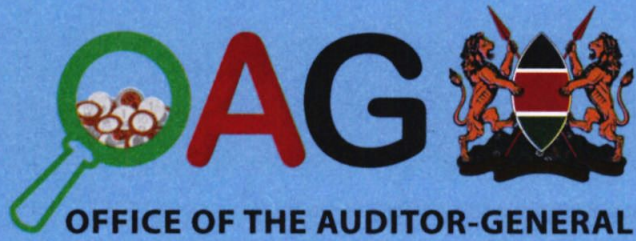
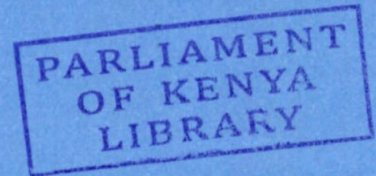


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

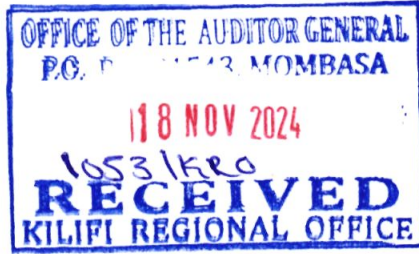
ON

COUNTY ASSEMBLY OF TANA RIVER

FOR THE ENDED

30 JUNE, 2024

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Rep May Alhip
COMMITTEE	
CLERK AT THE TABLE	Maatim



**TANA RIVER COUNTY ASSEMBLY
(COUNTY GOVERNMENT OF TANA RIVER)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

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Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Comparative FY	Means the financial year preceding the current financial year.
Fiduciary Management	Means officers directly involved in management of entity's finances and resources

(This list is an indication of acronyms and key terms; the County Assembly should include all from the annual report and financial statements prepared)

1. Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 26 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 Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Osman Noor Galole
2.	Clerk of the County Assembly	Abdullahi Dayib Hussein
3.	Head of Finance	Alex Ontumi Kibwage
4.	Head of Procurement	Suleiman Jarso Golicha

(c) Fiduciary Management

The key management personnel who held office during the year ended 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Abdullahi Dayib Hussein
2.	Principal Accounts Controller	Alex Ontumi Kibwage
3.	Senior Accountant	Wehliye Ahmed Dakat
4.	Finance Officer	Mercy Maodo Komora

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

(e) The county assembly has 9 sectorial committees each with specific mandates towards smooth operation of the assembly. The committees are required by the assembly standing orders to oversight and hold to account respective county executive committee's members (CEC) for services delivery in their departments. The assembly has managed this through committees work and chamber business.

(f) Entity Headquarters

P.O. Box 113-70101
ALONG HOSPITAL ROAD,
HOLA, KENYA

(g) Entity Contacts

Telephone: (+254) 708005459
E-mail: info@tanariverassembly.go.ke
Website: www.tanariverassembly.go.ke

(h) Entity Bankers

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

Other Commercial Banks
Kenya commercial bank
p.o box 100
Hola, Kenya

(i) Independent Auditor

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084

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GPO 00100

NAIROBI, KENYA

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

(k) County Attorney

The attorney General

State law office

Harambee Avenue

P.o box 40112

City square-00200

Nairobi, Kenya

2. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Tana River County Assembly. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

- a) Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
- b) Perform the roles set out under Article 185 of the Constitution.
- c) Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
- d) Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
- e) Approve county development planning; and
- f) Perform any other role as may be set out under the Constitution or legislation.

The County Assembly Executes its mandate, through committees which are broadly classified into two.

a) Select Committees

Select committees are generally responsible for overseeing the work of government departments and agencies.

b) Sectoral Committees

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Finance and Economic planning committee

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 2 meetings in FY 2023/2024. The committee members during FY 2023/2024 were:

Member	Designation	Ward
HON OSMAN GALOLE	CHAIRMAN	SPEAKER
HON JIBRIL FARAH	VICECHAIRMAN	BANGAL WARD
HON BABUSA SALIM	MEMBER	KINAKOMBA WARD
HON MUSA WARIO	MEMBER	KIPINI EAST
HON RIZIKI RUHU	MEMBER	NOMINATED MCA
HON ISMAEL KODOBO	MEMBER	HIRIMANI WARD
HON YUSSUF BILE	MEMBER	CHEWELE WARD
HON MAHAMUD GABO	MEMBER	GARSEN WEST
HON MAKI MAIMUNA	MEMBER	NOMINATED MCA

b) Audit Committee

The county assembly of Tana River is in the process of establishing an audit committee.

Member	Designation
-	-
-	-

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

c) Public Accounts/Investment 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 2 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
HON LINNAH MAYAA JARRA	CHAIRPERSON	NOMINATED MCA
HON MAHAMUD ALI BARROW	VICECHAIRMAN	SALA WARD
HON SAID KURI GODANA	MEMBER	NOMINATED MCA
HON HALIMA GALTUMA	MEMBER	NOMINATED MCA
HON ZAHIRA HAGEYO KORI	MEMBER	NOMINATED MCA
HON YUSSUFABDI BILE	MEMBER	CHEWELE WARD
HON FATUMA DIRAMO	MEMBER	NOMINATED MCA
HON ISMAEL BODHA K.	MEMBER	HIRIMANI WARD
HON MWANAAMU HAODO	MEMBER	NOMINATED MCA

d) 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 MAHAMUD BARROW	CHAIRMAN	SALA WARD

*County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024*

HON PAUL MARO SAMWEL	VICE CHAIRMAN	MKINDUNI WARD
HON MASHA BORU DELA	MEMBER	GARSEN CENTRAL
HON SAID KURI GODANA	MEMBER	NOMINATED MCA
HON JUMA ALI DIDO	MEMBER	MADOGO WARD
HON MOHAMUD AHMED	MEMBER	GARSEN WEST
HON BABUSA HAMID	MEMBER	KINKOMBA WARD
HON ISMAEL KODOBO	MEMBER	HIRIMANI WARD

e) Finance and Economic Planning Committee

The finance and economic planning committee provides guidance for all matters relating to county planning and development including statistics banking and financial services fully or partially owned by Tana river county governments and cooperative development.

