

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

PARLIAMENT
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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF MAKUENI

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

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MAKUENI COUNTY ASSEMBLY,

**REPORTS AND FINANCIAL STATEMENTS,
AMENDED**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021.**

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

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information.

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 48 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management.

The *Makueni County Assembly* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Douglas Mbilu
2.	Clerk of the County Assembly	Mr. Kevin Mutuku
3.	Heads of Departments	-Mr. Francis Nzyoka-Finance Mr. Abraham Anyegah-Procurement Miss Monica Munene-Payroll Dr Susan Kiilu-HR Miss Eunice Mbone-Legal Miss Viola Kiondo-Hansard Miss Esther Musau-L&P Mr. Joshua Kavulanya-ICT Mr Nathan Kilonzo-Audit Mr Joseph Nzioki-Sergeant at Arms Mr Issac Kiprono-Budget

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(c) Fiduciary Management.

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Mr. Kevin Mutuku
2.	Principal Finance officer	Mr. Francis Nzyoka
3.	Procurement officer	Mr. Abraham Anyegah

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements.

The main institution responsible for fiduciary oversight in the County Assembly is the Audit Committee, Finance Committee and the Public Investment and Accounts Committee.

The County Assembly Service Board also plays a role in ensuring that internal controls are applied at all levels and stages of transactions. This entails budgetary oversight, implementation and monitoring role.

(e) Makueni County Assembly Headquarters.

Makueni County Assembly buildings,
Off Wote – Makindu road,
P.O. Box 572 – 90300,
Wote, Makueni.

(f) Makueni County Assembly Contacts.

Telephone: 0710761116/ 0731663505/ 020 2393005

E-mail: info@makuenicountyassembly.go.ke

Website: www.makueniassembly.go.ke

(g) Entity Bankers.

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

2. Co-operative Bank of Kenya

P.O Box 537-90300

Wote Branch.

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(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.

2. FORWARD BY THE CLERK OF THE ASSEMBLY

The County Assembly of Makueni is one of the forty seven (47) County Assemblies in Kenya established under Article 176 (1) of the Constitution of Kenya. As contemplated by Article 177, the Assembly consists of 30 members elected by registered voters of the Wards on the same day as a general election of Members of Parliament, each Ward constituting a single member constituency. The Assembly further consists of 18 special seat members to ensure that 2/3 gender, marginalised and people living with disability are represented as envisaged in the constitution.

The environment within which the Assembly operated in FY 2020/2021 continued to be affected by the global COVID-19 pandemic. The safety of employees has been key and thus the assembly has arranged to ensure recommended health protocols are fully adhered to. The Assembly had few asymptomatic positive cases relating to its staff and Members of the Assembly by the close of the financial year. Fortunately, the Assembly registered neither fatalities nor serious cases. For further mitigation on general population, the Assembly had constituted a committee to oversight County preparedness and response to the pandemic. Through the Committee, the County was able to allocate funds in the Current FY for Construction and equipping of an isolation centre, water points in various markets and provision of Masks to the public. This made the County to register minimal cases and fatalities despite its exposure due to rail and road international corridor.

Other notable happenings during the year were recruitment of a new Clerk and two ward positions rendered vacant due to resignation and death of the ward representatives.

County Assembly of Makueni approved FY 2020/2021 budget was Ksh. 824,393,224 which comprised of Kshs. 703,984,829 and Kshs. 120,408,395 for Recurrent and Development activities respectively. In the same period the assembly spent Kshs.801,933,594 which comprised of Kshs 701,995,341 and Kshs. 99,938,253 for recurrent and development activities respectively. The County Assembly was able to absorb 99 % of its recurrent budget and 83% of its development budget. The overall budget absorption rate was 97 %.

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As at 30th June 2021, the County Assembly of Makueni had received Kshs. 803,260,239 from the County Revenue Fund against its approved budget of Ksh. 824,393,224 hence a budgetary limitation.

During the year 2020/21 the assembly continued to deliver its core mandates of legislation oversight and representation. Four bills namely The Makueni County Trade and Public Markets Bill, 2020, The Makueni County Investment Authority (Amendment) Bill, 2021, The Makueni County Supplementary Appropriation Bill, 2021 The Makueni County Appropriation Bill, 2021 were formulated.

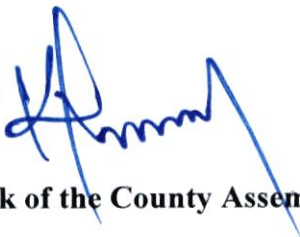
. Notable projects implemented in the FY 2020/2021 were; Installation of Hansard system in the new chamber, purchase of tents for the purpose of open chamber,, and construction of new office block phase 1, Construction of water storage tanks, landscaping in the assembly and purchase of Gallery seats, installation of a new Modern gate among others. All of the above projects cumulatively with those in previous years have given the assembly a new and better outlook. Moreover, there is improved organisational efficiency and effectiveness.

In order to streamline its systems and processes, the following polices were adopted by the County Assembly; The Makueni County Water Policy, The Makueni County Universal Health Care Policy, The Makueni County Youth Policy, The Makueni County Public Participation Policy

In order to further strengthen its governance structures, the County Assembly has continued to operate with the support of mandatory working committees namely Management committee, staff advisory committee, IT strategy and steering committee, PFM standing committee and Risk management committee.

Major plans for the FY 2021/2022 are commissioning of the new chamber and strategic plan, formulation and establishment of all key policies and procedure manuals, formulate a robust risk management framework, institutionalize performance management, completion of the asset tagging exercise and relevant member and staff capacity building.

Sign

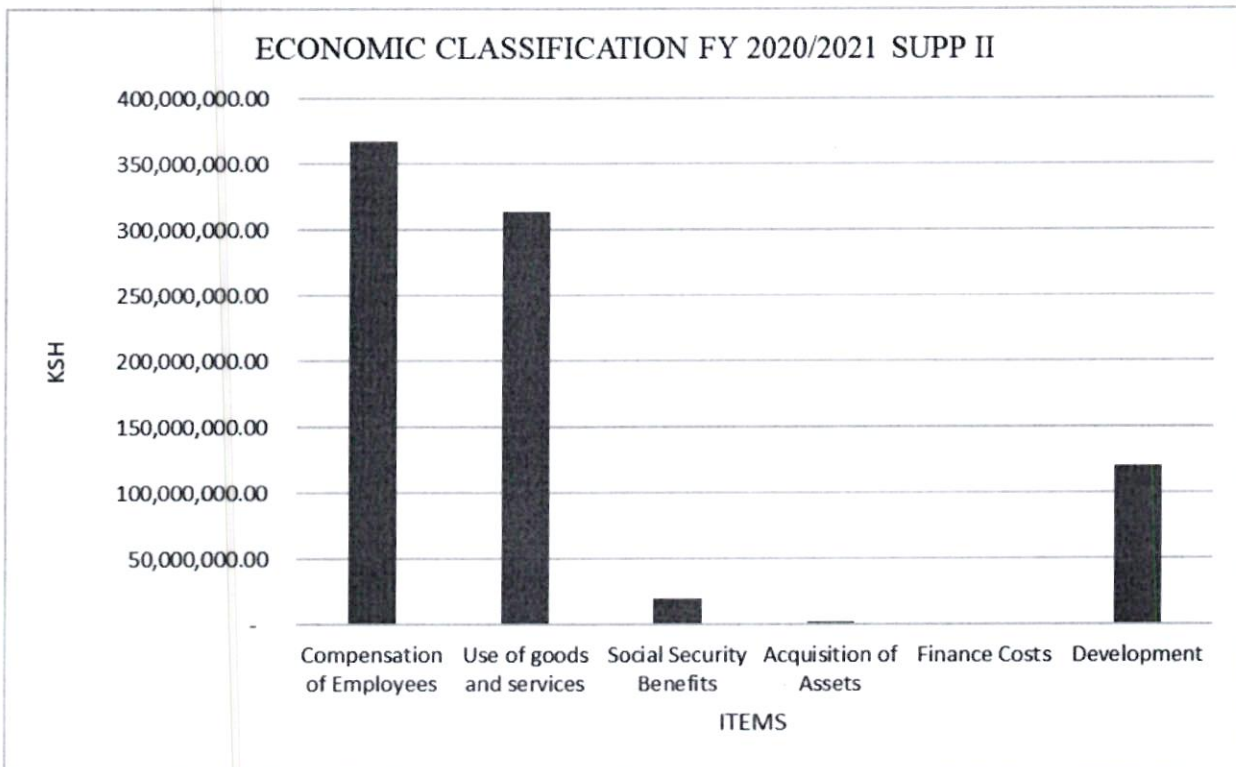


Clerk of the County Assembly

2.1 Budget performance

The budget in operation as at 30th June 2021 was FY 2020/2021 Supplementary budget II, which was approved on 28th June 2020. The total supplementary budget was Ksh. 824,393,224 which comprised of Ksh. 703,984,829 for Recurrent and Ksh. 120,408,395 for Development. The recurrent Budget was comprised of Kshs.368,118,508 for Compensation to employees, Use of Goods, and services which amounted to Ksh. 313,379,168 Social security benefits amounted to Ksh. 19,569,403 acquisition of assets Ksh. 1,901,750 and finance cost amounted to Ksh. 1,016,000

