

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE 4/3/2025
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COMMITTEE
CLERK AT THE TABLE Cherof

OF

THE AUDITOR-GENERAL

ON



COUNTY ASSEMBLY OF WAJIR

**FOR THE YEAR ENDED
30 JUNE, 2024**

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
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**WAJIR COUNTY ASSEMBLY
WAJIR COUNTY GOVERNMENT**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30th JUNE 2024

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
MCA	Members of County Assembly
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
IPSAS	International Public Sector Accounting Standards
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

b) Glossary of Terms

Comparative FY Means the financial year preceding the current financial year.

2. Key Entity Information and Management

(a) Background information

The Wajir County Assembly is constituted as per the constitution of Kenya and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 30 Members of County Assembly (MCAs) elected and 15 nominated totalling to 45 MCAs to represent members of the public from their respective wards and interest groups. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive

(b) Key Management Team

Wajir County assembly's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Abdille Yussuf
2.	Clerk of the County Assembly	Shalle Mursal Sheikh
3.	Principal Finance Officer	Abdullahi Ahmed Ali

The above team work in conjunction with;

1. County Assembly Service Board
2. County Assembly Staff Management Committee
3. County Assembly Finance Management Committee
4. County Assembly Internal Audit Office

(c) Fiduciary Management

The key management personnel who held office during the period ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	- Shalle Mursal Sheikh
2.	Principal Finance Officer	- Abdullahi Ahmed

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Below find a high-level description of the key fiduciary oversight arrangements covering;

County Finance, Budget and Appropriations committee whose functions include; -

- investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget and finance
- discuss and review the estimates and make recommendations to the county assembly
- examine the county budget policy statement presented to the county assembly
- examine bills related to the county budget and finance including appropriations bills

County Public Accounts and Investment committee that is responsible for;

- the examination of the accounts showing the appropriations of the sum voted by the county assembly to meet the public expenditure and of other such accounts laid before the county assembly as the committee may think fit
- the examination of the reports of auditor general on the annual accounts of the county government and examination of special report, if any, of the auditor general on the county government expenditure

Committee on Implementation whose mandate is to; -

- scrutinize the resolutions of the county assembly (including the adopted committee reports), petitions and the undertakings given by the county executive committee and examine whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented: and whether such implementation has taken place within the reasonable time necessary
- the committee may propose to the county assembly, sanctions against any member of the county executive committee who fails to report to the relevant select committee on implementation status without justifiable reasons

(f) Entity Headquarters

P.O. BOX 495 – 70200
Wajir County Assembly Building
WAJIR, KENYA

(g) Entity Contacts

clerk@wajirassembly.go.ke
Website: www.wajirassembly.go.ke

(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
Wajir Branch
P.O. Box 201
Wajir, Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Wajir County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the Secretary.

Section 10 (4) of the County Governments Act 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 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) Public Service, Labour and Decentralized Units
- b) County Public Accounts and Investments Committee
- c) Justice and Legal Affairs
- d) Peace, Cohesion and County Integration
- e) Committee on Implementation
- f) Committee on Delegated County Legislation

- g) Medical Services, Public Health and Sanitation
- h) Agriculture, Livestock and Fisheries
- i) Roads, Transport and Public Works
- j) Trade, Tourism, Co-Operative Development and Wildlife
- k) Committee of Powers and Privileges
- l) Welfare and General Administration Committee
- m) Committee on Disability
- n) County Finance, Budget and Appropriations Committee
- o) ICT & E-Government
- p) Water, Energy, Environment and Natural Resources
- q) Early Childhood, Education and Vocational Training
- r) Children, Culture and Community Services
- s) County Assembly Procedure and Rules Committee
- t) Lands, Physical Planning and Housing Committee
- u) Committee on Selection
- v) Liaison Committee
- w) Committee on Appointment

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the County Assembly as may be provided in the Standing Orders of the County Assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the County Assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 0 meetings in FY 2023/2024. The committee members during the period ended 30th June 2024 were:

Member	Designation	Ward
Hon Abdille Yussuf	Speaker	N/A
Hon. Maryan Abdullahi	Member of County Assembly	Nominated
Hon. Adan Adow	Member of County Assembly	Barwaqo Ward
Hon. Rahma Omar Osman	Member of County Assembly	Nominated
Hon. Fatuma Sheikh Abass	Member of County Assembly	Nominated
Hon. Fatuma Fille Elmi	Member of County Assembly	Nominated
Hon. Abdirashid Basha	Member of County Assembly	Hadado/adhibohol 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	Designation	Ward
Hon Abdi Mohamed Abdi	Chairperson	Ibrahim Ure
Hon Ibrahim Hussein Abdi	V/Chairperson	Wagalla/Ganyure
Hon Shamsa Issa Jimale	Member	Nominated
Hon Abdisalan Mohamed	Member	Gurar
Hon Adan Hussein Ali	Member	Eldas
Hon Maryan Abdullahi	Member	Nominated
Hon Abdikarim Salat	Member	Godoma

c) Budget and Appropriations Committee

The budget and appropriations committee provides' guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

Member	Designation	Ward
Hon Nimo Ahmed Saney	Chairperson	Nominated
Hon Aden Abdi Bulle	V/Chairperson	Wagberi
Hon Dahaba Yussuf	Member	Banane
Hon Mahfudha A. Haji	Member	Ademasajida
Hon Abdirashid Adan	Member	Burder
Hon Abdirizack Dakat	Member	Korondille
Hon Abdirashid Mumin	Member	Hadado
Hon Yussuf Mohamed	Member	Elben

County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

Hon Mahat Mohamed	Member	Township
Hon AdanNur Ibrahim	Member	Buna/Batalu
Hon Abdirizack Adow	Member	Elnur/Tula Tula

Communication with all Stakeholders

The County Assembly is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, all sessions of the assembly are broadcasted live on local radios, specific chairs of committees are hosted by local radio stations for talk shows to get input from the public on important matters such as legislations, budgeting and other crucial matters affecting the electorates. This communication is important in ensuring that stakeholder expectations are aligned with county assembly programs and activities which in turn is incorporated in the county service charter.

