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OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
EQUALISATION FUND**

**FOR THE YEAR ENDED  
30 JUNE 2017**



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## **THE NATIONAL TREASURY**

# **Financial Statements for Equalisation Fund For the Financial Year ended 30<sup>th</sup> June 2017**

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

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## I. EQUALISATION FUND INFORMATION AND MANAGEMENT

### a) Background Information

The Equalisation Fund is established under article 204(1) of the Constitution of Kenya and is administered under the National Treasury as per the Public Financial Management Act, 2012 and its Guidelines on the administration of the Equalisation Fund gazette notice no. 1711 of 13th March 2015.

The National Treasury was established via the Executive Order No. 2 of May 2013. The basis for establishment of the National Treasury is found in Article 225 (i) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

- **Vision**

An institution of excellence in economic and public financial management.

- **Mission**

To promote economic transformation for shared growth through formulation, implementation and monitoring of prudent economic and financial policies at national and county levels of government.

- **Core Values**

The National Treasury is committed to providing quality services to all and is guided by the following core values: Customer Focus, Results Oriented, Stakeholder Participation, Professionalism, Accountability, Integrity and Transparency, Teamwork and Staff as key asset and Equity, Fairness and Inclusion.

### b) Operation and reporting under the Equalisation Fund

The purpose of the Equalisation Fund is to provide basic services including water, roads, health facilities and electricity to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible. The Constitution under Article 216(4) obligated the Commission on Revenue Allocation to determine, publish and regularly review a policy in which it shall set out the criteria by which to identify the marginalized areas. This policy was approved by Parliament in December, 2014 and stated that the policy shall be effective for three financial years from the date of its approval. This means that the current policy is applicable for the financial years 2014/2015, 2015/2016 and 2016/2017.

The marginalization policy identified fourteen (14) counties to benefit from the Fund for the first three years namely: Turkana; Mandera; Wajir; Marsabit; Samburu; West Pokot; Tana River; Narok; Kwale; Garrisa; Kilifi; Taita Taveta; Isiolo and Lamu.

Article 204 (1) requires that one half per cent (0.5%) of all the revenue collected by the National Government each year calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly be paid into the Equalisation Fund. As at 30<sup>th</sup> June 2017 the total accumulated entitlement to the Fund for the financial years 2011/2012 to 2016/2017 are estimated at Kshs 15,402,759,850 as shown in the table below:

<b>Financial Year</b>	<b>Equalisation Fund Entitlement (0.5% of most recent audited and approved revenues)</b>	<b>Kshs</b>
2011/2012		2,340,759,850.00
2012/2013		2,646,500,000.00
2013/2014		2,646,500,000.00
2014/2015		3,884,500,000.00
2015/2016		3,884,500,000.00
2016/2017		-
<b>Total</b>		<b>15,402,759,850.00</b>

To date, a total of Kshs. 12,400,000,000 has been appropriated and transferred to the Equalisation Fund account as indicated in **Note X**.

- **Financial reporting requirements**

The National Treasury is responsible for preparation of the reports relating to the Fund and submitting to the Auditor-General and a copy of the statements to the National Treasury, Commission on Revenue Allocation and the Controller of Budget not later than three months after the end of each financial year pursuant to Section 24 of PFM Act, 2012.

This report covers the operations of the Equalisation Fund for the financial year ended 30<sup>th</sup> June 2017.

**c) Key Management**

- **The Equalisation Fund Advisory Board**

An Equalisation Fund Advisory Board was established pursuant to Section 4.1 of the Guidelines on the administration of the Equalisation Fund, 2015. The Board is mandated to advise the Cabinet Secretary on the proper and effective performance of the Fund. The Board consists of the following members:

- (a) The Principal Secretary for the time being responsible for matters relating to finance who is also the Chairperson;
- (b) The Principal Secretary for the time being responsible for matters relating to devolution and planning or his or her representative;
- (c) The Principal Secretary for the time being responsible for matters relating to water or his or her representative;
- (d) The Principal Secretary for the time being responsible for matters relating to roads or his or her representative;
- (e) The Principal Secretary for the time being responsible for matters relating to health or his or her representative;
- (f) The Principal Secretary for the time being responsible for matters relating to energy or his or her representative;
- (g) The Principal Secretary for the time being responsible for matters relating to national coordination or his or her representative; and
- (h) Four other members of either gender appointed by the Cabinet Secretary from outside the public service.

