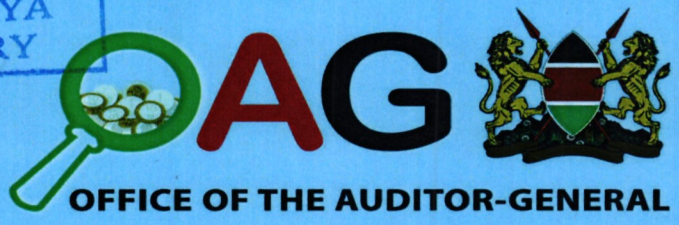


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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF VIHIGA

FOR THE YEAR ENDED
30 JUNE, 2021



VIHIGA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2021

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

VIHIGA 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 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 thirty-eight 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. Hasna Mmbone Mudeizi
2.	Clerk of the County Assembly	Hon. Joab Ambaka Kilinga
	Head of Departments	
3	Clerks Department	Mrs. Perris livanga Odari
4	Finance and Accounting	Mr. Oscar Miyinzi Jagona
5	Hansard and ICT	Mr. Silas Obwatsa
6	Human Resources	Ms. Abigael Nandoya
7	Internal Audit	Cpa Brenda Ajema
8	Legal Affairs	Francis Rakewa

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KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(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- Clerk	Mr. Joab Ambaka Kilinga
2	Deputy Clerk	Ms. Peris Livanga Odari
3.	Chief Finance Officer	Mr. Oscar Miyinzi Jagona
4.	Senior Procurent Officer	Ms . Juliet Asila Ambune
		-

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements

The following committees over sight the county assembly

- Audit Committee

During the year, the audit committee membership was as follows:

No	Name	Designation
1	Cpa. Nebert Avutswa	Chairperson
2	Cpa. Harriet Mahasi	Member
3.	Cpa. Lucy Anangwe	Member
4.	MS. Linet Mugalitsi	Member
5.	Cpa. Brenda Ajema	Secretary

The audit committee sits from time to time to review and discuss internal audit reports and reports of the auditor general.

-Finance Committee

The finance committee is in charge of reviewing the county assembly's quarterly financial statements and reporting to the assembly. During the year, the following were the members of the finance committee.

No.	Name	Designation
1.	Hon. Paul Tira	Chairperson
2.	Hon. Clementine Osodo	Member
3.	Hon. Gladys Analo	Member
4.	Hon. Victor Ijaika	Member
5.	Hon. Alice Ahuga	Member
6.	Hon. Maureen Amunga	Member
7.	Hon. Lucy Kemunto	Member
8.	Hon. Dominic Baraka	Member
9.	Hon. Wimsy Osore	Member
10.	Hon. Collins Ayugu	Member
11.	Hon. Vincent Atsiaya	Member

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12.	Hon. Tom Atingo	Member
13.	Hon. Violet Bagada	Member

- Public Accounts and Investment committee

The public accounts and investment committee is charged with the responsibility of interrogating the Auditor General Reports of the entity. During the year, the committee was able to interrogate the Auditor General's Report on the Operations of the entity.

No	Name	Designation
1.	Hon. Jackline Lukalo Mwenesi	Chairperson
2.	Hon. Moses Opole	Vice-Chairperson
3.	Hon. Zakayo Mwenesi	Member
4.	Hon. Joyce Mayodi	Member
5.	Hon. Sally Inonda	Member
6.	Hon. Maureen Amunga	Member
7.	Hon. Naomi Mandela	Member
8.	Hon. Douglas Beru	Member
9.	Hon. Karega Mboku	Member
10.	Hon. Japheth Mugalitsi	Member
11.	Hon. Clementine Osodo	Member
12.	Hon. Kilaha Evans	Member

(e) Entity Headquarters

P.O. Box 90,
County Assembly Buildings,
Majengo/ Luanda road,
MARAGOLI, KENYA.

(f) Entity Contacts

Telephone: (254) 020-2094140

E-mail: vihigaassembly@gmail.com

Website: vihigaassembly.go.ke

(g) Entity Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Co-operative Bank

Mbale branch

P.o box 48231

Nairobi 00100

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

3. Kenya Commercial Bank

Mbale Branch,

P.o Box 1123,

Maragoli.

(h) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
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(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

2. FORWARD BY THE CLERK OF THE ASSEMBLY

2.1 Budget performance

The county assembly had a total budget of Kshs; 618,351,511 and Kshs; 33,603,656 for development vote, this brings the total budget to Kshs; 651,955,167 for the year. During the year, the county assembly received a total of kshs; 605,912,381 for the recurrent vote and kshs; 25,813,326 for development. The total receipts translates to 97% of the budget

2.2 Operational Performance

During the period, the county assembly passed the following laws and policies,

1. The Vihiga County Supplementary Appropriation (No. 1) Bill.
 - an act meant to authorize the issue of certain amounts out of the county revenue fund and their application towards the service of the year ending on the 30th of June 2021
2. The Vihiga County Public Participation and Civil Engagement Bill, 2020.
 - An act meant to facilitate and regulate the conduct of public participation and civic engagement in the County of Vihiga. The act shall improve the coordination and engagement of the public with the County Government
3. The Vihiga County Government Finance Bill, 2020.
 - An act to provide for the imposition or variation of fees. charges , licenses rents or rates for services
4. The Vihiga County Disaster Management Bill, 2020.
 - An act to provide for a more effective organization of the mitigation of , preparedness for , response to and recovery from emergencies and disasters
5. The Vihiga County Third Supplementary Appropriations Bill, 2021
 - an act meant to authorize the issue of certain amounts out of the county revenue fund and their application towards the service of the year ending on the 30th of June 2021

VIHIGA COUNTY ASSEMBLY
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6. The Vihiga County Climate Change Fund (Amendment) Bill, 2021

- An act meant to provide for mitigating measures towards vulgarizes of weather

7. The Vihiga County Second Supplementary Appropriation Bill, 2021

-an act meant to authorize the issue of certain amounts out of the county revenue fund and their application towards the service of the year ending on the 30th of June 2021

8. The Vihiga County Appropriation Bill 2021

-an act meant to authorize the issue of certain amounts out of the county revenue fund and their application towards the service of the year ending on the 30th of June 2022

a) Budget dates approval

As provided for in the Public Finance Management Act, 2012, the Vihiga County Executive submitted the Budget estimates for the financial year 2020/2021 on 25th June 2020 and the same was approved on 30TH June 2020 , later on various supplementary budgets were presented and approved.

b) **County Assembly Committees and Mandates are as sated;**

1. County Assembly Sectorial Committee on Water, Environment and Natural Resources;

Mandate; 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.

2. County Assembly Sectorial Committee on Agriculture, Livestock and Fisheries

Mandate; All matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries, implementation of specific national government policies on agriculture, animal control and welfare, irrigation, fisheries development, production and marketing.

3. County Assembly Sectorial Committee on Health Services;

Mandate; All matters related 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, veterinary services (excluding regulation of the profession) cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal.

4. County Assembly Sectorial Committee on Transport and Public Works;

Mandate; All matters related to and including; county roads, street lighting, traffic and parking, public road transport and ferries and harbors, 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 and water and sanitation services.