The County Assembly also subjected 6 bills through public participation

Risk management

Risks are identified and managed through the various governance structures provided by the various legislations governing the county assembly of Wajir. Notable among these are the staff senior management committee, the internal audit function, the human resource advisory committee, the board and its various sub functional committees.

Each of this organs play a role in the process of identifying and managing risks. The ICT department is empowered to play a coordination role in the process of risks identification and management.

Risks identified during the year under review included low staff morale, absenteeism and the general productivity of staff. Biometric attendance system was initiated at the same time a performance contracting model a companied by an appraisal system was adopted. This will be complimented by a rewards and sanctions system.

Compliance

Wajir county assembly complies with constitution 2010, PFM act 2012 and all its accompanying regulations, the public procurement and disposal act 2015 and its various regulations, the county government act 2012, the power and privileges act, the public audit act, employment act etc.

The assembly is audited by the office of the auditor general and any compliance issues are reported. Further other entities such as the COB, anticorruption commission and the public procurement and regulatory authority also scrutinise the assembly with regards to compliance with laws.

4. Foreword by the Clerk of the Assembly

(i) Budget performance

The Assembly had an original budget of Kshs. **990,702,809**, comprising of Kshs. **990,702,809** Recurrent and Kshs. **0.00** on development. A total of Kshs. **999,537,966** was received from the CRF to fund the recurrent budget and no funds were received to fund development budget. Total expenditure amounted to, Kshs. **999,253,492** for the recurrent budget forming absorption rate **100%**.

(ii) Operational Performance

In the period ended 30th June 2024, the County Assembly of Wajir approved the following bill/s. The bills include;

1. The Wajir County Appropriation bill 2023/2024

The following bills have been passed/approved by the County Assembly.

- i. Disaster Risk Management Bill, 2023
- ii. Livestock marketing Bill, 2023
- iii. Rangeland Management Bill, 2023
- iv. Peace building and conflict management bill, 2023
- v. Frontier counties development council bill, 2023
- vi. Civic education and public participation bill, 2023

The following bills have gone through first reading and public participation.

- i. Water management bill, 2023

The bills and the policy documents approved by the assembly in this period are of immense benefit to the people of Wajir in the following main ways;

- ❖ The Wajir County Assembly has ensured development across the county and the uninterrupted flow of service delivery through the timely enactment and approval of relevant appropriations and policy documents
- ❖ Through legislation the Wajir County assembly has ensured that policies approved by the County Assembly conforms to the PFM act 2012.

The assembly has a total of 23 committees that include 11 select committees and 12 sectoral committees whose mandates' cut across all the development sectors.

(iii) Performance of key development projects

The County Assembly did not have planned development activities in the year under review.

(iv) Comment on value-for-money achievements

The Assembly was able to achieve value-for money for the period ended 30th June 2024 through the following ways;

- a) Assembly's core business functions (legislation, oversight and representation) were effectively achieved during the year,
- b) Public participation was effective in that the same were inclusive and there was a sense of ownership of the said projects by locals,
- c) Administration function: The assembly managed to facilitate adequate staffs' development function through Capacity Building and Continuous Professional Development.
- d) The County Assembly undertook its constitutional mandates of carrying out legislative business, oversight and representation. The Members of the County Assembly also participated in all relevant conferences and workshops.

(v) Challenges and Recommended Way Forward

In the continuous implementation of the integrated financial management Information System as well as internet banking platforms, we encountered the following challenges;

- Poor internet connectivity slowing down processing of transactions of both IFMIS and internet banking;
- Late disbursement of funds leading to penalties and interests
- Development budget allocation for the FY 2023/2024 not disbursed leading to pending bills
- CRA did not fund some critical budget lines hence leading to pending bills



Name: **Shalle Mursal Sheikh**

Clerk of the County Assembly

5. 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 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 Wajir is legislation, oversight, and representation. To achieve this, the assembly's program was documented in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in the period ended 30th June 2024.

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhance the capacity of the Members to legislate 4 legislative proposals and 3 policy documents relevant to the people of Wajir County.	Members and committees have the knowledge and skills to legislate laws.	4 legislative proposals and 3 policy documents were passed by the County Assembly.	-In FY 23/24 Committees were trained on the review and analysis of programme-based budget that culminated into the scrutiny and approval of the Budget. -4 laws enacted and in operation.
	Facilitate committees of the County Assembly for oversight activities and provide proper check and balances on the executive.	Members and Committees have the ability and resources to conduct impartial investigation and Scrutiny of documents.	8 Committees facilitated to undertake oversight activities and provided reports on the implementation status of projects in the County	In FY 23/24 8 Committees facilitated conducted oversight activities and monitored project implementation status in the County. Projects were implemented in accordance with annual development plan and existing budgets.
Community and Stake holders engagement	Enhance involvement of the Public in decision making during legislation and Budget making process	Increase the number of community and stakeholder forums in decision making	5 Public participation forums conducted with 50% increase in active participation by the community.	In the FY 23/24 all approvals conducted by the assembly were subjected to public hearings and involvement and the views and recommendations of the public.