Member	Designation	Ward
HON MASHA BORU DELA	CHAIRMAN	GARSEN WEST CENTRAL
HON MWAAMU HAODO	VICECHAIR	NOMINATED MCA
HON MAKI MAIMUNA	MEMBER	NOMINATED MCA
HON FATUMA DIRAMO	MEMBER	NOMINATED MCA
HON MAHAMUD AHMED GABO	MEMBER	GARSEN WEST
HON LINNAH MAYA JARA	MEMBER	NOMINATED MCA
HON JUMA ALI DIDO	MEMBER	MADOGO
HON PAUL MARO SAMMUEL	MEMBER	MKINDUNI

County government of Tana River

Tana River County assembly

Annual Report and Financial Statements for the year ended 30th June 2024

In addition to the above committees of the County Assembly, the County Assembly is in the process of constituting independent Audit Committee in order to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

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 Tana Delta sub county, Tana North sub county, Galedertu, Bangale and Galole sub county 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 7 bills through public participation

S/NO	NAME OF THE BILL	DATE OF PUBLIC PARTICIPATION
1	Tana River county appropriation Act 2023	24 TH June 2023
2	Tana River County Supplementary appropriation Act 2023	19 th December 2023
3	Tana River County Health Improvement Financing Bill 2024	13 th May 2024
4	Tana River County Water Bill 2024	9 th May 2024
5	Tana River County Sustainable Charcoals production bill 2024	10 th May 2024
6	Tana River Fire and Rescue services bill 2024	11 th May 2024
7	Tana River Appropriation Act 2024	27 th June 2024

Risk management

- The county assembly of Tana river has strong internal controls in payments since all payments are being processed through integrated financial management information systems which has inbuilt vote book controls.
- County assembly of Tana River is in the process of establishing risk management policy.

Compliance

-County assembly of Tana River is in compliance with the various laws and circulars of the government including finance management Act.

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

The entity should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

3. Foreword By the Clerk of The Assembly

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key mandate of the County Assembly of Tana River is legislation, oversight, and representation. To achieve this, the assembly’s program was document in terms of objective, key performance indicators, and output.

Below were the expected outputs of the assembly in FY 2023/2024

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	3 bills passed in the County Assembly	In FY 2023/2024 MCA were trained on legislation, oversight and representation.

(i) Budget performance

During the FY 2023/2024 the County Assembly had a budget of Kshs. 1,043,437,753 for recurrent and Development vote (Including the balances brought forward as a result of supplementary budget). The County Assembly during the financial year under consideration received an amount of Kshs 969,683,040 and the total actual expenditure was 969,614,847 representing absorption rate of 99.9%.

(ii) Operational Performance

Tana river county assembly operational performance includes: -

- a) The county assembly has passed 3 bills during the financial year 2023-2024 this has improved the smooth legislative operation of the assembly. The bills have improved the lives of the public at the county level
- b) The original budget for Tana river county assembly was passed on 25th July 2023 for the period 1st July 2023 to 30th June, 2024 as required by law. There were one supplementary budgets passed during the year.
- c) (1) There shall be a select Committee to be known as the County Budget and Appropriations Committee.
 - (2) The functions of the Committee shall be to-
 - (a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;
 - (b) discuss and review the estimates and make recommendations to the Assembly;
 - (c) examine the County Fiscal Strategy Paper presented to the House;
 - (d) examine Bills related to the County budget, including Appropriations Bills; and
 - (e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.
 - (3) The County Budget and Appropriations Committee constituted by the House immediately following the General Election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the Assembly term.
 - (4) The Committee shall invite Chairpersons of all Sectoral Committees to make presentations during the consideration of the budget.

Committee on Implementation

19. (1) There shall be a select Committee to be known as the Committee on Implementation.
 - (2) The Committee shall scrutinize the resolutions of the House (including adopted Committee reports), Petitions and the undertakings given by the County Executive Committee and examine –
 - (a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and

whether such implementation has taken place within the minimum time necessary; and

- (b) whether or not legislation passed by the Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.

(3) The Committee may propose to the House, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

Committee on Delegated County Legislation

20. (1) There shall be a select Committee to be known as the Committee on Delegated County Legislation.

(2) Whenever a statutory instrument is submitted to the House pursuant to the Constitution, any law or these Standing Orders, the statutory instrument shall, unless a contrary intention appears in the relevant legislation, be laid before the House by the Chair of the relevant Sectoral Committee, or any other Member and shall thereafter stand referred to the Committee on Delegated County Legislation.

- (3) The Committee shall consider in respect of any statutory instrument whether it-
- (a) is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws;
 - (b) infringes on fundamental rights and freedoms of the public;
 - (c) contains a matter which, in the opinion of the Committee, should more properly be dealt with in an Act of the Assembly;
 - (d) contains imposition of taxation;
 - (e) directly or indirectly bars the jurisdiction of the Courts;
 - (f) gives retrospective effect to any of the provisions in respect of which the Constitution or an Act of Parliament or Assembly does not expressly give any such power;
 - (g) involves expenditure from the County Revenue Fund or other public revenues;
 - (h) is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
 - (i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or an Act pursuant to which it is made;
 - (j) appears to have had unjustifiable delay in its publication or laying before the House;
 - (k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
 - (l) makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers;
 - (m) inappropriately delegates legislative powers;
 - (n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;

- (o) appears, for any reason, to infringe on the rule of law;
- (p) inadequately subjects the exercise of legislative power to Assembly scrutiny; and,
- (q) accords to any other reason that the Committee considers fit to examine.