5. County Assembly Sectorial Committee on Lands, Housing and Physical Planning;

Mandate; All matters related to county planning and development including statistics, housing, land and settlement.

6. County Assembly Sectorial Committee on Public Service

Mandate; All matter related to the county public service, including investigating, monitoring and evaluate the efficiency of the county public service, hear and determine appeal and petitions in respect to county government public service, perform other functions and exercise conferred by any legislation, report on all matters relating to management, administration, operations and estimates of assigned duties as responsibilities of county departments.

7. County Assembly Sectorial Committee on Early Education and Vocational Training

Mandate; All matters related to pre-primary education, vocational training, village training, village polytechnic. Home craft and child care facilities. ght role of the County Assembly.

9. Committee on Justice and legal Affairs;

Mandate; All matters relating constitutional Affairs, the administration of law and justice, including the integrity and anti-corruption and human rights

9. County Assembly Sectorial Committee on Trade, Tourism and Entrepreneurship

Mandate; All matters related to trade, including trade development and regulations, including markets

(excluding regulation of professions) consumer protection , commerce , industrialization including economic zones, enterprise promotion , including small and medium size enterprises , fair trading , intellectual property , industrial standards , anti-counterfeit polices , local tourism and cooperation's , lotteries , including licensing of dogs and facilities for Accommodation, liquor license, video shows and hiring, including betting, casinos and other forms of gambling and racing.

10. County Assembly Sectorial Committee on Youth, Social Welfare, Children and Culture

Mandate; All matters related to labour, trade union relations manpower or human resource planning, culture, youth service, children welfare, national heritage, cultural activities, County parks, beaches and recreation facilities, fire fighting services, and management, control of drugs and pornography.

11. County Assembly Committee on Finance and Planning;

Mandate; All matters relating to county planning and statistics, public Finance, public debts, investment and divesture policies, Pricing, policies.

12. County Assembly House Business Committee;

Mandate; 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 programs; 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; 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; 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.

14. County Assembly Committee on Selection;

Mandate; The Committee on Selection shall nominate members to serve in Committees, save for the membership Of the House Business Committee and Committee on Appointments.

15. County Assembly committee of Appointments;

Mandate; Consider, for approval by the County Assembly, appointments under Articles 179(2) (Members for County Executive Committees).

16. County Assembly Committee of Public Accounts and Investment

Mandate; The examination of the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit: The examination of the reports, accounts and workings of the county public investments; The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:

17. County Assembly Budget and Appropriation Committee

Mandate; Investigate, inquire into and report on all matters related to coordination, control and monitoring of the 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 national budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and Programs with direct budget outlays.

18. County Assembly, Rules, Procedure, Powers Committee

Mandate; The Committee shall consider and report on all matters relating to these Standing Orders: The Committee 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; Committee 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. Any rules approved under paragraph (5) shall be annexed to the Standing Orders and shall be binding upon Committees to the same extent as the Standing Orders.

19. Committee on Implementation

Mandate; 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 such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has taken place within the minimum time necessary; and 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. The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

20. County Assembly Committed on Delegated Legislation;

Mandate; 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; 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 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.

21. County Assembly Liaison Committee;

Mandate; 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.

22. County Assembly Committee on Selection;

Mandate; The Committee on Selection shall nominate members to serve in Committees, save for the membership Of the House Business Committee and Committee on Appointments.

23. County Assembly committee of Appointments;

Mandate; Consider, for approval by the County Assembly, appointments under Articles 179(2)
(Members for County Executive Committees).

24. County Assembly Committee of Public Accounts and Investment

Mandate; The examination of the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit: The examination of the reports, accounts and workings of the county public investments; The examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being

managed in accordance with sound financial or business principles and prudent commercial practices:

25. County Assembly Budget and Appropriation Committee

Mandate; Investigate, inquire into and report on all matters related to coordination, control and monitoring of the 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 national budget, including Appropriations Bills; and evaluate tax estimates, economic and budgetary policies and Programs with direct budget outlays.

26. County Assembly, Rules, Procedure, Powers Committee

Mandate; The Committee shall consider and report on all matters relating to these Standing Orders The Committee 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; The Committee 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. Any rules approved under paragraph (5) shall be annexed to the Standing Orders and shall be binding upon Committees to the same extent as the Standing Orders.

27. Committee on Implementation

Mandate; 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 such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and whether such implementation has

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

taken place within the minimum time necessary; and 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. The Committee may propose to the County Assembly, sanctions against any member of the County Executive Committee who fails to report to the relevant select Committee on implementation status without justifiable reasons.

28. County Assembly Committed on Delegated Legislation;

Mandate; 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.

29. County Assembly Liaison Committee;

Mandate; 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.

a. Performance of key development projects

- a) The assembly has undertaken several development project over the years. Since inception in the financial year 2013/2014, we have completed renovations and boundary wall at the county assembly headquarters, completed the cabro works and landscaping at the premises, purchase of land for construction of the official speakers residence, construction of the speakers residence now nearing completion.
- b) During the year, we started construction of the speakers' residence at Chavakali in west Sabatia Ward. The project will provide housing to the speaker of the county assembly. The project has provided employment to the area residents since the contractor was identified from the locality. Once completed, the security in the area will greatly be enhanced.
- c) Vihiga county assembly has ensured fairness in our activities; we have ensured all our processes are done in a transparent manner. All goods and services are sourced for competitively. All members of the county assembly and staff have been able to sign and abide by the leadership and integrity Act. All our suppliers were selected in a transparent manner; we have ensured timely payments to our suppliers.

b. Comment on value-for-money achievements

All the projects we undertook have had a great impact to people of Vihiga at large. The construction of speaker's Residence has offered employment opportunities, businesspersons have benefited from our regular procurements, especially the Youth, women and people living with disabilities. Timely payments has ensured less suffering for our suppliers.

c. Challenges and Recommended Way Forward

The welfare of our employees are well catered for, we have ensured fairness in recruitment of our staff giving priority to the best suited, we have ensured gender balance. We have continued to give training opportunities to our staff in collaboration with other government training institutions such as Kenya School of Government.to ensure a healthy workforce, the assembly

VIHIGA COUNTY ASSEMBLY
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recruited competent insurance service providers to provide comprehensive medical insurance to all our employees and their respective families.

We have faced numerous challenges while implementing our strategic goals. Late disbursement of funds hindered our Planning. For example, we missed payment of statutory deductions to various institutions such as Kenya Revenue Authority; this has led to heavy fines and interests being levied to us because of default. The disbursement of funds to county Assemblies should be made independent from the county executive.

Sign: 

Name: Joab Ambaka Kilinga

Clerk of the County Assembly

**3.STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY
 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 Vihiga 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 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2020/2021 MCA were trained on legislation roles of mcas,Budget making process
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	Vihiga county standing orders were reviewed and resulted to creation of more committees hence increased

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				oversight.
Program 2				
Administration, planning & Support services	Enhanced Professional Development of Staff- Provide ongoing professional development of staff	Increased Capacity of staff to offer support to MCAs	no of bills, motions passed	8 members of staff were trained in senior management course at the Kenya school of Government.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Vihiga County assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on transparency, efficiency, and equality pillars; putting the customer first, delivering relevant goods and services and improving operational excellence. During the year, the county assembly did not undertake corporate responsibility activities due to funds constraints and the Covid 19 pandemic.