6. Corporate Social Responsibility Statement/Sustainability Reporting

Wajir County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

The top management of Wajir County Assembly is committed to the Assembly's sustainability programs in the foreseeable future. The top management ensures that there is proper implementation of the strategic policy of the Assembly and by so doing will result to better sustainability of the County Assembly.

b) Environmental performance

The Wajir County Assembly spearheaded by its leadership is a champion of environmental conservation. The Assembly has participated in several tree planting activities, town clean ups and environmental awareness campaigns. The Assembly also encourages conservation through minimisation of paper misuse and proper waste disposal.

c) Employee welfare

Wajir County Assembly has Human Resource policy that clearly gives direction on hiring process and takes into account gender balancing at the work place. Reward for most performing employees is also considered.

d) Market place practices-

Wajir County Assembly ensures that its contracts are awarded transparently and with strict conformity to the law. This in turn encourages competition and the achievement of value for money. Complaints from suppliers are also handled by the most senior personnel of the institution in a timely manner.

e) Community Engagements-

All bills and other legislative proposals of Wajir County Assembly are subjected to public participation in all the 6 sub counties of Wajir County. This ensures that the people of Wajir County are greatly involved in the making of the decisions that affect their lives.

7. Statement of Management Responsibilities

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

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

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

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

Approval of the financial statements

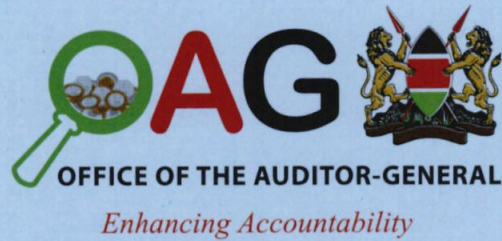
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 08/11 2024.



Name: Shalle Mursal Sheikh
Clerk of the County Assembly

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF WAJIR FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 intended the purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Wajir set out on pages 1 to 24, which comprise of the statement of financial assets and liabilities

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Wajir as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Qualified Opinion

1.0. Use of Goods and Services

The statement of receipts and payments reflects an amount of Kshs.433,147,302 in respect of use of goods and services as disclosed in Note 3 to the financial statements. However, the following unsatisfactory matters were noted:

1.1. Over-Payment of Mileage Allowance

Included in the amount is domestic travel and subsistence allowances of Kshs.194,142,533. However, review of records provided for audit revealed that mileage allowances of Kshs.91,559,265 paid to Members of the County Assembly were overstated. Analysis of the claims based on actual distances from Wajir County Headquarter to the respective wards as provided by the Ministry of Transport and Infrastructure, revealed Members were overpaid by Kshs.11,194,828.

In the circumstance, the regularity and validity of mileage claims amounting to Kshs.11,194,828 paid to Members of the County Assembly could not be confirmed.

1.2. Unsupported Procurement for Advertisement Services

Included also in the amount are printing, advertising and information supplies & services costs of Kshs.5,599,910. Review of the ledgers provided for audit review in support of the expenditure indicated that Kshs.2,200,000 was incurred on advertisement services. However, the expenditure was not supported by way of user requisition as basis for initiation of the procurement process and the services were single sourced from one media house.

In the circumstances, the validity and occurrence of expenditure on advertisement of Kshs.2,200,000 could not be confirmed.

2.0. Irregular Cash Payments in IFMIS

Analysis of the Integrated Financial Management Information System (IFMIS) payment transactions for the year under review revealed that ninety-one (91) transactions with total value of Kshs.26,125,960 were paid in cash as per the item description. However,

payments amounting of Kshs.1,933,000 were unsupported and unreported in the financial statements. Cash payments by its nature are high risk and susceptible to misuse.

In the circumstance, the accuracy, occurrence and regularity of the cash payments amounting to Kshs.1,933,000 could not be confirmed.

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

Emphasis of Matter

1. Late Exchequer Releases

Review of records provided for the audit indicated that the County Assembly received exchequer releases amounting to Kshs.282,441,016 during the month of June, 2024. Late Exchequer releases may have negatively affected implementation of budgeted programs and activities of County Assembly.

2. Long Outstanding Pending Bills

Annex 1 of the financial statements reflects pending accounts payable balance of Kshs.134,487,757. However, review of the pending bills revealed that some of the bills dated back to the 2014/2015 financial year. These should have been prioritized payments in the subsequent years budgets, as required by Regulation 41(2) of the Public Finance (County Government) Regulations, 2015, which requires that debt service payments be treated as a first charge on the County Revenue Fund.

Failure to settle pending bills on time may expose the Assembly to unnecessary costs which may arise as a result of litigation, fines and penalties.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there were no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

Other Information

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

In connection with my audit on the County Assembly's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

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. Non-Compliance with Staffing Level Ceiling

Review of the County Assembly payroll for the month of June, 2024 indicated that the County Assembly had a total of one hundred and sixty-nine (169) employees. The Commission on Revenue Allocation recommendation through circular dated 28 June, 2018 on County Government Recurrent Expenditure ceilings addressed to County Governors and Speakers of County Assemblies, capped the maximum number of employees of County Assemblies under group 2 under which County Assembly of Wajir falls, at one hundred (100). As a result, the County Assembly exceeded the maximum recommended number of employees by sixty-nine (69).

