

REPUBLIC OF KENYA



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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF**  
**COUNTY GOVERNMENT OF MACHAKOS**

**FOR THE SIXTEEN (16)**  
**MONTHS PERIOD**  
**ENDED 30 JUNE 2014**



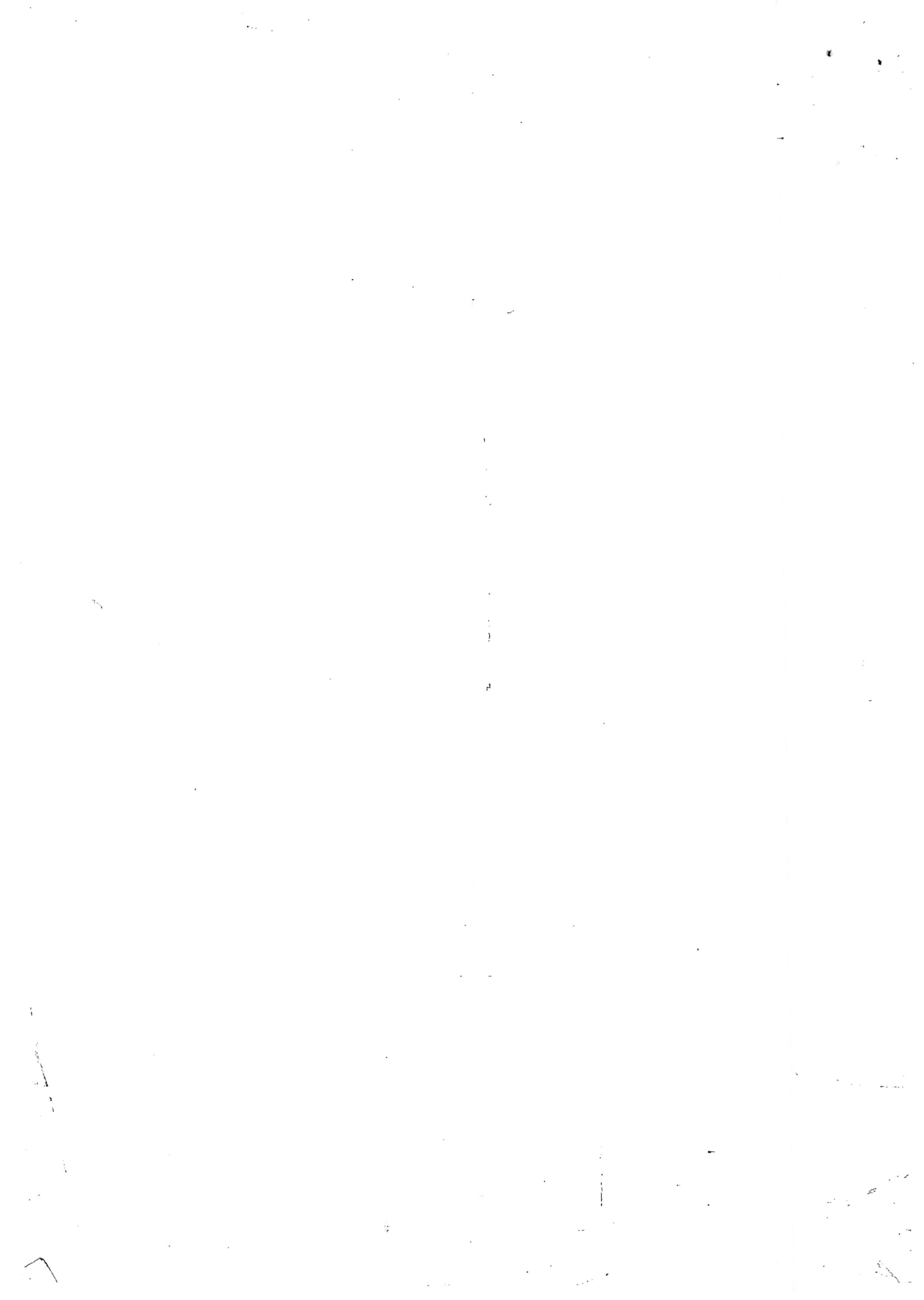


**COUNTY GOVERNMENT OF MACHAKOS**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2014**

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



REPUBLIC OF KENYA



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*[Signature]*

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**MONTHS PERIOD**

**ENDED 30 JUNE 2014**



**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**I. KEY COUNTY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Key Management**

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

- Governor;
- Deputy Governor;
- County Executive Committee Members; and
- Chief Officers

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	<b>Ms Jacinta M. Masila</b>
2.	Director Financial Management	<b>Mr Boniface Kamende</b>
3.	Head of Treasury Accounting	<b>Zuwena Zainabu</b>
4.	Accountant General	<b>William Otieno</b>

**(d) Fiduciary Oversight Arrangements**

Oversight for the financial year was provided by the audit and finance committee and the various committees of the county assembly

**(e) County Headquarters**

P.O. Box 1996 - 90100  
Machakos Nairobi Highway  
Machakos, KENYA

**(f) County Contacts**

Telephone: (254) 44 20246  
E-mail: [machakostreasury@machakosgovernment.com](mailto:machakostreasury@machakosgovernment.com)  
Website: [www.machakosgovernment.com](http://www.machakosgovernment.com)

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**(g) County Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Machakos Branch
3. Co-operative Bank  
Machakos Branch
4. Chase Bank  
Machakos Branch

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**II. FOREWORD BY THE COUNTY EXECUTIVE COMMITTEE MEMBER – TREASURY**

Machakos County Reports and Financial Statements for the year ended June 30th 2014 are prepared in line with the Public Financial Management Act, 2012. Final accounts are to be prepared, published and publicized within a period of three months after the end of each financial year. The report and financial statements show the County's revenue and expenditure.