PIE CHART 1: ECONOMIC CLASSIFICATION OF THE TOTAL APPROVED BUDGET



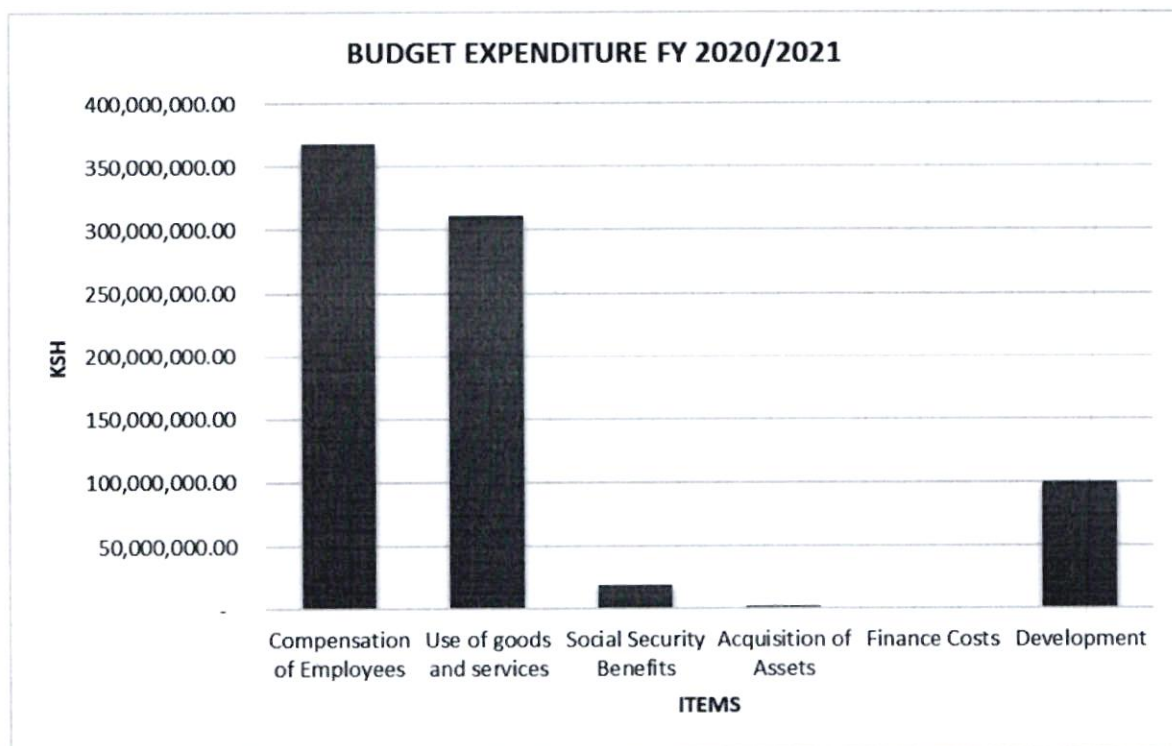
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During this period, the County Assembly of Makueni received Sh. 803,260,239 from the County Revenue Fund. Out of the receipts, Shs 702,768,266 was for recurrent and Shs 100,491,973 was for development.

Budget expenditure rate for the Year

In the same period, the assembly spent Kshs. 801,933,594, which comprised of Kshs. 701,995,341 and Kshs. 99,938,253 for recurrent and development activities respectively. Recurrent expenditure was composed of Kshs. 367,817,315 for compensation of employees and Use of Goods and Services of Kshs.311, 731,087, social security benefits Ksh 19,541,533 acquisition of assets Ksh. 1,890,750 finance costs Ksh. 1,014,655

PIE CHART 2: EXPENDITURE PER ECONOMIC CLASSIFICATION OF THE TOTAL APPROVED BUDGET



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Budget absorption rate

Further analysis of the budget performance indicated that compensation to employees' had 99% absorption rate, Use of Goods and Services had 99% absorption rate and development had 82 % absorption rate. The total budget absorption rate was 97%.

The table below summarizes budget absorption rate for the period

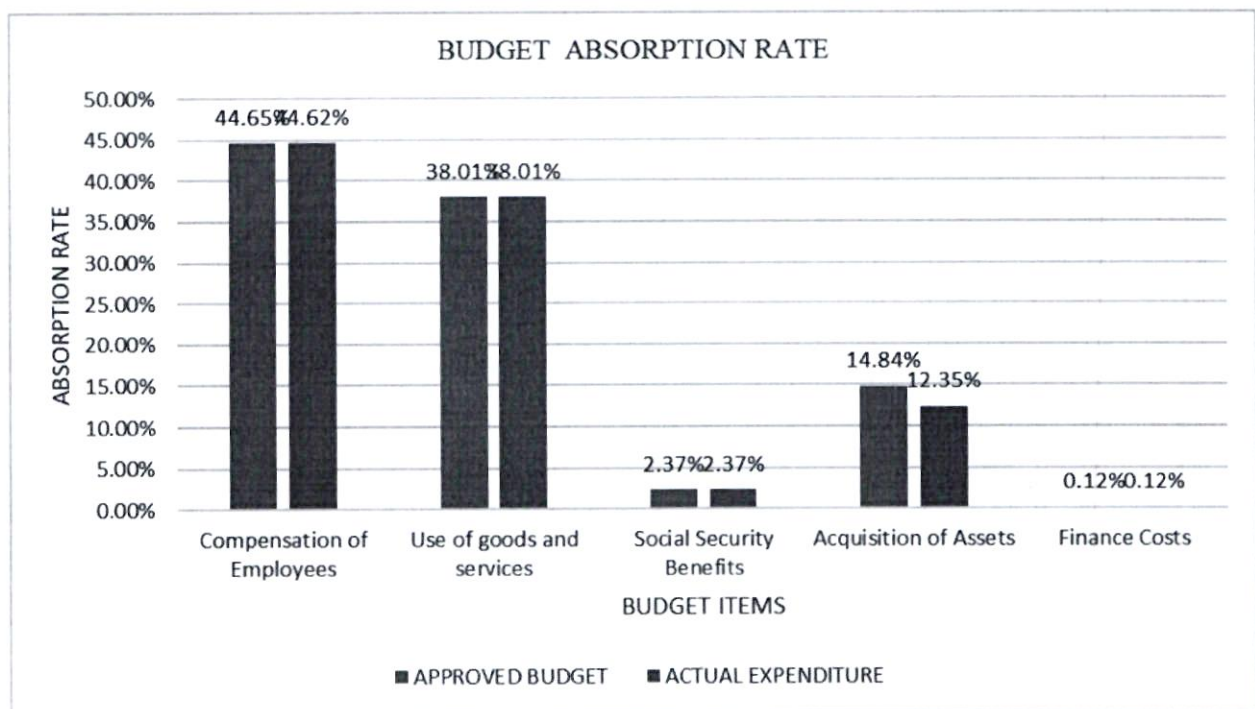
TABLE 1: BUDGET ABSORPTION RATE

No.	Classification	Approved Budget (Kshs.)	Budget expenditure(Kshs.)	Budget absorption rate %
1	compensation to employees	368,118,508	367,817,315	99%
2	Use of Goods and Services	313,379,167	311,731,087	99%
3	Social security benefits	19,569,403	19541533	99%
4	Finance costs	1,016,000	1014655	99%
5	Acquisition of assets	1,901,750	1,890,750	83%
6	Development	120,408,395	99,938,253	82%
	Total	824,393,224	801,933,594	97%

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The bar chart below indicates the performance of budget expenditure against the approved budget estimates.

BAR CHART 1: APPROVED BUDGET ALLOCATIONS VS EXPENDITURE PER ECONOMIC CLASSIFICATION



Total Receipts as at 30th June 2021

As at 30th June 2021, the County Assembly of Makueni had received Kshs. 803,260,239 from the County Revenue Fund. Out of the Kshs. 803,260,239 received, Kshs.702,768,266 was for recurrent and Kshs. 100,491,973 was for development.

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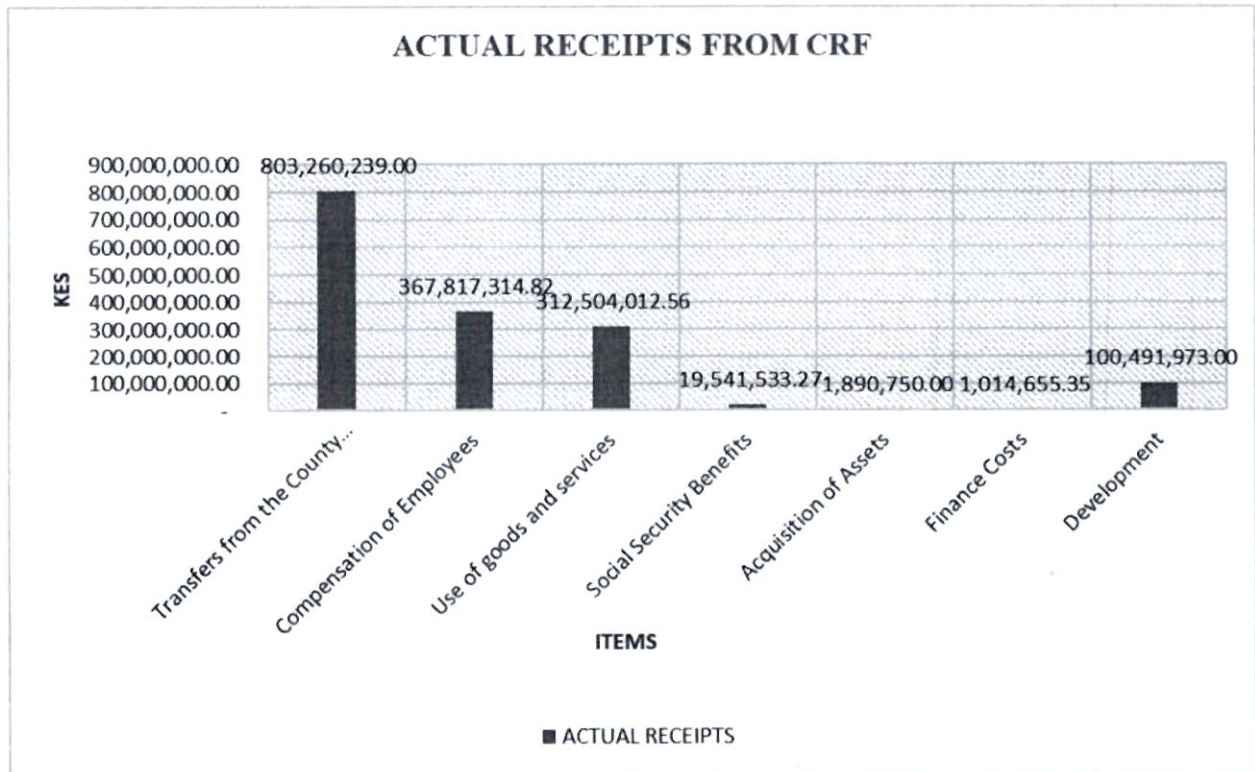
TABLE 2: RECEIPTS FROM COUNTY REVENUE FUND

No.	Classification	Approved Budget (Kshs.)	Budget expenditure (Kshs.)	Receipts from CRF (Kshs.)	% of receipts to approved budget
1	compensation to employees	368,118,508	367,817,315	367,817,315	99%
2	Use of Goods and Services	335,866,321	334,178,026	334,950,951	99%
3	Development	120,408,395	99,938,253	100,491,973	83%
	Total	824,393,224	801,933,594	803,260,239	97%

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The pie chart below indicates each economic classification receipts by 30th June, 2021;-

PIE CHART 3: RECEIPT PER ECONOMIC CLASSIFICATION OF THE TOTAL APPROVED BUDGET



2.2 OPERATIONAL PERFORMANCE.

2.2.0 Introduction

Pursuant to article 185 of the Constitution of Kenya, 2010, the mandate/functions of the County Assembly of Makueni are;-

1. Legislation

A County Assembly may make any laws that are necessary for or incidental to, the effective performance of the functions and exercise of the powers of the County Government under the Fourth Schedule.

