

REPUBLIC OF KENYA



Enhancing Accountability

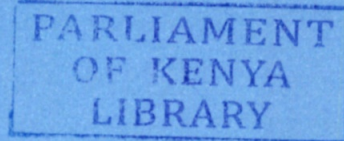
REPORT

| PAPERS LAID | |
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| DATE | 6/3/2024 |
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| COMMITTEE | — |
| CLERK AT THE TABLE | Angela |

OF

THE AUDITOR-GENERAL

ON



COUNTY ASSEMBLY OF NAROK

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



NAROK COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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

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1. 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.

2. Key Entity Information and Management

(a) Background information

The Narok County Assembly 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 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 19 Nominated to represent special groups. 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 Narok County Assembly's day-to-day management is under the following key organs:

| No. | Designation | Name |
|-----|----------------------------------|---------------------------|
| 1. | Speaker of the County Assembly | Hon. Davies Solian Dikirr |
| 2. | Clerk of the County Assembly | Joseph Kasaine Lengeny |
| 3. | Deputy Clerk | Justus Sinoyia Yiaile |
| 4. | Principal Finance Officer | CPA Peter Shakamae Tianta |
| 5. | Principal Human Resource Officer | Gedion Langat |

(c) Fiduciary Management

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

| No. | Designation | Name |
|-----|----------------------------------|---------------------------|
| 1. | Clerk of the County Assembly | Joseph Kasaine Lengeny |
| 2. | Deputy Clerk | Justus Sinoyia Yiaile |
| 3. | Principal Finance Officer | CPA Peter Shakamae Tianta |
| 4. | Principal Human Resource Officer | Gedion Langat |

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

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

- i. Audit Committee Activities
- ii. Finance Committee Activities
- iii. Public Accounts and Investments Committee
- iv. Budget and Appropriation Committee

i. Audit Committee

The County Assembly has an independent Audit Committee which was constituted in 2022 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

iii. Finance and Economic Planning Committee

The Finance and Economic Planning Committee carries an oversight role through the following functions:

- (a) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue.
- (b) To investigate all matters relating to oversight of County Government expenditure and all County Funds management.
- (c) To examine Bills related to revenue collection including the Finance Bill.
- (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly.
- (e) To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization.

iv. Public, Accounts and Investments Committee

In the Narok County Assembly, the Public Accounts and Investments Committee comprises of five members tabulated below: -

| No. | Name | Position |
|-----|-----------------------------|------------------|
| 1. | Hon. Elijah Kutingala | Chairperson |
| 2. | Hon. Cynthia Sintei Nchoe | Vice Chairperson |
| 3. | Hon. Erastus Kimiti Lemiso | Member |
| 4. | Hon. Kisotu Salaash Nickson | Member |
| 5. | Hon. Simon Lenguyia Kilonga | Member |

Mandate of the Committee

The County Assembly's Public and Investments Committee has the following oversight roles –

- a. The examination of the accounts showing the appropriations of the sum Voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think Fit.
- b. The examination of the reports, accounts and workings of the county public investments;
- c. The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

Provided that the Committee shall not examine any of the following, namely:

- a. Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
- b. Matters of day-to-day administration; and,
- c. Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

v. Budget and Appropriation Committee

The Budget and Appropriation Committee carries an oversight role through the following functions: -

- a. Investigating and inquiring into and report on all matters related to coordination, control and monitoring of the county budget;

- b. Discussing and reviewing the estimates and make recommendations to the County Assembly;
- c. Examining the County Budget Policy Statement presented to the County Assembly;
- d. Examination of bills related to the County budget, including Appropriations bills; and
- e. Evaluation of tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(e) Narok County Assembly Headquarters

P.O. Box 19-20500
Narok County Assembly Building,
Mau-Narok Road Narok Town,
NAROK, KENYA

(f) Narok County Assembly Contacts

Telephone: (254) 020688878
E-mail: narokcountyassembly@gmail.com
Website: www.narokassembly.go.ke

(g) Narok County Assembly Bankers

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

(h) Independent Auditor

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

(i) Principal Legal Adviser

The Attorney General
State Law Office

Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(j) County Attorney

Narok County Headquarters
P.O. Box 898-20500
Narok.

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Narok County Government. 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:

SELECT COMMITTEES

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 four meetings in FY 2023. The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------|------------------|-----------|
| Hon. Davis Solian Dikirr | Chairperson | Speaker |
| Hon. Dapash Isaac Salau | Vice Chairperson | Melili |
| Hon. Caroline Nangeya | Member | Nominated |
| Hon. Mark Mukut | Member | Keyian |
| Hon. Lilian Mbuthia | Member | Nominated |

b) 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. The members who served in the committee during the year were:

| Member | Designation | Ward |
|---------------------------------|------------------|-------------|
| Hon. Kutingala Elijah Maison | Chairperson | Ildamat |
| Hon. Cynthia Sinte Nchoe | Vice Chairperson | Nominated |
| Hon. Kimiti Erastus Lemiso | Member | Keekonyokie |
| Hon. Kisotu Salaash Nickson | Member | Suswa |
| Hon. Simon Lenguyia Kilonga, | Member | Nominated |

c) 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. Timothy Mako | Chairperson | Naikarra |
| Hon. Mercy Resiato Keiwua | Vice Chairperson | Nominated |
| Hon. Dominic Sonkoi Lemein | Member | Ololulunga |
| Hon. Kennedy Kipsang Mibei | Member | Mogondo |
| Hon. Supuko Leah Naikanae | Member | Nominated |

d) County Assembly Business Committee

The Committee Consider such matters as may from time to time arise in connection with the business of the County Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the County Assembly.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-----------------------------|------------------|------------|
| Hon. Davis Solian Dikirr | Chairperson | Speaker |
| Hon. Dominic Sonkoi Lemein | Vice Chairperson | Ololulunga |
| Hon. Dapash Isaac Salau | Member | Melili |
| Hon. Wilson Mateya Murguyia | Member | Olorropil |
| Hon. Kipsang Mibei, Kennedy | Member | Mogondo |

e) Committee on Selection

The Committee on Selection shall nominate and propose replacements of members to serve in Committees, save for the membership of the County Assembly Business Committee and Committee on Appointments.

The Committee on Selection shall be appointed within ten days on assembly of a new County Assembly.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|------------------------------|------------------|-------------|
| Hon. Dominic Sonkoi Lemein | Chairperson | Ololulunga |
| Hon. Wilson Mateya Murguyia | Vice Chairperson | Olorropil |
| Hon. Kipsang Mibei, Kennedy | Member | Mogondo |
| Hon. Erastus Lemiso Kimiti | Member | Keekonyokie |
| Hon. Kipronoh Ezekiel Koskey | Member | Ilkerin |

f) Committee on Appointments

The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Articles 179(2) (Members for County Executive Committees).

The quorum of the Committee on Appointments shall be half of the Members of the Committee, but the Speaker shall not be counted for the purposes of quorum and shall not vote.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|------------------------------|------------------|------------|
| Hon. Davis Solian Dikirr | Chairperson | Speaker |
| Hon. Dominic Sonkoi Lemein | Vice Chairperson | Ololulunga |
| Hon. Wilson Mateya Murguiyia | Member | Olorropil |
| Hon. Leah Naikanai | Member | Nominated |
| Hon. Mark Mukut | Member | Keyian |

g) County Assembly Procedure and Rules Committee

The County Assembly Procedure and Rules Committee may propose amendments to these Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-----------------------------|------------------|------------------|
| Hon. Davis Solian Dikirr | Chairperson | Speaker |
| Hon. Margaret Nenkai Yenko | Vice Chairperson | Nominated |
| Hon. Dapash Isaac Salau | Member | Melili |
| Hon. Leina Morintat | Member | Kilgoris Central |
| Hon. Ezekiel Kiprono Koskey | Member | Ilkerin |

h) Committee on Implementation

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

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|------------------------------|------------------|------------|
| Hon. Naimodu James Leparan | Chairperson | Olpusimoru |
| Hon. Immaculate PISOI Sonkoi | Vice Chairperson | Nominated |
| Hon. Kutingala Elijah Maison | Member | Ildamat |
| Hon. Alice Chepkirui Kering | Member | Nominated |
| Hon. Ezekiel Kiprono Koskey | Member | Ilkerin |

i) Committee on Delegated County Legislation

The Committee shall consider in respect of any statutory instrument whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-----------------------------|------------------|------------------|
| Hon. Leina Morintat | Chairperson | Kilgoris Central |
| Hon. David Lekuta Sulunye | Vice Chairperson | Melelo |
| Hon. Grace Nyamalo Liriam | Member | Nominated |
| Hon. Kennedy Kipsang Mibei | Member | Mogondo |
| Hon. Moses Olaimeru Yiampoi | Member | Shankoe |

j) Audit Committee

The audit committee was constituted in 1st February 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held four meetings in FY 2022-2023. The committee members during FY 2022-2023 were:

| Member | Designation |
|--------------------------|-------------|
| Vincent Nkaiwatei | Chairman |
| Emmanuel Kisimir | Member |
| Leseyio Koila | Member |
| Francis Saitoti Naisuaku | Secretary |
| Mary Kiminta | Member |

SECTORAL COMMITTEES

a) Agriculture

The Committee deals with all matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries;