(iii) Performance of key development projects

During the reporting period the County Assembly was able to accomplish the following projects among others;

- (1) Construction of underground water tank at the county assembly
- (2) Renovation of Administration block.
- (3) Installation of solar panel at the county assembly of Tana river
- (4) Construction of walkway path at the county assembly
- (5) Installation of CCTV at the county assembly offices

Implementation of the above mentioned projects had the following impacts;

- (i) The installation of CCTV has improved security management at the county assembly premises.
- (ii) Renovation of administration block has improved working conditions for honourable members.

(iv) Comment on value-for-money achievements

Implementation of the above mentioned projects had the following impacts;

The installation of CCTV has improved security management at the county assembly premises.

Renovation of administration block has improved working conditions for honourable members.

(v) Challenges and Recommended Way Forward

the County Assembly has faced a number of challenges that include among others;

(i) Delayed disbursement of funds that hampered the legislative process

(ii) Vastness of the County posed great challenge to members while undertaking public participation.



.....
Name: Abdullahi Dayib Hussein

Clerk of the County Assembly

4. Statement Of Performance Against County Assembly Predetermined Objectives

Guidance

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key mandate of the County Assembly of Tana River is legislation, oversight, and representation. To achieve this, the assembly’s program was document in terms of objective, key performance indicators, and output.

Below were the expected outputs of the assembly in FY 2023/2024

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	3 bills passed in the County Assembly	In FY 2023/2024 MCA were trained on legislation, oversight and representation.

Strategic development objectives (*Customize as per specific County Assembly*)

The key mandate of the County Assembly of Tana River is legislation, oversight, and representation. To achieve this, the assembly’s program was document in terms of objective, key performance indicators, and output.

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

Below were the expected outputs of the assembly in FY 2023/2024

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	3 bills passed in the County Assembly	In FY 2023/2024 MCA were trained on legislation, oversight and representation.

5. Corporate Social Responsibility Statement/Sustainability Reporting

County assembly of Tana River exists 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 three 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 top management of County assembly of Tana River is committed to the entity sustainability in the foreseeable future. The top management ensures that there is proper implementation of the strategic policy of the entity and by so doing will result better sustainability of the county assembly.

b) Environmental performance

The top management of the county assembler of Tana River together with the members of the county assembly in legislating bills that take care of the environment.

c) Employee welfare

County assembly of Tana River has Human Resource policy that clearly give direction on hiring process and take into account gender balancing at the work place. County assembly of Tana River also consider reward for most performing employee.

d) Market place practices-

The organisation should outline its efforts to:

a) *Responsible Supply chain and supplier relations-*

The county assembly of Tana River ensures supplies confidence by honouring their contractual agreement and ensure suppliers are paid as and they fall due.

b) *Responsible ethical practices-*

County assembly of Tana River is free corruption Zone.

c) Stewardship of goods and services

The county assembly of Tana River put in place policies to safeguard interest of citizen of the republic of Kenya.

(d) Community Engagements

County Assembly of Tana River involves community in public participation in various wards in the Five sub counties that is Tana Delta, Bangale, Galole, Tana North and Galedertu sub county.

6.Statement Of Management Responsibilities

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2024, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

County government of Tana River

Tana River County assembly

Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

The County Assembly 's financial statements were approved and signed by the Clerk of the County Assembly on 13/11 2024.

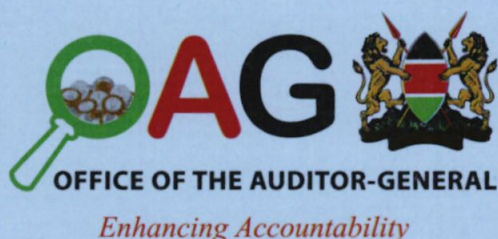


.....
Name: Abdullahi Dayib Hussein

Clerk of the County Assembly

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 TANA RIVER FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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 entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Tana River set out on pages 1 to 39, which comprise the statement of receipts and payments,

Report of the Auditor-General on County Assembly of Tana River for the year ended 30 June, 2024

financial assets and liabilities as at 30 June, 2024 and the, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Tana River as at 30 June, 2024 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.

Basis for Qualified Opinion

1. Unsupported Payments on Insurance Costs

The statement of receipts and payments and Note 5 to the financial statements reflects payments totalling Kshs.427,218,144 in respect of use of goods and services. Included in these payments is Kshs.10,000,000 in respect of insurance costs which relates to a payment made to an insurance company contracted by the Assembly to provide group medical insurance cover for members of the County Assembly and staff at contract sum of Kshs.27,499,980 and a contract period of one (1) year commencing on 21 February, 2024. However, the contract agreement was not signed by representatives of the service provider while the payment of Kshs.10,000,000 was not supported by certified invoices and insurance policy document to confirm the number of beneficiaries who were to benefit from the insurance cover.

In the circumstances, the validity and accuracy of the payments totalling Kshs.10,000,000 on insurance costs could not be confirmed.

2. Inaccurate Other Pending Payables Balance

Note 3 on other disclosures reflects a balance of Kshs.166,073,029 in respect of other pending payables and as disclosed in Annex 3 includes Kshs.19,139,631, Kshs.142,638,398 and Kshs.4,296,000 payable to Kenya Revenue Authority (KRA), Car Loan and Mortgage and National Social Security Fund (NSSF) respectively. However, the reported balance excludes statutory deductions balance of Kshs.5,452,322 that were not paid in the year under review.

In the circumstances, the accuracy of the accounts payable balance of Kshs.166,073,029 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Tana River Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts (recurrent and development combined) reflects final receipts budget and actual amounts on comparable basis of Kshs.1,043,437,753 and Kshs.969,683,040 respectively, resulting in under-funding of Kshs.73,754,713 or 7% of the budget. Similarly, the County Assembly spent Kshs.969,614,847 against actual receipts of Kshs.969,683,040 resulting to under-utilization of Kshs.68,193 of actual receipts.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section. There were no key audit matters to report in the year under review.

Other Matter

1. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided reasons for the delay in resolving the prior year audit issues.