2. Representation

A County Assembly consists of members elected by registered voters of their respective wards within the county and special seat members as well as members of marginalized groups (including persons with disabilities and the youth) all nominated by political parties in proportion

to the seats received in a general election pursuant to Article 177 of the Constitution. The Speaker is an ex officio member who presides over the plenary sittings.

3. Oversight

A County Assembly, while respecting the principle of the separation of powers, may exercise oversight role over the County Executive Committee and any other county executive organ(s) pursuant to Article 185 (3) of the Constitution. The Assembly may receive and approve plans and policies for the management and exploitation of the county's resources as well as for the development and management of its infrastructure and institutions pursuant to Section (4) of the same Article.

4. Administration

In addition, in order for the County Assembly to carry out its mandate effectively, the administration function is a key pillar of enabling members of the County Assembly Execute the mandates of the County Assembly.

The functions of the County Assembly overlap and are executed through the following tools;-

- a) Reports
- b) Petitions
- c) Motions
- d) Bills, regulations and policies
- e) Statements
- f) Public participation
- g) Oversight field visits
- h) Vetting of specific County Public officers

2.2 (a) THE NUMBER OF LAWS AND POLICIES PASSED

This report highlights Four(4) laws and Nineteen(19) policies passed by of the Assembly for the period July 2020 to June 2021, their resultant impact of the approved policies to the citizens of Makueni and the operations of the County Government.

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<u>NO</u>	<u>LEGISLATION</u>	<u>DATE</u> <u>APPROVED</u>	<u>EXPECTED IMPACT</u>
1	The Makueni County Enforcement of Socio economic rights Act, 2019	23 rd September, 2020	It seeks to provide the administrative and institutional framework on the emphasis of Article 43 of the Constitution. It guarantees all Kenyans economic, social, and cultural (ESC) rights, including rights to health, education, food, and decent livelihoods. It asserts the right “of every person...to social security” and binds the State to “provide appropriate social security to persons who are unable to support themselves and their dependents.”
2	The Makueni County Finance Bill, 2020	23 rd November, 2020	It provides for the imposition or variation of fees, charges, licenses, rents or rates for services pursuant to Article 209 and 210 of the Constitution of Kenya 2010 and for connected purposes. -It shall be used as a framework for raising county revenue to support operations of the Government
3	The Makueni County Investment and Authority (amendment) Bill,	17 th May, 2021	An amendment to provide for a legislative framework for County Investments promotion, regulation and investments.

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	2021		
4	The Makueni County Supplementary Appropriation (No.3) Bill, 2020	11 th November, 2020	It seeks to Enable and Authorize the issue of sums of money out of the County Revenue Fund and its application toward the service/operations of the Government, and to appropriate monies voted on account to support services and operations of the County Government.
5	Supplementary Appropriation Bill, 2021	25 th May, 2021	
6	Appropriation Bill, 2021	28 th June, 2021	
7	The Makueni County Universal Health Care Policy.	24 th November, 2020	It's aimed at ensuring the delivery of quality healthcare services and embracing the principles of protection of the rights and fundamental freedoms of persons and special groups in the communities such as the right to health of children, persons with disabilities, youth, and older members of the society, in accordance with the 2010 Constitution. The policy also provides direction to support successes already achieved to improve the performance of the Makueni Healthcare system.
8	The Makueni County Youth Policy	12 th October, 2020	The Policy is designed to promote the creation of sustainable decent jobs and income generating opportunities for all youth, facilitate building of digital skills and leverage young people's natural affinity to technology which is powerful in

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			<p>helping the nation grow and strengthen its economic base thus become more competitive in today’s globalized markets. Further, the policy intends to help realize a mentally and physically healthy nation which is socially secure. In addition, it will nurture a value driven, moral, ethical generation of patriotic youth with a heart for volunteerism and transformative leadership. Harnessing the full power of youth talent, creativity and innovation for wealth creation is critical for a job-ready work force across all sectors of national and global economy and this has been given due consideration in this policy. The policy outlines strategies that contribute to a crime free, secure, peaceful and united County.</p>
9	The Makueni County Public Participation Policy.	24 th March, 2021	<p>The policy focuses on the mechanisms or platforms through which the citizenry are involved and decisions reached in the context of governance. The need for public participation is stressed under article 10 of the Constitution which equally elevates it to a principle that “binds all State organs, State officers, Public officers and all persons whenever any of them— applies or interprets this Constitution, enacts, applies or interprets any law, or makes or implements public policy decisions</p>

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10	The Makueni County Environment and Climate Change Policy.	6 th April, 2021	Provides for a legal framework to facilitate a coordinated, coherent and effective response to the local, national and global challenges and opportunities presented by climate change. An overarching mainstreaming approach has been adopted to ensure the integration of climate change considerations into development planning, budgeting and implementation in all sectors and at all levels of government. This Policy therefore aims to enhance adaptive capacity and build resilience to climate variability and change, while promoting a low carbon development pathway.
11	The Makueni County Education and Training Policy, 2020.	16 th March, 2021	The policy seeks to align the devolved functions under education to the new constitution of Kenya (developed in 2010) and the Kenya Vision 2030. It follows the government's need to reform the educational sector, which demands modernization to meet the new constitutional requirements, national aspirations and the challenges arising from globalization. Seeks to place Early Child Hood Education and Vocational Training at the centre of the county's human and economic development and focuses on the acquisition of knowledge and skills as well as provision of lifelong learning.

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12	TheMakueni County Disaster management and Special Programmes Policy, 2020.	08/06/2021	It is a Legal framework to prioritize Disaster Risk Management as it also pursues citizen empowerment within its borders, employ a bottom-up approach focusing on the village level for Disaster preparedness, response, recovery and rehabilitation programmes. Building capacities of people living in disaster prone areas and improvement of their capabilities in order to cope with all hazards is therefore a central and critical aspiration and intention of Makueni County Government.
13	The Makueni County Arts, Culture and Heritage Policy, 2020.	15/06/2021	Addresses rich areas of our cultural and natural heritage that has been handed down from time immemorial. The policy presents the rich and vast endowments of the County in its cultural and natural heritage and outlines ways in which we can harness these for the socio-economic development of our people. We are convinced that working with partners such as the National Museums of Kenya (NMK) with whom we signed a memorandum of understanding recently, we will make progress in this endeavour.
14	The Makueni County Monitoring and Evaluation Policy, 2020.	14/06/2021	Legal framework to track implementation and outputs systematically, and measure the effectiveness of programmes. It shall help determine the pivotal competence that

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				has positive effects both up and downstream: it is aimed at improving policies, strategies and plans as well as improving performance and optimizing impact at the Government operations.
15	The Makueni County Gender Policy, 2020	Makueni Gender	08/06/2021	Provides direction on coordinating gender mainstreaming at both departmental levels of the County Government as well as the wider Makueni County by creating a framework for stakeholder engagement and strategic partnerships, gender policy prioritization for recruitment, training, promotion, procurement opportunities, good governance and overall development.
16	The Makueni County Sexual and Gender Violence Policy, 2020.	Makueni Sexual and Gender Based Policy,	31/5/2021	A framework for a holistic response to incidences of SGBV with the intention of minimizing its scourge within Makueni County. Upon full implementation of the policy, it is expected that it shall benefit the entire society in combating SGBV and create conducive environment free from violence for all.
17	The Makueni County Revenue Administration Policy, 2020.	Makueni Revenue	26/5/2021	Provides for a legal framework for revenue administration in order to ensure there is efficiency, transparency, accountability and fairness in revenue Mobilization
18	The Makueni County Social Protection Policy, 2020.	Makueni Social Policy,	07/06/2021	Provides for the administrative and institutional framework for the provision of Social Protection and inclusion to all persons in Makueni County. Article 43 of

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			<p>the Constitution guarantees all Kenyans economic, social, and cultural (ESC) rights, including rights to health, education, food, and decent livelihoods. It asserts the right “of every person...to social security” and binds the State to “provide appropriate social security to persons who are unable to support themselves and their dependents.”</p> <p>The County Government will endeavor to offer social protection in its totality i.e. social assistance; social security; Livelihood support and health insurance.</p>
19	The Makueni County Children Policy, 2020.	25/5/2021	<p>Seeks to provide a legal framework to devolve children services in order to make it easier to lobby and handle their cases effectively at the grassroots.</p>
20	The Makueni County Trade and Investment Policy, 2020.	25/05/2021	<p>Identifies key challenges facing the sector and spells out specific interventions to address them as well as presenting a raft of measures that will strengthen our institutional capacity and put in place mechanisms for coordinated approaches in developing the sector.</p>
21	The Makueni County Cooperative Development Policy, 2020.	15/06/2021	<p>legal framework to re-align County specific needs and circumstances of cooperative societies as a devolved function. The Policy embraces various strategies needed to make the County Cooperatives efficient, effective, and competitive.</p>
22	The Makueni		<p>The policy provides for development of a</p>

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	County Tourism Policy, 2020.	31/05/2021	legal and institutional framework for effective coordination and management of the sector to enhance cross and inter-sectoral linkages as well as building of public private partnerships
23	The Makueni County Transport Policy, 202	26/05/2021	The policy seeks to regulate the efficient and cost effective management of the transport resources at the disposal of the Government. It shall address challenges associated with transport function, which include use, driver indiscipline, driver complaints, inefficient use of government vehicles, long stay of vehicles in garages among others.

