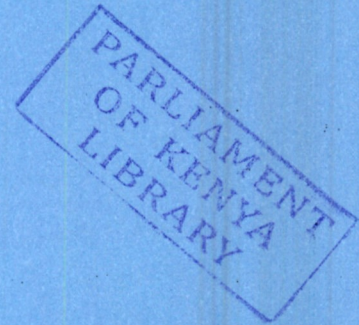


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

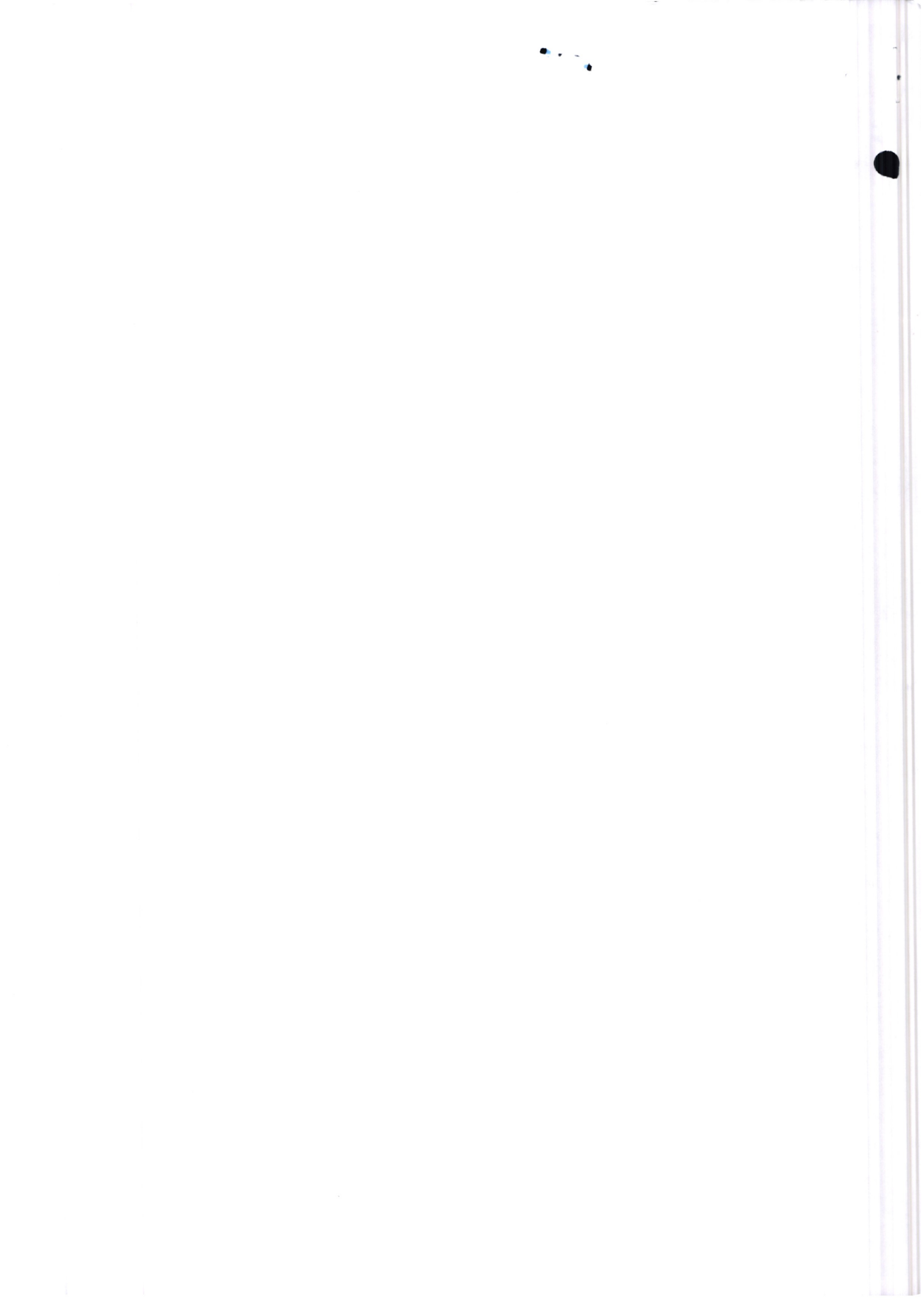
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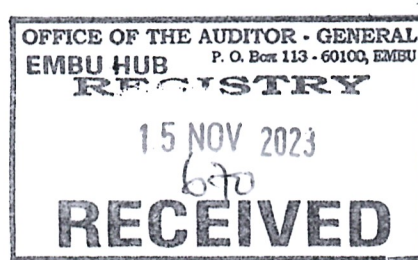
COUNTY ASSEMBLY OF THARAKA-NITHI

FOR THE YEAR ENDED

30 JUNE, 2023

PAPERS LAID	
DATE	22/2/24
TABLED BY	SMC
COMMITTEE	
CLERK AT THE TABLE	Cherof





THARAKA NITHI COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

County Government of Tharaka Nithi
Tharaka Nithi County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

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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

2. Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes fifteen Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and eight nominated members. 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 *entity's* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon John Mbabu
2.	Clerk of the County Assembly	Amos Kiangwe Sikweya
3.	Deputy Clerk	Eric Stanley Muthuri Nthumbi
4.	HOD Finance&Accounting	Polly Kagendo Mbae
5.	HOD Budget	Pius Nyaga Micheni
6.	HOD Human Resource Management	Catherine Njeri Kathuni
7.	HOD Audit Department	Davidson Kiriuro Murungi
8.	HOD Hansard & ICT	Dennis Kimathi Ndiga
9.	HOD Security Services	Kenneth Nyaga Cheri
10.	HOD Procurement	Festus Kinoti Kubai
11.	HOD Project Planning	Purity Kawira Njeru
12.	HOD Administration	Peter Mburu Muniu
13.	HOD Legal Services	Murithi Kanampiu

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June,2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Amos Kiangwe Sikweya
2.	Chief Finance Officer	Polly Kagendo Mbae

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

Finance, Budget and Appropriation committee

The activities of committee are; to investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget; discuss and review the estimates and make recommendations to the Assembly; examine the County Fiscal Strategy Paper presented to the Assembly; examine Bills related to the County budget, including Appropriation Bills and the Finance Bill; examine and consider all matters related to public finance, monetary policies and public debt; evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays; consider the reports of the Controller of Budget on the implementation of the annual county budget; and,

in accordance with the Public Finance Management Act, examine the levels of county public debt and proposals for limitation of expenditure on the wages of public officers serving in the county.

Public Accounts and Investment committee

The committee activities are ;examination of the annual reports of the Auditor General on the accounts relating to the appropriations of the sum voted by the Assembly to meet the public expenditure for the County Government, including the Assembly; examination of any other reports of the Auditor General on public funds relating to the County, including specialized reports and special reports submitted by the Auditor General on his own motion or following a request of the Assembly in accordance with the law relating to Public Audit; examination of the annual reports of the Auditor General on the accounts of county government entities, including county corporations; examining of any recommendation from the Auditor General relating to withholding of funds to a county government entity or a county corporation; examination of proposals from the county executive to declare a county corporation to be a county government entity; and where a report is not available, 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.

(e) Entity Headquarters

P.O. Box 694
Chuka Meru Highway
Chuka, Kenya

(f) Entity Contacts

Telephone: 202399828
E-mail: tharakanithicountyassembly@gmail.com
Website: [Http://.tharakanithica.go.ke](http://.tharakanithica.go.ke)

(g) Entity Bankers

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

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

3. Governance Statement

The County Assembly

The County Assembly is constituted by twenty-three MCAs with fifteen being elected members and eight nominated members of County Assembly. 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:

- a) Committee of Powers and Privileges
- b) Public Accounts/Investment Committee
- c) Budget and Appropriations Committee
- d) Committee on Implementation

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the County Assembly as may be provided in the Standing Orders of the County Assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held seven meetings in FY 2022/2023. The committee members during FY 2022/2023 were:

Member	Designation	Ward
Hon. John Mbabu - Chairperson	Speaker	Hon.Speaker
Hon. Gitonga Leonard J. Kithuka - Vice Chairperson	Member of County Assembly	Nkondi
Hon. S. Nderi Justin Kithinji	Member of County Assembly	Magumoni
Hon. Mbae Lysbeth Gatiria	Member of County Assembly	Ganga
Hon. Kiriko Jacob Murimi Ndeke	Member of County Assembly	Mugwe
Hon. Njagi Joseph Kinyua	Member of County Assembly	Chiakariga
Hon. Gitonga Morris Mangu	Member of County Assembly	Muthambi

b) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held zero extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Mbae Lysbeth Gatiria -Chairperson	Member of County Assembly	Ganga
Hon. Njagi Zacharia Mwaniki - Vice Chairperson	Member of County Assembly	Nominated