2. Pending Bills

Annexes 2 and 3 to the financial statements reflects a balance of Kshs.168,573,029 in respect of pending bills out of which a balance of Kshs.166,073,029 relates to other pending payables while the balance of Kshs.2,500,000 relates to pending staff payables. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions to the subsequent year as they form a first charge.

Other Information

The Management is responsible for the other information set out on page iii to xxii which comprise of Key Entity Information and Management, Governance Statement, forward by the Clerk of the Assembly, Statement of Performance Against County Assembly's Predetermined Objectives, Corporate Social Responsibility/Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Assembly's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work

I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Regularity of Human Resource Management Practices

The statement of receipts and payments and Note 4 to the financial statements reflects payments totalling Kshs.331,210,106 in respect of compensation of employees. Review of payment records revealed the following:

i. Irregular Payment of Sitting Allowance

Review of the payroll records revealed that three (3) members of the County Assembly were paid a total of Kshs.2,808,000 in form of sitting allowances in the year under review instead of the maximum allowable payment of Kshs.1,560,000 resulting to excess payment totalling Kshs.1,248,000 contrary to the Salaries and Remuneration Commission guidelines issued through the Kenya Gazette Ref. Vol.CXXV-No.177 dated 9 August, 2023.

In the circumstances, the validity of expenditure on sitting allowances of Kshs.1,248,000 could not be confirmed and Management was in breach of the law.

ii. Payment of Salaries Outside Integrated Personnel and Payroll Database (IPPD)

Review of personnel records revealed that one (1) Member of County Assembly and an employee were paid salaries totalling Kshs.378,040 per month translating to Kshs.4,536,480 per year outside the IPPD contrary to the guidelines in circular reference number OP.CAB.1/31A of 04 August, 2022 by the head of Public Service which required that remuneration of all county staff be processed through the computerized system.

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

iii. Irregular Recruitment of Deputy Clerks

The County Assembly recruited three (3) Deputy Clerks during the financial year. The vacant posts were advertised in a local newspaper on 13 December, 2023. The county assembly shortlisted a total of forty-five (45) applicants for interviews held between 22-24 February, 2024. However, the interview score sheets, minutes of the interview process, were not provided for review. The recruitment was not supported by annual

recruitment plans developed by the board at the beginning of each financial year contrary to paragraph B. 2(ii) of the revised Human Resource Manual of the County Assemblies, 2015 which requires the County Assemblies Service Board to develop annual recruitment plans at the beginning of each financial year to enable it plan to fill the vacancies

In the circumstances, Management was in breach of the law and the fairness in the recruitment process could not be confirmed.

2. Lack of Training Policy/Training Needs Assessment

Included in the approved estimates is an allocation of Kshs.19,257,671 to cater for staff training in the year. However, review of the financial statements indicates that only Kshs.1,176,000 or 6% of the approved budget was spent on training during the year. Management did not provide skills inventory, a report on training needs identified by the County Assembly Service Board, training projections and recommendations prepared by the Assembly to guide the training and nomination of officers for training. This was contrary to paragraph J.3(1) and (2) of the County Assembly Human Resource Manual, 2015 which provides that training in the County Assembly Service Board should be based on training needs assessment which shall be conducted every two (2) years in each Assembly.

In the circumstances, the effectiveness of human resource controls on training could not be confirmed and Management was in breach of the guidelines.

3. Accounts Payables (Pending Bills)

i. Failure to Implement a Court Order

As previously reported, the Employment and Labour Relations Court at Malindi ruled in favour of the former speaker who had sued the County Assembly of Tana River. The Clerk was ordered to pay the former speaker his salary and general damages amounting to Kshs.2,500,000 as compensation for violation of his rights which was awarded by the court. However, the Management did not settle the court award as a first charge in the year under review.

ii. Unpaid National Social Security Fund Arrears

As previously reported, the County Assembly owed National Social Security Fund a total of Kshs.11,620,45 which included principal amount of Kshs.5,296,000 and accrued penalties of Kshs.6,310,240 as per a demand notice dated 28 January, 2021. The Assembly paid part of the principal amount of Kshs.1,000,000 in year 2022/2023 leaving a balance of Kshs.4,296,000. The outstanding balance was not settled as a first charge in the year under review.

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

4. Failure to Clear Backlog in the Interrogation of Audit Reports

The County Assembly Public Accounts and Investment Committee (PAIC) had not deliberated on the Auditor-General's reports for the financial years 2020/2021, 2021/2022 and 2022/23 contrary to Section 50(1)(2) of the Public Audit Act, 2015 which states that

within three (3) months of receiving an audit report referred to under subsection (1), Parliament or the relevant County Assembly shall debate and consider the report and take appropriate action.

In the circumstances, the effectiveness of the County Assembly Public Accounts and Investment Committee (PAIC) to effectively discharge their mandate could not be confirmed.

5. Non-Compliance with the Law on Supplementary Budgeting Process

The County Assembly had an initial approved budget estimate of Kshs.1,008,437,753 which was increased in the supplementary estimates by Kshs.35,000,000 to Kshs.1,043,437,754. However, the increase in the programs and sub votes exceeded the allowable 10% contrary to Regulation 39(9) of the Public Finance Management (County Governments) Regulations, 2015 states that in approving any estimates under Sections 135 and 154 of the Act, that County Assembly approval shall not exceed ten (10%) percent of the approved budget estimates of a program of Sub-Vote unless it is for an unforeseen and unavoidable need as defined in Section 112 of the Act.