2.2 (b) BUDGET APPROVAL PROCESS

The County Assembly's FY 2021/22 budget estimates and the supplementary budgets for the FY 2020/2021 were approved pursuant to the provisions of Sections (130) & (131) and Section (135) of the Public Finance Management Act, 2012 respectively as read together with the County Assembly Standing Order No. (237)

Tabulated below is a chronological procedure used to approve the FY 2020/2021 Supplementary Budgets and the FY 2021/2022 Budget Estimates.

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2020 SUPPLEMENTARY BUDGET I AND APPROPRIATION BILL 2020			
Paper Laid	Public Participation	Reporting	Appropriation Bill
<p>-Supplementary Budget Laid by the Majority Leader on 2nd November, 2020.</p> <p>-Committed to the Sectoral Committees to report to the Budget Committee within 21 days</p>	<p>Public Participation conducted between 3rd and 9th November, 2020</p>	<p>Report of the Budget Committee tabled on 10th November, 2020 and approved.</p> <p>All legislative procedures were adhered to.</p>	<p>-1st Reading Done on 11th November, 2020 and committed to the Budget Committee</p> <p>-Waiving Publication period done on 11/11/2020</p> <p>-Reporting Done</p> <p>-2nd reading done on 11/11/2020</p> <p>-Committee of the Whole done on 11/11/2020</p> <p>-3rd Reading Done on 11/11/2020</p> <p>-Vellum copy forwarded to the Governor for Assent</p>

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2021 SUPPLEMENTARY BUDGET II AND APPROPRIATION BILL 2021			
Paper Laid	Public Participation	Reporting	Appropriation Bill
-Supplementary Budget Laid by the Majority Leader on 19 th May, 2021. - Committed to the Sectoral Committees to report to the Budget Committee within 21 days.	Public Participation conducted between 20 th and 23 rd May, 2021.	Report of the Budget Committee tabled on 24 th May, 2021 and approved. All legislative procedures were adhered to.	-1 st Reading Done on 25 th May, 2021 and committed to the Budget Committee -Waiving Publication period done on 25/05/2020 -Reporting Done -2 nd reading done on 25/05/2020 -Committee of the Whole done on 25/05/2020 -3 rd Reading Done on 25/05/2020 -Vellum copy forwarded to the Governor for Assent

2.2(c) The Committees of the Assembly

Committees in the Assembly are smaller units or groups of Members of the County Assembly that allow the Assembly to perform several functions simultaneously, and provides the opportunity for more detailed investigation and discussions before findings and outcomes of these Committee meetings are presented as Committee Reports to the broader group for debate and adoption.

The general roles of Committees in the Assembly are-

- i. Oversight on the Executive

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- ii. Initiating legislative proposals
- iii. Scrutiny of legislative proposals and Bills
- iv. Conducting investigations and reporting to the plenary for action
- v. Reviewing and approving the budget and expenditure
- vi. Auditing accounts of government and public agencies
- vii. Housekeeping, including orderly management of the business of the House
- viii. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments
- ix. To vet and report on appointments where the Constitution or any law requires the Assembly to approve

There are six types of Committees in the County Assembly of Makueni.

These include;

- i. Committee of the whole House
- ii. Housekeeping Committees
- iii. Investigatory/watchdog Committees;
- iv. Other Select Committees Committees
- v. Sectoral/departmental Committees
- vi. Adhoc Select Committees;

Highlight on Committee Services Department successes over period under review.

Committees are one of the greatest resources of the Assembly and conduct a wide-range of inquiries into policy issues and Government decisions. During the Sittings of Select Committees during the period committees undertook the following;

- i) Members of the County Assembly processed evidence from County Government Executive Committee Members, experts, relevant stake holders, the public and the relevant organizations. (168 reports)
- ii) Members of the County Assembly scrutinized the work of individual Government Departments; (33 - Departmental reports)

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- iii) Members of the County Assembly invited and summoned witnesses during inquiries. (4 - PIAC Reports)
- iv) vetting of nominees to public office (3 – Reports)
- v) Initiation of legislation and formulation of policies. (Bill trackers)

The operations of the Committees are under the direct supervision of the Liaison Committee. Staff of the Committee Services Department provide support for Committees. The Clerk of the Assembly is the head of all Committee clerks and is assisted by the Deputy Clerk and other Clerks Assistants.

The role of Committee clerks during the period under review was to:

- i. Make all administrative arrangements for meetings, public hearings, and visits;
- ii. Prepare briefing materials for the committee.
- iii. Liaise closely with Members, government departments, and other institutions, including the Auditor General, the Controller of Budget, among others, and the public to ensure the effective inquiry of matters and the timely presentation of reports to the House.
- iv. Write Committee minutes during meetings.
- v. Ensure that Committee documents are properly filed and kept
- vi. Draft Committee reports, background position papers on enquiries and briefing papers, and preparing committee documents for debate and/or adoption in the House.
- vii. Provide information, advice and executive support to Assembly committees
- viii. Provide procedural and other advice to Committee Chairs and Members. The advice covers a wide range of issues including parliamentary privilege, Committee powers and statutory interpretation.

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- ix. Assist and enhance Members' roles and contributions as Committee Members and Chairs;
- x. Facilitate public sector and community awareness of, and involvement in, Committee work
- xi. Provide independent research, drafting and impartial procedural support to committees.
- xii. Administration of oath to witnesses and maintaining the list of witnesses.
- xiii. Tracking and the implementation of the decisions of the Committee.
- xiv. Consult and review with the chair on regular basis the committees programme among others

2.2 (d) Oversight role of the County Assembly

A County Assembly, while respecting the principle of the separation of powers, may exercise oversight role over the County Executive Committee and any other county executive organ(s) pursuant to Article 185 (3) of the Constitution. The Assembly may receive and approve plans and policies for the management and exploitation of the county's resources as well as for the development and management of its infrastructure and institutions pursuant to Section (4) of the same Article.

Notwithstanding the oversight role undertaken by various committees the County Assembly (Whole-House) undertook oversight over the County Executive Departments as follows;-

i) Oversight on County Technical Training Institutes

The objectives of the exercise are as follows:-

1. Establish the student's population and staffing in the CTI.

2. Review the curriculum offered and whether the institution gets capitation for the students.
3. Establish the state of infrastructure within the institutions.
4. Establish if the institutions are connected to electricity and have stand by generators.
5. Establish whether there are conflicts arising from land ownership issues.
6. Establish whether the institution has schemes of service for the staff, what are the requirements for one to be a manager.
7. Review the establishment and operationalization of the Board of management:-
 - i. What is the tenure of the BOM?
 - ii. What is the process of renewal of the BOM and was the process followed in the current board?
 - iii. When was the appointment date of the current board and when does it expire?
8. Establish if the institution is following the Health protocols to prevent the spread of Covid 19.

ii. Oversight on County projects

The undertook to to conduct oversight on all County projects; putting into consideration the following information.

- i) How much the project had been allocated.
- ii) How much was used to do the project.
- iii)How much balance left if any;
- iv)Status of the project

iii. Oversight on Covid – 19 pandemic

The Assembly, undertook oversight on Covid-19 to ascertain the following ;-

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- i) To determine the status of preparedness in the County Health facilities and Market sheds to manage the 3rd wave of Covid-19 pandemic.
- ii) Determine whether people in the market sheds and health facilities are observing social and physical distance, wearing of facemasks as required, hand washing (preferably use of liquid soap and running water), use of alcohol based sanitizer, avoiding public gatherings, use of disinfectants to clean surfaces, restriction of unnecessary movements
- iii) Identify whether there is continuous screening of all persons entering the health facilities and market sheds.
- iv) Identify whether the health facilities are offering AstraZeneca vaccines to the members of the public and how is the turn out
- v) Whether the County Government has provided/ installed water tanks of high capacity and distributed with water at various water points of the County markets and facilities.
- vi) Determine whether the Department of Health is still facilitating trainings to health care workers, community leaders, community health workers/volunteers on Covid-19 and especially during this third wave.
- vii) Identify the number of suspected cases reported in the health facilities and market sheds especially during this 3rd wave of Covid-19.
- viii) To determine whether the Department of Health is still meeting the conditions required by the Ministry of Health to mitigate Covid-19 pandemic.eg. Purchase of Personal Protective Equipment, training of health care workers and sensitization of the community, purchase of medical equipment's, construction of ICU/Isolation wards and infection prevention control.
- ix) Identify whether the County Government through the relevant departments is still supplying adequate personal protective equipment (PPEs) and other essential services in the health facilities for containment of covid-19 e.g. provision of testing kits, facemasks, sanitizers etc.

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- x) Whether limitation of hospital visits to designated visitors is still being adhered
- xi) Whether the 10.00p.m-4.00.a.m curfew is being adhered by members of the public.
- xii) Identify whether the frontline health care workers, Community Health Workers/Volunteers are sensitizing the community on Covid- 19 pandemic.
- xiii) Identify the challenges/ shortcomings being experienced at the health facilities and market sheds to contain Covid-19 pandemic.
- xiv) Identify whether the County Government is distributing items like facemasks to the citizens.

2.3 PERFORMANCE OF KEY DEVELOPMENT PROJECTS.

2.3(a) Key Projects Narrative

The county assembly has been implementing projects in every financial year since the year 2014. Various key projects have been implemented for enhancing smooth and efficiency operations of the Assembly namely;

I. Construction of the new chamber.

The County Assembly new Chamber was constructed in the FY2017/2018 with the objective of creating more space for Hon. Members for plenary sittings while in Assembly sessions. This was done after the old chamber was burnt down, the objective being to Improve working environment.

II. Construction of the new office block A.

The new office block was constructed in the FY 2015/2016 with a target of creating more office space for the Hon. Members and staff to operate in in requirement of HOSHA requirements. The first phase of the building is Complete and in in use.

III. Landscaping and cabro works.

This project was implemented in the FY2018/2019 and its objective was to create more parking slots and improve physical appearance of the County Assembly.

