

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

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The Table of the  
Senate on 05/11/15  
by Sen. Khalwa  
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05/11/15*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COUNTY GOVERNMENT OF KILIFI**

**FOR THE SIXTEEN (16) MONTHS  
PERIOD ENDED 30 JUNE 2014**

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF COUNTY GOVERNMENT OF KILIFI FOR THE SIXTEEN (16) MONTHS PERIOD ENDED 30 JUNE 2014

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of County Government of Kilifi as set out on pages 8 to 22, which comprise the statement of assets as at 30 June 2014, statement of receipts and payments, statement of cash flow, summary statement of appropriations, and a summary statement of provisioning for the period 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 8 of the Public Audit Act, 2003.

#### **Management's Responsibility for the Financial Statements**

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 of the Public Audit Act, 2003.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with Section 9 of Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

#### **1.0 Cash and Cash Equivalents.**

##### **1.1 Cess Collection Account.**

Note 10A to the financial statements indicate a bank balance of Kshs.2,039,993,741 as at 30 June 2014. Included in this amount is a balance of Kshs.16,660,361 labelled as Cess Collection Account. The County Government opened this account with Chase Bank in April 2013 following a revenue collection agreement with a contractor. Review of collections summaries revealed that some collections amounting to Kshs.16,660,361 was banked in a KCB bank account. However, bank statement, cash book and bank reconciliation for both KCB bank account and Chase bank were not availed for audit verification.

Consequently, the accuracy and existence of Cess collection amounting to Kshs.16,660,361 as at 30 June 2014 could not be confirmed.

#### **2.0 Use of Goods and Services**

Included in the statement of receipts and payment for the period ending 30 June 2014, are payments in respect of Use of Goods and Services balance of Kshs.1,262,797,289. However, payment vouchers amounting to Kshs.4,318,906.20 were not availed for audit verification detailed as follows:

<u>Item</u>	<u>Un-supported Amount</u>
Specialised Materials & Services	594,426.50
Routine Maintenance-Transport	837,292.00
Routine Maintenance-Other Assets	249,473.00
Training Expenses	1,349,500.00
Rental of Produced Assets	1,009,000.00
Liabilities Taken over from Local Authorities	<u>279,214.70</u>
<b>Total</b>	<b>4,318,906.20</b>

As such, it was not possible to confirm the accuracy and propriety of Kshs.4,318,906.20 for the period ended 30 June 2014.

### **3.0 Handing over of Assets and Liabilities from Defunct Local Authorities**

Included in the statement of receipts and payments for the period ending 30 June 2014 is the acquisition of assets balance of Kshs.908,028,968 as shown in Note 8 of the financial statements. However, assets amounting to only Kshs.777,769,357 as at 30 June 2014 were reflected in the assets register. There was no evidence indicating how assets from the defunct Local Authorities were handed over, including liabilities of Kshs.92,339,145 as reflected in Note 5. Further, there was no handing over report of the assets and liabilities from the defunct local authorities to the County Government.

Consequently, the validity and completeness of the assets and liabilities of the County Government as reflected in these financial statements as at 30 June 2014 could not be confirmed.

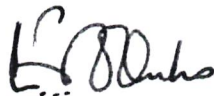
### **4.0 Statement of Financial Assets**

Included in the statement of financial assets as at 30 June 2014 is a cash and cash equivalent balance of Kshs.2,119,110,953. However, included in this figure is an amount of Kshs.147,768,687 from the defunct Local Authorities bank accounts whose bank statements, bank confirmation certificates, cashbooks and reconciliation statements were not availed for audit verification.

Consequently, the accuracy, validity and completeness of the cash and cash equivalents balance of Kshs.2,119,110,953 as at 30 June 2014 could not be confirmed.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

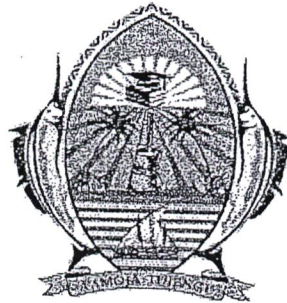


**Edward R. O. Ouko CBS,  
AUDITOR-GENERAL**

**Nairobi**

**08 September 2015**





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**COUNTY GOVERNMENT OF KILIFI**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE SIXTEEN MONTHS ENDED  
JUNE 30, 2014**

