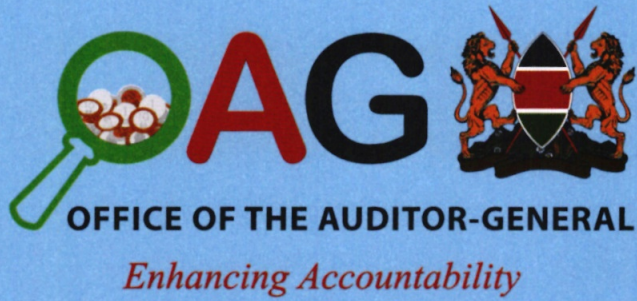


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

**COUNTY ASSEMBLY OF
TANA RIVER**

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
DATE	7/3/24
TABLED BY	Sunk
COMMITTEE	
CLERK AT THE TABLE	Chemp



**REPUBLIC OF KENYA
OFFICE OF THE CLERK
COUNTY ASSEMBLY OF TANARIVER**



COUNTY ASSEMBLY OF TANA RIVER

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

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

(This list is an indication of acronyms and key terms; the County Assembly should include all from the annual report and financial statements prepared)

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 26 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 Team

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

No.	Designation	Name
1.	Speaker of the County Assembly	Osman Noor Galole
2.	Clerk of the County Assembly	Abdullahi Dayib Hussein
3.	Head of Departments	Alex Ontumi Kibwage
4.		-

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	Abdullahi Dayib Hussein
2.	Principal Accounts Controller	Alex Ontumi Kibwage
3.	Senior Accountant	Wehliye Ahmed Dakat
4.	Finance Officer	Mercy Maodo Komora

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

The county assembly has 9 sectorial committees each with specific mandates towards smooth operation of the assembly. The committees are required by the assembly standing orders to oversight and hold to account respective county executive committee's members (CEC) for services delivery in their departments. The assembly has managed this through committees work and chamber business.

(e) Entity Headquarters

Tana River County Assembly

P.O. Box 113-70101,

Along Hospital Road,

Hola, Kenya.

(f) Entity Contacts

Telephone: (254) 708005459

E-mail: info@tanariverassembly.go.ke

Website: www.tanariverassembly.go.ke

(g) Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

Kenya Commercial Bank

P.O box 100-70101

Hola, Kenya.

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

2. Governance Statement

The County Assembly

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

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

- a) The speaker of the county assembly.
- b) The leader of the majority party; and
- c) The leader of the minority party.

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

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

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

a) Select Committees

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

b) Sectoral Committees

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

The County Assembly has the following Select and Sectoral committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- e) Finance committee

a) Committee of Powers and Privileges

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held 4 meetings in FY 2023. The committee members during FY 2023 were:

Member	Designation	Ward
HON OSMAN GALOLE	CHAIRMAN	SPEAKER
HON JIBRIL FARAH	VICECHAIRMAN	BANGAL WARD
HON BABUSA SALIM	MEMBER	KINAKOMBA WARD
HON MUSA WARIO	MEMBER	KIPINI EAST
HON RIZIKI RUHU	MEMBER	NOMINATED MCA
HON ISMAEL KODOBO	MEMBER	HIRIMANI WARD
HON YUSSUF BILE	MEMBER	CHEWELE WARD
HON MAHAMUD GABO	MEMBER	GARSEN WEST
HON MAKI MAIMUNA	MEMBER	NOMINATED MCA

b) Audit Committee

The County assembly of Tana River is in the process of constituting an audit committee.

Member	Designation
-	-
-	-

County Assembly of Tana River
Annual Report and Financial Statements For the year ended 30th June 2023

c) Public Accounts/Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 2 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
HON LINNAH MAYAA JARRA	CHAIRPERSON	NOMINATED MCA
HON MAHAMUD ALI BARROW	VICECHAIRMAN	SALA WARD
HON SAID KURI GODANA	MEMBER	NOMINATED MCA
HON HALIMA GALTUMA	MEMBER	NOMINATED MCA
HON ZAHIRA HAGEYO KORI	MEMBER	NOMINATED MCA
HON YUSSUFABDI BILE	MEMBER	CHEWELE WARD
HON FATUMA DIRAMO	MEMBER	NOMINATED MCA
HON ISMAEL BODHA K.	MEMBER	HIRIMANI WARD
HON MWANAAMU HAODO	MEMBER	NOMINATED MCA

d) Budget and Appropriations Committee

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

Member	Designation	Ward
HON MAHAMUD BARROW	CHAIRMAN	SALA WARD
HON PAUL MARO SAMWEL	VICE CHAIRMAN	MKINDUNI WARD
HON MASHA BORU DELA	MEMBER	GARSEN CENTRAL
HON SAID KURI GODANA	MEMBER	NOMINATED MCA
HON JUMA ALI DIDO	MEMBER	MADOGO WARD

HON MOHAMUD AHMED	MEMBER	GARSEN WEST
HON BABUSA HAMID	MEMBER	KINKOMBA WARD
HON ISMAEL KODOBO	MEMBER	HIRIMANI WARD

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

Communication with all Stakeholders

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

Risk management

- Are there effective arrangements for risk management and internal control?
- Are there formal processes to identify and assess risks?
- Are there formal processes to analyse risks as a basis for how they should be managed?
- Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
- Risks identified and analysed in the period and how they were managed.