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Hon. Mbae Anita Karimi	Member of County Assembly	Mariani
Hon. Kamunyu Kennedy	Member of County Assembly	Marimanti
Hon. Kiriko Jacob Murimi Ndeke	Member of County Assembly	Mugwe

c) Budget and Appropriations Committee

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

Member	Designation	Ward
Hon. Muchiri Godfrey Murithi - Chairperson	Member of County Assembly	Karingani
Hon. Riungu Nancy Muthoni - Vice Chairperson	Member of County Assembly	Nominated
Hon. Kabii Jones Kinegeni	Member of County Assembly	Mwimbi
Hon. S. Nderi Justin Kithinji	Member of County Assembly	Magumon
Hon. Marengo Luke Nyagah Njeru	Member of County Assembly	Mukothima

d) Committee on Implementation

The Implementation Committee scrutinizes the resolutions of the County Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee. The members who served in the committee during the period were:

Member	Designation	Ward
Hon. Nevert Ntwiga - Chairperson	Member of County Assembly	Mitheru
Hon. Njagi Joseph Kinyua - Vice	Member of County Assembly	Chiakariga
Hon. Kathuni Risper	Member of County Assembly	Nominated

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Gakii		
Hon. Murungi Rael Fatuma	Member of County Assembly	Nominated
Hon. Mwaura Joel Mwangi	Member of County Assembly	Nominated
Hon. John Joseph Njeru	Member of County Assembly	Igamba Ng'ombe
Hon. Nyaga Frankline Mawira	Member of County Assembly	Chogoria

Communication with all Stakeholders

The County 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 County held an Annual consultative meeting in xxx 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.

The County Assembly also subjected 6 bills through public participation

S.NO	BILL
1	The Tharaka Nithi County Supplementary Appropriation Bill, 2023
2	The Tharaka Nithi County Supplementary Appropriation Bill(2), 2023
3	The Tharaka Nithi County Appropriation Bill, 2023
4	The Tharaka Nithi County Finance Bill, 2023
5	The Tharaka Nithi County Agricultural Sector Coordination Bill, 2023
6	The Itugururu Agricultural Training Centre Bill, 2023

Risk management

The County Assembly Service Board has developed and adopted the Risk Management Policy that covers risk management and disaster recovery plan. The policy manages risks involved in all the County Assembly activities so as to maximize opportunities and minimize adversities. The Risk Management ensures that the County Assembly risks are taken into account when making strategic management decisions, ensure that management of operational risks is integrated into

standard management and accountability processes and develop an environment where staff assumes responsibility for managing risks.

The Risk Management detailed process for establishing risk management practice within the County Assembly is as follows; Establish a context, Identify risks, Analyse Risks, Evaluate Risks, Mitigate Risks, Monitor and Review, Communication and Consultation.

Compliance

The County Assembly is compliant to the Laws that govern it. We have submitted quarterly reports to the relevant offices on time. We have adhered to the guidelines provided in Public Finance Management Act 2012. We have set policies and regulations that guide the institution in implementing all the objectives.

4. Foreword By the Clerk of The Assembly

(i) Budget performance

The County Assembly approved a budget of **Kshs. 515,000,000** for the Financial Year 2022/2023, of which **Kshs. 485,000,000** was for Recurrent Expenditure and **Kshs. 30,000,000** was for Development Expenditure. The budget was later reviewed through a Supplementary Budget to a total of Kshs 576,893,655, where the Recurrent Expenditure was **Kshs. 546,893,655** and **Kshs. 30,000,000** as Development Expenditure.

However, by the end of the Financial Year, 30th June 2023, the County Assembly had received **Kshs. 534,983,755** through exchequer releases representing against the expected disbursement of **Kshs. 576,893,655**.

Summary of Budget Utilization by Budget Category

	Budget Category Assembly	Original Budget FY2022/23 (Kshs)	Budget Supplementa ry adjustment FY 2022/23 (Kshs)	Revised Approved Budget FY 2022/23 (Kshs)	Actual Cumulative Expenditure (Kshs)	Level of Funds Absorption (%)
1	Recurrent	485,000,000	61,893,655	546,893,655	515,913,655	94%
2	Development	30,000,000	-	30,000,000	19,067,943.40	64%
	Total	515,000,000	61,893,655	576,893,655	534,981,598.4	93%

During the period ended 30th June, 2023 the County Assembly reported budget absorption rate of 93% with 94% and 64% absorption for recurrent and development respectively. The under budget utilization for both recurrent and development was as a result of unavailability of funds.

(ii) Operational Performance

The following are the Assembly Committees, their Mandates and the successes over the period.

1. Committee on Trade Tourism and Cooperatives
2. Committee on Public Service and Administration,
3. Committee on Education, Science and Technology,
4. Committee on Health Services,
5. Committee on Youth Sports and Culture,
6. Committee on Agriculture Livestock and Fisheries,

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7. Committee on Water Environment and Natural Resources,
8. Committee on Transport Roads and Public Works
9. Committee on Lands Housing and Physical Planning,
10. Assembly Business Committee
11. Committee on Selection,
12. Committee on Appointments,
13. Committee on Powers and Privileges,
14. Committee on Public Accounts and Investments,
15. Committee on Finance, Budget and Appropriations,
16. Committee on Assembly Rules and Procedures
17. Committee on Implementation,
18. Committee on Delegated Legislation,
19. Committee on Liaison.

The mandates of the committees are Legislation, Representation and Oversight.

The committees have conducted oversight meetings with the respective County Executive Committee Members and their respective departments. On matters relating to the management administration and operations of the said departments the committees have also conducted several oversight ward visits to access and ascertain the implementation of various projects and the effectiveness of the Budget Implementation.

During the year 2022/2023 the committee on Appointment vetted the County Executive Committee members, the County Attorney and the County Secretary. The sectoral committees vetted the Chief Officers for appointment to various departments. The committee on Delegated Legislation considered the FIF regulations and the County Executive Mortgage and Car loan Regulations.

During the period under review, the Sectoral Committees and the committee on Finance Budget and Appropriations considered the Annual Development Plan FY 2023/2024, the County Budget Review and Outlook paper 2022, The County Fiscal Strategy Paper 2023, The Budget Estimates for the FY 2023/2024.

The Committee on Finance Budget and Appropriations has considered the Supplementary Budget Estimates 1 and II for the FY 2022/2023 and the respective Supplementary Appropriations Bills have been considered. The quarterly reports and Financial Statements for

the Tharaka Nithi County Bursary Development Fund, The County Executive ,the receiver of Revenue, County Revenue Fund, County Emergency Fund, Municipality of Kathwana. It has also considered the Tharaka Nithi County Appropriation Bill 2023.The committee have also followed up on the response of statements sought on the floor of the house and the implementation of the house resolution.

During the period six bills were introduced in the Assembly. Three bills were passed by the County Assembly whereas the other three bills are at the second reading stage by the end of the period.

The County Assembly Budget was passed on 23rd March 2022 and the revised supplementary budget estimates was approved on 20th February 2023.

(iii) Performance of key development projects

- a) The County Assembly was established under the constitution 2010 and commenced in the year 2013.The County Assembly of Tharaka Nithi has made great progress in the development of infrastructure for habitable working environment for the staff. The renovation of the main offices to habitable and better standards, completion of members centre and connection of internet for the County Assembly. Beatification of the compound by through construction of perimeter wall and cabling of drive way and landscaping.
- b) The main key development projects included in Assembly's Strategic plan include; Construction of County Assembly Headquarters and Speakers Residence-The speaker's residence is an on-going project which is 60% complete.
- c) Anti-corruption-County Assembly of Tharaka Nithi practices high integrity in carrying out its processes for procurement as a way of protecting its suppliers.
- d) Political Involvement-County Assembly of Tharaka Nithi use fairness while carrying out its procurements process by use of tenders to the public where every person interest tenders and during a warding it's done fairly with no political influence and interest.
- e) Fair Competitors-County Assembly of Tharaka Nithi exercises fair competition with its suppliers by use of pre-qualification, open tenders while awarding to suppliers.
- f) Respect for Competitors and their product-County Assembly of Tharaka Nithi do respects its competitors and their products in all instances and work in good relation with other institutions.
- g) The County Assembly of Tharaka Nithi treat its own suppliers well by honouring their contracts as per the agreement and paying them as per the availability of Funds.

(iv) Comment on value-for-money achievements

The County Assembly is the legislative authority of a County. Its main role and functions include making laws, Oversighting the executive arm of the Government, approving of plans and policies among other functions stipulated under articles 185, 207, and 220 of the constitution of Kenya 2010 and the County Government Act 2012.

