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REPORT
OF
THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
KISUMU**

**FOR THE YEAR ENDED
30 JUNE, 2021**



PAPERS LAID	
DATE	10/10/2022
TABLED BY	GEN. MAJORITY WHIP.
COMMITTEE	_____
CLERK AT THE TABLE	A. MACHARIA.



**KISUMU COUNTY ASSEMBLY
(KISUMU COUNTY GOVERNMENT)**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The *entity's* day-to-day management is under the following key organs:

No	Designation	Name
1.	Speaker of the County Assembly	Hon. Elisha Jack Oraro
2.	Clerk of the County Assembly	Mr. Owen Odhiambo Ojuok
3	i. Principal Clerk Assistant	Mr. Peter Odero Anditi – Department of Legislative Procedures and committee services
	ii. Chief Finance Officer	CPA Felix Okinyi Owuor – Department of Finance and Accounting Services
	iii. Director Supply Chain Management	Mr. Edwin Ouma Kisia – Department of Supply Chain Management
	iv. Director HR and Administration	Mrs. Linet Akoth Ochieng – Department of HR and Administration
	v. ICT, Hansard Research and Information Services	Mr. Joshua Okoth Munda – Department of ICT, Hansard Research and Information Services

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(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Owen Odhiambo Ojuok
2.	Chief Finance Officer	Felix Okinyi Owuor
3.	Principal Accountant	Zachary Onyango Ogutu
3.	Procurement Officer	Edwin Ouma Kisia

(d) Fiduciary Oversight Arrangements

Public Accounts and Investment Committee

Public Accounts and Investment Committee has a fiduciary responsibility to provide oversight on the County's finances. The committee members who served during the FY 2020/2021 were:

NO	Name	Position
1.	Hon. Maurine Otiang'	Chairperson
2.	Hon. Benny Oiko Pete	Vice- Chairperson
3.	Hon. Paul Okiri	Member
4.	Hon. Seth Okumu	Member
5.	Hon. Johnson Guya	Member
6.	Hon. Roy Samo	Member
7.	Hon. Beatrice Pamela	Member
8.	Hon. Julius Genga	Member
9.	Hon. John Atieno	Member
10.	Hon. Nancy Owiti	Member

Audit Committee

The Audit committee has a fiduciary responsibility to advise the management on institutional risk management and compliance. The committee members during the FY 2020/2021 were:

No	Name	Position
1.	Mr. Dickson Anyul	Chairperson
2.	Mr. Paul Maher	Member
3.	Ms. Monica Ogada	Member

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Finance Committee

The finance committee of the County Assembly has a fiduciary responsibility of ensuring public funds are utilised in accordance with the law. The committee members who served during the FY 2020/2021 were:

NO	Name	Position
1.	Hon. Paul Okiri	Chairperson
2.	Hon. Victor Rodgers	Vice- Chairperson
3.	Hon. Sally Okudo	Member
4.	Hon. Samson Ameso	Member
5.	Hon. Joachim Oketch	Member
6.	Hon. Florence Olango	Member
7.	Hon. Steve Owiti	Member
8.	Hon. Julius Genga	Member
9.	Hon. John Atieno	Member
10	Hon. Ken Ageng'o	Member
11.	Hon. Judith Ogaga	Member
12.	Hon. Vitalis Otura	Member
13.	Hon. Rashid Miruka	Member
14.	Hon. Samuel Dede	Member
15	Hon. George Olwal	Member

Budget and Appropriation Committee

This committee has a fiduciary responsibility of appropriating funds to County departments. The committee members who served during the FY 2020/2021 were:

NO	Name	Position
1.	Hon. Steve Owiti	Chairperson
2.	Hon. Aslam Khan	Vice- Chairperson
3.	Hon. Kenneth Onyango	Member
4.	Hon. Paul Okiri	Member
5.	Hon. Joachim Oketch	Member
6.	Hon. Vincent Jagongo	Member
7.	Hon. Seth Okumu	Member
8.	Hon. Benny Oiko Pete	Member
9.	Hon. Nancy Owiti	Member
10	Hon. Joseph Opiyo Olale	Member
11.	Hon. Johnson Guya	Member

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12.	Hon. Seth Ochieng	Member
13.	Hon. Maurine Otiang'	Member
14.	Hon. Beatrice Odongo	Member
15	Hon. Jackton Ojwang'	Member

(e) Entity Headquarters

P.O. Box 86 - 40100
ADC Building
Uhuru Road
Kisumu, KENYA

(f) Entity Contacts

Telephone:(254) 796173314
E-mail: kisumuassembly@gmail.com
Website: www.kisumuassembly.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. KCB Bank Kenya Limited
KCB Kisumu - 4117
P.O. Box 17 - 40100
Kisumu, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

(j) Independent Legal Advisors

- RODI OREGA AND COMPANY – P. O. BOX 19640, KISUMU
- OKONGO WANDAGO AND COMPANY ADVOCATES – P. O. BOX 1387, KSM
- WANDAGO ASSOCIATES ADVOCATES - P. O. 14201 NAIROBI
- M.J. OKUMU AND ASSOCIATE ADVOCATES - P.O. 73932 NAIROBI

KISUMU COUNTY ASSEMBLY
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2. FORWARD BY THE CLERK OF THE ASSEMBLY

I have the pleasure of forwarding the Reports and Financial Statement for the year ended June 30th 2021. The report highlights the operation of the Assembly as indicated below:

2.1 BUDGET ALLOCATION

In the financial year 2020/2021 the County Assembly a gross budget of KShs. 811,921,494 which was made up of KShs. 701,921,494 and KShs. 110,000,000 for recurrent and development vote respectively.

Analysed hereunder, is the summary of budget execution by programme:

Programmes	Description	Approved Budget Allocation	Actual Payments	Variance	% of Utilization
		KShs	KShs	KShs	
203005060	Administration, Planning and Support Services	35,767,860	24,707,085	11,060,775	69
701005060	General Administration and Planning services	219,555,859	209,201,011	10,354,848	95
705005060	Public Financial Management	11,090,800	10,986,767	104,033	99
708005060	Legislation & Oversight, services	194,645,336	187,741,795	6,903,541	96
710005060	County Assembly Service Board	350,861,639	310,797,166	40,064,473	89
		811,921,494	743,433,824	68,487,670	92

Analysed hereunder, is the summary of budget execution by sub-programme:

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
203005060		Administration, Planning and Support Services	35,647,860.00	120,000.00	35,767,860.00	24,707,085.00	11,060,775.00
	203035060	Financial Services	35,647,860.00	120,000.00	35,767,860.00	24,707,085.00	11,060,775.00
701005060		General Administration and Planning services	231,360,771.00	(11,804,912.00)	219,555,859.00	209,201,011.00	10,354,848.00
	701035060	General Administration	148,578,565.00	(12,423,011.00)	136,155,554.00	126,980,711.00	9,174,843.00
	701065060	Human Resource development services	82,782,206.00	618,099.00	83,400,305.00	82,220,300.00	1,180,005.00
705005060		Public Financial Management	11,090,800.00	-	11,090,800.00	10,986,767.00	104,033.00
	705055060	Budget Formulation & Coordination Services	11,090,800.00	-	11,090,800.00	10,986,767.00	104,033.00
708005060		Legislation & Oversight, services	195,281,489.00	(636,153.00)	194,645,336.00	187,741,795.00	6,903,541.00
	708015060	Legislation & oversight services	158,443,295.00	(220,000.00)	158,223,295.00	153,537,959.00	4,685,336.00
	708025060	Policy Services (Speaker's office)	36,838,194.00	(416,153.00)	36,422,041.00	34,203,836.00	2,218,205.00
710005060		County Assembly Service Board	338,540,574.00	12,321,065.00	350,861,639.00	310,797,166.00	40,064,473.00
	710025060	SP2 Committee Services	235,524,574.00	13,301,065.00	248,825,639.00	209,946,879.00	38,878,760.00
	710035060	Representation & Public Participation Services	103,016,000.00	(980,000.00)	102,036,000.00	100,850,287.00	1,185,713.00
		Grand Total	811,921,494.00	-	811,921,494.00	743,433,824.00	68,487,670.00

Programme 203005060: Administration, Planning and support services- This programme was allocated KShs 35,767,860 representing 4.4% of the total budget. Out of total allocation only Kshs24,707,085 was spent giving 69% utilization.

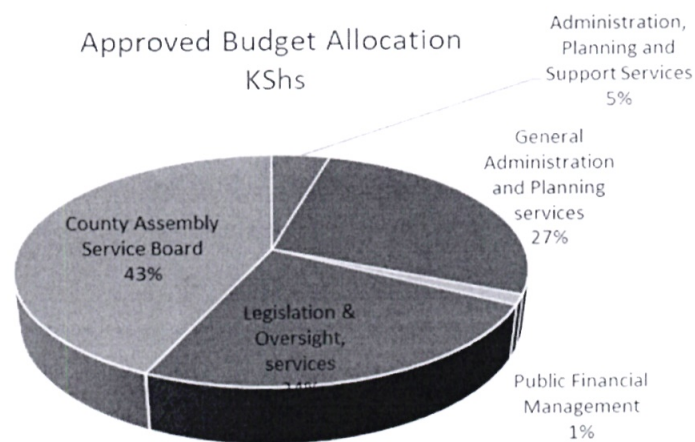
Programme 701005060: General Administration and Planning Services - This programme was allocated KShs 219,555,859 representing 27% of the budget. Out of the total allocation, only Kshs 209,201,011 was spent giving 95% utilization.

Programme 705005060: Public Financial Management - This programme was allocated KShs 11,090,800 representing 1% of the budget. Out of the total allocation, only Kshs 10,986,767 was spent giving 99% utilization.

Programme 708005060: Legislation and Oversight - This programme was allocated KShs 194,645,336 59 representing 23% of the budget. Out of the total allocation only Kshs 187,741,795 was spent giving 96% absorption.

Programme 710005060: County Assembly Service Board - This programme was allocated KShs 350,361,639 representing 43% of the budget. Out of the total allocation only Kshs 310,797,166 was spent giving 89% absorption.