The County's approved budget estimates amount to Kshs. 8.457 Billion. Expenditure on compensation to employees amount to Kshs. 2.32 billion, while expenditure on purchase of goods and services was Kshs. 1.106 Billion. In acquisition of assets, the County spent Kshs. 2.576 Billion while in other expenditure and grants, the County spent a total of Kshs. 181.28 million. The overall actual expenditure for the county was Kshs 6.186 Billion.

A large portion of development expenditure equivalent to 57 percent was used in infrastructural development. This constituted construction of access roads to support access to markets, health and water facilities. To enhance water access, the County implemented various projects like dams and water pans, construction of stadium, construction of people's park, tarmacking of two roads and installation of CCTV cameras and street lighting and procuring security patrol cars.

The county also embarked on a comprehensive strategy to improve health care by procuring seventy ambulances distributed to the various sub-counties. Other expenses went to procurement of drugs and other consumables for the public health facilities. In the education sector, disbursement of bursary funds to needy and bright students was a major achievement.

Employment creation has been enhanced by supporting the productive sectors. Efforts to promote tourism and other investment opportunities were some of the major achievements in 2013/14.

To enhance service delivery, significant expenditure was inevitable. Some of the expenses went towards providing office space through refurbishment of offices, purchase of furniture, computers and other office equipment, purchase of vehicles, training and recruitment of new staff.

The County Treasury has implemented the Integrated Financial Management Information System (IFMIS) and is in the process of building capacity of staff at the IFMIS station. Other programs in the process include revenue automation i-Procurement and implementation of Integrated Payroll and Personnel Database (IPPD).

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

The budget allocation was prudently and efficiently used to run the County Government. However there were challenges faced during the implementation of strategic objectives of the county. These include: Inefficiencies in revenue collection; Inadequate and dilapidated health and education infrastructure and equipment; inadequate personnel; lack of value addition for agricultural and livestock produce; Underdeveloped tourism industry; poor infrastructure in roads, markets, water, energy and ICT; and Poor land use planning.

The way forward to tackle these challenges is for the County Government to enhance infrastructural development fund, promote industrial growth through value addition, promotion of the tourism industry; and rationalization of staff including capacity building. Land use planning, including planning of our urban areas in the County will be critical to ensure that we attain sustainable development.

Sign.....*Hyoka*.....

Date.....*18.5.2015*.....

**County Executive Committee Member- Treasury  
Machakos County Government**

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 163, 164, and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

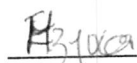
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the county for and as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for is of the opinion that the County Government's financial statements give a true and fair view of the state of County Government's transactions during the financial year ended June 30, 2014, and of its financial position as at that date. The CEC for finance further confirms the completeness of the accounting records maintained for the County Government, which have been relied upon in the preparation of the its financial statements, as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County's financial statements were approved and signed by the CEC member on 18.5.2015 2014.

  
\_\_\_\_\_  
County Executive Committee Member, Treasury

# REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON MACHAKOS COUNTY GOVERNMENT FOR THE SIXTEEN (16) MONTHS PERIOD ENDED 30 JUNE 2014

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Machakos County Government set out on pages 9 to 35 which comprise the statement of assets as at 30 June 2014, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 8 of the Public Audit Act, 2003

#### **Management's Responsibility for the Financial Statements**

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 such 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

#### **Auditor-General's responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 (1) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Government's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of

accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1. Assets and Liabilities inherited from the Defunct Local Authorities in Machakos County**

The statement of receipts and payments reflects an amount of Kshs.2,660,866,819 under acquisition of assets for the sixteen months period as at 30 June 2014. The statement of assets also reflects an amount of Kshs.72,503,551 under outstanding imprests. However, the County's financial statements for the sixteen months period do not include the assets and liabilities of the Defunct Local Authorities within Machakos County, although the County management took possession of them. In addition, the Transition Authority is yet to formally handover the assets and liabilities of the defunct local authorities in Machakos to the County Government of Machakos. It is not known when these assets and liabilities will be handed over to the County Government.

Consequently the financial statements presented by the County Government are not fairly stated.

### **2. Other Receipts**

The statement of receipts and payments reflects an amount of Kshs.1,213,463,202 under other receipts for the sixteen months period ended 30 June 2014. However, at the same period, an amount of Kshs.1,277,093,218 was banked in the County Revenue Fund resulting to a difference of Kshs.63,630,016 that could not be explained. Further, included in the other receipts figure of Kshs.1,213,463,202 are two amounts relating to rents, Kshs.40,838,164 and fines and penalties and forfeitures, Kshs.24,273,560 as disclosed in note 12 to the financial statements. However, supporting schedules provided for the two amounts reflected amounts of Kshs.15,079,846 and Kshs.18,726,165 respectively.

Under the circumstances, the completeness and accuracy of the other receipts figure of Kshs.1,213,463,202 could not be confirmed.

### **3. Acquisition of Assets and Liabilities**

The statements of receipts and payments reflects an amount of Kshs.2,660,866,819 under acquisition of assets for the sixteen months period ended 30 June 2014. However, no supporting documents including a fixed assets register and/or analysis was provided for audit review. In addition, none of the assets, including motor vehicles was presented for physical verification.