Compliance

The entity should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

3. Foreword By the Clerk of The Assembly

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 Tana River 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 2022/2023

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	3 bills passed in the County Assembly	In FY 2022/2023 MCA were trained on legislation, oversight and representation.
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	70% increase in efficient Assembly operation	3 standing orders were reviewed and resulted to better management chamber business

(i) Budget performance

During the FY 2022/2023 the County Assembly had a budget of Kshs. 1,113,396,752 out of which Kshs 325,000,000 was allocated towards development and Kshs. 788,396,752 allocated towards recurrent activities. (Including the balances brought forward as a result of supplementary budget). The County Assembly during the financial year under consideration received an amount of Kshs 947,412,490 for both recurrent and development allocations from the County treasury. The total actual expenditure comprising of Kshs. 700,470,544 for recurrent and Kshs. 244,409,855 for development activities, representing absorption rate of 89 percent and 75 percent respectively.

(ii) Operational Performance

Tana river county assembly operational performance includes: -

- a) The county assembly has passed 4 bills during the financial year 2022-2023 this has improved the smooth legislative operation of the assembly. The bills have improved the lives of the public at the county level
- b) The original budget for Tana river county assembly was passed on 30th April 2022 for the period 1st July 2022 to 30th June,2023 as required by law. There were one supplementary budgets passed during the year.
- c) (1) There shall be a select Committee to be known as the County Budget and Appropriations Committee.

(2) The functions of the Committee shall be to-
 - (a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;
 - (b) discuss and review the estimates and make recommendations to the Assembly;
 - (c) examine the County Fiscal Strategy Paper presented to the House;
 - (d) examine Bills related to the County budget, including Appropriations Bills; and
 - (e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(3)The County Budget and Appropriations Committee constituted by the House immediately following the General Election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the Assembly term.

(4) The Committee shall invite Chairpersons of all Sectoral Committees to make presentations during the consideration of the budget.

Committee on Implementation

- 19.** (1) There shall be a select Committee to be known as the Committee on Implementation.
- (2) The Committee shall scrutinize the resolutions of the House (including adopted Committee reports), Petitions and the undertakings given by the County Executive Committee and examine –
- (a) whether or not such decisions and undertakings have been implemented and where implemented, the extent to which they have been implemented; and

whether such implementation has taken place within the minimum time necessary; and

- (b) whether or not legislation passed by the Assembly has been operationalized and where operationalized, the extent to which such operationalization has taken place within the minimum time necessary.

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

Committee on Delegated County Legislation

20. (1) There shall be a select Committee to be known as the Committee on Delegated County Legislation.

(2) Whenever a statutory instrument is submitted to the House pursuant to the Constitution, any law or these Standing Orders, the statutory instrument shall, unless a contrary intention appears in the relevant legislation, be laid before the House by the Chair of the relevant Sectoral Committee, or any other Member and shall thereafter stand referred to the Committee on Delegated County Legislation.

- (3) The Committee shall consider in respect of any statutory instrument whether it-
- (a) is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws;
 - (b) infringes on fundamental rights and freedoms of the public;
 - (c) contains a matter which, in the opinion of the Committee, should more properly be dealt with in an Act of the Assembly;
 - (d) contains imposition of taxation;
 - (e) directly or indirectly bars the jurisdiction of the Courts;
 - (f) gives retrospective effect to any of the provisions in respect of which the Constitution or an Act of Parliament or Assembly does not expressly give any such power;
 - (g) involves expenditure from the County Revenue Fund or other public revenues;
 - (h) is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
 - (i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or an Act pursuant to which it is made;
 - (j) appears to have had unjustifiable delay in its publication or laying before the House;
 - (k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
 - (l) makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers;
 - (m) inappropriately delegates legislative powers;
 - (n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;

- (o) appears, for any reason, to infringe on the rule of law;
- (p) inadequately subjects the exercise of legislative power to Assembly scrutiny; and,
- (q) accords to any other reason that the Committee considers fit to examine.

(iii) Performance of key development projects

During the reporting period the County Assembly was able to accomplish the following projects among others; (i) Construction of 15 ward offices, (ii) Renovation of Administration block. Implementation of the above mentioned projects had the following impacts; (i) Construction of ward offices have created good working condition for Mcas and brought service closer to the public. (ii) Renovation of administration block has improved working conditions for honourable members.

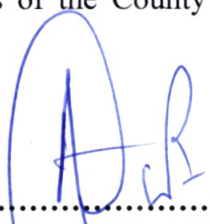
(iv) Comment on value-for-money achievements

- (i) Renovation of Speakers office has improved working environment for the Speaker and members of the county assembly
- (ii) Beatification of assembly compound
- (iii) Renovation of administration block has improved working conditions for honourable members.

(v) Challenges and Recommended Way Forward

the County Assembly has faced a number of challenges that include among others;

- (i) Delayed disbursement of funds that hampered the legislative process
- (ii) Vastness of the County posed great challenge to members while undertaking public participation.

.....