This gross budget was allocated in the budget programmes as outlined in the chart below;



Consumption by programmes

From the above analysis, the consumption rate by programmes are as follows;

1. Programme 203005060: Administration, Planning and support services- 69%
2. Programme 701005060: General Administration and Planning Services -95%
3. Programme 705005060: Public Financial Management -99%
4. Programme 708005060: Legislation and Oversight- 96%
5. Programme 710005060: County Assembly Service Board- 89%

**KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
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Key Performance Highlights

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2021

Revenue/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	%of Utilization Difference to Final Budget
Total Receipts	811,921,494	811,921,494	738,793,294	73,128,200	91
Total Payments	811,921,494	811,921,494	743,433,825	68,487,669	92

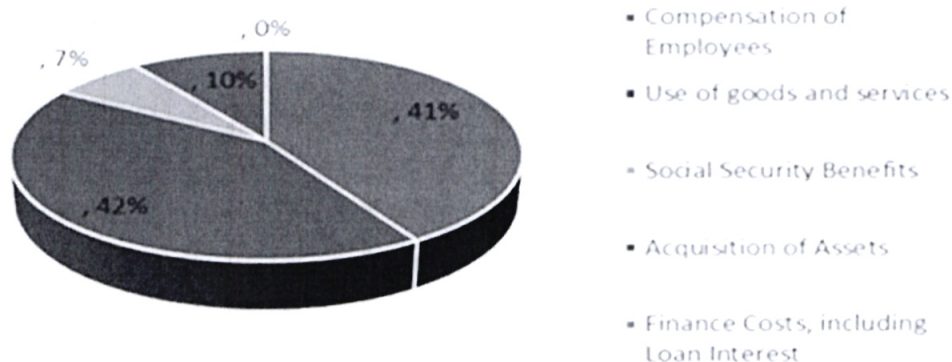
Actual receipts by the County Assembly stood at 9% below budget while actual payments were 8% below budget. This is attributable to underutilization of budget allocation for some vote lines occasioned by Covid-19 pandemic

Budget Utilisation

The County Assembly spent **KShs. 743,433,825** against an approved budget of **KShs. 811,921,494** representing absorption of **92%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the Table herein:

Budget utilization as per economic items

Actual Payments



It should be noted that 42% of budget allocation for the County Assembly was used on use of goods/services and operations, 41% for personnel emoluments, 7% on gratuity and 10% on Acquisition of assets and 0% on Finance costs.

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Receipts

	2020-2021 Kshs	2019-2020 Kshs	Change	% Change
RECEIPTS				
Transfers from National Treasury	738,793,294	709,070,900	29,722,394	4%
TOTAL REVENUES	738,793,294	709,070,900	29,722,394	4%

The County Assembly receipts mainly comprise of exchequer releases from the National Treasury. During the financial year 2020/ 2021, the County Assembly received a total of Kshs.738,793,294 relating to exchequer releases from National Treasury. This is an increase of 4% of total receipts compared Kshs. 709,070,900 received in FY 2019/2020.

Payments:

The total payments for the FY 2020/21 were Kshs. 743,433,825 representing 5% increase compared to Kshs. 707,837,365 spent in the FY 2019/20.

The payments for FY 2020/21 are as follows: -

	2020-2021 Kshs	2019-2020 Kshs	Change	% Change
PAYMENTS				
Compensation of Employees	299,831,124	287,555,780	12,275,344	4%
Use of goods and services	314,773,976	350,260,292	(35,486,316)	-11%
Transfers to other Government Units	-	15,901,100	(15,901,100)	0%
Social Security Benefits	49,069,974	35,479,397	13,590,577	28%
Acquisition of Assets	79,494,270	18,401,629	61,092,641	77%
Finance costs	264,480	239,168	25,313	10%
TOTAL PAYMENTS	743,433,825	707,837,365	35,596,460	5%

Cash and Bank Balance

Bank balances increased by 44% as a result of efficiency of the operations during the year.

	2020-2021 Kshs	2019-2020 Kshs	Change	%Change
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	5,007,831	2,808,347	2,199,484	44%
Total Cash And Cash Equivalents	5,007,831	2,808,347	2,199,484	44%

2.2 OPERATIONAL PERFORMANCE

a) Laws and policies passed by the Members of the Assembly during the under review;

1. The Kisumu County Climate Change Bill, 2020 – To provide regulatory framework for enhance response to climate change i.e to provide for mechanism and measures to achieve low carbon development, financial mechanism for implementation of climate change activities and connected purposes in the county
2. The Kisumu County Social Health Insurance Fund Regulations, 2020 - Provide for operationalization of the county Social Health Insurance Fund Act for effective Universal Health Care.
3. The Kisumu County Finance Bill, 2020–Provide for various taxes, fees and charges for services and for the other revenue raising measures by the county government.
4. The Kenya Constitution (Amendment) Bill, 2020 – provide for the amendment of the constitution 2010 for effective and efficient governance of the Country.
5. The Kisumu County Investment and Development Corporation Bill, 2021 – Provides for the establishment of legal and institutional framework for investment and development management and for connected purposes in the county.
6. The Kisumu Lakefront Development Corporation Bill, 2021 – It is a special purpose vehicle to develop and manage economic and social activities at the lakefront and mobilise resources within the county.
7. The Kisumu County Regularization of Land Ownership and Development Bill, 2021 – To provide for regularization of unauthorised development and for connected purposes within the County
8. The Kisumu County Supplementary Appropriation Bill, 2021– Authorizes the issue of certain sum of money out of the County Revenue Fund and their application towards the services for the year in question.
9. The Kisumu County Appropriation Bill, 2021 – Authorizes the issue of certain sum of money out of the County Revenue Fund and their application towards the services for the year in question.

b) The dates that the County Budget was passed including the supplementary budgets;

- Supplementary Budget was enacted on 28th June, 2021
- Budget for the FY 2020/2021 was enacted on 30th June, 2020

c) Assembly committees and their mandates;

County Assembly Business Committee

The County Assembly Business Committee shall –

- prepare and , if necessary, from time to time, adjust the County Assembly calendar with the approval of the County Assembly;
- monitor and oversee the implementation of the County Assembly business and programmes;
- implement the Standing Orders respecting the scheduling or programming of the business of the County Assembly and the functioning of the Committees of the County Assembly;
- determine the order in which the reports of Committees shall be debated in the County Assembly;
- may take decisions and issue directives and guidelines to prioritize or postpone any business of the County Assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be; and
- consider such matters as may from time to time arise in connection with the business of the County Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the County Assembly.

Successes of the Committee - In the year under review, the committee managed to schedule business for transactions despite the Covid19 pandemic.

Committee on Selection

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

Successes of the Committee –The committee managed to; to do realignment of committees to accommodate a new member Hon. Samuel Dede.

Committee on Appointments

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

Successes of the Committee – The committee considered all appointments referred to it in the year under review.

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Public Accounts and Investments Committee

The Public Accounts and Investments Committee shall have two main functions: -

- examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit; and
- Examination of the working of the public investments.

Successes of the Committee – In the year under review, the committee examined and reported to the house the Auditor General’s report for FY2017-2018

County Budget and Appropriations Committee

The functions of the Committee shall be to-

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;
- 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 Government budget, including Appropriations Bills; and;
- Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlays.

Successes of the Committee – In the year under review, the committee managed to pass the statutory documents for the County Government of Kisumu to enable financing and smooth running of the County. They include: FSP, CBROP,ADP, Finance Bill and the Budget Estimates.

County Assembly Procedure and Rules Committee

The County Assembly Procedure and Rules Committee shall

- Consider and report on all matters relating to these Standing Orders.
- May propose amendments to these Standing Orders and any such amendments shall upon approval by the County Assembly, take effect at the time appointed by the County Assembly.
- May propose rules for the orderly and effective conduct of Committee business and any such rules shall, upon approval by the County Assembly, continue in force until amended or repealed by the County Assembly.

Successes of the Committee – In the year under review, the committee noted the proposed amendments of the standing orders to be implemented towards the end of the second Assembly

Committee on Implementation

The Committee shall

- Scrutinize the resolutions of the County Assembly (including adopted Committee reports), Petitions and the undertakings given by the County Executive Committee and examine –
- Whether or not legislation passed by the County Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.
- 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 of projects and programs under his or her docket without justifiable reasons.

Successes of the Committee – In the year under review, the committee managed to write the following reports and submitted to the house and unanimously adopted and the resolution thereafter forwarded to the Executive

- i. Report on an investigation into the procurement of standby automatic generator tender No. CGK/FIN/CP/2018/2019/04 by the County Government of Kisumu.
- ii. Report on a benchmarking exercise with the sister committee of Kakamega County Assembly
- iii. Report on the Status of Kisumu County Budget Implementation Status for FYs 2019/2020 & 2020/2021

Committee on Delegated County Legislation

The Committee shall consider in respect of any statutory instrument whether it-

- is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;
- infringes on fundamental rights and freedoms of the public;
- contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of the County Assembly;
- contains imposition of taxation;
- directly or indirectly bars the jurisdiction of the Courts;
- gives retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power;
- involves expenditure from the County Revenue Fund or other public revenues;
- is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
- appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;

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- appears to have had unjustifiable delay in its publication or laying before County Assembly;
- makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
- makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers;
- inappropriately delegates legislative powers;
- imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
- appears for any reason to infringe on the rule of law;
- inadequately subjects the exercise of legislative power to County Assembly scrutiny; and
- accords to any other reason that the Committee considers fit to examine.

Successes of the Committee – In the year under review, the committee managed to do a counter check on the following regulations received from the Executive to ascertain whether it was in tandem with the relevant statutory instruments:

- *Regulation on the Kisumu County Social Health Insurance Fund, 2020*
- *Kisumu County (COVID-19) Emergency Response Fund Regulation, 2020*
- *Kisumu County Women, Youth and People Living with Disabilities Fund Regulations, 2019*

The regulations were thereafter submitted back to the executive for operationalization. The committee also did a benchmarking with sister committee of Homabay County Assembly, which they did a report and was adopted.

Welfare and Equal Opportunities

Take care of the welfare of Members, staff of the assembly and the general public.

Successes of the Committee – In the year under review, the committee managed to do a report on reconciliation of the gratuity submitted to LAPFUND, which was adopted by the House.