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|-----------|
| Hon. Duncun Bore | Chairperson | Ilmotiok |
| Hon. Caroline Nayiano Meibuko | Vice Chairperson | Nominated |
| Hon. Margaret Nenkai Yenko | Member | Nominated |
| Hon. Mark Mukut | Member | Keyian |
| Hon. Jefferson Langat Kipkirui | Member | Nominated |

b) Environment, water and Natural Resources

The Committee deals with the Implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|------------|
| Hon. Leah Naikanae | Chairperson | Nominated |
| Hon. Sangau Ntokoiyuan Wuantai | Vice Chairperson | Kimintet |
| Hon. David Lekuta Ole Sulunye | Member | Melelo |
| Hon. Grace Liaram | Member | Nominated |
| Hon. Dominic Sonkoi Lemein | Member | Ololulunga |

c) Health Services

The committee deals with all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlors and crematoria and refuse removal, refuse dumps and solid waste disposal.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|----------------|
| Hon. Joseph Kibeigo Koech | Chairperson | Angata Barikoi |
| Hon. Susan Kutingala | Vice Chairperson | Nominated |
| Hon. Hillary Kipngeno Sitienei | Member | Sogoo |
| Hon. Caroline Nangeya | Member | Nominated |
| Hon. Mark Mukut | Member | Keyian |

d) Gender, youth ,sports and Community services

The Committee deals with all matters related to public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, cinemas, video shows and hiring, libraries, museums, sports and facilities and county parks, beaches and recreation facilities; fire fighting services and disaster management, control of drugs and pornography.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------|--------------------|-------------|
| Hon. Jefferson K. Langat | Chairperson | Nominated |
| Hon. Angela Pererwan | Vice Chairperson | Nominated |
| Hon. Caroline Meibuko | Member | Nominated |
| Hon. Sangau Ntokoiyuan | Member | Kimintet |
| Hon. Duncun Bore | Member | Ilmotiok |

e) Transport and Public Works

The Committee deals with all matters related to county transport, including county roads, street lighting, traffic and parking, public road Planning, Trade, Tourism and Cooperatives, transport and ferries and harbors, excluding the regulation of international and national shipping and matters related thereto; county public works and services including storm water management systems in built-up areas and water and sanitation services.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-------------------------------|------------------|-----------|
| Hon. Eliud Maika Ologerso | Chairperson | Mosiro |
| Hon. Caroline Nangeya | Vice Chairperson | Nominated |
| Hon. Moses Olaimer Yiampoi | Member | Shankoe |
| Hon. Caroline Meibuko | Member | Nominated |
| Hon. David Lekuta Sulunye | Member | Melelo |

f) Early Childhood Education, Children, ICT and Vocational Training

The committee deals with matters related to early childhood education, pre-primary education, village polytechnics, and home craft centers; all matters relating to gender affairs, children's welfare; heritage, public entertainment, public amenities, recreation centers and libraries.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|---------------------------------|------------------|-----------|
| Hon. Margaret Nenkai Yenke | Chairperson | Nominated |
| Hon. Stephen Kiprotich Koech | Vice Chairperson | Sagamian |
| Hon. Caroline Nangeya | Member | Nominated |
| Hon. Jackson Ng'ok Kipkorir | Member | Kapsasian |
| Hon. Shuma Manchau Olonoku | Member | Loita |

g) Labor and Social Welfare,

The Committee deals with all matters relating to gender, youth, people with disability children's welfare and elderly citizens labor, trade union relations, man power or human resource planning.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|----------------|
| Hon. Mark Mukut | Chairperson | Keyian |
| Hon. Jackson Ng'ok Kipkorir | Vice Chairperson | Kapsasian |
| Hon. Joseph Kibeigo Koech | Member | Angata-Barikoi |
| Hon. Samwel Towet | Member | Ololmasani |
| Hon. Moses Olaimeri Yiampoi | Member | Shankoe |

h) Justice and Legal Affairs

The Committee deals with the Constitutional affairs, the administration of law and justice, including the elections, ethics, integrity and anti-corruption, human rights and Public Petitions.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-----------------------------------|------------------|------------------|
| Hon. Kipngeno Chepkwony | Chairperson | Mara |
| Hon. Lilian Mbutia | Vice Chairperson | Nominated |
| Hon. Leina Morintat | Member | Kilgoris Central |
| Hon. Hillary Kipngeno Sitienei | Member | Sogoo |
| Hon. Susan Kutingala | Member | Nominated |

i) Tourism, wildlife and Culture

The Committee deals with matters relating to Cultural activities, national government policies on tourism, local tourism and wildlife.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|-------------------------|------------------|-----------|
| Hon. Moses ole Sikona | Chairperson | Siana |
| Hon. Alice Nanana | Vice Chairperson | Nominated |
| Hon. Mercy Resiato | Member | Nominated |
| Hon. Shuma Manchau | Member | Loita |
| Hon. Kipngeno Chepkwony | Member | Mara |

j) Finance and Economic Planning

The Committee Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. Evaluate Economic plans, policies and programs with direct effect on revenue mobilization. Overseeing granting and administration of donations and grants; approving taxation measures including interrogation and approving of Finance Bill; identifying and advising on new revenue streams; monitoring implementation of Finance Bill and Finance raising measures; considering requests for borrowing of loans by County Government including consideration of the relevant regulations.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|-----------|
| Hon. Hillary Kipngeno Sitienei | Chairperson | Sogoo |
| Hon. Grace Liaram Ntutu | Vice Chairperson | Nominated |
| Hon. Kennedy Kipsang Mibei | Member | Mogondo |
| Hon. Moses Sikona | Member | Siana |
| Hon. David Lekuta Ole Sulunye | Member | Melelo |

k) Lands, physical Planning, Trade and Cooperatives development

The committee deals with all matters related to County Planning and Development, including statistics, Land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation.

Trade development and regulation including markets, trade licenses (excluding regulation of professions), and fair trading practices, and cooperative societies and industrialization.

The committee members during FY 2022-2023 were:

| Member | Designation | Ward |
|--------------------------------|------------------|------------------|
| Hon. Manchau Shuma | Chairperson | Loita |
| Hon. Moses Olaimeri Yiampoi | Vice Chairperson | Shankoe |
| Hon. Leina Morintant | Member | Kilgoris Central |
| Hon. Alice Nanana | Member | Nominated |
| Hon. Grace Liaram | Member | Nominated |

Communication with all Stakeholders

Narok County Assembly 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 Narok County Assembly held an Annual consultative meeting in 2022 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.

Narok County Assembly also subjected 12 bills through public participation.

Risk management

Narok County Assembly has the following in mitigating risks in the organisation:

- Narok County Assembly has developed a formal risk management framework that outlines the process, roles, and responsibilities for risk identification and assessment.
- Narok County Assembly has formed a dedicated committee responsible for monitoring and assessing changes in the internal and external environment.
- Narok County Assembly has provided training to county assembly members and staff on risk analysis techniques and how to interpret and respond to risk assessments.

- Narok County Assembly has maintained transparent financial reporting and disclosure of financial information to the public through accessible channels, encouraged public participation in budgetary processes to enhance accountability.
- Narok County Assembly has established a comprehensive internal control framework that includes policies, procedures, and guidelines for financial and operational controls. Ensure segregation of duties to prevent any single individual from having control over a critical process from the start to the end.
- Narok County Assembly has implemented budget controls to track and monitor expenditures against the approved budget. Conduct regular financial audits by internal auditors to detect any irregularities or fraud.

Compliance

The Narok County Assembly identifies the relevant laws and regulations that govern it and discloses its compliance to these laws. The reports emanating from such compliance are prepared and discussed at the relevant levels and other government offices.

4. Foreword by the Clerk of the Assembly

The core mandate of County Assembly is to legislate and ensure good governance through the oversight role of the Assembly. For this to be achieved, budget provision is made to improve capacity for Members of County Assembly to make laws, fully participate in the Budget making process and also improve capacity for staff through capacity building programmes and also leveraging usage of information communication technology. These entails adequate funding to ensure that County Assembly efficiently and effectively fulfils constitutional functions in a representative system of County Government.

(i) Budget performance

The County Assembly was allocated a budget of **Kshs.1,208,955,593** in the **FY 2022/2023** which comprised of **Kshs.1,108,955,593** for recurrent expenditure and **Kshs.100,000,000** for Development Expenditure respectively.

Out of the sum allocated the County Assembly received from the exchequer Kshs.1,085,575,145 against an expenditure of Kshs.1,085,512,368 thus resulting to an absorption rate of 90%.

(ii) Operational Performance

The Narok County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 18th May 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There were two (2) number of supplementary budgets passed in the year. The supplementary budgets were approved on 12th December 2022 and 22nd June 2023 Respectively. A high-level assessment of the Narok County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison of budget and actual amounts included in these financial statements.