Name: *Abdullahi Dawid Hussein*
Clerk of the County Assembly

4. Statement Of Performance Against County Assembly Predetermined Objectives

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 Tana River 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 2022/2023

Program 1	Objective	Outcome	Indicator	Performance
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Strategic development objectives.

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

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5. Corporate Social Responsibility Statement/Sustainability Reporting

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

a) Sustainability strategy and profile –

The top management of County assembly of Tana River is committed to the entity sustainability in the foreseeable future. The top management ensures that there is proper implementation of the strategic policy of the entity and by so doing will result better sustainability of the county assembly.

b) Environmental performance

The top management of the county assembler of Tana River together with the members of the county assembly in legislating bills that take care of the environment.

c) Employee welfare

County assembly of Tana River has Human Resource policy that clearly give direction on hiring process and take into account gender balancing at the work place. County assembly of Tana River also consider reward for most performing employee.

d) Market place practices-

The organisation should outline its efforts to:

a) Responsible Supply chain and supplier relations-

The county assembly of Tana River ensures supplies confidence by honouring their contractual agreement and ensure suppliers are paid as and they fall due.

Responsible ethical practices-

County assembly of Tana River is free corruption Zone.

b) Stewardship of goods and services

The county assembly of Tana River put in place policies to safeguard interest of citizen of the republic of Kenya.

e) Community Engagements

County Assembly of Tana River involves community in public participation in various wards in the three sub counties that is Bura, Garsen and Hola.

6.Statement Of Management Responsibilities

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

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2023, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the

County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 21/12 2023.



.....
Name:


Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and 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 Tana River set out on pages 1 to 34, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows

Report of the Auditor General on County Assembly of Tana River for the year ended 30 June, 2023

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

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

Basis for Qualified Opinion

1. Inaccuracy of Receipts from Transfers from the County Treasury/Exchequer Releases

The statement of receipts and payments reflects receipts in respect of transfers from the County Treasury amounting to Kshs.947,412,490 and as disclosed in Note 1 to the financial statements. Review of the bank statements revealed that Kshs.997,412,490 was received out of which Kshs.702,790,308 was for recurrent vote while the balance of Kshs.294,622,182 was in respect of the development vote. The variance of Kshs.50,000,000 has not been explained or reconciled. In addition, a re-computation of the corresponding Note 1 to the financial statements reflects receipts amounting to Kshs.947,210,725 resulting to an unexplained variance of Kshs.201,765.

In the circumstances, the accuracy and completeness of receipts from transfers from the County Treasury of Kshs.947,412,490 could not be confirmed.

2. Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts for development vote reflects actual receipts from transfers from the County Treasury of Kshs.244,622,182 while the bank statement indicate total receipts of Kshs.294,622,182 resulting to an unexplained variance of Kshs.50,000,000.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts for recurrent and development could not be confirmed.

3. Unsupported Payments on Printing, Advertising and Information Supplies and Services

The statement of receipts and payments and Note 5 to the financial statements reflects payments in respect of use of goods and services amounting to Kshs.267,052,885. Included in these payments is Kshs.282,180 in respect of printing, advertising and information supplies and services which involved live coverage on media and printing at Government Printer. However, the expenditure was not supported with requisitions for quotations, LPOs/LSOs, and delivery notes.

In the circumstances, the accuracy and completeness of the payments on printing, advertising and information supplies and services of Kshs.282,180 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for recurrent and development votes combined reflects final receipts budget and actual on comparable basis amounting to Kshs.1,113,396,752 and Kshs.947,412,490 respectively resulting in an underfunding of Kshs.165,984,262 or 15% of the budgeted receipts. Similarly, the statement reflects expenditure budget and actual on comparable basis of Kshs.1,113,396,752 and Kshs.944,880,399 respectively resulting in budget underutilization of Kshs.168,516,353 or 15%.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

Other Matter

Pending Bills

Annex 1 to the financial statements reflects a balance of Kshs.2,908,026 in respect to pending accounts payable which have been outstanding for a long time. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions to the subsequent year as they form a first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compliance with Framework for the Approved Establishment and Compliment Controls

The statement of receipts and payments and Note 4 to the financial statements reflects payments in respect of compensation of employees amounting to Kshs.318,319,659. Review of payment records revealed the following anomalies:

1.1. Processing of Salaries and Allowances Outside the Integrated Personnel and Payroll Database (IPPD)

Payments in respect of basic salaries to permanent employees amounting to Kshs.28,954,480 as detailed below were paid outside the Integrated Personnel and Payroll Database (IPPD):

Month	Gross Pay (Kshs)
Aug-22	3,899,960
Nov-22	3,463,040
Dec-22	3,276,720
Jan-23	3,689,180
Mar-23	3,689,180
Apr-23	3,558,040
May-23	3,689,180
Jun-23	3,689,180
Total	28,954,480

This was contrary to Section 1.5.1 of the Financial Accounting Recording and Reporting Manual states that each County Government department is responsible for populating the IPPD with the information contained in these documents, issuing each appointee with a unique payroll number from the system, and providing the appointee with a letter of appointment with a reference to the PSB's letter of approval and that all personal and payroll details are reflected in each employee's IPPD data sheet.