- **The Administrator of the Fund**

The Director General Accounting Services and Quality Assurance has been designated as the Administrator of the Equalisation Fund pursuant to Section 24 (5) of the PFM Act, 2012 that mandates the Cabinet Secretary to the National Treasury to designate a person to administer a national public fund.

The Administrator of the Fund is also the Secretary to the Board with the responsibilities of arranging the business of the Board's meetings, keeping records of the proceedings of the Board, and performs such other duties as the Board may direct.

**d) The National Treasury Headquarters**

P.O. Box 30007- 00100,  
Treasury Building,  
Harambee, Avenue  
Nairobi Kenya

**e) The National Treasury Contacts**

Telephone: (254)020-2252299  
Email: [info@treasury.go.ke](mailto:info@treasury.go.ke)  
Website: [www.treasury.go.ke](http://www.treasury.go.ke)

**f) The National Treasury Bankers**

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

**g) Independent Auditors**

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

**h) Principal Legal Adviser**

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

## II. STATEMENT OF THE MANAGEMENT'S RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

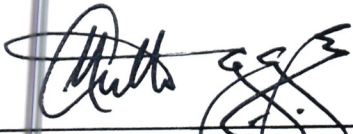
The Accounting Officer in charge of The National Treasury is responsible for the preparation and presentation of the Equalisation Fund financial statements, which give a true and fair view of the state of affairs of Fund for and as at the end of the financial year (period) ended on June 30, 2017. This 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 status of the Fund by the National Treasury; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the revenue report, and ensuring that they are free from material misstatements, whether due to error or fraud.


The Accounting Officer in charge of The National Treasury accepts responsibility for the Equalisation Fund, which has been prepared on the Cash Basis Method using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the financial statements of the Equalisation Fund gives a true and fair view of the performance of the Fund during the financial year ended June 30, 2017. The Principal Secretary in charge of The National Treasury further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of this report as well as the adequacy of the systems of internal financial control.

The Accounting Officer confirms that the Fund has complied fully with applicable Government Regulations. Further the Accounting Officer confirms that this report has been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

### Approval of the Financial Statements

The financial statements of the Equalisation Fund were approved and signed by the Accounting Officer on 12<sup>th</sup> March 2018.

  
\_\_\_\_\_  
Dr. Kamau Thugge, CBS  
Principal Secretary,  
The National Treasury

  
\_\_\_\_\_  
Bernard Ndungu, MBS  
Equalisation Fund Administrator  
The National Treasury

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Equalisation Fund's 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 going concern 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 Equalisation Fund's ability to continue as a going concern or 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 Equalisation Fund to cease to continue as a going concern or 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 Equalisation Fund 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 Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

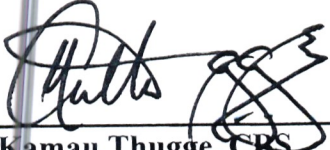
**Nairobi**


**05 April 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Notes	2016/2017 Kshs	2015/2016 Kshs
<b>Receipts</b>			
Receipts from National Treasury	<b>1</b>	6,000,000,000.00	6,000,000,000.00
<b>Total Receipts</b>		<b>6,000,000,000.00</b>	<b>6,000,000,000.00</b>
<b>Payments and transfers</b>			
Transfer to Implementing MDAs	<b>2</b>	942,313,944.00	--
<b>Total Payments and Transfer</b>		<b>942,313,944.00</b>	<b>--</b>
<b>Surplus/Deficit</b>		<b>5,057,686,056.00</b>	<b>6,000,000,000.00</b>

The notes on pages 5 to 8 form an integral part of these financial statements. This statement has been reviewed and approved on 12<sup>th</sup> March 2018 by the following:

  
 Dr. Kamau Thugge, CBS  
 Principal Secretary,  
 The National Treasury

  
 Bernard Ndungu, MBS  
 Equalisation Fund Administrator  
 The National Treasury

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON EQUALISATION FUND FOR THE YEAR ENDED 30 JUNE 2017- THE NATIONAL TREASURY

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#### REPORT ON THE FINANCIAL STATEMENTS

##### **Opinion**

I have audited the accompanying financial statements of Equalisation Fund set out on pages 1 to 9, which comprise the statement of assets and liabilities as at 30 June 2017, 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, the financial statements present fairly, in all material respects, the financial position of Equalisation Fund as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Emphasis of Matter section of my report, based on the procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

##### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Equalisation Fund in accordance with ISSAI 30 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 opinion.

