

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF MARSABIT**

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



OFFICE OF THE AUDITOR  
UPPER EASTERN REGIONAL OFF

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## MARSABIT COUNTY ASSEMBLY

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2023

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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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**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.

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

## 2. Key Entity Information and Management

### (a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 20 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 13 nominated Members of County Assembly (MCAs). The MCAs are responsible for making any 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 County Assembly of Marsabit day-to-day management is under the following key organs:

No.	Position	Name
1.	Speaker of the County Assembly	Hon.Edin Wario
2.	Clerk of the County Assembly	Hon.Chare Mato
3.	Head of Departments	Mr. Jarso Roba- Director of Human Resources Mr. Adan Katelo- Head of Procurement Department Mr. Fredrick Injela- Assistant Director of Accounts Mr. Adisomo Lasaru-Assistant Director of Finance Mr. Gobu Wario Gufu-Director ICT, Research and Hansard Mrs. Christine Kurfa- Principal Committee Services Mss' Bokayo Guyo- Head of Legal Department
4.	Leader of Majority	Hon.Leakono Bata
5.	Leader of Minority	Hon.Halkano Konso

### (c) Fiduciary Management

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

*Marsabit County Assembly*

*Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023*

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[REDACTED]		
1.	Accounting Officer- Clerk	CPA Chare Mato
2.	Deputy Clerk	Mr. Salim Kato
3.	Director Human Resource Department	Mr.Jarso Roba
4.	Head of Procurement	Mr. Adan Katelo
5.	Assistant Director-Accounting Services	CPA Fredrick Injela
6.	Chief Finance Officer	CPA Abdirashid Adisomo
7.	Senior Legal Counsel	Mss Bokayo Halakhe

**Key Entity Information and Management (Continued)**

**(d) Fiduciary Oversight Arrangements**

**1. Budget and Appropriation and Finance and Economic Planning Committee Activities.**

The budget and finance committee of the Assembly is established under the County Assembly's standing order.

The functions of the Committee shall be:

- 1) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.
- 2) To discuss and review the estimates and make recommendations to the Assembly.
- 3) Examine the County Budget policy statement presented to the Assembly.
- 4) Examine Bills related to the National budget including, appropriation bills
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The members of Budget and Finance Committee are:

<b>Sno</b>	<b>Name</b>	<b>Position</b>
1	Hon.Daud Tamasot	Chairperson
2	Hon.Halkano Rare	Vice Chairperson
3	Hon.Buke Diba	Member
4	Hon.Musa Emojo	Member
5	Hon.Diram Hussein	Member
6	Hon.Hadija Ibrahim	Member
7	Hon.Miriam Mindisayo	Member
8	Hon.Mohamed Isaack	Member
9	Hon.Edin Adi Dida	Member

**2. County Public Accounts and Investments Committee (PIC and PAC).**

The County Public Accounts and Investments Committee of the Assembly is established under the County Assembly's standing order.

The Public Investments and Accounts Committee shall be responsible for-

(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.

**Marsabit County Assembly**

**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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(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.

The Committee is composed of:

<b>Sno</b>	<b>Name</b>	<b>Position</b>
1	Hon. John Boru	Chairperson
2	Hon. Danila Lenatiyama	Vice Chairperson
3	Hon. Amos Wako	Member
4	Hon. Sadia Osman Araru	Member
5	Hon. Josephine Leado	Member
6	Hon. Hisidin Ali Abdullahi	Member
7	Hon. Darare Gonche	Member
8	Hon. Kiya Jillo	Member
9	Hon. Huka Galgallo	Member

**(e) County Assembly of Marsabit Headquarters**

County Assembly of Marsabit  
P.O Box 29-60500  
Marsabit, Kenya

**(f) County Assembly of Marsabit Contacts**

E-mail: [info@countyassemblyofmarsabit.co.ke](mailto:info@countyassemblyofmarsabit.co.ke)  
Website: [www.countyassemblyofmarsabit.co.ke](http://www.countyassemblyofmarsabit.co.ke)

**(g) County Assembly of Marsabit Bankers**

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

2. Equity Bank Limited  
Marsabit Branch

**(h) Independent Auditor**

Auditor General  
Office of The Auditor General  
Anniversary Towers, University Way

*Marsabit County Assembly*

*Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023*

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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**

### **3. Governance Statement**

#### **The County Assembly**

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

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

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

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

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

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

#### **a) Select Committees**

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

#### **b) Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee on Administration, Coordination of County Affairs and ICT
- b) Public Accounts/Investment Committee
- c) Budget and Appropriations Committee

#### **4. Foreword By the Clerk of The Assembly**

##### **(i) Budget performance**

During the Financial year ended 30th June 2023, The Assembly had a recurrent budget of KES 886,688,729.00 and development of KES 343,305,435. However, The Assembly spent KES 866,971,306.40 on Recurrent expenditure and KES 87,221,446.20 on development expenditure respectively.

The Amount unspent of KES 342.6 on recurrent budget and KES 2,253,507.80 was surrendered to County Revenue Account as per the PFM Act. The budget for recurrent and development was 98% and 26% funded by the National Treasury.

##### **(ii) Operational Performance**

The Budget for County Assembly of Marsabit was passed on 14th December 2022, and the supplementary budget was passed on 27th April 2023.

-The County Assembly of Marsabit has 21 committees namely:

- a) Budget and Appropriation and Finance and Economic Planning Committee
- b) Lands Energy and Urban Development Committee
- c) Trade, Industry and Enterprise Development Committee
- d) Education, Skills Development, Youth and Sports Committee
- e) Administration, Coordination of County Affairs and ICT Committee
- f) Water, Environment and Natural Resources Committee
- g) Agriculture, Livestock and Fisheries Committee
- h) County Public Accounts and Investments Committee
- i) Tourism, Culture, Gender and Social Services Committee
- j) Security Committee
- k) Transport, Roads, Housing and Public Works Committee
- l) Delegated County Legislation and Justice and Legal Affairs Committee
- m) Inter County Relations Committee
- n) Health Services Committee
- o) Powers and Privileges and Procedure and Rules Committee
- p) House Business Committee
- q) Liaison Committee
- r) Vetting Committee
- s) Speakers Panel Committee
- t) Equal Opportunities Committee
- u) Implementation Committee

***Marsabit County Assembly***

***Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023***

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communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected 2 bills through public participation.