### **4. Other Grants and Transfers**

The statement of receipts and payments further reflects a figure of Kshs.181,288,339 under other grants and transfers which comprise of scholarships and other

educational benefits, emergency relief and refugee assistance, contribution to parliamentary bodies and other capital grants and transfers all amounting to Kshs.114,739,700, Kshs.8,525,603, Kshs.24,535,000 and Kshs.33,489,036 respectively. However, these balances were not supported with relevant schedules or other analysis. Further there was no policy or guidelines on scholarships and educational benefits, emergency relief and contribution to parliamentary associations.

Consequently, the propriety of the expenditure of Kshs.181,288,339 under other grants and transfers for the sixteen months period ended 30 June 2014 could not be confirmed.

## 5. Compensation of Employees

The statement of receipts and payments reflected an amount of Kshs.2,459,265,757 under compensation to employees during the sixteen months period ended 30 June 2014. Included in these amounts were sitting allowances and mileage allowance paid to the Members of the County Assembly (MCAs) which could not be supported with documentary evidence as follows:

Item	Amount Captured In financial statements	Amount Supported	Variance
	Kshs.	Kshs.	Kshs.
Sitting Allowances	26,458,900	21,815,300	4,643,600
Mileage Allowances	11,660,760	4,318,294	7,342,466

No reconciliation or explanation was provided for the variances.

Further, examination of the County payroll records and summaries for the sixteen months period ended 30 June 2014 revealed that the County Government made statutory deductions from the employees in respect of PAYE, NHIF, NSSF and Pensions all totalling Kshs.392,120,608.25 from July 2013 to June 2014. However, there were no records to show what had been remitted to the various institutions and the outstanding balances. It was therefore not clear whether the amounts had been remitted and what liability in form of penalties could accrue due to non-remittances

In addition, note 13 to the statement of receipts and payments reflects an amount of Kshs.1,945,905,402 as basic salaries paid to permanent employees while the supporting schedules reflects an amount of Kshs.1,726,738,951 thus resulting to an unexplained variance of Kshs.219,166,451.

Consequently, the accuracy of the figure of Kshs.2,459,265,757 in respect of compensation to employees for the sixteen months period ended 30 June 2014 could not be confirmed.

## 6. Foreign Travel and Subsistence Expenditure

The statement of receipts and payments further reflects an amount of Kshs. 1,169,214,341.00 under use of goods and services for the sixteen months period ended 30 June 2014. Examination of the schedules provided under this vote showed that the County Government incurred an expenditure amounting to Kshs.47,831,078

on foreign travel. However, no analysis was provided to show who travelled and procedures followed on foreign travels or journeys. Further, the management did not avail files, payment details to show the nature of foreign travels and reports to show the beneficial effects of the trips to the County.

Also included in this account was an amount of Kshs.8,524,603 used for Emergency relief (food, medicine, tents etc.) and analysed under foreign travel. This amount was not explained and the details of the payments were not availed for audit verification. Consequently the validity of the foreign travel and subsistence expenditure of Kshs.47,831,078 for the sixteen months period ended 30 June 2014 could not be confirmed.

## **7. Outstanding Imprests**

The statement of assets reflects a figure of Kshs.72,503,551 as outstanding imprest for the sixteen months period as at 30 June 2014. However, examination of imprest records showed that the Imprest register had an amount of Kshs.46,963,196 which remained unsurrendered as at the same period, resulting to an unexplained and unreconciled variance of Kshs.25,540,355. Further, there was rampant issue of multiple imprests and in some cases imprests were issued without approval.

Consequently, the accuracy and completeness of the outstanding imprests figure of Kshs.72,503,551 as at 28 February 2014 could not be confirmed.

## **8. Pending Bills**

The County Government owes various Contractors and Suppliers an undetermined amount for completed and incomplete projects and goods and services supplied. Further, the pending bills have not been disclosed in the financial statements as at 30 June 2014.

## **9. Bank Balances**

Note 24 A to the statement of assets reflects a bank balance of Kshs.45,974,848 as at 30 June 2014. These balances were not supported by any bank reconciliation, extracts of cash book or bank certificate of cash balances. Further, review of the cash book revealed many unauthorized alterations. Further, it was noted that the cash book is not updated regularly.

Consequently, the accuracy and completeness of the bank balances of Kshs.45,974,848 reflected in the statements of assets could not be confirmed.

## **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit

evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



**Edward R.O. Ouko, CBS**  
**AUDITOR-GENERAL**

**NAIROBI**

**8 July 2015**




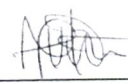
**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

V.