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

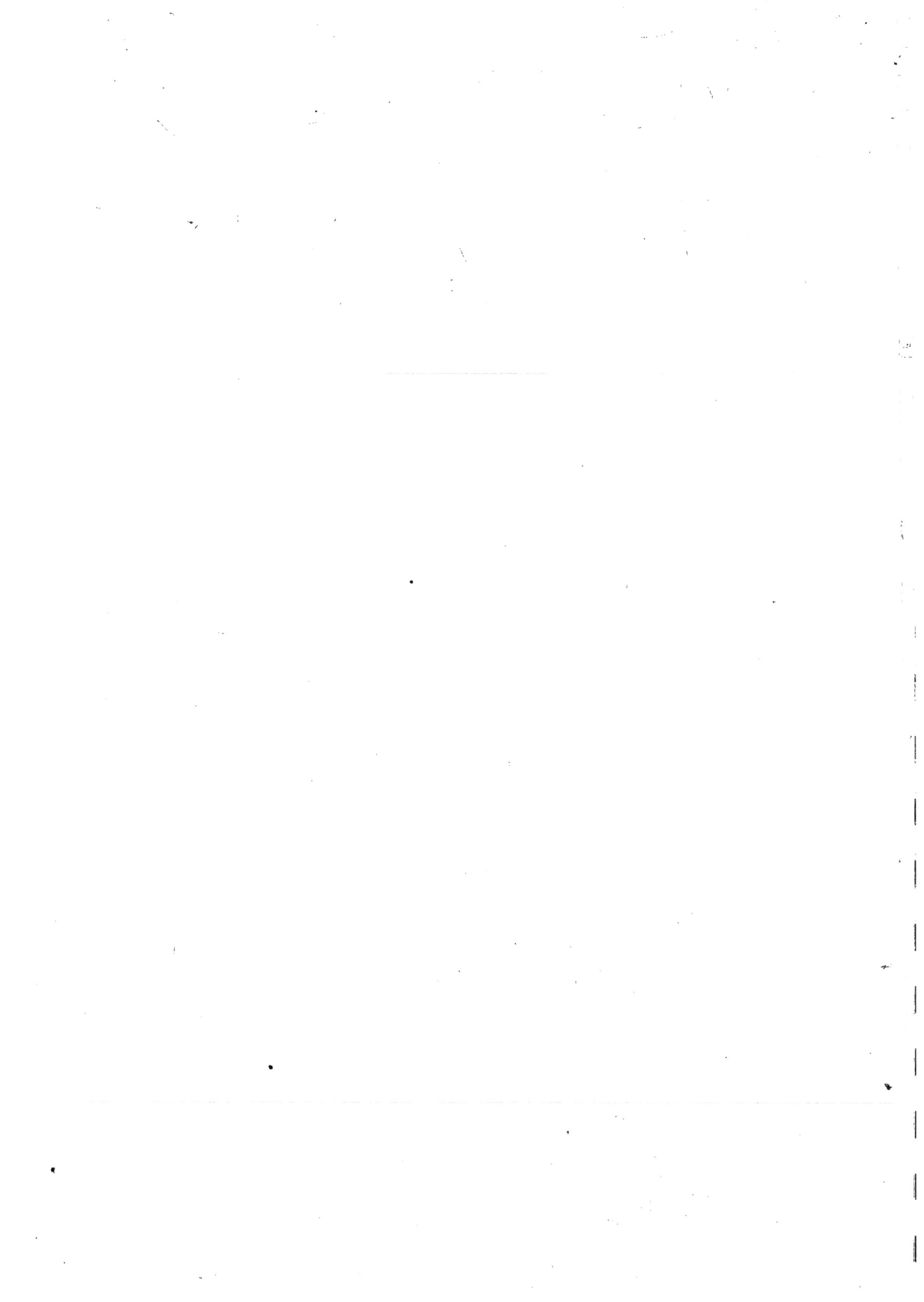
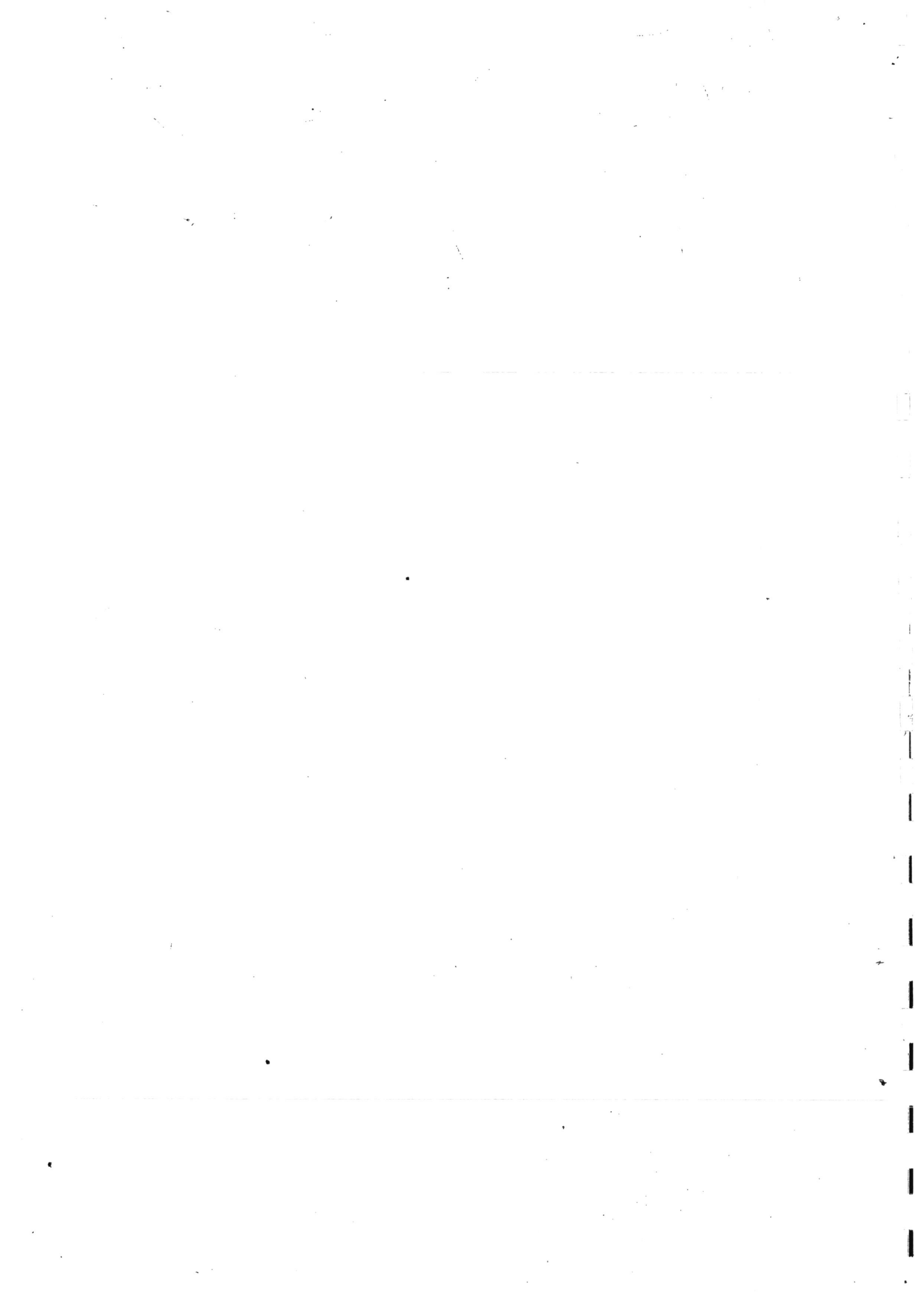


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## I. KEY COUNTY GOVERNMENT OF KILIFI INFORMATION AND MANAGEMENT

### (a) Background information

The County is constituted as per the constitution of Kenya. It is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

### (b) Key Management

The County Government of Kilifi's day-to-day management is under the following key organs:

- County Assembly
- County Executive

### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	CEC Member Finance	John Harold Kombe
2.	County Secretary	Owen Baya
3.	Chief Finance Officer	Benjamin Kai Chilumo
4.	Head of Treasury	Paul Mwazo

### (d) Fiduciary Oversight Arrangements

- The county government has put in place and strengthened internal audit section which reviews and suggests the internal control procedures on both financial and non financial for better delivery of services to the public

1. Diamond Trust Bank  
Kilifi Branch
  2. Chase Bank  
Malindi Branch
- 

**(a) Auditors**

Auditor- General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(b) Principal Legal Adviser**

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

## II. FORWARD BY THE CHIEF OFFICER FINANCE

- The total budget for the sixteen months ending 30<sup>th</sup> June 2014 was Kshs.6,701,155,247. The actual expenditure in the year was Kshs.3,572,201,862 and Kshs.908,028,966 for recurrent and development expenditures respectively representing 60% budget performance.
- Most of the development projects were still in progress at different completion stages as at the close of the year.
- The county government has been able to procure goods and services for the departments. This has led to improvement in service delivery to the public in all sectors.
- The county government is working towards overcoming challenges experienced while undertaking programmes in the year 2013/14. The challenges include; Delayed release of funds from the Central Government, unstreamlined procurement processes, inadequate office space, Staff salary harmonisation, etc.



**CHIEF OFFICER - FINANCE & ECONOMIC PLANNING  
KILIFI COUNTY GOVERNMENT**



## STATEMENT OF COUNTY GOVERNMENT OF KILIFI MANAGEMENT RESPONSIBILITIES

Section 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a county government of Kilifi shall prepare financial statements in respect of that county government of Kilifi. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The County Executive Committee (CEC) member for finance of the County Government of Kilifi is responsible for the preparation and presentation of the County Government of Kilifi financial statements, which give a true and fair view of the state of affairs of the County Government of Kilifi for and as at the end of the financial year (period) ended on June 30, 2014. 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 government of Kilifi; (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 Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government'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 CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of County Government's transactions during the financial year ended June 30, 2014, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government, 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 CEC member for finance confirms that the County Government of Kilifi has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government'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 CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

### Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on \_\_\_\_\_ 2014.



County Executive Committee member-Finance



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**III. REPORT OF THE INDEPENDENT AUDITORS ON THE KILIFI FINANCIAL  
REPORTS**

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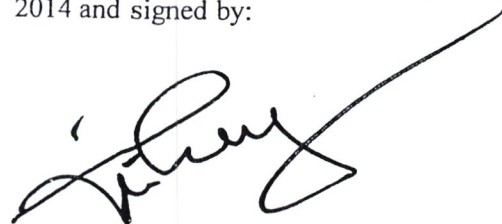
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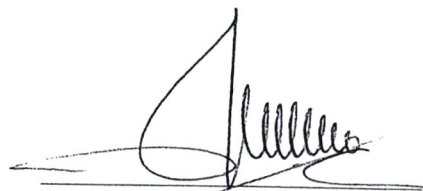
**IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIXTEEN MONTHS  
 PERIOD ENDING 30TH JUNE 2014**

	Notes	2013/2014 Kshs
<b>RECEIPTS</b>		
Exchequer releases	1	5,442,533,482
Transfers from Other Government Entities	2	341,825,625
Other Receipts	3	814,982,675
<b>TOTAL RECEIPTS</b>		<b>6,599,341,782</b>
<b>PAYMENTS</b>		
Compensation of Employees	4	(1,868,294,887)
Use of goods and services	5	(1,296,171,338)
Other grants and transfers	6	(390,728,898)
Social Security Benefits	7	(375,399)
Acquisition of Assets	8	(908,028,966)
Other Expenses	9	(16,631,340)
<b>TOTAL PAYMENTS</b>		<b>(4,480,230,828)</b>
<b>SURPLUS/DEFICIT</b>		<b>2,119,110,954</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Government of Kilifi financial statements were approved on \_\_\_\_\_ 2014 and signed by:



Chief Officer



Head of Treasury Accounts



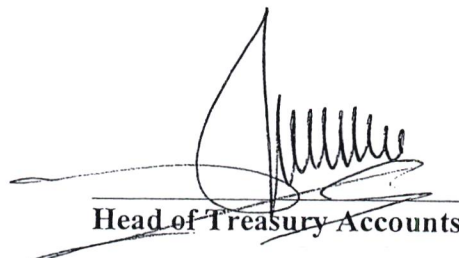
V. STATEMENT OF ASSETS AS AT 30TH JUNE 2014

	Notes	2013/2014 Kshs
<b>FINANCIAL ASSETS</b>		
<b>Cash and Cash Equivalent</b>		
Bank Balances	10A	2,039,993,741
Cash Balances	10B	463,942
Outstanding Imprests	10C	78,653,271
<b>TOTAL FINANCIAL ASSETS</b>		<u><u>2,119,110,954</u></u>
 <b>REPRESENTED BY</b>		
Fund balance b/fwd	11	-
Surplus/Deficit for the year		2,119,110,954
<b>NET FINANCIAL POSSITION</b>		<u><u>2,119,110,954</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Government of Kilifi financial statements were approved on \_\_\_\_\_ 2014 and signed by:



Chief Officer



Head of Treasury Accounts



**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>					-	
Exchequer	5,820,419,123	-	5,820,419,123	5,442,533,482	377,885,641	94%
Transfers from Other Government Entities	-	-	-	341,825,625	341,825,625	100%
Reimbursements and Refunds	144,917,631	-	144,917,631		144,917,631	100%
Other Receipts	2,064,085,271	(1,328,265,778)	735,819,493	814,982,674	240,400,380	111%
<b>TOTALS</b>	<b>8,029,422,025</b>	<b>(1,328,265,778)</b>	<b>6,701,156,247</b>	<b>6,599,341,782</b>	<b>421,378,027</b>	<b>98%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,350,946,115	357,602,676	1,708,548,791	(1,868,294,887)	(175,640,530)	110%
Use of goods and services	3,259,245,603	(1,815,926,434)	1,443,319,169	(1,296,171,338)	147,147,831	89%
Interest payments	-	93,680,401	93,680,401.00	-	93,680,401	0%
Other grants and transfers	372,000,000	18,250,840	390,250,840	(390,728,898)	-478,058	100%
Social Security Benefits	81,893,033	-57,193,033	24,700,000	(375,399)	24,324,601	2%
Acquisition of Assets	2,275,538,394	-323,273,905	1,952,264,489	(908,028,965)	1,044,235,524	30%
Other Payments	400,000,000	350,000,000	50,000,000	(16,631,340)	33,368,660	33%
<b>TOTALS</b>	<b>7,624,222,025</b>	<b>1,030,319,031</b>	<b>6,701,156,247</b>	<b>(4,480,230,828)</b>	<b>1,182,532,863</b>	<b>54%</b>

(a) Some devolved departments started operating through the County treasury towards the end of the financial year hence the low utilisation of the budget.