<b>S/No</b>	<b>BILL</b>
1	Disaster Risk Management Bill
2	Civil Education and Public Participation Bill

**Marsabit County Assembly**

**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

Hon. Josephine Leado	Member	Nominated
Hon. Hisidin Ali Abdullahi	Member	Nominated
Hon. Darare Gonche	Member	Nominated
Hon. Kiya Jillo	Member	Nominated
Hon. Huka Galgallo	Member	Turbi/Bubisa Ward

**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:

Hon. Daud Tamasot	Chairperson	Korr/Ngurunit Ward
Hon. Halkano Rare	Vice Chairperson	Obbu Ward
Hon. Buke Diba	Member	Maikona Ward
Hon. Musa Emojo	Member	Loiyangalani Ward
Hon. Diram Hussein	Member	Nominated
Hon. Hadija Ibrahim	Member	Nominated
Hon. Miriam Mindisayo	Member	Nominated
Hon. Mohamed Isaack	Member	Moyale Township
Hon. Edin Adi Dida	Member	Golbo Ward

**Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in Dukana, Saku, Maikona and Turbi where the different stakeholders were invited for information sharing. This

**a) Committee on Administration, Coordination of County Affairs and ICT**

There is established committee known as the Committee on Administration, Coordination of County Affairs and ICT consisting of 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 on Administration, Coordination of County Affairs and ICT shall be to ensure and coordinate the participation of the communities and locations to develop administrative capacity for effective exercise of actions and powers and participations in Governance at the local level, Administration of law and justice, including working and collaborating with national Government on security matters. The committee held 24 meetings in FY 2022/2023. The committee members during FY 2022/2023 were:

Member	Position	Ward
Hon. Joseph Leruk	Chairperson	Karare Ward
Hon. Tura Ruru	Vice Chairperson	North Horr Ward
Hon. Dida Omar	Member	Butiye Ward
Hon. Burcha Daniel	Member	Laisamis Ward
Hon. Jamens Korie	Member	Illeret Ward
Hon. Hindia Salat	Member	Nominated
Hon. Adano Boru	Member	Dukana Ward

**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. Additionally, it also held 10 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Position	Ward
Hon. John Boru	Chairperson	Sololo Ward
Hon. Danila Lenatiyama	Vice Chairman	Nominated
Hon. Amos Wako	Member	Sagante Jaldesa Ward
Hon. Sadia Osman Araru	Member	Nominated

**d) Statement Of Performance Against County Assembly Predetermined Objectives**

**Guidance**

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

The key mandate of the County Assembly of Marsabit is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2022/2023.

Programme	Delivery Unit	Key Outputs (KO)	Key Performance Indicators (KPIs)	Target
<b>Programme 1: General Administration support services</b>				
SP 1.1	CASB	Well remunerated employees	Employees satisfaction	All Staff
	Human resource and directorate	Effective Assembly staff	Well trained staff and MCAs	5 training for each. Both staff and MCAs
	Human resource and directorate	Motivated Assembly Staff	Staff and MCAs salaries paid	Timely payments every month
SP 1.2	Finance Directorate	Efficient Assembly Services	Purchase and supply of office supplies and other services	All Staff , MCAs and support services
<b>Programme 2: Legislature and oversight services</b>				
SP 2.2:	Clerk Office	Hansard reports on plenary session's availability to the public	Hansard Report Publication	All Hansard Reports available in hard copies & soft copies.
		Availability of Assembly committees to the public	Committee minutes prepared and filed.	All Committee minutes availed weekly
SP 2.3	Clerk Office	Cars and houses for MCAs	Mortgage and car loans issued	Cars and houses for 33 MCAs and Speaker
SP 2.4	Clerk Office	Vehicle Reimbursement	Reimbursement to MCAs	33 MCAs and Speaker

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SP 2.5	Clerk Office	Trained, informed and effective MCAs and staff	No. of trainings conducted	3 for each staff and 4 for each MCA
SP 2.6	Clerk Office	Involve public fully in policy making	Ward Visits	Eight (8) Ward visits
SP 2.7	Clerk Office	County Development	Public participation attendance lists and budgets and bills	Involve 10,000 Stakeholders in public participation.
<b>Programme 3: County Assembly Infrastructure Improvement</b>				
S.P 3.12	CASB	Improve transport	Motor vehicles well maintained.	5
S.P 3.13	CASB	ICT infrastructure improvement	ICT networked Offices	100% networked office
S.P 3.14	CASB	Improve efficiency	Construction ongoing	All staff , MCAs and ward staff
S.P 3.15	CASB	ICT infrastructure maintenance	Maintenance done	Well maintained
S.P 3.16	CASB	Service machinery	Maintenance done	5
S.P 3.17	CASB	Improve efficiency	Pay utility bills	All bills paid
S.P 3.18	CASB	Legislative efficiency	Printing bills and other documents	All bills printed 9
S.P 3.20	CASB	Improved efficiency	Insurance cover for staff, MCAs and Assembly Vehicles	All staff, MCAs and Assembly properties
S.P 3.21	CASB	Lap tops and computers for all offices	Lap tops and computers bought	All staff
S.P 3.22	CASB	Improve infrastructure	Fuel, lubricants and tyres for all assembly vehicles	7 Vehicles
S.P 3.23	CASB	Management efficiency	Legal fees, contracted professional charges and bank charges	All charges paid
S.P 3.24	CASB	Salary for ward office staff, rents and bill payment and other operating expenses	Smooth running of ward offices	33
S.P 3.25	CASB	Uniformed staff and pest control	Uniforms purchased and Assembly Premises fumigated	County Assembly Building and staff
S.P 3.26	CASB	Upholding professionalism	Payment to professional bodies	Professional bodies

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*Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023*

S.P 3.28	CASB	Improve efficiency	No. of offices refurbished and built	59 offices and Conference room
S.P 3.29	CASB	Pension and gratuity paid	Remittance to pension providers	All MCAs, Speaker, staff and ward office staff
S.P 3.30	CASB	Improve infrastructure	No. of Vehicles purchased	1
S.P 3.31	Clerk	Improved performance	Research paper	4 per year
S.P 3.32	Clerk	Payment of pending bills for Recurrent	Pending bills paid	All pending bills for recurrent
S.P 3.33	Clerk	Payment of pending bills for Development	Pending bills paid	All pending bills for development

**e) Corporate Social Responsibility Statement/Sustainability Reporting**

**(Two-to-three pages)**

**a) Sustainability strategy and profile -**

Marsabit County Assembly has made various sustainable efforts that focus on service delivery to the citizen.

The strategic area of focus for service delivery includes but not limited to:

- a) Legislative Services
- b) Oversight Role
- c) Committee Services
- d) Staff Management and development
- e) Physical infrastructure development
- f) Financial Resource Management
- g) Application of ICT in all our processes.

**b) Environmental performance**

Marsabit County Assembly works towards the Health and Safety measures that aims at prevention and protection of officers against accidents and occupational hazards arising at workplace as well as reduce the environmental impact of the institution activities and products.

The Assembly have put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events. We have a Fire assembly point in case there is occurrence of Fire and the employees have been briefed on its importance.

**c) Employee welfare**

Marsabit County Assembly has committed to ensuring that employee welfare is taken into consideration to ensure maximum efficiency and effectiveness. Amongst the welfare opportunities present to Marsabit County Assembly Members and Staff includes: Prompt payment of Salaries, Annual incremental of Salaries, advance of salary, subsistence & foreign allowance, acting allowance and leave allowance.