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

1.2. Non-Adherence to Ethnic Composition Balance

Examination of the County Assembly payroll for June, 2024 indicated that the Assembly had a total of 169 employees. However, analysis of the employees' data revealed that 99% of the employees were from the same ethnic community with only 1% from other ethnic communities.

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

1.3. Staff Receiving Net Salary of Below a Third of Basic Salary

Review of the Assembly payrolls for the year under review revealed that two (2) employees received net salaries in June, 2024 that were less than one third of their respective basic salaries while three (3) employees received net salaries in May, 2024 which were less than one third of their basic salaries. This was contrary to the requirement of Section 19(3) of the Employment Act, 2007 which stipulates that without prejudice to any right of recovery of any debt due and notwithstanding the provisions of any other written law, the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

1.4. Non-Compliance with Ward Partisan Staffing Levels

During the year under review the County Assembly engaged ward partisan staff for the elected and nominated Members of County Assembly (MCAs). Review of the ward staff payroll provided revealed that the Assembly employed a total of two hundred and fifty-nine (259) partisan staff for the wards against the limit of one hundred and forty-four (144) for the forty-eight (48) elected and nominated MCAs in the County. As a result, the Assembly exceeded the recommended maximum number of staff by one hundred and fifteen (115). This was contrary to the Commission on Revenue Allocation circular dated 21 October, 2020 on Advisory of Ward Offices Operation Costs which recommends a maximum of staff per ward and to be paid a minimum salary of Kshs30,341. In addition, the Assembly paid a monthly salary ranging from Kshs.15,000 to Kshs.25,000 instead of the minimum of Kshs.30,341 recommended by the Commission on Revenue Allocation.

In the circumstances, Management was in breach of law.

2.0. Use of Goods and Services

2.1. Irregular Payment to the County Assembly Forum and Clerks Society

During the year under review, the Assembly paid an amount of Kshs.5,000,000 and Kshs.750,000 to the County Assemblies Forum and Society of Clerks at the Table respectively in respect of subscriptions to the organizations. However, the payments lacked legal backing or supporting policy guidelines.

In the circumstances, validity and regularity of the subscription's expenditure of Kshs.5,750,000 could not be confirmed.

2.2 Non-Adherence to Fiscal Responsibility Principle on County Assembly Expenditure

The County Assembly approved revenue budget and actual expenditure for 2023/2024 financial year amounted to Kshs.997,050,023 and Kshs.999,537,966 respectively. During the year, the County Assembly incurred a total expenditure of Kshs.1,195,528,753 inclusive of an amount of Kshs.196,275,261 paid by the County Executive on its behalf. However, the total County Government Revenue collection for the year amounted to Kshs.11,143,480,018 resulting to 10.7% of the total County Government Revenue having been spent by the County Assembly. This was contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments), Regulations, 2015 which provides that the

approved expenditures of a County Assembly shall not exceed seven per cent (7%) of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

In the circumstances, the County Assembly expenditure exceeded the limit set by law.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Processing of Salary by Use of Manual Payroll

Review of the County Assembly's payroll revealed that the Assembly maintained two (2) sets of payrolls. One payroll in the Integrated Personnel and Payroll Database (IPPD) while the other payroll was in Excel spreadsheet. Management cited lack of personal numbers as the reason for the failure to process the salaries through the Integrated Payroll and Personnel Database. However, no satisfactory explanation was provided for the delay in obtaining personal number for one (1) staff member and the two (2) Members of County Assembly whose salaries were processed through manual payroll.

Processing of salaries of staff and Assembly Members through manual payroll may expose the County Assembly to fraudulent payments.

2. Failure by the County Assembly to Deliberate Audit Reports

The County Assembly Public Accounts and Investment Committee (PAIC) did not deliberate and issue recommendations on the Auditor-General's reports for all Wajir the County Government entities since inception of devolved governments. Although the Statement of Performance against County Assembly Predetermined Objectives outlines oversight as one of the key programmes and function of the County Assembly, the statement does not reflect performance achieved on oversight in respect to deliberations on the reports of the Auditor-General for Wajir County Government entities.

In the circumstances, the effectiveness of the County Assembly in respect to execution of its oversight role could not be confirmed.

3. Effectiveness of the Internal Audit Unit and Audit Committee

Review of the internal audit unit of the Assembly revealed that the unit had only two (2) staff members. During the year under review, the unit carried one (1) audit exercise covering major sections of the Assembly's financial operations. However, the unit did not submit the report of the exercise to the audit committee for deliberation and necessary action. Although the audit committee held meetings during the year, there was no evidence that the Committee discussed any external or internal audit report.

As a result, the effectiveness of the internal audit unit and the audit committee could not be confirmed.

