

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF BUSIA

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID		
DATE	19/03	2024
TABLED BY	ML	
COMMITTEE	-	
CLERK AT THE TABLE	Caroline Chem	

COUNTY GOVERNMENT OF BUSIA



COUNTY ASSEMBLY OF BUSIA

**OFFICE OF THE CLERK OF THE COUNTY ASSEMBLY
P.O BOX 1018-50400, BUSIA-KENYA, TEL: +254 725735498
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BUSIA COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Count Government of Busia
Busia County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

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1. Acronyms and Abbreviations

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs.	Kenya Shillings

2.Key Entity Information and Management

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

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

No.	Designation	Name
1.	Speaker of the County Assembly	Fredrick Wafula Odilo
2.	Clerk of the County Assembly	Carolyn Apaa Imukutete
3.	Majority Leader	Josephat Wandera
4.	Minority Leader	Zacchaeus Kubasu
5.	Member representing the public	Kenneth Ichasi Imwene
6.	Member representing the public	Belindah Namboka

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Carolyn Apaa Imukutete
2.	Ag Deputy Clerk	Francis Makokha
3.	Director, Hansard	Jackob Mallo
4.	Director, Human Resource	Gedion Odiény
5.	Director, Committee Services	Deborah Wandera
6.	Assistant Director, Legal Services	Maureen Ogombe
7.	Assistant Director, Committee Services	Evelyn Mwaro
8.	Assistant Director, Plenary Services	Emma Akiru
9.	Assistant Director, Hansard	Renson Buluma

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No.	Designation	Name
10.	Assistant Director, Finance & Accounts	Samuel Odima
11.	Assistant Director, Administration	Leonard Wanjala
12.	Assistant Director, Procurement	Lilian Odunga
13.	Assistant Director, Communication	Sammy Jakaa
14.	Chief Sergeant At Arms	Christopher Abele

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

During the year under review, the County Assembly Management and operations were supported by institutions, which were established to ensure prudent management.

These institutions are:

- Office of the County Executive Committee member in charge of Finance and economic planning is a majorly dealing with formulation of macro fiscal policies.
- Office of Chief Officer Finance and economic planning, which is dealing with planning, revenue mobilisation, budgeting expenditure controls and financial management.
- The County Assembly Services Board and its committees including budget and finance, audit, and risk management.
- The committees of the County Assembly including Budget and appropriation, public accounts, and investment committee.

Other institutions which provided oversight controls during the year under review were as follows:

1. Office of the controller of budget
2. The Senate
3. Public Sector Accounting standards board
4. Commission on Revenue allocation
5. Salaries and Remuneration Commission
6. Office of the auditor General

(e) Busia County Assembly's Headquarters

P.O. Box 1018-50400

Busia-Kisumu Road/Highway

BUSIA, KENYA

(f) Busia County Assembly contacts

The County Assembly contacts are:

Telephone :(254) 0725 735 498

E-mail: clerkbusiacountyassembly@yahoo.com

Website: www.busiaassembly.go.ke

(g) Busia County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue

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P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Other Commercial Banks
Kenya commercial bank
Co-operative bank

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

(j) County Attorney

J O JUMA and COMPANY Advocates

P o Box 9939-00200

Nairobi

3.Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Busia County government. It is headed by the Speaker who is elected by the MCAs. The County Assembly is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent. The County Assembly is especially critical in the budgeting process. The MCAs meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the County Assembly has the following oversight committees:

1. Public Accounts Committee
2. Budget and Appropriations Committee
3. Finance committee

Public Accounts Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held six extra sittings to deal with arising matters. The members who served in the committee during the year under review were:

Public accounts committee members

Member	Designation	Ward
Hon.Bonface Erute Ekabten	Chairperson	Amukura West
Hon. Mercy Seraphine Wanyonyi	Vice Chairperson	Special Elect
Hon. Harrison Nyongesa	Member	Busibwabo
Hon. Haggai Wonder	Member	Namboboto/Nambuku
Hon. David Parapara	Member	Ang'urai East
Hon. Zacheaus Kubasu	Member	Mariachi North
Hon. Hellen Odwuori	Member	Special Elect
Hon. Juliane Wanyama	Member	Special Elect

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Hon. Gardy Jakaa	Member	Bukhayo North/Walatsi
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Budget and Appropriations Committee

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Stephen Nasiagi Oyang'o	Chairperson	Bunyala South
Hon. Johnvoster Ouma Ogochi	Vice Chairperson	Kingandole
Hon. Peter Kipkoech Talam	Member	Bukhayo West
Hon. James Adung'osi Ong'ole	Member	Angoromo
Hon. Beatrice Kanoti	Member	Bwiri
Hon. Maureen Achieng' Ochieng'	Member	Special Elect
Hon. Eunice Wandera	Member	Bukhayo East
Hon. Patrick Geoffrey Omanyala	Member	Malaba North
Hon. Kennedy Ouma Rupia	Member	Nambale Township

Finance Committee

The finance committee provides guidance for financial regulations and policies

Member	Designation	Ward
Hon. Alexander Ayieko	Chairperson	Mariachi East
Hon. Concepta Omondi	Vice Chairperson	Special Elect
Hon. Dalmas Onjole	Member	Chakol North
Hon. Monica Mung'ala	Member	Special Elect

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Hon. Judith Odeda	Member	Special Elect
Hon. Dennis Okinda	Member	Matayos South
Hon. John Omumi	Member	Bunyala Central
Hon. Paul Okello	Member	Amukura Central
Hon. Bonventure Makokha	Member	Bukhayo Central

Audit Committee

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in February 2022 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties. Its mandate is to advise the County Government on institutional risk management and compliance. The committee members during FY 2022- 2023 were:

Audit Committee members

Member	Designation
Caroline Oduori	Chairperson
Sylvester Oyogo	Member
Ferdinand Osama	Member
Deborah Wandera	Member
Zadok Koech	Member
Benedictus Oese	Secretary

Communication with all Stakeholders

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in Busia where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected bills through public participation.

Risk management

The County Assembly has effective arrangements for risk management and internal controls. Towards the end of the financial year, the County Assembly brought in an internal auditor who regularly undertakes internal audit and reports to the audit committee for discussion and implementation of the findings there on.

There are various internal controls that have been instituted by the management of the County Assembly on various departments within the County Assembly which are improved from time to time based on the findings of the internal auditor. The management has also various policies in place to control certain operations within the County Assembly.

Compliance

The County Assembly is created and constituted as per the Constitution of Kenya 2010 and performs its roles and functions as per the Constitution of Kenya and the County Government Act 2012.

The County Assembly also has also enacted the standing orders that govern how the County Assembly conducts its business in the Assembly and its committees. All reports from the various committees which are oversight committees and sectoral committees are tabled in the house, discussed and adopted by the Assembly.

4. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

The total budget for the County Assembly for FY 2022/2023 was Kshs.911,195,833 which consisted of Recurrent Kshs.851,195,833 and Development Kshs.60,000,000. The county exchequer disbursed to the County Assembly a total sum of Kshs 873,322,539. The actual expenditure of the county assembly was Kshs.880,200,282 which comprised of Kshs.856,041,486 for actual expenditure on recurrent budget and Ksh.24,178,796 as actual expenditure of development budget. Kshs.35,821,204 was not disbursed as pertains development and this resulted to non-implementation of some project for FY 2022/2023.

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2023 as reported in the detailed financial statements together with the commentary and comparative analysis budget and prior year for the key items in the financial statements.