##### **Emphasis of Matter**

###### **Use of Budget as a Control Tool**

A review of the statement of comparison between the budget and actual amounts reveals that whereas the National Treasury had budgeted to transfer an amount of Kshs.12,400,000,000 to implementing Ministries Departments and Agencies, only an

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*Report of the Auditor-General on the Financial Statements of Equalisation Fund for the year ended 30 June 2017*

amount of Kshs.942,313,944 or 7.6% of the budgeted amount was transferred to Ministries Departments and Agencies. This is indeed a very dismal performance by the Fund management with regard to the set objectives of the Fund. This is despite the fact that the allocation to the Fund was applied retrospectively to the financial years 2011/2012 instead of commencing with effect from 2014/2015 as provided under Article 216(4) of the Constitution as read in conjunction with Article 204(4) of the Constitution of Kenya 2010.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement were of most significance in the audit of the financial statements. Except for the matter described in the Emphasis of matter section of my report, I confirm that there were no key audit matters to communicate in my report.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Equalisation Fund ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Equalisation Fund or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Equalisation Fund's financial reporting process.

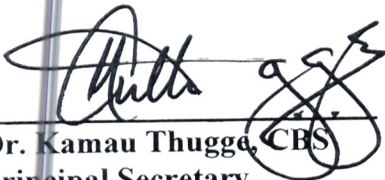
### **Auditor-General's Responsibilities for the Audit of the Financial Statements**


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

V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2017

	Note	2016/2017 Kshs	2015/2016 Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Fund Account		11,335,437,156.00	6,400,000,000.00
Equalisation Fund Secretariat Account		122,248,900.00	-
<b>Total Cash And Cash Equivalent</b>	<b>3</b>	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>
<b>Accounts Receivables</b>			
		-	-
<b>Total Financial Assets</b>	<b>3</b>	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>
<b>Financial Liabilities</b>			
		-	-
<b>Net Financial Assets</b>	<b>3</b>	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>
<b>Represented By</b>			
<b>Fund Balance B/Fwd</b>		<b>6,400,000,000.00</b>	<b>400,000,000.00</b>
Fund Balances Surplus for the year		5,057,686,056.00	6,000,000,000.00
<b>Prior Year Adjustment</b>		-	-
<b>Net Financial Position</b>	<b>3</b>	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>

The notes on pages 5 to 8 form an integral part of these financial statements. This statement has been reviewed and approved on 12<sup>th</sup> March 2018 by the following:

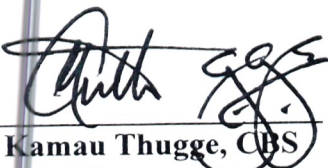
  
 Dr. Kamau Thugga, CBS  
 Principal Secretary,  
 The National Treasury


  
 Bernard Ndungu, MBS  
 Equalisation Fund Administrator  
 The National Treasury

VI. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2017

		2016/2017 Kshs	2015/2016 Kshs
<b>Cash Flow from Operating Activities</b>			
<b>Receipts for Operating Income</b>			
Receipts from The National Treasury	1	6,000,000,000.00	6,000,000,000.00
<b>Payments</b>			
Transfers to implementing MDAs	2	942,313,944.00	-
<b>Net Cash Flow from Operating Activities</b>		<b>5,057,686,056.00</b>	<b>6,000,000,000.00</b>
<b>Cash flow from Investing Activities</b>		-	-
<b>Cash flow from Borrowing Activities</b>		-	-
<b>Net increase in Cash and Cash Equivalents</b>		<b>5,057,686,056.00</b>	<b>6,000,000,000.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6,400,000,000.00</b>	<b>400,000,000.00</b>
<b>Cash and Cash Equivalent at the end of the Year</b>	3	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>