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

Responsibilities of the Management and Those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 November, 2024

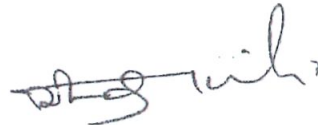
8. Statement of Receipts and Payments for the Period ended 30th June 2024

		2023/2024	2022/2023
	Note	Kshs	Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	999,537,966	846,725,953
TOTAL RECEIPTS		999,537,966	846,725,953
PAYMENTS			
Compensation of Employees	2	521,344,871	514,297,122
Use of goods and services	3	433,147,302	300,499,158
Social Security Benefits	4	23,897,868	19,413,831
Acquisition of Assets	5	20,863,451	12,406,000
TOTAL PAYMENTS		999,253,492	846,616,111
SURPLUS/DEFICIT		284,475	109,842

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8/11/2024 2024 and signed by:



Name: Shalle Mursal sheikh
Clerk of the Assembly



Name: Abdullahi Ahmed
Principal Finance Officer – County
Assembly
ICPAK Member Number: 20351

County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

9. Statement of Financial Assets and Liabilities as at 30th June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6A	284,475	109,842
Cash Balances	6B	-	-
Total Cash and cash equivalent		284,475	109,842
TOTAL FINANCIAL ASSETS		284,475	109,842
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		284,475	109,842
REPRESENTED BY			
Fund balance b/fwd.	7	109,842	9,752
Prior year adjustment	8	(109,842)	(9,752)
Surplus/Deficit for the year		284,475	109,842
NET FINANCIAL POSITION		284,475	109,842

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8/11 2024 and signed by:



Name: **Shalle Mursal sheikh**
Clerk of the Assembly



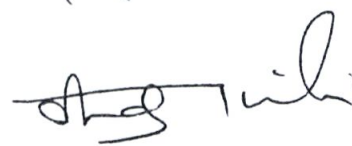
Name: **Abdullahi Ahmed**
Principal Finance Officer – County
Assembly
ICPAK Member Number: 20351

10. Statement of Cash Flows for the period ended 30th June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	999,537,966	846,725,953
		999,537,966	846,725,953
Payments for operating expenses			
Compensation of Employees	2	521,344,871	514,297,122
Use of goods and services	3	433,147,302	300,499,158
Social Security Benefits	4	23,897,868	19,413,831
		978,390,041	834,210,111
Adjusted for:			
Prior year adjustment	8	(109,842)	(9,752)
Net cash flow from operating activities		21,038,083	12,506,090
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	5	20,863,451	12,406,000
Net cash flows from Investing Activities		(20,863,451)	(12,406,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year		109,842	9,752
Cash and cash equivalent at END of the year		284,474	109,842

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8/11/2024 and signed by:


Name: Shalle Mursal sheikh
Clerk of the Assembly


Name: Abdullahi Ahmed
Principal Finance Officer – County
Assembly
ICPAK Member Number: 20351


County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

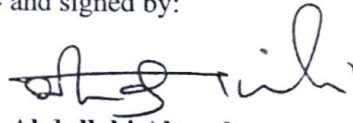
11. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for the period 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Transfers from the County Treasury/Exchequer Releases	990,702,809	6,347,214	997,050,023	999,537,966	(2,487,943)	100%
TOTAL	990,702,809	6,347,214	997,050,023	999,537,966	(2,487,943)	100%
PAYMENTS						
Compensation of Employees	555,486,852	(34,120,544)	521,366,308	521,344,871	21,438	100%
Use of goods and services	381,472,496	49,447,258	430,919,754	433,147,302	(2,227,548)	101%
Social Security Benefits	25,201,560	(1,303,500)	23,898,060	23,897,868	192	100%
Acquisition of Assets	28,541,901	(7,676,000)	20,865,901	20,863,451	2,450	100%
TOTAL	990,702,809	6,347,214	997,050,023	999,253,492	(2,203,469)	100%
SURPLUS				284,475	(284,475)	

Changes between original budget and final budget is as result of reallocation that was effected through a supplementary budget

The entity financial statements were approved on 8/11 2024 and signed by:


Name: Shalle Mursal sheikh
Clerk of the Assembly


Name: Abdullahi Ahmed
Principal Finance Officer – County Assembly
ICPAK Member Number: 20351


Count Government of Wajir
Wajir County Assembly
Annual Report and Financial Statements for the second quarter ended 31st December 2023

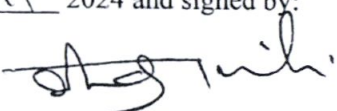
12. Statement of Comparison of Budget & Actual Amounts: Recurrent for the period ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Transfers from the County Treasury/Exchequer Releases	990,702,809	6,347,214	997,050,023	999,537,966	(2,487,943)	100%
TOTAL	990,702,809	6,347,214	997,050,023	999,537,966	(2,487,943)	100%
PAYMENTS						
Compensation of Employees	555,486,852	(34,120,544)	521,366,308	521,344,871	21,438	100%
Use of goods and services	381,472,496	49,447,258	430,919,754	433,147,302	(2,227,548)	101%
Social Security Benefits	25,201,560	(1,303,500)	23,898,060	23,897,868	192	100%
Acquisition of Assets	28,541,901	(7,676,000)	20,865,901	20,863,451	2,450	100%
TOTAL	990,702,809	6,347,214	997,050,023	999,253,492	(2,203,469)	100%
SURPLUS				284,475	(284,475)	

Changes between original budget and final budget is as result of reallocation that was affected through a supplementary budget

The entity financial statements were approved on 8/11 2024 and signed by:


Name: Shalle Mursal sheikh
Clerk of the Assembly


Name: Abdullahi Ahmed
Principal Finance Officer – County Assembly
ICPAK Member Number: 20351

County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

13. Budget Execution By Programmes And Sub-Programmes

Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
		KShs	KShs	KShs	KShs	KShs
	County Legislative Services	992,922,326.00	6,615,640.00	999,537,966.00	999,253,490.50	284,475.50
715033360	Legislative and oversight Services	992,922,326.00	6,615,640.00	999,537,966.00	999,253,490.50	284,475.50
	Grand Total	992,922,326.00	6,615,640.00	999,537,966.00	999,253,490.50	284,475.50

14. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

5. Third Party Payments

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

6. Cash and cash equivalents

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

7. Restriction on cash

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 30th June 2023, there were no restricted cash.