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

6. Noncompliance with Approved County Assembly Expenditure Threshold

During the year under review, the County Assembly had an approved budget of Kshs.1,043,437,754 while the total revenues of the County Government of Tana River was Kshs.8,869,497,866 seven percent (7%) of which is Kshs.620,864,850 while the double of payments in respect of compensation of employees of Kshs.345,234,626 amounted to Kshs.690,469,252. The approved budget for the Assembly in the year under review should have been Kshs.620,864,850 being the lower of the two. The budget for the Assembly therefore was in excess of allowable amount by Kshs.422,572,904. This was contrary to Regulation 25 (1) (f) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the approved expenditures of a County Assembly shall not exceed seven percent of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

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

7. Delay in the Construction of Speakers Residence

The County Assembly awarded a contract for the completion of the speaker's residence vide tender number TRCA/PROC/MW/OT/01/2023-2024 to a contractor at a cost of Kshs.28,844,540 as per contract agreement dated 20 November, 2023. The contract was expected to be completed within a period of six (6) months. However, at the close of the year, the contractor had only issued interim payment certificate number 1 of Kshs.4,970,244. The contract period had lapsed on 20 May, 2024 but there was no evidence that an extension of contract had been sought and granted. Physical verification carried out on 13 September, 2024 revealed that the project had not been completed and only the substructure works had been done. The construction of the project had earlier been awarded to a contractor on 16 April, 2020 at a contract cost of Kshs.28,088,685 as

per letter of notification. The contract was later terminated on 14 May, 2021 after the contractor had been paid Kshs.9,328,310. However, a valuation report indicating the scope of works achieved at the time of termination of contract was not provided.

In the circumstances, the value for money of the expenditure Kshs.14,298,554 incurred on the project could not be confirmed.

8. Failure to Prepare Monthly Progress Report on Implementation of Procurement Contracts

Review of payment and bank account records revealed that during the period under review, payments totalling Kshs.312,545,252 was paid to various contracted firms in the year under review. However, monthly progress report on implementation of the contracts for the projects undertaken during the year was not maintained. Also, the projects that had been earmarked for implementation in the year under review by the County Assembly had not been itemized in the approved budget estimates as required.

In the circumstances, Management was in breach of the law and value for money derived from the procurement contracts could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Grounded and Unaccounted for Motor Vehicles and Motor Cycles

Review of the asset register indicate that the County Assembly has ten (10) motor vehicles and fifteen (15) motor cycles. However, a verification exercise of assets revealed that seven (7) motor vehicles acquired at a cost of Kshs.50,207,246 and registered between 2014 and 2016 and eight (8) motor cycles acquired at a cost of Kshs.3,072,600 all registered in October, 2015 are grounded within the Assembly premises. However, inspection reports were not provided to confirm the reasons for the vehicles being grounded, extent of damage that led to grounding and the motor vehicle inventory as at the time of grounding of the motor vehicles and motor cycles. In addition, the asset register includes three (3) motor vehicles acquired in 2016 at a cost of Kshs.21,115,554

and seven (7) motor cycles acquired on in October, 2015 at a cost of Kshs.2,688,525 all of which were not accounted for.

In the circumstances, the effectiveness of internal controls on management of assets of the County Assembly could not be confirmed.

2. Action on Internal Audit Reports by the Board

i. Failure to Establish an Audit Committee

As previously reported, the County Assembly has not constituted an audit committee as provided for in the financial regulations to provide oversight on the overall operations of the Assembly in regard to financial control, accounting systems and compliance to reporting with all relevant legislation and statutory requirements, approve the internal audit charter and reviewing changes in accounting policies and to consider significant findings of the internal investigations and management responses including reports of internal audit. This was contrary to Regulation 42 1(e) of the Public Finance Management (County Governments) Regulations, 2015 which requires an Accounting Officer to ensure each county government entity has an audit committee in place.

ii. Dysfunctional Internal Audit

Review of the operations of the Internal Audit Department revealed that the County Assembly had an internal audit unit in place. However, the department had only two (2) staff members, an Auditor I and an Auditor II. However, during the year under review, the department did not develop an annual work plan nor prepare any internal audit report. This was contrary to Regulation 155 (2) (a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities and that the an internal audit planning shall be carried out on the basis of risk assessment and shall be set out in a three (3) year strategic plan on the basis of which an annual internal audit activity plan shall be developed.

In the circumstances, the effectiveness of internal control systems established by the County Assembly could not be confirmed.

3. Lack of Risk Management Policy and Strategy

The County Assembly operated without an approved risk management policy for management of risk and increase of overall awareness of risk throughout the County Assembly. In addition, there was no documentary evidence to confirm that the County Assembly conducted a risk assessment to identify potential risk exposure, possibility of their occurrence and their mitigating strategies, contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015, which provides that "an accounting officer of a County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of internal controls over management of risks could not be confirmed.

4. Lack of Approved ICT Policy

Review of the County Assembly's ICT environment revealed lack of ICT Policy during the year under review which is required to provide guidance on Information Technology governance, security management, program change management, physical access controls, environmental controls, IT service continuity and logical access control. Further, there was no data security policy and Disaster Recovery Plans.

In the circumstances, the County Assembly did not have tools which it could use to minimize risk of errors, fraud and the loss of data, confidentiality and integrity.

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 controls, 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the county assembly's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 December, 2024


County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024


8. Statement of Receipts and Payments for The Year Ended 30th June 2024

		2023/2024	2022/2023
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	969,683,040	947,412,490
Total receipts		969,683,040	947,412,490
Payments			
Compensation of employees	4	331,210,106	318,319,659
Use of goods and services	5	427,218,144	267,052,885
Transfers to other government entities	7	-	117,200,000
Social security benefits	9	7,950,856	-
Acquisition of assets	10	169,390,371	242,307,855
Other payments	12	33,845,370	-
Total payments		969,614,847	944,880,399
Surplus/deficit		68,193	2,532,091

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13/11 2024 and signed by:


Name: Abdullahi Dayib Hussein
 Clerk to Assembly


Name: Wehliye Ahmed
Senior Accountant
 ICPAK Member Number:17115



Name: Alex Kibwage Ontumi
Principal Accounts controller


*County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024*


9. Statement Of Financial Assets and Liabilities As At 30th June 2024

FINANCIAL ASSETS	Note	2023/2024 Kshs	2022/2023 Kshs
Cash and Cash Equivalents			
Bank Balances	13A	3,323,322	1,772,079
Total Cash and cash equivalents		3,323,322	1,772,079
Accounts receivables – Outstanding Imprests	14	903,750	2,386,800
TOTAL FINANCIAL ASSETS		4,227,072	4,158,879
NET FINANCIAL ASSETS		4,227,072	4,158,879
REPRESENTED BY			
Fund balance b/fwd.	16	4,158,879	1,626,788
Prior Year Adjustment	17	-	-
Surplus/(Deficit) for the year		68,193	2,532,091
NET FINANCIAL POSITION		4,227,072	4,158,879

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13/11 2024 and signed by:


Name: Abdullahi Dayib Hussein
 Clerk to Assembly


Name: Wehliye Ahmed
Senior Accountant
 ICPAK Member Number: 17115


Name: Alex Kibwage Ontumi
Principal Accounts controller

County government of Tana River
Tana River County assembly
Annual Report and Financial Statements for the year ended 30th June 2024

10. Statement Of Cash Flows for The Period Ended 30th June 2024

		2023/2024	2022/2023
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	969,683,040	947,412,490
Total receipts from operating income		969,683,040	947,412,490
Payments for operating expenses			
Compensation of employees	4	331,210,106	318,319,660
Use of goods and services	5	427,218,144	267,052,885
Transfers to other government entities	7	-	117,200,000
Social security benefits	9	7,950,856	-
Other payments	12	33,845,370	-
Total payments for operating expenses		-800,224,476	-702,572,545
Net receipts/(payments) from operating activities		169,458,564	244,839,945
Adjusted for:			
Increase in accounts receivable:	18	1,483,050	-2,386,800
Net cash flows from operating activities		170,941,614	242,453,145
Cashflow from investing activities			
Acquisition of assets	10	-169,390,371	-242,453,145
Net cash flows from investing activities		-169,390,371	-242,453,145
Net increase in cash and cash equivalents		1,551,243	145,271
Cash & cash equivalent at Start of the year		1,772,079	1,626,788
Cash & cash equivalent at end of the year		3,323,322	1,772,079

County government of Tana River

Tana River County assembly

Annual Report and Financial Statements for the year ended 30th June 2024

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13/11/ 2024 and signed by:



Name: Abdullahi Dayib Hussein
Clerk to Assembly



Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number: 17115



Name: Alex Kibwage Ontumi
Principal Accounts controller

11. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1,008,437,753	35,000,000	1,043,437,753	969,683,040	73,754,713
Proceeds from Sale of Assets					-
Other Receipts					-
TOTAL	1,008,437,753	35,000,000	1,043,437,753	969,683,040	73,754,713
PAYMENTS					
Compensation of Employees	304,116,934		304,116,934	331,210,106	(27,093,172)
Use of goods and services	373,537,039		373,537,039	427,218,144	(53,681,105)
Subsidies					-
Other payments	-		-	33,845,370	(33,845,370)
Social Security Benefits	-		-	7,950,856	(7,950,856)
Acquisition of Assets	330,783,780	35,000,000	365,783,780	169,390,371	196,393,409
TOTAL	1,008,437,753	35,000,000	1,043,437,753	969,614,847	73,822,906
				68,193	(68,193)

The entity financial statements were approved on 13/11/2024 2024 and signed by:



Name: Abdullahi Dayib Hussein
Clerk to Assembly



Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115




Name: Alex Kibwage Ontumi
Principal Accounts controller


12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	677,653,973	-	677,653,973	664,683,040	12,970,933
Proceeds from Sale of Assets					-
Other Receipts					-
TOTAL	677,653,973	-	677,653,973	664,683,040	12,970,933
PAYMENTS					
Compensation of Employees	288,191,534	-	288,191,534	331,210,106	(43,018,572)
Use of goods and services	373,537,039	-	373,537,039	427,218,144	(53,681,105)
Social Security benefits	15,925,400	-	15,925,400	7,950,856	7,974,545
Other Payments		-		33,845,370	(33,845,370)
TOTAL	677,653,973	-	677,653,973	800,224,476	(122,570,503)
Defecit				(135,541,436)	135,541,436


The entity financial statements were approved on 13/11 2024 and signed by:



Name: Abdullahi Dayib Hussein
 Clerk to Assembly



Name: Wehliye Ahmed
Senior Accountant
 ICPAK Member Number:17115




Name: Alex Kibwage Ontumi
Principal Accounts controller

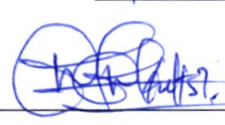
12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	330,783,780	35,000,000	365,783,780	305,000,000	60,783,780
Proceeds from Sale of Assets			-		-
Other Receipts			-		-
TOTAL	330,783,780	35,000,000	365,783,780	305,000,000	60,783,780
PAYMENTS			-		-
Acquisition of Assets	330,783,780	35,000,000	365,783,780	169,390,371	196,393,409
TOTAL	330,783,780	35,000,000	365,783,780	169,390,371	196,393,409
Surplus			-	135,609,629	(135,609,629)

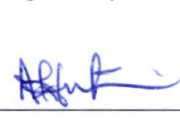
The entity financial statements were approved on 13/11 2024 and signed by:



Name: Abdullahi Dayib Hussein
Clerk to Assembly



Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number: 17115



Name: Alex Kibwage Ontumi
Principal Accounts controller

12. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2024	2024	2024	2,024.00	2,024.00
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	-	-	-	-	-
Legislation and Representation	370,714,696	-	370,714,696	469,014,369.56	98,299,673.56
					-
Programme 2	-	-	-	-	-
Legislative Oversight	16,520,000	-	16,520,000	-	16,520,000.00
General administration and planning	621,203,057	35,000,000	656,203,057	500,600,477.40	155,602,579.60
Total	1,008,437,753	35,000,000	1,043,437,753	969,614,846.96	73,822,906.04

13. 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 County Assembly of Tana River. 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 the 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 recognised in the financial statements when the associated cash is received.

b) Recognition of payments

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

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 *entity* 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.

