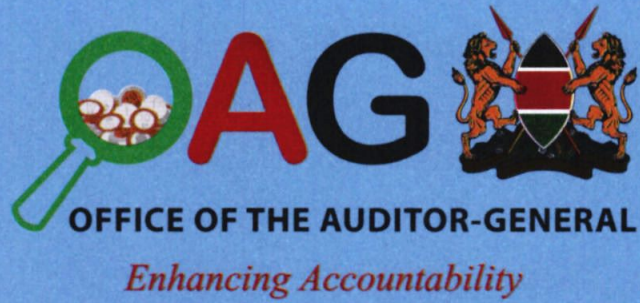


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NAROK

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



PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Muallim



NAROK COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

County Government of Narok
Narok County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

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

2. Key Entity Information and Management

(a) Background information

The Narok County Assembly is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 19 Nominated to represent special groups. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management Team

The Narok County Assembly's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Davies Solian Dikirr
2.	Clerk of the County Assembly	Joseph Kasaine Lengeny
3.	Deputy Clerk	Justus Sinoyia Yiaile
4.	Principal Finance Officer	CPA Peter Shakamae Tianta
5.	Principal Human Resource Officer	Gedion Langat

(c) Fiduciary Management

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

No.	Designation	Name
1.	Clerk of the County Assembly	Joseph Kasaine Lengeny
2.	Deputy Clerk	Justus Sinoyia Yiaile
3.	Principal Finance Officer	CPA Peter Shakamae Tianta
4.	Principal Human Resource Officer	Gedion Langat

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

In executing its mandate, the County Assembly has the following oversight committees:

- i. Audit Committee Activities
- ii. Finance Committee Activities
- iii. Public Accounts and Investments Committee
- iv. Budget and Appropriation Committee

i. Audit Committee

The County Assembly has an independent Audit Committee which was constituted in 2022 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

iii. Finance and Economic Planning Committee

The Finance and Economic Planning Committee carries an oversight role through the following functions:

- (a) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue.
- (b) To investigate all matters relating to oversight of County Government expenditure and all County Funds management.
- (c) To examine Bills related to revenue collection including the Finance Bill.
- (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly.
- (e) To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization.

iv. Public, Accounts and Investments Committee

In the Narok County Assembly, the Public Accounts and Investments Committee comprises of five members tabulated below: -

No.	Name	Position
1.	Hon. Elijah Kutingala	Chairperson
2.	Hon. Cynthia Sinte Nchoe	Vice Chairperson
3.	Hon. Erastus Kimiti Lemiso	Member
4.	Hon. Kisotu Salaash Nickson	Member
5.	Hon. Simon Lenguyia Kilonga	Member

Mandate of the Committee

The County Assembly's Public and Investments Committee has the following oversight roles –

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

Provided that the Committee shall not examine any of the following, namely:

- a. Matters of major County or National Government policy as distinct from business or commercial functions of the public investments;
- b. Matters of day-to-day administration; and,
- c. Matters for the consideration of which machinery is established by any special statute under which a particular county public investment is established.

v. Budget and Appropriation Committee

The Budget and Appropriation Committee carries an oversight role through the following functions: -

- a. Investigating and inquiring into and report on all matters related to coordination, control and monitoring of the county budget;

- b. Discussing and reviewing the estimates and make recommendations to the County Assembly;
- c. Examining the County Budget Policy Statement presented to the County Assembly;
- d. Examination of bills related to the County budget, including Appropriations bills; and
- e. Evaluation of tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(e) Narok County Assembly Headquarters

P.O. Box 19-20500
Narok County Assembly Building,
Mau-Narok Road Narok Town,
NAROK, KENYA

(f) Narok County Assembly Contacts

Telephone: (254) 020688878
E-mail: narokcountyassembly@gmail.com
Website: www.narokassembly.go.ke

(g) Narok County Assembly Bankers

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

(h) Independent Auditor

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

(i) Principal Legal Adviser

The Attorney General
State Law Office

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Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(j) County Attorney

Narok County Headquarters
P.O. Box 898-20500
Narok.

3. Governance Statement

The County Assembly

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

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

- a) The speaker of the County Assembly.
- b) The leader of the Majority party; and
- c) The leader of the Minority party.

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

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

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

a) Select Committees

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

b) Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

SELECT COMMITTEES

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose

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conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held four meetings in FY 2023-2024. The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dapash Isaac Salau	Vice Chairperson	Melili
Hon. Caroline Nangeya	Member	Nominated
Hon. Mark Mukut	Member	Keyian
Hon. Lilian Mbuthia	Member	Nominated

b) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Kutingala Elijah Maison	Chairperson	Ildamat
Hon. Cynthia Sinte Nchoe	Vice Chairperson	Nominated
Hon. Kimiti Erastus Lemiso	Member	Keekonyokie
Hon. Kisotu Salaash Nickson	Member	Suswa
Hon. Simon Lenguyia Kilonga,	Member	Nominated

c) Budget and Appropriations Committee

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

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Member	Designation	Ward
Hon. Timothy Mako	Chairperson	Naikarra
Hon. Mercy Resiato Keiwua	Vice Chairperson	Nominated
Hon. Dominic Sonkoi Lemein	Member	Ololulunga
Hon. Kennedy Kipsang Mibei	Member	Mogondo
Hon. Supuko Leah Naikanae	Member	Nominated

d) County Assembly Business Committee

The Committee 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.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dominic Sonkoi Lemein	Vice Chairperson	Ololulunga
Hon. Dapash Isaac Salau	Member	Melili
Hon. Wilson Mateya Murguyia	Member	Olorropil
Hon. Kipsang Mibei, Kennedy	Member	Mogondo

e) Committee on Selection

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

The Committee on Selection shall be appointed within ten days on assembly of a new County Assembly.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Dominic Sonkoi Lemein	Chairperson	Ololulunga
Hon. Wilson Mateya Murguyia	Vice Chairperson	Olorropil
Hon. Kipsang Mibei, Kennedy	Member	Mogondo
Hon. Erastus Lemiso Kimiti	Member	Keekonyokie
Hon. Kipronoh Ezekiel Koskey	Member	Ilkerin

f) Committee on Appointments

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

The quorum of the Committee on Appointments shall be half of the Members of the Committee, but the Speaker shall not be counted for the purposes of quorum and shall not vote.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Dominic Sonkoi Lemein	Vice Chairperson	Ololulunga
Hon. Wilson Mateya Murguiya	Member	Olorropil
Hon. Leah Naikanai	Member	Nominated
Hon. Mark Mukut	Member	Keyian

g) County Assembly Procedure and Rules Committee

The County Assembly Procedure and Rules 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 members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Davis Solian Dikirr	Chairperson	Speaker
Hon. Margaret Nenkai Yenko	Vice Chairperson	Nominated
Hon. Dapash Isaac Salau	Member	Melili
Hon. Leina Morintat	Member	Kilgoris Central
Hon. Ezekiel Kiprono Koskey	Member	Ilkerin

h) Committee on Implementation

The Committee may propose to the House, sanctions against any County Executive Committee Member who fails to report to the relevant select Committee on implementation status without justifiable reasons.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Naimodu James Leparan	Chairperson	Olpusimoru
Hon. Immaculate PISOI Sonkoi	Vice Chairperson	Nominated
Hon. Kutingala Elijah Maison	Member	Ildamat
Hon. Alice Chepkirui Kering	Member	Nominated
Hon. Ezekiel Kiprono Koskey	Member	Ilkerin

i) Committee on Delegated County Legislation

The Committee shall consider in respect of any statutory instrument whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Leina Morintat	Chairperson	Kilgoris Central
Hon. David Lekuta Sulunye	Vice Chairperson	Melelo
Hon. Grace Nyamalo Liaram	Member	Nominated
Hon. Kennedy Kipsang Mibei	Member	Mogondo

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Hon. Moses Olaimeri Yiampoi	Member	Shankoe
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j) Audit Committee

The audit committee was constituted in 1st February 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held four meetings in FY 2023-2024. The committee members during FY 2023-2024 were:

Member	Designation
Vincent Nkaiwatei	Chairman
Emmanuel Kisimir	Member
Leseyo Koila	Member
Francis Saitoti Naisuaku	Secretary
Mary Kiminta	Member

SECTORAL COMMITTEES

a) Agriculture

The Committee deals with all matters related to agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries;

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Duncun Bore	Chairperson	Ilmotiok
Hon. Caroline Nayiano Meibuko	Vice Chairperson	Nominated
Hon. Margaret Nenkai Yenko	Member	Nominated
Hon. Mark Mukut	Member	Keyian
Hon. Jefferson Langat Kipkirui	Member	Nominated

b) Environment, water and Natural Resources

The Committee deals with the 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.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Leah Naikanae	Chairperson	Nominated
Hon. Sangau Ntokoiyuan Wuantai	Vice Chairperson	Kimintet
Hon. David Lekuta Ole Sulunye	Member	Melelo
Hon. Grace Liaram	Member	Nominated
Hon. Dominic Sonkoi Lemein	Member	Ololulunga

c) Health Services

The committee deals with 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 parlors and crematoria and refuse removal, refuse dumps and solid waste disposal.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Joseph Kibeigo Koech	Chairperson	Angata Barikoi
Hon. Susan Kutingala	Vice Chairperson	Nominated
Hon. Hillary Kipngeno Sitienei	Member	Sogoo
Hon. Caroline Nangeya	Member	Nominated

Hon. Mark Mukut	Member	Keyian
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d) Gender, youth ,sports and Community services

The Committee deals with all matters related to public entertainment and public amenities, including betting, casinos and other forms of gambling, racing, cinemas, video shows and hiring, libraries, museums, sports and facilities and county parks, beaches and recreation facilities; firefighting services and disaster management, control of drugs and pornography.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Jefferson K. Langat	Chairperson	Nominated
Hon. Angela Pererwan	Vice Chairperson	Nominated
Hon. Caroline Meibuko	Member	Nominated
Hon. Sangau Ntokoiyuan	Member	Kimintet
Hon. Duncun Bore	Member	Ilmotiok

e) Transport and Public Works

The Committee deals with all matters related to county transport, including county roads, street lighting, traffic and parking, public road Planning, Trade, Tourism and Cooperatives, 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.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Eliud Maika Ologerso	Chairperson	Mosiro
Hon. Caroline Nangeya	Vice Chairperson	Nominated
Hon. Moses Olaimer Yiampoi	Member	Shankoe
Hon. Caroline Meibuko	Member	Nominated
Hon. David Lekuta Sulunye	Member	Melelo

f) Early Childhood Education, Children, ICT and Vocational Training

The committee deals with matters related to early childhood education, pre-primary education, village polytechnics, and home craft centers; all matters relating to gender affairs, children's welfare; heritage, public entertainment, public amenities, recreation centers and libraries.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Margaret Nenkai Yenko	Chairperson	Nominated
Hon. Stephen Kiprotich Koech	Vice Chairperson	Sagamian
Hon. Caroline Nangeya	Member	Nominated
Hon. Jackson Ng'ok Kipkorir	Member	Kapsasian
Hon. Shuma Manchau Olonoku	Member	Loita

g) Labor and Social Welfare,

The Committee deals with all matters relating to gender, youth, people with disability children's welfare and elderly citizens labor, trade union relations, man power or human resource planning.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Mark Mukut	Chairperson	Keyian
Hon. Jackson Ng'ok Kipkorir	Vice Chairperson	Kapsasian
Hon. Joseph Kibeigo Koech	Member	Angata-Barikoi
Hon. Samwel Towet	Member	Ololmasani
Hon. Moses Olaimer Yiampoi	Member	Shankoe

h) Justice and Legal Affairs

The Committee deals with the Constitutional affairs, the administration of law and justice, including the elections, ethics, integrity and anti-corruption, human rights and Public Petitions.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Kipngeno Chepkwony	Chairperson	Mara
Hon. Lilian Mbutia	Vice Chairperson	Nominated
Hon. Leina Morintat	Member	Kilgoris Central
Hon. Hillary Kipngeno Sitienei	Member	Sogoo
Hon. Susan Kutingala	Member	Nominated

i) Tourism, wildlife and Culture

The Committee deals with matters relating to Cultural activities, national government policies on tourism, local tourism and wildlife.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Moses ole Sikona	Chairperson	Siana
Hon. Alice Nanana	Vice Chairperson	Nominated
Hon. Mercy Resiatio	Member	Nominated
Hon. Shuma Manchau	Member	Loita
Hon. Kipngeno Chepkwony	Member	Mara

j) Finance and Economic Planning

The Committee Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. Evaluate Economic plans, policies and programs with direct effect on revenue mobilization. Overseeing granting and administration of donations and grants; approving taxation measures including interrogation and approving of Finance Bill; identifying and advising on new revenue streams; monitoring implementation of Finance Bill and Finance raising measures; considering requests for borrowing of loans by County Government including consideration of the relevant regulations.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Hillary Kipngeno Sitienei	Chairperson	Sogoo
Hon. Grace Liaram Ntutu	Vice Chairperson	Nominated
Hon. Kennedy Kipsang Mibei	Member	Mogondo
Hon. Moses Sikona	Member	Siana
Hon. David Lekuta Ole Sulunye	Member	Melelo

k) Lands, physical Planning, Trade and Cooperatives development

The committee deals with all matters related to County Planning and Development, including statistics, Land survey and mapping, boundaries and fencing, housing and electricity and gas reticulation and energy regulation.

Trade development and regulation including markets, trade licenses (excluding regulation of professions), and fair-trading practices, and cooperative societies and industrialization.

The committee members during FY 2023-2024 were:

Member	Designation	Ward
Hon. Manchau Shuma	Chairperson	Loita
Hon.Moses Olaimer Yiampoi	Vice Chairperson	Shankoe
Hon. Leina Morintant	Member	Kilgoris Central
Hon. Alice Nanana	Member	Nominated
Hon. Grace Liaram	Member	Nominated

Communication with all Stakeholders

Narok County Assembly is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the Narok County Assembly held an Annual consultative meeting in 2023 where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County’s service delivery charter.

Narok County Assembly subjected bills through public participation.

Risk management

Narok County Assembly has the following in mitigating risks in the organisation:

- Narok County Assembly has developed a formal risk management framework that outlines the process, roles, and responsibilities for risk identification and assessment.
- Narok County Assembly has formed a dedicated committee responsible for monitoring and assessing changes in the internal and external environment.

- Narok County Assembly has provided training to county assembly members and staff on risk analysis techniques and how to interpret and respond to risk assessments.
- Narok County Assembly has maintained transparent financial reporting and disclosure of financial information to the public through accessible channels, encouraged public participation in budgetary processes to enhance accountability.
- Narok County Assembly has established a comprehensive internal control framework that includes policies, procedures, and guidelines for financial and operational controls. Ensure segregation of duties to prevent any single individual from having control over a critical process from the start to the end.
- Narok County Assembly has implemented budget controls to track and monitor expenditures against the approved budget. Conduct regular financial audits by internal auditors to detect any irregularities or fraud.

Compliance

The Narok County Assembly identifies the relevant laws and regulations that govern it and discloses its compliance to these laws. The reports emanating from such compliance are prepared and discussed at the relevant levels and other government offices.

4. Foreword by the Clerk of the Assembly

The core mandate of County Assembly is to legislate and ensure good governance through the oversight role of the Assembly. For this to be achieved, budget provision is made to improve capacity for Members of County Assembly to make laws, fully participate in the Budget making process and also improve capacity for staff through capacity building programmes and also leveraging usage of information communication technology. These entails adequate funding to ensure that County Assembly efficiently and effectively fulfils constitutional functions in a representative system of County Government.

(i) Budget performance

The County Assembly was allocated a budget of **Kshs.961,000,000** in the **FY 2023/2024** which comprised of **Kshs.911,000,000** for recurrent expenditure and **Kshs.50,000,000** for Development Expenditure respectively.

Out of the sum allocated the County Assembly received from the exchequer Kshs.864,968,019 against an expenditure of Kshs.864,966,437 thus resulting to an absorption rate of 90%.