Liaison Committee

The Liaison Committee shall-

- guide and co-ordinate the operations, policies and mandates of all Committees;
- deliberate on and apportion the annual operating budget among the Committees;
- consider the programs of all Committees, including their need to travel and sit away from the precincts of County Assembly;
- ensure that Committees submit reports as required by these Standing Orders;
- determine, whenever necessary, the Committee or Committees to deliberate on any matter; and
- give such advice relating to the work and mandate of select Committees as it may consider necessary.

- The Liaison Committee shall consider reports compiled by other Committees which reports have not been deliberated by the County Assembly and shall report to the County Assembly on the consideration of such reports.

Successes of the Committee – In the year under review, the committee managed to do a report of committee fund apportionment, which was adopted.

Agriculture, Livestock and Fisheries

All matters relating to agriculture, including crop and animal husbandry, livestock sale yards, County abattoirs, plant and animal disease control, veterinary services (excluding regulation of the profession) and fisheries; animal control and welfare, including licensing of dogs and facilities for their accommodation, care and burial of animals.

Successes of the Committee – In the year under review, the committee managed to;

1. Adoption of the report on consultative forum, site visits to Maseno ATC and Assessment of the beneficiaries of livestock distribution programme.
2. Adoption of the benchmarking report with sister committee of Uasin Gishu.

Health, Housing and Sanitation

All matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal; housing; and sanitation.

Successes of the Committee – In the year under review, the committee managed to do 7 reports that were adopted by the house. The reports were;

1. Report on the first phase of surveillance on the status of the hospitals within the County
2. Report on the second phase of surveillance to ascertain the status of isolation centers within the County in preparedness for COVID19 pandemic.
3. Report on investigation into expenditure of COVID19 Emergency response fund.
4. Report on study tour to Moi Teaching and referral hospital in Uasin Gishu County
5. Report on Benchmarking exercise with sister committee of Kakamega County Assembly
6. Report on an investigation into a statement on the delay in payment of CHVs
7. Report on an investigation regarding the facility maintenance fund

Children, Culture and Community Services

All matters relating to cultural activities, public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows and

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hiring, libraries, museums, sports and cultural activities and facilities and County parks, beaches and recreation facilities; children's welfare; and control of drugs and pornography.

Successes of the Committee – In the year under review, the committee managed to vet chief officer department of Tourism, Culture, Arts and Sports and wrote a report that was adopted.

Public Works, Roads and Transport

All matters relating to County transport, including county roads, street lighting, traffic and parking, public road transport and ferries and harbours, excluding the regulation of international and national shipping and matters related thereto; County public works and services including storm water management systems in built-up areas; firefighting services and disaster management.

Successes of the Committee – In the year under review, the committee managed to do timely submission of reports which were debated and unanimously adopted on the floor of the House and the recommendations therein forwarded for onward implementation to the Executive:

- i. Report on a benchmarking exchange program with the sister committee of Bungoma County Assembly
- ii. Conducted site visits and jotted down a Report on the Status of Kisumu County Roads' Projects inspected for Fiscal Year 2019/2020
- iii. Response on the statement raised by Hon. Beatrice Pamela on the status of Machine Based Programme
- iv. Had a couple of meetings with the Line department to discuss issues on:
 - Machine Based Projects
 - KRB & CRF Projects
 - Public Works and Transport Issues and other related issues of common interest

Planning, Industrialization and ICT

All matters relating to County planning and development, including statistics, land survey and mapping, boundaries and fencing; ensuring that development and location of industries and industrialization policies are well planned and properly executed; and monitor the spread and enhanced use of ICT in the County Government operations to increase transparency and accountability.

Successes of the Committee – In the year under review, the committee managed to;

1. Write a report on statement that was raised by Hon. Pamela Odhiambo on the burial notice by the city Manager, which was adopted.
2. Write a report on vetting of Chief Officer Department of Lands, Planning and Urban Development, which was adopted.

Early Childhood Education, Adult Education and Vocational Training

All matters relating to pre-primary education, adult education, village polytechnics, home craft centres and childcare facilities.

Successes of the Committee – In the year under review, the committee managed to undertake a benchmarking exercise with Migori County Assembly on bursary distribution, which was adopted.

Labour and Social Welfare

All matters relating to labour, trade union relations, man-power or human resource planning, gender, social welfare and National Youth Service.

Successes of the Committee – In the year under review, the committee managed to;

1. Report on the status and social welfare of community health workers and casual laborers in the health facilities in Kisumu County.
2. Report and adoption of the redeployment of Mr. Zacheus Okoth Oketch and the management of Gulf and Nyanas water companies.
3. Conducted a benchmarking exercise with sister committees from Nyandarua County Assembly, which was adopted.

Administration of Law, Justice, Constitutional Affairs and Good Governance

All matters relating to referendum, further Devolution in the County, issues of Integrity, Ethics and Conflicts of Interests including Anti-corruption and Human Rights; ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations in governance at the local level and assisting communities and locations to develop administrative capacity for the effective exercise of the functions and powers and participation in governance at the local levels; administration of law and justice, including working and collaborating with national government operatives within the County especially on security matters.

Successes of the Committee – In the year under review, the committee managed to;

1. Report on the Vetting of the County Attorney Mr. Edriss Omondi
2. Report on the Vetting of the Chief Officer Strategic Planning Mr. Philip Adundo
3. Report on the Constitution of Kenya Amendment Bill
4. Report on Committee Training on Committee Mandate by the Civil Society Organisation
5. Report on Status of Security in the County
6. Joint Committee Report on Gratuity Payments of former County Executive Staff

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Water, Environment and Natural Resources

All matters relating to the provision of clean water for Domestic use; implementation of specific national government policies on natural resources and environmental conservation, including soil and water conservation and forestry and control of air pollution, noise pollution, other public nuisances and outdoor advertising.

Successes of the Committee – In the year under review, the committee managed to;

1. Report on Nyalenda A Lagoon
2. Report on Inflation of Water Bills
3. Report on Drainage Systems along Sije-Carwash Road
4. Report on the Climate Change Bill
5. Report on the Study Tour to Nairobi City Assembly
6. Report on the Budget for the Department of Water, Environment, Climate Change and Natural Resources

Cooperative, Finance, Trade and Enterprise Development

All matters relating to Cooperative movement, micro finance institutions, empowerment of registered women and youth groups, insurance, proposed loans and advances by the Executive, trade development and regulations including markets; trade licenses (excluding regulation of professions) trading practices.

Successes of the Committee – In the year under review, the committee managed to write two reports on Consideration of Kisumu County and Investment and Development Cooperation Bill and on Consideration of Financial Statement of The County Executive of Kisumu for FY 2019-2020.

Tourism, Wildlife and Heritage

All matters relating to local tourism, wildlife conservation and preservation of old buildings like churches, schools, government offices, other public buildings and buildings in private homes of important people.

Successes of the Committee – In the year under review, the committee managed to undertake site visits on projects done by line departments, which was adopted by the house and conducted a benchmarking exercise with Siaya County Assembly, which was also adopted.

The committee on House Powers and Privileges

This is a select committee standing order number 207 mandated with the responsibility to look into the disciplinary issues of members.

Successes of the Committee – In the year under review, the committee had a capacity building program for county assembly service boards and committees on powers and privileges on integrity compliance under chapter six of the constitution

Ward Development Fund

All matters relating to allocation and payments of funds; ensure prudent management of funds; receive and discuss the annual reports and returns from the wards; ensure timely submissions to the County Assembly of various returns, reports and information as required under the Act; consider project proposals submitted for various wards in accordance with the Act and make appropriate recommendations to the County Assembly; Continually review, oversee the implementation, policy framework and legislative matters that may arise in relation to the Fund; and perform such other functions as may be provided for in this Act and the membership should not be more than eleven members.

Successes of the Committee – In the year under review, the committee managed to do a benchmarking exercise with National Government constituency's development fund office headquarters in Nairobi, which was adopted by the house.

d) Oversight role of the County Assembly

- To vet and approve nominees for appointment to county public offices
- To approve the budget and expenditure of the County government
- To approve the borrowing by the county government
- To approve County development planning

2.3 PERFORMANCE OF KEY DEVELOPMENT PROJECTS

The county assembly in the year under review budgeted for three key development projects namely;

1. Renovation of County Assembly Chambers and the administration block - All the major buildings including that houses chamber, committee rooms and the entire administration block were renovated and equipped. The staff and MCAs can now enjoy a conducive ambience. This has greatly improved the working environments and house debates
2. Ultra-Modern Assembly – The County Assembly is in the process of constructing an Ultra-modern Kisumu Assembly Chambers and offices. The building is expected to offer adequate space and a more conducive working environment. The building will further have a cafeteria, gymnasium, Members Lounge and a playing ground for indoor games.
3. Speaker’s official residence – The assembly began the construction of the speaker’s residence in the year under review which is now nearing completion.

Kisumu County Assembly maintains good business practises with the suppliers by informing them about our processes during tendering/ registration from advertisement to debriefing stage. We also involve the tenderers in competitive bidding by giving quotation to at least three bidders when procuring items with the threshold of quotation method. When notification of award is issued to the winning bidder, the unsuccessful bidders are also notified via regret letters where reasons for failure are stated and they are informed of who won that tender and the reasons thereof. Just like we like timely actions on our sides, suppliers also like prompt payments on their side, for this reason, County Assembly of Kisumu adheres to the 90 days debt period.

2.4.VALUE-FOR-MONEY ACHIEVEMENTS

The completion of the speaker's residence will save the Institution monthly rental expenses, which can be channelled to other development activities or other operation of the County Assembly

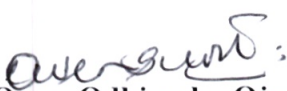
2.5. CHALLENGES AND RECOMMENDED WAY FORWARD

Despite the notable achievements, we have experienced some challenges during the year. These include;

- We experienced a number of IFMIS challenges while doing auto bank reconciliation hence we couldn't run the FO 30 from the system .However, we have petitioned the national treasury to provide training to mitigate the problem in future.
- Delay in exchequer releases affected the budget absorption rate since some planned projects couldn't be implemented on time. However, discussion has been held between the assembly and county treasury regarding timely release of funds to avert such incidences.