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 *entity* 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 ... June 2024 for the period 1st July 2023 to 30 June 2024 as required by law. There was one 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.

14. Notes to the Financial Statements

1. Transfer From CRF

	2023-2024	2022-2023
	Kshs	Kshs
Transfers from the county treasury for Q1	153,000,000	-
Transfers from the county treasury for Q2	277,905,124	333,433,264
Transfers from the county treasury for Q3	204,777,917	345,888,775
Transfers from the county treasury for Q4	333,999,999	267,888,686
Cumulative amount	969,683,040	947,412,490

2. Proceeds From Sale of Assets

	2023-2024	2022-2023
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the Financial Statements

3. Miscellaneous receipts

	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Other receipts (specify)*	-	-
Total	-	-

**(Give a brief description of other receipts including write backs and recoveries where applicable)*

4. Compensation Of Employees

	2023-2024	2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	100,005,473	204,780,880.59
Basic wages of temporary employees	62,739,046	5,205,676
Personal allowances paid as intern upkeep	-	641,462
Personal allowances paid as part of salary	115,856,937	
Personal allowances paid as re-imbursments	7,076,848	19,284,632
Personal allowances as top up allowances		141,120
Employer deductions as loan recoveries		5,517,518
Personal allowances paid gratuity		20,262,639
Pension and other social welfare contributions	1,212,480	58,323,232
Social benefit schemes outside government		-
Other Personnel payments	44,319,322	4,162,500
Total	331,210,106	318,319,660

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	2023/2024	2022/2023
	Kshs	Kshs
Utilities, supplies and services	1,227,754	4,315,074
Domestic travel and subsistence	231,822,459	121,899,972
Foreign travel and subsistence	4,000,500	16,492,392
Printing, advertising and information supplies & services	1,000,000	282,180
Rentals of produced assets	1,892,621	4,311,000
Training expenses	1,176,000	1,484,000
Hospitality supplies and services	5,553,680	4,012,040
Insurance costs	10,000,000	21,597,210
Specialized materials and services	-	-
Office and general supplies and services	153,997,300	81,956,118
Other operating expenses	5,877,830	7,070,869
Routine maintenance – vehicles and other transport equipment	-	2,595,000
Refined fuel and lubricants	200,000	1,037,030
Routine Maintenance and other Assets	10,470,000	-
Total	427,218,144	267,052,855

Notes To The Financial Statements (Continued)

6. Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Subsidies To County Corporations		
<i>See List Attached</i>	-	-
(Insert Name)	-	-
Subsidies To Private Enterprises		
<i>See List Attached</i>	-	-
(Insert Name)	-	-
Total	-	-

(Provide explanations as to what subsidies relate to)

7. Transfers To Other Government Entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers to other county assembly entities		
Car loan and mortgage scheme fund	-	117,200,000
Total	-	117,200,000

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	2023-2024	2022-2023
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. Social Security Benefits

	2023-2024	2022-2023
	Kshs	Kshs
Government Pension and Retirement Benefits	7,950,856	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	7,950,856	-

Notes To The Financial Statements (Continued)

10. Acquisition Of Assets

<u>Non- financial assets</u>	2023-2024	2022-2023
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	-
Refurbishment of buildings	-	-
Construction of roads	-	-
Construction and civil works	126,621,517	214,627,855
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Office and general supplies	-	-
Purchase of office furniture and fittings	31,218,854	25,680,000
Ict equipment software and other Ict Assets	11,550,000	2,000,000
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	169,390,371	242,307,855
<u>Financial assets</u>		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	169,390,371	242,307,855

Notes To The Financial Statements (Continued)

11. Finance Costs

	2023-2024	2022-2023
	Ksh	Ksh
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	-	-

12. Other Payments

	2023-2024	2022-2023
	Kshs	Kshs
PAYE	33,845,370	-
Other Payments	-	-
Total	33,845,370	-

Notes To The Financial Statements (Continued)

13. Cash And Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2023-2024	2022-2023
			Kshs	Kshs
<i>Central bank of Kenya .Tana River County assembly Recurrent Ksh</i>	1000247077	Recurrent	2,673,959	644,138
<i>Central bank of Kenya .Tana River County assembly Development Ksh</i>	1000282282	Development	3,507	477,765
<i>Kenya Commercial Bank Tana River kcb Ksh</i>	1143877578	Kcb Recurrent	159,388	159,388
Kenya commercial bank-Gratuity account Ksh	1169962343	Kcb gratuity	486,467.96	490,788
Total			3,323,322	1,772,079

Note: Amount should be as per amount in the cash book and bank reconciliation statements prepared for each account held. These balances do not include bank balances for self-reporting entities and revenue collection accounts as at reporting date.

13B. Cash In Hand

	2022-2024	2021-2022
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
Total	-	-

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2023-2024	2022-2023
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

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

14. Imprests and Advances

<i>Description</i>	2023-2024	2022-2023
	Kshs	Kshs
Government Imprests	903,500	2,386,800
Salary Advance	-	-
Clearance accounts	-	-
Total	903,500	2,386,000
Breakdown Of Imprest And Salary Advance Per Department	2023/2024	2022/2023
	Kshs	Kshs
Imprests		
Sergeant At Arm department	331,500	1,000,000
Clerks Department	572,250	1,386,000
Sub-Total	903,500	2,386,000
Salary Advance		
Department	-	-
Department	-	-
Sub-Total	-	-
Grand Total	-	-

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

Notes To The Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Deposits	-		-	
Retentions	-		-	
Total	-		-	
Ageing analysis (third party deposits and advances)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

16. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Accounts	1,772,079	1,626,788
Cash In Hand		
Imprests	2,386,800	
Third party deposits and retentions		
Total	4,158,879	1,626,788