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

1.2. Failure to Deduct Service Charge on Third Party Deductions

During the year under review, the Management failed to deduct service charge on various third-party deductions including bank/micro-finance loans, Sacco loans, social welfare dues and insurance policy premiums resulting to loss in Appropriations-in-Aid during the year under review contrary to the Ministry of Public Service, circular Ref. No. DPM 23/5A VOLC XII/ (53) dated 2 May, 2007, which stipulated the charges to be paid by organizations which receive services from Ministries/Departments in form of payroll by-products.

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

1.3. Regularity of HR Management Practices

Review of personnel records and Integrated Personnel and Payroll Database (IPPD) revealed the following inadequacies:

- a. The County Assembly had a gender distribution of fifty-five (55) or 73% being male and twenty (20) or 27% being female which contravenes the two-thirds gender rule while there was no evidence to show that persons with disabilities were represented in the work force contrary to Article 232(1) of the constitution which directs that the values and principles of public service include affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service, of men and women; the members of all ethnic groups and persons with disabilities.
- b. Human resource plans were not been provided in support of the recruitment of two (2) members of the County Assembly Service Board which was advertised on 19 May, 2023. The recruitment process had taken a long time and as at the time of audit, the process had not been finalized.
- c. Management had not developed a skills inventory for all officers in their respective departments.
- d. Management had not done performance appraisal on their staff while a review of the June payroll provided indicated that seven (7) of the seventy-three (73) employees of the organization only had 7 years of service before retirement and no proper succession management had been put in place. The details are as indicated below:

Age Bracket	Number of Employees
20 years to 30 years	1
30 years to 40 years	50
40 years to 50 years	15
50 years to 60 years	7
Total	73

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

2. Undisclosed Pending Staff Payables

The Employment and Labour Relations Court at Malindi ruled in favour of a petitioner who had sued the County Assembly of Tana River, the Clerk and three other persons. The Clerk was ordered to pay the petitioner his salary and general damages of Kshs.2,500,000 as compensation for violation of his rights which was awarded by the court. However, the Management has not disclosed this in the financial statements as pending staff payables.

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

3. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. However, Management has not provided reasons for the delay in resolving them. In addition, records on the number of recommendations issued, implemented, pending implementation and reasons for non-implementation were not provided for audit review contrary to Section 31(1) (a) of the Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General

and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

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

4. Outstanding Account Receivables Balance

The statement of financial assets and liabilities and Note 14 to the financial statements reflects a balance of Kshs.2,386,800 in respect of accounts receivables – outstanding Imprests. Even though Management explained that the imprests had since been surrendered, evidence of those surrenders were not provided for audit review contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

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

5. Failure to Adhere to Budget Timelines

Review of the budget documents revealed that the budget estimates for the year ending 30 June, 2023 were submitted to the Assembly on 5 June, 2023. Further, the budget was passed by the Assembly on 17 October, 2022 contrary to Section 129 (2) of the Public Finance Management Act, 2012 which states that following approval by the County Executive Committee, the County Executive Committee Member for Finance shall submit to the County Assembly the budget estimates, supporting documents, and any other bills required to implement the budget, except the Finance Bill, by the 30 April in that year and Section 131 of the Act which states that the County Assembly shall consider the County Government budget estimates with a view to approving them, with or without amendments, in time for the relevant appropriation law and any other laws required to implement the budget to be passed by the 30 June in each year.

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

6. Backlog in the Interrogation of Audit Reports

The County Assembly Public Accounts and Investment Committee (PAIC) had not deliberated on the Auditor-General's reports for County Executive of Tana River operations and its Funds, County Assembly operations and its Funds and Tana Water and Sewerage Company Limited for the financial years 2019/2020, 2020/2021 and 2021/2022 contrary to Section 50 of the Public Audit Act, 2015 which states that the final audit report of the Auditor-General shall be submitted to Parliament or the relevant County Assembly, with copies to the Cabinet Secretary responsible for finance and the relevant County Executive Committee Member for Finance, as the case may be, and the accounting office of the entity that is subject of the audit and that within three months of receiving an audit report Parliament or the relevant County Assembly shall debate and consider the report and take appropriate action.

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

7. Non-Compliance with Payment of Statutory Dues

During the year under review Kshs.1,000,000 was paid to National Social Security Fund (NSSF) as part settlement of arrears of members contribution which were deducted but not remitted following an NSSF demand notice dated 28 January, 2021. The demand notice was for an amount of Kshs.11,620,450 comprising of Kshs.5,296,000 in arrears (late payments) and accrued penalties of Kshs.6,310,240, billed on a rate of 5% per month since September 2015. The Management requested for a waiver from the National Social Security Fund on 9 June, 2021 and committed to pay Kshs.500,000 every month from 25 June, 2021 to 25 May, 2023 and after which a final payment of Kshs.120,450. However, only Kshs.1,000,000 was paid in two equal disbursements in February and April, 2023 thus exposing the County Assembly to more fines and penalties contrary to Section 53(A) of the Retirement Benefits Act, 2012.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Organizational Strategic, Disaster Recovery and IT Strategic Plans

During the year under review, information provided indicated that Management had not developed an organizational strategic plan, a disaster recovery plan and IT strategic plan contrary to the provisions of Regulation 158 (1) of the Public Finance Management (County Governments) Regulations, 2015 which require the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, it may not be possible for Management to focus on their goals and objective.