(ii) Operational Performance

The Narok County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 25th June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There were two (2) number of supplementary budgets passed in the year. The supplementary budgets were approved on 13th March 2024 and 25th June 2024 Respectively. A high-level assessment of the Narok County Assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison of budget and actual amounts included in these financial statements.

2.2.1 Laws and Policies Passed during the Financial Year 2023/24

During the financial year 2023/2024, the Narok County Assembly passed the following laws and regulations:

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NO.	BILL/POLICY/PAPER	DATE PASSED	PURPOSE
1.	Narok County Budget Estimates for FY 2023/2024	25 th June 2023	To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024.
2.	Narok County Government supplementary (i) Budget estimates for FY 2023/2024	13 th March 2024	To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024.
3.	Narok County Supplementary (1) Appropriation Bill, 2023/ 2024	13 th March 2024	To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024.
4.	Narok county finance bill ,2023/2024	4 th October2024	To provide for charges, fines and fees to aid the County in revenue collection.
5.	County fiscal strategy paper 2023/2024	29 th May 2024	Provides for the Budget ceiling of the budget for financial year 2023/2024.
6.	Narok County Government supplementary (ii) Budget estimates for FY 2023/2024	25 th June 2024	To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024.
7.	Narok County Annual Development Plan for FY 2023/2024	29 th May 2024	Provides for the Annual projects to be financed by the County Government for the financial year 2023/24.
8.	Narok County Government Appropriation Bill for FY 2023/2024	27 th June 2023	To fund Various projects and Facilitate Operations of the County Government for the Financial Year 2023/2024.

2.2.2 Narok County Assembly Committees and Mandates

During the financial year 2023/2024, the Narok County Assembly had the following Three (3) highlighted county assembly committees.

S/No.	Name of Committee	Mandate	Successes
1.	Public, Investments and Accounts Committee (PIAC)	(a) Examination of the accounts showing the appropriations of the sum Voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think Fit. (b) Examination of the reports, accounts and workings of the county public investments; (c) Examination, in the context of the autonomy and efficiency of the county public	Tabling and discussion of Auditor General's Reports

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		investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices:	
2.	Budget and Appropriations Committee	(a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget; (b) Discuss and review the estimates and make recommendations to the County Assembly; (c) Examine the County Budget Policy Statement presented to the County Assembly; (d) Examine Bills related to the County budget, including Appropriations Bills; and (e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.	Appropriation Bill 2023-2024 Finance Bill 2023-2024 Annual Development Plan 2023-2024 County Fiscal Strategy Paper 2023-2024 County review and Outlook Paper Supplementary I Bill 2023-2024 Supplementary II Bill 2023-2024
3.	Finance and Economic Planning Committee	(a) To investigate, inquire into and report on all matters related to coordination, control and monitoring of the County revenue. (b) To investigate all matters relating to oversight of County Government expenditure and all County Funds management. (c) To examine Bills related to revenue collection including the Finance Bill. (d) To examine all the revenue reports and the revenue estimates and makes recommendations to the County Assembly. (e) To evaluate all Economic plans, policies and programs with direct effect on revenue mobilization.	Passing of: - Annual Development Plan 2023-2024 County Fiscal Strategy Paper 2023-2024 County review and Outlook Paper

(iii) Performance of key development projects

Narok County Assembly constructed and renovated offices and ward offices for members of the County Assembly as per the approved budget. These offices at the ward level will reduce the cost of hiring offices for members of County Assembly and help in engaging with key stakeholders at the ward level.

(iv) Comment on value-for-money achievements

The funds were fairly utilized as per the Execution of programmes and sub programmes.

(v) Challenges and Recommended Way Forward

The county assembly still faces the following challenges and constraints in budget implementation

- Delay in disbursement of funds from the National Treasury.
- High public expectations.

The County Assembly will in future ensure that there is good working relationship with the County Executive to enable timely disbursement of funds.

The County Assembly will in future ensure that more bills are passed as per the public expectations.



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Name: Joseph Kasaine Lengeny
Clerk of the Narok County Assembly

**5. Statement of Performance against County Assembly Predetermined 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 Narok County Assembly 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 Narok is legislation, oversight, and representation. To achieve this, the Assembly’s program was documented in terms of objective, key performance indicators, and output.

Below were the expected outputs of the Assembly in FY 2023/2024.

Summary of the Programme Outputs and Performance Indicators for FY 2023/2024

Programme	Objective	Outcome	Indicator	Performance	Remarks (Explain the reasons underperformance, Overperformance)
Legislation and Representation					
Legislative Oversight	To provide a tool for monitoring progress of County Assembly programmes/policies and assures accountability, transparency and value for money goods and services.	Bills passed	Number of bills passed in a financial year	In FY. 2023/2024, Narok County Assembly passed 8 bills and County policies	Within the time frame
County Co-ordination	To provide a tool for monitoring progress of County Assembly programmes/policies and assures accountability,	Meetings held to involve public in major decision making.	Number of meetings held.	In FY. 2023/2024, county coordination held several meetings.	Within the time frame

County Government of Narok

Narok County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

	transparency and value for money goods and services.				
Research and Policy	To promote of research and policy formulation.	Research and policy proposals financed	Number of research and policy proposals financed in various fields.	During the financial year, research and policy proposals financed.	Within the time frame
General Administration and Planning Services					
Administration	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	Maintenance of proper accounting records that can enhance accountability and transparency in the management of public resources	The extent to which efficiency and effectiveness is achieved.	The administration services were well done during the financial year 2023/2024	Within the time frame
Legal and Public Affairs	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	Efficient communication and service delivery.	Improved information and communication technology infrastructure in the County Assembly.	The legal and public affairs services were well done during the financial year 2023/2024	Within the time frame
Board Management Service	To provide effective and efficient coordination of support services to the attainment of county assembly strategic objectives.	To provide effective and efficient coordination of support services to the attainment of county	County assembly service management policy. Guideline on implementation of past	The County Assembly Service Board services were well done during the financial year 2023/2024	Within the time frame

County Government of Narok
Narok County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024



		assembly strategic objectives	developed and circulated within the assembly.		
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6. Corporate Social Responsibility Statement/Sustainability Reporting

Narok 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 three (3) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

The County Assembly sustainability is assured through the existence of County Governments Act 2012 that establishes the County Assemblies in Kenya. The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

b) Environmental Sustainability

We are dedicated to fostering environmental sustainability through improving in our ecological footprint, conserving natural resources, and promoting responsible resource management through legislation and civic education.

c) Employee welfare

The County Assembly Service Board as an employer is under obligation to provide free medical treatment or make provision for adequate medical care for its employees. The County Assembly Service Board shall provide medical cover as per the Salaries and Remuneration Commission advice. The amount of the cover will be determined by the County Assembly Service Board from time to time subject to SRC Circular in force.

Training programs comprise both short- and long-term courses in specific professions that are intended to impart required knowledge, skills and attitudes to enhance staff performance.

County Assembly Service Board design specific in-house training programs as a method of developing training interventions which address identified training needs. In designing training programs HRM&D should ascertain the availability of: -

- Professional qualified and experienced trainers;
- Training programs that are cost-effective; and
- An effective evaluation and feedback system to assess the impact of training on Performance.

d) Market place practices-

- a) Supply chain and supplier relations is essential for promoting ethical, sustainable, and accountable procurement practices. A responsible supply chain approach ensures that the assembly's purchases and supplier relations align with its commitment to good governance, transparency, and corporate social responsibility.
- b) Ethical practices involve upholding high standards of integrity, transparency, and accountability in all procurement and business activities. These practices are critical for fostering trust among stakeholders, preventing corruption, and ensuring that public resources are used responsibly.
- c) Stewardship of goods and services involve managing public resources efficiently, effectively, and transparently to ensure that the needs of the community are met while upholding principles of accountability, responsibility, and ethical conduct.

e) Community Engagements-

The Budget and Appropriations Committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process.

7. Statement of Management Responsibilities

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

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

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

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 18/12 2024.