The entity financial statements were approved on \_\_\_\_\_ 2014 and signed by:

Chief Officer

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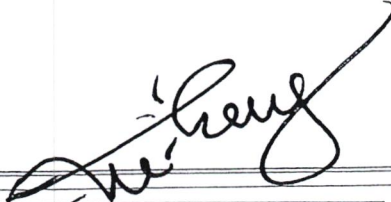
Head of Treasury Accounts



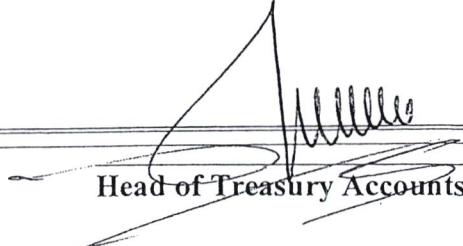
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>					-	
Exchequer	5,820,419,123	-	5,820,419,123	5,442,533,482	377,885,641	94%
Transfers from Other Government Entities	-	-	-	341,825,625	-341,825,625	100%
Reimbursements and Refunds	144,917,631	-	144,917,631		144,917,631	100%
Other Receipts	2,064,085,271	-1,328,265,778	735,819,493	814,982,674	240,400,380	111%
<b>TOTALS</b>	<b>8,029,422,025</b>	<b>-1,328,265,778</b>	<b>6,701,156,247</b>	<b>6,599,341,782</b>	<b>421,378,027</b>	<b>98%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,350,946,115	357,602,676	1,708,548,791	(1,868,294,887)	(175,640,530)	110%
Use of goods and services	3,259,245,603	(1,815,926,434)	1,443,319,169	(1,296,171,338)	147,147,831	89%
Interest payments	-	93,680,401	93,680,401.00	-	93,680,401	0%
Other grants and transfers	372,000,000	18,250,840	390,250,840	(390,728,898)	(478,058)	100%
Social Security Benefits	81,893,033	(57,193,033)	24,700,000	(375,399)	24,324,601	2%
Other Payments	400,000,000	350,000,000	50,000,000	(16,631,340)	33,368,660	33%
<b>TOTALS</b>	<b>7,624,222,025</b>	<b>1,030,319,031</b>	<b>6,593,902,994</b>	<b>(3,572,201,863)</b>	<b>138,297,339</b>	<b>54%</b>

The entity financial statements were approved on \_\_\_\_\_ 2014 and signed by:

  
Chief Officer

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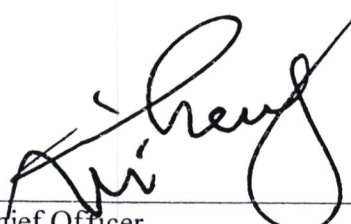
  
Head of Treasury Accounts

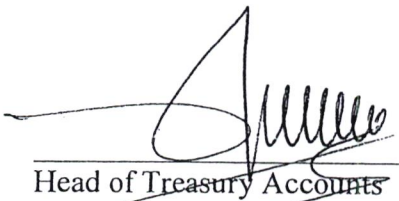


**IX. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>PAYMENTS</b>						
Acquisition of Assets	2,275,538,394	(323,273,905)	1,952,264,489	(908,028,965)	1,044,235,524	30%
Other expenses			0	0	0	
<b>TOTALS</b>	2,275,538,394	(323,273,905)	1,952,264,489	(908,028,965)	1,044,235,524	30%

The entity financial statements were approved on \_\_\_\_\_ 2014 and signed by:

  
 \_\_\_\_\_  
 Chief Officer

  
 \_\_\_\_\_  
 Head of Treasury Accounts

## X. SUMMARY STATEMENT OF PROVISIONINGS

- Details of General Accounts On Vote

	2013 - 2014 Kshs
GAV Provisioning account balance	2,220,924,420
<i>Total</i>	<u>2,220,924,420</u>

- Details of Exchequer Account

	2013 - 2014 Kshs
Exchequer Provisioning account balance	4,480,230,827
<i>Total</i>	<u>4,480,230,827</u>

## XI. SIGNIFICANT ACCOUNTING POLICIES

The principle 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *County Government of Kilifi*.

### 2. Recognition of revenue and expenses

The *County Government of Kilifi* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *County Government of Kilifi*. In addition, the *County Government of Kilifi* recognises all expenses when the event occurs and the related cash has actually been paid out by the *County Government of Kilifi*.

### 3. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

### 4. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *County Government of Kilifi* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.