V.STATEMENT OF RECEIPTS AND PAYMENTS	Note	2013-2014 Kshs	2012-2013 Kshs	TOTAL Kshs.
<b>RECEIPTS</b>				
Tax Receipts		-	-	-
Social Security Contributions	2	-	-	-
Proceeds from Domestic and Foreign Grants	3	-	-	-
Exchequer releases	4	5,059,146,345	254,918,456	5,314,064,801
Transfers from Other Government Entities	5	-	61,592,000	61,592,000
Proceeds from Domestic Borrowings	6	-	-	-
Domestic Currency and Domestic Deposits	7	-	-	-
Proceeds from Foreign Borrowings	8	-	-	-
Proceeds from Sale of Assets	9	-	-	-
Reimbursements and Refunds	10	-	-	-
Returns of Equity Holdings	11	-	-	-
Other Receipts	12	1,175,227,171	38,236,031	1,213,463,202
<b>TOTAL RECEIPTS</b>		<u>6,234,373,516</u>	<u>354,746,487</u>	<u>6,589,120,003</u>
<b>PAYMENTS</b>				
Compensation of Employees	13	2,320,452,023	138,813,734	2,459,265,757
Use of goods and services	14	1,106,943,809	62,270,532	1,169,214,341
Interest payments	15	-	-	-
Subsidies	16	-	-	-
Transfers to Other Government Units	17	-	-	-
Other grants and transfers	18	181,288,339	-	181,288,339
Social Security Benefits	19	-	-	-
Acquisition of Assets	20	2,576,706,727	84,160,092	2,660,866,819
Finance Costs, including Loan Interest	21	-	-	-
Repayment of principal on Domestic and Foreign borrowing	22	-	-	-
Other Payments	23	-	-	-
<b>TOTAL PAYMENTS</b>		<u>6,185,390,898</u>	<u>285,244,358</u>	<u>6,470,635,256</u>
		<u><b>48,982,618</b></u>	<u><b>69,502,129</b></u>	<u><b>118,484,747</b></u>

The Accounting policies and explanatory notes to these financial statements form an integral part of the Financial statements. The entity financial statements were approved on 18/07/15.....2014 and signed by

  
\_\_\_\_\_  
Chief Officer

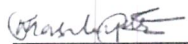
  
\_\_\_\_\_  
Head of Treasury Accounts


**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**VI. STATEMENT OF ASSETS**

	Note	2013-2014 Kshs	2012-2013 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	24A	45,974,848	63,723,309
Cash Balances	24B	6,348	400,000
Cash Equivalents	24C	-	-
Outstanding Imprests	24D	72,503,551	5,378,820
<b>TOTAL FINANCIAL ASSETS</b>		118,484,747	69,502,129
 <b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	25	69,502,129	-
<b>Surplus/Deficit for the year</b>		48,982,618	69,502,129
<b>Prior year adjustments</b>	26	-	-
<b>NET FINANCIAL POSITION</b>		118,484,747	69,502,129

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 18/05/15 2014 and signed by:

  
\_\_\_\_\_  
Chief Officer

  
\_\_\_\_\_  
Head of Treasury Accounts

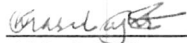
**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**


**VII. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>	<b>Note</b>	<b>2013-2014</b>	<b>2012-2013</b>
		<b>Kshs</b>	<b>Kshs</b>
Tax Receipts	1		
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	-	-
Exchequer Releases	4	5,059,146,345	254,918,456
Transfers from Other Government Entities	5	-	61,592,000
Reimbursements and Refunds	10	-	-
Returns of Equity Holdings	11	-	-
Other Receipts	12	1,175,227,171	38,236,031
<b>Payments for operating expenses</b>			
Compensation of Employees	13	-2,320,452,023	-138,813,734
Use of goods and services	14	-1,106,943,809	-62,270,532
Interest payments	15	-	-
Subsidies	16	-	-
Transfers to Other Government Units	17	-	-
Other grants and transfers	18	-181,288,339	-
Social Security Benefits	19	-	-
Finance Costs, including Loan Interest	21	-	-
Other Expenses	23	-	-
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>2,625,689,345</b>	<b>153,662,221</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	9	-	-
Acquisition of Assets	20	-2,576,706,727	84,160,092
<b>Net cash flows from Investing Activities</b>		<b>-2,576,706,727</b>	<b>84,160,092</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings	6	-	-
Domestic Currency and Domestic Deposits	7	-	-
Proceeds from Foreign Borrowings	8	-	-
Repayment of principal on Domestic and Foreign borrowing	22	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>48,982,618</b>	<b>69,502,129</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	24	<b>69,502,129</b>	<b>-</b>
<b>Cash and cash equivalent at END of the year</b>	24	<b>118,484,747</b>	<b>69,502,129</b>

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 18/05/15 2014 and signed by:

  
Chief Officer

  
Head of Treasury Accounts

**COUNTY GOVERNMENT OF MACHAKOS**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

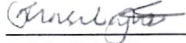
**V111. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

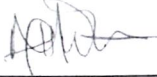
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation
	a	B	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	5,957,058,975.00	-	5,957,058,975.00	5,059,146,345.00	897,912,630.00	85%
Transfers from Other Government Entities	-	-	-	-	-	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
Other Receipts	2,500,000,000.00	-	2,500,000,000.00	1,175,227,171.00	1,324,772,829.00	47%
<b>TOTAL</b>	<b>8,457,058,975.00</b>	<b>-</b>	<b>8,457,058,975.00</b>	<b>6,234,373,516.00</b>	<b>2,222,685,459.00</b>	<b>74%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,737,073,925.00	689,010,867.00	2,426,084,793.00	2,320,452,023	325,850,374.51	87%
Use of goods and services	2,015,013,503.00	824,432,545.00	1,190,580,958.00	1,106,943,808.84	83,637,149.16	93%
Interest payments	-	-	-	-	-	0%
Subsidies	-	-	-	-	-	0%
Transfers to Other Government Units	-	-	-	-	-	0%
Other grants and transfers	370,220,000.00	23,040,000.00	393,260,000.00	181,288,339.20	211,971,660.80	46%
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	3,879,450,000.00	559,834,161.00	4,439,284,161.00	2,576,706,727.00	-	58%