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

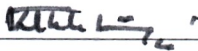
The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that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

VIHIGA COUNTY ASSEMBLY
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The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter 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 Government's financial statements were approved and signed by the Clerk of the County Assembly on 30.08. 2021.

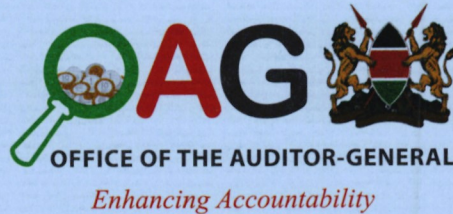


Name: Joab Ambaka Kilinga

Clerk of the county assembly

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted 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 Vihiga set out on pages 1 to 28, which comprise the statement of financial assets and liabilities as

Report of the Auditor-General on County Assembly of Vihiga for the year ended 30 June, 2021

at 30 June, 2021, statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Vihiga 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 County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances Between Financial Statements and IFMIS Balances

The statement of receipts and payments reflects total payments amounting to Kshs.632,904,240 while the IFMIS payment report reflects an amount of Kshs.648,186,743 resulting to an unreconciled and unexplained variance of Kshs.15,282,503.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2021 could not be confirmed.

2. Transfers from the County Treasury/Exchequer Releases

As disclosed in Note 1 to the financial statements, the statement of receipts and payments reflects transfers from the County Treasury/Exchequer Releases amount of Kshs.623,812,571. However, the financial statements of the County Executive of Vihiga reflects transfers to the County Assembly totalling to Kshs.649,778,651 resulting to an unreconciled variance of Kshs.25,966,080.

In the circumstances, the accuracy of the transfers from the County Treasury/Exchequer Releases amount of Kshs.623,812,571 could not be confirmed.

3. Unsupported Transfers to Other Government Entities

The statement of receipts and payments reflects transfers to other Government entities amount of Kshs.16,892,521 which as reflected in Note 5 to the financial statements includes an amount of Kshs.530,610 as transfer to development account. However, the supporting documentation in respect of the transfer was not provided for audit review.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2021 could not be ascertained.

4. Irregular Payments to County Assemblies Forum and SOCATT

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects use of goods and services expenditure totalling to Kshs.227,626,863 which includes other operating expenses amount of Kshs.19,656,496. Included in this expenditure are payments of Kshs.5,000,000 to County Assemblies Forum (CAF) and Kshs.750,000 to Society of Clerks at the Table in Kenyan Legislatures (SOCATT) in respect of annual contributions. However, the expenditure was not supported by any legal backing which is contrary to Section 37 of the Intergovernmental Relations Act No. 2 of 2012 which states that the operational expenses in respect of the structures and institutions established in this Act shall be provided for in the annual estimates of the revenue and expenditure of the National Government to cater for the Summit; the Council of County Governors; the Technical Committee, Secretariat and the sectoral working group established by the Technical Committee; and the sectoral working groups established by the Council.

Consequently, the expenditure of Kshs.5,750,000 for the year ended 30 June, 2021 is irregular and Management is in breach of the law.

5. Unsupported Cash Payments

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects use of goods and services amount of Kshs.227,626,863. Included in this amount is other operating expenses totalling to Kshs.19,656,496 which further includes payments totalling to Kshs.5,562,630 paid to the Clerk of the Assembly in respect of third-party payments as analysed below:

Date	Payee	Details	PV No.	Amount (Kshs.)
Aug-20	The Clerk	Ward Operations	140	1,312,500
Aug-20	The Clerk	Rent	141	616,500
Nov-20	The Clerk	Rent	436	520,500
Feb-21	The Clerk	Ward Operations	750	283,605
Feb-21	The Clerk	Rent	754	592,500
Apr-21	The Clerk	Temporary Committee Allowances	1401	189,000
May-21	The Clerk	Ward Operations	1134	1,455,525
May-21	The Clerk	Rent	1131	592,500
	Total			5,562,630

Further, the domestic travel and subsistence amount of Kshs.135,922,905 which forms part of the use of goods and services expenditure includes payments totalling to Kshs.107,473,762 that was paid to the Clerk of the Assembly and other officers of the Assembly on behalf of others as per **Appendix 1** attached. However, there is no evidence that the money was subsequently paid to the beneficiaries. In addition, no reason was provided for not issuing individual imprests.

Consequently, the accuracy and validity of cash payments totalling to Kshs.113,036,392 made in the year under review could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Vihiga 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development combined reflects final revenue budget and actual on comparable basis of Kshs.651,955,167 and Kshs.631,725,707 respectively resulting to under-funding of Kshs.20,229,460 or 3% of the budget. Similarly, the Assembly expended Kshs.632,904,240 against an approved budget of Kshs.651,955,167 resulting to under-expenditure of Kshs.19,050,927 or 3% of the budget.

Further, the statement indicates that the expenditure on use of goods and services was overspent by Kshs.4,817,404 above the budget amount of Kshs.222,809,459 while transfers to other Government entities recorded an expenditure of Kshs.16,892,521 against no budget. No approval was provided for incurring an expenditure above the budget amounts and for incurring an expenditure without budgetary allocation. In addition, no evidence of approval of reallocation was provided for audit review. The Management ought to relook at the budget preparation process with a view to making it as effective and realistic as possible in order to benefit the residents of Vihiga County.

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. Long Outstanding Imprest and Officers Holding Multi- Imprests

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.3,108,733 which includes an imprest balance of Kshs.2,788,733 as disclosed in Note 10 to the financial statements. However, the supporting Annex 4 to the financial statements indicates total outstanding imprest of Kshs.2,781,953 resulting to an unreconciled and unexplained variance of Kshs.6,780. The outstanding imprest balance further includes imprests totalling to Kshs.2,212,772 relating to the period 13-Aug-2016 to 17 December, 2020 which should have been surrendered on or before 30 June, 2021. However, no reason was provided for non-recovery of the same from the officers together with interest at CBK rate as required by Regulation 93(6) of the Public Finance Management (County Government) Regulations, 2015.

Further, the imprest schedule provided revealed that six (6) officers/imprest holders were holding between two to six imprests all totalling Kshs.1,399,661 contrary to Regulation 93(8) of the Public Finance Management (County Government) Regulations, 2015 which states that an imprest holder must surrender the first imprest before being issued with another one.

In addition, analysis of the imprest register revealed that it was not updated and the outstanding imprest balance, purpose and in some instances warrant numbers were not recorded in the register.

Consequently, Management is in breach of the law.