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Name: Joseph Kasaine Lengeny
Clerk of the County Assembly

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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NAIROBI

Enhancing Accountability

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Narok set out on pages 1 to 54, which comprise the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows

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

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

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

Basis for Qualified Opinion

1. Variances Between Financial Statements and Bank Statement Transactions

The financial statements reflect amounts that differ with Internet Banking as detailed below;

Particulars	Financial Statements (Kshs)	Payment as Bank Statement (IB Balances) (Kshs)	Variance (Kshs)
Compensation of Employees	499,174,558	536,781,809	37,607,251
Use of Goods and Services	264,596,863	203,607,403	60,989,460
Transfer to other Government Entities	90,000,000	45,834,600	44,165,400
Acquisition of Assets	11,260,562	10,648,681	611,881
Provision for Encumbrance	0	4,293,564	4,293,564
Contractors' Retention Money	0	1,119,310	1,119,310
General WHT	0	2,157,617	2,157,617
VAT Withholding	0	3,935,282	3,935,282

In the circumstances, the accuracy and completeness of the amounts in the financial statements could not be confirmed.

2. Misclassification of Expenditures

Review of various components of the financial statements against Integrated Financial Management Information System records, ledgers provided and Internet Banking records showed that various items were charged to incorrect accounts. Details are as shown in the table below:

Expenditure Item	Account Charged (Kshs)	Account to be Charged (Kshs)	Amount (Kshs)
Payments to Local Authorities Provident fund	Contractual Employees	Employer Contributions to Local Government Security Fund	2,960,363
Payments to Local Authorities Provident fund	Leave allowance	Employer Contributions to Local Government Security Fund	3,328,493
Insurance Costs	Daily Subsistence Allowance	Insurance Costs	4,576,705
Ward office expenses	Rents and Rates - Non-Residential	Constituency Office Expenses	928,288
Purchase of ICT Networking and Communication Equipment	Refined Fuel	Purchase of ICT Networking and Communication Equipment	235,862
Payments to Local Authorities Provident fund	Gratuity to MPS	Employer Contributions to Local Government Security Fund	3,376,517
Domestic travel and Subsistence	House Loans to MPS	Domestic Travel and Subsistence	834,600
Legal Fees	Contractors' Retention Money	Legal Fees	1,119,310
Purchase of Uniform and Clothing	General WHT	Purchase of Uniform and Clothing	2,157,617
house loans to MPS	Basic Salaries	House Loans to MPS	45,000,000
Purchase of ICT Networking and Communication Equipment, Purchase of Uniform and Clothing, Legal fees	WHT	Purchase of ICT Networking and Communication Equipment, Purchase of Uniform and Clothing, Legal fees	3,705,371
Total			68,223,126

In the circumstance, the accuracy and completeness of the financial statements could not be confirmed.

3. Payments in Internet Banking (IB) but not in IFMIS

The statement of receipts and payments reflects total payments amounting to Kshs.865,032,013 resulting from payments recorded in the internet banking (IB). Review of both IB payments and Integrated Financial Management Information System (IFMIS) for both recurrent and development expenditure revealed that payments amounting to Kshs.47,586,875 could not be traced in the IFMIS. The variances have not been explained nor reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

4. Voided Transactions-Payments

The statement of receipts and payments reflects total payments amounting to Kshs.865,032,013 from payments recorded in the internet banking (IB). Review of total payments in the Integrated Financial Management Information System (IFMIS) for both recurrent and development expenditure revealed a total of Kshs.1,073,938,841 resulting to voided transactions amounting to Kshs.208,906,828. Management has not explained the circumstances leading to the occurrence of voided transactions of such magnitude.

In the circumstances, the accuracy and regularity of the total payments of Kshs.865,032,013 could not be confirmed.

5. Irregular Maintenance of Manual Payroll

Review of expenditure on employees revealed that the County Assembly operated two payroll systems; the manual payroll system (Excel) and the Integrated Payroll and Personnel Database (IPPD). However, monthly gross salary payments totalling Kshs.70,326,172, were made to employees through manual payroll.

In the circumstances, the accuracy and regularity of manual payroll payments of Kshs.70,326,172 could not be confirmed.

6. Legal Expenses

Review of records in support of legal expenses showed that payments totalling Kshs.5,220,800 were paid to advocates for provision of legal professional services preparation of applications to Land control board to charge, obtaining charges, lodging charge documents, registration of charge documents and stamp duty charges for loans issued MCAs, Clerk and Speaker under the County Assembly of Narok Mortgage Fund. No explanation on why the charges were incurred by the county assembly yet they belong to the County Assembly of Narok Mortgage Fund. The payment was not supported by relevant procurement documents such as a signed contract and itemized fee notes.

In the circumstances, the accuracy of legal expenses could not be confirmed.

7. Pending Accounts Payable

Other disclosure Notes to the financial statements reflects pending accounts payable balance of Kshs.17,915,131. However, review of records revealed that the County Assembly owed the Local Authority Provident Fund (LAPFUND) contributions in arrears (principal amount and interest) of Kshs.103,647,243 out of which an amount of Kshs.34,843,561 was paid leaving a balance of Kshs.68,803,682 which was not disclosed in the financial statements. Further, contributions due to Local Authorities Pensions Trust (LAPTRUST) of Kshs.11,104,350 were not remitted and had accrued interest amounting to Kshs.70,678,826 as at 30 June, 2024. The amount was similarly not disclosed in the financial statements submitted for audit.

In addition, accounts payable balance includes suppliers of services amount of Kshs.28,880,255 which further includes a balance of Kshs.4,500,000 payable to a law firm for legal services. However, the fee notes for the legal services did not indicate the nature of services offered. Further, procurement records and signed contract for the

provision of the legal services were not provided for audit. It has not been possible to confirm whether the legal fees commitment was as per the rates prescribed by the Law Society of Kenya.

In the circumstances, the accuracy and regularity of the legal fees could not be confirmed.

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

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development reflects final budgeted receipts and actual amount on a comparable basis of Kshs.961,000,000 and Kshs.864,968,019 respectively, resulting in an underfunding of Kshs.96,031,981 or 10 % of the budget. Similarly, the statement also reflects total expenditure budget of Kshs.961,000,000 against an actual expenditure of Kshs. 865,032,015 resulting in overall under-expenditure of Kshs.95,967,985 or 10% of the approved budget.

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in use of Public Resources. However, Management had not resolved the issues as at 30 June, 2024.

Other Information

Management is responsible for the other information set out on page i to xxxii which comprise of Key Entity Information and Management, Report of the Chairman of the Fund, Report of the Fund Administrator, Report of performance against the Fund's predetermined performance, Management Discussion and Analysis, Environmental and Sustainability Reporting, The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-Compliance with the Law on the Number of Members

Review of the records revealed that the County Assembly had forty-nine (49) Members of the County Assembly (MCAs) thirty (30) elected and nineteen (19) Nominated against the set limit of forty-seven (47) MCAs as per circular number CRA/CSO/CMG//9/VOLV/59 dated 21 October, 2020 on Advisory of Ward Offices Operation Costs from the Commission on Revenue Allocation resulting in excess expenditure forward operation expenses by Kshs.2,839,998.

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

2. Irregular Payment of Transport Allowance

During the year under review, Narok County Assembly paid transport allowance to Members of County Assembly and Senior County Assembly staffs at the rate of Kshs.20,000 and Kshs.10,000 respectively. This allowance was not backed by any SRC Circular or ratification.

In the circumstances, the expenditure of Kshs.9,845,000 as transport allowance was contrary to the law.

3. Regularity of Procurement and Award of Contract

It was observed that the insurance services of Kshs.25,846,362 were procured outside the e-procurement system thus contradicting Regulation 49(2) of the Public Procurement and Assets Disposal Act Regulations, 2020.

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

4. Non-Compliance with the One Third of Basic Salary Rule

During the year under review, one hundred and seventy-seven (177) employees earned a net salary of less than a third (1/3) of the basic salary. This was contrary to Section D22(2) of the County Public Service Human Resource Manual and Section 19(3) of the Employment Act, 2007 which requires that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay. Management has not given explanation for failure to comply with the law.

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

5. Non-Compliance with the Law on Settlement of Accounts Payables

Annex 1 to the financial statements reflects analysis of pending accounts payable of Kshs.17,915,131 relating to 2020/2021 and earlier years. However, Management has not provided any explanation for failure to settle the bills as first charge in compliance with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which prioritize debt payments as a first charge. Further, the documentary evidence in support of pending accounts payables were not provided for audit.