Future, outlook of the County Assembly as laid out in the strategic plan;

- Construction of Ultra-Modern Assembly to provide a conducive working environment (Chambers and offices for staff and MCAs)
- Construction of the official residence of the Speaker
- Modernized assembly, equipped with required tools and equipment for service delivery
- Enhanced human resource and administration for efficiency, through internal placement and recruitment, established performance management system, mainstream HR planning and strengthened financial management systems.
- Enhanced staff capacity to meet current and future workloads and challenges through training of staff and MCAs.


Owen Odhiambo Ojuok
Clerk of the County Assembly

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**3. STATEMENT OF PERFORMANCE AGAINST COUNTY
 PREDETRMINED OBJECTIVES**

Introduction

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

The key mandate of the County Assembly of Kisumu is legislation, oversight, and representation. To achieve this, the assembly's program was document in terms of objective, key performance indicators, and output.

Below were the expected outputs of the assembly in FY 2020/2021

Program	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs - MCAs were trained/benchmarked with a number of County Assemblies including the Senate on how they can effectively deliver on their three mandates i.e legislations, representation and oversight.	Increased exposure on Legislative gaps with the Kisumu County Acts and Regulations	9 bills were passed in the County Assembly during the Financial Year; <ol style="list-style-type: none"> 1. The Kisumu County Climate Change Bill, 2020 2. The Kisumu County Social Health Insurance Fund Regulations, 2020 3. The Kisumu County Finance Bill, 2020 4. The Kenya Constitution (Amendment) Bill, 2020 5. The Kisumu County Investment and Development Corporation Bill, 2021 6. The Kisumu Lakefront Development Corporation Bill, 	The County Assembly facilitated trainings and benchmarking for the MCAs geared towards increasing the knowledge base on matters of Legislation and Oversight.

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			<p>2021</p> <p>7. The Kisumu County Regularization of Land Ownership and Development Bill, 2021</p> <p>8. The Kisumu County Supplementary Appropriation Bill, 2021</p> <p>9. The Kisumu County Appropriation Bill, 2021</p>	
	Enhanced professional development of MCAs – Engagement with Civil Society Groups and the Kenya Law Reforms	Review of enactment threshold of legislations	70% increase in efficient implementation of various Acts of the Assembly by the County Executive	Creation of the County Assembly Pre-Publication Scrutiny Committee mandated to oversee drafting of legislative proposals of the Assembly
General Administration and Planning services	To enhance effective and efficient running of the organization	Service delivery Construction of speaker’s residence	Annual work plan developed Policies developed Speakers Residence built Policies developed	Preparation of policies Preparation of Asset register
County Assembly Service Board	To establish a robust organization structure, enhance staff capacity and sustain high quality	Review organization structure Recruitment of staff	Public participation realized Assembly Constituted procedures , rules, regulations, the constitution and county government act adhered to	The Member of the County Assembly Service Board was trained on ethical leadership, risk assessment and

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	performance and service delivery			monitoring, knowledge management and innovation
Public Finance Management	To ensure timely development review and submission of Assembly budget estimates	Submission of the budget estimates to the County Treasury by 30 th April Prudent Financial Management	Budget Analysed	The budget officers were trained on budget preparation and capturing of pending bills in the budget (Hyperion module) by SOCATT
Administration, Planning and Support Services	Developing and implementing financial policies	Capacities build for key public financial offices and the staff	Timely submission of Quarterly and Annual Financial Reports Adherence to procurement act and regulation Procurement plan implemented	Training on Financial reporting by National Treasury

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITYREPORTING

The County Assembly of Kisumu is the Legislative arm of the County Government of Kisumu responsible for the formulation of laws that regulate the conduct and activities within the county and provide oversight

The Assembly undertook the following during the Financial Year:

1. Sustainability strategy and profile -

The Assembly has a working Service Board, chaired by the Speaker, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards.

The County Assembly Service Board meets at least twice a week. This has built synergy and effective coordination in the implementation and delivery of planned programmes and projects. The reporting and follow up is done to ensure all agreed actions point are implemented within the stipulated timelines. Issue of good governance and accountability have been adopted by the Board to ensure that assembly does good legislation, effective oversight, zero tolerance to corruption practices, payment of outstanding pending bills and reduction of Audit queries.

2. Environmental performance

The Assembly has facilitated the formulation of the Kisumu County Climate Change Action Plan whose purpose is to mitigate climate change and promote environmental Protection. Consequently, the Kisumu County Climate Change Act, 2020 further stipulates the mandates of various county departments on the role of environmental protection.

3. Employee welfare

The County Assembly recognizes the need for training and development of all its members and employees. Each financial year Assembly prioritized a considerable budget to facilitate the activity: However, the Assembly is yet to operationalize a structured training where return on investment can be evidenced by a number of trainings undertaken in a financial year. Recruitment is a key component in the Assembly Human Resource Manual. The manual incorporate provisions of the constitution, new labour law and other legislation among other set standards, principles and values in hiring. Stakeholders' engagement is evidenced from the initial stages of declaring interests where Heads of Departments are invited: External stakeholders are engaged at the advertisement level through at least two newspapers of a wide circulation. The external technical officers are also captured at the selection and interview of the staff for a more responsive outcome.

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The Assembly developed and implemented employee welfare and wellness programmes in the work place which included:

- i.) Medical camps for the staff;
- ii.) Voluntary counselling and testing for the staff;

4. Market place practices-

The county assembly of Kisumu maintains good business practises with the suppliers by informing them about our processes during tendering/ registration i.e. from advertisement to debriefing stage. Advertisement is usually done via at least two newspapers dailies with wide national circulation particularly for open tenders. We also involve the tenderers in competitive bidding by giving quotation to at least three bidders when procuring items with the threshold of quotation method. When notification of award is issued to the winning bidder, the unsuccessful bidders are also notified via regret letters where reasons for failure are stated and they are informed of who won that tender and the reasons thereof. Just like we like timely actions on our sides, suppliers also like prompt payments on their side.

5. Community Engagements

County Assembly of Kisumu has actively been involved in CSR in the community through engagement of football tournaments at the ward level and community clean-up events.

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2021. These responsibilities include: (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, 2021, 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 the its financial statements as well as the adequacy of the systems of internal financial control.

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 on 30th September 2021.



Owen Odhiambo Ojuok
Clerk of the County Assembly

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KISUMU FOR THE YEAR ENDED 30 JUNE, 2021

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Kisumu set out on pages 1 to 27, which comprise the statement of financial assets and liabilities as at 30 June, 2021, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Kisumu as at 30 June, 2021, 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.

Basis for Qualified Opinion

Unsupported Borrowing to Fund the County Assembly

The statement of receipts and payments for the year ended 30 June, 2021 reflects total receipts of Kshs.738,793,294 while the total payments amount to Kshs.743,433,824 resulting in a deficit of Kshs.4,640,530. Although the Management indicated that the deficit was financed through borrowing from Car Loan and Mortgage Fund, the documentation in support of authorisation of borrowing to finance the deficit was not provided for audit verification.

In the circumstances, the legality of the borrowing by the County Assembly 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 Kisumu 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.

Key Audit Matters

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

Other Matter

Pending Accounts Payable

According to Note 14 to the financial statements, the County Assembly had pending accounts payable totalling Kshs.85,781,448 (2020: Kshs.61,160,148) as at 30 June, 2021. Further, Note 14.3 to the financial statements reflects other pending payables balance of Kshs.54,220,993 comprising of amount due to third parties and amount due

to car and mortgage of Kshs.4,208,362 and Kshs.50,012,631 respectively. The balance of Kshs.50,012,631 include recoveries of car and mortgage loans of Kshs.44,872,631 relating to 2019/2020 and earlier years that have not been remitted to the County Assembly Car Loan and Mortgage Fund. No explanation has been provided as to why the recovered funds have not been remitted to the Fund.

Failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

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. Lack of Framework for Financing of County Assemblies Forum (CAF)

The use of goods and services balance of Kshs.314,773,976 includes other operating expenses balance of Kshs.83,569,271 as disclosed in Note 3 to the financial statements. The balance further includes a payment of Kshs.3,500,000 to the County Assembly Forum. The Forum is registered under the societies rules 1968 vide certificate of registration number 42066 dated 17 December, 2013. Although the Funds were budgeted for, there is no provision in law on how the activities of the County Assembly Forum are to be financed.

Consequently, lack of framework on financing of County Assemblies Forum casts doubt on the validity of expenditure on the Forum.

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of County Assembly employees was forty-eight (48) out of which forty (40) or 83% of the total number were members of the same/dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

Consequently, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Controls Over Management of Imprest

The statement of receipts and payments for the year ended 30 June, 2021 reflects expenditure on use of goods and services of Kshs.314,773,976 as disclosed in Note 3 to the financial statements. The balance includes expenditure on domestic travel and subsistence of Kshs.119,925,881 which further includes daily subsistence payments to officers of the County Assembly amounting to Kshs.32,094,717. However, the amounts were expensed at the point of payment to various officers instead of accounting for it as imprest to staff and expensed after surrender and proof of undertaking the intended activities. Further, review of the general ledger, revealed that staff were issued with additional imprests before surrender of initial imprest. In addition, supporting documents for activities undertaken were not provided for review. This contravenes Regulation 91(1) and Regulation 93(3) of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, Management was in breach of the law.

2. Failure to Provide Oversight Role

The County Assembly's Public Accounts and Investment Committee debated and adopted the audit report of the County Executive of Kisumu County Government for the financial year ended 30 June, 2018 in August, 2021 but the Committee had not yet submitted the report and recommendations to the County Executive for implementation. Further, the County Public Investments Accounts had not yet deliberated on the 2018/2019 and other prior year audit reports, which according to Min No.13/CAK/HBC/17/8/21 of the House Business Committee dated 24 August, 2021 were still being held by the PAC/PIC Committee. This is contrary to Section 31(1)(a) of the Public Audit Act, 2015 which states that within three months after Parliament or the

County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

Consequently, Management was in breach of the law.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the 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 dissolve the County Assembly or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 June, 2022

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2021. These responsibilities include: (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, 2021, 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 the its financial statements as well as the adequacy of the systems of internal financial control.

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 on 30th September 2021.