2. Irregular Payment of Domestic Travel and Subsistence

The use of goods and services amount of Kshs.227,626,863 includes domestic travel and subsistence amount of Kshs.135,922,905 as disclosed in Note 4 to the financial statements. The domestic travel and subsistence amount of Kshs.135,922,905 in turn includes three payments totalling to Kshs.2,948,400 that were irregularly paid as analysed below:

2.1 Payment of Allowances for Services not Rendered

The domestic travel and subsistence amount of Kshs.135,922,905 includes a payment of Kshs.2,100,000 to the County Assembly Clerk in respect of facilitation of daily subsistence allowance to eleven (11) Members of the County Assembly and ten (10) secretariat staff of the ad-hoc committee to compile a report in Nairobi for eight (8) days between 2 May, and 11 June, 2021. The payment was made vide payment voucher no 001155 dated 6 May, 2021 and the meeting is indicated as having been held at the Swiss Lenana Mount Hotel in Nairobi. However, the details of the adhoc committee and the report that was to be compiled was not disclosed and no reason was provided for not holding the meeting at the Assembly Offices or any other facility near the Assembly Offices. In addition, there was no evidence indicating that the MCAs and staff acknowledged receipt of the funds and that they travelled to Nairobi.

2.2 Doubtful Payment of Allowances for Report Writing

The domestic travel and subsistence amount of Kshs.135,922,905 further includes a payment of Kshs.638,400 to an officer vide payment voucher number 00149 on 18 May, 2021 in respect of facilitation of daily subsistence to nine (9) Members of the County Assembly and seven (7) secretariat staff of Adhoc committee to compile a preliminary report of the collapsed county funeral parlour between 7 May, and 9 May, 2021. However, the venue of the report writing was not stated, and no evidence was provided indicating that the MCAs and staff acknowledged receipt of the said facilitation. Further, there was no evidence that the team moved out of the Assembly premises as motor vehicle work ticket No.N318167 for the vehicle alleged to have been used indicated that the vehicle was in the station during the three days in question.

2.3 Unsupported Payment for Public Participation

The domestic travel and subsistence expenditure also includes a payment of Kshs.210,000 to an officer being imprest for facilitation for transport, internet bundle, plugin for cameras, video transmission, video editing and Salvation Army Band in respect of Bunge Mashinani (Public Participation). The payment was made vide payment voucher No.00758 on 17 December, 2020. According to the imprest request, the officer had requested for an imprest of Kshs.400,000 out of which Kshs.210,000 was issued. However, the payment voucher did not indicate the activities for which the imprest of Kshs.210,000 was approved. In addition, no reason was provided for issuing imprest through a payment voucher. There is also no documentation in support of how the amount of Kshs.210,000 was utilised.

Consequently, the propriety of the expenditure of Kshs.2,948,400 included in domestic travel and subsistence for the year ended 30 June, 2021 could not be confirmed.

3. Non-Compliance with the a Third Rule of Employment Act, 2007

Analysis of the payroll data for permanent employees revealed that during the month of August, 2020 one staff earned a net salary that was less than a third of his gross basic salary while in March, 2021 thirty-nine (39) employees earned net salaries that were below one third of their basic salaries contrary to Section 19(3) of the Employment Act, Cap 226 of the Laws of Kenya which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 Kenya policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 June, 2022

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
October	Ambaka Kilinga	Daily Subsistence Allowances	302	1,171,100
June	Ambaka Kilinga	Daily Subsistence Allowances	1379	408,100
December	Brenda Ajema	Daily Subsistence Allowances	527	568,400
April	Brenda Ajema	Daily Subsistence Allowances	974	487,200
April	Caroline Museve	Daily Subsistence Allowances	983	879,200
December	Carolyne Museve	Daily Subsistence Allowances	564	840,000
June	Clement Sloya	Daily Subsistence Allowances	436	403,200
December	Juliet Asila	Daily Subsistence Allowances	580	959,000
December	Juliet Asila	Daily Subsistence Allowances	530	577,500
June	Juliet Asila	Daily Subsistence Allowances	1322	457,800
April	Juliet Asila	Daily Subsistence Allowances	1011	441,000
February	Juliet Asila	Daily Subsistence Allowances	753	407,400
January	Ken Okanga	Daily Subsistence Allowances	632	974,400
January	Ken Okanga	Daily Subsistence Allowances	635	932,400
May	Ken Okanga	Daily Subsistence Allowances	1153	522,900
October	Manoah Mboku	Daily Subsistence Allowances	306	546,000
December	Michael Onyango Oloo	Daily Subsistence Allowances	532	3,544,800
December	Nancy Aseyo	Daily Subsistence Allowances	531	2,363,200
November	Nancy Aseyo	Daily Subsistence Allowances	433	546,000
November	Nancy Aseyo	Daily Subsistence Allowances	400	414,400
June	Nancy Oyigo	Daily Subsistence Allowances	1310	497,700

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
December	Oscar Jagona	Daily Subsistence Allowances	565	798,000
November	Oscar Jagona	Daily Subsistence Allowances	407	521,500
June	Oscar Jagona	Daily Subsistence Allowances	1394	500,800
June	Oscar Jagona	Daily Subsistence Allowances	1393	495,600
June	Oscar Jagona	Daily Subsistence Allowances	1374	450,800
November	Oscar Jagona	Daily Subsistence Allowances	424	448,000
June	Oscar Jagona	Daily Subsistence Allowances	430	420,000
June	Oscar Jagona	Daily Subsistence Allowances	436	400,400
December	Raychelle Syamba	Daily Subsistence Allowances	547	1,769,600
December	Raychelle Syamba	Daily Subsistence Allowances	571	1,352,400
November	Raychelle Syamba	Daily Subsistence Allowances	412	730,800
April	Raychelle Syamba	Daily Subsistence Allowances	972	470,400
April	Rodgers Obuhuma	Daily Subsistence Allowances	1016	814,800
May	Samson Odemba	Daily Subsistence Allowances	1150	522,900
June	Samson Odemba	Daily Subsistence Allowances	1311	491,400
December	Stanley Kasiera	Daily Subsistence Allowances	536	851,200
April	Stanley Kasiera	Daily Subsistence Allowances	973	688,800
April	Stanley Kasiera	Daily Subsistence Allowances	964	526,400
June	Stanley Kasiera	Daily Subsistence Allowances		406,000
March	The Clerk	Daily Subsistence Allowances	845	3,712,800
July	The Clerk	Daily Subsistence Allowances	16	2,783,200

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
October	The Clerk	Daily Subsistence Allowances	315	2,717,400
March	The Clerk	Daily Subsistence Allowances	857	2,669,100
February	The Clerk	Daily Subsistence Allowances	756	2,284,800
May	The Clerk	Daily Subsistence Allowances	1155	2,100,000
August	The Clerk	Daily Subsistence Allowances	113	2,079,000
October	The Clerk	Daily Subsistence Allowances	303	1,725,200
June	The Clerk	Daily Subsistence Allowances		1,654,800
June	The Clerk	Daily Subsistence Allowances	1316	1,604,000
March	The Clerk	Daily Subsistence Allowances	881	1,603,000
October	The Clerk	Daily Subsistence Allowances	321	1,414,000
August	The Clerk	Daily Subsistence Allowances	126	1,270,500
September	The Clerk	Daily Subsistence Allowances	220	1,058,400
August	The Clerk	Daily Subsistence Allowances	125	1,024,800
August	The Clerk	Daily Subsistence Allowances	110	1,008,000
April	The Clerk	Daily Subsistence Allowances	960	966,700
April	The Clerk	Daily Subsistence Allowances	1025	934,500
July	The Clerk	Daily Subsistence Allowances	14	909,300
July	The Clerk	Daily Subsistence Allowances	15	896,000
October	The Clerk	Daily Subsistence Allowances	293	896,000
April	The Clerk	Daily Subsistence Allowances	1028	887,600
May	The Clerk	Daily Subsistence Allowances	1152	854,000