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## 5. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *County Government of Kilifi's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *County Government of Kilifi's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

## 6. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

## XII. NOTES TO FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. EXCHEQUER RELEASES

	2013/2014
	Kshs
Total Exchequer Releases for quarter 1	925,230,692
Total Exchequer Releases for quarter 2	979,656,027
Total Exchequer Releases for quarter 3	1,349,078,136
Total Exchequer Releases for quarter 4	2,188,568,627
<b>Total</b>	<b>5,442,533,482</b>

#### 2. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2013/2014
	Kshs
Transfers from Central government entities Transition Authority	341,825,625
<b>TOTAL</b>	<b><u>341,825,625</u></b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2013/2014</b>
	<b>Kshs</b>
Receipts from Administrative Fees and Charges	716,213,666
Receipts from defunct local authorities	98,769,009
<b>Total</b>	<b><u>814,982,675</u></b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2012 - 2013</b>
	<b>Kshs</b>
Basic salaries of permanent employees	1,751,452,281
Basic wages of temporary employees	14,423,765
Personal allowances paid as part of salary	66,146,833
Pension and other social security contributions	21,830,027
Compulsory national social security schemes	14,441,981
<b>Total</b>	<b><u>1,868,294,887</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. USE OF GOODS AND SERVICES**

	<b>2013/2014</b>
	<b>Kshs</b>
Utilities, supplies and services	26,906,231
Communication, supplies and services	23,291,224
Domestic travel and subsistence	435,411,193
Foreign travel and subsistence	79,043,149
Printing, advertising and information supplies & services	85,613,171
Rentals of produced assets	40,876,696
Training expenses	55,313,716
Hospitality supplies and services	87,094,179
Insurance costs	29,873,369
Specialized materials and services	99,689,384
Office and general supplies and services	46,306,635
Fuel, oil & lubricants	43,735,600
Other operating expenses	96,104,690
Routine maintenance – vehicles and other transport equipment	28,669,489
Routine maintenance – other assets	25,903,465
Liabilities taken over from local authorities	92,339,145
<b>Total</b>	<b><u>1,296,171,338</u></b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2013/2014</b>
	<b>Kshs</b>
Scholarships and other educational benefits	371,443,534
Emergency relief and refugee assistance	17,637,390
Other current transfers, grants	1,647,974
Other capital grants and transfers	
<b>Total</b>	<b>390,728,898</b>

**7. SOCIAL SECURITY BENEFITS**

	<b>2013/2014</b>
	<b>Kshs</b>
Government pension and retirement benefits	375,399
<b>Total</b>	<b>375,399</b>

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	<b>2013/2014</b>
	<b>Kshs</b>
Purchase of Buildings	152,170,000
Construction of Buildings	66,495,268
Refurbishment of Buildings	47,395,646
Construction of Roads	26,698,407
Construction and Civil Works	107,361,612
Retention	12,989,897
Purchase of Vehicles and Other Transport Equipment	279,372,646
Purchase of Household Furniture and Institutional Equipment	1,770,211
Purchase of Office Furniture and General Equipment	108,940,094
Purchase of Specialized Plant, Equipment and Machinery	49,490,838
Purchase of Certified Seeds, Breeding Stock and Live Animals	25,017,512
Research, Studies, Project Preparation, Design & Supervision	405,000
Purchase of Computers	29,921,834
Purchase of Land	
	<b>908,028,966</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER EXPENSES**

	<b>2013/2014</b>
Other expenses	<b>Kshs</b>
	16,631,340
	<u><b>16,631,340</b></u>

**10A: Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014
			Kshs
County Revenue fund- CBK- A/C No 1000170212kshs	371,888,489		865, 926,909
Co-op Bank- A/C No 1141465788001 kshs	13,028,835		12, 919,834
Local Revenue A/C No 1140769235 kshs	19,768,897		36, 434,207
County dev A/C No 1000170198 kshs	532,823,033		418, 661,773
County Recurrent A/C No 1000170239 kshs	671,059,323		424, 646,977
County Assem National Bank A/C No 1001075151800 kshs	748		748
County Assem Co-op bank A/C No 1141262122000 kshs	21,161,370		21, 161,370
Standing Imprest Co-op Bank A/C No 1141465788000	17,185		17,185
Retention DTB A/C No 228950001	635,599	-	18, 566,859
Car loan/ Mortgage A/C Family Bank A/C No 94000003655	216,000,000		216, 000,000
Parking fees Chase Bank A/C No 0198094843002	8,226,619		8, 226,619
Local Authority			770,898
Cess Collection A/C Chase Bank A/C No 0198094843001	16,660,361	-	16, 660,361
Scholarship Fund a/c	136,541,086.69	-	-
<b>Total</b>			<b>2, 039, 993,740</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10B: CASH IN HAND**

	<b>2013/2014</b>
	<b>Kshs</b>
Kaloleni	15,300
Kilifi South	5,000
Mtwapa	8,045
Ganze	23,680
Malindi	189,293
Kilifi north	146,220
Mariakani	24
Magarini	76,380
<b>Total</b>	<b>463,942</b>

**10C(ii): OUTSTANDING IMPRESTS 2013/2014**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>County government of kilifi officers</i>	370,112,660.70	291,459,390	78,653,271
<b>Total</b>			<b>78,653,271</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12. OTHER IMPORTANT DISCLOSURES**

**12.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

**12.2: PENDING STAFF PAYABLES (See Annex 2)**

**12.3: OTHER PENDING PAYABLES (See Annex 3)**

### ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Out standing Balance 2013	Out standing Balance
					2012
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
Lion Building Contractors	6,078,960	12.5.2014	4,382,009	1,696,950	
Hasc Building Contractors	38,731,472	22.10.2013	34,078,826	4,652,645	
Kaseru Construction Ltd.	9,862,857		7,380,875	2,481,981	
Kaseru Construction Ltd.	9,841,466		6,416,679	3,424,787	
Demoth Construction and Gen. Supplies	3,430,110		860,673	2,569,437	
Akram Construction Co.	9,841,455		3,168,931	6,672,523	
Resco Construction Co. Ltd	10,432,291		5,290,546	5,141,744	
Holom General Construction & Suppliers Ltd	9,800,500		4,531,221	5,269,279	
Kimanzi Builders & Contractors Ltd	1,843,730		184,363	1,659,367	
Kithusik Trading Ltd	2,425,780	01.8.2014	242,478	2,183,302	
Kimanzibuilders and contractors	2,394,300	01.8.2014	232,249	2,162,050	
Donder Co. Ltd	2,846,630	9.3.2014	1,080,000	1,766,630	
Coxwell Express Co. Ltd	10,972,738	23.6.2014	5,287,940	5,684,797	
Burale Construction Co. Ltd	27,023,470	4.6.2014	3,045,195	23,978,275	
Fortis Kenya Ltd	12,985,978	3.4.2014	6,576,809	6,409,169	
<b>Sub-Total</b>	<b>158,511,738</b>		<b>82,758,797</b>	<b>75,752,941</b>	
<b>Construction of civil works</b>					
Manyainvestment Ltd	11,439,055	22.4.2014	3,178,886	8,260,169	
Bavin International Ltd	4,547,348	23.4.2014	946,386	3,600,962	
Bavin International Ltd	16,979,750	5.5.2014	9,377,460	7,602,290	
Tsavo Merchants Ltd.	10,474,500		7,667,550	2,806,950	
M/S Mwashua Enterprises Ltd	10,467,567		9,420,810	1,046,756	
M/S Mutwab building contractors Ltd.	15,654,100		10,383,030	5,271,070	
Njowa Njemu Enterprises Ltd.	14,813,320		9,658,332	5,154,988	
Tersa Trading Enterprises	5,195,290		4,603,441	591,848	
Jumbo Interlinks Ltd.	13,404,220		9,922,266	3,481,954	
Rhino Technical works	2,556,145		943,650		