During the period under review the assembly processed 52 motions were processed, six bills initiated of which three bills have been approved.

(v) Challenges and Recommended Way Forward

The following are some of the challenges the Assembly faced during the budget implementation.

- Delays in exchequer issues impacting Assembly negatively on service delivery
- High cost of acquisition of goods and services as a result of high inflation

Way Forward

- The treasury to ensure that monthly exchequer is issued on a timely manner.
- CRA to increase budget allocation to the County Assembly to caution it from the rising cost of living



.....
Name: Amos Kiangwe Sikweya

Clerk of the County Assembly

5. Statement of Performance against County Assembly Predetermined Objectives

Guidance

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

Strategic development objectives

The key mandate of the County Assembly of Tharaka Nithi is legislation, oversight, and representation. To achieve this, the Assembly's program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 2022/2023.

Program	Objective	Outcome	Indicator	Performance	Remarks
Legislation, oversight and representation	To strengthen the capacity of MCAs to make laws and exercise oversight and representation functions	Improved service delivery to citizens	No of bills, passed and motions processed in the County Assembly	In FY 2022/23 number of bills passed were 3 and motions processed where 52	
Program	Objective	Outcome	Indicator	Performance	Remarks
General Administration & Support Services	To promote good governance in the management of County Assembly affairs	Improved service delivery	% of Budget work plan completed during the period	In FY 2022/23 the Assembly reported 93% of Budget work plan completion	Under 7% under performance was a result of non-disbursement of funds during the period.

6. Corporate Social Responsibility Statement/Sustainability Reporting

(Two-to-three pages)

a) Sustainability strategy and profile –

Article 185 of the Constitution provides that the Legislative Authority of a County is vested in, and exercised by, its County Assembly. As the legislative arm of the County, the Assembly responsibility extends far beyond law making, Oversight and Representation – the Assembly encompasses the well-being and prosperity of its constituents. In line with this commitment, our sustainability strategy has become a cornerstone of our efforts. Sustainability, in our context, signifies our steadfast determination to uphold and enhance the services we provide to our citizens over the long-term. Our strategy is a comprehensive framework that not only acknowledges environmental concerns but also encompasses social equity and economic vitality, recognizing their interdependence in securing the lasting progress of our County.

b) Environmental performance

The Assembly recognizes the urgency of environmental preservation for our County's future. Through initiatives promoting clean energy adoption, waste reduction, and sustainable land use, we aim to mitigate environmental impact while fostering a healthier and more resilient community.

c) Employee welfare

Recognizing that our workforce is the backbone of our operations, the County Assembly places a paramount emphasis on ensuring the well-being and welfare of our dedicated staff members. We understand that a motivated and content workforce is not only more productive but also contributes significantly to the overall success of our mission. Our commitment to staff welfare is not only an ethical responsibility but also a strategic imperative that directly impacts the quality of services we provide to our constituents.

d) Market place practices-

The County Assembly places significant importance on its marketplace practices, driven by a commitment to responsible business conduct and ethical behaviour. Assembly diligently work to ensure responsible supply chain management, uphold ethical practices, and safeguard the rights and interests of our citizens through proper stewardship of goods and services.

e) Community Engagements

The County Assembly recognizes the pivotal role that community engagement plays in shaping our decisions and actions. We are committed to fostering meaningful interactions with our constituents, ensuring their voices are heard, and promoting transparency in our operations.

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, 2023. 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.

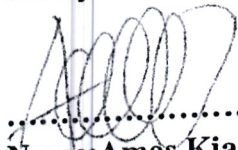
The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that 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, 2023, 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.

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Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 28th August, 2023.



.....
Name: Amos Kiangwe Sikweya
Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF THARAKA-NITHI FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Assembly of Tharaka-Nithi for the year ended 30 June, 2023 set out on pages 1 to 29, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement

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

In my opinion, except for the effect of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Tharaka-Nithi as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Expenditure

The statement of receipts and payments reflects an expenditure of Kshs.266,751,313 in respect to use of goods and services. However, the following observations were made:

1.1 Unsupported Procurement of Legal Services

As disclosed in Note 3 to the financial statements, the use of goods and services expenditure includes an amount of Kshs.25,929,463 in respect to other operating expenses out of which Kshs.1,900,000 was paid to a law firm as part payment of an invoiced amount of Kshs.10,888,000 for arbitration fee between a supplier and the County Assembly of Tharaka-Nithi. However, supporting documents for the invoiced amount were not provided for audit review.

Further the Management engaged the law firm without approval from the Attorney General contrary to Circular Ref No. AG/CONF/6/E/247 VOL.II, which states that no Ministry or Department shall engage the services of a consultant to render any legal services relating to the functions of the Attorney General without approval of the Attorney General.

In the circumstances, the accuracy and regularity of legal services expenditure of Kshs.1,900,000 could not be confirmed.

1.2 Unsupported Medical Insurance Cover

Included in the use of goods and services expenditure is an amount of Kshs.20,123,000 in respect to insurance cost, out of which Kshs.17,197,137 was incurred on staff medical cover. However, the bid documents of both successful and unsuccessful bidders, payment vouchers and report on the progress of the scheme were not provided for audit verification. Further, the signed professional opinion to the Accounting Officer on the procurement proceedings did not conform to the format of the ninth schedule and Regulation 78(4) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the propriety and accuracy of the medical insurance cover of Kshs.17,197,137 could not be confirmed.

1.3 Unsupported General Insurance

The insurance cost of Kshs.20,123,000 includes expenditure of Kshs.2,800,000 incurred on plant, equipment and machinery insurance service. However, the following anomalies were noted:

- i. The Valuation report was not provided for the motor vehicles and assets insured, and as a result it was not clear how a total premium of Kshs.2,800,000 was arrived at. In the absence of motor vehicle and assets valuation report, the Assembly may not be fairly compensated in case of any eventuality.
- ii. The insurance policy document with specific insurable risks that the Insurance Company covered were not provided for audit verification.
- iii. The signed professional opinion to the Accounting Officer on the procurement proceedings did not conform to the format of the ninth schedule of the Public Procurement and Asset Disposal Regulations, 2020 and as required in Regulation 78(4) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the regularity and accuracy of the general insurance expenditure of Kshs.2,800,000 could not be confirmed.

1.4 Irregularities in Engagement of Casual Employees

Review of casual payment details provided for audit revealed that the Management engaged 13 casual employees for more than three (3) months continuously for the whole financial year under review at a total cost of Kshs.4,328,126. The failure to terminate contracts for temporary employees on attaining three (3) months exposes the County Assembly to litigation for unlawful terms of employment. Further, casting of the signed payment schedules for the salaries for the year under review, revealed an expenditure of Kshs.3,214,944 resulting to an unexplained variance of Kshs.1,113,182.

The documents concerning this recruitment such as the advertisement, the list of applicants and the minutes of the interviews were not provided for audit. It was therefore not possible to confirm whether the recruitment was done in accordance with the provisions of the Employment Act. In addition, review of the interview summary record from panel chairs revealed that, the summaries from panel chairs were filled by one person. In some instances, some candidates were scored but no comments were made about their suitability or not.

In the circumstances, the accuracy and propriety of the casual employees' expenditure of Kshs.4,328,126 could not be confirmed.

2.0 Summary of Fixed Assets

Annex 4 to the financial statements reflects the summary of fixed assets balance of Kshs.82,145,804 while the fixed assets register presented for audit review reflects a balance of Kshs.13,777,390 resulting to an unreconciled variance of Kshs.68,368,414.

Further, all buildings inherited from the defunct local authority had not been revalued and the fixed assets register does not disclose the date of purchase for some of the assets, their respective costs and status. In addition, some of the assets have not been tagged

for ease of tracking and verification. This is contrary to Paragraph 27 of IPSAS 17 on property, plant and equipment which requires assets acquired through non-exchange transactions to be measured at fair value as at the date of acquisition.

In the circumstances the accuracy, valuation and completeness of the fixed assets balance of Kshs.82,145,804 could not be confirmed.

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

Key Audit Matters

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

Other Matter

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 and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not provided evidence of how the issues were resolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Publish and Publicize Awarded Tenders

Review of documents provided for audit revealed that during the year the County Assembly procured works, goods, and services. However, evidence showing whether the tender in respect to purchase of a motor vehicle amounting to Kshs.5,000,000 awarded to a local supplier was not publicized on the county websites, public notice boards or the public regulatory authority platforms as required by the Executive Order No.2 of 2018 on procurement which states that all public procurement entities shall

maintain and continuously update and publicize complete information of all the tenders awarded.