Performance of key development projects

Actual Performance against Budget for Year to 30th June 2023

Financial performance	Original Budget	Actual on Comparable Basis	Budget utilisation Difference	% of Utilisation Difference to Final Budget	
Total Receipts	911,195,833	873,322,539	37,873,290	96%	
Total payments	911,195,833	880,200,282	30,995,551	97%	
Surplus for the year	0	-6,877,743			

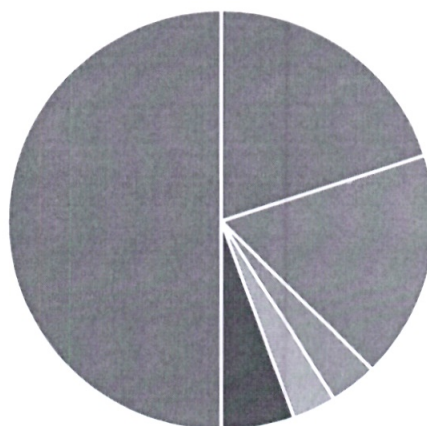
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Budget Utilisation

The County Assembly spent Kshs.880,200,282 against an approved budget of Kshs.911,195,833 representing absorption of 97%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
Compensation of employees	365,029,016	358,707,9932	6,321,084
Use of goods and services	319,540,000	357,380,230	-37,840,230
Social Security Benefits	66,026,817	31,933,285	34,093,532
Acquisition of assets	60,000,000	24,178,796	35,821.204
Transfer to other government entities	100,600,000	108,000,000	-7,400,000
Total	911,195,833	880,200,243	30,995,590

Approved Budget Allocation



- Compensation of employees
- Use of goods and services
- Social Security Benefits
- Acquisition of assets
- Transfer to other government entities
- Total Payments

It is noted that 41% of the County Assembly of Busia budget was used in compensation of employees 41% on use of goods and services, 4% on social security benefits, 3% on Acquisition of Asset, 12% on Transfer to other government entities.

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Current Year Performance against Prior Year

	2022-2023	2021-2022s	CHANGE	%CHANGE
TOTAL REVENUE	873,322,539	901,409,679	28,087,140	-3.1%
TOTAL PAYMENTS	880,200,282	891,972,812	11,772,530	-1.3%
SURPLUS/DEFICIT	-6,877,743	9,436,867	16,314,610	173%

Total Receipts decreased by 3.1% due to decreased funding to the county Assembly mainly through exchequer releases while there was an equivalent slight decrease in payments attributed to decreased funding.

Payments

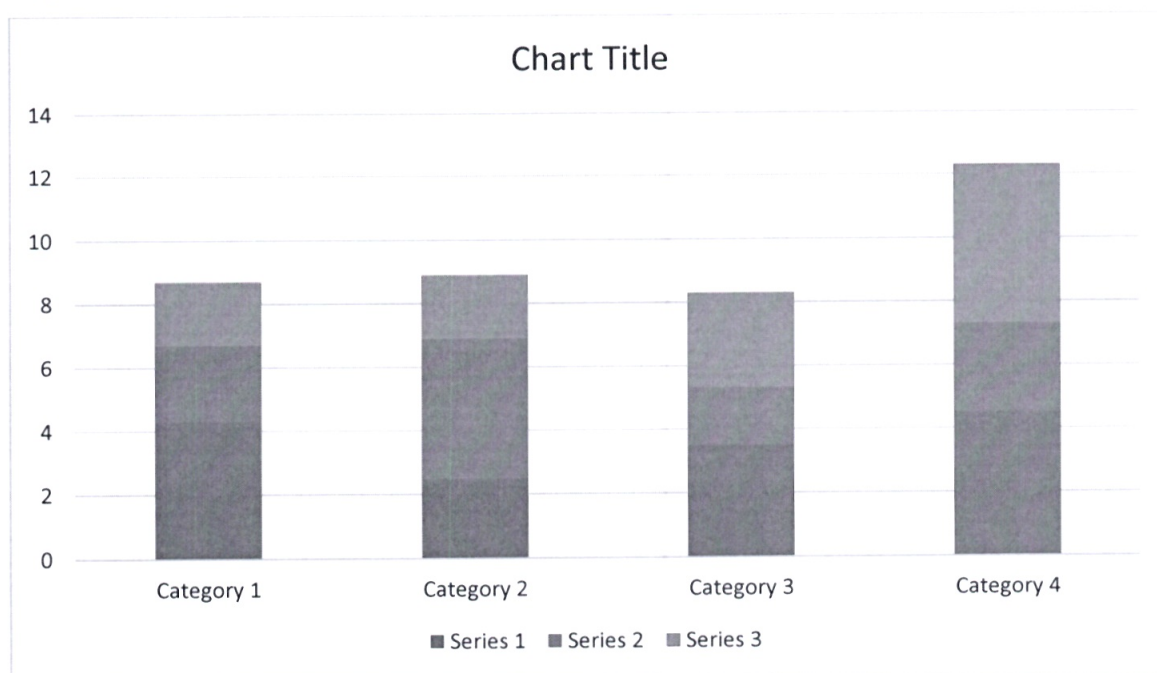
The County Assembly of Busia mainly comprises of Transfers to other Government entities employee compensation and acquisition of assets. The total payments for FY 2022/2023 stood at KShs 880,200,282 representing a 1.3% decrease from Kshs 891,752,812 for FY 2021/2022

PAYMENTS	2022-2023	2021-2022	CHANGE	%CHANGE
Compensation of employee	358,707,971	479,324,358	(120,616,387)	(25.1%)
Use of goods and services	357,380,230	287,090,012	70,290,218	24.5%
Transfer to other Government	108,000,000	-	108,000,000	
Social security Benefits	31,933,285	25,375,297	6,557,988	25.8%
Acquisition of Assets	24,178,796	99,963,145	(75,784,349)	(75.8)
TOTAL PAYMENTS	880,200,282	891,752,812	11,552,530	(1.3%)

Financial Assets Summary

FINANCIAL ASSETS	2022-2023	2021-2022	CHANGE	%CHANGE
Bank Balances	4,114,236	5,083,325	(969,089)	(19%)
Outstanding Imprest and Clearing accounts	1,260,334	9,512,976	(8,252,642)	(87%)
TOTAL FINANCIAL ASSETS	5,374,570	14,596,301	(9,221,731)	(63%)

Bank balances decreased by 19% as a result of increased spending towards year end. There is also a decrease in accounts receivables by % as a result of accounting for imprest advance by the imprest holders mainly towards year end.



Operation Performance

The operation performance was as follows.

- a) During the financial year 2022/2023, a total of 6 bills were enacted ,3 statutory instruments approved 3 petitions considered, 2 policies developed 5 statements issued out of 8 responses to statement sought issued, 19 motions were introduced in the county assembly; of this 11 were ordinary, 1 motion *without* notice while 7 were procedural motion and total of 78 documents were laid on the table of the county assembly. The law enacted and policies passed are expected to improve efficiency of operation at the county assembly as well as benefit the population of the county by addressing certain gaps.
- b) The county assembly of Busia budget estimates for the FY 2022/2023 was tabled and approved on 19TH April 2022 and thereafter an appropriation bill introduced on the floor for the first reading on 5th May,2022 and subsequently passed on 5th May 2022. The supplementary budget for FY2022/2023 for the county assembly of Busia was tabled and approved on 28TH March 2023 and thereafter an appropriation bill introduced for first reading on 29TH March 2023 and subsequently passed on 29TH March,2023
- c) Names of assembly committees and their mandate as follows.