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
June	The Clerk	Daily Subsistence Allowances	1308	849,800
October	The Clerk	Daily Subsistence Allowances	252	814,800
February	The Clerk	Daily Subsistence Allowances	735	772,800
February	The Clerk	Daily Subsistence Allowances	749	772,473
May	The Clerk	Daily Subsistence Allowances	1154	728,400
September	The Clerk	Daily Subsistence Allowances	218	714,000
November	The Clerk	Daily Subsistence Allowances	425	710,500
April	The Clerk	Daily Subsistence Allowances	1022	688,800
May	The Clerk	Daily Subsistence Allowances	1148	677,600
January	The Clerk	Daily Subsistence Allowances	649	644,700
October	The Clerk	Daily Subsistence Allowances	317	605,500
March	The Clerk	Daily Subsistence Allowances	847	574,000
September	The Clerk	Daily Subsistence Allowances	222	572,500
June	The Clerk	Daily Subsistence Allowances	1375	563,500
April	The Clerk	Daily Subsistence Allowances	984	543,200
May	The Clerk	Daily Subsistence Allowances	1138	520,800
June	The Clerk	Daily Subsistence Allowances	1376	507,500
June	The Clerk	Daily Subsistence Allowances	1378	507,500
June	The Clerk	Daily Subsistence Allowances	1372	495,600
October	The Clerk	Daily Subsistence Allowances	286	450,800
September	The Clerk	Daily Subsistence Allowances	219	428,400

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
June	The Clerk	Daily Subsistence Allowances	1317	420,000
April	The Clerk	Daily Subsistence Allowances		394,800
June	The Clerk	Daily Subsistence Allowances	1371	384,000
June	The Clerk	Daily Subsistence Allowances	1373	383,600
March	The Clerk	Daily Subsistence Allowances	869	379,200
August	The Clerk	Daily Subsistence Allowances	112	368,200
October	The Clerk	Daily Subsistence Allowances	301	365,400
June	The Clerk	Daily Subsistence Allowances	1370	357,000
March	The Clerk	Daily Subsistence Allowances	866	350,000
February	The Clerk	Daily Subsistence Allowances	748	347,526
April	The Clerk	Daily Subsistence Allowances		333,200
October	The Clerk	Daily Subsistence Allowances	314	323,600
September	The Clerk	Daily Subsistence Allowances	207	310,800
September	The Clerk	Daily Subsistence Allowances	212	310,800
March	The Clerk	Daily Subsistence Allowances	945	300,000
June	The Clerk	Daily Subsistence Allowances	1377	297,500
April	The Clerk	Daily Subsistence Allowances	1031	296,101
April	The Clerk	Daily Subsistence Allowances	1029	296,100
October	The Clerk	Daily Subsistence Allowances	298	291,200
May	The Clerk	Daily Subsistence Allowances	1035	288,000
August	The Clerk	Daily Subsistence Allowances	128	275,800

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
March	The Clerk	Daily Subsistence Allowances	947	275,100
March	The Clerk	Daily Subsistence Allowances	843	268,800
December	The Clerk	Daily Subsistence Allowances	559	260,400
February	The Clerk	Daily Subsistence Allowances	747	260,000
March	The Clerk	Daily Subsistence Allowances	879	252,000
June	The Clerk	Daily Subsistence Allowances	1326	248,500
October	The Clerk	Daily Subsistence Allowances	316	235,200
October	The Clerk	Daily Subsistence Allowances	309	228,900
April	The Clerk	Daily Subsistence Allowances	1032	225,400
May	The Clerk	Daily Subsistence Allowances	1144	224,000
September	The Clerk	Daily Subsistence Allowances	221	220,500
August	The Clerk	Daily Subsistence Allowances	127	218,400
March	The Clerk	Daily Subsistence Allowances	859	218,400
June	The Clerk	Daily Subsistence Allowances	1380	212,000
April	The Clerk	Daily Subsistence Allowances	1008	205,800
April	The Clerk	Daily Subsistence Allowances	1023	205,380
June	The Clerk	Daily Subsistence Allowances	1291	203,000
August	The Clerk	Daily Subsistence Allowances	124	195,300
September	The Clerk	Daily Subsistence Allowances	208	195,300
November	The Clerk	Daily Subsistence Allowances	409	195,300
October	The Clerk	Daily Subsistence Allowances	291	190,000

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
December	The Clerk	Daily Subsistence Allowances	526	189,000
February	The Clerk	Daily Subsistence Allowances	757	182,280
June	The Clerk	Daily Subsistence Allowances	1313	177,240
April	The Clerk	Daily Subsistence Allowances	982	176,400
November	The Clerk	Daily Subsistence Allowances	423	168,000
February	The Clerk	Daily Subsistence Allowances	745	168,000
April	The Clerk	Daily Subsistence Allowances	987	168,000
April	The Clerk	Daily Subsistence Allowances	1010	168,000
December	The Clerk	Daily Subsistence Allowances	495	164,280
May	The Clerk	Daily Subsistence Allowances	1151	162,540
May	The Clerk	Daily Subsistence Allowances	1145	151,200
July	The Clerk	Daily Subsistence Allowances	19	148,500
August	The Clerk	Daily Subsistence Allowances	132	140,000
April	The Clerk	Daily Subsistence Allowances	965	140,000
April	The Clerk	Daily Subsistence Allowances	1019	140,000
June	The Clerk	Daily Subsistence Allowances	1298	140,000
March	The Clerk	Daily Subsistence Allowances	882	136,500
December	The Clerk	Daily Subsistence Allowances	525	127,600
September	The Clerk	Daily Subsistence Allowances	232	126,000
October	The Clerk	Daily Subsistence Allowances	299	126,000
December	The Clerk	Daily Subsistence Allowances	578	120,000

Appendix 1				
Daily Subsistence Allowances Paid on Behalf of Others				
Date	Payee	Details	PV. No.	Amount (Kshs.)
May	The Clerk	Daily Subsistence Allowances	1156	120,000
April	The Clerk	Daily Subsistence Allowances	958	117,000
April	The Clerk	Daily Subsistence Allowances	967	105,000
December	The Clerk	Daily Subsistence Allowances	357	101,500
November	The Clerk	Daily Subsistence Allowances	354	100,800
April	Victor Chadiva	Daily Subsistence Allowances	1018	1,583,400
April	Victor Chadiva	Daily Subsistence Allowances	1026	977,200
December	Victor Chadiva	Daily Subsistence Allowances	575	781,200
April	Victor Chadiva	Daily Subsistence Allowances	1017	714,000
November	Victor Ijaika	Daily Subsistence Allowances	428	504,000
October	Violet Bagada	Daily Subsistence Allowances	300	546,000
April	Wycliffe Namele	Daily Subsistence Allowances	975	663,600
November	Wymsey Osore	Daily Subsistence Allowances	427	546,042
November	Zacharia Murefu	Daily Subsistence Allowances	435	1,766,400
November	Zacharia Murefu	Daily Subsistence Allowances	413	1,260,000
November	Zacharia Murefu	Daily Subsistence Allowances	395	663,600
April	Zacharia Murefu	Daily Subsistence Allowances	1021	634,200
December	Zacharia Murefu	Daily Subsistence Allowances	533	462,000
	Total			107,473,762