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

2. Authenticity of Pending Bills

As disclosed in Note 1 and 2 to the financial statements, under other important disclosures section, the County Assembly had pending accounts payable and pending staff payables balance of Kshs.117,069,290 and Kshs.13,267,099 respectively as at 30 June, 2023 which mainly relates to prior years. However, the pending bills were not paid as first charge from the Assembly funds of the subsequent year contrary to Section 41(2) of the Public Finance Management (County Governments) Regulations, 2015.

Further, the pending accounts payable balance supply of services bills totalling Kshs.92,014,970 out of which Kshs.14,925,000 are pending bills for annual subscriptions to County Assemblies Forum and Kshs.772,000 for Society of Clerks at The Table in Kenya (SOCCAT). However, the amounts due was not backed by any law.

In addition, pending bills totalling Kshs.33,028,245 owed to various law firms for legal services were incurred without the approval from the Attorney General contrary to Circular Ref No. AG/CONF/6/E/247 VOL.II, which prohibited Government entities from engaging the services of a consultant to render any legal services relating to the functions of the Attorney General without approval of the Attorney General.

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

3. Construction of Speaker's Residence

The County Assembly awarded a construction company a contract to construct the speaker's residence at a total cost of Kshs.33,709,617 on 29 April, 2021. A contract was signed on 20 May, 2021 and the contractor began construction works. However, as reported in the previous financial years, the project is still incomplete.

Further, the Salaries and Remuneration Commission through Circular No. SRC/TS/CGOVT/3/61/VOL.V(44) stipulated the deadline for leasing of County Assembly speaker's house to be 30 June, 2022, however, as at 30 July, 2023, one year later, the project was still not complete.

In addition, cost baseline reports that would document and detail the money paid and balances owed to the contractor vis a vis the actual works completed was not prepared by the Implementation Committee.

During the year under review, the County Assembly received Kshs.19,070,112 exchequer for development projects, against an approved budget of Kshs.20,000,000 earmarked for the construction of the speaker's residence. However, out of the total development receipts of Kshs.19,070,112, the contractor was only paid Kshs.12,511,692 resulting in further delay of the project and unnecessary expenditure to the speaker in form of house allowance.

In the circumstances, the delay in works may result in cost escalation while the delay in payments with adversely affect the provisions of the subsequent year to which they have to be the first charge.

4. Delayed Delivery of the Speakers Vehicle

During the year under review, Management paid Kshs.5,000,000 to a supplier for the purchase of a new motor vehicle for the Speaker. The vehicle was procured from a local vendor based on the Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development Contract Agreement Reference No.SB/015/012/2020-2021. Review of the records revealed the following anomalies:

- i. The vehicle had not been delivered to the Assembly as at the conclusion of the audit in July, 2023 contrary to Section 146 of the Public Procurement and Asset Disposal Act, 2015 which stipulates that no works, goods or services contract shall be paid for before they are executed or delivered and accepted by the Accounting Officer of a procuring entity or an officer authorized by him or her in writing except where so specified in the tender documents and contract agreement.
- ii. Section 147(1) of the Public Procurement and Asset Disposal Act, 2015 states that advance payments should not exceed 20% of the original quoted price. The County Assembly made a payment of Ksh.5,000,000 (40%) of the quoted price of Kshs.12,780,000 contrary to the Regulations.
- iii. Further, the validity period for LPO No.3115094 issued to the supplier on 06 September, 2022 had expired. Section 52(1) of the (County Governments) Regulations, 2015 states that a Local Purchase Order shall be valid for a period of (30) thirty days within which goods should be delivered.
- iv. Invoices, ETRs and acknowledgments for the transferred amount of Kshs.5,000,000 to the vendor were not provided for audit review to confirm that the amount was actually received.
- v. Detailed schedule of requirements and specifications for the motor vehicle by the County Executive Committee Member responsible for matters relating to transport and a copy to the Authority for publication was not provided for audit review as required in Regulation 173(1) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, the value for money for the expenditure of Kshs.5,000,000 for the undelivered vehicle could not be confirmed.

5. Employees Earning Below a Third of Their Basic Salary

Analysis of the staff payroll for the year under review revealed that four (4) employees were being paid net salaries that were less than a third of their basic salary. This is contrary to Section 19(3) of the Employment Act No.11 of 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of Sub-Section (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Establish an Audit Committee

As reported in previous years, the Assembly's Management was yet to establish an Audit Committee as required by Section 167(1) of Public Finance Management Act No.18 of 2012 and was therefore in breach of the law.

In the circumstances, the existence of an effective internal audit function to review the financial and non-financial performance of the County Assembly could not be confirmed.

2. Failure to Prepare Quarterly Cash Flow Projections

As reported in the previous year, there was no evidence provided for audit review to show that the Assembly's Management prepared quarterly cash flows projections that were supported by approved procurement plan as required by Regulation 43(3), (4) of the Public Finance Management (County Governments) Regulations, 2015. Further, the County Treasury did not publish and publicize quarterly liquidity position reports reflecting the impact of revenue collection efforts, spending and County public debt operations on the cash position of the County Assembly as required by Section 45(6).

In the circumstances, the activities of the County Assembly were not disclosed to the public as required by the law.

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

Responsibilities of Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 February, 2024

9. Statement of Receipts and Payments for The Year Ended 30th June 2023

		2022-2023	2021-2022
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	534,983,755	400,032,732
Total receipts		534,983,755	400,032,732
Payments			
Compensation of employees	2	180,094,294	196,459,603
Use of goods and services	3	266,751,313	178,976,966
Transfers to other government entities	4	30,002,169	29,153
Other Grants and Transfers	5	19,896,000	-
Social security benefits	6	12,560,348	17,704,516
Acquisition of assets	7	25,679,631	6,862,494
Total payments		534,983,755	400,032,732
Surplus/deficit		- 0	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th August, 2023 and signed by:



.....
 Name: Amos Kiangwe Sikweya
 Clerk of the Assembly



.....
 Name: Polly Kagendo Mbae
 Chief Finance Officer – County Assembly
 ICPAK Member Number:18586

*County Government of Tharaka Nithi
Tharaka Nithi County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

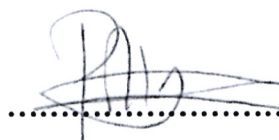
10. Statement Of Financial Assets and Liabilities As At 30th June 2023

		2022-2023	2021-2022
Financial assets	Note	KShs	KShs
Cash and cash equivalents			
Bank balances	8A	-	-
Cash balances	8B	-	-
Total cash and cash equivalents		-	-
Imprests and Advances (Accounts Receivables)	9	-	1,382,727
Total financial assets		-	1,382,727
Financial liabilities			
Net financial assets		-	1,382,727
Represented by			
Fund balance b/fwd	10	-	1,407,155
Prior year adjustment	11	-	-24,428
Surplus/(deficit) for the year		-	
Net Financial Position		-	1,382,727

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th August, 2023 and signed by:



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Name: Amos Kiangwe Sikweya
Clerk of the Assembly



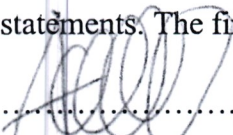
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ICPAK Member Number: 18586

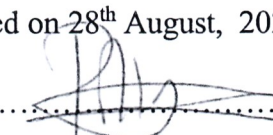
County Government of Tharaka Nithi
Tharaka Nithi County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023

11. Statement of Cash Flows for the Period Ended 30th June 2023

		2022-2023	2021-2022
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	534,983,755	400,032,732
Total receipts from operating income		534,983,755	400,032,732
Payments for operating expenses			
Compensation of employees	2	180,094,294	196,459,603
Use of goods and services	3	266,751,313	178,976,966
Transfers to other government entities	4	30,002,169	29,153
Other grants and transfers	5	19,896,000	-
Social security benefits	6	12,560,348	17,704,516
Total payments for operating expenses	-	509,304,124	393,194,666
Net receipts/(payments) from operating activities		25,679,631	6,838,066.00
Adjusted for:			
Prior year adjustment	11	-	24,428.00
Net cash flows from operating activities		25,679,631	6,862,494
Cashflow from investing activities			
Acquisition of assets	7	-25,679,631	-6,862,494
Net cash flows from investing activities		-25,679,631	- 6,862,494
Cash flow From Financing Activities			
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		0	-24,428.00
Cash & cash equivalent at Start of the year		-	24,428.00
Cash & cash equivalent at end of the year		-	-

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th August, 2023 and signed by:

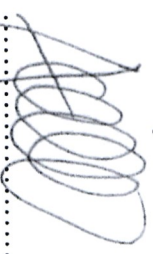

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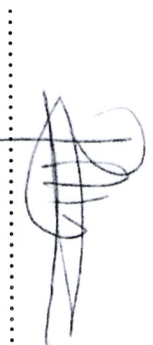
12. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2023