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 assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County assembly's budget was approved as required by Law and as detailed in the County Revenue Allocation Act.

Significant Accounting Policies (Continued)

The original budget was approved by the County Assembly on 27th October 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County assembly's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

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

18. Related Party Transactions

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

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

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

County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

15. Notes to the Financial Statements

1. Transfer from CRF

	2023-2024	2022-2023
	KShs	KShs
Total Exchequer Releases for quarter 1	103,799,995	-
Total Exchequer Releases for quarter 2	250,708,817	260,068,876
Total Exchequer Releases for quarter 3	195,324,330	126,234,496
Total Exchequer Releases for quarter 4	449,704,824	460,422,581
Cumulative amount	999,537,966	846,725,953

2. Compensation Of Employees

	2023-2024	2022-2023
	KShs	KShs
Basic salaries of permanent employees	279,520,976	269,651,088
Basic wages of temporary employees	54,291,063	28,196,248
Personal allowances paid as part of salary	154,026,435	192,492,479
Personal allowances paid as reimbursements	2,820,000	1,130,601
Employer Contribution to compulsory National Social Schemes	30,686,398	22,826,706
Total	521,344,871	514,297,122

3. Use Of Goods And Services

	2023-2024	2022-2023
	KShs	KShs
Utilities, supplies and services	1,121,666	210,552
Communication, supplies and service	274,900	199,030
Domestic travel and subsistence	194,142,533	165,488,923
Foreign travel and subsistence	33,360,230	1,457,436
Printing, advertising and information supplies & services	5,599,910	5,811,560
Rentals of produced assets	1,500,000	2,700,000
Training expenses	34,787,600	12,084,600
Hospitality supplies and services	16,290,400	6,961,400
Insurance costs	53,044,743	53,538,737
Specialized materials and services	1,400,000	1,607,200
Office and general supplies and service	30,661,386	12,861,666
Fuel, oil and lubricants	4,531,118	1,075,000
Other operating expenses	43,789,238	31,257,869
Routine maintenance – vehicles and other transport equipment	7,694,326	809,185
Routine maintenance – other assets	4,949,252	4,436,000

County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

Total	433,147,302	300,499,158
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County Government of Wajir
Wajir County Assembly
For the Period ended 30th June 2024

Notes to the Financial Statements (Continued)

4. Social Security Benefits

	2023-2024	2022-2023
	KShs	KShs
Government pension and retirement benefits	23,897,868	19,413,831
Total	23,897,868	19,413,831

5. Acquisition Of Assets

	2023-2024	2022-2023
Non- Financial Assets	KShs	KShs
Refurbishment of Buildings	5,600,000	2,668,000
Purchase of Office Furniture and General Equipment	8,250,000	9,738,000
Purchase of Specialized Plant, Equipment and Machinery	7,013,451	-
Total acquisition of non- financial assets	20,863,451	12,406,000
Total	20,863,451	12,406,000

6. Cash and Bank Balances

6A. Bank Balances

Name of Bank, Account Name, & Currency	Account Number	Indicate whether Rec or Dev	2023-2024	2022-2023
			Kshs	Kshs
Central Bank, Account (Kshs)	1000241397	Recurrent	280,225	105,720
Kenya Commercial Bank, Kshs	1201485371	Imprest	4,250	4,122
Total			284,475	109,842

6B. Cash Balances

	2023-2024	2022-2023
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

7. Fund balances brought forward

	2023-2024	2022-2023
	KShs	KShs
Bank accounts	109,842	9,752
Cash in hand	-	-
Total	109,842	9,752

8. Prior year adjustments

	Balance b/f	Adjustments	Adjusted **	Adjustments
	FY 2023/2024 as per audited financial statements	during the year relating to prior periods	Balance b/f	
			FY 2023/2024	FY 2022/2023
	Kshs	Kshs	Kshs	Kshs
Bank Account Balances	109,842	(109,842)	-	(9,752)
Cash in hand	-	-	-	
	109,842	(109,842)	-	(9,752)

The prior year adjustments relate to unspent closing bank balances for FY22-23 that were swept back to the County Revenue fund