The Assembly also provides Medical Cover to the Members and Staffs. The medical covers entail impatient, outpatient, dental, Optical, Maternity as well as last expense.

The Assembly has also taken into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit Act (WIBA).

The Members and staff of Marsabit County Assembly enjoys other benefit like leave allowances and categories; not limited to the following; Annual Leave, Maternity & Paternity Leave, Unpaid Leave, Compassionate Leave, Sick/Convalescent Leave, Terminal, Examination leave. The Members and staffs also enjoy various workshops and training programme intended to improve the employee performance and productivity and increase their morale.

**d) Market place practices-**

Marsabit County Assembly as a corporate citizen has always been guided by various rules and regulations, Acts and other government directions to run its day to day activities.

All procurement related issues are published through supplier portals to give fair competitions to suppliers following guidelines from PPOA and PFM ACT 2012.

**e) Community Engagements-**

The County Assembly continually engages the general public through public participations in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted.

**f) 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

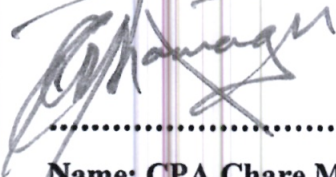
***Marsabit County Assembly  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023***

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

**Approval of the financial statements**

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 4<sup>th</sup> August 2023.



.....  
**Name: CPA Chare Mato**

**Clerk of the County Assembly**

**Functions of the County Assembly committees**

**1) Legislative Function**

- a) Prepares legislative proposals.
- b) Guides debate during the processing of Bills during the Second Reading and Committee of the Whole Assembly

**2) Budget Making Process**

- a) Scrutinize Budget estimates and budget documents and make appropriate recommendations.
- b) Monitors budget performance of the assigned Sectors

**3) Oversight Role**

- a) Ensure efficiency and effectiveness of the assigned Sectors by inquiring and reporting on all matters relating to the assigned Sector.
- b) Ensure that the relevant Sector/ Department accounts on its expenditure.
- c) Consider reports of the Auditor-General.
- d) Vets nominees to be appointed to various public offices within the County as required by the law.

**4) Representation Role**

- a) Ensure public participation in their activities.
- b) Address issues raised by the public.
- c) Considers public petitions.

**(iii) Performance of key development projects**

In the financial year ended 30<sup>th</sup> June 2023, the Assembly had a continuation of development project, which is the construction of chambers for the members. When completed, the chamber will improve the effectiveness and efficiency of operations

**(iv) Comment on value-for-money achievements**

The Assembly undertook the development project to construct new chamber for the members, which will enable members to work efficiently

**(v) Challenges and Recommended Way Forward**

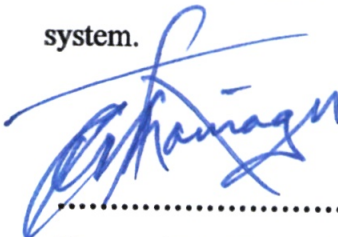
During the reporting period, the challenges encountered were:

- a) Late disbursements of funds from the exchequer.
- b) Pending bills due to late disbursement of funds.
- c) IFMIS system had challenges most of time due to breakdown or network problem, hence grossly affecting program implementation.

**Recommendations**

The National Treasury should ensure timely release of funds from the exchequer to counter rise of pending bills and unpaid commitments.

We recommend installation of a reliable and stable network to counter challenges posed by IFMIS system.



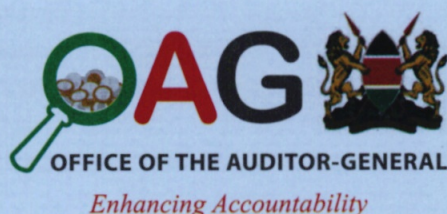
.....  
**Name: CPA Chare Mato**

**Clerk of the County Assembly**

**4<sup>th</sup> August 2023**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

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

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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**

#### **Opinion**

I have audited the accompanying financial statements of County Assembly of Marsabit set out on pages 1 to 39, which comprise 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, the financial statements present fairly, in all material respects, the financial position of County Assembly of Marsabit 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 Government Act, 2012 and the Public Finance Management Act, 2012.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs.1,229,994,164 and actual receipt of Kshs.956,446,603 resulting to underfunding of Kshs.273,547,561 or 22 % of the budget. Similarly, the statement reflects total actual expenditure of Kshs.954,192,752 against an approved budget of Kshs.1,229,994,164 resulting to an under-expenditure of Kshs.275,801,412 or 22% of the budget.

The underfunding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

#### **2.0 Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2023. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow-up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

# 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**

### **1.0 Compensation of Employees**

#### **1.1 Irregular Payment of Special House Allowance**

The statement of receipts and payments reflects compensation of employees amounting to Kshs.217,962,746 which as disclosed in Note 4 to the financial statements includes Kshs.503,100 paid in respect to special house allowance to nine (9) employees. The payments were, however, contrary to the terms and conditions of service as determined by SRC through Circular Ref. No SRC/ADM/1/13 Vol. III (126) of 10 December, 2014 that does not permit the payment of the special house allowance.

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

#### **1.2 Non-Compliance with the One-Third of Basic Salary Rule**

During the year ended 30 June, 2023, fourteen (14) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management has not given an explanation for the failure to comply with the policy.

In the circumstances, the Management was in breach of the law and this may expose the staff to pecuniary embarrassment.

#### **1.3 Employees on Probation for More than Six Months**

During the year under review the County Assembly recruited twenty (20) members of staff on 20 June, 2022 and who have since been on probation terms without being confirmed in appointment thereby exceeding the six months' requirement contrary to Section 2(2) of the Employment Act, 2007 which provides that a probationary period shall not be more than six months but it may be extended for a further period of not more than six months with the agreement of the employee.

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

## **2.0 Nugatory Expenditure to Society of Clerks at the Table – SOCCAT**

Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.5,500,000 in respect to membership fees, dues and subscriptions to organizations which include Kshs.1,500,000 paid to the Society of Clerks at The Table (SOCATT). However, a review of the SOCATT revealed that this body is a private organization that does not draw its mandate from the Constitution of Kenya or an Act of Parliament.

The basis for payment to SOCATT was therefore, not legally supported and is contrary to Public Finance Management (County Governments) Regulations No.105(1) which provides that an Accounting Officer may authorize payment vouchers provided such expenditure is in respect of and within the provision of the services in a County Treasury warrant and in accordance with the law and regulations.

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

## **3.0 Delay in Project Completion - Construction of Chambers**

Note 10 to the financial statements reflect Kshs.110,588,124 in respect of acquisition of assets which includes Kshs.87,221,446 for construction of buildings. This amount includes a payment of Kshs.13,765,155 for certificate number 9 paid to a construction company for the construction of chambers for the County Assembly of Marsabit. Review of construction records revealed that the County Assembly awarded the tender to a firm at a contract sum of Kshs.344,205,660 for a period of seventy (70) weeks. The Chambers was to be completed by 28 August, 2019, however, it was still in progress by October, 2023, four (4) years past the completion date.