2. Failure to Adhere to Approved Staff Establishment

The approved staff establishment dated 21 December, 2015 indicates that the County Assembly needs a workforce of ninety-two (92) employees. However, review of records revealed that as at the time of audit, the Assembly had seventy-five (75) employees which represents overall understaffing of seventeen (17) employees. The details of departments that were overstaffed and those understaffed are as indicated in the tables below:

Department	Staff Establishment		
	Approved	In Post	Over
Sergeant at arms	15	16	1
Budget officer	2	3	1
Transport officers	8	10	2
Gardener Assistant	0	1	1
Total	25	30	5

In addition, ten (10) departments were understaffed by twenty-two (22) employees as analysed below;

S/No.	Department	Staff Establishment		
		Approved	In Post	Under
1.	Clerks	20	12	8
2.	Hansard editors and reporters	7	5	2
3.	Research officers	6	5	1
4.	Human resource officers	6	4	2
5.	Registry/records officers	3	2	1
6.	Accountants	7	6	1
7.	finance officers	2	1	1
8.	Internal auditors	2	0	2
9.	procurement offices	4	3	1
10.	Secretaries	6	3	3
Total		63	41	22

In the circumstances, it may not be possible for Management to attain their goals and objectives.

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 continue sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

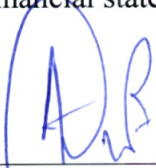
Nairobi


12 February, 2024

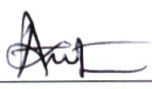
8. Statement of Receipts and Payments for The Year Ended 30th June 2023

	Note	2022/2023 Kshs	2021/2022 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	947,412,490	884,949,935
TOTAL RECEIPTS		947,412,490	884,949,935
PAYMENTS			
Compensation of Employees	4	318,319,659	349,104,551
Use of goods and services	5	267,052,885	246,976,069
Transfers to Other Government Entities	7	117,200,000	14,000,000
Acquisition of Assets	10	242,307,855	273,903,977
TOTAL PAYMENTS		944,880,399	883,984,597
SURPLUS/(DEFICIT)		2,532,091	965,338

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21/12/2023 and signed by:


Name: Abdullahi Dayib Hussein
Clerk to Assembly


Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115

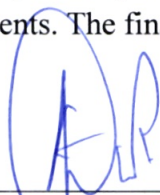

Name: Alex Kibwage Ontumi
Principal Accounts controller

County Assembly of Tana River
Annual Report and Financial Statements For the year ended 30th June 2023

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

FINANCIAL ASSETS	Note	2022/2023 Kshs	2021/2022 Kshs
Cash and Cash Equivalents			
Bank Balances	13A	1,772,079	1,626,788
Total Cash and cash equivalents		1,772,079	1,626,788
Accounts receivables – Outstanding Imprests	14	2,386,800	-
TOTAL FINANCIAL ASSETS		4,158,879	1,626,788
NET FINANCIAL ASSETS		4,158,879	1,626,788
REPRESENTED BY			
Fund balance b/fwd.	16	1,626,788	661,450
Prior Year Adjustment	17	-	-
Surplus/(Deficit) for the year		2,532,091	965,338
NET FINANCIAL POSITION		4,158,879	1,626,788

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21/02 2023 and signed by:



Name: Abdullahi Dayib Hussein
Clerk to Assembly



Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115

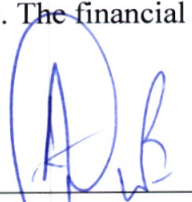



Name: Alex Kibwage Ontumi
Principal Accounts controller

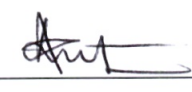
10. Statement Of Cash Flows for The Period Ended 30th June 2023.

	Note	2022/2023 Kshs.	2021/2022 Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	947,412,490	884,949,935
Payments for operating expenses			
Compensation of Employees	4	318,319,660	349,104,551
Use of goods and services	5	267,052,885	246,976,069
Transfers to other Government Entities	7	117,200,000	14,000,000
Adjusted for:			
Increase in Receivables during the year		-2,386,000	-
Prior Year Adjustment	17		-
Net cash flows from operating activities		242,453,146	274,869,315
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	242,307,855	273,903,977
Net cash flows from investing activities		242,307,855	273,903,977
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		145,291	965,338
Cash and cash equivalent at BEGINNING of the year	13A	1,626,788	661,450
Cash and cash equivalent at END of the year		1,772,079	1,626,788

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21/12 2023 and signed by:


Name: Abdullahi Dayib Hussein
Clerk to Assembly

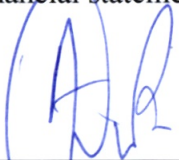

Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115



Name: Alex Kibwage Ontumi
Principal Accounts controller

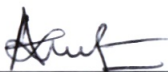
11. Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	1,113,396,752	-	1,113,396,752	947,412,490	165,984,262
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	1,113,396,752	-	1,113,396,752	947,412,490	165,984,262
PAYMENTS					
Compensation of Employees	348,466,190		348,466,190	318,319,659	30,146,531
Use of goods and services	234,444,600		234,444,600	267,052,885	(32,608,285)
Subsidies					
Transfers to Assembly account(Car loan and Mortgage)	205,485,962		205,485,962	117,200,000	88,285,962
Other grants and transfers					
Social Security Benefits					
Acquisition of Assets	325,000,000		325,000,000	242,307,855	82,692,145
TOTAL	1,113,396,752	-	1,113,396,752	944,880,399	168,516,353
Surplus				2,532,091	-2,532,091