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

6. FINANCIAL STATEMENTS

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

		2020-2021	2019-2020
	Note	KShs	
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	623,812,571	641,333,173
Other Receipts	2	7,913,136	-
TOTAL RECEIPTS		631,725,707	641,333,173
PAYMENTS			
Compensation of Employees	3	(331,878,118)	(312,663,024)
Use of goods and services	4	(227,626,863)	(198,237,783)
Transfers to Other Government Entities	5	(16,892,521)	(77,373,262)
Social Security Benefits	6	(25,107,904)	(19,316,549)
Acquisition of Assets	7	(31,088,942)	(34,552,147)
Finance Costs	8	(309,892)	(118,620)
TOTAL PAYMENTS		(632,904,240)	(642,261,385)
SURPLUS/DEFICIT		(1,178,534)	(928,212)

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved 30.08.2021 and signed by:



Clerk of the Assembly
Name: Joab Ambaka



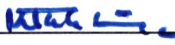
Chief Finance Officer – County Assembly
Name: Jagona Oscar Miyinzi
ICPAK Member Number: 24443

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
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6.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

		2020-2021	2019-2020
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	9A	910,956	580,932
Cash Balances	9B	100	-
Total Cash and cash equivalents		911,056	580,932
Accounts receivables	10	3,108,733	4,617,391
TOTAL FINANCIAL ASSETS		4,019,789	5,198,323
NET FINANCIAL ASSETS		4,019,789	5,198,323
REPRESENTED BY			
Fund balance b/fwd.	11	5,198,323	6,126,535
Surplus/(Deficit) for the year		(1,178,534)	(928,212)
NET FINANCIAL POSITION		4,019,789	5,198,323

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.08. 2021 and signed by:



Clerk of the Assembly
Name: Joab Ambaka



Chief Finance Officer – County Assembly
Name: Jagona Oscar Miyinzi
 ICPAK Member Number: 24443

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

6.3 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	2020-2021 KShs	2019-2020 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	623,812,571	641,333,173
Other Receipts	2	7,913,136	-
Payments for operating expenses			
Compensation of Employees	3	(331,878,118)	(312,663,024)
Use of goods and services	4	(227,626,863)	(198,237,783)
Transfers to Other Government Entities	5	(16,892,521)	(77,373,262)
Social Security Benefits	6	(25,107,904)	(19,316,549)
Finance Costs	7	(309,892)	(118,620)
Adjusted for:			
Decrease/(Increase) in Accounts receivable:		1,508,658	(2,677,050)
Net cash flows from operating activities		31,419,066	30,946,885
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	13	(31,088,942)	(34,552,146)
Net cash flows from investing activities		(31,088,942)	(34,552,146)
NET INCREASE IN CASH AND CASH EQUIVALENTS		330,124	(3,605,261)
Cash and cash equivalent at BEGINNING of the year		580,932	4,186,193
Cash and cash equivalent at END of the year		911,056	580,932

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30.08. 2021 and signed by:



Clerk of the Assembly

Name: Joab Ambaka



Chief Finance Officer – County Assembly

Name: Jagona Oscar Miyinzi

ICPAK Member Number 24443

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

6.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
A	B	C=A+B	D	E=D/C%	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	621,955,167	(3,603,656)	618,351,511	597,999,245	96.7%
Other Receipts				7,913,136	-
TOTAL	621,955,167	(3,603,656)	618,351,511	605,912,381	97.9%
PAYMENTS					
Compensation of Employees	340,203,384	9,455,000	349,658,384	(331,878,118)	95%
Use of goods and services	233,374,459	(10,565,000)	222,809,459	(227,626,863)	101%
Transfers to Other Government Entities	-	-	-	(16,892,521)	-
Social Security Benefits	31,000,000	5,300,000	36,300,000	(25,107,904)	69%
Acquisition of Assets	17,161,324	(7,933,656)	9,227,668	(5,275,619)	57.17%
Finance Costs	216,000	140,000	356,000	(309,892)	87%
TOTAL	621,955,167	-	618,351,511	(607,090,916)	98.20%
Surplus/ Deficit	-	-	-	(1,178,535)	-

(a) There was an under absorption of the social security benefits vote due to late disbursement of funds from the County treasury during the financial year under review.


(b) There was low absorption of funds under the acquisition of assets due to delay in disbursement of funds, which led to delays in the procurement process.

**VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021**

(c) There was under absorption in finance costs due to reduced activities during the year under review
The changes between the original budget and final budget is because of a supplementary budget that was done during the year.
The entity financial statements were approved on 30.08. 2021 and signed by:



Clerk of the Assembly
Name: Joab Ambaka kilinga



Chief Finance Officer – County Assembly
Name: Jagona Oscar Miyinzi
ICPAK Member Number: 24443

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

6.6 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget KShs(a)	Adjustments KShs(b)	Final Budget c=a+b	Actual on Comparable Basis d	% Utilization difference KShs(d/c%)
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	30,000,000	3,603,656	33,603,656	25,813,326	76%
TOTAL	30,000,000	-	33,603,656	-	-
PAYMENTS					
Acquisition of Assets	30,000,000	3,603,656	33,603,656	25,813,326	76%
TOTAL	30,000,000	-	33,603,656	25,813,326	76%
SURPLUS/ DEFICIT	-	-	-	-	-

The entity financial statements were approved on 30.08.2021 and signed by:



Clerk of the Assembly

Name: Joab Ambaka



Chief Finance Officer – County Assembly

Name: Jagona Oscar Miyinzi

ICPAK Member Number: 24443

6.7 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
LEGISLATIVE & OVERSIGHT	322,310,224	-	322,310,224	(319,902,240)	2,407,984
ADM & SUPPORT SERVICES	329,644,943		329,644,943	(313,002,000)	16,642,943
Total	651,955,167	-	651,955,167	(632,904,240)	19,050,927

6.8 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 Vihiga 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 Assembly has received the related cash.

**VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Transfers from the Exchequer/ County Treasury

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs, and the related cash has actually been paid out by the entity.

i) Compensation of employees

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

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

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.

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

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

6. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, *There were no other restrictions on cash during the year.*

7. 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.

8. 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.

9. 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.

10. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. 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.

12. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

13. 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 County Assembly approved the original budget on 30th June 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There was one number of supplementary budgets passed in the year. The supplementary budgets were approved on 28/08/2020. 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.

14. Comparative figures

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

15. Subsequent events

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

**VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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.

17. 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.