IV. Construction of speaker's residence and staff quarters.

The main objective for constructing the Speaker's residence was to reduce the wage bill and to effect smooth operations of the Speaker and his staff in line with the advisory from the salaries and remuneration commission. The project was done in the FY 2016/2017. Increased convenience has been noted.

V. Construction of cafeteria

This project was initiated in the FY2015/2016 with objective of improving county assembly operations in terms of hospitality. The facility became operational in the FY2021/2022. Since then, staff and Hon. Members have had ease in having meals close to the office hence no time wastage. This has also reduced the Exposure of Members to COVID-19 Pandemic.

VI. Construction of prefabs block

The main reason for this project which was done in the FY 2014/2015 was to create temporal space as the Assembly waited for construction and furnishing of the new office block. Even though its purpose was temporal but today it is still in use thus no wastage of resources.

VII. Construction of elevated steel water tank

The project was done in the FY2020/2021. Its purpose is to curb water shortages in the Assembly. It is operational and in good condition.

VIII. Construction of Waiting Bay

This project was initiated in the FY 2020/2021 to create space for visitors and committee meetings. Construction is complete awaiting equipping and commissioning for use.

IX. Installation of Hansard systems

The project was done in the FY2020/2021. The main objective for the hansard system was to improve hansard production regarding committee and plenary sittings in the Assembly. It was also meant to improve effective proceedings during plenary and committee sittings.

X. Construction of new office block B

Phase one of the project was budgeted in the FY 2020/2021 .The construction of new office block B was initiated to create more working space for the staff members. This was completed but more funding is needed for finishing and furnishing.

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2.3(b) Key development projects FY 2020-2021

N O.	PROJECT NAME	QOUTATI ON NUMBER	BUDGETED AMOUNT	FY	STATUS		IMPACT
					AS 30 TH JUNE,20 21	AT	
1	Installation of Hansard equipment- New Chamber	7883781	48,000,000	2020/2021	95% - Ongoing		Expected to improve quality of plenary proceedings records, communication in the chamber and timeliness in production of hansard transcriptions.
2	Construction of staff office block-Phase I	763725	23,000,000	2020/2021	45% complete		Expected to improve staff productivity through provision of ample office space and facilities.
3	Painting and external works office block	763735	3,900,000	2020/2021	100% Complete		Enhanced usability of the buildings by members of county assembly, staff and visitors by providing ambience and aesthetics.
4	Installation of elevated water tanks	764018	3,962,040	2020/2021	Works Ongoing 90%		To provide water in the county assembly premises.
5	Upgrade of assembly sever room	763983	2997800	2020/2021	100%		To improve internet connectivity in the assembly
7	Perimeter And Chain Link Wall/Fencing At	763773	2,808,871	2020/2021	100%Com plete		Improved security for members of the county

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	The County Assembly.					assembly, staff and assets therein.
8.	Proposed water storage	794687	2,745,736	2020/2021	100% Complete	Improved hygiene and mitigation of COVID-19 through Provision of adequate water supply within the assembly

2.3(c) Efforts outlined to ensure responsible competition.

- The Makueni county Assembly uses open tender or request for quotations in procuring their services and goods thus making the process to be free and participatory by all citizens
- Introduction of the E-procurement system in procurement process starting with evaluation to award using the IFMIS system.
- The formation of a Corruption Committee and training of the same by EACC officers on the mandate which will help in corruption prevention in the Assembly operations.
- -Continued registration of suppliers during the FY and quotations given on rotational basis.
- Tenders are advertised online for transparency
- Payment of suppliers are done on a FIFO basis.
- Reduction of the pending bills figure from 10,671,842 to 5,938,470

2.4 Value-for-money achievements.

- The County assembly absorption of the recurrent budget by 99% and Development budget by 85% as at the end of the year and through this facilitated the general function of the Assembly in achieving its mandate.
- The County Assembly during the FY approved policies, which directly improved the welfare citizens of the County.
- Equipping of the cafeteria has already been done and its operations scaled up as members of staff and Hon members are being served. This helped on saving and reducing expenditure on the catering vote

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- Public participation in the 30 wards has helped the common Citizen to know their mandate and demand for services from the County Government.

2.5 Challenges and Recommended Way Forward

- Delay in funds disbursements from the National Government, which led to the Assemblies Operations being paralysed affecting its oversight role.
- Lack of County Assembly autonomy in fiscal management in of its resources. The long process by the Assembly to access funds through the County Treasury by the Controller of Budget affected operations of the Assembly.
- IFMIS Reconciliations- Lack of an auto reconciliations module in the system has affected monthly reconciliations and eventually affecting the Quarterly and Annual reports. The National Treasury should introduce the module for ease reconciliations.
- Political interference affecting operations this need to be addressed by separating the two arms of the Government for the Assembly to perform better oversight roles.
- Lack of resources. This has led to lack of trainings and promotion of staff due to budget ceilings.
- Staffing challenge due to CRA ceilings. The ceilings for the Assembly of 100 staff need to be addressed and increased to align the number with the Staff establishment and organizational structure.
- COVID-19 Pandemic continues to affect operations of the Assembly, the health restrictions comes with cost implication and thus a challenge due to the limited resources.

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For the effectiveness of operations of the County Assembly, various projects need to be implemented in the future; finishing and refurbishment of the new office block Construction of underground water storage for water harvesting, drilling of independent Assembly borehole, construction of perimeter wall for security reasons, landscaping and cabro works if the remaining area, renovation of the old office block.

In FY 2021/2022, the key undertakings will include commissioning of the New Chamber, Launching of the Strategic Plan, operationalization of key policies and increased stakeholder engagements.

Sign:



Name: Kevin Mutuku

Clerk of the County Assembly

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

Introduction

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

The key mandate of the County Assembly of Makueni is legislation, oversight, and representation. To achieve this, the assembly’s program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2020/2021

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	7 bills passed in the County Assembly	In FY 2020/2021 MCA were trained on capacity building
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	60%increase in efficient Assembly operation	7 standing orders were reviewed
Program 2	E professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	3 bills passed in the County Assembly	MCA were trained on capacity building

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Makueni County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

4.1 Sustainability strategy and profile -

To achieve Corporate Social Responsibility (CSR) this goal and shape, the Assembly Accounting Officer incentives in the intended direction requires substantial investments in the enforcement infrastructure and in human expertise which are in place in the Assembly.

4.2 Environmental performance

The Makueni County Environment and Climate Change Policy which was approved on 6th April, 2021. Provides for a legal framework to facilitate a coordinated, coherent and effective response to the local, national and global challenges and opportunities presented by climate change. An overarching mainstreaming approach has been adopted to ensure the integration of climate change considerations into development planning, budgeting and implementation in all sectors and at all levels of government. This Policy therefore aims to enhance adaptive capacity and build resilience to climate variability and change, while promoting a low carbon development pathway.

4.3 Employee welfare

Makueni county assembly is a equal employer which considers gender ratio while hiring. The institution has been approved and adopted the HR policy; Gender policy 2020 has also been adopted and approved.

4.4 Market place practices-

- a) Responsible competition practice.

Makueni county assembly strictly adheres to the laid down procedures of procurement strictly using the IFMIS .the Assembly pays their contractors in time

- b) Marketing and advertisement-Makueni county Assembly advertises their contracts on the widely supplies daily newspapers to give members of the public a fair chance to apply.

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- c) Product stewardship- consumer rights are kept confidential and all data and payment details are stored safely.

4.5 Community Engagements-

Makueni county assembly staff engages in charitable events and welfare. During the FY, the Institution participated in the following events:

- *Ligi Mashinani*

The Makueni Volleyball team engaged teams from the county in competition and awareness on what the Assembly does on oversight activities done by the Institution.



- *Sports day*

The institution organised a sports day which involved various players from other institutions in the Assembly grounds. This helped in team building among the staff and Hon Members.



- *The institution through staff and hon members engaged in charity works in the community among them visiting Children's homes*



Makueni county assembly staff and honourable members engage in county tournaments.



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5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2021, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants, 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 30/09/ 2021.



Name: Kevin Mutuku

Clerk of the County Assembly

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the County Assembly of Makueni set out on pages 44 to 94, which comprise the statement of financial assets and

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Makueni as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

Insufficient support on Oversight/Public Participation Expenses

As disclosed in Note 5 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2021 reflects a balance of Kshs.311,731,087 in respect to use of goods and services. Included in this balance is an amount of Kshs.124,276,136 for operating expenses which further includes Kshs.34,753,000 and Kshs.20,455,700 incurred on oversight and public participation activities respectively both totaling Kshs.55,208,700. However, review of records relating to oversight and public participation activities revealed that the Payment vouchers provided were insufficiently supported. Discrepancies and casting errors were observed between amounts in the payment vouchers, expenditure analysis and actual transfers to banks. Some Members of County Assembly (MCAs) and the accompanying secretariat staff were paid per diems for activities undertaken within the County where they qualified for meal allowances. It was observed that involved MCAs were paid each Kshs.50,000 as facilitation for public participation for every oversight activity undertaken. However, no guideline or regulations were provided to account for the float. It was also observed that each participating MCA was paid a transport facilitation of Kshs.6,000 per day regardless of the distance travelled. In addition, facilitation fee of between Kshs.100,000 and Kshs,300,000 was paid out for each event with no guidance on how to account for the funds. Further, the County Assembly engaged in an oversight activity on Covid-19 pandemic from 12 to 13 January, 2021 and incurred an expenditure of Kshs.3,432,200 and an additional Kshs.3,578,400 on report writing session held in Nairobi. No documents were provided to support this expenditure.

In the circumstances, it has not been possible to confirm the validity and value for money from the Kshs.55,208,700 incurred in oversight and public participation activities during the year ended 30 June, 2021.

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

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 matter 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. Contract For Integrated Hansard System in the New County Assembly Chamber.

As disclosed in Note 10 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.101,829,003 in respect of acquisition of assets for the year ended 30 June, 2021. Included in this amount is Kshs.46,329,950 paid for supply, delivery, installation, testing, commissioning and maintenance of an Integrated Hansard equipment in the County Assembly Chamber. The contract agreement for this project was signed on 22 June, 2020 at tender sum of Kshs.47,230,350 and had a period of 21 weeks. However, the contractor requested and was granted a 20 weeks extension of time, revising the completion date to 23 February, 2021. However, review and inspection of the project records revealed the following anomalies:

1.1 Failure to Hand Over and Commission the Project

Physical verification of the project in March, 2022 revealed that the Hansard equipment had been installed and was in use. However, no evidence of final inspection and acceptance of the work was provided for review neither was handing over records provided to confirm that the Project had been formally commissioned and handed over to the Management of the County Assembly of Makueni.

