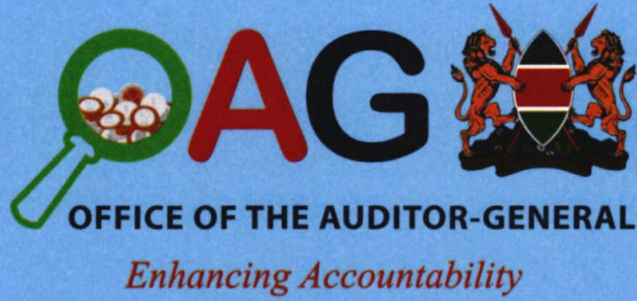


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**TRANS NZOIA COUNTY PUBLIC
SERVICE BOARD**

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

PAPERS LAID	
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2024

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

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Trans-Nzoia County Public Service Board was established pursuant to the provisions of section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the constitution of Kenya 2010. Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in 2013 and thereafter appointed and gazetted by H.E. the Governor.

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

b) Principal Activities

Vision: A leading Board in client-centred public service

Mission: To provide efficient and effective public service delivery through management and development of competent human capital.

Strategic goals/Objectives

- i. To ensure optimal staffing levels in all County departments
- ii. To ensure career progression of county staff
- iii. To enhance skills upgrading and multi-tasking
- iv. To provide clear information on pension and social security services
- v. To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
- vi. To inculcate good work culture in the County Public Service
- vii. To have a harmonized grading and remuneration structure for the county public service employees.
- viii. Ensure sustainability and continuity in public service delivery
- ix. To strengthen the policy and regulatory framework that governs the Board and the County Public Service
- x. Establish modern systems for record and information management.
- xi. To improve work environment and enhance efficiency and effectiveness in service delivery.

Mandate

The overall mandate of the Board is to build and manage the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services, as derived from the County Governments Act Number 17 of 2012.

The mandate of the Board is provided for under Section 59 of the County Governments Act (CGA), 2012 as follows: -


- i. Establish and abolish offices in the County Public Service.
- ii. Appoint persons to hold or act in offices of the County Public Service including in the boards of cities and urban areas within the County and to confirm appointments.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024



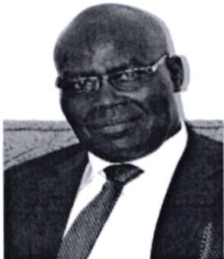
- iii. Exercise disciplinary control over, and remove, persons holding or acting in those offices as provided for under this part.
- iv. Prepare regular reports for submission to the County Assembly on the execution of the functions of the Board.
- v. Promote in the County Public Service the values and principles referred to in Articles 10 and 232.
- vi. Evaluate and report to the County Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County Public Service.
- vii. Facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties.
- viii. Advise the County Government on human resource management development.
- ix. Advise county government on implementation and monitoring of the national performance management system in counties.
- x. Make recommendations to the Salaries and Remuneration Commission, on behalf of the county government, on the remuneration, pensions and gratuities for county public service employees.

c) Board Members


- i) Board Chairperson Mr Peter M. Wamoto
- ii) Board Vice Chairperson Mrs Rosemary N. Wanaswa
- iii) Board Member Mrs Elymaryta A. Khaoya
- iv) Board Member Mr Samuel N. Warui
- v) Board Member Dr. Silvester Wanyama Mackton
- vi) Board Member Mr Edward K. Kitur
- vii) Board Secretary Vacant

Name	Details of qualifications and experience
 Mr. Peter Wamoto Board Chairperson	<p>Mr. Peter M. Wamoto was born in 1958 in Bungoma County. He holds a Master of Arts degree in Human Resource Management and a Diploma in Labour Administration and Management. He also has training in Strategic Leadership, Labour Law, International Labour Relations, Labour Policy and Planning, Management and Development and Prosecution.</p> <p>Mr. Wamoto has 42 ½ years of public service experience; 5 years in Foreign Service 30 years in Labour Administration, 3 years in Corporate support, and 4½ years as Chairperson, Trans Nzoia County Public Service Board.</p>