				1,612,495	
Rhino Technicalworks	6,453,550		3,131,100	3,322,450	
M/S Ziyale Investments Ltd.	9,265,500		3,328,605	5,936,895	
Emmerson Kenya Ltd.	13,993,850	5.5.2014	12,594,222	1,399,628	
Kararacha Ltd.	1 970 840.00		1 109 250.00	861,590	
<b>Sub-Total</b>	<b>137,215,035</b>		<b>86,264,989</b>	<b>50,950,046</b>	
	<b>DETAILS</b>	<b>BALANCE</b>	<b>ADDITIONS FOR THE YEAR</b>	<b>PAYMENTS</b>	<b>Out standing Balance</b>
					<b>2013</b>
<b><u>PERSONNEL CREDITORS</u></b>					-
AFRICAN RETAIL TRADERS			6,600,103	6,600,103	-
ALPINE INSURANCES BROKERS		3,526,023		3,455,129	70,894
APOLLO INSURANCE			47,816		47,816
AMEDO S PRODUCT			1,091,196	992,292	98,904
KENFIBA		419,937			419,937
HELB		106,042	1,224,775	1,211,879	118,939
PAYE (WCPS, PAYE)		14,070,578	260,620,739	227,651,129	47,040,188
NHIF		60,900	4,863,720	4,433,030	491,590
NHC-STAFF DEDUCTIONS		3,938,014			3,938,014
PROVIDENT FUND		53,086,872	51,428,243	88,475,229	16,039,886
LAPTRUST		59,480,380		10,877,857	48,602,523
NSSF		9,627,101	1,346,600	2,232,800	8,740,901
INTERDICTION LIFTING ARREARS		322,569			322,569
UNION DUES -HQ		1,196,764			1,196,764
EQUITY LOANS		1,081,378	21,151,182	22,193,353	39,207
KITECO SHARES-		16,037	1,579,792	1,557,799	38,030
SAMUEL MULEWA		966,000			966,000
MOSES NGARAMA NJUGUNA		125,425			125,425
NATIONAL HOUSING COOPERATION		4,347,613			4,347,613
STAFF LEAVE DAYS		4,372, 413			4,372, 413
MANUFAA WELFARES		24,800			24,800



NATIONAL BANK OF KENYA			7,351,551	7,056,757	294,795
CO OPERATIVE BANK			31,534,007	31,441,865	92,142
FAMILY BANK LOANS	441,188		12,140,867	12,461,973	120,083
KLGW			2,038,540	1,787,020	251,520
JIMUDU SACCO LTD	557,589		5,382,942	5,382,662	557,869
COTU			339,200	312,280	26,920
MALGOW SACCO	18,461		170,095	151,816	36,740
CENTRAL ORGANISATION TRADE UNION	122,380				122,380
IMARIKA SACCO			24,227,907	24,199,249	28,657
KITE TEACHERS SACCO			113,478	49,578	63,900
JIENDELEZE SACCO			6,687,935	6,180,132	507,803
USHURU SACCO			7,200		7,200
MWAMKO SACCO	492,297				492,297
HARAMBEE SACCO			1,403,963	1,186,233	217,729
LENGO SACCO LTD	6,402,993		16,074,954	22,341,340	136,608
SACCO			75,683		75,683
999 INSURANCE			23,028		23,028
HOUSEZ-RENT/UTILITY CHARGES			3,499,882	2,449,830	1,050,052
COURTS-ATTACHMENT			142,776	40,144	102,632
ACCOUNTING OFFICER			2,136,770		2,136,770
JAMII SACCO			566,993	465,974	101,019
999 UNKNOWN BANK			13,790		13,790
UFUNDI SACCO			76,910	16,800	60,110
SHERIA SACCO			393,616	64,935	328,681
BORESHA SACCO			140,550		140,550
MWALIMU NATIONAL SACCO			8,070	1,350	6,720
TOWER SACCO			32,370	5,400	26,970
ULINZI SACCO			480	80	400
NYERI TEACHERS SACCO			390,193	321,843	68,350
ENERGY SACCO			46,067	7,637	38,431
SOLUTION SACCO			61,170	10,200	50,970
ECONOMIC CREDIT TRADERS			3,768	3,140	628

PLATINUM CREDIT LTD			4,588,042	3 758,536	829,506
EMU -INYA ENTERPRISE LTD			302,297	217,519	84,778
SELECT MANAGEMENT SERVICES LTD			569,532	425,515	144,017
UNION OF KENYA CIVIL SERVANT			1,809,487	1,273,932	535,556
MAZINGIRA WEFARE			21,600	18,000	3 ,600
KENYA CIVIL SERVANTS LTD			600		600
MOW SPORTS AND WELFARE			3 ,900		3 ,900
MOMBASA WELFARE			3, 600		3, 600
ASSOCIATION OF MEDICAL RECORDS OFFICERS			4, 400		4, 400
ASSOCIATION OF PUBLIC HEALTH OFFICERS			207 ,200	173 ,000	34,200
ARTHI SOCIAL WELFARE ASSOCIATION			300	150	150
INDUSTRY STAFF WELFARE ASSOCIATION			12,201		12,201
KENYA ASSOCIATION OF LIVESTOCK TECHN			9, 700		9, 700
KENYA ASSOCIATION OF RADIOGRAPHY			12, 000		12, 000
KENYA CLINICAL OFFICERS ASSOC			55, 600	9, 400	46 ,200
KENYA OCCUPATIONAL THERAPY ASS			4 ,800		4 ,800
KENYA PLASTERS ASS			6 ,000		6 ,000
KENYA SOCIETY OF PHYSIOTHERAPY			3 ,600		3 ,600
MEDICAL LAB SCIENCE OFFICERS			49 ,700		49 ,700
WATER WELFARE ASS			5,600		5,600
NATIONAL ASS OF ORTHOPAEDIC			7, 200		7, 200
KILIFI WELFARE			300		300
KENYA SOCIETY OF AGRI PROFESSIONALS			2, 800	2, 100	2, 600
KISUMU VETERINARY ASS NYANZA			2,100		2,100