**COUNTY GOVERNMENT OF MACULAROS  
 REPORTS AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014**

					1,862,577,434.00	
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	0%
<b>TOTALS</b>	<b>8,001,757,428.00</b>	<b>447,452,483.00</b>	<b>8,449,209,912.00</b>	<b>6,185,390,897.78</b>	<b>- 1,885,279,175.38</b>	<b>73%</b>

The entity financial statements were approved on 18/5/2015 2014 and signed by:

  
 \_\_\_\_\_  
 Chief Officer

  
 \_\_\_\_\_  
 Head of Treasury Accounts

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**IX SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

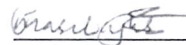
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	2,607,800,000.00	-	2,607,800,000.00	2,236,142,684.00	371,657,316.00	86%
Transfers from Other Government Entities	-	-	-	-	-	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets						
Reimbursements and Refunds						
Returns of Equity Holdings						
Other Receipts	1,105,000,000.00		1,105,000,000.00	519,450,410.00	585,549,590.00	47%
	<b>3,712,800,000.00</b>	<b>-</b>	<b>3,712,800,000.00</b>	<b>2,755,593,094.00</b>	<b>957,206,906.00</b>	<b>74%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,737,073,925	689,010,867	2,426,084,792	2,320,452,023	325,850,374	87%
Use of goods and services	2,015,013,503	- 824,432,545	1,190,580,958	1,106,943,809	83,637,149	93%
Interest payments			-	-	-	
Subsidies			-	-	-	
Transfers to Other Government Units			-	-	-	
Other grants and transfers	90,220,000	23,040,000	113,260,000	66,548,639	- 46,711,361	59%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	


**COUNTY GOVERNMENT OF MACHIAKOS  
 REPORTS AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014**

Finance Costs, including Loan Interest			-		-	
Repayment of principal on Domestic and Foreign borrowing			-		-	
Other Payments	-	-	-	-	-	
<b>TOTALS</b>	<b>3,842,307,428</b>	<b>- 112,381,678</b>	<b>3,729,925,750</b>	<b>3,493,944,471</b>	<b>- 235,981,279</b>	<b>94%</b>

*[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]*

The entity financial statements were approved on 18/5/2014 2014 and signed by:

  
 \_\_\_\_\_  
 Chief Officer

  
 \_\_\_\_\_  
 Head of Treasury Accounts

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

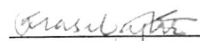
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Tax Receipts	-	-	-	-	-	
Social Security Contributions	-	-	-	-	-	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	3,349,258,975.00	-	3,349,258,975.00	2,823,003,661.00	526,255,314.00	84%
Transfers from Other Government Entities	-	-	-	-	-	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	-	-	-	-	-	
Returns of Equity Holdings	-	-	-	-	-	
Other Receipts	1,395,000,000.00	-	1,395,000,000.00	655,776,761.00	739,223,239.00	47%
	4,744,258,975.00	-	4,744,258,975.00	3,478,780,422.00	1,265,478,553.00	73%
<b>PAYMENTS</b>						
Compensation of Employees			-			
Use of goods and services			-			
Interest payments			-			
Subsidies			-			
Transfers to Other Government Units			-			
Other grants and transfers	280,000,000		280,000,000	114,739,700	- 165,260,300	41%
Social Security Benefits			-			
Acquisition of Assets	3,879,450,000	559,834,161	4,439,284,161	2,576,706,727	- 1,862,577,434	58%
Finance Costs, including Loan Interest			-			
Repayment of principal on Domestic and Foreign borrowing			-			

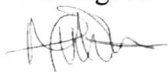
**COUNTY GOVERNMENT OF MACHAKOS  
 REPORTS AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2014**

Other Payments			-		-	
<b>TOTALS</b>	<b>4,159,450,000</b>	<b>559,834,161</b>	<b>4,719,284,161</b>	<b>2,691,446,427</b>	<b>- 2,027,837,734</b>	<b>57%</b>

*[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]*

The entity financial statements were approved on 18/5/2015 ~~2014~~ and signed by:

  
 Chief Officer

  
 Head of Treasury Accounts

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**XI. SUMMARY STATEMENT OF PROVISIONINGS**

- Details of General Accounts On Vote

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
GAV Provisioning account balance	2,271,668,078	-
1		
<b>Total</b>	<b>2,271,668,078</b>	<b>-</b>

- Details of Exchequer Account

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Exchequer Provisioning account balance	2,222,685,459	-
<b>Total</b>	<b>2,222,685,459</b>	<b>-</b>

**COUNTY GOVERNMENT OF MACHAKOS**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the county and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the county.

**2. Recognition of revenue and expenses**

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

**3. In-kind contributions**

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

**4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**5. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the county at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The county's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the county's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 TAX RECEIPTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Taxes on Income, Profits and Capital Gains	-	-
Taxes on Property	-	-
Taxes on Goods and Services	-	-
Taxes on International Trade and Transactions	-	-
Other Taxes (not elsewhere classified)	-	-
	-	-
<b>Total</b>	-	-

**2 SOCIAL SECURITY CONTRIBUTIONS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Receipts for Health Insurance Contribution	-	-
Receipts to NHIF for Health Insurance Contributions	-	-
Receipts from Govt Employees to Social & Welfare Schemes in Govt	-	-
	-	-
<b>Total</b>	-	-

**3 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	Date received	Amount in foreign currency	2013 - 2014	2012 - 2013
			Kshs	Kshs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
<b>Grants Received from Multilateral Donors (International Organisations)</b>				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
<b>Grants Received from other levels of government</b>				