No	Name of committee	Mandate
1	Agriculture, Environment and Natural Resources	The committee considers all matters related to agriculture
2	Health and Sanitation	The committee considers all matters related to county health services
3	Information Communication Technology	The committee considers all matters related to Cultural activities, ICT, Public entertainment and public amenities
4	Children, Early childhood Development and Vocational	All matters related to pre-primary education, Village polytechnics, home craft centres , National Youth

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	Training	Service ,Children and Child care facilities
5	Labour and Social Welfare	The committee considers all matters relating to labour, trade union relations, manpower or human resource planning
6	Legal Affairs and Human Rights	The committee considers all matters relating to constitutional affairs, the organization and administration of law and justice, elections, promotion of principles of leadership, ethics and integrity and implementation of the provisions Of constitution of human rights
7	Planning, Trade, Tourism, cooperatives and industrialization	The committee considers all matters related to county planning and development, matters related to county trade development and; matters relating to local tourism, county industrialization and co-operative societies

8	Transport, Public Works and Disaster Management	The committee considers all matters related to county transport and disaster management
9	Ward Development committee	The committee shall consider and recommend the county assembly any matters requiring action by county assembly pursuant to the provision of County Ward Development Fund Act
10	County Public Investment and Accounts	The committee shall be responsible for the examination of the accounts showing the appropriation of the sum voted by county assembly to meet the public expenditure and of such other accounts laid before the county assembly as the committee may think fit
11	County budget and appropriations	The function of the committee shall be to investigate, inquire into the report and all matter related to

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		coordination, control and monitoring of county budget
12	County Assembly Finance	The committee is responsible for dealing with all bills and inquiries relating to finance, revenue collection and the economy of the county
413	County Assembly Procedures and Rules	The committee shall consider and report all matters relating to these standing orders including any amendments
14	Committee on implementation	The committee shall scrutinize the resolution of the county assembly including adopted committee reports, petitions and undertakings given by the County Executive Committee and ensure their implementation
15	Committee on Delegated County Legislation	The committee shall consider in respect of any statutory instruments whether it is in accordance with the provision of the constitution, the Act pursuant to which it is made or other relevant written law;
16	County Assembly Library and House Broadcasting	The committee shall consider and make report and recommendations to the assembly, including proposed legislation matters relating to broadcasting of Assembly proceedings and matters related thereto;
17	County Assembly Powers and privileges	Committee shall enjoy and exercise all the powers and privileges bestowed on county Assembly by constitution and statute, including the power to summon witnesses, receive evidence and to request for a receive papers and documents from the Government and the public
18	County Assembly Business Committee	The Committee shall prepare and, if necessary, from time to time adjust the county assembly calendar with the approval of county assembly
19	1. Committee on Appointment	The committee shall consider, for approval by County Assembly, appointment under articles 179(2) and any

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		other relevant public appointment as maybe provided by and written laws and these Standing Orders
20.	Committee on selection	The committee shall nominate members to serve in all County Assembly Committee
21	Liaison Committee	The liaison committee shall guide and co-ordinate the operations, policies, and mandates of all County Assembly Committees

- d) The County Assembly carried its oversight role of the County Assembly through Committee where the County departments and other county entities were invited to appear before the committee to respond on Motions, Statements, Petitions, Papers load in the County Assembly Quarterly reports.

Performance of key development projects

The County Assembly is in the final completions of the speakers official reside. The maisonette which commenced in 2020 will soon be ready for occupation. It sits on half an acre piece of land.

During FY 2022-2023, we were able to construct a perimeter wall and drilled a bore hole and installed a soler system for pumping water at the same residence.

The speaker's residence once completed will provide decent accommodation to the speaker.

Through open tendering we have ensured responsible competition. We have also ensured all contract with suppliers are honoured by making payment when they complete their works.

comment on value-for money achievement

Execution of development projects have resulted in creation of employment opportunities for the locals and also source of market for building materials with are sourced locally.

Challenges and recommended way forward.

The major implementation challenges faced by the County Assembly during the financial year 2022/2023 were as follows:

- Delay in disbursement of exchequer
- IFMIS connectivity challenges
- Limited budget resources vis-à-vis demand for the resource because of Commission on Revenue Allocation (CRA) budget ceiling thus affecting funding of committee and provision of working tools.

Recommended way forward include:

We recommend the following measures to address the challenges:

- Timely disbursement of funds by National treasury
- The national treasury to address IFMIS connecting delay challenges.
- The Assembly to lobby for more resources through CRA and SENATE and take measures to prioritise activities that will utilise the limited budgeted resources.

5. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY

PREDETERMINED OBJECTIVES

Introduction

Section 164(2) (f) of the public finance management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of the County Assembly of Busia, in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, shall include a statement of County Assembly Of Busia Performance against predetermined objectives.

The key mandate of the County Assembly of Busia is legislation, oversight, and representation. To achieve this, the Assembly program was document in terms of objectives, key performance indicators, and output. Below are the expected outputs of the Assembly in FY2022/2023

Program	Objective	Outcome	Indicator	Performance
Legislation, Oversight and representation	Develop new bills to address gaps in legislation	New bills enacted	No of bills passed in the County Assembly	6 new bills were enacted by County Assembly
Oversight	To ensure compliance to laws and regulations	No of reports tabled	No of deliberations made.	Plenary resolutions
	Responsive handling of petition	Petitions considered by the County Assembly	No of petition passed by the County Assembly	3 petitions were processed by the County Assembly
	Enhanced oversight	Papers laid and considered by the County Assembly	No of papers laid and considered by the County Assembly	78 documents were debated and considered by the county Assembly
infrastructure	Develop new	Improved	% of	The county

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development at the County Assembly	infrastructure	working environment for MCAs and staff	completion	Assembly completed 100% of its targeted development projects

6. CORPORATE SOCIAL RESPONSIBILITY STATEMENTS /SUSTAINABILITY REPORTING

County Assembly of Busia exist to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

(a) Sustainability strategy and profile

The accounting officer strives to ensure that the budget estimates for the County Assembly is prepared and approved by the board promptly for forward transmission to the County Assembly for approval. Delay in receipt of exchequer continues to hamper the operations of the Assembly thereby the assembly accumulating pending bills.

(b) Environmental performance

In executing our development NEMA approvals are sought. We also ensure environment at county assembly is clean through installation of litter bins and regular collection of waste.

(c) Employees welfare

The board in recruiting its employees ensure diversity provision as provided by the constitution. There is staff appraisal and provision of training opportunities for staff.

The Assembly ensures compliance with occupational safety and health Act of 2007, (OSHA).

(d) Market place practices

The organisation outlines its efforts in:

i) Responsible competition practices.

In procurement and recruitment, the county assembly ensures the process is open free and fair to encourage competition by ensuring opportunities are advertised in the print media.

ii) In responsible supply chain and supplier relations, the assembly ensures contracts are honoured and its suppliers are paid when funds are available.

Community Engagements

During public participation the county assembly provides refreshments to the community attending the fora.

7. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 164 of the public finances management Act, 2012 requires that, at the end of each financial year, the accounting officer of the county assembly of Busia 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 affairs of the County Assembly for the year, ended June 30, 2023. 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 true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2023, and of its financial position as at the 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 system 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 the eligible purpose for which they were intended and were properly accounted for. Further the Clerk

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confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the clerk of the County Assembly on 29th Sept 2023.



.....
Name: Carolyn Imukutete

Clerk to County Assembly

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF BUSIA FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the Assembly 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 Assembly.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, 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 Busia set out on pages 1 to 38, which comprise of the statement of financial assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Busia as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

Unsupported Pending Bills

Notes 1 and 2 under other important disclosures in the financial statements reflects pending accounts payable and pending staff payables of Kshs.38,445,225 and Kshs.112,228,941 respectively both totalling to Kshs.150,674,166. However, the ageing analysis to confirm when the bills were incurred and for how long they had been outstanding as at 30 June, 2023 was not provided for audit.

In the circumstances, the accuracy and completeness of pending bills balance of Kshs.150,674,166 could not be confirmed.

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

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. Irregular Transfers to Other Government Entity

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.108,000,000 and as disclosed in Note 4 to the financial statements, relates to transfers to the Car Loan Scheme Fund. However, the amount exceeded the budgeted amount of Kshs.100,600,000 by Kshs.7,400,000. This was contrary to Section 149(1) of the Public Finance Management Act, 2012, which requires an accounting officer to be accountable to the County Assembly for ensuring that the resources of the entity are used in a way that is lawful and authorized.