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

6. Non-Remittance of Statutory Deductions

Review of documents provided for audit revealed that the Assembly deducted pension totalling Kshs.10,973,499 for Local Authorities Pensions Trust. However, no documentary evidence was provided to support remittance of the deductions.

In addition, contributions to Local Authorities Pensions Trust Fund (LAPTRUST) of Kshs.24,272,287 as at 30 June, 2014. The amount has been attracting interest of 3% amounting to Kshs.70,678,826 as at 30 June, 2024. The amount has not been disclosed as pending bill payable.

In the circumstances, the accuracy of the pending bills payable could not be ascertained.

7. Non-Compliance with Law on Non-Current Assets

Annex 4- summary of non-current asset register to the financial statements reflects the asset balance of Kshs.347,089,814. The balance includes land, buildings and structures of Kshs.293,216,401. However, the value of land on which the buildings and structures stand has not been disclosed. This was contrary to Regulation 136(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires Counties to record each parcel of land and each building and the terms on which it they are held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms and maintenance contracts. Further, the title of the land was not provided for audit.

Further, included in the summary of non-current asset balances is transport equipment valued at Kshs.17,840,000 which were grounded for which Management had not indicated plans for their repairs and putting into use.

In the circumstances, value for money on expenditure on non-current assets could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Ward Expenses

The statement of receipts and payments reflects expenditure on use of goods and services totalling Kshs.264,596,863, which includes Ward Operation expenses of Kshs.17,818,681.00. However, review of the imprest surrender vouchers revealed the following: -

- i. Ward office cashbooks, bank statements and analysis of the memorandum cash books for all wards and nominated Members of County Assembly showing receipt and utilization of funds were not provided for audit. This was contrary to Regulation 93(15) of the Public Finance and Management (County Governments) Regulations, 2015, which states that when the imprest holder needs to have his or her funds replenished, he or she shall send an abstract and analysis of his or her memorandum cash book, plus originals of the supporting payment vouchers to accounts division.
- ii. There was no structure for procurement of most of the common user items in these wards. As a result, the wards had uncontrolled and unguided spending on these items, each sourcing directly for the items.
- iii. Some of the receipts used for surrender of the funds were not serialized, did not bear the dates, did not bear the official details of the merchants from whom the wards procured items and they did not bear the tax registration details of the merchants and were not accompanied by delivery notes, thereby possibly denying the government tax revenue and casting doubt whether the goods were received by the wards and taken on charge.

In the circumstances, existence of effective internal controls on ward offices expenses could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

30 December, 2024

9. Statement of Receipts and Payments for the Year Ended 30th June 2024

		FY 2023-2024	FY 2022-2023
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	864,968,019	1,085,575,145
Proceeds from sale of assets	2	-	-
Miscellaneous receipts	3	-	-
Total receipts		864,968,019	1,085,575,145
Payments			
Compensation of employees	4	499,174,588	501,939,299
Use of goods and services	5	264,596,863	292,291,885
Subsidies	6	-	-
Transfers to other government entities	7	90,000,000	235,000,000
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Acquisition of assets	10	11,260,562	56,281,184
Finance costs	11	-	-
Other payments	12	-	-
Total payments		865,032,013	1,085,512,368
Surplus/deficit		(63,994)	62,777

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18/12 2024 and signed by:


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Name: Joseph Kasaine Lengeny
Clerk of the Assembly

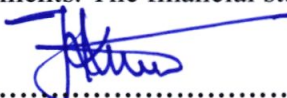

.....

Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number:21251

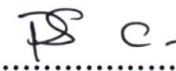
10. Statement of Financial Assets and Liabilities as At 30th June 2024

		FY 2023-2024	FY 2022-2023
Financial assets	Note	KShs	KShs
Cash and cash equivalents			
Bank balances	13A	1,583	65,577
Cash balances	13B	-	-
Total cash and cash equivalents		-	-
Imprests and Advances	14	-	-
Total financial assets		1,583	65,577
Financial liabilities			
Third party deposits and retention	15	-	-
Net financial assets		1,583	65,577
Represented by			
Fund balance b/fwd	16	65,577	2,801
Prior year adjustment	17	-	-
Surplus/(deficit) for the year		(63,994)	62,776
Net Financial Position		1,583	65,577

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18/12/2024 and signed by:



Name: Joseph Kasaine Lengeny
 Clerk of the Assembly



Name: Peter Shakamae Tianta
 Principal Finance Officer
 ICPAK Member Number: 21251

11. Statement of Cash Flows for the Period Ended 30th June 2024

		FY 2023-2024	FY 2022-2023
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	864,968,019	1,085,575,145
Miscellaneous receipts	3	-	-
Total receipts from operating income		864,968,019	1,085,575,145
Payments for operating expenses			
Compensation of employees	4	499,174,588	501,939,299
Use of goods and services	5	264,596,863	292,291,885
Subsidies	6	-	-
Transfers to other government entities	7	90,000,000	235,000,000
Other grants and transfers	8	-	-
Social security benefits	9	-	-
Finance costs	11	-	-
Other payments	12	-	-
Total payments for operating expenses		-	-
Net receipts/(payments) from operating activities		11,196,568	56,343,961
Adjusted for:			
Prior year adjustment	17	-	-
Decrease/(increase) in accounts receivable:	18	-	-
Increase/(decrease) in accounts payable:	19	-	-
Net cash flows from operating activities		11,196,568	56,343,961
Cashflow from investing activities			
Proceeds from sale of assets	2	-	-
Acquisition of assets	10	(11,260,562)	(56,281,184)
Net cash flows from investing activities		(11,260,562)	(56,281,184)

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		FY 2023-2024	FY 2022-2023
	Note	KShs	KShs
Cash flow From Financing Activities		-	-
Repayment of principal on domestic and foreign borrowing		(-)	(-)
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(63,994)	62,777
Cash & cash equivalent at Start of the year		65,578	2,801
Cash & cash equivalent at end of the year		1,584	65,578

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 16/12 2024 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2024

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	1,061,000,000	(100,000,000)	961,000,000	864,968,019	96,031,981	90%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	1,061,000,000	(100,000,000)	961,000,000	864,968,019	96,031,982	90%
Payments						
Compensation of employees	539,850,866	(4,934,722)	534,916,144	499,174,588	35,741,556	93%
Use of goods and services	277,447,546	4,984,722	282,432,268	264,596,864	17,835,404	94%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	93,098,000	-	93,098,000	90,000,000	3,098,000	97%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	150,603,588	(100,050,000)	50,553,588	11,260,562	39,293,026	22%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	1,061,000,000	(100,000,000)	961,000,000	865,032,014	95,967,986	90%
Surplus/ deficit	-	-	-	(63,995)	63,995	-

- During the year, budgetary item achieved a utilization rate of 90% on transfers from the CRF,
- 97% on Transfers to Other Government entities for Car and Mortgages and
- 22% on Acquisition of Assets.

- This was as a result of late disbursement of funds by the National Treasury.
- As at 30 June 2024, the Exchequer releases stood at Kshs.864,968,019 out of the budgeted Kshs.961,000,000 or 90%.
- It was therefore not possible to make all payments by the County Assembly.

The entity financial statements were approved on 18/12/ 2024 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

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

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	910,950,000	50,000	911,000,000	854,132,519	56,867,481	94%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	910,950,000	50,000	911,000,000	854,132,519	56,867,481	94%
Payments						
Compensation of employees	539,850,866	(4,934,722)	534,916,144	499,174,588	35,741,556	93%
Use of goods and services	277,447,546	4,984,722	282,432,268	264,574,185	17,858,083	94%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	93,098,000	-	93,098,000	90,000,000	3,098,000	97%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	553,588	-	553,588	425,062	128,526	77%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	910,950,000	50,000	911,000,000	854,173,835	56,826,165	94%
Surplus/ deficit	-	-	-	(41,316)	41,316	-

- 77% on Acquisition of Assets.