The notes on pages 5 to 8 form an integral part of these financial statements. This statement has been reviewed and approved on...<sup>21<sup>st</sup> March</sup>...2018 by the following:

  
 Dr. Kamau Thugge, CBS  
 Principal Secretary,  
 The National Treasury

  
 Bernard Ndungu, MBS  
 Equalisation Fund Administrator  
 The National Treasury

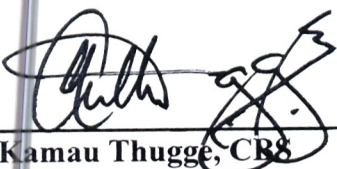
## VII. COMPARISON OF BUDGET VS ACTUAL PERFORMANCE


The following statement summarizes the outturn against budget.

	Original Estimates Kshs	Adjustments Kshs	Revised Estimates Kshs	Total Actual 30 <sup>th</sup> June 2017 Kshs	Difference Kshs	% Deviation
<b>Opening Balance</b>	6,400,000,000.00	-	6,400,000,000.00	6,400,000,000.00	-	100%
<b>Receipts</b>						
Transfer from the National Treasury	6,000,000,000.00	-	6,000,000,000.00	6,000,000,000.00	-	100%
<b>Total</b>	<b>12,400,000,000.00</b>	<b>-</b>	<b>12,400,000,000.00</b>	<b>12,400,000,000.00</b>	<b>-</b>	<b>100%</b>
<b>Transfers</b>						
Transfers to implementing MDAs	12,400,000,000.00	-	12,400,000,000.00	942,313,944.00	11,457,686,056.00	92.4%
<b>Total</b>	<b>12,400,000,000.00</b>	<b>-</b>	<b>12,400,000,000.00</b>	<b>942,313,944.00</b>	<b>11,457,686,056.00</b>	<b>92.4%</b>

### Commentary:

As indicated above, an amount of Kshs 942,313,944.00 was released during the year. The low level of disbursement was due to the delay in gazettement of the regulations and extensive public consultations regarding project identification and eventual formation and submission of the Appropriation Act to the National Assembly.

  
 Dr. Kamau Thugge, CBS  
 Principal Secretary,  
 The National Treasury

  
 Bernard Ndungu, MBS  
 Equalisation Fund Administrator  
 The National Treasury

## VIII. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements of the Equalisation Fund have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Cash Standards as prescribed by the Public Sector Accounting Standard Board (PSASB).

### b) Reporting entity

This report relates to financial operations of the Equalisation Fund. The reporting entity is the National Treasury.

### c) Receipts

Receipts to the Equalisation Fund consist of monies appropriated from the Consolidated Fund by an Appropriation Act in any financial year. Receipts are recognized when the cash is received in the Equalisation Fund.

Pursuant to Article 204 (1) and (2) of the Constitution of Kenya, one half per cent of all revenue collected by the national government each year calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly shall be paid to the Equalisation Fund.

### d) Payments and transfers

Transfers consist of withdrawal as authorized under an Act of Parliament that approves the appropriation of money from the Fund. Transfers from the Fund are deposited into the respective spending agencies account.

### e) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand, bank balances and short term deposits in money market instruments.

### f) Presentation Currency

The financial statements are reported in Kenya Shillings, being the currency of legal tender in Kenya.

## IX. NOTES TO ACCOUNTS

### 1. Receipts from National Treasury

Receipts into the Equalisation Fund amounted to Kshs 6.0 billion for the period ended 30<sup>th</sup> June 2017 compared to Kshs 6.0 Billion for the comparative period. The following is an analysis of the receipts received into the Equalization Fund:

Description	Date	2016/2017 Kshs
Transfer from the National Treasury D 1071	29 <sup>th</sup> June 2017	500,000,000.00
	29 <sup>th</sup> June 2017	1,000,000,000.00
	29 <sup>th</sup> June 2017	1,000,000,000.00
	29 <sup>th</sup> June 2017	1,500,000,000.00
	29 <sup>th</sup> June 2017	1,000,000,000.00
	29 <sup>th</sup> June 2017	1,000,000,000.00
<b>Total Receipts</b>		<b>6,000,000,000.00</b>