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

2. Lack of Ethnic Diversity in Staff Appointments

Review of human resource records and the payroll of the County Assembly revealed that during the year under review, the County Assembly had a total of one hundred and twenty-seven (127) employees. Out of this, 88 employees or 69%, were from the dominant ethnic community. This was contrary to Section 65(1)(e) of the County Governments Act, 2012 which provides that no public establishment shall have more than one-third of its staff from the dominant ethnic community in the County.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply 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 overall governance were not effective.

Basis for Conclusion

1. Inadequate Internal Audit Functions

1.1 Failure to Produce Internal Audit Reports

During the year under review, the Assembly did not produce any internal audit reports, which would have given assurance on effectiveness of internal controls, overall

governance, risk assessment and operations and activities of the Assembly. Further the internal audit unit operated without an approved annual work plan.

1.2 Audit Committee Failure to Hold Quarterly Meetings

During the year under review, the Audit Committee held only one meeting. This is contrary to Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015, which stipulates that the audit committee should meet at least quarterly including one to review the financial statements before they are submitted to external auditors and one to meet with the external auditors.

In the circumstances, the adequacy of internal controls, risk management and governance systems in place during the year under review could not be confirmed.

2. IT Internal Control Weaknesses

During the year under review, the County Assembly did not have an IT Steering Committee and IT Security Policy to ensure data confidentiality, integrity and availability. Further the Assembly did not have anti-virus and firewall programs on all computers. The Assembly did not also have a policy on physical access to IT infrastructure and did not also maintain a risk register.

In the circumstances, the effectiveness of the Assembly's IT internal controls 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 controls 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 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's financial reporting process, reviewing the effectiveness of how 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 County Assembly's policies and procedures may deteriorate.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


22 January, 2024


County Government of Busia
Busia County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

9. Statement of Receipts and Payments for The Year Ended 30th June 2023

		2022-2023	2021-2022
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	873,322,539	901,409,679
Total receipts		873,322,539	901,409,679
Payments			
Compensation of employees	2	358,707,971	479,324,358
Use of goods and services	3	357,380,230	287,090,012
Transfers to other government entities	4	108,000,000	-
Social security benefits	5	31,933,285	25,375,297
Acquisition of assets	6	24,178,796	99,963,145
Total payments		880,200,282	891,752,812
Surplus/deficit		-6,877,743	9,656,867

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29/09/2023 and signed by:

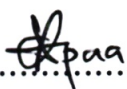
.....

Name: Carolyn Imukutete
Clerk of the Assembly

.....

Name: Samuel Odima
Ag. Assistant Director Finance – County Assembly
ICPAK Member Number: 29339

10. Statement Of Financial Assets and Liabilities As At 30th June 2023

		2022-2023	2021-2022
Financial assets	Note	KShs	KShs
Cash and cash equivalents			
Bank balances	7A	4,114,236	5,083,325
Cash balances	7B	-	-
Total cash and cash equivalents		4,114,236	5,083,325
Imprests and Advances	8	1,260,334	9,512,976
Total financial assets		5,374,570	14,596,380
Financial liabilities			
Third party deposits and retention	9	(2,595,327)	(4,939,433)
Net financial assets		2,779,243	9,656,947
Represented by			
Fund balance b/fwd	10	9,656,867	10,001,628
Prior year adjustment	11		(10,001,628)
Surplus/(deficit) for the year		(6,877,743)	9,656.867
Net Financial Position		2,779,243	9,656,867

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29/09/2023 2023 and signed by:

.....


Name: Carolyn Imukutete

Clerk of the Assembly

.....


Name: Samuel Odima

Ag. Assistant Director Finance – County
 Assembly

ICPAK Member Number: 29/09/2023
29339

11. Statement Of Cash Flows for The Period Ended 30th June 2023

		2022-2023	2021-2022
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	873,322,539	901,409,679
			-
Total receipts from operating income		873,322,539	901,409,679
Payments for operating expenses			
Compensation of employees	2	358,707,971	479,324,358
Use of goods and services	3	357,380,230	287,090,012
Transfers to other government entities	4	108,000,000	-
Social security benefits	5	31,933,285	25,375,297
Total payments for operating expenses		856,021,486	-
Net receipts/(payments) from operating activities		17,301,053	-
Adjusted for:			
Prior year adjustment	11		(10,001,628)
Decrease/(Increase) in accounts receivables	12	8,252,642	344,653
Increase/(Decrease) in accounts payables	13	(2,344,106)	(1,718,827)
Net cash flows from operating activities		23,209,589	98,244,210
Cashflow from investing activities			
Acquisition of assets	6	(24,178,796)	(99,963,145)
Net cash flows from investing activities		(24,178,796)	(99,963,145)
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(969,088)	(1,718,935)
Cash & cash equivalent at Start of the year	7	5,083,324	6,802,259
Cash & cash equivalent at end of the year	7	4,114,236	5,083,324

Count Government of Busia
Busia County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29/09/ 2023 and signed by:



.....
Name: Carolyn Imukutete
Clerk of the Assembly





.....
Name: Samuel Odima
Ag. Assistant Director Finance- County
Assembly
ICPAK Member Number 29339

12. Statement Of Comparison Of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from the CRF	911,195,833	-	911,195,833	873,322,539	37,873,294	96%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts		-	-			-
Total	911,195,833	-	911,195,833	873,322,539	37,873,294	96%
Payments						
Compensation of employees	422,329,016	(57,300,000)	365,029,016	358,707,971	6,321,045	98%
Use of goods and services	262,240,000	57,300,000	319,540,000	357,380,230	(37,840,230)	112%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	100,600,000	-	100,600,000	108,000,000	(7,400,000)	108%
Other grants and transfers						
Social security benefits	66,026,817	-	66,026,817	31,933,285	34,093,532	47%
Acquisition of assets	60,000,000	-	60,000,000	24,178,796	35,821,204	40%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	911,195,833	0	911,195,833	880,200,282	(38,919,185)	97%
Surplus/ deficit	0	0	0	(6,877,743)	76,792,479	-

The entity financial statements were approved on 29/09/ 2023 and signed by:


.....

 Name: Carolyn Imukutete
 Clerk of the Assembly

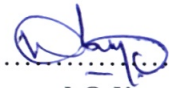
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 Name: Director
 Ag. Assistant Director, Finance – County Assembly
 ICPAK Member Number: 29339

12A Statement Of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from the CRF	851,195,833	-	851,195,833.00	849,143,743	0	100%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	851,195,833	-	851,195,833.00	849,143,743	0	
Payments						
Compensation of employees	422,329,016	(57,300,000)	365,029,016	358,707,971	6,321,045	98%
Use of goods and services	258,040,000	57,300,000	200,740,000	357,380,230	(37,840,230)	112%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	100,600,000	-	100,600,000	108,000,000	-	107%
Other grants and transfers						
Social security benefits	66,026,817	-	66,026,817	31,933,285	34,093,532	47%
Acquisition of assets	4,200,000	-	4,200,000	4,471,478	(271,478)	106.5%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	851,195,833	0	851,195,833	860,492,925	2,302,869	101%
Surplus/ deficit	-		0	(11,349,221)	(24,728,522)	-

The entity financial statements were approved on 29/09/2023 and signed by:

.....

 Name: Carolyn Imukutete
 Clerk of the Assembly

.....

 Name: Samuel Odima
 Ag. Assistant Director, Finance – County Assembly
 ICPAK Member Number: 29339

12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from the CRF	60,000,000	-	60,000,000	19,707,318	40,292,682	33%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Payments						
Compensation of employees			-	-	-	-
Use of goods and services				-	-	-
Subsidies	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	60,000,000	-	60,000,000	19,707,318	40,292,682	33%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	60,000,000	-	60,000,000	19,707,318	40,292,682	33%
Surplus/ deficit	-	-	-	-	-	-

The under Implementation of the budget was due to failure to award the tenders for installation of Hansard system and under budgeting for purchase of Mess.