The entity financial statements were approved on 18/12 2024 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

County Government of Narok
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12B Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2024

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	150,050,000	(100,050,000)	50,000,000	30,950,022	19,049,978	62%
Proceeds from sale of assets	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total	150,050,000	(100,050,000)	50,000,000	30,950,022	19,049,978	62%
Payments						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	50,000	-	50,000	22,679	27,321	45%
Subsidies	-	-	-	-	-	-
Transfers to other government entities	20,500,000	-	20,500,000	20,114,522	385,478	98%
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	129,500,000	(100,050,000)	29,450,000	10,835,500	18,164,500	37%
Finance costs	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total	150,050,000	(100,050,000)	50,000,000	30,972,701	19,027,299	62%
Surplus/ deficit	-	-	-	(22,679)	22,679	-

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- During the year, budgetary item achieved a utilization rate of 62% on transfers from the CRF,
- During the year, budgetary item achieved a utilization rate of 37 % on Acquisition of Assets.
- This was as a result of late disbursement of funds by the National Treasury.
- It was therefore not possible to make all payments by the County Assembly.

The entity financial statements were approved on 18/12/ 2024 and signed by:



.....
Name: Joseph Kasaine Lengeny
Clerk of the Assembly



.....
Name: Peter Shakamae Tianta
Principal Finance Officer
ICPAK Member Number: 21251

13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	Kshs	%/ number	%/ number	Kshs	Kshs
Programme 1: Legislation and Representation	762,035,212	-	-	712,519,303	49,515,909
SP 1.1 County Assembly Headquarters	214,949,231	-	-	196,144,671	18,804,560
SP 1.2 Office of the Speaker	14,954,509	-	-	13,680,623	1,273,886
SP 1.3 County Assembly Administration	498,930,346			472,848,930	26,081,416
SP 1.4 County Assembly Legislation	10,719,850			9,117,320	1,602,530
SP 1.5 Finance Management Services	16,698,500			15,778,100	920,400
SP 1.6 Policy and Research	5,782,776	-	-	4,949,660	833,116
Programme 2: General Administration and Planning and Support Services	198,964,788	-	-	152,512,710	46,452,078
SP 2.1 Administrative Services	21,935,481	-	-	21,456,870	478,611
SP 2.2 County Assembly Services Board	5,087,103	-	-	4,652,990	434,113
SP 2.3 Procedure and Committee Services	121,942,204	-	-	115,567,350	6,374,854

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Narok County Assembly**

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Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
SP 2.4 County Assembly Development	50,000,000			10,835,500	39,164,500
Total	961,000,000	-	-	865,032,014	95,967,986

14. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

The financial statements are for the Narok County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Assembly recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Assembly.

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

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

5. Third Party Payments

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

6. Cash and cash equivalents

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

7. Restriction on cash

There were no other restrictions on cash during the year

Significant Accounting Policies (Continued)

8. Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

10. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Narok County Assembly at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled,

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Narok County Assembly
Annual Report and Financial Statements For the year ended 30th June 2024

such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Narok County Assembly; 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 Narok County Assembly does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

The Narok County Assembly 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 Narok County Assembly in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Narok County Assembly budget was approved as required by Law and as required by law. The original budget was approved by the County Assembly on 25th June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There were two supplementary budgets passed in the year. The supplementary budgets were approved on 13th March 2024 and 25th June 2024 respectively. A high-level assessment of the Narok County Assembly actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 17* explaining the nature and amounts.

18. Related Party Transactions

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

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

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

15. Notes to the Financial Statements

1. Transfer from CRF

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers from the county treasury for Q1	158,075,349	157,868,499
Transfers from the county treasury for Q2	224,240,535	216,237,058
Transfers from the county treasury for Q3	174,069,299	238,600,864
Transfers from the county treasury for Q4	308,582,836	472,868,724
Cumulative amount	864,968,019	1,085,575,145

2. Proceeds From Sale of Assets

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the Financial Statements

3. Miscellaneous receipts

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Other receipts (specify)*	-	-
Total	-	-

4. Compensation Of Employees

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Basic salaries of permanent employees	262,750,747	253,953,272
Basic wages of temporary employees	13,687,406	8,138,643
Personal allowances paid as part of salary	164,485,667	181,823,102
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	4,221,360	417,100
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	27,297,589	27,090,141
Social benefit schemes outside government	-	-
Gratuity	26,731,819	30,517,040
Total	499,174,588	501,939,299

Notes to the Financial Statements (Continued)

5. Use of Goods And Services

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Utilities, supplies and services	30,000	1,467,763
Communication, supplies and services	22,679	-
Domestic travel and subsistence	194,251,744	237,560,117
Foreign travel and subsistence	4,608,381	-
Printing, advertising and information supplies & services	30,000	-
Rentals of produced assets	300,000	1,600,000
Training expenses	-	149,990
Hospitality supplies and services	11,656,843	15,539,679
Insurance costs	25,846,362	21,051,802
Specialized materials and services	4,116,137	120,000
Office and general supplies and services	1,792,103	872,200
Fuel, oil and lubricants	-	491,379
Legal Dues/Fees, Arbitration and Compensation Payments	1,865,517	932,759
Ward Office Expenses	17,818,681	8,281,741
Contribution to Other Parliamentary Associations	750,000	-
Routine maintenance	1,508,415	4,224,455
Contracted Professional Services	-	-
Total	264,596,863	292,291,885

Notes to the Financial Statements (Continued)

6. Subsidies

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Subsidies To County Corporations		
	-	-
	-	-
Subsidies To Private Enterprises		
	-	-
	-	-
Total	-	-

7. Transfers to Other Government Entities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers to national government entities	-	-
Transfers to other county assembly entities		
Car loan and Mortgage scheme fund	90,000,000	235,000,000
Mortgage scheme/fund	-	-
Others	-	-
Total	90,000,000	235,000,000

Notes to the Financial Statements (Continued)

8. Other Grants and Transfers

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Scholarships and other educational benefits	-	-
Membership fees and dues and subscriptions to organizations	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Total	-	-

9. Social Security Benefits

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Government Pension and Retirement Benefits	-	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

Notes to the Financial Statements (Continued)

10. Acquisition of Assets

Non- financial assets	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	-
Refurbishment of buildings		50,500,827
Construction of roads		-
Construction and civil works	10,835,500	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of Computers, Printers and other IT Equipment	425,062	-
Purchase of office furniture and general equipment		5,780,357
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	11,260,562	56,281,184
Financial assets		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-

County Government of Narok

Narok County Assembly

Annual Report and Financial Statements For the year ended 30th June 2024

Total acquisition of assets	11,260,562	56,281,184
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Notes to the Financial Statements (Continued)

11. Finance Costs

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	-	-

12. Other Payments

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
Total	-	-

Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	FY 2023-2024	FY 2022-2023
			Kshs	Kshs
Central Bank of Kenya	1000286601	Development	1,583	22,679
Central Bank of Kenya	1000198467	Recurrent	-	42,898
Total			1,583	65,577

13B. Cash in Hand

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	-	-
Cash In Hand – Held In Foreign Currency	-	-
Total	-	-

Notes to the Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. Imprests and Advances

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Government Imprests	-	-
Salary Advance	-	-
Clearance accounts	-	-
Total	-	-

Breakdown Of Imprest And Salary Advance Per Department	FY 2023-2024	FY 2022-2023
Imprests	Kshs	Kshs
Department	-	-
Department	-	-
Department	-	-
Sub-Total	-	-
Salary Advance		
Department	-	-
Department	-	-
Sub-Total	-	-
Grand Total	-	-

Notes to the Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Deposits	-		-	
Retentions	-		-	
Total	-		-	
Ageing analysis (third party deposits and advances)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

16. Fund Balance Brought Forward

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Bank Accounts	65,577	2,801
Cash In Hand	-	-
Imprests and advances	-	-
Third party deposits and retentions	(-)	(-)
Total	65,577	2,801

17. Prior Year Adjustments

	Balance b/f FY 2022-2023 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2022-2023
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others	-	-	-
	-	-	-

18. Changes in Imprests and Advances

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Opening Imprests and Advances As At 1 st July 2023	-	-
Closing Imprests and Advances As At 30 th June 2024	-	-
Change In Imprests and Advances	-	-

19. Changes in Third Party Deposits and Retentions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 st July 2023	-	-
Closing Third Party Deposits and Retention As At 30 th June 2024	-	-
Change In Third Party Deposits and Retention	-	-

Notes to the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f (FY 2023-2024)
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	1,406,960	-	1,406,960	-
Construction Of Civil Works	-	-	-	-
Supply Of Goods	600,000	-	600,000	-
Supply Of Services	28,880,255	9,534,523	20,499,647	17,915,131
Total	30,887,215	9,534,523	22,506,607	17,915,131

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f FY 2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f FY 2022-2023	Additions for the year	Paid during the year	Balance c/f FY 2023-2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

4. External Assistance

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
External assistance received in cash	-	-
External assistance received as loans and grants	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

a) External assistance relating loans and grants

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

Notes to the Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2023-2024	FY 2022-2023
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

c) Classes of providers of external assistance

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Notes to the Financial Statements (Continued)

d. Non-Monetary External Assistance

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

e. Purpose and use of external assistance.