The tender minutes and correspondence with the contractor on the approval of the extension of the project duration beyond 28 August, 2019 were not provided for audit .

Further, the County Assembly did not provide evidence that the Project Management and other stakeholders including representatives of the County Assembly held site meetings to assess the implementation of the project and confirm the metrics during the engineers visit to give valuation certificates for payments contrary to Section 149(1)(a) and (b) of Public Finance Management Act, 2012 which provides that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized; and effective, efficient, economical and transparent.

In the circumstances, it was not possible to confirm that the County Assembly obtained value for money from the expenditure of Kshs.13,765,155 incurred on the Project.

## **4.0 Non-Establishment of a County Assembly Fund**

The County Assembly Service Board had not established a County Assembly Fund. This is contrary to Section 34 of the County Assembly Service Act, 2017 which provides that there shall be established for each County, a fund to be known as the County Assembly

Fund, whose purpose is to receive any grants, gifts, donations or bequests; monies from investments of the Board and such fees imposed or levies administered by the Board.

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

## **5.0 Staff Payment Outside Integrated Payroll and Personnel Database (IPPD)**

As previously reported, Note 4 to the financial statements reflects Kshs.217,962,746 in respect of compensation of employees. This includes an amount of Kshs.411,844 processed outside the IPPD and paid to fourteen (14) staff members. It was not explained why Management paid these employees outside the IPPD contrary to Regulations 19(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 which requires a regular review of the adequacy and integrity of the entity's internal control and Management Information Systems including compliance with applicable laws.

In the circumstances, the payment of the salaries and wages of Kshs.411,844 outside the Integrated Payroll and Personnel Database (IPPD) system may have compromised the quality and reliability of the payroll system.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of an Audit Committee**

During the year under review, the County Assembly of Marsabit did not put in place an audit committee which would be responsible for preparation and presentation of an annual report and to conduct an annual self-assessment to gauge its performance and achievements against its mandate, roles, duties and responsibilities contrary to Paragraph 7.2(a-c) of the Gazette Notice No.2690 on Audit Committee Guidelines for County Governments which requires the Audit Committee to produce annual, special and

investigative reports and assess the performance and achievements of the County Assembly against its mandate, roles, duties and responsibilities that should be captured in the calendar of activities on an annual basis.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

## **2. Understaffing of Internal Audit Department**

The internal audit section had one member of staff who was not able to carry out all the internal audit functions. This is contrary to Section 155(1) to (5) of the Public Finance Management Act, 2012 which provides that every County Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the accounting standards board.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 controls 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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**

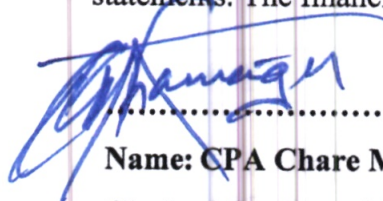
**Nairobi**

**21 December, 2023**

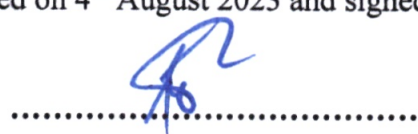
**h) Statement of Receipts and Payments for The Year Ended 30<sup>th</sup> June 2023**

	Note	2022-2023 KSh	2021-2022 KSh
<b>Receipts</b>			
Transfers from the CRF	1	956,446,603	778,533,891
Proceeds from sale of assets	2	-	-
Miscellaneous receipts	3	-	-
<b>Total receipts</b>		<b>956,446,603</b>	<b>778,533,891</b>
<b>Payments</b>			
Compensation of employees	4	217,962,746	204,454,199
Use of goods and services	5	402,870,955	462,008,720
Subsidies	6	-	-
Transfers to other government entities	7	-	-
Other grants and transfers	8	5,500,000	750,000
Social security benefits	9	22,183,931	32,417,163
Acquisition of assets	10	110,588,124	34,738,145
Finance costs	11	-	-
Other payments	12	195,086,996	44,162,996
<b>Total payments</b>		<b>954,192,752</b>	<b>778,531,223</b>
<b>Surplus/deficit</b>		<b>2,253,851</b>	<b>2,668</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 4<sup>th</sup> August 2023 and signed by

  
 Name: CPA Chare Mato

Clerk of the Assembly



Name: CPA Fredrick Injela

Assistant Director-Accounting Services –  
 County Assembly  
 ICPAK Member Number:26400

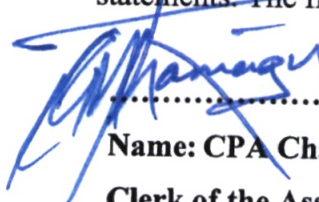
\*Comparative FY means the financial year preceding the current financial year.


**Marsabit County Assembly**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**i) Statement Of Financial Assets and Liabilities As At 30th June 2023**

Financial assets	Note	2022-2023	2021-2022
		KShs	KShs
<b>Cash and cash equivalents</b>			
Bank balances	13A	2,253,851	2,668
Cash balances	13B	-	-
<b>Total cash and cash equivalents</b>		<b>2,253,851</b>	<b>2,668</b>
Imprests and Advances	14	-	-
<b>Total financial assets</b>		<b>2,253,851</b>	<b>2,668</b>
<b>Financial liabilities</b>			
Third party deposits and retention	15	-	-
<b>Net financial assets</b>		<b>-</b>	<b>-</b>
<b>Represented by</b>			
Fund balance b/fwd	16	2,668	42,212
Prior year adjustment	17	(2,668)	(42,212)
Surplus/(deficit) for the year		2,253,851	2,668
<b>Net Financial Position</b>		<b>2,253,851</b>	<b>2,668</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 4<sup>th</sup> August 2023 and signed by:

  
 Name: CPA Chare Mato  
 Clerk of the Assembly

  
 Name: CPA Fredrick Injela  
 Assistant Director – Accounting Services  
 ICPAK Member Number:26400

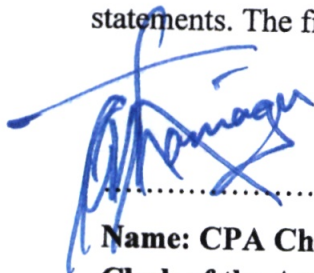
**j) Statement Of Cash Flows for The Period Ended 30<sup>th</sup> June 2023**