Owen Odhiambo Ojuok
Clerk of the County Assembly

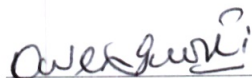
KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

7. FINANCIAL STATEMENTS

7.1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Transfers from County Treasury	1	738,793,294	709,070,900
TOTAL REVENUES		738,793,294	709,070,900
PAYMENTS			
Compensation of Employees	2	299,831,124	287,555,780
Use of goods and services	3	314,773,976	350,260,292
Transfers to other Government Units	4	-	15,901,100
Social Security Benefits	5	49,069,974	35,479,397
Acquisition of Assets	6	79,494,270	18,401,629
Finance costs	7	264,480	239,168
TOTAL PAYMENTS		743,433,825	707,837,365
SURPLUS/DEFICIT		(4,640,530)	1,233,535

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2021 and signed by:



Clerk of the Assembly
Name: Owen Odhiambo Ojuok




Chief Finance Office – County Assembly
Name: Felix Okinyi Owuor
ICPAK Member Number: 22874

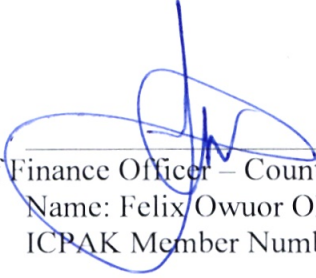
KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

7.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	5,007,831	2,808,347
Cash Balances	8B	-	-
Total Cash And Cash Equivalents		5,007,831	2,808,347
Accounts receivables	9	-	-
TOTAL FINANCIAL ASSETS		5,007,831	2,808,347
Accounts Payables – Deposits and retentic	10	9,648,362	1,574,122
NET FINANCIAL ASSETS		(4,640,531)	1,234,225
REPRESENTED BY			
Fund balance b/fwd	11	1,234,225	4,143,668
Surplus/Defict for the year		(4,640,530)	1,233,535
Prior year adjustments	12	(1,234,225)	(4,142,978)
NET FINANCIAL POSSITION		(4,640,530)	1,234,225

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2021 and signed by:


 Clerk of the Assembly
 Name: Owen Odhiambo Ojuok

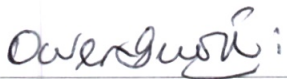

 Chief Finance Officer – County Assembly
 Name: Felix Owuor Okinyi
 ICPAK Member Number: 22874


KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

7.3 STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	738,793,294	709,070,900
		738,793,294	709,070,900
Payments for operating expenses			
Compensation of Employees	2	299,831,124	287,555,780
Use of goods and services	3	314,773,976	350,260,292
Transfers to other Government Units	4	-	15,901,100
Social Security Benefits	5	49,069,974	35,479,397
Finance costs	6	264,480	239,168
		663,939,554	689,435,736
Adjusted for:			
Changes in payables	13	8,074,240	1,574,122
Adjustments during the year	12	(1,234,225)	(4,142,978)
Net cashflow from operating activities		81,693,754	17,066,308
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(79,494,270)	(18,401,629)
Net cash flows from Investing Activities		(79,494,270)	(18,401,629)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		2,199,484	(1,335,321)
Cash and cash equivalent at BEGINNING of the year		2,808,347	4,143,668
Cash and cash equivalent at END of the year		5,007,831	2,808,347

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September 2021 and signed by:


 Clerk of the Assembly
 Name: Owen Odhiambo Ojuok


 Chief Finance Officer – County Assembly
 Name: Felix Okinyi Owuor
 ICPAK Member Number: 22874

**7.4 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
 COMBINED**

Revenue/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	c=a+b	d	e=d-c	f=e/c %
RECEIPTS					
Exchequer releases	811,921,494	811,921,494	738,793,294	73,128,200	9%
Total Receipts	811,921,494	811,921,494	738,793,294	73,128,200	9%
Payments					
Compensation of Employees	326,989,746	310,209,075	299,831,124	10,377,951	3%
Use of goods and services	301,995,875	322,080,546	314,773,976	7,306,570	2%
Social Security Benefits	50,230,873	50,230,873	49,069,974	1,160,899	2%
Acquisition of Assets	132,205,000	128,901,000	79,494,270	49,406,730	38%
Finance costs	500,000	500,000	264,480	235,520	47%
Total Payments	811,921,494	811,921,494	743,433,824	68,487,670	8%

Notes

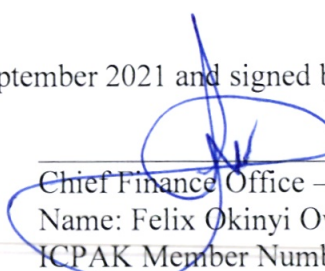
The percentage utilization difference to the Final Budget on acquisition of assets of 38% was a result of delay in the procurement process and 47% for the Finance cost was a result of prompt exchequer releases hence a reduction in bank service, commission and charges on salary overdraft requests.

The changes between the original and final budget are because of reallocations within the budget as per IPSAS 1.9.23.

The entity financial statements were approved on 30th September 2021 and signed by:



Clerk of the Assembly
 Name: Owen Odhiambo Ojuok



Chief Finance Office – County Assembly
 Name: Felix Okinyi Owuor
 ICPAK Member Number: 22874

7.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

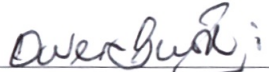
Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=e/c %
RECEIPTS						
Exchequer releases	701,921,494	-	701,921,494	667,637,839	34,283,655	5%
Total Receipts	701,921,494	-	701,921,494	667,637,839	34,283,655	5%
Payments						
Compensation of Employees	326,989,746	(16,780,671)	310,209,075	299,831,124	10,377,951	3%
Use of goods and services	301,995,875	20,084,671	322,080,546	314,773,976	7,306,570	2%
Social Security Benefits	50,230,873	-	50,230,873	49,069,974	1,160,899	2%
Acquisition of Assets	22,205,000	(3,304,000)	18,901,000	8,338,815	10,562,185	56%
Finance costs	500,000	-	500,000	264,480	235,520	47%
	701,921,494	-	701,921,494	672,278,369	29,643,125	4%

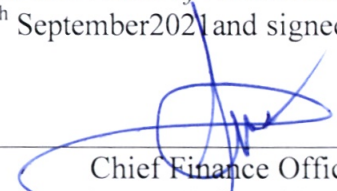
Notes:

The percentage utilization difference to the Final Budget on Acquisition of assets of 56% was a result of delay in the procurement process and 47% for the Finance cost was a result of prompt exchequer releases hence a reduction in bank service, commission and charges on salary overdraft requests.

The changes between the original and final budget are as a result of reallocations within the budget as per IPSAS 1.9.23

The entity financial statements were approved on 30th September 2021 and signed by:


 Clerk of the Assembly
 Name: Owen Odhiambo Ojuok


 Chief Finance Office – County Assembly
 Name: Felix Okinyi Owuor
 CPAK Member Number: 22874

7.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

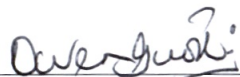
Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=e/c %
RECEIPTS						
Exchequer releases	110,000,000	-	110,000,000	71,155,455	38,844,545	35%
Total Receipts	110,000,000	-	110,000,000	71,155,455	38,844,545	35%
Payments						
Acquisition of Assets	110,000,000	-	110,000,000	71,155,455	38,844,545	35%
	110,000,000	-	110,000,000	71,155,455	38,844,545	35%

Notes:

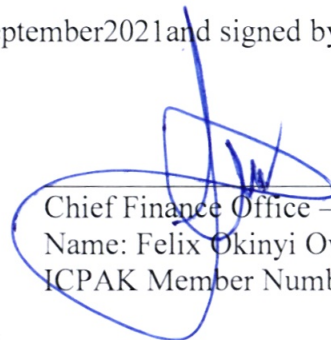
The percentage utilization difference to the Final Budget of 35% on Acquisition of Assets is due to lack of Exchequer from the National Treasury and delay in the procurement process.

There were no changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.

The entity financial statements were approved on 30th September 2021 and signed by:



Clerk of the Assembly
 Name: Owen Odhiambo Ojuok



Chief Finance Office – County Assembly
 Name: Felix Okinyi Owuor
 ICPAK Member Number: 22874

KISUMU COUNTY ASSEMBLY
Amended Reports and Financial Statements
For the year ended 30 June 2021

7.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
203005060		Administration, Planning and Support Services	35,647,860.00	120,000.00	35,767,860.00	24,707,085.00	11,060,775.00
	203035060	Financial Services	35,647,860.00	120,000.00	35,767,860.00	24,707,085.00	11,060,775.00
701005060		General Administration and Planning services	231,360,771.00	(11,804,912.00)	219,555,859.00	209,201,011.00	10,354,848.00
	701035060	General Administration	148,578,565.00	(12,423,011.00)	136,155,554.00	126,980,711.00	9,174,843.00
	701065060	Human Resource development services	82,782,206.00	618,099.00	83,400,305.00	82,220,300.00	1,180,005.00
705005060		Public Financial Management	11,090,800.00	-	11,090,800.00	10,986,767.00	104,033.00
	705055060	Budget Formulation & Coordination Services	11,090,800.00	-	11,090,800.00	10,986,767.00	104,033.00
708005060		Legislation & Oversight, services	195,281,489.00	(636,153.00)	194,645,336.00	187,741,795.00	6,903,541.00
	708015060	Legislation & oversight services	158,443,295.00	(220,000.00)	158,223,295.00	153,537,959.00	4,685,336.00
	708025060	Policy Services (Speaker's office)	36,838,194.00	(416,153.00)	36,422,041.00	34,203,836.00	2,218,205.00
710005060		County Assembly Service Board	338,540,574.00	12,321,065.00	350,861,639.00	310,797,166.00	40,064,473.00
	710025060	SP2 Committee Services	235,524,574.00	13,301,065.00	248,825,639.00	209,946,879.00	38,878,760.00
	710035060	Representation & Public Participation Services	103,016,000.00	(980,000.00)	102,036,000.00	100,850,287.00	1,185,713.00
		Grand Total	811,921,494.00	-	811,921,494.00	743,433,824.00	68,487,670.00

KISUMU COUNTY ASSEMBLY
Amended Reports and Financial Statements
For the year ended 30 June 2021

7.8 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 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 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 receivables and payables.

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 Kisumu 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 actually been received by the Assembly.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

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.