2.2.1 Laws and Policies Passed during the Financial Year 2022/23

During the financial year 2022/2023, the Narok County Assembly passed the following laws and regulations:

| NO. | BILL/POLICY/PAPER | DATE PASSED | PURPOSE |
|-----|--|--------------------------------|---|
| 1. | Narok County Supplementary (1) Appropriation Bill, 2022/ 2023 | 6 th December 2022 | To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2022/2023. |
| 2. | Narok county finance bill ,2022/2023 | 13 th December 2022 | To provide for charges, fines and fees to aid the County in revenue collection. |
| 3. | (a) Maasai Mara national reserve management plan 2023-2032 | 21 st Feb 2023 | Provides a framework for the management and conservation of the Maasai Mara national reserve. |
| 4. | Greater Maasai Mara ecosystem management plan 2023-2032 | 21 st Feb 2023 | To provide a management framework on the Conservancies around Maasai mara National Reserve. |
| 5. | Narok county physical and land use development plan 2023-2032 | 21 st Feb 2023 | To provide a 10 year planning of the County Government on all Land use programs and projects. |
| 6. | County fiscal strategy paper 2023/2024 | 29 th march 2023 | Provides for the Budget ceiling of the budget for financial year 2023/2024. |
| 7. | Narok County Climate Action Plan 2023-2027 and The Narok County Participatory Climate Risk Assessment Report ,2023 | 30 th May 2023 | Provides for guiding frameworks for the establishment and use of the Climate change funds and financing. |
| 8. | Narok County Government supplementary (ii) Budget estimates for FY 2022/2023 | 22 ND June 2023 | To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2022/2023. |
| 9. | County Integrated Development Plan 2023-2027 | 27 th June 2023 | To provide a 5 year planning framework for the County Government on various suitable projects and programs. |
| 10. | Narok County Annual Development Plan for FY 2023/2024 | 27 th June 2023 | Provides for the Annual projects to be financed by the County Government for the financial year 2023/24. |
| 11. | Narok County Budget Estimates for FY 2023/2024 | 27 th June 2023 | To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024. |
| 12. | Narok County Government Appropriation Bill for FY 2023/2024 | 27 th June 2023 | To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024. |

2.2.2 Narok County Assembly Committees and Mandates

During the financial year 2022/2023, the Narok County Assembly had the following five (5) highlighted county assembly committees.

| S/No. | Name of Committee | Mandate | Successes |
|-------|--|---|---|
| 1. | Public, Investments and Accounts Committee (PIAC) | (a) Examination of the accounts showing the appropriations of the sum Voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think Fit. (b) Examination of the reports, accounts and workings of the county public investments; (c) Examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices: | Tabling and discussion of Auditor General's Reports |
| 2. | Environment & Natural Resources Committee | Implementation of specific National Government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising. | Development of the Narok County Climate Change Fund Act, 2023 |
| 3. | The Planning, Trade, Tourism And Co-Operatives Environment Committee | (a) All matters related to County Planning and Development, including statistics, Land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation. (b) Trade development and regulation including markets, trade licenses (excluding regulation of professions), and fair trading practices, local tourism and cooperative societies. | Development of the Maasai Mara Community Support Fund (Amendment) Act, 2020 |
| 4. | Budget and Appropriations Committee | (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 County Assembly; (c) Examine the County Budget Policy Statement presented to the County Assembly; | Appropriation Bill 2022 Finance Bill 2023 Annual Development Plan 2023 County Fiscal Strategy Paper 2022 |

| | | | |
|----|---|--|---|
| | | (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. | County review and Outlook Paper Supplementary I Bill 2023 Supplementary II Bill 2023 |
| 5. | Finance and Economic Planning Committee | (a)To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. (b)To investigate all matters relating to oversight of County Government expenditure and all County Funds management. (c)To examine Bills related to revenue collection including the Finance Bill. (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly. (e)To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization. | Passing of: - Annual Development Plan 2023 County Fiscal Strategy Paper 2023 County review and Outlook Paper |

(iii) Performance of key development projects

Narok County Assembly constructed and renovated offices and ward offices for members of the County Assembly as per the approved budget. This offices at the ward level will reduce the cost of hiring offices for members of County Assembly and helps in engaging with key stakeholders at the ward level.

(iv) Comment on value-for-money achievements

The funds were fairly utilized as per the Execution of programmes and sub programmes.

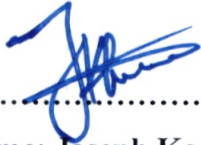
(v) Challenges and Recommended Way Forward

The county assembly still faces the following challenges and constraints in budget implementation

- Delay in disbursement of funds from the National Treasury.
- High public expectations.

The County Assembly will in future ensure that there is good working relationship with the County Executive to enable timely disbursement of funds.

The County Assembly will in future ensure that more bills are passed as per the public expectations.



.....
Name: Joseph Kasaine Lengeny
Clerk of the Narok County Assembly

5. Statement of Performance against County Assembly Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of Narok County Assembly 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 Narok is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output.

Below were the expected outputs of the Assembly in FY 2022/2023.

Summary of the Programme Outputs and Performance Indicators for FY 2022/2023

| Programme | Objective | Outcome | Indicator | Performance | Remarks (Explain the reasons underperformance/Overperformance) |
|---------------------------------------|---|---|--|---|--|
| Legislation and Representation | | | | | |
| Legislative Oversight | To provide a tool for monitoring progress of County Assembly programmes/policies and assures accountability, transparency and value for money goods and services. | Bills passed | Number of bills passed in a financial year | In FY. 2022/2023, Narok County Assembly passed 12 bills and County policies | Within the time frame |
| County Co-ordination | To provide a tool for monitoring progress of County Assembly programmes/policies and assures | Meetings held to involve public in major decision making. | Number of meetings held. | In FY. 2022/2023, a total of 36 county coordination | Within the time frame |

| | | | | | |
|---|--|---|--|--|-----------------------|
| | accountability, transparency and value for money goods and services. | | | meetings were held | |
| Research and Policy | To promote of research and policy formulation. | Research and policy proposals financed | Number of research and policy proposals financed in various fields. | During the financial year, 2 research and policy proposals financed | Within the time frame |
| General Administration and Planning Services | | | | | |
| Administration | To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives. | Maintenance of proper accounting records that can enhance accountability and transparency in the management of public resources | The extent to which efficiency and effectiveness is achieved. | The administration services were well done during the financial year 2022/2023 | Within the time frame |
| Legal and Public Affairs | To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives. | Efficient communication and service delivery. | Improved information and communication technology infrastructure in the County Assembly. | The legal and public affairs services were well done during the financial year 2022/2023 | Within the time frame |
| Board Management Service | To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives. | To provide effective and efficient coordination of support services to the attainment of | County assembly service management policy. Guideline on implementation | The County Assembly Service Board services were well done during the | Within the time frame |

| | | | | | | |
|--|--|---|--|-------------------|-----------------------------|--|
| | | county assembly strategic objectives | of developed circulated within assembly. | pas and the | financial year 2022/2023 | |
|--|--|---|--|-------------------|-----------------------------|--|

6. Corporate Social Responsibility Statement/Sustainability Reporting

Narok County Assembly 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 (3) 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 County Assembly sustainability is assured through the existence of County Governments Act 2012 that establishes the County Assemblies in Kenya. The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental Sustainability

We are dedicated to fostering environmental sustainability through improving in our ecological footprint, conserving natural resources, and promoting responsible resource management through legislation and civic education.

c) Employee welfare

The County Assembly Service Board as an employer is under obligation to provide free medical treatment or make provision for adequate medical care for its employees. The County Assembly Service Board shall provide medical cover as per the Salaries and Remuneration Commission advice. The amount of the cover will be determined by the County Assembly Service Board from time to time subject to SRC Circular in force.

Training programs comprise both short and long term courses in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance.

County Assembly Service Board design specific in-house training programs as a method of developing training interventions which address identified training needs. In designing training programs HRM&D should ascertain the availability of: -

- Professional qualified and experienced trainers;
- Training programs that are cost-effective; and
- An effective evaluation and feedback system to assess the impact of training on Performance.

d) Market place practices-

- a) Supply chain and supplier relations is essential for promoting ethical, sustainable, and accountable procurement practices. A responsible supply chain approach ensures that the assembly's purchases and supplier relations align with its commitment to good governance, transparency, and corporate social responsibility.
- b) Ethical practices involve upholding high standards of integrity, transparency, and accountability in all procurement and business activities. These practices are critical for fostering trust among stakeholders, preventing corruption, and ensuring that public resources are used responsibly.
- c) Stewardship of goods and services involve managing public resources efficiently, effectively, and transparently to ensure that the needs of the community are met while upholding principles of accountability, responsibility, and ethical conduct.

e) Community Engagements-

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.

7. 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2023, and of its financial position as at 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 Narok
Narok County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 1/12/ 2023.



.....
Name: Joseph Kasaine Lengeny
Clerk of the County Assembly

REPUBLIC OF KENYA

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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 NAROK FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Narok set out on pages 1 to 53, which comprise of the statement of financial assets and liabilities

as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Narok as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances between Financial Statements and Integrated Financial Management Information System (IFMIS) Balances

The financial statements reflect amounts that differ with Integrated Financial Management Information System records as detailed below;

| Particulars | Financial Statements Kshs. | IFMIS Balances Kshs. | Variance Kshs. |
|--|---------------------------------------|---------------------------------|---------------------------|
| Compensation of employees | 501,939,299 | 367,584,710 | 134,354,589 |
| Use of goods and services | 292,291,885 | 210,487,906 | 81,803,979 |
| Transfer to Other Government Entities | 235,000,000 | 245,000,000 | 10,000,000 |
| Acquisition of assets | 56,281,181 | 55,421,368 | 859,813 |
| Government Imprests | 0 | 7,496,367 | 7,496,367 |
| Domestic debtors and Advances | 0 | 11,518,161 | 11,518,161 |
| Provision for encumbrance | 0 | 307,419,569 | 307,419,569 |
| Development Bank Account | 0 | 70,692,149 | 70,692,149 |

In the circumstances, the accuracy and completeness of balances reflected in the financial statements could not be confirmed.

2. Inaccuracy in Expenditure on Compensation of Employees

The statement of receipts and payments reflects expenditure on compensation of employees of Kshs.501,939,299 as disclosed in Note 4 to the financial statements. However, the payroll by product reflects an amount of Kshs.504,259,996 resulting to unreconciled variance of Kshs.2,320,697.