1.2 Unexplained Omission/Variation in Awarded Bill of Quantities

A review of the Bills of Quantities against actual deliveries revealed some unexplained omissions/variations. Preliminaries component included a provision of Kshs.500,000 for project management team facilitation. However, no evidence was provided for payment

of such allowances. In addition, a Kshs.1,500,000 provision was included in the BQs for project management team factory site training and visit but no evidence was provided to confirm such activity took place. Included in the preliminaries BQs was a contingency of Kshs.3,000,000 for which no support was provided. Item 4.6 in the bill of quantities reflects 2 No. time and attendance Biometric Terminals out of which only one was installed. No explanation was provided for failure to install the second one. Further, it was noted that even the one installed had not been put to use by the time of the audit. Item No.5.4, on fire fighting and suppression equipment provided for 5No. 5kg CO₂ alloy steel extinguishers, 5No. 6kg chemical fire extinguishers, 5 No. fire extinguisher balls and 1 server room air conditioner. However, verification revealed that the contractor supplied 8No. 5kg CO₂ alloy steel extinguishers, and 7No. 6kg chemical fire extinguishers thus exceeded the quantity in the bill of quantities. In addition, it was observed that the supplied fire extinguishers had not been installed despite the contractor having been fully paid for the same. Further, the fire suppression system valued at Kshs.800,000 was neither supplied nor paid for. In spite of the omission and variations in the awarded bill of quantities, the contractor has been paid a total of Kshs.45,934,850 out of the Kshs.47,230,350 contract sum implying that Kshs.1,295,500 was outstanding.

In the circumstances, it has not been possible to confirm if the implementation of the project for supply, installation and maintenance of Hansard equipment has been done effectively and in compliance with the terms of the contract agreement and whether value for money has been realized from the expenditure incurred.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Irregularities in Operations of the County Assembly Cafeteria

The County Assembly operates a staff cafeteria which was opened in March, 2021. Review of sales records showed that a total of Kshs.365,360 was realized from the cafeteria between March and June, 2021 which was not disclosed as part of the revenue for the year ended 30 June, 2021. Further review of the operations of the cafeteria revealed that the County Assembly of Makueni did not maintain a bank account for the

cafeteria and no documentary evidence was provided to confirm cash realized from sales was banked. It was also observed that customer payments vide MPESA were effected through a personal mobile line and later transferred to the accountant therefore exposing the transaction to accountability risk. Procured food items for the Cafeteria were paid for from the daily collections and no evidence to show that the procurement process applied was within the law. Further, no stock record was provided to ascertain daily usage of purchased foodstuff items against the stock balances.

In view of the foregoing, there is weak internal control in the running of the cafeteria which may lead to misallocation and loss of revenue.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 April, 2022

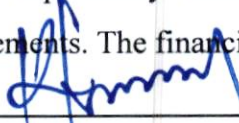
MAKUENI COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2021

7. FINANCIAL STATEMENTS


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

	Note	2020/21 KShs	2019/20 KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	803,260,239	766,309,138
Proceeds from Sale of Assets	2		
Other Receipts-Disposal of assets by county assembly	3		
TOTAL RECEIPTS		803,260,239	766,309,138
PAYMENTS			
Compensation of Employees	4	367,817,314	346,239,806
Use of goods and services	5	311,731,087	335,149,955
Subsidies	6		
Transfers to Other Government Entities	7		
Other grants and transfers	8		
Social Security Benefits	9	19,541,533	20,205,840
Acquisition of Assets	10	101,829,003	64,687,225
Finance Costs	11	1,014,655	
Other Payments	12		
TOTAL PAYMENTS		801,933,593	766,282,827
SURPLUS/DEFICIT		1,326,645	26,311

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09 2021 and signed by:



Clerk of the Assembly
 Name: Kevin Mutuku



 Principal Finance Officer County Assembly
 Name: Francis Nzyoka

ICPAK Member Number:13020

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

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

FINANCIAL ASSETS	Note	2020/21 KShs	2019/20 KShs
Cash and Cash Equivalents			
Bank Balances	13A	9,684,851	5,829,095
Cash Balances	13B		
Total Cash and cash equivalents		9,684,851	5,829,095
Accounts receivables – Outstanding Imprests	14		0
TOTAL FINANCIAL ASSETS		9,684,851	5,829,095
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	7,817,497	5,424,295
NET FINANCIAL ASSETS		1,867,354	404,800
REPRESENTED BY			
Fund balance b/fwd	16	540,709	378,489
Surplus/Deficit for the year		1,326,645	26,311
Prior year adjustments	17		
NET FINANCIAL POSITION		1,867,354	404,800

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09 2021 and signed by: _____

Clerk of the Assembly

Name: Kevin Mutuku

Principal Finance Officer – Assembly

Name: Francis Nzyoka

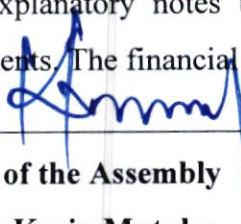
ICPAK Member Number: 13020


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

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

	Note	2020-2021 KShs	2019-2020 KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	803,260,239	766,309,138
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	367,817,314	346,239,806
Use of goods and services	5	311,731,087	(335,149,955)
Subsidies	6	-	-
Transfers to Other Government Entities	7	-	-
Other grants and transfers	8	-	-
Social Security Benefits	9	19,541,533	20,205,840
Finance Costs	11	1,014,655	-
Other Payments	12	-	-
Adjusted for:			
Prior year adjustment	17	-	-
Decrease/(Increase) in Accounts receivable:	18	-	-
Increase/(Decrease) in Accounts Payable:	19	2,690,537	(2,351,919)
Net cash flows from operating activities		105,846,185	62,361,616
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	101,829,003	(64,687,225)
Net cash flows from investing activities		101,829,003	64,687,225
			8,154,703
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,017,182	(2,325,608)
Cash and cash equivalent at BEGINNING of the year	13	5,829,095	8,154,703
Cash and cash equivalent at END of the year	13	9,684,851	5,829,095

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09 2021 and signed by:


 Clerk of the Assembly
 Name: Kevin Mutuku

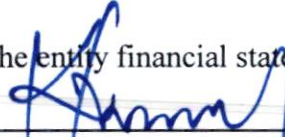

 Principal Finance Officer- County Assembly
 Name: Francis Nzyoka
 ICPAK Member Number

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


Receipt/Expense Item	Original Budget KShs	Adjustments KShs	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilization of the Budget KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	824,393,224	0	824,393,224	803,260,239	97%
Proceeds from Sale of Assets		-			-
Other Receipts		-			-
TOTAL	824,393,224	0	824,393,224	803,260,239	97%
PAYMENTS					
Compensation of Employees	368,118,508		368,118,508	367,817,315	99%
Use of goods and services	313,379,168		313,379,168	311,731,087	99%
Subsidies					
Transfers to Other Government Entities					
Other grants and transfers					
Social Security Benefits	19,569,403		19,569,403	19,441,533	99%
Acquisition of Assets	122,310,145		122,310,145	101,829,003	83%
Finance Costs	1,016,000		1,016,000	1,014,655	99%
Other Payments					
TOTAL	824,393,224		824,393,224	801,933,594	97%
SURPLUS/ DEFICIT	0		0	1,326,645	

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

The entry financial statements were approved on 30/09 2021 and signed by:



Name: Kevin Mutuku



Name: Francis Nzyoka

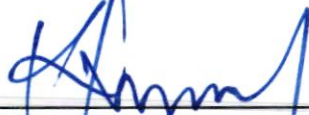
ICPAK Member Number: 13020

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

7.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	703,984,829		703,984,829	702,768,266	99%
Proceeds from Sale of Assets	-	-	-		-
Other Receipts		-	-	-	-
TOTAL	703,984,829	-	703,984,829	702,768,266	99%
PAYMENTS					
Compensation of Employees	368,118,508		368,118,508	367,817,315	99%
Use of goods and services	313,379,168		313,379,168	311,731,087	99%
Subsidies		-			
Transfers to Other Government Entities	-	-			-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	19,569,403	-	19,569,403	19,541,533	99%
Acquisition of Assets	1,901,750	-	1,901,750	1,890,750	99%
Finance Costs	1,016,000	-	1,016,000	1,014,655	99%
Other Payments	-	-	-		-
TOTAL	703,984,829	-	703,984,829	701,995,341	99%
Surplus/ Deficit	0	-	0	772,925	-

The entity financial statements were approved on 30/09 2021 and signed by:



Clerk of the Assembly

Name: Kevin Mutuku



Principal Finance Officer – County Assembly

Name: Francis Nzyoka

ICPAK Member Number: 13020

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

7.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	120,408,395	-	120,408,395	100,491,973	83%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	120,408,395	-	120,408,395	100,491,973	83%
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	120,408,395	-	120,408,395	99,938,253	82% -
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	120,408,395	-	120,408,395	99,938,253	82% -
SURPLUS/ DEFICIT	0	-	0	553,720	

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

The entity financial statements were approved on 30/09 2021 and signed by: _____



Clerk of the Assembly
Name: Kevin Mutuku



Principal Finance Officer – County Assembly
Name: Francis Nzyoka
ICPAK Member Number: 13020

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1	824,393,224	0	824,393,224	803,260,239	97%
Sub-programme 1	-	-	-	-	-
Sub-programme 2		-		367,817,315	98%
Sub-programme 3		-		332,287,276	99%
Programme 2	-	-	-	-	-
Sub-programme 1	120,408,395		120,408,395	101,829,003	85%
Sub-programme 2	-	-	-	-	-
Sub-programme 3	-	-	-	-	-
Total	824,393,224		824,393,224	801,933,594	98%

7.8. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Makueni county Assembly and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