Receipt/expense item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the CRF	515,000,000	61,893,655	576,893,655	534,983,755	41,909,900	93%
Total	515,000,000	61,893,655	576,893,655	534,983,755	41,909,900	
Payments						
Compensation of employees	180,848,626	754,332	180,094,294	180,094,294	-	100%
Use of goods and services	237,687,035	29,064,278	266,751,313	266,751,313	-	100%
Transfers to other government entities	30,000,000	-	30,000,000	30,002,169	-2,169	100%
Other grants and transfers	-	50,876,000	50,876,000	19,896,000	30,980,000	39%
Social security benefits	18,692,539	-6,132,191	12,560,348	12,560,348	-	100%
Acquisition of assets	47,771,800	-11,160,100	36,611,700	25,679,631	10,932,069	70%
Total	515,000,000	61,893,655	576,893,655	534,983,755	41,909,900	93%
Surplus/ deficit						

The entity financial statements were approved on 28th August, 2023 and signed by:



Name: Amos Kiangwe Sikweya
Clerk of the Assembly




Name: Potly Kagendo Mbae
Chief Finance Officer – County Assembly
ICPAK Member Number: 18586

*Tharaka Nithi County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

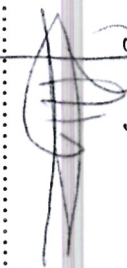
12A Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30th June 2023

Receipt/expense item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the CRF	485,000,000	61,893,655	546,893,655	515,913,655	30,980,000	94%
Total	485,000,000	61,893,655	546,893,655	515,913,655	30,980,000	
Payments						
Compensation of employees	180,848,626	-	180,094,294	180,094,294	-	100%
		754,332				
Use of goods and services	237,687,035	29,064,278	266,751,313	266,751,313	-	100%
Subsidies			-		-	
Transfers to other government entities	30,000,000	-	30,000,000	30,000,000	-	100%
Other grants and transfers	-	50,876,000	50,876,000	19,896,000	30,980,000	39%
Social security benefits	18,692,539	-6,132,191	12,560,348	12,560,348	-	100%
Acquisition of assets	17,771,800	-11,160,100	6,611,700	6,611,700	-	100%
Total	485,000,000	61,893,655	546,893,655	515,913,655	30,980,000	94%
Surplus/ deficit	-	-	-	-	-	

The entity financial statements were approved on 28th August, 2023 and signed by:

.....


Name: Amos Kiangwe Sikweya
 Clerk of the Assembly

.....


Name: Polly Kagendo Mbae
 Chief Finance Officer – County Assembly
 ICPAK Member Number: 18586

12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 2023

Receipt/expense item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from the CRF	30,000,000.00	-	30,000,000.00	19,070,100.00	10,929,900.00	64%
Other receipts						
Total	30,000,000.00	-	30,000,000.00	19,070,100.00	10,929,900.00	
Payments						
Transfers to other government entities		-		2,157.00	-2,157.00	
Acquisition of assets	30,000,000.00	-	30,000,000.00	19,067,943.00	10,932,057.00	64%
Other payments						
Total	30,000,000.00	-	30,000,000.00	19,070,100.00	10,929,900.00	64%
Surplus/ deficit	-	-	-	-	-	

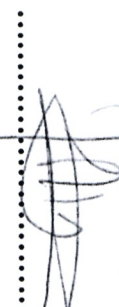
(a) The budget underutilization below 90% was as a result of non-disbursement of Kshs. 10,932,057 during the period.

The entity financial statements were approved on 28th August, 2023 and signed by:


.....

Name: Amos Kiangwe Sikweya

Clerk of the Assembly


.....

Name: Polly Kagendo Mbae

Chief Finance Officer – County Assembly

ICPAK Member Number: 18586

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget 2022/2023 Kshs	Adjustments 2022/2023 Kshs	Final Budget 2022/2023 Kshs	Actual on comparable basis 2022/2023 Kshs	% Budget utilization 2022/2023 Kshs
Programme 1	270,343,681	-20,912,010	249,431,671	238,499,614	96%
Sub-Programme 1	180,761,563	- 1,700,998	179,060,565	168,128,508	94%
Sub-Programme 2	83,114,618	-23,299,572	59,815,046	59,815,046	100%
Sub-Programme 3	6,467,500	4,088,560	10,556,060	10,556,060	100%
		-	-		
Programme 2	244,656,319	82,805,653	327,461,972	296,481,972	91%
Sub-Programme 1	168,079,602	56,685,276	224,764,878	193,784,878	86%
Sub-Programme 2	5,540,000	2,160,000	7,700,000	7,700,000	100%
Sub-Programme 3	71,036,717	23,960,377	94,997,094	94,997,094	100%
Total	515,000,000	61,893,643	576,893,643	534,981,586	93%

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 *Tharaka Nithi* 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 County Treasury

Transfer from County Treasury 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 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 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

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2023, this amounted to KShs Nill compared to KShs Nill in prior period as indicated on note . 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 County Assembly of Tharaka Nithi at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

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

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

13. Contingent Assets

The County Assembly of Tharaka Nithi 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 The 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 County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 23rd March, 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was one supplementary budget passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

During the year, no errors that have been corrected.

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

	2022-2023	2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	69,396,293.00	58,206,561.00
Transfers from the county treasury for Q2	118,177,106.00	125,769,230.00
Transfers from the county treasury for Q3	96,713,663.00	72,491,269.00
Transfers from the county treasury for Q4	250,696,693.00	143,565,672.00
Cumulative amount	534,983,755.00	400,032,732.00

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Notes to the Financial Statements (Continued)

2. Compensation Of Employees

	2022-2023 Kshs	2021-2022 Kshs
Basic salaries of permanent employees	122,434,793.00	125,992,574.00
Basic wages of temporary employees	52,659,169.00	67,951,629.00
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Employer contribution to compulsory national social schemes	175,800.00	422,800.00
Employer contribution to compulsory national health insurance schemes	-	2,092,600.00
Pension and other social security contributions	4,824,532.00	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	180,094,294.00	196,459,603.00

Notes to the Financial Statements (Continued)

3. Use Of Goods And Services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	310,140.00	42,000.00
Communication, supplies and services	-	-
Domestic travel and subsistence	145,828,967.00	94,216,200.00
Foreign travel and subsistence	7,506,727.00	16,678,349.00
Printing, advertising and information supplies & services	1,861,640.00	223,000.00
Rentals of produced assets	-	-
Training expenses	35,432,356.00	8,227,900.00
Hospitality supplies and services	23,415,060.00	21,912,850.00
Insurance costs	20,123,000.00	14,086,499.00
Specialized materials and services	150,800.00	-
Office and general supplies and services	2,367,320.00	1,943,400.00
Fuel, oil and lubricants	2,954,740.00	1,059,000.00
Other operating expenses	25,929,463.00	20,308,768.00
Routine maintenance – vehicles and other transport equipment	145,000.00	17,000.00
Routine maintenance – other assets	726,100.00	262,000.00
Total	266,751,313.00	178,976,966.00

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Notes to the Financial Statements (Continued)

4. Transfers To Other Government Entities

Description	2022-2023 Kshs	2021-2022 Kshs
Transfers to national government entities	2,169.00	29,153.00
Transfers to other county assembly entities		
Car Loan Mortgage scheme/fund	30,000,000.00	-
Total	30,002,169.00	29,153.00

The transfers comprises of car loan & Mortgage fund of Kshs 30,000,000 which was budgeted and received hence transferred to the scheme Fund Account in the commercial bank for the intended purpose, Kshs 2,169 was transferred to the CRF accounts at the end of financial year.