The entity financial statements were approved on 29/09/ 2023 and signed by:



.....
Name: Carolyn Imukutete
Clerk of the Assembly



.....
Name: Samuel Odima
Ag. Assistant Director, Finance – County Assembly
ICPAK Member Number: 29739

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	851,195,833	-	851,195,833	860,492,964	101%
General administration and support services	851,195,833	-	851,195,833	860,492,964	101%
Programme 2	60,000,000	-	60,000,000	19,707,318	33%
Infrastructure development	60,000,000	-	60,000,000	19,707,318	33%
Total	911,195,833.00	-	911,195,833	880,200,282	97%

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 third party 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 some classes of receivables and payables as outlined above.

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly 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 entity.

ii) Other Receipts

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

b) Recognition of payments

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

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 entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the assembly 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 30th June 2023, this amounted to KShs 2,595,327 compared to KShs 4,939,433 in prior period as indicated on note 9.

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 entity 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 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.

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 entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

14. 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 Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 19Th April 2023 for the period 1st July 2022 to 30 June 2023 as required by law. There was 1 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to 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 entity and another entity 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.

15. Notes to the Financial Statements

1. Transfer from CRF

	2022-2023	2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	56,535,936	150,000,000
Transfers from the county treasury for Q2	247,464,064	273,123,288
Transfers from the county treasury for Q3	356,609,994	229,143,290
Transfers from the county treasury for Q4	212,712,545	249,143,101
Cumulative amount	873,322,539	901,409,679

2. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	252,584,870.00	247,698,056.00
Basic wages of temporary employees	-	17,003,135.00
Personal allowances paid as part of salary	94,906,595.00	126,265,746.00
Personal allowances paid as reimbursements	10,359,866.00	15,354,785.00
Personal allowances provided in kind	-	35,491,569.00
Employer contribution to compulsory national social schemes	856,640.00	1,492,800.00
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	41,901,164.00
Other personnel payments	-	-
Total	358,707,971.00	479,324,358.00

Notes To The Financial Statements (Continued)

3. Use Of Goods And Services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	1,022,200.00	1,544,189.00
Communication, supplies and services	2,735,982.00	747,700.00
Domestic travel and subsistence	95,594,833.00	90,233,973.00
Foreign travel and subsistence	8,000,735.00	-
Printing, advertising and information supplies & services	4,378,830.00	3,159,540.00
Rentals of produced assets	3,300,020.00	2,640,600.00
Training expenses	15,304,925.00	2,422,215.00
Hospitality supplies and services	21,010,907.00	15,442,506.00
Insurance costs	37,250,430.00	33,995,863.00
Specialized materials and services	2,900,000.00	550,000.00
Office and general supplies and services	5,183,791.00	4,652,710.00
Fuel, oil and lubricants	4,975,210.00	330,260.00
Other operating expenses <i>(Include Bank charges)</i>	153,281,740.00	112,170,766.00
Routine maintenance – vehicles and other transport equipment	1,585,418.00	1,869,845.00
Routine maintenance – other assets	855,209.00	1,133,466.00
Acquisition of non financial assets	-	16,196,379.00
Total	357,380,230.00	287,090,012.00

Notes To The Financial Statements (Continued)

4. Transfers To Other Government Entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to national government entities	-	-
Transfers to other county assembly entities		
Car loan scheme fund	108,000,000.00	-
Mortgage scheme/fund	-	-
Others (insert name of budget agency)	-	-
Total	108,000,000.00	-

Notes To The Financial Statements (Continued)

5. Social Security Benefits

	2022-2023	2021-2022
	Kshs	Kshs
Government Pension and Retirement Benefits	31,933,285.00	25,375,297.00
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	31,933,285.00	25,375,297.00

Notes To The Financial Statements (Continued)

6. Acquisition Of Assets

Non- financial assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	16,345,338	33,963,145.00
Refurbishment of buildings	3,061,980	20,000,000.00
Construction of roads	-	-
Construction and civil works	-	46,000,000.00
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	4,771,478	-
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	24,178,796	99,963,145.00
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	24,178,796	99,963,145.00

Notes To The Financial Statements (Continued)

7. Cash And Bank Balances

7A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2022-2023	2021-2022
			Kshs	Kshs
Central Bank of Kenya	1000195398	Development	1,285,971.40	64,686.00
KCB Imprest Account	1141667541	Imprest	120,333.17	42,350.00
Central Bank of Kenya	1000195401	Recurrent	112,604.80	36,856.00
Central Bank of Kenya	0100292512	Deposit	2,595,329.50	4,939,433.00
Total			4,114,236.00	5,083,324.00

7B. Cash In Hand

	2022-2023	2021-2022
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
Total	-	-

8. Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	-	7,481,716
Salary Advance	1,260,334.00	2,031,260
Clearance accounts	00	00
Total	1,260,334	9,512,976

<i>Breakdown Of Imprest And Salary Advance Per Department</i>	2022-2023	2021-2022
<i>Imprests</i>	Kshs	Kshs
Department Xx	00	00
Department Xx	00	00
Department Xx	00	00
<i>Sub-Total</i>	00	00
<i>Salary Advance</i>		
Department Xx	00	00
Department Xx	00	00
<i>Sub-Total</i>	00	00
<i>Grand Total</i>	00	00

**See Annex 5 for a detailed analysis of the outstanding imprests.*

Notes To The Financial Statements (Continued)

9. Third Party Deposits and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Deposits	2,595,327	4,939,433
Retentions	00	00
Total	2,595,327	4,939,433
Ageing analysis:		
Under one year	2,595,327	4,939,433
1-2 years	00	00
2-3 years	00	00
Over 3 years	00	00
Total	2,595,327	4,939,433

10. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts	5,083,324	14,690,600
Cash In Hand		-
Imprests and advances	9,512,976	1,958,703
Third party deposits and retention	(4,939,433)	(14,309,581)
Total	9,656,867	2,339,722

11. Prior Year Adjustments

	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For previous FY
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances			
Cash In Hand			
Imprests and advances			
Third party deposits and retention			
Others (<i>Specify</i>)			

(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.*)

12. Changes In Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Account Receivables As At 1 st July 2022	9,512,976	9,857,629
Closing Account Receivables As At 30 th June 2023	1,260,334	9,512,976
Change In Account Receivables	8,252,642	344,653

13. Changes In Third Party Deposits and Retention

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Accounts Payables As At 1 st July 2022	4,939,433	6,658,260
Closing Accounts Payables As At 30 th June 2023	2,595,327	4,939,433
Change In Accounts Payables	2,344,106	1,718,827

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	00	00	00	00
Construction Of Civil Works	3,490,000	00	3,490,000	00
Supply Of Goods	00	00	00	00
Supply Of Services	45,753,000	22,200,331	29,508,106	38,445,225
Total	49,243,000	22,200,331	32,998,106	38,445,225

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	00	00	00	00
Middle Management	00	00	00	00
Unionisable Employees	00	00	00	00
Others	64,228,941	48,000,000	00	112,228,941
Total	64,228,941	48,000,000	00	112,228,941

Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f Insert previous FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	00	00	00	00
Amounts due to County Government entities	00	00	00	00
Amounts due to third parties	00	00	00	00
Total	00	00	00	00

(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)

4. External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received in cash	00	00
External assistance received as loans and grants	00	00
External assistance received in kind- as payment by third parties	00	00
Total	00	00

(Total here to tie to line 2 of note 4)

a) External assistance relating loans and grants

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received as loans	00	00
External assistance received as grants	00	00
Total	00	00

Notes To The Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		00	00
Undrawn External Assistance - Grants		00	00
Total		00	00

(This is a disclosure of the assistance not yet received as per donor agreements)

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral Donors	00	00
Bilateral Donors	00	00
International Assistance Organization	00	00
NGOs	00	00
National Assistance Organization	00	00
Total	00	00

(Provide details for external assistance e, g. Economic development or welfare objective, Emergency relief, Trading activities etc. The total here should tie to totals of note 4))

Notes To The Financial Statements (Continued)***d. Non-Monetary External Assistance***

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods	00	00
Services	00	00
Total	00	00

e. Purpose and use of external assistance.