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

6.9 NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2020-2021	2019-2020
	KShs	KShs
Transfers from the County Treasury for Q1	96,308,092	130,822,024
Transfers from the County Treasury for Q2	207,626,773	170,437,940
Transfers from the County Treasury for Q3	139,311,601	139,984,100
Transfers from the County Treasury for Q4	180,566,105	155,757,262
Development Vote		16,031,847
Other Exchequer Releases		4,000,000
Transfers from mortgage account		24,300,000
Cumulative Amount	623,812,571	641,333,173

2. OTHER RECEIPTS

	2020-2021	2019-2020
	KShs	KShs
Staff surcharges	530,004	0
Car loan And mortgage Account	6,654,800	0
Refunds	728,331	0
		0
Total	7,913,136	0

Receipts from staff surcharges relates to amount recovered from a member of staff (Mr. NAHASHION KUSINA OPANGA MOSES) following a disciplinary action by the CASB. The total amount involved in the incident where cash was transferred to private accounts is a total of kshs; 3,980,000. The outstanding surcharge amount as at the end of the financial year is a total of kshs; 3,439,996.

Receipts from car loan and mortgage relates to funds borrowed from the car loan and mortgage fund to carry out activities of the county assembly by the CASB.

Refunds relates to amount paid in excess to a contractor and refunded back to the county assembly.

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

3. COMPENSATION OF EMPLOYEES

	2020 – 2021	2019 – 2020
	KShs	KShs
Basic salaries of permanent employees	92,850,563	87,035,854
Basic salaries-mcas	71,552,256	71,581,131
Basic salaries- ward staff	26,064,416	19,830,290
Personal allowances paid as part of salary	124,240,745	117,752,590
Pension and other social security contributions	16,975,338	16,268,759
Compulsory national social security contributions	194,800	194,400
Total	331,878,118	312,663,024

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. USE OF GOODS AND SERVICES

	2020 – 2021	2019 – 2020
	KShs	KShs
Utilities, supplies and services	155,411	208,759
Communication, supplies and services	135,250	273,650
Domestic travel and subsistence	135,922,905	112,338,600
Foreign travel and subsistence	0	16,849,650
Printing, advertising and information supplies & services	2,292,448	2,630,434
Rentals of produced assets	2,910,000	4,452,000
Training expenses	2,707,763	499,320
Hospitality supplies and services	11,751,800	9,861,280
Insurance costs	33,736,267	33,492,675
Specialized materials and services	4,804,948	2,371,762
Office and general supplies and services	7,102,947	2,204,098
Fuel, oil and lubricants	1,298,000	1,025,000
Other operating expenses	19,656,496	10,452,731
Routine maintenance – vehicles and other transport equipment	1,675,669	731,910
Routine maintenance – other assets	3,476,959	846,094
Total	227,626,863	198,237,783

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	KShs	KShs
Transfers to National Government entities-KRA		50,320,796
Transfers to county revenue fund	87,665	52,466
Transfer to county treasury	8,000,000	4,000,000
Transfers to other County Assembly entities		
Car Loan and mortgage Scheme fund	8,274,246	23,000,000
Transfer to Development Account	530,610	
TOTAL	16,892,521	77,373,262

Transfers to KRA relate to payments of additional taxes after assessment by Kenya Revenue Authority.

Transfer to county revenue fund relates to refund of unspent balances as at end of financial year and refund of inter departmental borrowings

6. SOCIAL SECURITY BENEFITS

	2020 - 2021	2019 - 2020
	KShs	KShs
Government pension and retirement benefits		-
Gratuity MCAs	13,948,117	13,308,720
Employer Social Benefits	11,159,787	6,007,829
Total	25,107,904	19,316,549

Payment of gratuity for Mcas relate to gratuity payments paid to Luptrust for payment of gratuity to members of county assembly at the end of their term in 2022. Gratuity for contractual staff relates to payments to lapfund. This amount will be used to pay gratuity to contractual staff on end of their contracts

VIHIGA COUNTY ASSEMBLY
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For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. ACQUISITION OF ASSETS

Non-Financial Assets	2020 – 2021	2019 – 2020
	KShs	KShs
Construction of Buildings	12,703,170	
Refurbishment of Buildings	-	1,700,000
Construction and Civil Works	-	3,190,318
Purchase of Vehicles and Other Transport Equipment	-	14,000,000
Purchase of Household Furniture and Institutional Equipment	-	
Purchase of Office Furniture and General Equipment	2,680,000	3,240,000
Acquisition of Land	-	10,400,000
Purchase of ICT equipment	15,705,772	2,021,828
Total acquisition of assets	31,088,942	34,552,146

8. FINANCE COSTS

Bank Charges	2020 – 2021	2019 – 2020
	KShs	KShs
Co-operative Bank of Kenya-01141471295100	309,424	117,240
Kenya Commercial Bank-1240161565	468	1,380
TOTAL	309,892	118,620

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

9. CASH AND BANK BALANCES

9A. BANK BALANCES

Name of Bank	Account Number	Type of Account	2020 – 2021	2019 – 2020
			KShs	KShs
<i>Co-operative bank of Kenya Kenya shillings</i>	01141471295100	Imprest acc.	52,832	274,067
<i>Kenya commercial bank Kenya shillings</i>	1240161565	Imprest acc	69,791	57,201
<i>Central bank of kenya</i>	1000195355	Recurrent	788,330	249,664
Central bank of kenya	1000195347	Developmen t	2	0
Total			910,956	580,932

9B. CASH IN HAND

	2020 – 2021	2019 – 2020
	KShs	KShs
Cash in Hand – Held in domestic currency	100	0
Total	100	0

10. ACCOUNTS RECEIVABLE

Description	2020 – 2021	2019 – 2020
	Kshs	Kshs
Government Imprests	2,788,733	4,617,392
Salary Advance	320,000	0
Total	3,108,733	4,617,392

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<i>Breakdown of imprest and salary advance per department</i>	2020 – 2021	2019 – 2020
<i>Imprests</i>	KShs	KShs
Finance and Accounting	150,000	0
Human Resource And Administration	1,440,811	0
Clerks Department	1,167,692	0
Hansard And ICT	23450	
<i>Sub-Total</i>	2,781,953	0
<i>Salary advance</i>		
Clerks Department	220,000	0
Hansard and ICT	100,000	0
<i>Sub-Total</i>	320,000	0
<i>Grand Total</i>	3,108,733	0

**See Annex 5 for a detailed analysis of the outstanding imprests.*

11. FUND BALANCE BROUGHT FORWARD

Description	2020 – 2021	2019 – 2020
	KShs	KShs
Bank accounts		580,932
Cash in hand		0
Accounts Receivables		4,617,391
Accounts Payables		
Total		5,198,323

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. CHANGES IN RECEIVABLE

Description	2020-2021	2019-2020
	KShs	KShs
Opening Account Receivables as at 1 st July 2020(A)	4,617,392	1,940,342
Imprests Issued During the Year (B)	0	2,677,050
Imprests Surrendered (c)	(1,508,659)	
Imprests Outstanding at Year End	3,108,733	4,617,932

VIHIGA COUNTY ASSEMBLY
Reports and Financial statements
For the year ended June 30, 2021