17. Changes In Imprests and Advances

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Imprests and Advances As At 1 st July 2023	2,386,800	-
Closing Imprests and Advances As At 30 th June 2024	903,500	2,386,800
Change In Imprests and Advances	1,483,300	2,386,800

18. Changes In Third-Party Deposits and Retentions

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 st July 2023	-	-
Closing Third Party Deposits and Retention As At 30 th June 2024	-	-
Change In Third Party Deposits and Retention	-	-

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Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	2022-2023	Additions for the year	Paid during the year	2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	-	-	-	-
Construction Of Civil Works	-	-	-	-
Supply Of Goods	-	-	-	-
Supply Of Services	-	-	-	-
Total	-	-	-	-

2. Pending Staff Payables (See Annex 2)

	2022-2023	Additions for the year	Paid during the year	2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Michael Justin Nkaduda	2,500,000	-	-	2,500,000
Others	-	-	-	-
Total	2,500,000	-	-	2,500,000

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Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	2022-2023	Additions for the year	Paid during the year	2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	52,984,001	33,845,370	19,138,631
Amounts due to NSSF	-	4,296,000	-	4,296,000
Amounts due to third parties(Car loan and Mortgage)	125,264,992	26,391,899	9,018,493	142,638,398
Total	125,264,992	83,671,900	42,863,863	166,073,029

4. External Assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

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

a) External assistance relating loans and grants

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received as loans	-	-

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External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023-2024	2022-2023
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

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

c) Classes of providers of external assistance

	2023-2024	2022-2023
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(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

	2023-2024	2022-2023
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc.

N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement. The totals here tie with line 3 of note 4.)

e. Purpose and use of external assistance.

Payments Made By Third Parties	2023-2024	2022-2023
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	-	-

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Finance Costs, Including Loan Interest	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used. (The total here should tie to the note 4 on external assistance)

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

	2023-2024	2022-2023
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(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

	2023-2024	2022-2023
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-

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International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(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	2023-2024	2022-2023
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:

	2023-2024	2022-2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	112,250,489	318,319,659
Key Management Compensation (Clerk and Heads of departments)	-	-
Total Compensation to Key Management	112,250,489	318,319,659
<u>Transfers to related parties</u>		-
Transfers to other County Government Entities such as car and mortgage schemes	-	117,200,000
Transfers to other entities under the Assembly		-
Total Transfers to related parties	-	117,200,000
<u>Transfers from related parties</u>		-
Transfers from the CRF	969,683,040	947,412,490
Payments made on behalf of the County Assembly by other Government Agencies		-
(Insert any other transfers received)		-
Total Transfers from related parties	969,683,040	947,412,490

7. Contingent Liabilities

Contingent liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court case 1 against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

8. Program for Results (PforR) Disclosure

This disclosure note is for entities that are implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

Name of the PforR:	
Financing Partners:	
Purpose of the PforR:	
Expenditure Details	Amount in Kshs
Cumulative actual expenditures for the previous years	-
Actual expenditure in the current financial year.	-
1. Employee Cost	-
2. Use of goods and Services	-
3. Grants and Subsidies	-
4. Building of ECDE facilities	-
5. Others (specify)	-

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Sub-total	
Cumulative Actual Expenditures to date	-

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.

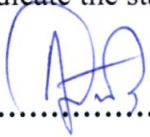
We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
1.1	Processing of salaries and allowances outside the integrated personnel and payroll Data Base (IPPD)	Position remains the same	Not resolved	30 th june 2025
1.2	Failure to deduct service charge on third party deduction	Position remains the same	Not resolved	30 th june 2025
1.3	Regularity of Hr Management Practises	Position remains the same	Not resolved	30 th june 2025

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Guidance Notes:

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



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Clerk of the County Assembly

Date 13/11/2024

Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
			a	b	c	d=a+b-c	
Construction Of Buildings							
1.							

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Supplier of Goods or Services	Date invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Sub-Total							
Construction Of Civil Works							
2.							
Sub-Total							
Supply Of Goods							
3.							
Sub-Total							
Supply Of Services							
4.							
Sub-Total							
Grand Total							

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.

Annex 2 – Analysis Of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		

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Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Michael Justin Nkaduda		20/5/2023	2,500,000	-	2,500,000		
1.							
Sub-Total		20/5/2023	2,500,000	-	2,500,000		
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total		20/5/2023	2,500,000	-	2,500,000		

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Annex 3 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
1. Kenya revenue Authority	Principal tax	26/9/2023	52,984,001	33,845,370	19,138,631		
Sub-Total			52,984,001	33,845,370	19,138,631		
Amounts Due To County Govt Entities							
2.							
Sub-Total							
Amounts Due To Third Parties							
3. Car loan and mortgage	Amount due to car loan and mortgage	2/4/2023	151,656,891	9,018,493	142,638,398		
Sub-Total			151,656,891	9,018,493	142,638,398		
4. National social security fund	NSSF		4,296,000	-	4,296,000		
Sub-Total							
Grand Total			208,936,892	42,863,863	166,073,029		

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Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2022-2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2024
Land	92,463				92,463
Buildings and structures	376,928,664	126,621,517	-	-	503,550,181
Transport equipment	77,083,925	-	-	-	77,083,925
Office equipment, furniture and fittings	46,175,735	31,218,853	-	-	77,394,588
ICT equipment	15,931,012	11,550,000	-	-	27481,012
Machinery and equipment					
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
Total	516,211,799	169,390,370	-	-	685,602,169

*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.*

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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
GABABO KALME HUSSEIN	02/04/2024	331,500	-	331,500
GODANA ABUBAKAR	02/04/2024	152,250	-	152,250
JUMA ALI DIDO	02/04/2024	420,000	-	420,000
Total		903,500		903,500

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(b) Salary Advance

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

Annex: 6 Reporting of Climate Relevant Expenditures

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

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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

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Annex 8: Contingent Liabilities Register

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