### 2. Transfers from the Fund

As per the Equalisation Fund regulations, the activities of the Fund are implemented through the National Government Ministries, Departments and Agencies (MDAs). The Transfers to MDAs during the financial year amounted to Kshs. 942,313,944.00 as tabulated below:

Implementing Agencies	Total Actual 2017 Kshs
State Department for Irrigation	54,791,200.00
State Department for Vocation & Technical Training	7,870,000.00
State Department for Water	417,898,244.00
Ministry of Health	88,155,000.00
State Department for Infrastructure	102,500,000.00
State Department for Energy	268,850,000.00
State Department for Education	2,249,500.00
<b>Transfer to Implementing MDAs</b>	<b>942,313,944.00</b>

### 3 Closing Balance

The closing balance as at 30<sup>th</sup> June 2017 amounted to Kshs 11.4 Billion while the closing balance as at 30<sup>th</sup> June 2016 amounted to Kshs 6.4 Billion as reflected in the bank account of the Fund shown below:

Description	2016/2017 Kshs	2015/2016 Kshs
Fund Bank balance (CBK account number 1000183225)	11,335,437,156.00	6,400,000,000.00
Equalisation Fund Secretariat balance (CBK account number 1000342056)	122,248,900.00	-
<b>Total</b>	<b>11,457,686,056.00</b>	<b>6,400,000,000.00</b>

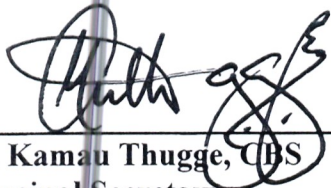
**X. BUDGET ALLOCATION PER COUNTY**

COUNTIES	Water	Health Facilities	Roads	Electricity	Education	TOTAL BUDGET
Garissa County	360,980,000.00	35,000,000.00	317,520,000.00	70,000,000.00		783,500,000.00
Isiolo County	144,000,000.00	136,000,000.00	450,300,000.00	16,600,000.00		746,900,000.00
Kilifi County	381,267,859.00	109,071,428.00	205,410,713.00	5,750,000.00	62,000,000.00	763,500,000.00
Kwale County	280,000,000.00	10,825,000.00	332,475,000.00	77,000,000.00	95,000,000.00	795,300,000.00
Lamu County	337,200,000.00	145,000,000.00	180,000,000.00	60,000,000.00		722,200,000.00
Mandera County	470,000,000.00	170,600,000.00	300,000,000.00	27,000,000.00		967,600,000.00
Marsabit county	494,274,000.00	226,998,000.00	148,928,000.00	16,000,000.00		886,200,000.00
Narok County	226,750,000.00	298,500,000.00	284,250,000.00			809,500,000.00
Samburu County	746,000,000.00		123,700,000.00			869,700,000.00
Taita Taveta County	165,500,000.00	171,700,000.00	414,500,000.00			751,700,000.00
Tana River County	654,000,000.00		130,000,000.00	15,000,000.00	60,000,000.00	859,000,000.00
Turkana county	605,133,332.00	125,000,000.00	320,066,668.00			1,050,200,000.00
Wajir county	580,800,000.00	349,000,000.00				929,800,000.00
West Pokot County	284,525,000.00	162,000,000.00	419,575,000.00			866,100,000.00
<b>Sub-Total</b>	<b>5,730,430,191.00</b>	<b>1,939,694,428.00</b>	<b>3,626,725,381.00</b>	<b>287,350,000.00</b>	<b>217,000,000.00</b>	<b>11,801,200,000.00</b>
Secretariat Administrative Costs						598,800,000.00
<b>Total</b>	<b>5,730,430,191.00</b>	<b>1,939,694,428.00</b>	<b>3,626,725,381.00</b>	<b>287,350,000.00</b>	<b>217,000,000.00</b>	<b>12,400,000,000.00</b>

## XI PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMMENDATIONS

There were no noted and outstanding audit matters issues during the previous audits as indicated on the table below.

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



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**Dr. Kamau Thugge, CBS**  
Principal Secretary,  
The National Treasury



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**Bernard Ndungu, MBS**  
Equalisation Fund Administrator  
The National Treasury