In the circumstances, the accuracy and completeness of expenditure on compensation of employees of Kshs.501,939,299 could not be confirmed.

3. Acquisition of Assets

The statement of receipts and payments reflects expenditure on acquisition of assets of Kshs.56,281,184 out of which Kshs.23,532,108 was paid to ten (10) contractors for renovation of various buildings and structures. However, the renovation works were not supported by pre and post inspection reports by the Department of Public Works. It was therefore not possible to ascertain the scope of the renovation works carried out. Further, the expenditure includes an amount of Kshs.5,780,357 that is not related to refurbishment of buildings and structures.

In the circumstances, the occurrence, completeness and accuracy of expenditure on acquisition of assets of Kshs.56,282,184 could not be confirmed.

4. Pending Accounts Payable

Other disclosure Notes to the financial statements reflects pending accounts payable balance of Kshs.30,887,215. However, review of records revealed that the County Assembly owed the Local Authority Provident Fund (LAPFUND) contributions in arrears (principal amount and interest) of Kshs.103,647,243 out of which Kshs 34,843,561 was paid leaving a balance of Kshs.68,803,682 which was not disclosed in the financial statements. Further, contributions due to Local Authorities Pensions Trust (LAPTRUST) of Kshs.11,104,350 were not remitted and had accrued interest amounting to Kshs.70,678,826 as at 30 June, 2023. The amount was similarly not disclosed in the financial statements submitted for audit.

In addition, accounts payable balance includes suppliers of services amount of Kshs.28,880,255 which further includes Kshs.4,500,000 payable to a law firm for legal services. However, the fee notes for the legal services did not indicate the nature of services offered. Further, procurement records and signed contract for the provision of the legal services were not provided for audit. It was therefore not possible to confirm whether the legal fees commitment was as per the rates prescribed by the Law Society of Kenya.

In the circumstances, the validity, completeness, accuracy and presentation of accounts payables balance of Kshs.30,887,215 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Narok Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified Opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development reflects final receipts budget and actual amount on a comparable basis of

Kshs.1,208,955,593 and Kshs.1,085,575,145 respectively, resulting to an underfunding of Kshs.123,380,448 or 10% of the budget. Similarly, the statement reflects total expenditure budget of Kshs.1,208,955,593 against an actual on comparable basis of Kshs.1,085,512,368 resulting in overall under-expenditure of Kshs.123,443,225 or 10% of the approved budget. The underfunding and under-expenditure impact negatively on the delivery of services to the residents of Narok County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non Compliance with the Law on Settlement of Accounts Payables

Annex 1 to the financial statements reflects analysis of pending accounts payable of Kshs.30,887,215 relating to 2020/2021 and earlier years. However, Management has not provided any explanation for failure to settle the bills as first charge in compliance with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which prioritize debt payments as a first charge. Further, the documentary evidence in support of pending accounts payables were not provided for audit.

In the circumstances, County Assembly was in breach of the Law.

2. Non Compliance with the Law on Audit Reports Deliberations and Implementation of Senate Recommendations

As previously reported, the County Assembly has not submitted a report on how it has addressed the Senate recommendations and findings of audit reports for the years 2013/2014 to 2020/2021. This is contrary to Section 31(1)(a) of the Public Audit Act, 2015 which states within three months after Parliament has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. Further, the Assembly has not deliberated on the Auditor-General's reports for the years 2013/2014 to 2020/2021. The issue remained unresolved as at 30 June, 2023.

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

3. Non-Compliance with the One Third of Basic Salary Rule

During the year ended 30 June, 2023, thirty-five (24) employees earned a net salary of less than a third (1/3) of the basic salary. This is contrary to Section D22(2) of the County Public Service Human Resource Manual and Section 19(3) of the Employment Act, 2007 which requires that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay. The Management has not given explanation for failure to comply with the law.

In the circumstances, Management was in breach of the law while staff are at risk of being of pecuniary embarrassment to the County Assembly.

4. Non-Remittance of Statutory Deductions

Review of documents provided for audit revealed that the Assembly deducted pension totalling Kshs.11,104,350 for Local Authorities Pensions Trust. However, no documentary evidence was provided to support of remittance of the deductions.

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

5. Non-Compliance with Law on Non Current Assets

Annex 4- summary of non-current asset register to the financial statements reflects the asset balance of Kshs.200,829,252. The balance includes buildings and structures of Kshs.153,161,258. However, the value of land on which the buildings and structures stand has not been disclosed. This is contrary to Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires Counties to record each parcel of land and each building and the terms on which it they are held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms and maintenance contracts. Further, the title of the land was not provided for audit.

Further, included in the summary of non-current asset balances is transport equipment valued at Kshs.17,840,000 which were grounded for which management has not indicated plans for their repairs and putting into use.

In the circumstances, value for money on expenditure on non-current assets could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

During the year under review, the County Assembly did not have a Risk Management Policy in place and therefore had no approved processes and guidelines on how to mitigate operational, legal and financial risks of the County Assembly.

In the circumstances, the effectiveness of Management to identify and mitigate emerging risks in the day to day operations could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Assembly's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2024

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

| | | FY 2022-2023 | FY 2021-2022 |
|--|------|----------------------|--------------------|
| | Note | KShs | KShs |
| Receipts | | | |
| Transfers from the CRF | 1 | 1,085,575,145 | 812,941,728 |
| Proceeds from sale of assets | 2 | - | - |
| Miscellaneous receipts | 3 | - | - |
| Total receipts | | 1,085,575,145 | 812,941,728 |
| Payments | | | |
| Compensation of employees | 4 | 501,939,299 | 495,381,980 |
| Use of goods and services | 5 | 292,291,885 | 316,196,638 |
| Subsidies | 6 | - | - |
| Transfers to other government entities | 7 | 235,000,000 | - |
| Other grants and transfers | 8 | - | - |
| Social security benefits | 9 | - | - |
| Acquisition of assets | 10 | 56,281,184 | 1,362,000 |
| Finance costs | 11 | - | - |
| Other payments | 12 | - | - |
| Total payments | | 1,085,512,368 | 812,940,618 |
| Surplus/deficit | | 62,777 | 1,110 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/12/2023 2023 and signed by:



Name: Joseph Kasaine Lengeny
Clerk of the Assembly



Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number:21251

10. Statement of Financial Assets and Liabilities as At 30th June 2023

| | | FY 2022-2023 | FY 2021-2022 |
|--|------|---------------|--------------|
| Financial assets | Note | KShs | KShs |
| Cash and cash equivalents | | | |
| Bank balances | 13A | 65,577 | 2,801 |
| Cash balances | 13B | - | - |
| Total cash and cash equivalents | | - | 2,801 |
| Imprests and Advances | 14 | - | - |
| Total financial assets | | 65,577 | 2,801 |
| Financial liabilities | | | |
| Third party deposits and retention | 15 | - | - |
| Net financial assets | | 65,577 | 2,801 |
| Represented by | | | |
| Fund balance b/fwd | 16 | 2,801 | 1,691 |
| Prior year adjustment | 17 | - | |
| Surplus/(deficit) for the year | | 62,776 | 1,110 |
| Net Financial Position | | 65,577 | 2,801 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/21 2023 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

11. Statement of Cash Flows for the Period Ended 30th June 2023

| | | FY 2022-2023 | FY 2021-2022 |
|--|------|----------------------|--------------------|
| | Note | KShs | KShs |
| Cash flows from operating activities | | | |
| Receipts from operating income | | | |
| Transfers from the CRF | 1 | 1,085,575,145 | 812,941,728 |
| Miscellaneous receipts | 3 | - | - |
| Total receipts from operating income | | 1,085,575,145 | 812,941,728 |
| Payments for operating expenses | | | |
| Compensation of employees | 4 | 501,939,299 | 495,381,980 |
| Use of goods and services | 5 | 292,291,885 | 316,196,638 |
| Subsidies | 6 | - | - |
| Transfers to other government entities | 7 | 235,000,000 | - |
| Other grants and transfers | 8 | - | - |
| Social security benefits | 9 | - | - |
| Finance costs | 11 | - | - |
| Other payments | 12 | - | - |
| Total payments for operating expenses | | - | - |
| Net receipts/(payments) from operating activities | | 56,343,961 | 1,363,110 |
| Adjusted for: | | | |
| Prior year adjustment | 17 | - | - |
| Decrease/(increase) in accounts receivable: | 18 | - | - |
| Increase/(decrease) in accounts payable: | 19 | - | - |
| Net cash flows from operating activities | | 56,343,961 | 1,363,110 |
| Cashflow from investing activities | | | |
| Proceeds from sale of assets | 2 | - | - |
| Acquisition of assets | 10 | (56,281,184) | (1,362,000) |
| Net cash flows from investing activities | | (56,281,184) | (1,362,000) |

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

| | | FY 2022-2023 | FY 2021-2022 |
|--|------|--------------|--------------|
| | Note | KShs | KShs |
| Cash flow From Financing Activities | | - | - |
| Repayment of principal on domestic and foreign borrowing | | (-) | (-) |
| Net cash flow from financing activities | | - | - |
| Net increase in cash and cash equivalents | | 62,777 | 1,110 |
| Cash & cash equivalent at Start of the year | | 2,801 | 1,691 |
| Cash & cash equivalent at end of the year | | 65,578 | 2,801 |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 1/12/2023 and signed by:



.....
Name: Joseph Kasaine Lengeny
 Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
 Principal Finance Officer
 ICPAK Member Number: 21251

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

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|--|--------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | |
| Transfers from the CRF | 856,890,000 | 352,065,593 | 1,208,955,593 | 1,085,575,145 | 123,380,449 | 90% |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| Total | 856,890,000 | 352,065,593 | 1,208,955,593 | 1,085,575,145 | 123,380,449 | 90% |
| Payments | | | | | | |
| Compensation of employees | 537,900,866 | (30,805,500) | 507,095,366 | 501,939,299 | 5,156,067 | 99% |
| Use of goods and services | 198,550,544 | 96,009,152 | 294,559,696 | 292,291,885 | 2,267,811 | 99% |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | 40,438,590 | 266,861,941 | 307,300,531 | 235,000,000 | 72,300,531 | 76% |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | 80,000,000 | 20,000,000 | 100,000,000 | 56,281,184 | 43,718,816 | 56% |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| Total | 856,890,000 | 352,065,593 | 1,208,955,593 | 1,085,512,368 | 123,443,225 | 90% |
| Surplus/ deficit | - | - | - | 62,777 | (62,777) | - |

- During the year, budgetary item achieved a utilization rate of 90% on transfers from the CRF,
- 76% on Transfers to Other Government entities for Car and Mortgages and
- 56% on Acquisition of Assets.