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
<b>Total</b>	-	-	-	-

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4 EXCHQUER RELEASES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	860,054,880	
Total Exchequer Releases for quarter 2	1,129,812,793	
Total Exchequer Releases for quarter 3	1,568,335,366	
Total Exchequer Releases for quarter 4	1,500,943,306	254,918,456
<b>Total</b>	<b>5,059,146,345</b>	<b>254,918,456</b>

**5 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2013 - 2014 Kshs</b>	<b>2012 - 2013 Kshs</b>
Transfers from Central government entities (Transition Authority)	-	61,592,000
Transfers from Counties (insert name of budget agency)	-	-
<b>TOTAL</b>	<b>-</b>	<b>61,592,000</b>

**6 PROCEEDS FROM DOMESTIC BORROWINGS**

	<b>2013 - 2014 Kshs</b>	<b>2012 - 2013 Kshs</b>
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corp (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**7 DOMESTIC CURRENCY AND DOMESTIC DEPOSITS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
x% Retention amount in relation to project A	-	-
y% Retention amount in relation to project B	-	-
z% Retention amount in relation to project C	-	-
Deposits held in trust	-	-
<b>Total</b>	-	-

*[Provide a detailed analysis of this Note under Annex 3. The amount held as retention and deposits should also be disclosed under Note 24A]*

**8 PROCEEDS FROM FOREIGN BORROWINGS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
<b>Total</b>	-	-

**9 PROCEEDS FROM SALE OF ASSETS**

	2013 – 2014	2012 - 2013
	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	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
<b>Total</b>	-	-

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**10 REIMBURSEMENTS AND REFUNDS**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
<b>Total</b>	-	-

**11 RETURNS OF EQUITY HOLDINGS**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
<b>Total</b>	-	-

**12 OTHER RECEIPTS**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	40,838,164	-
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	949,652,841	-
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	24,273,568	-
Receipts from Voluntary transfers other than grants	-	-
Other Receipts Not Classified Elsewhere	160,462,598	38,236,031
<b>Total</b>	<b>1,175,227,171</b>	<b>38,236,031</b>

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13 COMPENSATION OF EMPLOYEES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	1,945,905,402	138,813,734
Basic wages of temporary employees	112,365,287	
Personal allowances paid as part of salary	104,965,830	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	121,146,777	-
Compulsory national social security schemes	3,642,590	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	32,426,138	-
<b>Total</b>	<b>2,320,452,023</b>	<b>138,813,734</b>

**14 USE OF GOODS AND SERVICES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	18,000,907	-
Communication, supplies and services	12,185,286	-
Domestic travel and subsistence	254,380,425	-
Foreign travel and subsistence	47,831,079	-
Printing, advertising and information supplies & services	85,703,124	-
Rentals of produced assets	8,750,418	-
Training expenses	108,199,918	-
Hospitality supplies and services	59,969,944	-
Insurance costs	19,317,267	-
Specialized materials and services	70,211,025	-
Office and general supplies and services	32,459,484	-
Other operating expenses	188,557,058	-
Routine maintenance – vehicles and other transport equipment	28,305,799	-
Routine maintenance – other assets	140,230,320	-
	32,841,755	62,270,532
<b>Total</b>	<b>1,106,943,809</b>	<b>62,270,532</b>

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**15 INTEREST PAYMENTS**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Interest Payments on Foreign Borrowing	-	-
Interest on Domestic Borrowing	-	-
Interest on Borrowing From Other Government Units	-	-
<b>Total</b>	-	-

**16 SUBSIDIES**

<b>Description</b>	2013 - 2014 Kshs	2012 - 2013 Kshs
Subsidies to Public Corporations <i>See list attached</i> (insert name)	-	-
Subsidies to Private Enterprises <i>See list attached</i> (insert name)	-	-
<b>TOTAL</b>	-	-

**17 TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	2013 - 2014 Kshs	2012 - 2013 Kshs
Transfers to Central government entities See attached list	-	-
Transfers to Counties (insert name of budget agency)	-	-
(insert name of budget agency)	-	-
<b>TOTAL</b>	-	-

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**18 OTHER GRANTS AND OTHER PAYMENTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Scholarships and other educational benefits	114,739,700	-
Emergency relief and refugee assistance	8,524,603	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Other current transfers, grants	24,535,000	-
Other capital grants and transfers	33,489,036	-
<b>Total</b>	<b>181,288,339</b>	<b>-</b>

**19 SOCIAL SECURITY BENEFITS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20 ACQUISITION OF ASSETS**

<u>Non-Financial Assets</u>	2013 - 2014	2012 - 2013	TOTAL
	Kshs	Kshs	
Purchase of Buildings	-	-	
Construction of Buildings	117,298,497	-	117,298,497
Refurbishment of Buildings	260,563,463	35,438,502	296,001,965
Construction of Roads	417,447,643	-	417,447,643
Construction and Civil Works	302,411,801	-	302,411,801
Overhaul and Refurbishment of Construction and Civil Works	84,571,964	-	84,571,964
Purchase of Vehicles and Other Transport Equipment	694,776,138	48,721,590	743,497,728
Overhaul of Vehicles and Other Transport Equipment	-	-	-
Purchase of Household Furniture and Institutional Equipment	935,708	-	935,708
Purchase of Office Furniture and General Equipment	39,606,646	-	39,606,646
<b>Purchase of ICT Equipment</b>	103,970,652	-	103,970,652
Purchase of Specialized Plant, Equipment and Machinery	337,955,000	-	337,955,000