<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Transfers from the CRF	1	956,446,603	778,533,891
Miscellaneous receipts	3	-	-
<b>Total receipts from operating income</b>		<b>956,446,603</b>	<b>778,533,891</b>
<b>Payments for operating expenses</b>			
Compensation of employees	4	217,962,746	204,454,198
Use of goods and services	5	402,870,955	462,008,720
Subsidies	6	-	-
Transfers to other government entities	7	-	-
Other grants and transfers	8	5,500,000	750,000
Social security benefits	9	22,183,931	32,417,163
Finance costs	11	-	-
Other payments	12	195,086,996	44,162,996
<b>Total payments for operating expenses</b>		<b>843,604,628</b>	<b>743,793,077</b>
<b>Net receipts/(payments) from operating activities</b>		<b>112,841,975</b>	<b>34,740,814</b>
<b>Adjusted for:</b>			
Prior year adjustment	17	-	-
Returns to CRF Account for the year 2020/2021		-	42,212
Returns to CRF Account for the year 2021/2022		2,668	-
Changes In Imprests and Advances	18	-	-
Changes In Third Party Deposits and Retentions	19	-	-
<b>Net cash flows from operating activities</b>		<b>112,839,307</b>	<b>34,698,602.00</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	110,588,124	34,738,145
<b>Net cash flows from investing activities</b>		<b>110,588,124</b>	<b>34,738,145</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

	Note	2022/2023 KSh	2021/2022 KSh
<b>Cash flow From Financing Activities</b>			
Repayment of principal on domestic and foreign borrowing		-	-
<b>Net cash flow from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>2,251,183</b>	<b>(39,543)</b>
<b>Cash &amp; cash equivalent at Start of the year</b>		<b>2,668</b>	<b>42,212</b>
<b>Cash &amp; cash equivalent at end of the year</b>		<b>2,253,851</b>	<b>2,668</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 4<sup>th</sup> August 2023 and signed by:



.....  
**Name: CPA Chare Mato**  
**Clerk of the Assembly**



.....  
**Name: CPA Fredrick Injela**  
**Assistant Director – Accounting Services**  
**ICPAK Member Number 26400**

**k) Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30<sup>th</sup> June 2023**

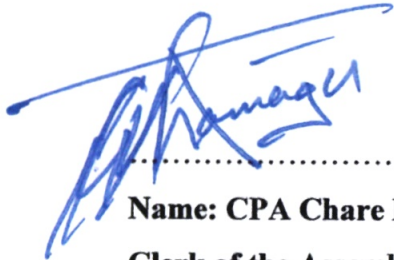
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization difference
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
<b>Receipts</b>						
Transfers from the CRF	1,226,094,164	3,900,000	1,229,994,164	956,446,603	273,547,561	78%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total</b>	<b>1,226,094,164</b>	<b>3,900,000</b>	<b>1,229,994,164</b>	<b>956,446,603</b>	<b>273,547,561</b>	<b>-</b>
<b>Payments</b>						
Compensation of employees	208,962,747	9,000,000	217,962,747	217,962,746	1	100%
Use of goods and services	<b>403,445,783</b>	5,858,253	409,304,036	402,870,955	6,433,081	98%
Other grants and transfers	5,500,000	-	5,500,000	5,500,000	-	100%
Social security benefits	33,217,735	-11,033,463	22,184,272	22,183,931	341	100%
Acquisition of assets	<b>363,772,113</b>	2,900,000	366,672,113	110,588,124	256,083,989	30%
Finance costs	-	-	-	-	-	-
Other payments	<b>211,195,786</b>	-2,824,790	208,370,996	195,086,996	13,284,000	94
<b>Total</b>	<b>1,226,094,164</b>	<b>3,900,000</b>	<b>1,229,994,164</b>	<b>954,192,752</b>	<b>275,801,412</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,253,851</b>		<b>-</b>

**Marsabit County Assembly**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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- (a) The reason for underutilization of 78% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for underutilization of 30% on Acquisition of assets is due to underfunding of the budget.
- (c) The reason for underutilization of 94% on other payments is due to underfunding of the budget.
- (d) The reason for budget increase of Kshs 3,900,000 under exchequer releases is as a result of passage of supplementary budget of Kshs 3,900,000 under development budget

The County Assembly of Marsabit financial statements were approved on 4<sup>th</sup> August 2023 and signed by:



.....  
**Name: CPA Chare Mato**  
**Clerk of the Assembly**



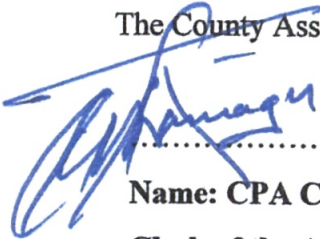
.....  
**Name: CPA Fredrick Injela**  
**Assistant Director – Accounting Services**  
**ICPAK Member Number:26400**

12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30<sup>th</sup> June 2023

	Budget	Adjustments	Final Budget	Actuals up to comparable Period	Budget Utilization Difference	Percentage
<b>Receipts</b>						
Transfers from the CRF	886,688,729	-	886,688,729	866,971,649	19,717,080	98%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total</b>	<b>886,688,729</b>	<b>-</b>	<b>886,688,729</b>	<b>866,971,649</b>	<b>19,717,080</b>	<b>-</b>
<b>Payments</b>						
Compensation of employees	208,962,747	9,000,000	217,962,747	217,962,746	1	100%
Use of goods and services	403,445,783	5,858,253	409,304,036	402,870,955	6,433,081	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	5,500,000	-	5,500,000	5,500,000	-	100%
Social security benefits	33,217,735	-11,033,463	22,184,272	22,183,931	341	100%
Acquisition of assets	24,366,678	-1,000,000	23,366,678	23,366,678	-	100%
Finance costs	-	-	-	-	-	-
Other payments	211,195,786	-2,824,790	208,370,996	195,086,996	13,284,000	94%
<b>Total</b>	<b>886,688,729</b>	<b>-</b>	<b>886,688,729</b>	<b>866,971,306</b>	<b>19,717,423</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>-</b>

- (a) The reason for underutilization of 98% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for underutilization of 94% on other payments is due to underfunding of the budget.

The County Assembly of Marsabit financial statements were approved on 4<sup>th</sup> August 2023 and signed by:



.....  
**Name: CPA Chare Mato**  
**Clerk of the Assembly**



.....  
**Name: CPA Fredrick Injela**  
**Assistant Director – Accounting Services**  
**ICPAK Member Number: 26400**

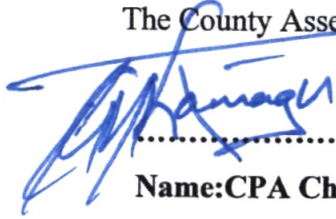
**12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30<sup>th</sup> June 2023**

Receipts/expense item	Original Budget	Adjustments	Final Budget	Actual	Budget Variance	Utilization
<b>Receipts</b>						
Treasury/ exchequer releases	339,405,435	3,900,000	343,305,435	89,474,954	253,830,481	26%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total</b>	<b>339,405,435</b>	<b>3,900,000</b>	<b>343,305,435</b>	<b>89,474,954</b>	<b>253,830,481</b>	<b>-</b>
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	339,405,435	3,900,000	343,305,435	87,221,446	256,083,989	25%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total</b>	<b>339,405,435</b>	<b>3,900,000</b>	<b>343,305,435</b>	<b>87,221,446</b>	<b>256,083,989</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,253,508</b>		<b>-</b>