- This was as a result of late disbursement of funds by the National Treasury.
- As at 30 June 2023, the Exchequer releases stood at Kshs.1, 085,575,145 out of the budgeted Kshs.1, 208,955,593 or 90%.
- It was therefore not possible to make all payments by the County Assembly.

The entity financial statements were approved on 1/12/ 2023 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

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

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|--|--------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | |
| Transfers from the CRF | 776,890,000 | 332,065,593 | 1,108,955,593 | 1,029,271,281 | 79,684,311 | 93% |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| Total | 776,890,000 | 332,065,593 | 1,108,955,593 | 1,029,271,281 | 79,684,312 | 93% |
| Payments | | | | | | |
| Compensation of employees | 537,900,866 | (30,805,500) | 507,095,366 | 501,939,299 | 5,156,067 | 99% |
| Use of goods and services | 198,550,544 | 96,009,152 | 294,559,696 | 292,291,885 | 2,267,811 | 99% |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | 40,438,590 | 266,861,941 | 307,300,531 | 235,000,000 | 72,300,531 | 76% |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | - | - | - | - | - | - |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| Total | 776,890,000 | 332,065,593 | 1,108,955,593 | 1,029,271,281 | 79,724,409 | 93% |
| Surplus/ deficit | - | - | - | 40,098 | (40,098) | - |

- During the year, budgetary item achieved a utilization rate of 76% on Transfers to Other Government entities for Car and Mortgages.
- This was as a result of late disbursement of funds by the National Treasury As at 30 June 2023.
- It was therefore not possible to make all payments by the County Assembly.

The entity financial statements were approved on 11/21 2023 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

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

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|--|-------------------|-------------------|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | |
| Transfers from the CRF | 80,000,000 | 20,000,000 | 100,000,000 | 56,303,863 | 43,696,137 | 56% |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| Total | 80,000,000 | 20,000,000 | 100,000,000 | 56,303,863 | 43,696,137 | 56% |
| Payments | | | | | | |
| Compensation of employees | - | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - | - |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | 80,000,000 | 20,000,000 | 100,000,000 | 56,281,184 | 43,718,816 | 56% |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| Total | 80,000,000 | 20,000,000 | 100,000,000 | 56,281,184 | 43,718,816 | 56% |
| Surplus/ deficit | - | - | - | 22,679 | (22,679) | - |

- During the year, budgetary item achieved a utilization rate of 56 % on Acquisition of Assets.
- This was as a result of late disbursement of funds by the National Treasury.
- As at 30 June 2023, the Exchequer releases stood at Kshs. 56,303,863 out of the budgeted Kshs 100,000,000 or 56%.
- It was therefore not possible to make all payments by the County Assembly.

The entity financial statements were approved on 1/12/ 2023 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

13. Budget Execution by Programmes and Sub-Programmes

| Programme/Sub-Programme | Final Budget | Indicators | Outcomes | Actual on comparable basis | Budget utilization difference |
|--|--------------------|------------|-----------|----------------------------|-------------------------------|
| | Kshs | %/ number | %/ number | Kshs | Kshs |
| Programme 1: Legislation and Representation | 911,334,409 | - | - | 836,152,572 | 75,181,837 |
| SP 1.1 County Assembly Headquarters | 221,966,388 | - | - | 221,966,388 | - |
| SP 1.2 Office of the Speaker | 25,213,400 | - | - | 23,491,620 | 1,721,780 |
| SP 1.3 County Assembly Administration | 625,944,157 | | | 554,985,843 | 70,958,314 |
| SP 1.4 County Assembly Legislation | 6,672,000 | | | 6,670,257 | 1 743 |
| SP 1.5 Finance Management Services | 25,781,864 | | | 24,781,864 | 1,000,000 |
| SP 1.6 Policy and Research | 5,756,600 | - | - | 4,256,600 | 1,500,000 |
| | | | | | |
| Programme 2: General Administration and Planning and Support Services | 278,621,184 | - | - | 249,359,796 | 29,261,388 |
| SP 2.1 Administrative Services | 17,954,606 | - | - | 16,420,384 | 1,534,222 |
| SP 2.2 County Assembly Services Board | 26,974,000 | - | - | 24,365,650 | 2,608,350 |
| SP 2.3 Procedure and Committee Services | 152,692,578 | - | - | 152,292,578 | 400,000 |

| Programme/Sub-Programme | Final Budget | Indicators | Outcomes | Actual on comparable basis | Budget utilization difference |
|------------------------------------|----------------------|------------|----------|----------------------------|-------------------------------|
| SP 2.4 County Assembly Development | 100,000,000 | | | 56,281,184 | 43,718,816 |
| Total | 1,208,955,593 | - | - | 1,085,512,368 | 123,443,225 |

14. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

5. Third Party Payments

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

6. Cash and cash equivalents

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

7. Restriction on cash

There were no other restrictions on cash during the year.

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 Narok County Assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled,

such payments are included in the statement of receipts and payments in the year in which the payments are made.

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 Narok County Assembly; 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 Narok County Assembly 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 Narok County Assembly 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 Narok County Assembly 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 Narok County Assembly budget was approved as required by Law and as required by law. The original budget was approved by the County Assembly on 18th May 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There were two supplementary budgets passed in the year. The supplementary budgets were approved on 6th December 2022 and 22nd June 2023 respectively. A high-level assessment of the Narok County Assembly 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 17* explaining the nature and amounts.

18. Related Party Transactions

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

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

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

15. Notes to the Financial Statements

1. Transfer from CRF

| | FY 2022-2023 | FY 2021-2022 |
|---|----------------------|--------------------|
| | Kshs | Kshs |
| Transfers from the county treasury for Q1 | 157,868,499 | 122,435,571 |
| Transfers from the county treasury for Q2 | 216,237,058 | 222,819,842 |
| Transfers from the county treasury for Q3 | 238,600,864 | 205,382,922 |
| Transfers from the county treasury for Q4 | 472,868,724 | 262,303,393 |
| Cumulative amount | 1,085,575,145 | 812,941,728 |

2. Proceeds From Sale of Assets

| | FY 2022-2023 | FY 2021-2022 |
|---|--------------|--------------|
| | 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

| | FY 2022-2023 | FY 2021-2022 |
|---------------------------|--------------|--------------|
| | Kshs | Kshs |
| Insurance Recoveries | - | - |
| Other receipts (specify)* | - | - |
| Total | - | - |

4. Compensation Of Employees

| | FY 2022-2023 | FY 2021-2022 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 253,953,272 | 214,682,945 |
| Basic wages of temporary employees | 8,138,643 | 37,998,345 |
| Personal allowances paid as part of salary | 181,823,102 | 189,265,576 |
| Personal allowances paid as reimbursements | - | - |
| Personal allowances provided in kind | - | - |
| Employer contribution to compulsory national social schemes | 417,100 | 820,800 |
| Employer contribution to compulsory national health insurance schemes | - | - |
| Pension and other social security contributions | 27,090,141 | 14,544,992 |
| Social benefit schemes outside government | - | - |
| Gratuity | 30,517,040 | 38,069,323 |
| Total | 501,939,299 | 495,381,980 |

Notes to the Financial Statements (Continued)

5. Use of Goods And Services

| | FY 2022-2023 | FY 2021-2022 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 1,467,763 | 681,052 |
| Communication, supplies and services | - | - |
| Domestic travel and subsistence | 237,560,117 | 215,338,932 |
| Foreign travel and subsistence | - | - |
| Printing, advertising and information supplies & services | - | - |
| Rentals of produced assets | 1,600,000 | 5,404,000 |
| Training expenses | 149,990 | - |
| Hospitality supplies and services | 15,539,679 | 16,201,011 |
| Insurance costs | 21,051,802 | 22,988,916 |
| Specialized materials and services | 120,000 | - |
| Office and general supplies and services | 872,200 | 1,834,060 |
| Fuel, oil and lubricants | 491,379 | 1,071,207 |
| Legal Dues/Fees, Arbitration and Compensation Payments | 932,759 | - |
| Ward Office Expenses | 8,281,741 | 51,173,395 |
| Contribution to Other Parliamentary Associations | | 200,000 |
| Routine maintenance | 4,224,455 | 906,595 |
| Contracted Professional Services | - | 397,470 |
| Total | 292,291,885 | 316,196,638 |

Notes to the Financial Statements (Continued)