The entity financial statements were approved on 26/12 2023 and signed by:


Name: Abdullahi Dayib Hussein
Clerk to Assembly

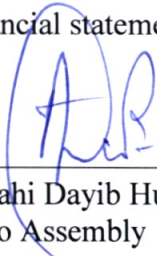

Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115



Name: Alex Kibwage Ontumi
Principal Accounts controller

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	788,396,752	-	788,396,752	702,790,308	85,606,444
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	788,396,752	-	788,396,752	702,790,308	85,606,444
PAYMENTS					
Compensation of Employees	348,466,190	-	348,466,190	318,319,659	30,146,531
Use of goods and services	234,444,600	-	234,444,600	267,052,885	(32,608,285)
Subsidies					
Transfers to Assembly Account	205,485,962	-	205,485,962	117,200,000	88,285,962
TOTAL	788,396,752	-	788,396,752	702,572,544	85,824,208
Surplus				217,764	(217,764)

The entity financial statements were approved on 21/02 2023 and signed by:


Name: Abdullahi Dayib Hussein
 Clerk to Assembly

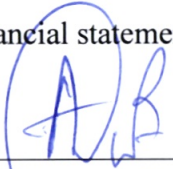

Name: Wehliye Ahmed
Senior Accountant
 ICPAK Member Number:17115



Name: Alex Kibwage Ontumi
Principal Accounts controller


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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	320,500,000	-	320,500,000	244,622,182	75,877,818
Proceeds from Sale of Assets					
Other Receipts					
TOTAL	320,500,000	-	320,500,000	244,622,182	75,877,818
PAYMENTS					
Acquisition of Assets	320,500,000	-	320,500,000	242,307,855	78,192,145
TOTAL	320,500,000	-	320,500,000	242,307,855	78,192,145
Surplus			-	2,314,327	-2,314,327

The entity financial statements were approved on 21/12 2023 and signed by:


Name: Abdullahi Dayib Hussein
Clerk to Assembly


Name: Wehliye Ahmed
Senior Accountant
ICPAK Member Number:17115


Name: Alex Kibwage Ontumi
Principal Accounts controller

12. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1	-	-	-	-	-
Legislation and Representation	348,466,190	-	348,466,190	318,319,659	30,146,531
Programme 2	-	-	-	-	-
Legislative Oversight	234,444,685	-	234,444,685	267,052,885	(32,608,200)
General administration and planning	325,000,000	-	325,000,000	242,307,855	80,590,146
	-	-	-	-	-
Total	907,910,875	-	907,910,875	827,680,369	78,128,477

13. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Reporting entity

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Acquisition of fixed assets

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

Significant Accounting Policies (Continued)

4. In-kind contributions

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

5. Third Party Payments

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

6. Cash and cash equivalents

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

7. Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2023,

Significant Accounting Policies (Continued)

8. Imprests and Advances

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

9. Third party deposits and retention

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

10. Non-current assets

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

11. Pending bills

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

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, 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.

13. Contingent Assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 6th April 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There were one supplementary budgets passed in the year. A high-level assessment of the County Assembly's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

18. Related Party Transactions

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

- a) Control the other party or

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

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

14. Notes to the Financial Statements

1. Transfer From CRF

	2022-2023	2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	-	139,845,447
Transfers from the county treasury for Q2	333,433,264	327,683,592
Transfers from the county treasury for Q3	345,888,775	217,300,000
Transfers from the county treasury for Q4	267,888,686	200,120,896
Cumulative amount	947,412,490	884,949,935

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the Financial Statements

3. Miscellaneous receipts

	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Other receipts (specify)*	-	-
Total	-	-

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	204,780,880.59	349,104,551
Basic wages of temporary employees	5,205,676	-
Personal allowances paid as intern upkeep	641,462	-
Personal allowances paid as mileage allowances	19,284,632	-
Personal allowances as top up allowances	141,120	-
Employer deductions as loan recoveries	5,517,518	-
Personal allowances paid gratuity	20,262,639	-
Pension and other social welfare contributions	58,323,232	-
Social benefit schemes outside government	-	-
Other payments-car grant tax	4,162,500	-
Total	318,319,660	349,104,551

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	2022/2023	2021/2022
	Kshs	Kshs
Utilities, supplies and services	4,315,074	397,824
Domestic travel and subsistence	121,899,972	185,207,269
Foreign travel and subsistence	16,492,392	721,600
Printing, advertising and information supplies & services	282,180	269,540
Rentals of produced assets	4,311,000	5,463,000
Training expenses	1,484,000	217,440
Hospitality supplies and services	4,012,040	5,328,968
Insurance costs	21,597,210	13,000,000
Specialized materials and services	-	-
Office and general supplies and services	81,956,118	21,418,918
Other operating expenses	7,070,869	14,897,510
Routine maintenance – vehicles and other transport equipment	2,595,000	54,000
Refined fuel and lubricants	1,037,030	
Total	267,052,855	246,976,069