5. Other Grants And Transfers

	FY 2022/2023 Kshs	FY 2021/2022 Kshs
Car grant	19,896,000.00	
Total	19,896,000.00	-

The grant of Kshs 19,896,000 relates to Car reimbursements for Hon Members of County Assembly of Tharaka Nithi as per the Kenya Gazette Vol. CXXV-No. 177 dated 9th August 2023

Notes to the Financial Statements (Continued)
6. Social Security Benefits

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Government Pension and Retirement Benefits	12,560,348.00	17,704,516.00
Social Security Benefits	-	-
Employer Social Benefits		-
Total	12,560,348.00	17,704,516.00

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Notes to the Financial Statements (Continued)
7. Acquisition Of Assets

<u>Non-financial assets</u>	2022-2023 Kshs	2021-2022 Kshs
Construction of buildings	14,889,523.00	5,938,864.00
Refurbishment of buildings	2,159,955.00	-
Construction and civil works		-
Overhaul and refurbishment of construction and civil works	2,018,465.00	-
Purchase of vehicles and other transport equipment	5,000,000.00	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	1,611,688.00	923,630.00
Total acquisition of non-financial assets	25,679,631.00	6,862,494.00
<u>Financial assets</u>		
Total acquisition of financial assets	-	-
Total acquisition of assets	25,679,631.00	6,862,494.00

Notes to the Financial Statements (Continued)

8. Cash And Bank Balances

8A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep etc	2022-2023 Kshs	2021-2022 Kshs
Central Bank of Kenya Acc no: 1000199407	1000199407	Development	-	-
Central Bank of Kenya Acc no: 1000199393	1000199393	Recurrent	-	-
EquityBank Limited Acc no: 0210261489699	210261489699	Deposit	-	-
Total			-	-

8B. Cash In Hand

	2022-2023 Kshs	2021-2022 Kshs
Cash In Hand – Held In Domestic Currency		
Cash In Hand – Held In Foreign Currency		
Total	-	-

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Notes to the Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2022-2023	2021-2022
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

9. Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	1,382,727.00	1,382,727.00
Salary Advance	-	-
Clearance accounts	(1,382,727.00)	-
Total	-	1,382,727.00

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 Notes to the Financial Statements (Continued)

10. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts	1,382,727.00	1,382,727.00
Imprests and advances	(1,382,727.00)	-
Total	-	1,382,727.00

The fund balance brought forward was in relation to unsurrendered imprest of Kshs 1,382,727 which was surrendered during the year under audit.

11. Prior Year Adjustments

Description Of The Error	Balance b/f from	Adjustments	Adjusted **
	Comparative 2021-2022 as per audited financial statements	during the year relating to prior periods	Balance b/f For Comparative FY
Bank Account Balances	Kshs 24,428.00	Kshs	Kshs
Imprests and advances			
		-	-

Notes to the Financial Statements (Continued)
 12. Changes In Imprests and Advances

Description	2022-2023 Kshs	2021-2022 Kshs
Opening Imprests and Advances As At 1 st July 2022	1,382,727	-
Closing Imprests and Advances As At 30 th June 2023	(1,382,727)	-
Change In Imprests and Advances	-	-

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Notes to the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	6,312,934	-	6,312,934	-
Construction Of Civil Works	11,537,268	-	-	11,537,268
Supply Of Goods	11,828,622	2,603,430	500,000	13,932,052
Supply Of Services	63,916,016	31,123,434	3,024,480	92,014,970
Total	93,594,840	33,726,864	9,837,414	117,484,290

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2021/2022	Additions for the year	Paid during the year	Balance c/f FY 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	8,384,711.25	-	-	8,384,711.25
Middle Management	4,882,387.60	-	-	4,882,387.60
Total	13,267,098.85	-	-	13,267,098.85

3. 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 2022/2023	FY 2021/2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	84,690,540.85	76,914,206.00
Key Management Compensation (Clerk and Heads of departments)	26,938,340	27,890,110.00
Total Compensation to Key Management	111,628,880.85	104,804,316.00
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	2,168.00	29,153.00
Transfers to other entities under the Assembly	30,000,000.00	0.00
Total Transfers to related parties	30,002,168.00	29,153.00
<u>Transfers from related parties</u>		
Transfers from the CRF	534,983,755.00	400,032,732.00
Total Transfers from related parties		

16. 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:	Timeframe:
Report on lawfulness and effectiveness in use of public resources				
1.	Incomplete Speaker’s Residence	The speakers residence is a work in progress and its intended to complete in the year 2023-2024 and all documentation are up to date. Its estimated completion rate was 60% by the end of financial year.	Resolved	
2.	Irregular Meetings Outside the Offices	The County Assembly Is Currently operating in temporal offices with insufficient board rooms to carry out its operations but working closely with County Executive to come up with Modern Chamber and offices in order to save the situation.	Not Resolved	5years
3.	Failure to publish and publicize	The management noted the issues and it has been addressed.	Resolved	

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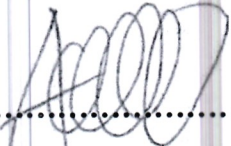
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	awarded Tenders.			
4.	Insurance costs omitted in the procurement plan	The management noted the issue and it was addressed not to occur again in future.	Resolved	
5.	Gaps in Procurement Plan	The management noted the issues and have been addressed appropriately	Resolved	
6.	Pending Bills	The management noted the issues and have been addressed appropriately	Resolved	
7.	Irregular use of low value procurement methods	The management noted the issues and have been addressed appropriately	Resolved	
8.	Un-utilized ablution block	The management noted the issue and the offices were allocated to various use as the intended purposes.	Resolved	
Report on Effectiveness of Internal Controls, Risk Management and Governance				
1.	Long outstanding Accounts Receivables	The management has noted the issue and addressed appropriately	Resolved	
2.	Unstructured County Assembly	The Management noted the issue and it has been addressed	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Service Board Meetings			
3.	Salary paid Outside Integrated Personnel and Payroll database(IPPD)	The management noted the issue and almost all personnel have been moved to IPPD	Resolved	
4.	Failure to update fixed assets register	The management noted the issue and it was addressed immediately	Resolved	



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Amos Kiangwe Sikweya
Clerk of the County Assembly
Date 28th August, 2023

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17. Annexes

Annex 1 – Analysis of Pending Accounts Payable

	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							
Kendy Heights Limited	20-05-21	Construction of Speaker's residence	2,134,514	2,134,514	-	2,134,514	-
G.G Construction Co. LTD	27-11-20	Construction of Fabricated offices	4,178,420	4,178,420	-	4,178,420	-
Sub-Total			6,312,934	6,312,934	0	6,312,934	0
Construction Of Civil Works							
Fintech Capital Limited	16-06-21	Supply of furniture	4,810,000	4,810,000	-	-	4,810,000
Supp Merchant	13-11-20	Perimeter wall & Ablution block	2,986,514	2,986,514	-	-	2,986,514
Real Deal Fittings	01-12-21	Installation of Generator	1,338,832	1,338,832	-	-	1,338,832
Rezworld Enterprises	28-06-20	Completion of Kathwana Toilet	445,000	445,000	-	-	445,000
Gallianne Enterprises	22-04-21	Construction of canopy and cabro works	1,956,922	1,956,922	-	-	1,956,922
Sub-Total			11,537,268	11,537,268	0	0	11,537,268
Sub-Total							
Supply Of Goods							
Leemax Executive Kenya LTD	05-05-20	Supply of Curtains	360,340	360,340	-	-	360,340
Dynamite Enterprises	22-11-21	Purchase of tonner cartridges	1,527,500	1,527,500	1,426,930	-	2,954,430
Kenti General Merchants	13-10-21	Supply of mineral water	360,000	360,000	-	-	360,000

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	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Yankey Traders	29-10-21	Supply of office items	677,900	677,900	-	-	677,900
Somreys Enterprises	23-11-21	Supply of tonner cartridges and catering items	1,204,900	1,204,900	1,176,500	500,000	1,881,400
Jomannu Company Ltd	15-10-21	Supply of kitchen items	1,050,000	1,050,000	-	-	1,050,000
Seven Eighty Logistics	02-07-21	Supply of tyres	450,000	450,000	-	-	450,000
Seejoy Investment Limited	23-09-22	Supply of printers	82,000	82,000	-	-	82,000
Toprank Limited	10-12-22	Supply of curtain blinds for the chambers	152,200	152,200	-	-	152,200
Hilluck Enterprises LTD	27-09-22	Supply of Tablets	2,450,000	2,450,000	-	-	2,450,000
Topland General Merchants	02-06-23	General supplies	1,016,250	1,016,250	-	-	1,016,250
Netzach Agencies Ltd	16-11-22	Supply of drinking water	540,000	540,000	-	-	540,000
Zaryta Ventures LTD	02-04-23	Supply of office items	520,000	520,000	-	-	520,000
Zaryta Ventures LTD	02-04-23	Supply of computers	1,437,532	1,437,532	-	-	1,437,532
Sub-Total			11,828,622	11,828,622	2,603,430	500,000	13,932,052
Supply Of Services							
Mountain Bleeze Hotel Ltd	08-05-20	Provision of hotel facilities	4,036,000	4,036,000	758,200	1,250,000	3,544,200
The Standard Group Ltd	30-09-20	Advertisement for various activities	563,200	563,200	1,376,920	397,900	1,542,220
Conty Assembly Forum	01-08-20	Subscription to CAF	9,925,000	9,925,000	5,000,000	-	14,925,000
Yunis & Osman	03-12-19	Legal Representation	531,433	531,433	-	-	531,433
Kenya School of Government	11-02-20	Payment of senior management course and SLDP for staff	1,516,660	1,516,660	-	-	1,516,660
Kenya Institute of Management	11-02-20	Training for Staff	417,600	417,600	-	-	417,600
G.K Kibira	02-08-19	Legal Representation	1,496,552	1,496,552	-	-	1,496,552
Mutindwa Enterprises Ltd	11-02-20	Motor vehicle services	37,404	37,404	665,125	-	702,529