CBK Recurrent Account	105,720
KCB Imprest account	<u>4,122</u>
	<u>109,842</u>

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16. Other important Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2022/2023	Additions for the year	Paid during the year	Balance c/f FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Civil Works	21,868,235	0	0	21,868,235
Advertising	2,379,163	2,200,000	2,200,000	2,379,163
Car hire	3,130,000	1,250,000	0	4,380,000
General office supplies	2,209,976	24,796,886	24,796,886	2,209,976
Hospitality	2,613,180	12,472,800	11,800,000	3,285,980
Legal services	17,310,000	20,350,000	17,350,000	20,310,000
Maintenance expenses - Motor vehicle	2,415,000	8,868,627	7,694,326	3,589,301
Medical services	5,192,517	52,628,423	52,628,423	5,192,517
Purchase of computers	1,500,000	5,570,000	5,250,000	1,820,000
Purchase of ICT networking & comm	2,324,640	2,169,792	2,015,901	2,478,531
Purchase of office furniture	6,197,195	3,000,000	3,000,000	6,197,195
Purchase of genset	4,997,550	0	4,997,550	0
Purchase of uniform	500,000	1,400,000	1,400,000	500,000
Refurbishment	1,999,828	7,212,189	5,600,000	3,612,017
Routine maintenance	1,234,000	4,949,252	4,949,252	1,234,000
Security	2,686,760	7,349,500	7,349,500	2,686,760
Supply of fuel	1,930,000	4,531,118	4,531,118	1,930,000
Training services	4,500,000	34,787,600	34,787,600	4,500,000
Car park	2,500,000	0	0	2,500,000
Beautification	550,000	0	0	550,000
Subscription	18,505,200	6,610,800	5,816,000	19,300,000
Rent and rates-Non residential	0	1,800,000	1,500,000	300,000
Total	106,543,244	201,946,987	197,666,556	110,823,675

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2. Pending Staff Payables (See Annex 2)

	Balance b/f Insert Comparative FY 2022/2023	Additions for the year	Paid during the year	Balance c/f (insert current FY 2023/2024)
Description	Kshs	Kshs	Kshs	Kshs
Domestic allowance	2,276,000	106,441,668	107,073,668	1,644,000
Total	2,276,000	106,441,668	107,073,668	1,644,000

Notes to The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f Insert Comparative FY 2022/2023	Additions for the year	Paid during the year	Balance c/f (insert current FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Gratuity	5,546,430.10	28,180,050.90	23,897,868	9,828,613
Employer contribution	31,630,995	21,404,652	30,686,398	22,349,249
Total	37,177,425.10	49,584,702.90	54,584,266	32,177,862

4. 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 State Corporations and Semi-Autonomous Government Agencies

Related party transactions:

	2023-2024	2022-2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	25,120,000	25,120,000
Key Management Compensation		
(Clerk and Heads of departments)	15,120,000	15,120,000
Total Compensation to Key Management	40,240,000	40,240,000
Transfers from related parties		
Transfers from the County Executive- Exchequer	999,537,966	846,725,953
Total Transfers from related parties	999,537,966	846,725,953

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5. Contingent Liabilities

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

6. Program for Results (P for R) Disclosure

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

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7. 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)
59	Overpayment of Mileage Allowance	The management has provided sufficient response to the above query. The County Assembly of Wajir relied on the distances provided by the County Roads engineer who is the person responsible in the County.	Not resolved	Dec 2024
60	Failure to Establish Imprest Facility	The management has established a standing imprest	Resolved	Nov 2023
61	Prior Year's Audit Issues	The Management has prepared Audit response and will soon be appearing before PIC committee of the Senate	Resolved	May 2024
62	Compensation of Employees			
62.1	Non-Compliance with Limit on	The CASB have frozen all new employments. It was also resolved in-house that vacancies arising out	Not resolved	Dec 2024

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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)
	Compensation of Employees	of retirement, death etc. are filled internally.		
62.2	Payment of Salary Using Manual Payroll	The Management is working towards ensuring there is no manual payroll. Currently, there are only 3 (one staff and 2 Hon MCAs) persons in the manual payroll.	Not resolved	Dec 2024
62.3	Non-Compliance with Staffing Level Ceiling	The CASB have frozen all new employments. It was also resolved in-house that vacancies arising out of retirement, death etc. are filled internally.	Not resolved	Dec 2024
62.4	Staff Medical Insurance Cover	The funds available from CoB was not enough to pay for the premium at once	Not resolved	Dec 2024
63	Use of Goods and Services			
63.1	Failure to Tax Motor Vehicle Reimbursement	The Motor Vehicle Reimbursement was taxed accordingly	Resolved	Nov 2023
63.2	Irregular Payment to the County Assembly	County Assembly Forum and SOCATT are in the process of being anchored in law as at now.	Not resolved	March 2025

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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)
	Forum and Clerks Society			
64	Summary of Fixed Assets The land and buildings owned by the County Assembly were not recorded in the fixed asset register	The management is in the process of the resolving the matter. The clerk of the Assembly has written to the County Secretary to fast track the issue.	Not resolved	March 2025
65	Internal Controls and Governance			
65.1	Weakness in Internal Control – Lack of Information Technology Strategy	An IT strategy committee and IT steering committees are in place. IT policy and strategy are in place as well.	Resolved	May 2024
65.2	Failure to Establish Audit Committee	Audit committee has been established	Resolved	May 2024
65.3	Non-Functional Internal Audit Function	Wajir County Assembly has functional Internal Audit Function	Resolved	Nov 2023

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Guidance Notes:

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



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Clerk of the County Assembly

Date

County Government of Wajir
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17. Annexes