13. Related party disclosure; is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly:

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

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	150,435,434	147,678,999
Key Management Compensation (Clerk and Heads of departments)	17,881,546	15,894,856
Total Compensation to Key Management	168,316,980	163,573,855
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	8,274,246	23,000,000
Transfers to County Treasury	8,087,665	4,052,466
Transfers to KRA	0	50,320,796
Total Transfers to related parties	16,361,911	77,373,262
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer	623,812,571	0
Payments made on behalf of the County Assembly by other Government Agencies	0	0
Transfers From Mortgage Account	6,654,800	24,300,000
Total Transfers from related parties	630,467,371	24,300,000

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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
Construction of buildings	0	26,452,658	12,703,170	13,749,488
Construction of civil works				
Supply of goods				
Supply of services				
Total		26,452,658	12,703,170	13,749,488

2. PENDING STAFF PAYABLES

	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
Senior management	7,806,958	0	0	7,806,958
Middle management	25,608,675			25,608,675
Others		0	0	0
Total	33,415,633	0	0	33,415,633

OTHER DISCLOSURES

3. OTHER PENDING 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
Amounts due to National Government entities-KRA	0	18,281,924	3,046,988	15,349,936
Amounts due to Car Loan and Mortgage Scheme	77,537,527	6,654,800	8,274,246	75,918,081
Total	77,537,527	24,936,724	14,368,222	91,153,017

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4. Contingent Liabilities

Contingent liabilities	2020-2021	2019-2020
	Kshs	Kshs
Court case No 155 of 2020(Kenchuan Architects against Vihiga County Assembly)	31,653,818.73	0
Bank guarantees in favour of subsidiary	0	0
contingent liabilities arising from PPPs	0	
Total	31,653,818.73	0

(ANNEX 5 Contingent liabilities register)

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7.0 PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated period within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.2	Overpayment to an arbitrator	Follow up done and overpaid cash refunded back to assembly	Resolved	
2.0	Unsupported transfers to other government entities	Follow up being done	Not resolved	3 months
3.0	Irregular payment of salary advances	Salary advances fully recovered	Resolved	

This section will be completed once we receive Audit certificate for the financial year 2019/2020

Clerk of the County Assembly

Sign... 

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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							
1. Pekals limited	May 2021	26,452,658	0		12,703,167	13,749,490	
2.							
3.							
Sub-Total							
Construction of civil works							
4.							
5.							
6.							
Sub-Total							
Supply of goods							
7.							
8.							
9.							
Sub-Total							
Supply of services							
10.							
11.							
Sub-Total							

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ANNEX 2 – ANALYSIS OF 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							
1. KRA	Tax arrears	May 2021	18,281,924	3,046,988	15,234,936	0	
Sub-Total			18,281,924	3,046,988	15,234,936		
Amounts due to County Govt Entities							
2. Vihiga county car loan and mortgage	Inter-entity borrowings		6,654,800	8,274,246	75,918,081	77,537,527	
Sub-Total			6,654,800	8,274,246	75,918,081	77,537,527	
Grand Total			24,936,724	11,321,234	91,153,017	77,537,527	

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ANNEX 3 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2019/20	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost e/f (KShs) 2020/2021
Land	10,400,000	0	0	0	10,400,000
Buildings and structures	54,545,662	12,703,170	0	0	67,248,829
Transport equipment	23,943,000	0	0	0	23,943,000
Office equipment, furniture and fittings	15,225,150	2,680,000	0	0	17,905,150
ICT Equipment	6,553,717	15,705,772			22,259,489
Machine ry and Equipment	3,432,360	0			3,432,360
Total	114,099,889	31,088,942			145,188,831

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ANNEX 4 – ANALYSIS OF ACCOUNTS RECIVABLES

(a)Government Imprest

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken KShs</i>	<i>Amount Surrendered KShs</i>	<i>Balance KShs</i>
<i>Carolyn museve</i>	20.04.2021	185,700	0	185,700
<i>Raychelle syiamba</i>	8/4/21	92,400	0	92,400
<i>Raychelle syiamba</i>	8/4/21	84,000		84,000
<i>Hanningtone chazima</i>	17/2/21	4,500		4,500
<i>Salma ochieng</i>	6/11/2019	200,000		200,000
<i>Raychelle syamba</i>	20/08/21	23,800		23,800
<i>Juliet asila</i>	21/1/21	150,000		150,000
<i>Rodgers obuhuma</i>	16/06/21	1,500		1,500
<i>Moses akhabele</i>	7/5/21	10,000		10,000
<i>Jemmimah seredi</i>	9/10/2019	85,600		85,600
<i>Elizabeth muhonja</i>	17/12/2019	39,000		39,000
<i>Ambaka kilinga</i>	17/12/2019	250,000		250,000
<i>Moses akhabele</i>	2/10/2018	15,000		15,000
<i>Hanningtone chazima</i>	16/03/2021	2,800		2,800
<i>Moses akhabele</i>	10/6/21	3,000		3,000
<i>Raychelle syiamba</i>	16/12/2019	110,000		110,000
<i>Raychelle syiamba</i>	10/7/2019	187,600		187,600
<i>Silas obwatsa</i>	17/12/2020	14,750		14,750
<i>Iris anyiso</i>	5/11/2019	8,000		8,000
<i>Iris anyiso</i>	11/11/2019	18,900		18,900
<i>Alex savai</i>	10/9/2018	8,700		8,700
<i>Iris anyiso</i>	16/12/2019	500,000		500,000
<i>Gladys analo</i>	14/2/2019	56,000		56,000
<i>Douglas beru</i>	1/3/2019	52,000		52,000
<i>Sherah didi</i>	25/01/2017	5,000		5,000
<i>Clement sloya</i>	4/10/2016	20,000		20,000
<i>Clement sloya</i>	7/12/2016	7,000		7,000
<i>Lindah vusha</i>	4/2/2019	1,550		1,550
<i>Nashon kusina</i>	24/8/2019	25,000		25,000
<i>Victor ijaika</i>	7/12/2018	60,000		60,000
<i>Byrum angote</i>	7/12/2018	198,492		198,492

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<i>Moses akhabele</i>	28/8/2016	126,800		126,800
<i>Benson inganji</i>	7/3/2017	2780		2780
<i>Moses akhabele</i>	23/10/2019	8,000		8,000
<i>Nashion kusina</i>	13/8/2016	50,000		50,000
<i>Nashion kusina</i>	26/1/2017	23,000		23,000
<i>raychelle syiamba</i>	12/9/2018	61,600		61,600
<i>Moses akhabele</i>	22/3/2021	6,380		7,861
<i>Moses akhabele</i>	8/4/21	10400		10,400
<i>Lucy kemunto</i>	1/3/2019	78,000	0	78,000
Total				2,781,953

(b) Salary Advance

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i> KShs	<i>Amount Recovered</i> KShs	<i>Balance</i> KShs
<i>Teddy luvisia</i>	May 2021	100,000	0	100,000
<i>Perris Odari</i>	May 2021	120,000		120,000
<i>Perris Odari</i>	May 2021	100,000		100,000
Total		320,000		320,000

ANNEX 5: CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	Court judgment	Kenchuan Architects	Kshs.	31,653,818.73	August 2021	Budgeted
2						
3						