Payments Made By Third Parties	2022-2023	2021-2022
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		
Repayment Of Principal On Domestic & Foreign Borrowing		
Other Payments		
Total		

Notes To The Financial Statements (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

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

	2022-2023	2021-2022
Description	Kshs	Kshs
National Government	00	00
Multilateral Donors	00	00
Bilateral Donors	00	00
International Assistance Organization	00	00
NGOs	00	00
National Assistance Organization	00	00
Total	00	00

(This note should tie to line 3 of note 4 on external assistance)

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.

5.1 Classification by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National government	00	00
Multilateral donors	00	00
Bilateral donors	00	00
International assistance organization	00	00
NGOs	00	00
National Assistance Organization	00	00
Total	00	00

(Third party payments may be done by other entities that are not providers of external assistance)

Notes To The Financial Statements (Continued)

5.2 Classification of payments made by Third Parties by Nature of expenses.

Payments made by third parties	2022-2023	2021-2022
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		
Total		

N/B The above subclassification will be adopted based on the appropriate county's operations.

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.

Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	00	00
Key Management Compensation (Clerk and Heads of departments)	00	00
Total Compensation to Key Management	00	00
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	00	00
Transfers to other entities under the Assembly	00	00
Total Transfers to related parties	00	00
<u>Transfers from related parties</u>		
Transfers from the CRF	00	00
Payments made on behalf of the County Assembly by other Government Agencies	00	00
(Insert any other transfers received)	00	00
Total Transfers from related parties	00	00

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case - against the entity	00	00
Bank guarantees in favour of subsidiary	00	00
contingent liabilities arising from PPPs	00	00
Total	00	00

(Give details- Update ANNEX 8 Contingent liabilities register)

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	<p>Report of the Auditor-General on the Financial Statements of County Assembly of Busia for the year ended 30th June 2022</p> <p>Inaccuracies in financial statement</p> <p>The financial statements reflects amounts in which components were at variance with the corresponding amounts shown in supporting notes as shown below:</p> <table border="1"> <thead> <tr> <th>Component</th> <th>Financial statement Amount (kshs)</th> </tr> </thead> <tbody> <tr> <td>Accounts payable</td> <td>4,939,433</td> </tr> <tr> <td>Fund balance brought forward</td> <td>10,001,628</td> </tr> <tr> <td>Prior year Adjustment</td> <td>10,001,628</td> </tr> <tr> <td>Pending Accounts Payable</td> <td>113,471,941</td> </tr> <tr> <td>Compensation of Employees</td> <td>479,324,358</td> </tr> </tbody> </table> <p>Further, the statement of comparison of budget and actual amounts reflects amounts under final budget which are at variance with the amounts in the approved budget, as shown below:</p>	Component	Financial statement Amount (kshs)	Accounts payable	4,939,433	Fund balance brought forward	10,001,628	Prior year Adjustment	10,001,628	Pending Accounts Payable	113,471,941	Compensation of Employees	479,324,358	<p>The management is in the process of resolving</p>	Not Resolved	June 2024
Component	Financial statement Amount (kshs)															
Accounts payable	4,939,433															
Fund balance brought forward	10,001,628															
Prior year Adjustment	10,001,628															
Pending Accounts Payable	113,471,941															
Compensation of Employees	479,324,358															

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)																								
	<table border="1"> <thead> <tr> <th>Receipt/Expense item</th> <th>Statement of comparison of Budget and Actual amounts (Kshs)</th> <th>Approved Budget Amount (Kshs)</th> <th>Variance (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Exchequer releases</td> <td>901,409,679</td> <td>906,409,679</td> <td>(5,000,000)</td> </tr> <tr> <td>Compensation of Employees</td> <td>479,324,358</td> <td>522,684,651</td> <td>(43,360,293)</td> </tr> <tr> <td>Use of Goods and Services</td> <td>287,090,102</td> <td>287,725,028</td> <td>8,364,984</td> </tr> <tr> <td>Social Security Benefits</td> <td>25,375,297</td> <td>0</td> <td>25,375,297</td> </tr> <tr> <td>Acquisition of Assets</td> <td>99,963,145</td> <td>105,000,000</td> <td>(5,036,855)</td> </tr> </tbody> </table> <p>In addition, the statement does not reflect any amounts under actual or on a complete basis. In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.</p>	Receipt/Expense item	Statement of comparison of Budget and Actual amounts (Kshs)	Approved Budget Amount (Kshs)	Variance (Kshs)	Exchequer releases	901,409,679	906,409,679	(5,000,000)	Compensation of Employees	479,324,358	522,684,651	(43,360,293)	Use of Goods and Services	287,090,102	287,725,028	8,364,984	Social Security Benefits	25,375,297	0	25,375,297	Acquisition of Assets	99,963,145	105,000,000	(5,036,855)			
Receipt/Expense item	Statement of comparison of Budget and Actual amounts (Kshs)	Approved Budget Amount (Kshs)	Variance (Kshs)																									
Exchequer releases	901,409,679	906,409,679	(5,000,000)																									
Compensation of Employees	479,324,358	522,684,651	(43,360,293)																									
Use of Goods and Services	287,090,102	287,725,028	8,364,984																									
Social Security Benefits	25,375,297	0	25,375,297																									
Acquisition of Assets	99,963,145	105,000,000	(5,036,855)																									
2	<p>Unsupported use of goods and services</p> <p>The statement of receipts and payments reflects use of goods and services amount of Kshs. 287,090,012 as disclosed in the note 5 to the financial statements. However, the following expenditure were not supported:</p> <table border="1"> <thead> <tr> <th>Component</th> <th>Unsupported Amount (Kshs)</th> <th>Missing</th> </tr> </thead> <tbody> <tr> <td>Printing, Advertising and information supplies and services</td> <td>1,222,017</td> <td>Payment requisites local services</td> </tr> <tr> <td>Insurance costs</td> <td>33,995,863</td> <td>Advertising of commission opinion letter of documents</td> </tr> </tbody> </table>	Component	Unsupported Amount (Kshs)	Missing	Printing, Advertising and information supplies and services	1,222,017	Payment requisites local services	Insurance costs	33,995,863	Advertising of commission opinion letter of documents	The management is in the process	Not Resolved	June 2024															
Component	Unsupported Amount (Kshs)	Missing																										
Printing, Advertising and information supplies and services	1,222,017	Payment requisites local services																										
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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)												
	<table border="1"> <tr> <td data-bbox="335 705 742 772">Office and General Supplies and Services</td> <td data-bbox="758 705 997 772">2,771,806</td> <td data-bbox="1013 705 1556 772" rowspan="2">Requisitions from the user department and the goods received note.</td> <td data-bbox="1125 705 1173 772"></td> <td data-bbox="1189 705 1300 772"></td> <td data-bbox="1316 705 1460 772"></td> </tr> <tr> <td data-bbox="335 772 742 806">Total</td> <td data-bbox="758 772 997 806">37,989,686</td> <td data-bbox="1013 772 1109 806"></td> <td data-bbox="1125 772 1173 806"></td> <td data-bbox="1189 772 1300 806"></td> <td data-bbox="1316 772 1460 806"></td> </tr> </table>	Office and General Supplies and Services	2,771,806	Requisitions from the user department and the goods received note.				Total	37,989,686							
Office and General Supplies and Services	2,771,806	Requisitions from the user department and the goods received note.														
Total	37,989,686															
	<p>In the circumstances, the accuracy and regularity of the expenditure amounting to Kshs.37,989,686 in respect of use of goods and services could not be confirmed.</p>	resolving the queries														
3	<p>Irregular payments to County Assemblies Forum</p> <p>Review of the cash book and bank statements for the year under review indicated that the County Assembly made two payments amounting to Kshs. 10,000,000 to the County Assemblies Forum. However, review of the assembly's budget indicated that the payments were not budgeted for during the year under review. Management has not indicated how the payments have been accounted for in the financial statements. In the circumstances, the regularity of the payments amounting to Kshs. 10,000,000 could not be confirmed.</p>	The management process	Not Resolved	June 2024												