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	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Cyclop solution	10-01-20	Supply of mineral water	198,000	198,000	-	-	198,000
Sunstar Hotel Ltd	10-01-20	Hotel Services	855,500	855,500	648,500	855,500	648,500
Tredds Resorts	05-05-21	Catering services	255,000	255,000	-	-	255,000
Swiftcost Enterprises	08-11-21	Reviewing of standing order.	700,000	700,000	-	-	700,000
Janetworks Ventures Limited	20-08-20	Provision of Internet services	623,400	623,400	-	-	623,400
ESSAMI	15-01-20	Training for Members of the County Assembly	791,840	791,840	-	-	791,840
The Clarion Hotel	11-08-21	Hotel Services	475,600	475,600	-	-	475,600
Pride Inn Hotel Mombasa	17-10-21	Hotel Services	1,082,500	1,082,500	-	-	1,082,500
The Star Publication Ltd	07-08-21	Advertisement for various activities	850,094	850,094	1,141,011	146,200	1,844,905
Kenya Institute of Highways & Building Technology	09-10-21	Training fee for drivers	92,056	92,056	-	-	92,056
CMC Motors Ltd	17-02-21	Repair of Motor Vehicles	253,493	253,493	-	-	253,493
Nation Media Group	02-02-22	Advertisement for various activities	468,640	468,640	1,803,800	374,880	1,897,560
Kasarani Sports View Hotel	31-01-22	Hotel Services	222,000	222,000	-	-	222,000
SOCCAT	07-01-21	Subscription to SOCCAT	750,000	750,000	22,000	-	772,000
Kenya Institute of Supplies Management	15-05-20	Training for KISM members	258,680	258,680	-	-	258,680
HAM International	12-03-21	Training Fees	197,200	197,200	-	-	197,200
Kenya School of Government-Embu	01-11-22	Hotel Services	534,204	534,204	-	-	534,204
Mwiti Kaburu & Co Advocates	08-08-18	Legal Services	4,594,110	4,594,110	-	-	4,594,110
Gikunda Miriti & co LTD	03-10-21	Legal Services	12,286,150	12,286,150	-	-	12,286,150
Edimie Ventures	07-10-21	Lease of Speakers Residence	840,000	840,000	-	-	840,000
KSG Mombasa	01-01-22	Training for staff	48,000	48,000	-	-	48,000
ICPAK	18-05-22	Training	246,000	246,000	406,000	-	652,000

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	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Kenya Institute of Supplies Management	16-05-23	Training fee	116,000	116,000	-	-	116,000
Saluny Advocates	03-10-2021	Legal Services	8,980,000	8,980,000	-	-	8,980,000
Mombasa Continental Resort	31-10-22	Hotel Facilities	165,500	165,500	-	-	165,500
CFAO	09-06-22	Purchase of Motor Vehicle	7,780,000	7,780,000	-	-	7,780,000
KARMA	10-08-19	Conference fee	139,200	139,200	-	-	139,200
Institute of Human Resource Management	24-10-22	Conference fee	319,000	319,000	-	-	319,000
The Institute of Internal Auditors	30-09-2022	Training fee	290,000	290,000	303,920	-	593,920
CPST	22-08-2022	Training fee	565,000	565,000	-	-	565,000
Edgew Ays Leadership Consultant	07-10-22	Consultancy fees	-	-	5,140,000	-	5,140,000
Nithi Water and Sanitation Company	16-11-2022	Water bill	-	-	709,283	-	709,283
CIC General Insurance	03-01-2023				6,557,172		6,557,172
CIC Medical Insurance	02-11-2022				6,591,503		6,591,503
Sub-Total			63,501,016	63,501,016	31,123,434	3,024,480	91,599,970
Grand Total			93,179,840	93,179,840	33,726,864	9,837,414	117,069,290

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Annex 2 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance		Comments
					Current FY	Comparative FY	
Senior Management			a	b	c=a-b		
Anita Karimi Mbae	P		57,000.00		57,000.00		
Mary Kendi	Q		730,400.00		730,400.00		
John Mbabu	U		84,000.00		84,000.00		
Hon Nyaga Frankline Mawira	P		13,400.00		13,400.00		
Hon Kiriko Jacob Murimi	P		13,400.00		13,400.00		
Hon Never Ntwiga	P		13,400.00		13,400.00		
Hon Muchiri Godfrey Murithi	P		13,400.00		13,400.00		
Hon Justin Kithinji	P		13,400.00		13,400.00		
Hon Gitonga Morris	P		13,400.00		13,400.00		
Hon Frankline Mawira	P		30,200.00		30,200.00		
Hon Kiriko Jacob Murimi	P		30,200.00		30,200.00		
Hon Gitonga Morris	P		30,200.00		30,200.00		
Hon Kiriko Jacob Murimi	P		43,000.00		43,000.00		
Hon Justin Kithinji s Nderi	P		43,000.00		43,000.00		
Ania Karimi Mbae	P		62,000.00		62,000.00		
Hon Godfrey Murithi Muchiri	P		118,000.00		118,000.00		
Paul Mwenda Thirika	P		28,000.00		28,000.00		
Pius Nyaga Micheni	M		16,800.00		16,800.00		
Pius Nyaga Micheni	M		16,800.00		16,800.00		

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Festus Kinoti	P		38,500.00		38,500.00			
Paul Mwenda Thirika	P		38,500.00		38,500.00			
Amos Kiangwe	T		44,800.00		44,800.00			
Murithi Kanampiu	M		21,000.00		21,000.00			
Polly Kagendo Mbae	P		19,500.00		19,500.00			
Paul Mwenda Thirika	P		27,000.00		27,000.00			
Festus Kinoti Kubai	P		31,500.00		31,500.00			
Eric Nthumbi	R		31,500.00		31,500.00			
Amos Kiangwe	T		15,750.00		15,750.00			
Polly Kagendo Mbae	P		34,500.00		34,500.00			
Davidson Kiriro Murungi	M		45,000.00		45,000.00			
Paul Mwenda Thirika	P		51,750.00		51,750.00			
Amos Kiangwe	T		47,800.00		47,800.00			
Catherine Njeri	R		83,500.00		83,500.00			
Peter Mburu Muniu	R		118,000.00		118,000.00			
Festus Kinoti	P		104,000.00		104,000.00			
Polly Kagendo Mbae	P		92,000.00		92,000.00			
Peter Mburu Muniu	R		92,000.00		92,000.00			
Purity Kawira Njeru	R		92,000.00		92,000.00			
Purity Kawira Njeru	R		104,000.00		104,000.00			
Festus Kinoti	P		223,000.00		223,000.00			
Amos Kiangwe	T		6,750.00		6,750.00			
Peter Mburu Muniu	R		15,750.00		15,750.00			
Festus Kinoti	P		15,750.00		15,750.00			
Polly Kagendo Mbae	P		10,500.00		10,500.00			
Eric Nthumbi	R		104,000.00		104,000.00			
Catherine Njeri	R		104,000.00		104,000.00			
Catherine Njeri	R		33,000.00		33,000.00			

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Festus Kinoti Kubai	P		25,200.00		25,200.00		
Festus Kinoti Kubai	P		32,900.00		32,900.00		
Pius Nyaga Micheni	M		41,600.00		41,600.00		
Festus Kinoti Kubai	P		36,000.00		36,000.00		
Festus Kinoti Kubai	P		11,400.00		11,400.00		
Davidson Kiriuro Muringi	M		77,200.00		77,200.00		
Pius Nyaga Micheni	M		61,000.00		61,000.00		
Catherine Njeri	R		5,250.00		5,250.00		
Murithi Kanampiu	M		12,400.00		12,400.00		
Paul Mwenda Thirika	P		76,960.00		76,960.00		
Pius Nyaga Micheni	M		36,600.00		36,600.00		
Paul Mwenda Thirika	P		45,000.00		45,000.00		
Eric Nthumbi	R		33,000.00		33,000.00		
Murithi Kanampiu	M		66,000.00		66,000.00		
Festus Kinoti	P		35,000.00		35,000.00		
Paul Mwenda Thirika	P		64,000.00		64,000.00		
Paul Mwenda Thirika	P		22,000.00		22,000.00		
Polly Kagendo Mbae	P		22,000.00		22,000.00		
Catherine Njeri	R		35,000.00		35,000.00		
Murithi Kanampiu	M		21,360.00		21,360.00		
Murithi Kanampiu	M		58,100.00		58,100.00		
Catherine Njeri	R		63,000.00		63,000.00		
Amos Kiangwe	T		364,850.00		364,850.00		
Hon Godfrey Murithi Muchiri	P		163,442.50		163,442.50		
Hon Jones Kinegeni	P		105,000.25		105,000.25		
Hon Justin Kihinji s Nderi	P		163,442.50		163,442.50		
Hon Luke Nyaga	P		163,442.50		163,442.50		
Hon Joseph Njeru	P		163,442.50		163,442.50		