6. Subsidies

| Description | FY 2022-2023 | FY 2021-2022 |
|----------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Subsidies To County Corporations | | |
| | - | - |
| | - | - |
| Subsidies To Private Enterprises | | |
| | - | - |
| | - | - |
| Total | - | - |

7. Transfers to Other Government Entities

| Description | FY 2022-2023 | FY 2021-2022 |
|--|--------------------|--------------|
| | Kshs | Kshs |
| Transfers to national government entities | - | - |
| Transfers to other county assembly entities | | |
| Car loan and Mortgage scheme fund | 235,000,000 | |
| Mortgage scheme/fund | - | - |
| Others | - | - |
| Total | 235,000,000 | |

Notes to the Financial Statements (Continued)

8. Other Grants and Transfers

| | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| | 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

| | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Government Pension and Retirement Benefits | - | - |
| Social Security Benefits | - | - |
| Employer Social Benefits | - | - |
| Total | - | - |

Notes to the Financial Statements (Continued)

10. Acquisition of Assets

| <u>Non- financial assets</u> | FY 2022-2023 | FY 2021-2022 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Purchase of buildings | - | - |
| Construction of buildings | - | - |
| Refurbishment of buildings | 50,500,827 | - |
| Construction of roads | - | - |
| Construction and civil works | - | - |
| Overhaul and refurbishment of construction and civil works | - | - |
| Purchase of vehicles and other transport equipment | - | - |
| Overhaul of vehicles and other transport equipment | - | - |
| Purchase of household furniture and institutional equipment | - | - |
| Purchase of office furniture and general equipment | 5,780,357 | 1,362,000 |
| Purchase of specialized plant, equipment and machinery | - | - |
| Rehabilitation and renovation of plant, machinery and equip. | - | - |
| Purchase of certified seeds, breeding stock and live animals | - | - |
| Research, studies, project preparation, design & supervision | - | - |
| Rehabilitation of civil works | - | - |
| Acquisition of strategic stocks and commodities | - | - |
| Acquisition of land | - | - |
| Acquisition of intangible assets | - | - |
| Total acquisition of non- financial assets | 56,281,184 | 1,362,000 |
| <u>Financial assets</u> | | |
| Domestic public non-financial enterprises | - | - |
| Domestic public financial institutions | - | - |
| Total acquisition of financial assets | - | - |
| Total acquisition of assets | 56,281,184 | 1,362,000 |

Notes to the Financial Statements (Continued)

11. Finance Costs

| | FY 2022-2023 | FY 2021-2022 |
|---|--------------|--------------|
| | Kshs | Kshs |
| 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

| | FY 2022-2023 | FY 2021-2022 |
|----------------------------|--------------|--------------|
| | Kshs | Kshs |
| Budget Reserves | - | - |
| Civil Contingency Reserves | - | - |
| Other Payments | - | - |
| Total | - | - |

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 | FY 2022-2023 | FY 2021-2022 |
|---|-------------------|---|---------------|--------------|
| | | | Kshs | Kshs |
| Central Bank of Kenya | 1000286601 | Development | 22,679 | - |
| Central Bank of Kenya | 1000198467 | Recurrent | 42,898 | 2,801 |
| Total | | | 65,577 | 2,801 |

13B. Cash in Hand

| | FY 2022-2023 | FY 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 | FY 2022-2023 | FY 2021-2022 |
|--------------|--------------|--------------|
| | Kshs | Kshs |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Total | - | - |

14. Imprests and Advances

| Description | FY 2022-2023 | FY 2021-2022 |
|---------------------|--------------|--------------|
| | Kshs | Kshs |
| Government Imprests | - | - |
| Salary Advance | - | - |
| Clearance accounts | - | - |
| Total | - | - |

| Breakdown Of Imprest And Salary Advance Per Department | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| Imprests | Kshs | Kshs |
| Department | - | - |
| Department | - | - |
| Department | - | - |
| Sub-Total | - | - |
| Salary Advance | | |
| Department | - | - |
| Department | - | - |
| Sub-Total | - | - |
| Grand Total | - | - |

Notes to the Financial Statements (Continued)

15. Third Party Deposits and Advances

| Description | FY 2022-2023 | | FY 2021-2022 | |
|---|--------------|----------------|----------------|----------------|
| | Kshs | | Kshs | |
| Deposits | - | | - | |
| Retentions | - | | - | |
| Total | - | | - | |
| | | | | |
| Ageing analysis (third party deposits and advances) | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (tie to above total) | - | | - | |

16. Fund Balance Brought Forward

| Description | FY 2022-2023 | | FY 2021-2022 | |
|-------------------------------------|--------------|--|--------------|--|
| | Kshs | | Kshs | |
| Bank Accounts | 2,801 | | 1,691 | |
| Cash In Hand | - | | - | |
| Imprests and advances | - | | - | |
| Third party deposits and retentions | (-) | | (-) | |
| Total | 2,801 | | 1,691 | |

17. Prior Year Adjustments

| | Balance b/f FY 2021-2022 as per audited financial statements | Adjustments during the year relating to prior periods | Adjusted ** Balance b/f FY 2021-2022 |
|---------------------------------------|--|--|--|
| Description Of The Error | Kshs | Kshs | Kshs |
| Bank Account Balances | - | - | - |
| Cash In Hand | - | - | - |
| Imprests and advances | - | - | - |
| Third party deposits and retention | - | - | - |
| Others | - | - | - |
| | - | - | - |

18. Changes in Imprests and Advances

| Description | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Opening Imprests and Advances As At 1 st July 2022 | - | - |
| Closing Imprests and Advances As At 30 th June 2023 | - | - |
| Change In Imprests and Advances | - | - |

19. Changes in Third Party Deposits and Retentions

| Description | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Opening Third Party Deposits and Retention As At 1 st July 2022 | - | - |
| Closing Third Party Deposits and Retention As At 30 th June 2023 | - | - |
| Change In Third Party Deposits and Retention | - | - |

Notes to the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

| | Balance b/f FY 2021-2022 | Additions for the year | Paid during the year | Balance c/f (FY 2022-2023) |
|-----------------------------|-----------------------------|---------------------------|-------------------------|-------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction Of Buildings | 1,406,960 | - | - | 1,406,960 |
| Construction Of Civil Works | - | - | - | - |
| Supply Of Goods | 600,000 | - | - | 600,000 |
| Supply Of Services | 28,880,255 | - | - | 28,880,255 |
| Total | 30,887,215 | - | - | 30,887,215 |

2. Pending Staff Payables (See Annex 2)

| | Balance b/f FY 2021-2022 | Additions for the year | Paid during the year | Balance c/f (insert current FY) |
|-----------------------|-----------------------------|---------------------------|-------------------------|---------------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Senior Management | - | - | - | - |
| Middle Management | - | - | - | - |
| Unionisable Employees | - | - | - | - |
| Others | - | - | - | - |
| Total | - | - | - | - |

Notes to the Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

| | Balance b/f FY 2021-2022 | Additions for the year | Paid during the year | Balance c/f FY 2022-2023 |
|---|-----------------------------|---------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts due to National Government entities | - | - | - | - |
| Amounts due to County Government entities | - | - | - | - |
| Amounts due to third parties | - | - | - | - |
| Total | - | - | - | - |

4. External Assistance

| | FY 2022-2023 | FY 2021-2022 |
|---|--------------|--------------|
| 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 | - | - |

a) External assistance relating loans and grants

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

Notes to the Financial Statements (Continued)

b) Undrawn external assistance

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

c) Classes of providers of external assistance

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

Notes to the Financial Statements (Continued)

d. Non-Monetary External Assistance

| | FY 2022-2023 | FY 2021-2022 |
|--------------|--------------|--------------|
| Description | Kshs | Kshs |
| Goods | - | - |
| Services | - | - |
| Total | - | - |

e. Purpose and use of external assistance.

| Payments Made By Third Parties | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| Description | Kshs | Kshs |
| Compensation Of Employees | - | - |
| Use Of Goods and Services | - | - |
| Subsidies | - | - |
| Transfers To Other Government Units | - | - |
| Other Grants and Transfers | - | - |
| Social Security Benefits | - | - |
| Acquisition Of Assets | - | - |
| Finance Costs, Including Loan Interest | - | - |
| Repayment Of Principal On Domestic & Foreign Borrowing | - | - |
| Other Payments | - | - |
| Total | - | - |

Notes to the Financial Statements (Continued)

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

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

5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY*5.1 Classification by Source*

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

Notes to the Financial Statements (Continued)

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

| Payments made by third parties | FY 2022-2023 | FY 2021-2022 |
|--|--------------|--------------|
| Description | Kshs | Kshs |
| Compensation of employees | - | - |
| Use of goods and services | - | - |
| Subsidies | - | - |
| Transfers to other government units | - | - |
| Other grants and transfers | - | - |
| Social security benefits | - | - |
| Acquisition of assets | - | - |
| Finance costs, including loan interest | - | - |
| Other payments | - | - |
| Total | - | - |

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:

| | FY 2022-2023 | FY 2021-2022 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Compensation to Key Management | | |
| Compensation to the Speaker, Deputy Speaker and the MCAs | 213,233,609 | 203,079,628 |
| Key Management Compensation (Clerk and Heads of departments) | 39,696,017 | 38,539,822 |
| Total Compensation to Key Management | 252,929,626 | 241,619,450 |
| <u>Transfers to related parties</u> | | |
| Transfers to other County Government Entities such as car and mortgage schemes | 235,000,000 | - |
| Transfers to other entities under the Assembly | - | - |
| Total Transfers to related parties | 235,000,000 | - |
| <u>Transfers from related parties</u> | | |
| Transfers from the CRF | 850,575,145 | 812,941,728 |
| Payments made on behalf of the County Assembly by other Government Agencies | - | - |
| (Insert any other transfers received) | - | - |
| Total Transfers from related parties | 850,575,145 | 812,941,728 |