Notes To The Financial Statements (Continued)

6. Subsidies

Description	2022-2023	2021-2022
	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	2022-2023	2021-2022
	Kshs	Kshs
Transfers to other county assembly entities		
Car loan and mortgage scheme fund	117,200,000	14,000,000
Total	117,200,000	14,000,000

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	2022-2023	2021-2022
	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

	2022-2023	2021-2022
	Kshs	Kshs
Government Pension and Retirement Benefits	-	-
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	-	-

Notes To The Financial Statements (Continued)

10. Acquisition Of Assets

<u>Non- financial assets</u>	2022-2023	2021-2022
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	-
Refurbishment of buildings	-	-
Construction of roads	-	-
Construction and civil works	214,627,855	273,903,977
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Office and general supplies	-	-
Purchase of office furniture and fittings	25,680,000	-
Ict equipment software and other Ict Assets	2,000,000	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets		
Total acquisition of non- financial assets	242,307,855	273,903,977
<u>Financial assets</u>		
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	242,307,855	273,903,977

Notes To The Financial Statements (Continued)**11. Finance Costs**

	2022-2023	2021-2022
	Ksh	Ksh
Interest payments on foreign borrowings	-	-
Interest payments on guaranteed debt taken over by govt	-	-
Interest on domestic borrowings (non-govt)	-	-
Interest on borrowings from other government units	-	-
Total	-	-

12. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other Payments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

13. Cash And Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2022-2023	2021-2022
			Kshs	Kshs
<i>Central bank of Kenya .Tana River County assembly Development Ksh</i>	1000282282	Development	644,138	964,006.10
<i>Central bank of Kenya .Tana River County assembly Development Ksh</i>	1000247077	Recurrent	477,765	6,843.05
<i>Kenya Commercial Bank Tana River kcb Ksh</i>	1143877578	Kcb Recurrent	159,388	159,388
Kenya commercial bank-Gratuity account Ksh	1169962343	Kcb gratuity	490,788	496,551
Total			1,772,079	1,626,788

13B. Cash In Hand

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

Notes To The Financial Statements (Continued)

Cash in hand should be analysed as follows:

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

(Provide locations where cash in hand is held e.g. head office, cashier's office, cash office etc)

14. Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	2,386,800	-
Salary Advance	-	-
Clearance accounts	-	-
Total	2,386,800	-

Breakdown Of Imprest And Salary Advance Per Department	2022-2023	2021-2022
	Kshs	Kshs
Imprests		
Sergeant at arm department	710,000	-
Human resource department	1,676,800	-
Sub-Total	2,386,800	-
Salary Advance		
Department	-	-
Department	-	-
Sub-Total	-	-
Grand Total	2,386,800	-

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

Notes To The Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Deposits	-		-	
Retentions	-		-	
Total	-		-	
Ageing analysis (third party deposits and advances)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	-	-	-	-

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

16. Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Accounts	1,626,788		661,450	
Cash In Hand	-		-	
Imprests and advances	-		-	
Third party deposits and retentions	-		-	
Total	1,626,788		661,450	

17. Prior Year Adjustments

	Balance b/f from Comparative FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f For Comparative FY
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others (<i>Specify</i>)	-	-	-
	-	-	-

18. Changes In Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Imprests and Advances As At 1 st July 2023	-	-
Closing Imprests and Advances As At 30 th June 2023	2,386,800	-
Change In Imprests and Advances	2,386,800	-

19. Changes In Third Party Deposits and Retentions

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 st July 2023	-	-
Closing Third Party Deposits and Retention As At 30 th June 2023	-	-
Change In Third Party Deposits and Retention	-	-

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Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	-	-	-	-
Construction Of Civil Works	-	-	-	-
Supply Of Goods	-	-	-	-
Supply Of Services	-	-	-	-
Total	-	-	-	-

2. Pending Staff Payables (See Annex 2)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY)
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Unionisable Employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f Insert Comparative FY	Additions for the year	Paid during the year	Balance c/f (insert current FY
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

	2022-2023	2021-2022
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	-	-

(Total here to tie to line 2 of note 4)

a) External assistance relating loans and grants

	2022-2023	2021-2022
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	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn External Assistance - Loans		-	-
Undrawn External Assistance - Grants		-	-
Total		-	-

(This is a disclosure of the assistance not yet received as per donor agreements)

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Provide details for external assistance e, g. Economic development or welfare objective, Emergency relief, Trading activities etc. The total here should tie to totals of note 4))

Notes To The Financial Statements (Continued)

d. Non-Monetary External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc.

N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement. The totals here tie with line 3 of note 4.)

e. Purpose and use of external assistance.

Payments Made By Third Parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation Of Employees	-	-
Use Of Goods and Services	-	-
Subsidies	-	-
Transfers To Other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition Of Assets	-	-
Finance Costs, Including Loan Interest	-	-
Repayment Of Principal On Domestic & Foreign Borrowing	-	-
Other Payments	-	-
Total	-	-

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used. (The total here should tie to the note 4 on external assistance)

Notes To The Financial Statements (Continued)

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

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	2022-2023	2021-2022
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(This note should tie to line 3 of note 4 on external assistance)

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

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.