PROVINCIAL FISHERIES STAFF WELFARE			1,800		1,800
KNDA			4,800		4,800
KDTA			1,200		1,200
OHAK			3,000		3,000
AMEK			4,800	3,200	1,600
KENYA PROGRESIVE NURSES ASS			136,000	113,750	22,250
KENYA WATER TECHNICIANS ASS			1,200		1,200
KENYA N SECRETARIES ASS			4,200		4,200
MIPANGO WELFARE ASS			1,200		1,200
KENYA NATIONAL UNION OF NURSES			302,079	152,686	149,393
KENYA MEDICAL SOCIAL WORKERS ASS			1,800		1,800
KENYA POSTA OFFICE			195,200	128,800	66,400
UNKNOWN SWA			4,000		4,000
WUNDANYI COUNCIL STAFF WELFARE			400		400
MERCANTILE INSURANCE	17,980		28,608		46,588
DISNEY INSURANCE BROKERS	1,157,888				1,157,888
CANON INSURANCE	2,952		47,364	31,576	18,740
PAN AFRICA INSURANCE	820		954,802	953,952	1,670
PIONEER INSURANCE	19,850		2,862,903	2,362,647	520,106
BRITISH AMERICAN INSURANCE			2,111,541	2,101,541	10,000
MADISON INSURANCE			2,001,951	1,994,622	7,329
OLD MUTUAL LIFE ASSUARANCE			1,163,004	965,340	197,664
CFC LIFE ASSURANCE			274,596	229,718	44,878
CORPORATE INSURANCE			110,502	18,417	92,085
KENINDIA ASSURANCE			175,484.	59,215	116,269
FIDELITY INSURANCE			2,950		2,950

CAPEX LIFE INSURANCE			54,814		54,814
INSURANCE CO. OF EAST AFRICA			96,144	16,024	80,120
XPLICO INSURANCE LTD			56 408.00	47 366.00	9,042
CIC		62,636	107,586	89,175	81,047
GATEWAY INSURANCES		178,000			178,000
		<b>166 ,243,879</b>	<b>483,431,816</b>	<b>500,765 ,017</b>	<b>148,912, 579</b>
<b>GENERAL CREDITORS</b>					
ALGAE		20,000			20,000
ALGAK		466,896			466,896
AAR CREDIT LTD		593,072			593,072
APEX VALUERS		408,769			408,769
ALI A. SHEIKH & SONS		52,200			52,200
ALPHA CLEAN ENTERPRISES		65,650			65,650
ALIJOS & SONS SUPPLIERS		221,328			221,328
BURHANY PHARMACY		297,586			297,586
KARANJA NJENGA & CO. ADVOCATES		598,312			598,312
L G KIMANI AND ASSOCIATES		232,791			232,791
J O MARANGA ADV. CONTROLLER AND AUDITOR GENERAL(KENAO)		145,000			145,000
TAWAKAL WELDING WORKS		125,250			125,250
PALMLAND PHARMACEUTICALS		36,530			36,530
DANKINS AGENCIES		242,500			242,500
SOFTBIT COMPUTERS		103,582			103,582
DOCUCARE		1,500			1,500
KENYA NATIONAL AUDIT		2,700,000			2,700,000
KENYA DATA NETWORKS		33, 048			33, 048



MUNICIPAL OF MALINDI				
DIANA DATALINK		12,760		12,760
ROYAL MEDIA SERVICES LTD		34,346		34,346
DEKACHE ENTERPRISES		48,080		48,080
SARASUNNY ENTERPRISES		332,060		332,060
SAMWELY MOTORS ACCESSORIES		169,600		169,600
DIGAJJ ENTERPRISES		414,971		414,971
MINISTRY OF LANDS		18,004,090		18,004,090
MARIAKANI FILLING STATION		198,000		198,000
ROBERT WAFULA PRINTERS		32,500		32,500
MOHAMMED MTUKU		24,000		24,000
MUTURI GAKUO & KIBARA LTD		1,105,800		1,105,800
CHEA SHAKA		53,499		53,499
ENVASSES ENVIRONMENTAL CONSULTANTS		200,000		200,000
OVERDRIVE CONSULTANTS		34,800		34,800
VIBRANT CONSULTANTS		236,500		236,500
ELIJA WANYOIKE		331,000		331,000
DANJU AUTOWORKS		345,292	255,122	90,170
LIMAT PART ENTERPRISES		53,400		53,400
H H KISUNGI		107,768		107,768
MELA ENTERPRISES		238,358		238,358
FRIZEL INVESTMENT LTD		20,524		20,524
PWANI MEDICAL CENTER		19,190,		19,190
DAWAMU INVESTMENT AGENCY		40,000		40,000
NEW KILIFI WANANCHI MAT.& H H		12,260		12,260
NOVA HOLDINGS		9,635		9,635
MKWAJUNI GARAGE		54,450		54,450