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Hon Godfrey Murithi Muchiri	P		29,000.00		29,000.00		
Hon Jones Kinegeni	P		29,000.00		29,000.00		
Hon Justin Kithinji s Nderi	P		29,000.00		29,000.00		
Hon Luke Nyaga	P		29,000.00		29,000.00		
Hon Joseph Njeru	P		29,000.00		29,000.00		
Hon Kennedy Kamunyu	P		29,000.00		29,000.00		
Hon Kennedy Kamunyu	P		29,999.00		29,999.00		
Hon Jacob Murimi	P		30,933.00		30,933.00		
Hon Nevert Ntwiga	P		30,933.00		30,933.00		
Hon Joseph Kinyua	P		30,933.00		30,933.00		
Hon Salvestas Kanyaru	P		30,933.00		30,933.00		
Eric Nthumbi	Q		144,540.00		144,540.00		
Hon Jacob Murimi	P		29,000.00		29,000.00		
Hon Nevert Ntwiga	P		29,000.00		29,000.00		
Hon Joseph Kinyua	P		29,000.00		29,000.00		
Hon Salvestas Kanyaru	P		29,000.00		29,000.00		
Eric Nthumbi	Q		22,000.00		22,000.00		
Hon Leonard Gitonga	P		444,900.00		444,900.00		
Hon Leonard Gitonga	P		29,000.00		29,000.00		
Hon Lysbeth Gateria	P		56,000.00		56,000.00		
Hon Purity Wanja	P		56,000.00		56,000.00		
Hon Wanja Karuku	P		56,000.00		56,000.00		
Hon Lucy Muthoni	P		56,000.00		56,000.00		
Hon Nancy Muthoni	P		56,000.00		56,000.00		
Hon Risper Gakii	P		56,000.00		56,000.00		
Hon Anitah Karimi	P		56,000.00		56,000.00		
Hon Fatuma Rael	P		56,000.00		56,000.00		
Hon Frankline Mawira	P		56,000.00		56,000.00		

Hon Zechariah Mwaniki	P		56,000.00		56,000.00		
Hon Joel Mwangi	P		56,000.00		56,000.00		
Hon Morris Mangu	P		29,000.00		29,000.00		
Hon Lysbeth Gateria	P		29,000.00		29,000.00		
Hon Purity Wanja	P		29,000.00		29,000.00		
Hon Wanja Karuku	P		29,000.00		29,000.00		
Hon Lucy Muthoni	P		29,000.00		29,000.00		
Hon Nancy Muthoni	P		29,000.00		29,000.00		
Hon Risper Gakii	P		29,000.00		29,000.00		
Hon Anitah Karimi	P		29,000.00		29,000.00		
Hon Fatuma Rael	P		29,000.00		29,000.00		
Hon Frankline Mawira	P		29,000.00		29,000.00		
Hon Zechariah Mwaniki	P		29,000.00		29,000.00		
Hon Joel Mwangi	P		29,000.00		29,000.00		
Hon Morris Mangu	P		29,000.00		29,000.00		
Hon John Mbabu	U		536,900.00		536,900.00		
Amos Kiangwe	T		750,700.00		750,700.00		
Sub-Total			8,384,711.25		8,384,711.25		
Middle Management							
Donnah Karwitha Muthomi	K		30,400.00		30,400.00		
Fridah Makena Mate	M		32,200.00		32,200.00		
Edward Nyaga	N		16,800.00		16,800.00		
Edward Nyaga	N		16,800.00		16,800.00		
Vera Mwendwa	P		23,800.00		23,800.00		
Vera Aria Mwendwa	P		21,000.00		21,000.00		
Monicah Wangari	P		27,000.00		27,000.00		
Wycliff Muthomi Gitonga	M		20,000.00		20,000.00		
Silas Kithinji Bundi	K		30,400.00		30,400.00		

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Evans Kinuya Mugambi	L	29,200.00	29,200.00				
Peterson Kinuya	K	33,600.00	33,600.00				
Martin Ray Mwenda Njeru	M	33,600.00	33,600.00				
Duncan Mwenda	M	72,200.00	72,200.00				
Nancy Kaimuri	M	72,200.00	72,200.00				
Daisy Kainyu Miriti	K	98,400.00	98,400.00				
Vera Aria Mwendwa	P	41,600.00	41,600.00				
Edward Nyaga Irichu	N	87,200.00	87,200.00				
Eric Murimi Micheni	K	44,950.00	44,950.00				
Anthony Kirimi Nkonge	M	43,600.00	43,600.00				
Elijah Gitonga Buyanga	N	43,600.00	43,600.00				
Silas Kithinji Bundi	K	27,400.00	27,400.00				
Robert Mugambi	M	56,000.00	56,000.00				
Martin Ray Mwenda Njeru	M	56,000.00	56,000.00				
Kennedy Kanake	N	11,000.00	11,000.00				
Edward Nyaga	N	10,500.00	10,500.00				
Benson Kithेरu	M	87,200.00	87,200.00				
Monicah Wangari	P	98,600.00	98,600.00				
Dorcas Makena Micheni	K	105,000.00	105,000.00				
Dorcas Makena Micheni	K	83,400.00	83,400.00				
Purity Makena Gitonga	K	83,400.00	83,400.00				
Peterson Murithi Maimbu	N	52,000.00	52,000.00				
Silas Kariuki Mitugo	N	163,000.00	163,000.00				
Morris Njeru Mbaka	M	17,000.00	17,000.00				
Edward Nyaga Irichu	N	17,000.00	17,000.00				
Benson Kithेरu	M	4,500.00	4,500.00				
Felix Mwiti Manyaki	M	61,000.00	61,000.00				
Kennedy Kimathi Kanake	N	54,800.00	54,800.00				

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Monicah Wangari	N		47,000.00		47,000.00			
Mary Kendi	Q		47,000.00		47,000.00			
Mary Kendi	Q		108,000.00		108,000.00			
Mary Kendi	Q		33,000.00		33,000.00			
Monicah Wangari	N		33,000.00		33,000.00			
Mary Kendi	Q		80,000.00		80,000.00			
Mary Kendi	Q		41,500.00		41,500.00			
Silas Kariuki Mitugo	N		34,750.00		34,750.00			
Silas Kariuki Mitugo	N		168,250.00		168,250.00			
Silas Kariuki Mitugo	N		155,000.00		155,000.00			
Peter Muturi	M		278,670.00		278,670.00			
Joseph Mutegi Kanake	D		253,586.82		253,586.82			
Kanake Mutegi Kimbo	D		253,586.82		253,586.82			
Mark Ileri Mrithaa	D		253,586.82		253,586.82			
Lawrence Gitonga Mugo	D		253,586.82		253,586.82			
Isaac Mburia Kathunkumi	D		253,586.82		253,586.82			
Francis Mucee Meeni	K		271,971.60		271,971.60			
Mary Kendi	Q		255,653.50		255,653.50			
Mary Kendi	Q		22,000.00		22,000.00			
Vera Mwendwa	N		86,254.20		86,254.20			
Monicah Wangari	N		86,254.20		86,254.20			
Vera Mwendwa	N		18,200.00		18,200.00			
Monicah Wangari	N		41,600.00		41,600.00			
Sub-Total			4,882,387.60		4,882,387.60			
Sub-Total								
Grand Total			13,267,098.85		13,267,098.85			

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Annex 4 – Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2022-2023
Construction buildings & Civil Work		16,907,988.00			16,907,988.00
Household Furniture	28,000.00				28,000.00
Transport equipment		5,000,000.00			5,000,000.00
Office equipment, furniture and fittings	4,453,790.00	1,611,688.00			6,065,478.00
ICT equipment	4,725,110.00				4,725,110.00
Furniture and Fittings	13,626,510.00				13,626,510.00
Machinery and equipment	21,058,768.00				21,058,768.00
Office Renovation of buildings	12,573,995.00	2,159,955.00			14,733,950.00
Total	56,466,173.00	25,679,631.00	0.00	0.00	82,145,804.00

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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.						