5.1 Classification by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

(Third party payments may be done by other entities that are not providers of external assistance)

Notes To The Financial Statements (Continued)

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

Payments made by third parties	2022-2023	2021-2022
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	-	-

N/B The above subclassification will be adopted based on the appropriate county's operations.

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:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	318,319,659	224,302,802
Key Management Compensation (Clerk and Heads of departments)	-	-
Total Compensation to Key Management	318,319,659	224,302,802
<u>Transfers to related parties</u>	-	-
Transfers to other County Government Entities such as car and mortgage schemes	117,200,000	14,000,000
Transfers to other entities under the Assembly	-	-
Total Transfers to related parties	117,200,000	14,000,000
<u>Transfers from related parties</u>	-	-
Transfers from the CRF	947,412,490	884,949,935
Payments made on behalf of the County Assembly by other Government Agencies	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	947,412,490	884,949,935

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
contingent liabilities arising from PPPs	-	-
Total	-	-

15. Progress On Follow On Prior Year Auditor’s Recommendations

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

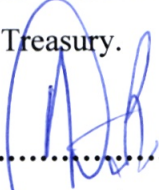
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unconfirmed Use of Goods and Services Expenditures	Position remains the same	Not resolved	30 th june,2024
2.0	Unsupported Acquisition of Assets Expenditure	Position remains the same	Not resolved	30 th june,2024
3.0	E procurement	Position remains the same		
4.0	Audit Committee Not Appointed	Position remains the same	Not resolved	30 th june 2024
5.0	Internal Auditor not Appointed	Position remains the same		30 th june 2024
6.0	Lack of Updated Fixed Assets Register	Position remains the same		30 th june 2024

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

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(iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



.....
Clerk of the County Assembly

Date 21/12/23 .

16. Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
			a	b	c	d=a+b-c	
County assembly swa Tana river	1/6/2023		66,000	-	-	-	66,000
Lapfund	1/6/2023		1,480,881	-	-	-	1,480,881
Nssf	1/6/2023		13,800	-	-	-	13,800
Kcb bank	1/6/2023		623,784	-	-	-	623,784
Equity bank	1/6/2023		331,358	-	-	-	331,358
Tanariver county government rent	1/6/2023		8,900	-	-	-	8,900
Laptrust fund	1/6/2023		220,653	-	-	-	220,653
Nhif	1/6/2023		162,650	-	-	-	162,650
Sub-Total							
Grand Total			2,908,026				2,908,026

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

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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 Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management	-	-	-	-	-	-	
1.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Middle Management	-	-	-	-	-	-	
2.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Unionisable Employees	-	-	-	-	-	-	
3.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Others (<i>specify</i>)	-	-	-	-	-	-	
4.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Grand Total	-	-	-	-	-	-	

Annex 3 – Analysis Of Other Pending Payables

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

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Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2023
Land	92,463	-	-	-	92,463
Buildings and structures	162,300,842	214,627,855	-	-	376,928,664
Transport equipment	77,083,925	-	-	-	77,083,925
Office equipment, furniture and fittings	20,495,735	25,680,000	-	-	46,175,735
ICT equipment	13,931,012	2,000,000	-	-	15,931,012
Machinery and equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure assets	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in progress	-	-	-	-	-
Total	273,903,977	242,307,855	-	-	516,211,799

*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 Receivables
(a) Government Imprest**

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
GABABO HUSSEIN KALME	21/9/2022	200,000	-	200,000
GABABO HUSSEIN	12/6/2022	200,000	-	200,000
ALI NUR GURACHO	22/11/2022	80,000	-	80,000
AHMED MUSA	14/11/2022	156,800	-	156,800
MOHAMED ABDULLAHI	14/12/2022	300,000	-	300,000
HABIBA IBRAHIM	14/12/2022	80,000	-	80,000
ABDI IBRAHIM DARA	01/06/2023	200,000	-	200,000
HERO SAID	26/1/2023	50,000	-	50,000
DULO HAMA BALAGA	30/5/2023	30,000	-	30,000
DULO HAMA BALAGA	30/5/2023	30,000	-	30,000
BARISA ABARоба	31/5/2023	100,000	-	100,000
YUSSUF BURHAN	6/6/2023	80,000	-	80,000
ABDI IBRAHIM DARA	15/3/2023	200,000	-	200,000
ABDI IBRAHIM DARA	15/3/2023	150,000	-	150,000
ABDI IBRAHIM DARA	04/3/2023	150,000	-	150,000
ABDI IBRAHIM DARA	22/6/2023	150,000	-	150,000
ABDI IBRAHIM DARA	22/6/2023	200,000	-	200,000

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ADHAN HARAF	26/5/2023	30,000	-	30,000
Total				2,386,800

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(b) Salary Advance

Name of Officer	Date Advanced	Amount Advanced Kshs	Amount Recovered Kshs	Balance Kshs
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
<i>Name Of Officer</i>	-	-	-	-
Total	-	-	-	-

Annex: 6 Reporting of Climate Relevant Expenditures

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

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Annex 7 Reporting on Disaster Expenditure

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

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Annex 8: Contingent Liabilities Register

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