1. Pending Accounts Payable
2. Pending Staff Payables
3. Other Pending Payables
4. Analysis of Transfers from The CRF

Reference No.	Transaction Details	Amount
FT232419ZL02	COB/WJR/001/59(2) DD 24082023	4,981,484.00
FT23241N8599	COB/WJR/001/59(1) DD 24082023	44,120,341.00
FT23254YTH6C	COB/WJR/001/59(3) DD 05092023	1,200,800.00
FT232541KJX8	COB/WJR/001/59(4) DD 05092023	5,414,840.00
FT23258SS1TQ	COB/WJR/001/59(5) DD 14092023	17,524,480.00
FT23261N0LYB	COB/WJR/001/59(6) DD 15092023	30,558,050.00
	Q1	103,799,995.00
FT2330610JY3	COB/WJR/001/61(7) DD 31102023	11,351,140.00
FT233067Q63Q	COB/WJR/001/61(6) DD 31102023	78,642,281.00
FT23325BF3YS	COB/WJR/001/62(2) DD 20112023	6,365,406.00
FT23325MM0Y4	COB/WJR/001/62(1) DD 20112023	56,207,259.00
FT23333D9K8H	COB/WJR/001/62(4) DD 28112023	1,438,000.00
FT23333F6KXC	COB/WJR/001/62(5) DD 28112023	27,118,887.00
FT233417KMQQ	COB/WJR/001/62(8) DD 30112023	14,014,906.00
FT23362K2W6M	COB/WJR/001/64(2) DD 27122023	5,500,891.00
FT23362CBKP5	COB/WJR/001/64(1) DD 27122023	50,070,047.00
	Q2	250,708,817.00
FT240171LN2H	COB/WJR/001/64(5) DD 15012024	9,808,260.00
FT24017Q02PN	COB/WJR/001/64(6) DD 15012024	17,628,423.00
FT240265XYS6	COB/WJR/001/64(7) DD 15012024	7,681,958.00
FT240385J38M	COB/WJR/001/64(8) DD 05022024	5,521,612.00
FT24038CFW88	COB/WJR/001/64(9) DD 05022024	52,580,117.00
FT240547QB2S	COB/WJR/001/65(7) DD 19022024	13,374,680.00
FT24054TL88B	COB/WJR/001/65(6) DD 19022024	15,480,500.00
FT2406509NLT	COB/WJR/001/67(1) DD 04032024	5,488,412.00
FT240653V02C	COB/WJR/001/67(2) DD 04032024	50,112,428.00
FT24068776F8	COB/WJR/001/66(1) DD 06032024	3,745,440.00
FT24079DBKL3	COB/WJR/001/67(4) DD 13032024	13,902,500.00
	Q3	195,324,330.00
FT2410619N08	COB/WJR/001/68(2) DD 11042024	5,488,412.00
FT24106R048L	COB/WJR/001/68(1) DD 11042024	40,657,257.00
FT24128YBQC8	COB/WJR/001/70(1) DD 02052024	5,299,782.00
FT24128G03JY	COB/WJR/001/70(2) DD 02052024	13,594,313.00
FT241285HSVF	COB/WJR/001/70(3) DD 02052024	49,035,941.00
FT24129X9T7V	COB/WJR/001/70(4) DD 02052024	9,124,120.00
FT24137DMWRB	COB/WJR/001/70 (6) DD 09052024	17,992,840.00
FT24137BGY5L	COB/WJR/001/70 (5) DD 14052024	26,071,143.00

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FT241557FCVS	COB/WJR/001/71 (5) DD 30052024	4,575,000.00
FT24155WFO9M	COB/WJR/001/71 (4) DD 30052024	5,241,282.00
FT24155FPMW1	COB/WJR/001/71 (3) DD 30052024	35,523,035.00
FT24163TK64L	COB/WJR/001/71(7) DD 05062024	8,908,430.00
FT24172QLW6D	COB/WJR/001/71(6) DD 05062024	12,402,269.00
FT24177XG0S7	COB/WJR/001/72(15) DD 24062024	5,241,282.00
FT241770LSSY	COB/WJR/001/72(17) DD 24062024	9,356,961.00
FT24177CKXRH	COB/WJR/001/72(14) DD 24062024	44,568,301.00
FT24178RGKHX	COB/WJR/001/72(16) DD 24062024	11,664,775.00
FT24180ZLIHM	COB/WJR/001/73(3) DD 26062024	8,356,576.00
FT24184W470T	COB/WJR/001/74(18) DD 28062024	1,115,272.00
FT24184FC3MH	COB/WJR/001/74(14) DD 28062024	5,337,728.00
FT24184PM9HZ	COB/WJR/001/74(16) DD 28062024	5,368,440.00
FT24184FNNJW	COB/WJR/001/74(15) DD 28062024	11,748,575.00
FT24184ZWGMK	COB/WJR/001/74(19) DD 28062024	12,064,777.00
FT24184VF5JR	COB/WJR/001/73(4) DD 26062024	23,530,000.00
FT241844PF0Y	COB/WJR/001/74(13) DD 28062024	37,093,544.00
FT241841X393	COB/WJR/001/74(17) DD 28062024	40,344,769.00
	Q4	449,704,824.00

Grand Totals

999,537,966.00

5. Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs)
Buildings and structures	13,468,001	5,600,000	-	-	19,068,001
Office equipment, furniture and fittings	41,681,918	8,250,000	-	-	49,931,918
ICT Equipment, Software and Other ICT Assets	15,136,002	-	-	-	15,136,002
Machinery and Equipment	26,986,000	7,013,451	-	-	33,999,451
Motor Vehicle(Prado TX Toyota)	10,986,000	-	-	-	10,986,000
Total	108,257,921	20,863,451	0	0	129,121,372

6. Reporting of Climate Relevant Expenditures

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

7. Reporting on Disaster Expenditure

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

8. Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.	N/A					
2.						