RENTOKIL INITIAL		32,564		32,564
FEBIS INTERNATIONAL		146,510		146,510
DITRICT SURVEY OFFICE		42,400		42,400
TOPSHOP LTD		9,500		9,500
GREYMAN COMPANY		68,030		68,030
MADZAYO MRIMA & ADVOCATES		57,633,935		11,470,000
		<b>93 708 530.24</b>		<b>11 725 122.00</b>
				<b>81 983 408.24</b>
KAVENYA			3,285,237	3,285,237
CMC MOTOR GROUP		324,256		324,256
KIVIPI INVESTMENTS			116,000	116,000
BAOBAB SEA LODGE			122,000	122,000
DAVIS AND SHIRTLIF			1,300,859	1,300,859
MONETA CAPITAL LTD			1,950,150	1,950,150
UFANISI GLOBAL INVESTMENT			160,000	160,000
TOYOTA KENYA LTD			67,052	67,052
MFI MANAGED DOCUMENT SOLUTIONS			98,797	98,797
FAIRDEAL SUPERSTORES LTD			449,428	449,428
MATS MASSIVE MARKETING			435,000	435,000
NATION MEDIA GROUP			495,320	495,320
UFANISI GLOBAL INVESTMENT			86,200	86,200
LUGALA GENERAL SUPPLIES			346,000	346,000
MTENDESH ENTERPRISE			480,000	480,000
SOLAR AFRICA			405,000	405,000
HERO DISIEL WORKS			76,500	76,500
KAVENYA SERVICES STATION			203,360	1,774,106
M/SJOHNKA ENTRPRISES			556,204	556,204
M/SRHINO TECHNICAL WORKS			6,453,550	6,453,550
M/S MUTWAB BUILDING CONTRACTORS			15,946,100	15,946,100
M/S COAST DEVELOPMENT			12,500	12,500



AUTHORITY				
DONGER COMPANY LTD			2,846,630	2,846,630
M/S COMPUSYS GENERAL SUPPLIES			498,000	498,000
COMPUSYS GENERAL SUPPLIES			109,650	109,650
EITY CONSULT LTD			60,000	60,000
BARRAWAH LIMITED			470,000	470,000
BARRAWAH LIMITED			348,500	348,500
CAPTEC TECHNOLOGIES			478,000	478,000
M/S RHINO TECHNICAL WORKS			2,555,945	2,555,945
CAPTEC TECHNOLOGIES			958,400	958,400
BARRAWAH LIMITED			11,428,930	11,428,930
CAPITAL SOLUTIONS			472,500	472,500
DANJU AUTO WORKS			24,000	24,000
CAPTEC TECHNOLOGIES			480,000	480,000
M/SDIGAJ ENTERPRISE			400,000	400,000
AL AWAL AGROVET			480,000	480,000
M/S DANJU AUTOWORKS			3,056,238	3,056,238
M/S MATS MASSIVE			475,000	475,000
UFANISI GLOBAL INVESTMENT LTD			102,660	102,660
M/S MEDISCOPE AGENCIES			490,000	490,000
M/S KAVENYA SERVICE STATION			1,480,600	1,480,600
AKARIM AGENCIES LTD			360,750	360,750
MUMAKI EMPORIUM LTD			495,000	495,000
MUMAKI EMPORIUM LTD			251,200	251,200
M/S JURAN ENTERPRISE			1,836,865	1,836,865
M/S KENYA MEDICAL SUPPLIES AGENCIES			5,564,958	5,564,958
MBIDZO GENERAL SUPPLIES			400,000	400,000
PALMLAND PHAMACEUTICAL LTD			362,300	362,300
FLEX HEALTH CARE LIMITED			160,225	160,225
MEDS LIMITED			60,500	60,500



G.NORTH AND SON LIMITED			420,072		420,072
BOC KENYA LIMITED			29,260		29,260
KIMAWASCO			22,010		22,010
VETERAN PHAMACEUTICAL LIMITED			447,045		447,045
SWIFT GLOBAL LIMITED			270,000		270,000
CHEM LABS LIMITED			387,003		387,003
MALINDI AUTO FIT EXPRESS			889,000		889,000
PHYSICAL THERAPY SERVICES			199,703		199,703
M/S GALAXY PHAMACEUTICAL LIMITED			158,400		158,400
FUELS AND LUBRICANTS LIMITED			121,100		121,100
KLEENS HOME SECURITY SERVICES LIMITED			100,000		100,000
NOSHA LIMITED			1,576,990		1,576,990
FORAM EA LIMITED			266,568		266,568
MALINDI AUTO FIT EXPRESS			665,500		665,500
OCEAN VIEW PHAMACEUTICAL LIMITED			120,000		120,000
VETERAN PHAMACEUTICAL LIMITED			82,860		82,860
BIO CARE LIMITED			8,905		8,905
COMPUSYS			392,000		392,000
RIHAHA INVESTMENTS			360,000		360,000
O.M ROBINSON & CO ADVOCATES			5,242,818		5,242,818
JESSICS GENERAL SUPPLIES LTD			200,000		200,000
HOTEL TITANIC			18,000		18,000
CAPITAL SOLUTONS LTD			253,400		253,400
KILIFIAN			116,000		116,000
KILIFIAN			69,600		69,600
DAVIS AND SHIRTLIFF			468,814		468,814
CIC INSURANCE GROUP			18,411		18,411

AKARIM AGENCIES COMPANY LTD			9,000		9,000
KINGSWAY TYRES			312,900		312,900
LEITECH SERVICES			219,000		219,000
STANDARD GROUP LTD			131,265		131,265
NATION MEDIA GROUP			278,748		278,748
STANDARD GROUP LTD			930,900		930,900
WILKING ENTERPRISES LTD			65,695		65,695
JUKALU ENTERPRISES			160,000		160,000
PRINCIPAL SECRETARY, MINISTRY OF HEALTH			157,834,205		157,834,205
EQUITY BANK(malindi municipal salary a/c no 0450292429004)			1,445,056		1,445,056.04
		324,255.40	243,622,263		245,937,336
<b>GRAND TOTAL</b>		<b>260,276,664.94</b>	<b>727,054,079</b>	<b>512,490,139</b>	<b>476,833,323</b>

#### ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2013/14	Historical Cost (Kshs) 2012/13
Land, Building and structures	391,605,742	413,036,270
Transport equipment	265,270,629	55,600,049
Office equipment, furniture and fittings	55,673,502	4,192,452
ICT Equipment, Software and Other ICT Assets	28,154,517	9,709,362
Other Machinery and Equipment	37,064,968	
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>777,769,358</b>	<b>482,538,134</b>