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)
		of resolving the queries		
4	<p>Unsupported Cash and Cash Equivalent</p> <p>The statement of financial assets and liabilities reflects a cash and cash equivalents balance of Kshs 5,083,324 which, as disclosed in Note 13A to the financial statements, comprises of four (4) bank account balances held in two (2) local banks. However, the cash books for the four (4) bank accounts reflect balances totaling to Kshs.5,099,820 resulting in an unexplained and unreconciled variance of Kshss.16,496. Further, bank reconciliation statements and certificates of bank balance for the four (4) bank accounts maintained by the County Assembly were not provided for audit. In the circumstances, the accuracy and completeness of the cash equivalents balance of Kshs.5,083,324 could not be confirmed.</p>	The management is in the process of	Not Resolved	June 2024

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)
		resolving the queries		
5	<p>Non-compliance with Public Finance Management (County Governments Regulations, 2015)</p> <p>The statement of financial assets and liabilities reflects a balance of Kshs.9,512,976 in respect of accounts receivable which, as disclosed in Note 14 to the financial statements, comprises of Kshs.7,481,716 and Kshs.2,031,260 relating to government imprests and salary advances respectively. However, the balance of Kshs.7,481,716 relating to Government imprests includes imprests totalling to Kshs.865,100 that had remained outstanding for over six (6) months as at 30 June, 2022. This is contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015, which states that a holder of a temporary imprest shall account for or surrender the imprest within seven(7) working days after returning duty to station. In the circumstances, Management was in breach of the law.</p>	The management process of res	Not Resolved	June 2024

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)
		olving the queries		
	<p>Failure to Remit Statutory Deductions Annex 2 to the financial statements reflects an amount of Kshs.64,228,941 in respect of overdue statutory and other deductions due to statutory bodies, being amounts deducted from employees' salaries for onward transmission to those organizations. Out of this amount, Kshs.40,322,401 relates to overdue deductions due to LAPFUND which had attracted penalties totalling to Kshs.5,000,000 as at 30 June, 2022. No explanation was provided for the failure to remit the statutory dues. In the circumstances, prudent management of public resources at the County Assembly could not be confirmed.</p>	Unrecorded budgeted funds		

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)
		from com ex ch eq ue r		



.....
Clerk of the County Assembly

Date

S/No.	Supplier/Contractor Name	LPO /LSO Contract No.	Date of the LPO/LSO Contract No.	Details of Work Performed	Outstanding Pending Bill Amount as of 30th June, 2022 (Kshs.)	Amount Paid (Kshs.)	Outstanding Pending Bill Amount as of 30 June, 2023 (Kshs.)
					A	B	C=A-B
				PROVISION OF GENERAL INSURANCE	5,500,000.00	1,000,000.00	4,500,000.00
1	JOHNCELE INSURANCE BROKERS LTD			PROVISION OF GENERAL INSURANCE	5,500,000.00	1,000,000.00	4,500,000.00
2	MFI DOCUMENT SOLUTIONS LIMITED			SUPPLY OF MULTIFUNCTIONAL HEAVY DUTY PRINTER	5,359,790.90	4,880,239.00	479,551.90
3	THE STANDARD GROUP			PROVISION OF ADVERTISEMENT	822,167.00	300,000.00	522,167.00
4	THE BREEZE HOTEL			HOSPITALITY FOR WEBSITE MANAGEMENT	61,208.00	61,208.00	-
5	KRA WITHHOLDING TAX FOR WARD RENT			10% TAX FROM JULY 2018-JUNE 2021	900,000.00	900,000.00	-
6	BUSIA WATER AND SEWERAGE COMPANY LTD			WATER BILL FOR THE MONTH OF FEB 2021	2,534,328.50	1,000,000.00	1,534,328.50
7	FARNVIEW HOTEL			PROVISION OF HOSPITALITY SERVICES	2,022,400.00	1,000,000.00	1,022,400.00
8	KIKA HOTEL			PROVISION OF HOSPITALITY SERVICES	3,288,700.00	871,000.00	2,417,700.00
9	VINTEL AGENCIES			SUPPLY OF CLEANINGMATERIALS	631,000.00		631,000.00
10	SHREEJI PETROL STATION			SUPPLY OF FUEL	41,900.55		41,900.55
11	BSPRA			PROVISION OF PUBLICITY AND PUBLIC PARTICIPATION	30,720.00		30,720.00
12	GENERICUM ENTERPISE			PROVISION OF PUBLICITY AND PUBLIC PARTICIPATION	1,792,000.00	1,792,000.00	-
13	J.O.JUMA SCO ADVOCATES			PROVISION OF LEGAL SERVICES	7,794,475.38	5,500,000.00	2,294,475.38
14	NATION MEDIA GROUP			ADVERTISEMENT SERVICES	1,453,874.85	500,000.00	953,874.85
15	PROJECTMANAGEMENT EXPERTS			PUBLIC PARTICIPATION	1,785,000.00		1,785,000.00
16	VICTORIA COMFORT HOTEL			HOSPITALITY SERVICES	332,425.00		332,425.00
17	KISUMU HOTEL			HOSPITALITY SERVICES	1,866,400.00	0.00	1,866,400.00
18	KENYA INSTITUTE OF MANAGEMENT			TRAINING SERVICES	1,485,680.00		1,485,680.00
19	CONRADOS AGENCIES			PUBLIC PARTICIPATION	421,000.00		421,000.00
20	ROYAL CITY HOTEL			HOSPITALITY SERVICES	484,130.00	484,130.00	-
21	STANDARD GROUP LTD			ADVERTISEMENT SERVICES	551,000.00	272,460.00	278,540.00
22	BORDER PALACE HOTEL			HOSPITALITY SERVICES	1,056,000.00	400,000.00	656,000.00
23	GLOSS MAHAL			SUPPLY OF SINAGE	3,753,000.00	2,982,069.00	770,931.00
24	JUBILEE ALLIANZ GENERAL			INSURANCE SERVICES	3,000,000.00	1,000,000.00	2,000,000.00
25	TOM MBOYA LABOUR COLLAGE			PROVISION OF HOSPITALITY SERVICES	6,711,350.00	3,000,000.00	3,711,350.00
26	MILLVIEW HOTEL			HOSPITALITY SERVICES	1,370,000.00	900,000.00	470,000.00
27	PRIDE KINGS SERVICES LTD			SECURITY SERVICES	3,870,000.00	1,665,000.00	2,205,000.00
29	PTECH SOLUTIONS LIMITED			SUPPLY OF TONNERS	464,000.00		464,000.00
32	FAST CHOICE			SUPPLY OF FURNITURE	2,866,400.00	1,000,000.00	1,866,400.00
33	ELEGESTURE INVESTMENTS			PROVISION OF PUBLICITY AND PUBLIC PARTICIPATION	3,435,000.00	-	3,435,000.00
34	WANDERA CONTRACTORS LTD			SUPPLY OF MICRO SOFTWARE	480,382.00	-	480,382.00
35	PILLAR AUDIO VISUAL SERVICES			SUPPLY OF PRINTERS	395,996.00	-	395,999.00
36	KASPAL VENTURES LTD			REPAIR AND MAINTANCE OF LAN WIFI	543,000.00	-	543,000.00
37	OPTIC TECNOLOGIES			REPAIRS OF HANSARD SYSTEM	850,000.00	0.00	850,000.00
				TOTAL	67,953,328.18	29,508,106.00	38,445,225.18