Payments Made By Third Parties	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
Compensation Of Employees	-	-
Use Of Goods and Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

Notes to the Financial Statements (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

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

5.1 Classification by Source

	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Notes to the Financial Statements (Continued)

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

Payments made by third parties	FY 2023-2024	FY 2022-2023
Description	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other government units	-	-
Other grants and transfers	-	-
Social security benefits	-	-
Acquisition of assets	-	-
Finance costs, including loan interest	-	-
Other payments	-	-
Total	-	-

6. Related Party Disclosures

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

The following comprise of related parties to the County Assembly:

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

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Related party transactions:

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	222,283,934	213,233,609
Key Management Compensation (Clerk and Heads of departments)	40,466,813	39,696,017
Total Compensation to Key Management	262,750,747	252,929,626
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	90,000,000	235,000,000
Transfers to other entities under the Assembly	-	-
Total Transfers to related parties	90,000,000	235,000,000
<u>Transfers from related parties</u>		
Transfers from the CRF	774,968,019	850,575,145
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	774,968,019	850,575,145

7. Contingent Liabilities

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

8. Program for Results (PforR) Disclosure

This disclosure note is for entities that are implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

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

9. Progress on Follow on Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>The financial statements reflect balances that differ with Integrated Financial Management Information System records.</p> <p>In the circumstances, the accuracy and completeness of balances reflected in the financial statements could not be confirmed.</p>	<p>We acknowledge that there are differences between Financial Statements figures and reports generated from IFMIS during the time of audit, However we wrote a letter to the National treasury requesting for assistance to reconcile the accounts balances (REF;NCA/4/9/106) dated 14th December 2022. The officials from The National Treasury responded to our request by visiting our offices and trained our staffs on modules relating to reconciliations of IFMIS ledgers. Therefore, our</p>	Resolved	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>accounts balances between IFMIS and financial statements have now been reconciled.</p> <p>(Appendix 23-1 A copy of IFMIS generated statement of receipts and payments extract and a Letter to the treasury).</p>		
2	<p>The statement of receipts and payments reflects compensation of employees' balance of Kshs.501,939,299 as disclosed in Note 4 to the financial statements. However, the payroll by product reflects an amount of Kshs.504,259,996 resulting to an unreconciled variance of Kshs.2,320,697. In the</p>	<p>Following the audit query raised regarding the compensation of employee's expenditure for the fiscal year ending 30th June 2023, we conducted an extensive investigation into the matter. We are pleased to inform you that our investigation has confirmed that the total compensation of employees for the period in question is indeed</p>	Resolved	2022-2023

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)
	<p>circumstances, the accuracy and completeness of expenditure on compensation of employees of Kshs.501,939,299 could not be confirmed.</p>	<p>Kshs. 501,939,299. This figure aligns precisely with the amount disclosed in Note 4 to the financial statements and accurately reflects the expenses incurred by our organization during the reporting period. (Appendix 23 – 2 Payroll schedules for the period)</p>		
3	<p>The statement of receipts and payments reflects expenditure on acquisition of assets of Kshs.56,281,184 out of which Kshs.23,532,108 was paid to ten (10) contractors for renovation of various buildings and structures. However, the renovation works were not supported by pre- and post-inspection reports by the Department of Public Works. It was therefore not possible to ascertain the scope of the renovation works carried out. Further, the expenditure includes an amount of Kshs.5,780,357 that is not related to refurbishment of buildings and</p>	<p>We are pleased to inform you that the pre- and post-inspection reports from the Department of Public Works are now available for verification. These reports provide the necessary evidence to ascertain the scope and quality of the renovation works carried out. Additionally, it was observed that an expenditure of Kshs. 5,780,357 included in the total amount did not relate to the refurbishment of</p>	<p>The matter is partially addressed.</p>	<p>2022-2023</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	structures. In the circumstances, the occurrence, completeness and accuracy of expenditure on acquisition of assets of Kshs.56,282,184 could not be confirmed.	buildings and structures. Upon further review, we confirm that this expenditure pertains to the purchase of furniture. The supporting documents for this transaction are attached for your reference and verification. (Appendix 23-3 Pre and Post Inspection reports, Extract of Acquisition of Assets)		
4	Other disclosure Notes to the financial statements reflects pending accounts payable balance of Kshs.30,887,215. However, review of records revealed that the County Assembly owed the Local Authorities Provident Fund (LAPFUND) contributions in arrears (principal amount and interest) of Kshs.103,647,243 out of which Kshs.34,843,561 was	The pending accounts payable balance of Kshs. 30,887,215 in the financial statements did not include amounts owed to the Local Authorities Provident Fund (LAPFUND) of Kshs. 68,803,682 (principal and interest) and accrued interest on Local Authorities	The matter is progressively being addressed.	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>paid leaving a balance of Kshs.68,803,682 which was not disclosed in the financial statements. Further, contributions due to Local Authorities Pensions Trust (LAPTRUST) of Kshs.11,104,350 were not remitted and had accrued interest amounting to Kshs.70,678,826 as at 30 June, 2023, which was also not disclosed in the financial statements. In addition, the balance includes suppliers of services a balance of Kshs.28,880,255 out of which an amount of Kshs.4,500,000 was owed to a law firm for legal services. However, the fee notes for the legal services did not indicate the nature of services offered. Further, procurement records and signed contract for the provision of the legal services were not provided for audit. It was therefore not possible to confirm whether the</p>	<p>Pensions Trust (LAPTRUST) contributions of Kshs. 70,678,826, as reconciliation processes were ongoing and consensus on accrued interest had not been reached at the time of reporting. In addition, the legal fees of Kshs. 4,500,000 owed to a law firm, we acknowledge that the initial fee notes lacked details on the nature of services provided. However, these are now supported by detailed fee notes indicating the services rendered. (Appendix 23-4 Osano & Associates fee notes, Letter of award, signed contract, LSO and A letter of unremitted</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	legal fees commitment was as per the rates prescribed by the Law Society of Kenya. In the circumstances, the completeness, accuracy and presentation of accounts payables balance of Kshs.30,887,215 could not be confirmed.	contributions by county assembly of narok from LAPFUND)		
5	The statement of comparison of budget and actual amounts - recurrent and development reflects final receipts budget and actual amount on a comparable basis of Kshs.1,208,955,593 and Kshs.1,085,575,145 respectively, resulting to an underfunding of Kshs.123,380,448 or 10% of the budget. Similarly, the statement reflects total expenditure budget of Kshs.1,208,955,593 against an actual on comparable basis of Kshs.1,085,512,368 resulting in overall under-expenditure of Kshs.123,443,225 or 10% of the approved budget. The underfunding and under-	The County Assembly did not receive full share of its budgetary allocation as per the approved budget thus affecting implementation of some planned activities hence leading to under expenditure as compared to approved budget. This has adversely affected delivery of services by Narok County Assembly contrary to values and principles of public service as provided for under Article 232 (1 - c)	The matter is progressively being addressed.	2022-2023