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.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

KISUMU COUNTY ASSEMBLY
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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.

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.

There were no other restrictions on cash during the year.

6. Accounts Receivable

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.

7. Accounts Payable

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.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. 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 *entity* 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.

10. 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.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans.

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

11. 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.

12. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law. The original budget was approved by the County Assembly on 30th June 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

13. Comparative figures

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

14. Subsequent events

Events subsequent to 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.

15. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

16. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

7.9 NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

Description and reference of the transfer	2020-2021 Kshs	2019-2020 Kshs
1st quarter transfer	52,875,074	-
2nd quarter transfer	173,191,544	292,020,350
3rd quarter transfer	188,697,232	184,562,170
4th quarter transfer	324,029,444	232,488,380
Total	738,793,294	709,070,900

The exchequer received during the year was kshs. 738,793,294 against a budget of kshs.811,921,494 resulting to a balance of ksh.73,128,200

2. COMPENSATION OF EMPLOYEES

This relates to the compensation paid to employees. The balance comprises of staff salaries, allowances, social security contributions and other personnel related payments

	2020-2021 Kshs	2019-2020 Kshs
Basic salaries of permanent employees	184,256,539	161,791,856
Wages for Temporary Employees	3,011,253	3,170,579
Personal allowances paid as part of salary	109,664,332	119,496,096
Personal allowances paid as reimbursements	2,899,000	3,097,249
Pension and other social security contributions		
Total	299,831,124	287,555,780

KISUMU COUNTY ASSEMBLY
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For the year ended 30 June 2021

3. USE OF GOODS AND SERVICES

The balance relates to the cost incurred on general office supplies, air tickets, subsistence allowances, cost of services, routine maintenance of assets and other expenditure incurred on a recurring basis.

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	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	322,628	185,000
Communication, supplies and services	2,508,619	2,022,834
Domestic travel and subsistence	119,925,881	121,931,361
Foreign travel and subsistence	-	15,602,278
Printing, advertising and information supplies & services	9,156,598	11,274,974
Rentals of produced assets	11,898,976	24,667,958
Training expenses	12,659,898	14,612,284
Hospitality supplies and services	12,760,730	27,434,484
Insurance costs	34,991,055	32,622,090
Specialised materials and services	3,451,805	1,262,700
Office and general supplies and services	9,617,450	13,026,676
Other operating expenses	83,569,271	71,119,549
Routine maintenance – vehicles and other transport equipment	4,336,432	5,060,000
Fuel Oil and Lubricants	3,756,690	3,000,000
Routine maintenance – Other Assets	5,817,944	6,438,104
Total	<u>314,773,976</u>	<u>350,260,292</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. TRANSFERS TO OTHER GOVERNMENT ENTITIES

This refers to the payments meant for facilitation of gender mainstreaming activities; women leadership trainings and workshops

	2020-2021	2019-2020
	Kshs	Kshs
Gender Mainstreaming		901,100
Other current Transfers, Grants and Subsidies	-	15,000,000
Total	-	15,901,100

5. SOCIAL SECURITY BENEFITS

This balance relates to social security benefits contributed by the County Assembly on behalf of its employees. The benefits include employer contribution to National Social Security Fund (NSSF).

	2020-2021	2019-2020
	Kshs	Kshs
Government pensions and Retirement Benefits	49,069,974	35,479,397
Total	49,069,974	35,479,397

6. ACQUISITION OF ASSETS

This refers to the development expenditure incurred by the County Government. This has been classified in terms of the assets acquired by the County Assembly in the year

	2020-2021	2019-2020
	Kshs	Kshs
Construction of Building	71,155,455	12,202,560
Domestic Lending and On-lending	7,696,175	-
Purchase of ICT Equipment	642,640	4,145,369
Purchase of Office Furniture and General Equipment		2,053,700
Total	79,494,270	18,401,629

Kshs. 7,696,175 relates to Fringe benefits tax that was paid to KRA and is not captured in the Asset register.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCE COSTS

Finance costs refer to bank charges incurred on the County Assembly bank accounts and interest charged on borrowings

	2020-2021 Kshs	2019-2020 Kshs
Bank Charges	264,480	239,168
Total	264,480	239,168

8. CASH AND BANK BALANCES

8A. BANK BALANCES

The balances refer to cash and cash equivalent balances held as at 30th June in all the County Assembly's bank account

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit, revenue, CRF e.t.c	2020-2021	2019-2020
		Kshs	Kshs
<i>Central Bank Of Kenya, & ksh.</i>	Reccurent	799,019	1,234,185
<i>KCB Operations Account, & Ksh.</i>	Reccurent	451	40
<i>Central Bank Of Kenya, & ksh.</i>	Development	-	-
<i>Central Bank Of Kenya, & ksh.</i>	Deposit	4,208,362	1,574,122
Total		5,007,831	2,808,347

All bank accounts operated by the County Assembly have been included in this note.

8B. CASH IN HAND

Cash in hand refers to cash balances held by the cash offices within the County Assembly as at 30th June.

	2020-2021 Kshs	2019-2020 Kshs
Cash in Hand – Held in domestic currency	-	-
Total	-	-

There was no cash held at the end of the period

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Cash in hand should be analysed as follows:

Cash in hand should also be analysed as follows			2020-2021	2019-2020
			Kshs	Kshs
			-	-
Location 1 -			-	-
Total			-	-

There was no cash held at the end of the period

9. ACCOUNTS RECEIVABLE

	2020-2021	2019-2020
	Kshs	Kshs
Receivables - Outstanding Imprests	-	-
Staff Advances	-	-
Total	-	-

Receivables and Advances were surrendered during the year.

10. ACCOUNTS PAYABLES

The balance refers to deposits received from suppliers as at 30th June. These deposits are refundable upon completion of the contracts

	2020-2021	2019-2020
	Kshs	Kshs
Deposits and retentions	4,208,362	1,574,122
Other Payables-Car Loan Mortgage	5,440,000	-
Total	9,648,362	1,574,122

This relates to contractors Retention Monies withheld during the year. An analysis of the same has been appended as an annexure to the financial statements. Further, kshs 5,440,000 relates to payables to car Loan and Mortgage Fund.

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11. FUND BALANCE BROUGHT FORWARD

Fund balance brought forward refers to the closing fund balance as at end of the previous year, which is carried forward to the following year

	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts	2,808,347	4,143,668
Payables - Deposits	(1,574,122)	-
Total	1,234,225	4,143,668

12. PRIOR YEAR ADJUSTMENT

Description of the error	Balance b/f	Adjustments	Adjusted	Prior year Balance b/f
	FY 2019/2020 as per Financial Audited statements		Balance b/f	FY 2019/2020
	Kshs	Kshs	Kshs	Kshs
Bank account Balances	2,808,347	(1,234,225)	1,574,122	(4,142,978)
Payables - Deposits	(1,574,122)	-	1,574,122	-
	1,234,225	(1,234,225)	-	(4,142,978)

Kshs. 1,234,225 relates to Recurrent bank balances swept to the CRF resulting to a reduction in the fund balance brought forward.

13. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Accounts Payables as at 1 st July 2020	1,574,122	-
Closing Accounts payables as at 30 th June 2021	9,648,362	1,574,122
Change in Accounts payables	8,074,240	1,574,122

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14. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Supply of goods	900,000	0	(900,000)	0
Supply of services	13,397,095	29,155,736	(13,397,095)	29,155,736
Total	14,297,095	29,155,736	(14,297,095)	29,155,736

2. PENDING STAFF PAYABLES (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Others	416,300	2,404,719	(416,300)	2,404,719
Total	416,300	2,404,719	(416,300)	2,404,719

3. OTHER PENDING PAYABLES (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to third parties	1,574,122	3,715,296	(1,081,056)	4,208,362
Amount due to Car and Mortgage	44,872,631	5,440,000	(-)	50,012,631
Total	46,446,753	9,155,295.55	(1,081,056)	54,220,993

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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.

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

Related party transactions:

	2020-2021	2019-2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	182,044,233	166,450,394
Key Management Compensation (Clerk and Heads of departments)	12,456,591	121,105,386
Total Compensation to Key Management	194,500,824	287,555,780
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	-	15,000,000
Total Transfers to related parties	-	15,000,000
Transfers from related parties		
Transfers from the County Executive- Exchequer	738,793,294	709,070,900
Payments made on behalf of the County Assembly by car and mortgage schemes	5,440,000	-
Total Transfers from related parties	744,233,294	709,070,900

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Contingent Liabilities

Contingent liabilities	2020-2021	2019-2020
	Kshs	Kshs
Court case - against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

County Assembly of Kisumu is currently having seven cases out of which three are live.