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

6. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to KShs KShs 7,817,497 compared to KShs 5,424,295. in prior period as indicated on note 15. *There were no other restrictions on cash during the year.*

7. Accounts Receivable

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Accounts Payable

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

9. Non-current assets

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

10. Pending bills

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Contingent Liabilities

A contingent liability is:

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

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

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

12. Contingent Assets

The Makueni county Assembly does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Makueni 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *Makueni County Assembly* budget was approved as required by Law .The original budget was approved by the County Assembly on 28th June 2020 for the period 1st July 2020to 30 June 2021 as required by law. There was two supplementary budget passed in the year. A high-level assessment of the *Makueni County Assembly's* actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements

14. Comparative figures

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

15. Subsequent events

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Errors

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

17. Related party transactions

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

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2020-2021	2019-2020
	KShs	KShs
Transfers from the County Treasury for Q1	63,354,119	79,189,816
Transfers from the County Treasury for Q2	260,568,781	369,036,472
Transfers from the County Treasury for Q3	169,457,288	161,327,433
Transfers from the County Treasury for Q4	309,880,051	156,755,417
Cumulative Amount	803,260,239	766309138

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	KShs	KShs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from the Sale Plant Machinery and Equipment		
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from the Sale of Strategic Reserves Stocks		
Receipts from the Sale of Inventories, Stocks and Commodities		
Disposal and Sales of Non-Produced Assets		
Total		

3. OTHER RECEIPTS

	2020-2021	2019-2020
	KShs	KShs
Tender fees received		
Other Receipts II		
Other Receipts III		
Other Receipts IV		
Total		

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

NOTES TO THE FINANCIAL STATEMENTS

4. COMPENSATION OF EMPLOYEES

	2020/21	2019/20
	KShs	KShs
Basic salaries of permanent employees	160,945,587	152,152,623
Basic wages of temporary employees	29,784,467	29,561,390
Personal allowances paid as part of salary	167,623,928	154,695,193
Personal allowances paid as reimbursements		
Personal allowances provided in kind		
Pension and other social security contributions	9,195,330	9,590,400
Compulsory national social security schemes	268,000	240,200
Compulsory national health insurance schemes		
Social benefit schemes outside government		
Other personnel payments-Gratuity		
Total	367,817,314	346,239,806

EXPLANATORY NOTES IN SIGNIFICANT INCREASE/DECREASE IN CURRENT YEAR

compensation of employees

personal allowances paid as part of salary

This amount increased from Ksh 154,695,193 to Ksh. 167,623,928 due to the honourable members earning maximum sitting allowances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. USE OF GOODS AND SERVICES

	2020/21	2019/20
	KShs	KShs
Utilities, supplies and services	1,351,920	673,406
Communication, supplies and services	3,490,710	2,550,678
Domestic travel and subsistence	88,951,794	88,767,265
Foreign travel and subsistence	728,708	13,140,467
Printing, advertising and information supplies & services	4,124,449	3,359,060
Rentals of produced assets	3,232,000	3,716,000
Training expenses	3,430,950	13,743,345
Hospitality supplies and services	29,808,433	39,036,886
Insurance costs	32,275,532	30,122,104
Specialized materials and services	365,025	530,000
Office and general supplies and services	5,929,144	7,584,811
Other operating expenses	124,276,136	120,209,454
Fuel Oil and lubricants	5,711,967	4,871,643
Routine maintenance – vehicles and other transport equipment	6,753,398	5,010,710
Routine maintenance – other assets	1,300,920	1,834,125
Total	311,731,0873	335,149,955

EXPLANATORY NOTES IN SIGNIFICANT INCREASE/DECREASE IN CURRENT YEAR

1. Utilities, supplies and services

During the FY 2019/2020, the institution spent Kshs 673,406 as compared to the FY 2020/2021 Ksh 1,351,920 representing 100% Increment.

The significant increase from the Previous FY is explained in the table below;

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no	item	FY 2019/2020	FY 2020/2021	INCREAMENT	EXPLANATION
1	Water and sewerage	351,510	732,690	381,180	The increment was due water trucking in the Hon. Speakers residence during landscaping exercise. The entity is considering using water sprinklers instead of Water trucking which has proved to be expensive
2	Electricity	378,621	619,230	240,609	This was due to increased tariffs charged by Kenya Power.

2. Communication, supplies and services

During the FY 2019/2020, the institution spent Kshs 1,442,407 as compared to the FY 2020/2021 Ksh 3,490,710 representing 142% Increment.

The Significant increase from the previous FY was due to change of supplier from Telkom Kenya to Safaricom Ltd in the current FY. Telkom Kenya supply of internet had frequent down time hence hampering operations in the Assembly. Internet connection in the FY 2019/2021 expenditure was Kshs 723,028 compared to the FY 2020/2021 of Kshs 2,000,000. In the Current FY the internet monthly charges changed as a result of increased internet bandwidth from 15/15mbps to 20/20mbps

3. Foreign Expenditure

During the FY 2019/2020, the institution spent KSh. 13,140,467.28 as compared to the FY 2020/2021 KSh. 728,798 representing 94% decrease. This was due to the COVID-19 Pandemic travel restrictions.

4. Training expenses

The training expenses decreased from Ksh. 13,743,345 from Ksh.3, 430,950 due to COVID-19 lock downs on major towns

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. SUBSIDIES

Description	2020-2021	2019-2020
	KShs	KShs
Subsidies to County Corporations		
<i>See list attached</i>		
(insert name)		
Subsidies to Private Enterprises		
<i>See list attached</i>		
(insert name)		
TOTAL		

(

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	KShs	KShs
Transfers to National Government entities		
Transfers to other County Assembly entities		
Car Loan Scheme fund		
Mortgage		
Others (insert name of budget agency)		
TOTAL		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. OTHER GRANTS AND TRANSFERS

	2020-2021	2019-2020
	KShs	KShs
Scholarships and other educational benefits		
Membership Fees and Dues and Subscriptions to Organizations		
Emergency relief and refugee assistance		
Subsidies to small businesses, cooperatives, and self employed		
Total		

9. SOCIAL SECURITY BENEFITS

	2020 - 2021	2019 - 2020
	KShs	KShs
Government pension and retirement benefits	19,541,533	20,205,840
Social security benefits		
Employer Social Benefits	19,541,533	20,205,840
Total		

DISCLOSURE ON REDUCTION IN SOCIAL SECURITY BENEFITS

During the FY 2019/2020, the institution paid Kshs 20,205,840 as compared to the current FY Ksh.19, 541,533 the increment was due to payment of gratuity for the previous FY.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Non Financial Assets		
A. Acquisition of assets-Development Budget		
Construction of Buildings	31,632,908	
Construction and Civil Works	68,305,345	62,280,424
Acquisition of Land		
Acquisition of Intangible Assets		-
Acquisition of Strategic Stocks and commodities		-
Total	99,938,253	-
B. Acquisition of assets-Recurrent Budget		
Purchase of Vehicles and Other Transport Equipment	400,000	
Purchase of Household Furniture and Institutional Equipment	446,000	389,800
Purchase of Office Furniture and General Equipment	1,000,000	2,017,000
Purchase of ICT Equipment, software and other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery	44,750	
Total	1,890,750	
Financial Assets		
Domestic Public Non-Financial Enterprises		
Domestic Public Financial Institutions		
Foreign financial Institutions operating Abroad		
Other Foreign Enterprises		
Foreign Payables - From Previous Years		
Total	101,829,003	64,687,225

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE COSTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Bank Charges	1,014,655	
Interest Payments on Foreign Borrowings		
Interest Payments on Guaranteed Debt Taken over by Govt		
Interest on Domestic Borrowings (Non-Govt)		
Interest on Borrowings from Other Government Units		
Total	1,014,655	

DISCLOSURE ON FINANCE COST

Finance Cost for the Previous Financial Year 2019/2020 was under other operating expenses.

Under the Current FY, the same has been treated under Finance Cost.

12. OTHER PAYMENTS

	2020 - 2021	2019 - 2020
	KShs	KShs
Budget Reserves		
Civil Contingency Reserves		
Other payments		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2020/21	2019/20
		KShs	KShs
<i>CBK AC NO 1000199199</i>	Development Acc	939,646	54,264
<i>CBK AC NO 1000199188</i>	Recurrent Acc	17,480	3,670
<i>Cooperative bank ac no.011415339155500</i>	Commercial Account	8,727,725	5,771,16
Total		9,684,851	5,829,095

13B. CASH IN HAND

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

Cash in hand should be analysed as follows:

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Location 1		
Location 2		
Location 3		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ACCOUNTS RECEIVABLE

<i>Description</i>	2020 - 2021	2019 - 2020
	Kshs	Kshs
Government Imprests		
Salary Advance		
Clearance accounts		
Total		

<i>Breakdown of imprest and salary advance per department</i>	2020 - 2021	2019 - 2020
<i>Imprests</i>	KShs	KShs
Department		
Department		
Department		
Sub-Total		
Salary advance		
Department		
Department		
Sub-Total		
Grand Total		

*

15. ACCOUNTS PAYABLE

<i>Description</i>	2020 - 2021	2019 - 2020
	KShs	KShs
Deposits		
Retentions	7,817,497	5,424,295
Total	7,817,497	5,424,295

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FUND BALANCE BROUGHT FORWARD

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Bank accounts	5,667,670	8,154,702
Cash in hand		
Accounts Receivables		
Accounts Payables	(5,126,960)	(7,776,213)
Total	540,709	378,489

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			

18. CHANGES IN RECEIVABLE

Description	2020-2021	2019-2020
	KShs	KShs
Opening Account Receivables as at 1 st July 2020		
Closing Account Receivables as at 30 th June 2021		
Change in Account Receivables		

19. CHANGES IN ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Opening Accounts Payables as at 1 st July 2020	5,424,295	5,424,295
Closing Accounts payables as at 30 th June 2021	7,817,497	7,776,213
Change in Accounts payables	2,393,202	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Construction of buildings				0
Construction of civil works	938,990		938,990	
Supply of goods	876,800		876,800	
Supply of services	10,671,841	5,938,470	10,671,841	5,938,470
Total	12,487,631	5,938,470	12,487,631	5,938,470

2. PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Senior management				
Middle management				
Unionisable employees				
Others				
Total				

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. OTHER PENDING PAYABLES (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total				

4. EXTERNAL ASSISTANCE

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received in cash		
External assistance received as loans and grants		
External assistance received in kind- as payment by third parties		
Total		

a) External assistance relating loans and grants

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as loans		
External assistance received as grants		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		Kshs	Kshs
Undrawn external assistance - loans			
Undrawn external assistance - grants			
Total			

c) Classes of providers of external assistance

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d. Non-monetary external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Goods		
Services		
Total		

e. Purpose and use of external assistance.