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)
	expenditure impact negatively on the delivery of services to the residents of Narok County. My opinion is not modified in respect of this matter.	and Article 10 of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.		
6	Annex 1 to the financial statements reflects analysis of pending accounts payable of Kshs.30,887,215 relating to 2020/2021 and earlier years. However, Management has not provided any explanation for failure to settle the bills as first charge in compliance with Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which prioritize debt payments as a first charge. Further, the documentary evidence in support of pending accounts payables were not provided for audit review. In the circumstances, Management was in breach of the law.	We acknowledge that the pending accounts payable of Kshs. 30,887,215 from 2020/2021 and earlier years were not settled as the first charge, as required by Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015. We are pleased to report that a robust system is now in place to prioritize and settle pending bills in compliance with the regulations. Additionally, all necessary documentation	The matter is progressively being addressed.	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		supporting the pending accounts payable is now documented and available for review.		
7	As previously reported, the County Assembly has not submitted a report on how it has addressed the Senate recommendations and findings of audit reports for the years 2013/2014 to 2020/2021. This is contrary to Section 31(1) (a) of the Public Audit Act, 2015 states within three months after Parliament has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit. Further, the Assembly has not deliberated on the Auditor-General's reports	The senate recommendations have not been formally received at the County Assembly. Once they are received Management shall implement the recommendation as required.	The matter is progressively being addressed.	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	for the years 2013/2014 to 2020/2021. This issue remained unresolved as at 30 June, 2023. In the circumstances, the County Assembly is in breach of the law.			
8	During the year under review, twenty-four (24) employees earned a net salary of less than a third (1/3) of the basic salary. This was contrary to Section D22(2) of the County Public Service Human Resource Manual and Section 19(3) of the Employment Act, 2007 which requires that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay. Management did not give explanation for the failure to comply with the law. In the circumstances, Management was in breach of the law and may expose the staff to pecuniary embarrassment.	During the fiscal year ended 30th June 2023, twenty-four (24) employees were found to have earned a net salary of less than one-third (1/3) of their basic salary, which is in violation of the aforementioned regulations. The audit rightly points out the potential exposure to pecuniary embarrassment for the staff due to this breach of law. However, it's essential to consider the exceptional circumstances that prevailed during this period, notably the	The matter is progressively being addressed.	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>impact of the Covid-19 pandemic on the economic landscape of the country. In response to the pandemic, the government issued Emergency and Economic measures, as per Kenya gazette No. 56 Act No 2, which included provisions such as 100% Tax Relief for individuals earning gross monthly income of up to Ksh 24,000 and a reduction of the Income Tax Rate Pay As You Earn from 30% to 25%. It's worth noting that during the implementation of these measures, some of our staff opted to take advantage of the increased net pay resulting from the</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>government's relief measures to top up their loans. However, as the grace period of these Covid measures expired, there was a subsequent reduction in their net pay, leading to a breach of the one-third rule outlined in the regulations. It is also important to note that the non-compliance was occasioned by an implementation of an EACC and SRC circulars on stoppage of payment of extraneous allowances to the staff of County Assembly which lowered the gross pay for all of county assembly. Currently the staff are complaint with the one third Basic Pay Rule.</p> <p>(Appendix 23 - 5 Kenya</p>		

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)
		Gazette Supplement No. 56 Act No. 2 and copies of EACC and SRC circulars)		
9	Review of documents provided for audit revealed that the County Assembly deducted pension contributions totalling Kshs.11,104,350 for Local Authorities Pensions Trust. However, no documentary evidence was provided to support remittance of the deductions. In the circumstances, Management was in breach of the law.	We acknowledge the observation raised regarding the pension contributions deducted by the County Assembly amounting to Kshs. 11,104,350 for the Local Authorities Pensions Trust (LAPTRUST). Upon review of our records and further reconciliations, we have attached the statement of account from LAPTRUST which clearly indicates the correct outstanding amount. (Appendix 23-6 Statement Extract from LAPTRUST)	The matter is progressively being addressed.	2022-2023
10	Annex 4- summary of non-current asset register to the	At the time of audit, the certificate of lease in	The matter is progressively	2022-2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financial statements reflects the asset balance of Kshs.200,829,252. The balance includes buildings and structures of Kshs.153,161,258. However, the value of land on which the buildings and structures stand has not been disclosed and the title of the land was not provided for audit. Further, included in the summary of non-current asset balances is transport equipment valued at Kshs.17,840,000 which were grounded for which management has not indicated plans for their repairs and putting into use. In the circumstances, the effectiveness of the asset management measures put in place by the County Assembly could not be confirmed.</p>	<p>favor of Narok County Assembly measuring 2.993 Hectares dated 1st April 2022 was not yet at our disposal. We followed up with the Narok County Government department of lands and the certificate is now available for verification. The land on which the buildings and structures stand on has been valued as per the attached documents and will be updated in the Asset Register. Further, the management has since developed a work plan detailing the steps for the repair and restoration of these assets, supported by pre-inspection reports to guide the process.</p> <p>(Appendix 23- 7 Copy</p>	<p>being addressed.</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		of the Certificate of Lease, Request letter for valuation, Valuation report attached Work plan and pre inspection reports)		
11	During the year under review, the County Assembly did not have a Risk Management Policy in place and therefore had no approved processes and guidelines on how to mitigate operational, legal and financial risks of the County Assembly. In the circumstances, the effectiveness of Management to identify and mitigate emerging risks in the day-to-day operations could not be confirmed.	We acknowledge the importance of having robust risk management practices in place to mitigate operational, legal, and financial risks effectively. In response to this concern, I am pleased to inform you that the Risk Management Policy has been developed, adopted by the board, and is fully operational. (Appendix 23 – 8 A copy of the Risk Management Policy)	The matter is adequately addressed.	2022-2023

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Guidance Notes:

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



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Clerk of the County Assembly

Date 18/12/2024.

16. Annexes

Annex 1 – Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
			a	b	c	d=a+b-c	
Construction Of Buildings							
Talek Mara Enterprises	1 st July 2018		2,351,960	1,406,960		1,406,960	-
Sub-Total			2,351,960	1,406,960		1,406,960	-
Supply Of Goods							
MFI Document Solution	1 st July 2018		2,350,000	600,000		600,000	-
Sub-Total			2,350,000	600,000		600,000	-
Supply Of Services							
Centre for Parliamentary Studies(CPST)	1 st July 2018		1,150,132	980,632			980,632
Asano and Associates	1 st July 2018		880,000	4,500,000			4,500,000
Institute of Human Resource Management	2 nd May 2019		249,400	249,400			249,400
Local Authorities Pension Trust	2 nd May 2019			11,104,350	9,534,523	9,665,374	10,973,499

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Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Institute of Certified Public Accountants				1,121,600			1,121,600
Records Management Solution Experts	29 th Jan 2020		90,000	90,000			90,000
Kenya Revenue Authorities				10,834,273		10,834,273	-
Sub-Total			2,369,532	28,880,255	9,534,523	20,499,647	17,915,131
Grand Total			7,071,492	30,887,215	9,534,523	22,506,607	17,915,131

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.

Annex 2 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							

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Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total							

Annex 3 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
1.							
Sub-Total							
Amounts Due To County Govt Entities							
2.							
Sub-Total							
Amounts Due To Third Parties							
3.							
Sub-Total							
Others (Specify)							
4.							
5.							
6.							
Sub-Total							
Grand Total							

Annex 4 – Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 20xx
Land	135,000,000				135,000,000
Buildings and structures	147,380,901	10,835,500			158,216,401
Transport equipment	17,840,000				17,840,000
Office equipment, furniture and fittings	27,050,863				27,050,863
ICT equipment	8,557,488	425,062			8,982,550
Machinery and equipment	-				-
Biological assets	-				-
Infrastructure assets	-				-
Heritage and cultural assets	-				-
Intangible assets	-				-
Work in progress	-				-
Total	335,829,252	11,260,562			347,089,814

Annex 5 – Analysis of Accounts Receivables
 (a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
Total				

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(b) Salary Advance

Name of Officer	Date Advanced	Amount Advanced Kshs	Amount Recovered Kshs	Balance Kshs
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

Annex: 6 Reporting of Climate Relevant Expenditures

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

Annex 7 Reporting on Disaster Expenditure

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

Annex 8: Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						