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8. PROGRESS ON FOLLOW UP OF AUDITOR 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 period within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
1.1	Notes to the Financial statement	This was an error of omission; however, the issue has since been rectified in the Annual Financial Statement of the subsequent year FY 2020-2021.	CPA Owuor Felix – Principal Finance Officer	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021
1.2	Fixed Asset Register	The management has procured the services of a consultant to prepare the Asset register and wishes to confirm that the register is now in place and all the Assets of the Assembly have been recorded, tagged/coded for ease of verification	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021
1.3	Members of County Assembly Sitting Allowance	The management has since reconciled the two set of records i.e the IFMIS payment details of Kshs. 77,040,344 and the IPPD sitting allowance of Kshs. 53,147,140. The variance of Kshs. 23,893,204 comprises of various employee cost items charged on the vote head 2110328. However, the Assembly has since rectified this issue in its	CPA Owuor Felix – Principal Finance Officer	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
		books FY 2020-2021.			
1.4	Prior Year Adjustment	The management wishes to state that the bank balance of Kshs. 4,142,978 that was swept back to CRF account was never recovered at the beginning of the year under review for appropriation therefore it would not have been treated as part of the Income for the Year. The supporting documents for Kshs. 4,192,978 are readily available for audit review.	CPA Owuor Felix – Principal Finance Officer	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021
2.0	Pending Accounts Payable	The management is in the process of petitioning the senate committee of Budget for the increase of the Assembly ceiling to enable it settle the debt. Discussion are on-going between the management and the Senate Committee on budget for the same	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022
3.1	Double Payments	This was an erroneous payment and the management wrote to the supplier and the supplier (RJ Motors) acknowledged the double payment in writing and agreed on the payment plan to settle the payment	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022
3.2	Irregular Payment of Foreign Travel Allowance	The management instituted recovery for the three days the MCA was not in Ethiopia. Recovery is done monthly on the MCA's payroll	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee	30 th June 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
				(CPAIC)	
3.3	Irregular Payment of Meal Allowances	The management had instituted recovery of the meal allowance erroneously paid and the monthly recovery is on-going for the officers irregularly paid.	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022
4	Payment of Legal Services	The management commits to adhere to section 5(1) of the office of the Attorney general act 2012 prior appointing the law firms for any future engagements. Most of the cases are under certificate of agency so Assembly relies mostly of the prequalified list of service providers. The management also wishes to clarify that most of the petitions of the year under review were decrees and court orders for cases that Assembly lost and had the obligation to comply with the orders as per the cost.	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022
1.	Budgetary Controls and Performance	Under absorption is due to delay in exchequer releases by the national treasury/county treasury. Several meeting have been held between the management and the county treasury regarding timely release of funds for development budget of the Assembly. Discussions have also been held by the national treasury for timely release of funds	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
		that they have acknowledged to adhere to.			
1.	Different Payee's name	The management wish to state that Swizz Lenana Mount Hotel is prequalified services provider by the County Assembly of Kisumu and the payment to Swizz Lenana Mount Hotel was paid to China Zhong Tian Investment Limited being their main account as stated in their invoice and a letter from the hotel explaining the bank details to be used.	Edwin Kisia – Director Supply Chain Management	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021
2	Staff Ethnic Composition	The Assembly inherited most of its staff from the defunct local authority where most of their staff was predominantly from the local community. However, the management has committed to adhere to the National Cohesion and Integration Commission Act 2008 in its future recruitment	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022
3.1	Non adherence to 35% rule	Given that the Assembly is predominantly, a service and people oriented institution and the core mandate of the Assembly is to make laws, which are done by the MCAs, and ward offices which has personnel oriented expenses. The management is however pursuing every effort to comply with the PFM regulation 2015.	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
3.2	Salary and wages not accounted and Payments not made as per the County Financial Procedures	The management has since involved the National Treasury for capacity building on the preparation, recording and accounting for personnel expenditure	Dennis Odhiambo – Payroll Manager	Awaiting discussion with the senate committee (CPAIC)	30th June 2022
4	Leasing of Offices at Mega Plaza 2 Block 7/380	The County Assembly of had a serious challenge of office space since all the staff and MCAs could not adequately fit in the existing premise. In view of this the management made several request to the County Government, City of Kisumu, Anglican Church of Kenya and the regional commissioner to provide office space but in vain. The County Assembly Service Board then resolved to look for a building which has adequate space that could accommodate part of the staff and MCAs and is within the Kisumu CBD. They only managed to get Mega Plaza offices owned Shilloah Investment. The Ethic and Anti-Corruption carried out risk assessment of County Assembly of Kisumu in August 2018 and in one of its recommendation, recommended that the speaker and	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
		the clerk of the Assembly should lobby for funds to construct of lease for adequate office space.			
5	Insurance Cost	The management wishes to state that Jubilee Insurance that was awarded the tender has proved to be a reliable firm and well established. Further, Jubilee Insurance provided free valuation at the inception of the cover that Monarch does not provide.	Edwin Kisia – Director Supply Chain Management	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021
	Non Implementation of Strategic Plan 2013-2017	The management wishes to clarify that the Strategic is an on-going implementation process. Not all set out goals were achieved during the time set in strategic plan. This was largely due to timely funding from the National Treasury. The management has since formulated a new strategic plan for 2020-2024, which is now being implemented.	Mr. Owen Ojuok – Clerk of the Assembly	Awaiting discussion with the senate committee (CPAIC)	30 th June 2021

Clerk of the County Assembly

Sign. Owen Ojuok

Date: 30th September 2021

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ANNEXES

ANNEX 1—ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Date Contracted	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction of buildings							
Sub-Total							
Construction of civil works							
Sub-Total							
Supply of goods							
Sub-Total							
Supply of services							
KENYA REVENUE ACCOUNT	2020-2021	18,142,111	18,142,111	-	6,260,208	11,881,902.76	As per payment plan
TOVI TOUR LIMITED	2020-2021	-	-	200,834	0	200,834	Non exchequer receipt
ABRAHAN ODEGI	2020-2021	-	-	240,000	0	240,000	Non exchequer receipt
CAF AND SOCATT	2020-2021	-	-	6,460,000	0	6,460,000	Non exchequer receipt
STIRLING CONSULTANTS	2020-2021	-	-	484,575	0	484,575	Non exchequer receipt
PRIDE KINGS SERVICES	2020-2021	-	-	561,000	0	561,000	Non exchequer receipt
SOSA COTTAGES	2020-2021	-	-	1,120,000	0	1,120,000	Non exchequer receipt
STARBUCKS HOTEL AND RESTAURANT	2020-2021	-	-	1,155,200	0	1,155,200	Non exchequer receipt
BONDO PRIDE HOTEL	2020-2021	-	-	150,000	0	150,000	Non exchequer receipt
PRIDE IN HOTEL NAIROBI	2020-2021	-	-	360,000	0	360,000	Non exchequer receipt
ACCESSNET COMMUNICATION	2020-2021	-	-	138,000	0	138,000	Non exchequer receipt
MFI SOLUTIONS	2020-2021	-	-	41,610	0	41,610	Non exchequer receipt
CAR LOAN AND MORTGAGE FUND ACCOUNT	2020-2021	-	-	6,362,614	0	6,362,614	Non exchequer receipt
Sub-Total		18,142,111	18,142,111	17,273,833	6,260,208	29,155,736	
Grand Total		18,142,111	18,142,111	17,273,833	6,260,208	29,155,736	

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments

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ANNEX 2-PENDING STAFF PAYABLES

Name of Staff	Job Group/CASB	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
			a	b	c=a-b		
Senior Management							
Mr. Owen Odhiambo Ojuok	1	2019-2020, 2020-2021	176,400.00	63,000.00	113,400.00	63,000.00	Non receipt of Exchequer
Mr. Edwin Ouma Kisia	3	2019-2020, 2020-2021	307,300.00	55,100.00	252,200.00	55,100.00	Non receipt of Exchequer
Mr. Felix Owuor	4	2019-2020	55,100.00	55,100.00	-	-	
Mr. Peter Anditi	4	2020-2021	56,000.00	-	56,000.00	-	Non receipt of Exchequer
Sub-Total			594,800.00	173,200.00	421,600.00	173,200.00	
Middle Management							
Abraham Odegi	6	2020-2021	52,900.00	-	52,900.00	-	Non receipt of Exchequer
Annabel Wabuge	5	2020-2021	45,500.00	-	45,500.00	-	Non receipt of Exchequer
Boaz Ouko	6	2020-2021	91,000.00	-	91,000.00	-	Non receipt of Exchequer
Charles Ageng'o	5	2020-2021	56,000.00	-	56,000.00	-	Non receipt of Exchequer
David Ayieko	6	2020-2021	98,400.00	-	98,400.00	-	Non receipt of Exchequer
Dennis Odhiambo	6	2020-2021	91,500.00	-	91,500.00	-	Non receipt of Exchequer
David Ochieng'	5	2020-2021	45,500.00	-	45,500.00	-	Non receipt of Exchequer
Dominc Muinde	7	2020-2021	37,100.00	-	37,100.00	-	Non receipt of Exchequer
Kephas Onoka	5	2020-2021	119,700.00	-	119,700.00	-	Non receipt of Exchequer
Lazarus Obera	5	2020-2021	99,900.00	-	99,900.00	-	Non receipt of Exchequer
Nelco Sagwe	3	2020-2021	42,000.00	-	42,000.00	-	Non receipt of Exchequer
Roseline Awuor	5	2020-2021	129,100.00	-	129,100.00	-	Non receipt of Exchequer
Zablon Otiende	5	2020-2021	45,500.00	-	45,500.00	-	Non receipt of Exchequer
Lilian Nyamita	6	2020-2021	52,900.00	-	52,900.00	-	Non receipt of Exchequer
Charles Kennedy Ongong'a	7	2020-2021	25,000.00	-	25,000.00	-	Non receipt of Exchequer
Wyclife Otieno	5	2019-2020, 2020-2021	194,700.00	55,100.00	139,600.00	55,100.00	Non receipt of Exchequer
Alphonse Misachi	7	2019-2020	44,600.00	44,600.00	-	44,600.00	
Zachary Ogutu	7	2019-2020 2020-2021	106,859.00	44,600.00	62,259.00	44,600.00	Non receipt of Exchequer
Kenneth Opiyo	5	2020-2021	52,900.00	-	52,900.00	-	Non receipt of Exchequer
Sub-Total			1,431,059.00	144,300.00	1,286,759.00	144,300.00	
Unionisable Employees							
Allan Otieno	9	2020-2021	22,500.00	-	22,500.00	-	Non receipt of Exchequer
Austine Ochieng	9	2020-2021	23,500.00	-	23,500.00	-	Non receipt of Exchequer
Rose Aida	9	2020-2021	72,000.00	-	72,000.00	-	Non receipt of Exchequer
Evance Olonde	9	2019-2020 2020-2021	86,100.00	17,500.00	68,600.00	17,500.00	Non receipt of Exchequer
Velinder Okello	8	2020-2021	37,100.00	-	37,100.00	-	Non receipt of Exchequer
Gordon Nyambere	9	2020-2021	33,600.00	-	33,600.00	-	Non receipt of Exchequer
Edward Okuku	9	2020-2021	19,600.00	-	19,600.00	-	Non receipt of Exchequer
Job Omondi	7	2020-2021	42,600.00	-	42,600.00	-	Non receipt of Exchequer
Edwin Omollo	9	2020-2021	23,500.00	-	23,500.00	-	Non receipt of Exchequer
Herman Moses	9	2019-2020 2020-2021	50,200.00	27,100.00	23,100.00	27,100.00	Non receipt of Exchequer
Ludia Ghata	8	2020-2021	45,500.00	-	45,500.00	-	Non receipt of Exchequer
Izaack Nyakoyo	9	2019-2020	27,100.00	27,100.00	-	27,100.00	
Moses Orwa	9	2019-2020	27,100.00	27,100.00	-	27,100.00	
Pamela Opinde	8	2020-2021	37,100.00	-	37,100.00	-	Non receipt of Exchequer
Zachary Ojwang	9	2020-2021	6,500.00	-	6,500.00	-	Non receipt of Exchequer
Dancun Riaga	8	2020-2021	1,000.00	-	1,000.00	-	Non receipt of Exchequer
William Ogada	8	2020-2021	28,660.00	-	28,660.00	-	Non receipt of Exchequer
Sub-Total			583,660.00	98,800.00	484,860.00	98,800.00	
Others (specify)							
Hon. Beatrice Pamela - MCA	P	2020-2021	67,500.00	-	67,500.00	-	Non receipt of Exchequer
Hon. Victor Rodgers - MCA	P	2020-2021	67,500.00	-	67,500.00	-	Non receipt of Exchequer
Hon. George Ogutu - MCA	P	2020-2021	67,500.00	-	67,500.00	-	Non receipt of Exchequer
Dickson Anyul - Audit committee Member	R	2020-2021	3,000.00	-	3,000.00	-	Non receipt of Exchequer
Monica Ogada - Audit Committee Member	R	2020-2021	3,000.00	-	3,000.00	-	Non receipt of Exchequer
Paul Maher - Audit Committee Member	R	2020-2021	3,000.00	-	3,000.00	-	Non receipt of Exchequer
Sub-Total			211,500.00	-	211,500.00	-	
Grand Total			2,821,019.00	416,300.00	2,404,719.00	416,300.00	

