	

**Marsabit County Assembly  
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**Annex 2 – Analysis Of Pending Staff Payables**

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	B	c=a-b		
Senior Management							
1.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Middle Management	-	-	-	-	-	-	
2.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Unionisable Employees	-	-	-	-	-	-	
3.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Others (specify)	-	-	-	-	-	-	
4.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Grand Total	-	-	-	-	-	-	

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**Annex 3 – Analysis Of Other Pending Payables**

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To- Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
<b>Amounts Due To National Govt Entities</b>	-	-	-	-	-	-	
1.	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	-	
<b>Amounts Due To County Govt Entities</b>	-	-	-	-	-	-	
2.	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	-	
<b>Amounts Due To Third Parties</b>	-	-	-	-	-	-	
3.	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	-	
<b>Others (Specify)</b>	-	-	-	-	-	-	
4.	-	-	-	-	-	-	
5.	-	-	-	-	-	-	
6.	-	-	-	-	-	-	
<b>Sub-Total</b>	-	-	-	-	-	-	
<b>Grand Total</b>	-	-	-	-	-	-	

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**Annex 4 – Summary Of Non-Current Asset Register**

Assets	Historical Cost of (KShs) 2021-2021	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost of (KShs) 2021-2022
Land	-	-	-	-	-
Buildings and structures	323,147,123	19,371,467	-	-	342,518,590
Building Refurbishment	-	8,000,000	-	-	8,000,000
Transport equipment	52,535,000	-	-	-	52,535,000
Office equipment, furniture and fittings	93,124,381	7,366,678	-	-	100,491,059
Ict equipment	6,000,000	-	-	-	6,000,000
<b>Total</b>	<b>474,806,504</b>	<b>34,738,145</b>	-	-	<b>509,544,649</b>

**Marsabit County Assembly**  
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**Annex 5 – Analysis Of Accounts Receivables**

**(a) Government Imprest**

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken KShs	Amount Surrendered KShs	Balance KShs
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
<b>Total</b>		-	-	-

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**(b) Salary Advance**

Name of Officer	Date Advanced	Amount Advanced	Amount Recovered	Balance
		Kshs	Kshs	Kshs
Name Of Officer	-	-	-	-
Name Of Officer	-	-	-	-
Name Of Officer	-	-	-	-
Name Of Officer	-	-	-	-
<b>Total</b>	-	-	-	-

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**Annex: 6 Reporting of Climate Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		



**Marsabit County Assembly  
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**Annex 7 Disaster Expenditure Reporting Template**

Date						
County Assembly of Marsabit						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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**Annex 8: Contingent Liabilities Register**

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

**Annex 9 – Bank Reconciliation/FO 30 Report**