**COUNTY GOVERNMENT OF MACHAKOS  
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Rehabilitation and Renovation of Plant, Machinery and Equip.	61,064	-	61,064
Purchase of Certified Seeds, Breeding Stock and Live Animals	174,961,817	-	174,961,817
Research, Studies, Project Preparation, Design & Supervision	13,606,585	-	13,606,585
Rehabilitation of Civil Works	17,892,749	-	17,892,749
Acquisition of Strategic Stocks and commodities	647,000	-	647,000
Acquisition of Land	10,000,000	-	10,000,000
Acquisition of Intangible Assets	-	-	-
<u>Financial Assets</u>	-	-	-
Domestic Public Non-Financial Enterprises	-	-	-
Domestic Public Financial Institutions	-	-	-
Foreign financial Institutions operating Abroad	-	-	-
Other Foreign Enterprises	-	-	-
Foreign Payables - From Previous Years	-	-	-
<b>Total</b>	<b>2,576,706,727</b>	<b>84,160,092</b>	<b>2,660,866,819</b>

**21 FINANCE COSTS, INCLUDING LOAN INTEREST**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**22 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**COUNTY GOVERNMENT OF MACHAKOS  
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**23 OTHER EXPENSES**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Capital Transfers to Non-Financial Public Enterprises	-	-
Capital Transfer to Public Financial Institutions and Enterprises	-	-
Capital Transfer to Private Non-Financial Enterprises	-	-
Other expenses	-	-
Domestic Accounts	-	-
	-	-
	-	-

**24A: Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014	2012 - 2013
			Kshs	Kshs
Central bank of Kenya - Recurrent			15,533,013	
Central bank of Kenya - Development			2,221,812	-
Central bank of Kenya - Revenue			7,966,330	
Kenya Commercial bank Standing Imprest			(1,130,002)	
Cooperative Bank Standing Imprest			8,651,987	37,569,811
Cooperative bank Executive account			12,000,000	
Kenya Commercial bank Revenue account			731,708	
Chase bank Standing Imprest account			-	
Cooperative Bank Development account			-	26,153,498
<b>Total</b>			<b>45,974,848</b>	<b>63,723,309</b>

**COUNTY GOVERNMENT OF MACHAKOS  
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**24B: CASH IN HAND**

	2013 - 2014 Kshs	2012 - 2013 Kshs
Location : Machakos County Cash Office	6,348	400,000
Location 2	-	-
<b>Total</b>	6,348	400,000

*[Provide cash count certificates for each]*

**24C: Cash equivalents (short-term deposits)**

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014	2012 - 2013
			Kshs	Kshs
			-	-
<b>Total</b>			-	-

**COUNTY GOVERNMENT OF MACHAKOS  
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**24D: OUTSTANDING IMPRESTS 2012/2013**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>See annex</i>			5,378,820
<i>Total</i>			<u>5,378,820</u>

**OUTSTANDING IMPRESTS 2014/2015**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>See annex</i>			72,503,551
<i>Total</i>			<u>72,503,551</u>

*[Include an annex of the list is longer than 1 page.]*

**COUNTY GOVERNMENT OF MACHAKOS  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**25. BALANCES BROUGHT FORWARD**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	63,723,309	-
Cash in hand	400,000	-
Cash equivalents (short-term deposits)	-	-
Imprest	5,378,820	-
<b>Total</b>	69,502,129	-
<i>[Provide short appropriate explanations as necessary]</i>		

**26. PRIOR YEAR ADJUSTMENTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Imprest	-	-
<b>Total</b>	-	-

**COUNTY GOVERNMENT OF MACHAKOS  
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**27. OTHER IMPORTANT DISCLOSURES**

**27.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-
	-	-

**27.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	-	-
	-	-

**27.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others ( <i>specify</i> )	-	-
	-	-
	-	-

**COUNTY GOVERNMENT OF MACHAKOS  
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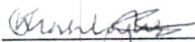
**24 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**


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

Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timeframe: ( <i>Put a date when you expect the issue to be resolved</i> )

***Guidance Notes:***

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

  
\_\_\_\_\_  
Chief Officer Finance

  
\_\_\_\_\_  
Head of Treasury Accounts

**COUNTY GOVERNMENT OF MACHAKOS**  
**REPORTS AND FINANCIAL STATEMENTS**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**COUNTY GOVERNMENT OF MACHAKOS**  
**REPORTS AND FINANCIAL STATEMENTS**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**COUNTY GOVERNMENT OF MACHAKOS**  
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**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2013	Outstanding Balance 2012	Comments
		a	b	c	d=a-c		
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to County Govt Entities</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
<b>Amounts due to Third Parties</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
10.							
11.							
12.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						

**COUNTY GOVERNMENT OF MACHAKOS  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2013/14	Historical Cost (Kshs) 2012/13
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>		



**COUNTY GOVERNMENT OF MACHAKOS  
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ANNEX 5 OUTSTANDING IMPRESTS 2012/2013