*[Provide below a commentary on significant underutilization (below 10% of utilization) and any overutilization]*

- (a) The reason for underutilization of 26% on Transfers from the County Treasury/Exchequer Releases is underfunding of the budget.
- (b) The reason for underutilization of 25% on Acquisition of assets is due to underfunding of the budget

The County Assembly of Marsabit financial statements were approved on 4<sup>th</sup> August 2023 and signed by:



.....  
**Name: CPA Chare Mato**  
**Clerk of the Assembly**



.....  
**Name: CPA Fredrick Injela**  
**Assistant Director – Accounting Services**  
**ICPAK Member Number: 26400**

**l) Budget Execution By Programmes And Sub-Programmes**

<b>Programme 1: General Administration Support Services</b>	-	-	-	-	-
SP 1.1 salaries and allowances for employees and M.C.As	208,962,747.00	9,000,000.00	217,962,747.00	217,962,746.00	100%
SP 1.2 Hospitality, Catering services, donations and gifts, boards, committees, conference and seminars	41,400,000.00	-	41,400,000.00	34,968,792.00	84%
<b>Totals for Programme 1</b>	<b>250,362,747.00</b>	<b>9,000,000.00</b>	<b>259,362,747.00</b>	<b>252,931,538.00</b>	-
<b>Programme 2</b>	-	-	-	-	-
<b>Programme 2: Legislature and Oversight</b>	-	-	-	-	-
SP 2.1 Domestic and foreign accommodation, air travels and daily subsistence allowance	103,257,475.00	15,000,000.00	118,257,475.00	118,257,475.00	100%

SP 2.2 ICT, Hansard and Communication equipment	9,500,000.00	(4,000,000.00)	5,500,000.00	5,498,127.00	100%
SP 2.3 Mortgage & Car Loans and tax	91,824,790.00	(2,824,790.00)	89,000,000.00	89,000,000.00	100%
SP 2.4 Vehicle Reimbursement	75,208,000.00	-	75,208,000.00	61,924,000.00	82%
SP 2.5 Staff Trainings and Development and Tuitions	32,950,000.00	6,995,818.00	39,945,818.00	39,945,818.00	100%
SP 2.6 Public Participation	-	15,200,000.00	15,200,000.00	15,200,000.00	100%
<b>Total for Programme 2</b>	<b>312,740,265.00</b>	<b>30,371,028.00</b>	<b>343,111,293.00</b>	<b>329,825,420.00</b>	
<b>Programme 3: County Assembly Infrastructure Improvement</b>					
SP 3.11 Equipping of library			-		100%
SP 3.12 Maintenance of motor vehicle	7,000,000.00	1,000,000.00	8,000,000.00	8,000,000.00	100%
SP 3.13 Purchase of furniture and general equipment	7,366,678.00	(1,000,000.00)	6,366,678.00	6,366,678.00	
SP 3.14 Construction of County Assembly modern chambers, Completion of Speakers residence, Fencing, Cabro road, Underground water tank and Guard house for speakers residence and Completion of ward office	85,004,032.00	3,900,000.00	88,904,032.00	73,456,291.00	83%
SP 3.15 Improvement of ICT services	-	-	-	-	
SP 3.16 Maintenance of plants, machinery & other assets	10,016,760.00	(1,000,000.00)	9,016,760.00	9,016,760.00	100%
SP 3.17 Electricity, water and sewerage and other utility charges	13,428,878.00	-	13,428,878.00	13,428,878.00	100%

*Marsabit County Assembly  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023*

SP 3.18 Printing, advertisement and information supplies and services and public participation	36,199,509.00	(17,200,000.00)	18,999,509.00	18,999,509.00	100%
SP 3.19 Rental of approved assets and hire of motor vehicles	5,200,000.00	(3,000,000.00)	2,200,000.00	2,200,000.00	100%
SP 3.20 Insurance cost for group personal, building, motor vehicle and medical cover	31,937,645.00	(272,844.00)	31,664,801.00	31,664,801.00	100%
SP 3.21 Purchase of computers, printers and general office supplies and accessories and sanitary cleaning materials	37,500,000.00	-	37,500,000.00	37,500,000.00	100%
SP 3.22 Fuel, oil, lubricants and tyres	9,000,000.00	-	9,000,000.00	9,000,000.00	100%
SP 3.23 Bank service commission and charges, legal fees, management fees and contracted professional charges and other operating expenses	17,055,516.00	15,335,263.00	32,390,779.00	32,390,779.00	100%
SP 3.24 Current transfer to other levels of Government (Ward Office and other operating expenses)	40,000,000.00	(22,199,984.00)	17,800,016.00	17,800,016.00	100%
SP 3.25 Uniform, Specialized materials and supplies	9,000,000.00	-	9,000,000.00	9,000,000.00	100%
-SP 3.26 Membership fees and dues and subscription for international organization	5,500,000.00	-	5,500,000.00	5,500,000.00	100%
SP 3.28 Refurbishment of buildings	4,000,000.00	-	4,000,000.00	4,000,000.00	100%
SP 3.29 Gratuity/pension	33,217,735.00	(11,033,463.00)	22,184,272.00	22,183,931.00	100%
SP 3.30 Purchase of motor vehicle	13,000,000.00	-	13,000,000.00	13,000,000.00	100%
SP 3.31 Research, Feasibility Studies, Project and Preparation and Design, Projects	-	-	-	-	

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SP 3.32 Pending Bills –Recurrent	44,162,996.00	-	44,162,996.00	44,162,996.00	100%
SP 3.33 Pending Bills – Development	254,401,403.00	-	254,401,403.00	13,765,155.00	5%
<b>Total</b>	<b>662,991,152.00</b>	<b>(35,471,028.00)</b>	<b>627,520,124.00</b>	<b>371,435,794.00</b>	
	<b>1,226,094,164.00</b>	<b>3,900,000.00</b>	<b>1,229,994,164.00</b>	<b>954,192,752.00</b>	

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

**5. Third Party Payments**

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

**6. Cash and cash equivalents**

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

**7. Restriction on cash**

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30<sup>th</sup> June 2023, this amounted to KShs Nil compared to KShs Nil in prior period as indicated on note. *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 County Assembly of Marsabit 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 County Assembly of Marsabit; 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. County Assembly of Marsabit 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 County Assembly of Marsabit 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 County Assembly of Marsabit 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 prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Assembly of Marsabit budget was approved as required by Law. The original budget was approved by the County Assembly on 14<sup>th</sup> December 2022 for the period 1<sup>st</sup> July 2022 to 30 June 2023 as required by law. The supplementary budgets were approved on 27<sup>th</sup> April 2023. A high-level assessment of the County Assembly of Marsabit actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements

### **15. Comparative figures**

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

### **16. Subsequent events**

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

### **17. Prior Period Adjustment**

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

### **18. Related Party Transactions**

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

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

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

**n) Notes to the Financial Statements**

**1. Transfer From CRF**

Transfers from the county treasury for Q1	56,760,965	119,998,475
Transfers from the county treasury for Q2	139,994,619	144,970,074
Transfers from the county treasury for Q3	223,124,379	222,875,173
Transfers from the county treasury for Q4	536,566,640	290,690,169
<b>Cumulative amount</b>	<b>956,446,603</b>	<b>778,533,891</b>

**2. Proceeds From Sale of Assets**

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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements**

**3. Miscellaneous receipts**

	2022/2023 KSh	2021/2022 KSh
Insurance Recoveries	-	-
Other receipts (specify)*	-	-
<b>Total</b>	-	-

**4. Compensation Of Employees**

	2022/2023 KSh	2021/2022 KSh
Basic salaries of permanent employees	217,962,746	204,454,198
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	-	-
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
<b>Total</b>	<b>217,962,746</b>	<b>204,454,198</b>

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

Utilities, supplies and services	13,428,878	17,428,878
Communication, supplies and services	5,498,127	11,500,000
Domestic travel and subsistence	91,257,475	86,257,475
Foreign travel and subsistence	27,000,000	27,000,000
Printing, advertising and information supplies & services	34,199,509	46,321,371
Rentals of produced assets	2,200,000	12,200,000
Training expenses	39,945,818	37,907,263
Hospitality supplies and services	34,968,792	47,674,469
Insurance costs	31,664,801	27,980,382
Specialized materials and services	9,000,000	13,000,000
Office and general supplies and services	37,500,000	45,020,000
Fuel, oil and lubricants	9,000,000	10,000,000
Other operating expenses	50,190,795	54,127,332
Routine maintenance – vehicles and other transport equipment	8,000,000	12,750,000
Routine maintenance – other assets	9,016,760	10,016,760
Domestic Loans to Individuals and Households	-	2,824,790
<b>Total</b>	<b>402,870,955</b>	<b>462,008,720</b>

**Notes To The Financial Statements (Continued)**

**6. Subsidies**

	2022/2023	2021/2022
	US\$K	US\$K
Subsidies To County Corporations		
	-	-
	-	-
	-	-
Subsidies To Private Enterprises	-	-
	-	-
	-	-
	-	-
<b>Total</b>	-	-

**7. Transfers To Other Government Entities**

	2022/2023	2021/2022
	US\$K	US\$K
<b>Transfers to national government entities</b>	-	-
	-	-
<b>Transfers to other county assembly entities</b>	-	-
Car loan scheme fund	-	-
Mortgage scheme/fund	-	-
Others (insert name of budget agency)	-	-
	-	-
<b>Total</b>	-	-

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	5,500,000	750,000
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
<b>Total</b>	<b>5,500,000</b>	<b>750,000</b>

The payments relates to subscriptions paid by the County Assembly of Marsabit for the year ended 30<sup>th</sup> June 2023 to Society of the Clerk-At-The-Table (SOCCATT).

9. Social Security Benefits

Government Pension and Retirement Benefits	14,833,932	25,867,163
Social Security Benefits	-	-
Employer Contribution to Compulsory National Social Security Schemes.	7,349,999	6,550,000
<b>Total</b>	<b>22,183,931</b>	<b>32,417,163</b>

This relates to payment to Lap Trust Umbrella Retirement Funds and Local Authority Provident Fund (LAPFUND)

**Notes To The Financial Statements (Continued)**

**10. Acquisition Of Assets**

Purchase of buildings	-	-
Construction of buildings	87,221,446	19,371,467
Refurbishment of buildings	4,000,000	8,000,000
Construction of roads	-	-
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	13,000,000	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	6,366,678	7,366,678
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	-	-
<b>Total acquisition of non- financial assets</b>	<b>110,588,124</b>	<b>34,738,145</b>
<b>Financial assets</b>		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
<b>Total acquisition of financial assets</b>	<b>-</b>	<b>-</b>
<b>Total acquisition of assets</b>	<b>110,588,124</b>	<b>34,738,145</b>

Notes To The Financial Statements (Continued)

11. Finance Costs

Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
<b>Total</b>	-	-

12. Other Payments

Staff Car Loan and Mortgage	44,162,996	44,162,996
Members Car Loan and Mortgage	89,000,000	-
Members Car Grants	61,924,000	-
<b>Totals</b>	<b>195,086,996</b>	<b>44,162,996</b>

This relates to payments to Marsabit Staff Car Loan and Mortgage and members car loan and mortgage scheme and members car grant

**Notes To The Financial Statements (Continued)**

**13. Cash And Bank Balances**

**13A. Bank Balances**

			<b>Kshs</b>	<b>Kshs</b>
Central Bank of Kenya, Kshs	1000198761	Development	2,253,508	-
Central Bank of Kenya, Kshs	1000198753	Recurrent	343	2,668
Equity Bank of Kenya, Kshs	1010261309104	Imprest Account	-	-
<b>Total</b>			<b>2,253,851</b>	<b>2,668</b>

**13B. Cash In Hand**

Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

Location 1	-	-
Location 2	-	-
Location 3	-	-
<b>Total</b>	-	-

**14. Imprests and Advances**

Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
<b>Total</b>	-	-

Department	-	-
Department	-	-
Department	-	-
<b>Sub-Total</b>	-	-
<b>Salary Advance</b>		
Department	-	-
Department	-	-
<b>Sub-Total</b>	-	-
<b>Grand Total</b>	-	-

**Notes To The Financial Statements (Continued)**

**15. Third Party Deposits and Retentions**

15. Third Party Deposits and Retentions				
Deposits	-		-	
Retentions	-		-	
<b>Total</b>	-		-	
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	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**16. Fund Balance Brought Forward**

16. Fund Balance Brought Forward		
Bank Accounts	2,253,851	2,668
Cash In Hand	-	-
Imprests and advances	-	-
Third party deposits and retentions	-	-
<b>Total</b>	<b>2,253,851</b>	<b>2,668</b>

**17. Prior Year Adjustments**

Bank Account Balances	2,253,851	(2,253,851)	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others ( <i>Specify</i> )	-	-	-
	<b>2,253,851</b>	<b>(2,253,851)</b>	-

**18. Changes In Imprests and Advances**

Opening Imprests and Advances As At 1 <sup>st</sup> July 2022	-	-
Closing Imprests and Advances As At 30 <sup>th</sup> June 2023	-	-
Change In Imprests and Advances	-	-

**19. Changes In Third Party Deposits and Retentions**

Opening Third Party Deposits and Retention As At 1 <sup>st</sup> July 2022	-	-
Closing Third Party Deposits and Retention As At 30 <sup>th</sup> June 2023	-	-
Change In Third Party Deposits and Retention	-	-