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 3 – OTHER PENDING PAYABLES

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
			a	b	c=a-b		
Amounts due to National Govt Entities							
	Sub-Total						
Amounts due to County Govt Entities							
Car Loan and Mortgage Account	Borrowed loan	2020-2021	5,440,000	-	5,440,000		Budgeted for in the FY 2021/2022
Car Loan and Mortgage Account	Unremitted Loan deductions	2016-2017, 2017-2018	44,872,631	-	44,872,631	44,872,631	
	Sub-Total		50,312,631	-	50,312,631	44,872,631	
Amounts due to Third Parties							
ABELARD ENTERPRISES	Retention for Office Partitioning	2019-2020	493,066	-	493,066	493,066	Cert not yet raised
GRENSTONE BUILDING LIMITED	Retention for Assembly renovation	2019-2020	1,081,056	1,081,056	-	1,081,056	Paid
DREAMSTART CONSTRUCTION LTD	Retention for renovation of Assembly Chambers	2020-2021	499,750		499,750		Cert is yet to be raised
M/S PHINATO CONSTRUCTION AND GEN SUPPLIES	Retention for Sub-structure works	2020-2021	324,709		324,709		Cert is yet to be raised
DREAMSTART CONSTRUCTION LTD	Retention for external works at the Assembly	2020-2021	999,800		999,800		Cert is yet to be raised
KISUMU CONCRETE PRODUCTS LTD	Retention for construction of Speaker's residence	2020-2021	1,891,037		1,891,037		Cert is yet to be raised
	Sub-Total		5,289,418	1,081,056	4,208,362	1,574,122	
Others (specify)							
	Sub-Total						
	Grand Total		55,602,049	1,081,056	54,520,993	46,446,753	

ANNEX 4 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost	Additions	Historical Cost c/fd
	(Kshs) 2019/20	(Kshs) 2020/21	(Kshs) 2020/21
Construction of Building	12,202,560	71,155,455	83,358,015
Purchase of Vehicle and Other Transport	28,761,880	-	28,761,880
Purchase of Office Furniture and General	23,438,122		23,438,122
Purchase of ICT Equipment	29,763,856	642,640	30,406,496
Total	94,166,418	71,798,095	165,964,513

NB: The balance as at the end of the year is the cumulative cost of all assets bought by the County Assembly since its inception. Additions during the year should tie to note 6 on acquisition of assets during the year and subsequently the statement of receipts and payments

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
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ANNEX 5 – ANALYSIS OF ACCOUNTS RECEIVABLE

No Outstanding imprest during the year.

ANNEX 6: CONTINGENT LIABILITIES REGISTER

NO	CASE LAW	ISSUE
1	Kisumu Civil Appeal Application No.56 of 2020;Nerry Achar Vs County Assembly of Kisumu and Speaker of County Assembly	An application for an injunction and stay of the judgement of the Employment and Labour Relation Court of Kenya at Kisumu
2	Civil Appeal No.8 of 2020:Hon George Onyango Oloo Vs Kisumu County Assembly ,Hon Elisha Oraro ,Mr Eliud Owen Ojuok	Case no. 85 of 2019 County Assembly of Kisumu and another vs George Onyango Oloo was consolidated with petition 32 of 2019 ,Hon .George Onyango Oloo vs Kisumu County Assembly and 3 other by consent of the parties entered into before Court on 22 nd October 2019.In terms of the consent ,the interlocutory application dated 27 th September 2019 was dispensed with and the parties agreed to proceed with the merits of the consolidated suit as civil Appeal No. 8 of 2020
3	Civil suit No. E696 of 2021 in the between Dinesh construction ltd and the County Assembly of Kismu	Dispute between Dinesh Consultants and the County Assembly of Kisumu on the tendering of the construction of Ultra –Modern County Assembly. Case is currently taken to arbitration.

**KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
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ANNEX 7– BANK RECONCILIATION/FO 30 REPORT/CBK RECURRENT ACCOUNT

REPUBLIC OF KENYA
COUNTY ASSEMBLY OF KISUMU

F.O 30

BANK RECONCILIATION
ACCOUNT NO: 1000194747
as at 30TH JUNE 2021

	SHS.	SHS.	SHS.
Balance as per Bank Certificate			112,080.70
Less:			
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..	138,201,093.10		138,201,093.10
2. Receipts in Bank Statement not yet recorded in Cash Book ..			-
Add:			
3. Payments in Bank Statement not yet recorded in Cash Book ..			-
4. Receipts in Cash Book not yet recorded in Bank Statement ..	138,888,031.00		138,888,031.00
Bank Balance as per Cash Book			799,018.60

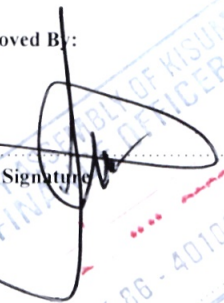
Prepared By:

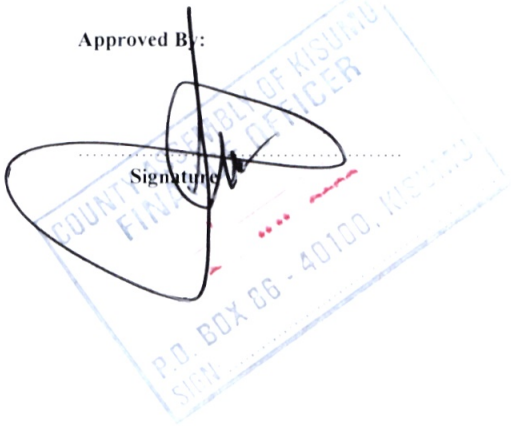

.....
Signature

Accountant
.....
Designation

01/07/2021
.....
Date

Approved By:


.....
Signature



Pfo
.....
Designation

01/07/2021
.....
Date

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 8 – BANK RECONCILIATION/FO 30 REPORT OPERATION
ACCOUNT(KCB)

REPUBLIC OF KENYA
 COUNTY ASSEMBLY OF KISUMU

FO 30

BANK RECONCILIATION
 ACCOUNT NO. 1142204197
 as at 30TH JUNE 2021

	SHS	SHS	SHS
Balance as per Bank Certificate			42,577.79
Less:			
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..	14,376,545.75		14,376,545.75
2. Receipts in Bank Statement not yet recorded in Cash Book ..			-
Add:			
3. Payments in Bank Statement not yet recorded in Cash Book ..			-
4. Receipts in Cash Book not yet recorded in Bank Statement ..	14,334,418.75		14,334,418.75
Bank Balance as per Cash Book			450.79


Prepared By:


 Signature

Accountant
 Designation

01/07/2021
 Date

Approved by:


 Signature

COUNTY FINANCE
KISUMU
P.O. SIGNATURE

PFO
 Designation

01/07/2021
 Date

KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 9 – BANK RECONCILIATION/FO 30 REPORT CBK DEVELOPMENT ACCOUNT

REPUBLIC OF KENYA
 COUNTY ASSEMBLY OF KISUMU

F.O 30

BANK RECONCILIATION
 ACCOUNT NO: 1000194758
 as at 30TH JUNE 2021

	SHS.	SHS.	SHS.
Balance as per Bank Certificate			0.00
Less:			
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..	52,232,961.00		52,232,961.00
2. Receipts in Bank Statement not yet recorded in Cash Book ..			-
Add:			
3. Payments in Bank Statement not yet recorded in Cash Book ..			-
4. Receipts in Cash Book not yet recorded in Bank Statement ..	52,232,961.00		52,232,961.00
Bank Balance as per Cash Book			-

Prepared By:


 Signature

Accountant
 Designation

01/07/2021
 Date

Approved By:



PFO
 Designation

01/07/2021
 Date

**KISUMU COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021**

**ANNEX 10 – BANK RECONCILIATION/FO 30 REPORT CBK RETENTION
ACCOUNT**

COUNTY ASSEMBLY OF KISUMU

F.O 30

BANK RECONCILIATION
ACCOUNT NO: 1000451618
as at 30TH JUNE 2021

	SHS.	SHS.	SHS.
Balance as per Bank Certificate			2,885,065.45
Less:			
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) ..			-
2. Receipts in Bank Statement not yet recorded in Cash Book ..			-
Add:			
3. Payments in Bank Statement not yet recorded in Cash Book ..			-
4. Receipts in Cash Book not yet recorded in Bank Statement ..	1,323,296.10		1,323,296.10
Bank Balance as per Cash Book			4,208,361.55


Prepared By:


Signature

Accountant
Designation

01/07/2021
Date

Approved By:


Signature

P/O
Designation

01/07/2021
Date