7. Contingent Liabilities

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

16. Progress on Follow on Prior Year Auditor’s Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 1 | <p>Comparison of amounts reflected in the financial statements with IFMIS ledger revealed unreconciled variances. Further, the statement of receipts and payments reflects Exchequer receipts of Kshs.812,941,728 being receipts from the County Executive. However, the financial statements of the County Executive for the year ended 30 June, 2022 reflects an amount of Kshs.849,941,728 as transfers to the County Assembly resulting to an unexplained and unreconciled variance of Kshs.37,000,000. In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2022 could not be confirmed</p> | <p>We acknowledge that there are differences between Financial Statements figures and reports generated from IFMIS. This is as a result of some items paid in IFMIS and have not been actually paid from our recurrent and development accounts resulting to the variance. The figures have been reconciled as reflected in the statement of receipts and payments as per the amended financial statements.</p> | Resolved | 2021-2022 |

| 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) |
|--|---|--|-----------------------------------|--|
| 2 | <p>Annex 4 to the financial statements reflects the summary of non-current asset register amount of Kshs.144,548,068. The amount includes buildings and structures balance of Kshs.96,880,074.</p> <p>However, the value of land on which the buildings and structures stand has not been disclosed. This is contrary to Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires Counties to record each parcel of land and each building and the terms on which it they are held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms and maintenance contracts. Further, the title of the land was not provided for audit. In the circumstances, the completeness and accuracy of the summary of non-current asset register balance of</p> | <p>At the time of audit the certificate of lease in favor of Narok County Assembly measuring 2.993 Hectares dated 1st April 2022 was not yet at our disposal. We followed up with the Narok County Government department of lands and now is available and the process of valuation has been initiated. (Copy of the Certificate of Lease attached Appendix iii)</p> | Resolved | 2021/2022 |

| 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) |
|--|--|---|-----------------------------------|--|
| | Kshs.144,548,068 could not be confirmed | | | |
| 3 | The statement of comparison of budget and actual amounts - recurrent and development reflects final budgeted receipts and actual amount on a comparable basis of Kshs.886,696,090 and Kshs.812,941,728 respectively, resulting in an underfunding of Kshs.73,754,362 or 8% of the budget. Similarly, the statement also reflects total expenditure budget of Kshs.886,696,090 against an actual expenditure of Kshs.812,940,618 resulting in overall under-expenditure of Kshs.73,755,472 or 8% of the approved budget. The underfunding and under-expenditure impact negatively on the delivery of services to the residents of Narok County. | It is true that during the year under review, Narok County Assembly had a total budget of Kshs. 886,696,090 and against actual receipts of Kshs. 812,941,728 respectively, resulting in an underfunding of Kshs.73,754,362 or 8% of the budget. Similarly, the statement also reflects total expenditure budget of Kshs.886,696,090 against an actual expenditure of Kshs.812,940,618 resulting in overall under-expenditure of Kshs.73,755,472 or 8% of the approved budget. The shortfall negatively impacted on the achievement of planned activities. This because of the failure by the County Treasury to disbursed funds as per the budget and has | Resolved | 2021-2022 |

| 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) |
|--|--|--|-----------------------------------|--|
| | | adversely affect delivery of services by Narok County Assembly contrary to values and principles of public service as provided for under Article 232 (1 - c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services | | |
| 4 | Annex 1 to the financial statements reflects analysis of pending accounts payable balance of Kshs.52,337,676 which includes suppliers of services amount of Kshs.27,258,633 which further includes Kshs.3,101,724 payable to a law firm for legal services. However, the fee notes for the legal services did not indicate the nature of services offered. Further, procurement records and signed contract for the provision of the legal services were not provided for audit. | Further verification of our books of accounts revealed that the payment in question does not relate to the year under review. | Resolved | 2021-2022 |

| 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) |
|--|--|--|-----------------------------------|--|
| | It was therefore not possible to confirm whether the legal fees commitment was as per the rates prescribed by the Law Society of Kenya in the absence of details of legal services offered. In the circumstances, the authenticity of legal fees of Kshs.3,101,724 could not be confirmed. | | | |
| 5 | Annex 1 to the financial statements reflects analysis of pending accounts payable of Kshs.52,337,676 which includes Kshs.45,311,158 relating to 2019/2020 and earlier years. However, Management has not provided any explanation for failure to settle the bills as first charge in compliance with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which prioritize debt payments as a first charge. Further, the documentary evidence in support of pending accounts payables were not provided for audit. In addition, contributions to Local Authorities | The pending bills have been caused by delay in exchequer releases from the national treasury .The management will in future ensure that pending bills form part of the first charge to ensure that previous bills are paid first. The financial statements have been amended so as to disclose the correct position of pending accounts payable as at 30 June 2022. The figure of kshs, 24,272,287 is as a result of reconciliation issue. The Narok County Assembly and lapfund have reconciled the said | Not Resolved | 2021-2022 |

| 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) |
|--|--|--|-----------------------------------|--|
| | <p>Pensions Trust (LAPTRUST) of Kshs.24,272,287 have not been remitted and hence attracting a monthly interest of 3% amounting to Kshs.70,678,826 as at 30 June, 2022. The amount has not been disclosed as pending staff payables. In the circumstances, the value for money may not have been attained and the accuracy and completeness of pending accounts payables balance of Kshs.52,337,676 could not be confirmed.</p> | <p>account and we can confirm that our payments are up to date and currently we do not have any outstanding balance with the pension scheme. The figure of kshs, 70,678,826 is as a result of delay in payments of amounts due since the inception of the County Assembly. This is as a result of delayed disbursement of funds by the National Treasury which affected the timeliness of monthly remittances, however in October 2019 we did a reconciliation with lapfund and we requested for a waiver of the interest since we have made all the outstanding payments.</p> | | |
| 6 | <p>The County Assembly has not submitted a report on how it has addressed the Senate recommendations and findings of audit reports for the years 2013/2014 to 2019/2020. This is contrary to</p> | <p>Its true that the County Assembly has not submitted a report on how it has addressed the Senate recommendations and</p> | Not Resolved | 2021-2022 |

| 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) |
|--|--|---|-----------------------------------|--|
| | <p>Section 31(1)(a) of the Public Audit Act, 2015 states within three months after Parliament has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. Further, the Assembly has not deliberated on the Auditor-General's reports for the years 2013/2014 to 2019/2020. In the circumstances, the County Assembly is in breach of the law.</p> | <p>findings of audit reports for the years 2013/2014 to 2019/2020. The Assembly did not deliberate on the Auditor-General's reports for the years 2013/2014 to 2019/2020. The County Assembly will in future ensure that it addresses issues raised by the Auditor General and submit the report to the Senate.</p> | | |
| 7 | <p>The Assembly renewed the contract for the provision of hospitalization and outpatient medical expenses for staff and County Assembly Members with insurance firm at a contract price of Kshs.22,988,915. However, the new contract price increased by Kshs.6,145,128 or 36% of the expired contract sum of</p> | <p>Upon the expiry of the previous contact the insurer on a letter dated 30th August 2021 with an enclosed Covid-19 cover proposal, Renewal quotation, Schedule of Benefits covered and Schedule of members covered addressed to the County Assembly. The County Assembly invited the insurer for a</p> | Resolved | 2021-2022 |

| 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) |
|--|--|---|-----------------------------------|--|
| | Kshs.16,843,787. This is contrary to Section 139(6) of the Public Procurement and Disposal Act, 2015, which provides that where variations result in an increment of the contract price by more than twenty-five percent, such variations shall be tendered for separately. Further, no e-procurement documentations for the provision of hospitalization and outpatient medical expenses were provided for audit verification. In the circumstances, the Management is in breach of the law | negotiation meeting vide letter dated 8 th November 2021 which was held on 16 th November 2021 at the County Assembly Premises. From the deliberation of that meeting the contract price was reached in accordance with the law thus the variation. (Attached Copies of Correspondence Appendix IV) | | |
| 8 | During the year under review, the County Assembly paid a total of Kshs.1,100,000 as rent for the Speaker's residence as the Assembly has not constructed or procured a residence for the Speaker. This is contrary to the Salaries and Remuneration Commission Circular referenced SRC/TS/COG/6/61/48VOL.II(64) of 20 May, 2019 which directed that | Upon receipt of the SRC circular indicating the deadline for payment of rent, the County Assembly requested the County Government through the department of lands to provide space for the construction of the speaker's | Not Resolved | 2021-2022 |

| 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) |
|--|---|---|-----------------------------------|--|
| | <p>the deadline for County Governments paying rent to County Assembly Speakers be 30 June, 2022. No explanation was provided for the failure to acquire a residence for the Speaker. In the circumstances, the Management is in breach of the law.</p> | <p>residence. The County Government earmarked a piece of land for the said purpose. However at the time of the exercise the identified land was disputed and a case is pending in court awaiting determination. Thus once resolved the County Assembly has budgeted 35m for the construction.</p> | | |
| 9 | <p>During the year under review, the total number of employees was one hundred twenty four (124) out of which ninety-six (96) or 77% of the total number were members of the same/dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, “all public offices</p> | <p>The matter is historical because most employees were inherited from the defunct county council. However, management will ensure new recruitment take ethnic</p> | Resolved | 2021-2022 |

| 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) |
|--|---|--|-----------------------------------|--|
| | shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community". In the circumstances, the Management was in breach of the law. | balance into consideration. (Appendix 20 -7 Copy of Ethnic Composition of Staff establishment report) | | |
| 10 | Review of the County Government Budget planning process revealed that the Assembly did not have guidelines to effective public participation contrary to Section 115(2) of the County Government Act, 2012 which requires that the County Assembly develop guidelines for public participation. Further, the Assembly held five (5) public participation meetings in five (5) Wards out of the thirty (30) Wards, which was not a fair representative of the citizens. Further, the criteria of identifying the five (5) Wards was not provided for audit. Report of the Auditor- | Its true that the Assembly held 5 public participation meeting in 5 wards out of the 30 wards, which was not a fair representative of Citizenry. However the County Assembly undertakes public participation across the thirty wards on a rotational basis due to the geographical nature and cost involved. However with improved budgets | Not Resolved | 2021-2022 |