PAYMENTS MADE BY THIRD PARTIES	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Compensation of Employees		
Use of goods and services		
Subsidies		
Transfers to Other Government Units		
Other grants and transfers		
Social Security Benefits		
Acquisition of Assets		
Finance Costs, including Loan Interest		
Repayment of principal on Domestic and Foreign borrowing		
Other Payments		
TOTAL		

MAKUENI COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

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

Classification by Source

Description	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

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Classification of payments made by Third Parties by Nature of expenses

PAYMENTS MADE BY THIRD PARTIES	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Compensation of Employees		
Use of goods and services		
Subsidies		
Transfers to Other Government Units		
Other grants and transfers		
Social Security Benefits		
Acquisition of Assets		
Finance Costs, including Loan Interest		
Other Payments		
TOTAL		

6. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Assembly:

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

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Related party transactions:

	2020-2021	2019-2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs		
Key Management Compensation (Clerk and Heads of departments)		
Total Compensation to Key Management		
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes		
Transfers to County Corporations		
Transfers to non reporting entities e.g ECD centres, welfare centres etc		
Total Transfers to related parties		
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer		
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties		

7. Contingent Liabilities

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

MAKUENI COUNTY ASSEMBLY
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8. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unsupported foreign travel expenditure	The county assembly resolved the matter by requesting the honourable members to support the trips with the relevant documents.	Accounting officer	Resolved	
2.0	Other receipts	The management resolved the matter by ensuring that no funds are channels to their commercial bank account	Accounting officer	Resolved	
3.0	Inaccuracies in the financial statements	The management resolved the matter by ensuring that financial statements are reviewed before submission	Accounting officer	Resolved	
4.0	Compensation to employees	The management resolved the matter by ensuring that manual payroll are reconciled with the system	Accounting officer	Resolved	
5.0	Use of goods and services	The management resolved the matter by proposing a policy to be introduced regarding payment	Accounting officer	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.0	Irregular acquisition of assets	The management is still following up the matter with the relevant officers.	Accounting officer	Unresolved	Matter taken up by the CASB
7.0	Cash and bank balances	The management resolved the matter by ensuring that cashbook is reviewed by a senior officer	Accounting officer	Resolved	
8.0	Fixed assets	The management resolved matter by introducing a a fixed asset register	Accounting officer	Resolved	

Clerk of the County Assembly

Sign.....


Date..... 30/09/21.....

MAKUENI COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended 30 June 2021

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Bal 19/20	Bal 20/21
	A	B	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Supply of goods					
4. FUEL				6000	
5. CORPORATE CAMPUS east africa				108000	
6. WILEON ENTERPRISES				310,000	
7. WORLD ENGINEERING				452,800	
Sub-Total				876,800	
Supply of Services					
8. Wote water and sewerage company					69,150
9. Hada automobile					109,770
10. Hada automobile					650,000
11. Smart up logistics					1,029,000
12. Smart up logistics					420,800
13. Smart up logistics					90,000
14. Grey impala safaris					27,590
15. Mombasa beach hotel					787,500
16. Mada holdings					99,000
17. Mada holdings					529,500

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Bal 19/20	Bal 20/21
18. Rovans management consulatants					1,955,760
19. The Kenya institute for public policy research and analysis					170,400
Sub-Total					
Supply of services					
20. PRIDE INN HOTEL				41,400	
21. STANDARD GROUP LTD				133,400	
22. DAPAL MOTORS				30,092	
23. BENADETTA MUENDO				2,000	
24. HUNTERS LODGE				99,000	
25. HUNTERS LODGE				136,500	
26. KSLH				1,068,800	
27. KIPRA				17,400	
28. SEMER INVESTMENTS LTD				425,000	
83. HUNTERS LODGE				70,800	
84. PRIDE INN HOTEL				184,800	
29. DEKOKI ENTERPRISES				550,006	
30. MEDIAMAX NETWORK LTD				69,600	
31. PRIMATE TOURS				29,400	
86. SAFARICOM PLC				967,150	
87. HUNTERS LODGE				735,300	
88. STANDARD GROUP LTD				177,480	
89. AFRICAN HARTBEEST				63,300	
90. LE PANDA HOTEL				20,200	
91. NATION MEDIA GROUP				187,362	
92. ATHIANI HOLDINGS LTD				34,800	
93. EASTERN BROADCASTING				162,400	
94. Globally power				77,200	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Bal 19/20	Bal 20/21
95.STANDARD GROUP LTD				165,300	
96.STANDARD GROUP LTD				88,160	
97.ENE FM				174,000	
98.STANDARD GROUP LTD				177,480	
99.STANDARD GROUP LTD				262,200	
100.EQUATOR STUDIO				710,000	
101.PANARI HOTEL				398,460	
102.ATHIANI HOLDINGS LTD				52,200	
103.ATHIANI HOLDINGS LTD				52,200	
104.EQUATOR STUDIO				106,500	
105.MAKINDU MOTORS				3,000,000	
				10,671,842	5,938,470

MAKUENI COUNTY GOVERNMENT

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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 2020/2021	Outstanding Balance 2019/2020	Comments
			a	b	c=a-b		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

MAKUENI COUNTY GOVERNMENT
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ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2019/2020	Comments
			a	b	c=a-b		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF NON-CURRENT ASSET REGISTER

Asset class	Historical Cost b/I (KShs) 2019/20	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/T (KShs) 2020/2021
Land					
Buildings and structures	185,187,357	99,938,253			285,125,610
Transport equipment	16,640,700	400,000			17,040,700
Office equipment, furniture and fittings		1,446,000			1,446,000
ICT Equipment					
Machinery and Equipment	14,303,662	44,750			14,348,412
Biological assets					
Infrastructure Assets					
Heritage and cultural assets					
Intangible assets					
Work In Progress					
Total	216,131,713	101,829,003			317,960,716

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly.. Additions during the year should tie to note 10 on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.

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ANNEX 5 – ANALYSIS OF ACCOUNTS RECIVABLES

(a) Government Imprest

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
<i>MAKUENI COUNTY ASSEMBLY</i>	-	-	-	-
Total				

(b) Salary Advance

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>

MAKUENI COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended 30 June 2021****ANNEX 6: CONTINGENT LIABILITIES REGISTER**

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	Machakos High Court Petition No. 7 of 2017 Francis Mutuku and Others versus Makueni County Assembly and Others	O.N Makau & Mulei Advocates Advocate	Ksh.	Ksh. 3,750,000/=	Once case is settled and determined	Case on going
2	Machakos High Court Petition No. 12 of 2017 Jackson Ngovi and Others versus Makueni County Assembly	O.N Makau & Mulei Advocates Advocate	Ksh.	Ksh. 1,977,000/=	Once case is settled and determined	Case on going
3	Makueni ELC Petition No. 4 of 2020 Agnes Ndungwa Maweu and others versus Makueni County Assembly and Ben Kyengo Kilonzi	O.N Makau & Mulei Advocates Advocate	Ksh.	Ksh. 2,223,000/=	Once case is settled and determined	Case on going
4	Makueni ELC Petition No. E2 of 2020 Malili Ranch Limited versus County Government of Makueni and 11 others	Ngugi & Co. Advocates	Ksh.	Ksh. 3,420,000/=	Once case is settled and determined	Case on going
5	Makueni High Court	Stanley Nthiw'a	Ksh.	Ksh.	Once case is	Case on going

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	Petition No. E002 of 2020 Kikima Farmers' Cooperative Society Limited and 7 Others versus Makueni County Assembly and Others	& Co. Advocates		4,100,000/=	settled and determined	
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MAKUENI COUNTY ASSEMBLY

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ANNEX 7 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)

MAKUENI COUNTY ASSEMBLY
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ANNEX 8

MAKUENI COUNTY ASSEMBLY
RETENTION FEE AS AT 30TH JUNE
2021

NO	CONTRACTOR	DESCRIPTION OF WORK		MR
1	SAVO ENTERPRISE LTD	IST INTERIM PAYMENT FOR CONSTRUCTION OF WAITING BAY	298,707	2666001
2	WIDSCOPE LTD	CONSTRUCTION OF NEW OFFICE BLOCK	335,494	2666002
3	KENSUS INTERPRISES	HANSARD EQUIPMENT INSTALLATION	2,445,985	2666003
4	WIDSCOPE LTD	PAYMENT OF MAKUENI C.A NEW OFFICE BLOCK	1,000,000	2666004
5	KENSUN ENTERPRISES	INTALLATION OF HANSARD EQUIPMETS	1,000,000	2666005
6	KATISHA TRADING	ELEVATED STEEL TANK	396,204	2666006
7	EVER ONE BUILDERS	ROAD EXPANTION SPEAKERS RESIDENCE	47,910	2666007
8	SAVO ENTERPRISE LTD	FINISHING OF WAITING BAY	299,608	2666008
9	EVER ONE BUILDERS	SUPPLY AND INSTALLATION OF SANITARY FITTINGS	132,507	2666009
10	SAVO ENTERPRISE LTD	LAND SCAPPING PHASE II SPEAKERS RESIDENCE	374,118	2666010
11	WIDSCOPE	CONSTRUCTION OF NEW OFFICE BLOCK	946,098	2666011
12	SEBEWA	CONSTRUCTION OF VISITORS ABLUTION BLOCK	99,913	2666012

MAKUENI COUNTY ASSEMBLY
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13	SIBCO	FINISHING OF NEW RECEPTION	90,350	2666013
14	MUDO	MAINTANANCE OF BUILDING	79,313	2666014
15	ALLWIN SYSTEMS	WATER RETICULATION -SPEAKERS RESIDENCE	<u>271,288</u>	2666015
			<u>7,817,497</u>	