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Nicholas Nzyoka				510,760
Morris Alwanga				589,360
David Mutinda				30,000
Patrick Mbithi				74,750
Jillian Nzive				100,000
Nimrod Mbai				760,500
Thaddeus Munovi				100,000
Amala Gedion				100,000
Justus kioko mutua				265,000
David Mutinda				7,980
David M. Kitavi				116,000
Richard M. Muindi				108,000
Kimweli Kivuva				175,113
Jackson Kala				72,000
Charles M. Warutere				103,500
Augustus M. Kyalo				15,000
Mwikali Muthoka				60,000
Jeremiah Muia				40,000
Pricilla Arunga				46,000
Larry Wambua				66,000
Anastacia Mutuku				70,000
Ruth W. Muriu				20,000
Moses Chacha				109780
William Sang				48,000
Gideon Peter				36,000



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Gilbert Kiptanui				26,000
Harrison Mungambi				26,000
Grace W. Phillip				20,000
Margaret Ndalana				30,000
Sila Collins				363,500
Margret Ndalana				43,113
David Musau				43113
Nicholas Kimanzi				86,225
Justus kioko mutua				258,673
Mike Mwai				37,455
Diana Kendi				37,455
Henfrey N. Musyoki				37,455
Judy Mungai				32,827
Angela Nganga				32,827
Joselyn Nzeki				32,827
Eric Kamanga				32,827
Lenny Nzomo				166,450
Peter mwololo				70,000
Oscar Mutie				7,500
Sylvestor Mutune				9,750
Obabwa Godana				180,540
Joseph Mbatha				180,540
			<b>TOTAL</b>	<b>5,378,820</b>

**COUNTY GOVERNMENT OF MACHAKOS  
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ANNEX 6:OUTSTANDING IMPREST 2013/2014

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>	<i>Balance</i>
Emmanuel Muthoka	276,050	-		276,050
Sylvester Mutune	339,750	-		339,750
Jillian Nzive	602,000			602,000
Nicholas Kakwe	270,082			270,082
Boniface Manyala	549,001			549,001
James Musyimi	561,774			561,774
Joshua Sitienei	328,000			328,000
Alice Ndaru	46,900			46,900
Hon.BerNARD Kiala	249,858			249,858
margaret ndalana	230,000			230,000
Jackline Mwikali	1,309,435			1,309,435
Urbanus Muthoka	2,688,044			2,688,044
Patrick Musau	970,247			970,247
David Musau	4,596,000			4,596,000
salvestor Mutune	339,750			339,750
David Mutinda	83,200			83,200
Obabwa Godana	166,220			166,220
Boniface Manyala	543,500			543,500
Jonah Kamula	502,725			502,725
David Musau Ngumi	1,432,440			1,432,440
Garishon Munyao	400,000			400,000
Reuben Nzola	920,850			920,850
David Mwongola	175,600			175,600
John kibe	480,900			480,900
Justus kioko mutua	166,800			166,800

**COUNTY GOVERNMENT OF MACHAKOS  
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Amala Gedion	315,636			315,636
Mutua Anne Bandi	315,636			315,636
Joseph Kiptoo	315,636			315,636
Joshua Musyoki	920,900			920,900
Kenneth Muthiani muthoka	320,568			320,568
Beatrace Makawiti	308,568			308,568
Kentie Tikolo	150,165			150,165
Sammy Muthoka	308,568			308,568
Hellen Mueni Ndeti	308,568			308,568
Peter Mutie	320,568			320,568
Magdalene M Ndava	45,000			45,000
Emmah Njagi	75,700			75,700
Bernard Kimeu	293,500			293,500
Gregory Mutuku	820,370			820,370
Anthony Musau	287,890			287,890
James Mutala	50,000			50,000
Regina Thuva	39,400			39,400
Josphat Njogu	39,800			39,800
MacAntony Kioko	24,000			24,000
Charles Ken Opala	12,000			12,000
Nicholas Kimanzi	368,000			368,000
Justus Kimanzi	24,000			24,000
Mohammed Salat	32,000			32,000
Esther Mbula	32,000			32,000
Zacharia Mulwa	32,000			32,000
Kimweli Kivuva	12,000			12,000
Nicholas Kavisu	24,000			24,000
Shadrack Mutua	24,000			24,000
Makiin Lekicharumogi	32,500			32,500
Janet Musyoki	22,500			22,500
David Mathenge	56,000			56,000

100

100

**COUNTY GOVERNMENT OF MACHAKOS  
REPORTS AND FINANCIAL STATEMENTS  
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Boniface Musyoka	56,300			56,300
Peter Ikusya	42,000			42,000
Vincent Musili	8,739,823			8,739,823
Augustine Kyalo	2,010,246			2,010,246
Jeremiah Lemi	10,443,738			10,443,738
Kenneth Auma	1,349,686			1,349,686
Collins Sila	2,087,072			2,087,072
Alwanga Morris	4,042,341			4,042,341
John Mwirichia	310,060			310,060
Mwikali Muthoka	7,085,836			7,085,836
Lucy Nzioki	1,228,854.00			1,228,854.00
Robert Maita	1,860,798.00			1,860,798.00
William Sang	283,500.00			283,500.00
Purity Mbithe	724,392.00			724,392.00
Dorothy Mutuku	821,625.00			821,625.00
Jacinta Simba	292,250.00			292,250.00
N.N. Nzombe	407,200.00			407,200.00
Esther Nzisa	247,500.00			247,500.00
Catherine Nzioka	975,191.00			975,191.00
Joseph Mbatha	975,500.00			975,500.00
Clement Kalasya	651,000.00			651,000.00
Charles Muasya	804,220.00			804,220.00
Michael Musyoka	572,000.00			572,000.00
Diana Tarichia	2,331,820.00			2,331,820.00
<b>Total</b>			-	<b>72,503,551</b>