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

| 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) |
|--|---|---|-----------------------------------|--|
| | General on County Assembly of Narok for the year ended 30 June, 2022 6 In the circumstances, Management was in breach of the law. | ceiling the county Assembly commits to carry public participation fairly as per the law. | | |
| 11 | During the year ended 30 June, 2022, thirty-five (35) employees earned a net salary of less than a third (1/3) of the basic salary. This is contrary to Section D22(2) of the County Public Service Human Resource Manual and Section 19(3) of the Employment Act, 2007 which requires that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay. The Management has not given explanation for failure to comply with the law. In the circumstances, the Management was in breach of the law and may expose the staff to pecuniary embarrassment | In the year 2020, all staff were complaint with one third basic pay rule however, in july during the year a circular was sent from EACC stopping payment of extraneous allowance. This allowance was permanent payable to the affected staff and thus it was factored in the calculation of debt service ratio and thus implementation of the circular directives resulted to the non-compliance to the third basic pay rule. | Not Resolved | 2021-2022 |

| 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) |
|--|--|---|-----------------------------------|--|
| 12 | <p>Review of the records and payrolls revealed a total of one hundred and twenty-four (124) employees were in service during the year under review. This was contrary to approved staff establishment of one hundred (100) employees as per the Commission of Revenue Allocation Circular Ref No. CRA/FA/01 VOL.11(22) dated 28 June, 2018. No explanation has been provided for the over-employment of 24 employees.</p> <p>Further, the Assembly has not filled all the vacant positions in the approved establishment despite of the overemployment. In addition, the County Assembly Service Board has not prepared Human Resource Plans and Annual Recruitment Plans. This is contrary to Policies No.10 and No.11 of the County Assembly Human Resource Policies and Procedures Manual, 2018. In the circumstances, the Management was in breach of the regulation</p> | <p>It's true that a review of the records and payrolls revealed a total of one hundred and twenty-four (124) employees were in service during the year under review.</p> <p>The matter is historical because most employees were inherited from the defunct county council.</p> <p>The Assembly will undertake to fill all the vacant positions in the approved establishment. The County Assembly Service Board has a draft Human Resource Plans and Annual Recruitment Plans.</p> | Not Resolved | 2021-2022 |

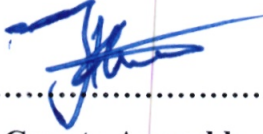
| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| 13 | <p>Review of documents provided for audit revealed that the Assembly deducted pension totalling Kshs.11,104,350 for Local Authorities Pensions Trust. However, no documentary evidence was provided to support of remittance of the deductions. Further, previous years' pension deductions of Kshs.24,272,287 had not been remitted and has attracted interest of Kshs.70,678,826. In addition, the Assembly deducted PAYE totalling to Kshs.89,863,314 from the salary of employees. However, only Kshs.30,153,047 was remitted to the Kenya Revenue Authority resulting to unremitted PAYE of Kshs.59,710,267. This is contrary to Section 130(10) of the Income Tax Act, 2021 which stipulates that, before the tenth day following the end of every month or before any other day which may be notified to him by the Commissioner, an employer shall</p> | <p>The figure of kshs, 24,272,287 is as a result of reconciliation issue. The Narok County Assembly and lapfund have reconciled the said account and we can confirm that our payments are up to date and currently we do not have any outstanding balance with the pension scheme. The figure of kshs, 70,678,826 is as a result of delay in payments of amounts due since the inception of the County Assembly. This is as a result of delayed disbursement of funds by the National Treasury which affected the timeliness of monthly remittances, however in October 2019 we did a reconciliation with lapfund and we requested for a waiver of the interest since we have made all the outstanding payments. The management did not have any</p> | Not Resolved | 2021-2022 |

| 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) |
|--|---|--|-----------------------------------|--|
| | pay to such person as the Commissioner shall direct, tax deducted during that month. Failure to remit pension deduction and PAYE will attract costly interest and is in breach of the law. In the circumstances, the Management was in breach of the law | outstanding PAYE as per our books of accounts. | | |
| 14 | The County Assembly Service Board did not establish a County Assembly Fund. This is contrary to Section 34(1) of the County Assembly Service Act, 2017 which provides for the establishment of a County Assembly Fund. Further, County Assembly Service Board did not prepare and lay before the Assembly, annual report of its operations within three months after the end of the year. This is contrary to Section 36(1) of the County Assembly Service Act, 2017 which stipulates that the County Assembly Service Board shall prepare and lay before the County Assembly, annual report of its operations within three | Its true that the County Assembly Service Board did not establish a County Assembly Fund. The County Assembly Service Board is coming up with the regulations of the fund as per Section 36(1) of the County Assembly Service Act, 2017 which stipulates that the County Assembly Service Board shall prepare and lay before the County Assembly, annual report of its | Not Resolved | 2021-2022 |

| 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) |
|--|---|---|-----------------------------------|--|
| | months after the end of each calendar year. In the circumstances, the Management was in breach of the law | operations within three months after the end of each calendar year. | | |
| 15 | During the year under review, the County Assembly did not have a Risk Management Policy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. In the absence of an approved Risk Management Policy, it is not clear how the County Assembly identifies and mitigates emerging risks in its day to day operations. | The County Assembly Management has taken note and initiated the process of coming up with a risk management policy and at this point it is considered work in progress. | Not Resolved | 2021-2022 |

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 1/12/2023

17. 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 | | | | | | | |
| Talek Mara Enterprises | 1 st July 2018 | | 2,351,960 | 1,406,960 | | | 1,406,960 |
| Sub-Total | | | 2,351,960 | 1,406,960 | | | 1,406,960 |
| Supply Of Goods | | | | | | | |
| MFI Document Solution | 1 st July 2018 | | 2,350,000 | 600,000 | | | 600,000 |
| Sub-Total | | | 2,350,000 | 600,000 | | | 600,000 |
| Supply Of Services | | | | | | | |
| Centre for Parliamentary Studies(CPST) | 1 st July 2018 | | 1,150,132 | 980,632 | | | 980,632 |
| Asano and Associates | 1 st July 2018 | | 880,000 | 4,500,000 | | | 4,500,000 |
| Institute of Human Resource Management | 2 nd May 2019 | | 249,400 | 249,400 | | | 249,400 |
| Local Authorities Pension Trust | 2 nd May 2019 | | | 11,104,350 | | | 11,104,350 |

| 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 |
|---|------------------------------|-------------|------------------|--------------------------------------|--------------------------|-----------------------------|---------------------|
| Institute of Certified Public Accountants | | | | 1,121,600 | | | 1,121,600 |
| Records Management Solution Experts | 29 th Jan 2020 | | 90,000 | 90,000 | | | 90,000 |
| Kenya Revenue Authorities | | | | 10,834,273 | | | 10,834,273 |
| Sub-Total | | | 2,369,532 | 28,880,255 | | | 28,880,225 |
| Grand Total | | | 7,071,492 | 30,887,215 | | | 30,887,215 |

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 | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |

*County Government of Narok
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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 |
|---------------------------|-----------|-----------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
| 2. | | | | | | | |
| Sub-Total | | | | | | | |
| Unionisable Employees | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (<i>specify</i>) | | | | | | | |
| 4. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

Annex 3 – Analysis of Other Pending Payables

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

Annex 4 – Summary of Non-Current Asset Register

| Asset class | Historical Cost b/f (Kshs) Previous Year | Additions during the year (Kshs) | Disposals during the year (Kshs) | Transfers in/(out) during the year (Kshs) | Historical Cost c/f (Kshs) 20xx |
|--|--|--|--|---|--|
| Land | - | | | | |
| Buildings and structures | 96,880,074 | 50,500,827 | | | 147,380,901 |
| Transport equipment | 17,840,000 | | | | 17,840,000 |
| Office equipment, furniture and fittings | 21,270,506 | 5,780,357 | | | 27,050,863 |
| ICT equipment | 8,557,488 | | | | 8,557,488 |
| Machinery and equipment | - | | | | - |
| Biological assets | - | | | | - |
| Infrastructure assets | - | | | | - |
| Heritage and cultural assets | - | | | | - |
| Intangible assets | - | | | | - |
| Work in progress | - | | | | - |
| Total | 144,548,068 | 56,281,184 | | | 200,829,252 |

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 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | | |

*County Government of Narok
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(b) Salary Advance

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

Annex 7 Reporting on Disaster Expenditure

| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
|-----------|---------------|---------------|--|------------------|----------------|------------|
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



Annex 8: Contingent Liabilities Register

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