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**Notes To The Financial Statements (Continued)**

**Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

Construction Of Buildings	254,401,404	88,904,032	(87,221,446)	256,083,990
Construction Of Civil Works	-	-	-	-
Supply Of Goods	-	-	-	-
Supply Of Services	40,273,274	23,606,802	(44,162,996)	19,717,080
<b>Total</b>	<b>294,674,678</b>	<b>112,510,834</b>	<b>(131,384,442)</b>	<b>275,801,070</b>

**2. Pending Staff Payables (See Annex 2)**

Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes To The Financial Statements (Continued)

**3. Other Pending Payables (See Annex 3)**

Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	-	-	-	-

**4. External Assistance**

External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	-	-

**a) External assistance relating loans and grants**

External assistance received as loans	-	-
External assistance received as grants	-	-
<b>Total</b>	-	-

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**Notes To The Financial Statements (Continued)**

*b) Undrawn external assistance*

Undrawn External Assistance		-	-
– Loans		-	-
Undrawn External Assistance		-	-
– Grants		-	-
<b>Total</b>		-	-

*c) Classes of providers of external assistance*

Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

Notes To The Financial Statements (Continued)

*d. Non-Monetary External Assistance*

Non-Monetary External Assistance		
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*e. Purpose and use of external assistance.*

Purpose and use of external assistance		
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	-	-
<b>Total</b>	-	-

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**Notes To The Financial Statements (Continued)**

*f. External Assistance paid by Third Parties on behalf of the County Assembly of Marsabit by Source*

National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**5. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY**

*This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc.*

**5.1 Classification by Source**

National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

Notes To The Financial Statements (Continued)

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

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	-	-
<b>Total</b>	-	-

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

**6. Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

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**Related party transactions:**

Related party transactions		
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	99,960,000	99,960,000
Key Management Compensation (Clerk and Heads of departments)	13,080,000	13,080,000
<b>Total Compensation to Key Management</b>	<b>113,040,000</b>	<b>113,040,000</b>
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	44,162,996	44,162,996
Transfers to other entities under the Assembly	-	-
<b>Total Transfers to related parties</b>	<b>44,162,996</b>	<b>44,162,996</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the CRF	956,446,603	778,533,891
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	<b>956,446,603</b>	<b>778,533,891</b>

**7. Contingent Liabilities**

Contingent Liabilities		
Court case against the County Assembly of Marsabit	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Give details- Update ANNEX 8 Contingent liabilities register)*

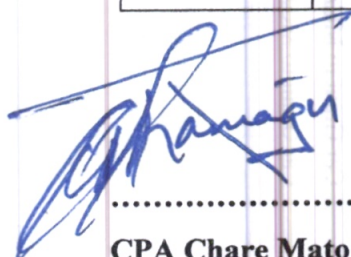
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**o) Progress On Follow On Prior Year Auditor's Recommendations**

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)
1.0	Accuracy of the financial statements.	The inaccuracies in the Financial Statements have been noted and corrections done	Resolved	
2.0	Presentation and Disclosure of Financial Statements.	The presentation issues in the Financial Statements have been noted and corrections done	Resolved	



CPA Chare Mato

Clerk of the County Assembly

Date: 4<sup>th</sup> August 2023

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**p) Annexes**

**Annex 1 – Analysis Of Pending Accounts Payable**

Supplier of Goods or Services	Date Invoiced/Contracted	Description of Goods or Services	Original Amount	Balance at the beginning of the year	Amount Paid During the year	Amount Paid During the year	Outstanding Balance
			A	b	c	d=a+b-c	
<b>Construction Of Buildings</b>							
1. Precision Civil Engineering Limited		Construction of chambers for the County Assembly of Marsabit		254,401,404	88,904,032	(87,221,446)	256,083,990
<b>Sub-Total</b>				<b>254,401,404</b>	<b>88,904,032</b>	<b>(87,221,446)</b>	<b>256,083,990</b>
<b>Supply Of Services</b>							
2.Car and mortgage Fund				40,273,274	3,889,722	44,162,996	Nil
3..Sand and Rock Hotel	LSO1975197	Provision of catering services			1,400,000		1,400,000
4..Bomen Hotel Limited	LSO1975198	Provision of catering services			1,612,000		1,612,000
5..Urban Café Hotel	LSO1975199	Provision of catering services			1,633,424		1,633,424
6..Bomen Hotel Limited	LSO1975200	Provision of catering services			1,800,000		1,800,000
7..Omar Dida Apicha		Car Grant to MCAs			2,212,000		2,212,000
8..Hisidin Ali		Car Grant to MCAs			2,212,000		2,212,000
9..Diram Hussein Roba		Car Grant to MCAs			2,212,000		2,212,000
10..Christopher Ogom		Car Grant to MCAs			2,212,000		2,212,000

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11..Lucy Kargiya		Car Grant to MCAs			2,212,000		2,212,000	
12..Musa Emojo		Car Grant to MCAs			2,212,000		2,212,000	
<b>SUB TOTALS</b>					<b>40,273,274</b>	<b>23,606,802</b>	<b>44,162,996</b>	<b>19,717,080</b>
<b>TOTALS</b>					<b>294,674,678</b>	<b>112,510,834</b>	<b>131,384,442</b>	<b>275,801,070</b>
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**

			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							
2.							
Sub-Total							
Unionisable Employees							

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3.							
Sub-Total							
Others ( <i>specify</i> )							
4.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**Annex 3 – Analysis Of Other Pending Payables**

[REDACTED]							
			a	b	c=a-b		
<b>Amounts Due To National Govt Entities</b>							
1.							
<b>Sub-Total -</b>							
<b>Amounts Due To County Govt Entities</b>							
2.							
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
3.							
<b>Sub-Total</b>							
<b>Others</b>							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**Annex 4 – Summary Of Non-Current Asset Register**

[REDACTED]					
Land					
Buildings and structures	342,518,590	87,221,446			429,740,036
Transport equipment	52,535,000	13,000,000			65,535,000
Office equipment, furniture and fittings	100,491,059	6,366,678			106,857,737
ICT equipment	6,000,000				6,000,000
Work in progress					
<b>Total</b>					<b>620,132,773</b>

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**Annex 5 – Analysis Of Accounts Receivables**

*(a) Government Imprest*

[REDACTED]				
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
Name Of Officer Or Institution	-	-	-	-
<b>Total</b>	-	-	-	-

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(b) Salary Advance

Name Of Officer	-	-	-	-	-
Name Of Officer	-	-	-	-	-
Name Of Officer	-	-	-	-	-
Name Of Officer	-	-	-	-	-
<b>Total</b>					

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**Annex: 6 Reporting of Climate Relevant Expenditures**

[Redacted Header]									

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**Annex 7 Reporting on Disaster Expenditure**

[Redacted Header]						

Annex 8: Contingent Liabilities Register

	Name 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.						