NON REMITANCES TO STATUTORY BODIES AS AT 30TH JUNE 2023		
No.	Details	Amount
	EQUITY BANK LIMITED	3,024.95
	KENYA COUNTY GOVERNMENT WORKERS UNION	36,960.00
	KENYA COUNTY GOVERNMENT WORKERS UNION	37,440.00
	KENYA COUNTY GOVERNMENT WORKERS UNION	37,920.00
	AMEDO S PRODUCTS	95,816.40
	NSSF	258,800.00
	LAPTRUST PENSION TRUST JUNE 2023	20,816,641.00
	MADISON LIFE ASSURANCE KENYA LIMIT	1,290,583.65
	BUSIA COUNTY ASSEMBLY DEPOSIT SEPT 2020	1,495,548.50
	BUSIA COUNTY ASSEMBLY DEPOSIT OCT 2020	1,443,353.70
	BUSIA COUNTY ASSEMBLY DEPOSIT NOV 2020	1,326,739.00
	BUSIA COUNTY ASSEMBLY DEPOSIT DEC 2020	1,325,837.40
	BUSIA COUNTY ASSEMBLY DEPOSIT JAN 2021	1,172,784.75
	BUSIA COUNTY ASSEMBLY DEPOSIT FEB 2021	973,711.80
	BUSIA COUNTY ASSEMBLY DEPOSIT MAR 2021	958,373.60
	BUSIA COUNTY ASSEMBLY DEPOSIT APR 2021	996,894.85
	BUSIA COUNTY ASSEMBLY DEPOSIT MAY 2021	932,961.30
	BUSIA COUNTY ASSEMBLY DEPOSIT JUNE 2021	834,207.20
	BUSIA COUNTY ASSEMBLY MORTGAGE ACCOUNT	10,177,035.00
	LAPFUND JUNE 2023	68,014,308.00
	TOTALS	112,228,941.10

Annex 3 – Analysis Of Other Pending Payables

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

Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023-2024
Land	4,950,000				4,950,000
Buildings and structures	482,376,717	19,407,318			501,784,035
Transport equipment	36,813,467				36,813,467
Office equipment, furniture and fittings	117,563,617	4,771,478			122,335,095
ICT equipment	11,602,097				11,602,097
Machinery and equipment	12,690,147				12,690,147
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
Total	665,996,047	24,178,796			690,174,843

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly. Additions during the year should tie to **note 10** on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

Annex 5 – Analysis Of Accounts Receivables
(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
Name Of Officer Or Institution	dd/mm/yy	00	00	00
Name Of Officer Or Institution	dd/mm/yy	00	00	00
Name Of Officer Or Institution	dd/mm/yy	00	00	00
Name Of Officer Or Institution	dd/mm/yy	00	00	00
Total		00	00	00

TAFF AND MCAs SALARY ADVANCES AS FROM JULY 2022 TO JUNE 2023 FY2022/2023

NO	NAME	BAL B/D	ISSUED	TOTAL	RECOVERED	REMARKS BAL
1	ABEL OTERO	-	85,000.00	85,000.00	7,000.00	78,000.00
2	BONFACE OKUMBE OWORY	-	50,000.00	50,000.00	32,000.00	18,000.00
3	BRENDA LILIAN ALUNG'A	-	50,000.00	50,000.00	4,000.00	46,000.00
4	CATHERINE ABARASA ESKUT	-	60,000.00	60,000.00	10,000.00	50,000.00
5	DUNCAN OJASI	-	20,000.00	20,000.00	7,000.00	13,000.00
6	EWIN OGELO OCHIENG	129,875.00	30,000.00	159,875.00	51,000.00	108,875.00
7	FELIX JAMES OTANDE	12,042.27	90,000.00	102,042.27	57,042.27	45,000.00
8	FERNINAND MASAI EKAKOR	-	25,000.00	25,000.00	5,000.00	20,000.00
9	GODFREY BALERA WANYAMA	49,200.00	15,000.00	64,200.00	17,400.00	46,800.00
10	GODWINE OKOTCH WANYAMA	-	45,000.00	45,000.00	5,000.00	40,000.00
11	JULIANA BARASA LUPALO	-	30,000.00	30,000.00	18,000.00	12,000.00
12	KENNETH ITAA GEEGE	-	30,000.00	30,000.00	21,000.00	9,000.00
13	LINET OWINO	-	40,000.00	40,000.00	2,500.00	37,500.00
14	MARTHA MAKOKHA NDORE	3,000.00	20,000.00	23,000.00	23,000.00	-
15	MULJA OUMA MALLO	-	50,000.00	50,000.00	20,000.00	30,000.00
16	NICHOLAS KWENA MAERO	-	30,000.00	30,000.00	19,500.00	10,500.00
17	OJIAMBO LINUS OKANGO	7,650.00	-	7,650.00	7,650.00	-
18	PRAXEDES OKIMA	-	100,000.00	100,000.00	10,000.00	90,000.00
19	PRICILLA NGALA JUMA	-	40,000.00	40,000.00	4,000.00	36,000.00
20	PROTUS ODHIAMBO OWINO	-	11,200.00	11,200.00	11,200.00	-
21	SAMMY JAKAA	-	70,000.00	70,000.00	10,000.00	60,000.00
22	SELINE OSIR	-	50,000.00	50,000.00	25,167.00	24,833.00
23	SHADRACK FELEX OKEDA	-	50,000.00	50,000.00	4,000.00	46,000.00
24	VINCENT OCHIENG	130,325.54	90,000.00	220,325.54	55,000.00	165,325.54
25	WILBERFORCE OPIYO OBOLLA	-	40,000.00	40,000.00	17,000.00	23,000.00
26	WILLIAM GOMBE ACHOLA	-	35,000.00	35,000.00	6,000.00	29,000.00
27	ANGELA NAFULA	10,000.00	-	10,000.00	10,000.00	-
28	BERNARD WAMALWA	502,000.00	-	502,000.00	502,000.00	-
29	CASPER AJUMA	44,307.91	-	44,307.91	44,307.91	-
30	DAVID LUYEMBA	33,400.00	-	33,400.00	33,400.00	-
31	ERIC KAIBE	45,300.00	-	45,300.00	45,300.00	-
32	FRED MUSIRIMBA	98,000.00	-	98,000.00	98,000.00	-
33	JOHN OBWOGO	67,000.00	-	67,000.00	67,000.00	-
34	JOHN OGANGA	4,300.00	-	4,300.00	4,300.00	-
35	PATRICK GEOFFREY OMANYA	-	200,000.00	200,000.00	25,000.00	175,000.00
36	APIO MONICA MONGALA	-	10,000.00	10,000.00	10,000.00	-
37	EMMACULATE AMMA MUGENI	-	25,000.00	25,000.00	11,500.00	13,500.00
38	NEWTON MACHIO	-	30,000	30,000.00	24,000	6,000.00
39	ERICK OSTON ODUYA	-	20,000	20,000.00	5,000	15,000.00
40	PROTUS LUKOYE AWORI	-	20,000	20,000	8,000	12,000.00
	TOTAL	1,136,400.72	1,461,200.00	2,597,600.72	1,337,267.18	1,260,333.54

Annex: 6 Reporting of Climate Relevant Expenditures

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

Annex 7 Reporting on Disaster Expenditure

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

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 – Attach GOK IFMIS Generated Financial Report

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution-Recurrent
- viii. GOK IFMIS Statement of Budget Execution-Development
- ix. GOK IFMIS Budget Execution by Programmes and Sub-programmes
- x. GOK IFMIS Statement of Deposit