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

 <p>Mrs. Rosemary Wanaswa Board Vice Chairperson</p>	<p>Mrs. Rosemary N. Wanaswa was born in 1958 in Bungoma County. She holds a Bachelor of Education Degree.</p> <p>Mrs Wanaswa is a renown educationist, having taught and headed some of the best national schools in Kenya such as Moi Girls, Eldoret and St. Brigids Girls, Kiminini as Chief Principal. She is currently the Vice Chairperson, Trans Nzoia County Public Service Board and has served the Board for the last 4½ years. She also Chairs the Compliance, Audit, Training and Quality Assurance Committee of the Board.</p>
 <p>Mrs. Elymaryta Agatha Khaoya Board Member</p>	<p>Mrs. Elymaryta Agatha Khaoya was born in 1956. She holds a Master of Business Administration Degree and a Bachelor of Arts Degree from the University of Nairobi.</p> <p>Mrs Khaoya has extensive experience in public service, having held various administrative positions in the civil service and retired in 2016 at the rank of Director of Administration, having worked for 34 years. She is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 4½ years. She Chairs the Performance Management Committee of the Board.</p>
 <p>Mr. Edward K. Kitur Board Member</p>	<p>Mr. Edward Kitur was born in 1978, and holds a Bachelor of Commerce Degree. He is the Chairperson of the Finance and General Purpose Committee of the Board.</p> <p>Mr. Kitur started working as an Accounts Clerk in the Ministry of Education before joining politics in the year 2007 where he served for five years as a Councilor in Trans Nzoia and chaired the Audit Committee. In the year 2013, he was elected as a Member of County Assembly, Trans Nzoia and Chair of the Public Accounts Committee. He has also been the Secretary General, Accountability Kenya. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 4½ years.</p>
 <p>Dr. Wanyama Silvester Mackton, PhD Board Member</p>	<p>Dr. Silvester Wanyama Mackton was born in 1966. He holds a PhD in Economics from Maseno University, Master of Philosophy in Economics from Moi University and a Bachelor of Education Degree from the University of Nairobi.</p> <p>Dr. Mackton has extensive experience as an educationist, having taught in a number of schools before becoming a University don. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 4½ years. He Chairs the Human Resource Committee of the Board.</p>

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

 <p>Mr. Samuel Warui Board Member</p>	<p>Mr. Samuel N. Warui was born in 1958 and has a Bachelors degree in Project Planning and Management from the University of Nairobi. He also has training in Governance and Management, a certificate in in Cooperative Administration from Cooperative College, Certificate in Statistics from Dar-es-salam University, a certificate in Leadership from Swedish Cooperative Centre and a Diploma in Business Management from the University of Nairobi.</p> <p>Mr. Warui joined the Kenya Civil Service in 1980 and has worked in various parts of the country in various capacities and retired from the Civil Service in 2019 at the rank of Ag. Director of Cooperative Development in Trans Nzoia County. He is a member of the Trans Nzoia County Public Service Board and has served the Board for the last 4½ years. He Chairs the Planning Committee of the Board.</p>
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d) Key Management

- | | |
|------------------------------------|--------------------------|
| i) Director, Finance | CPA Albert Soita |
| ii) Senior Assistant Director, HRM | Dr. Johnstone K. Wanjala |
| iii) Accountant I | Judith Chebet Maratani |

e) Fiduciary oversight arrangements

No.	Committee	Entity
1.	Public Accounts & Investments Committee	County Assembly Committee
2.	Budget & Appropriations Committee	County Assembly Committee
3.	County Audit Committee	County Executive

f) Entity Headquarters

P.O. Box 4210-30200
Near Mt. Elgon Hospital
KITALE, KENYA

g) Entity Contacts

Telephone: (254) 713 635 352
E-mail: cpsbtransnzoia@gmail.com

h) Entity Bankers

Trans Nzoia County Public Service Board Operation/Imprest Account
Kenya Commercial Bank
Account No. 1149298472
Kitale-Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General,
Anniversary Towers, Monrovia

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

P.O. Box 30084
GPO 00100
Nairobi, Kenya

- j) Principal Legal Adviser**
The County Attorney
County Government of Trans Nzoia
P.O. Box 4211 30200
Kitale, Kenya

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

**2. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
 PREDETERMINED OBJECTIVES**

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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 development objectives of the Board's 2023-2028 plan are:

- a) To ensure optimal staffing levels in all County departments
- b) To ensure career progression of county staff
- c) To enhance skills upgrading and multi-tasking
- d) To enhance collaboration and cooperation in sharing information and promote adherence to articles 10, and 232 of the Kenya Constitution 2010
- e) To inculcate good work culture in the County Public Service
- f) Ensure sustainability and continuity in public service delivery
- g) To strengthen the policy and regulatory framework that governs the Board and the County Public Service
- h) Establish modern systems for record and information management.
- i) To improve work environment and enhance efficiency and effectiveness in service delivery.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Table 1: Sector programmes Performance FY 2023/2024

Programme 1: Physical Infrastructure and Equipment					
Objective: To provide employees with conducive work environment for enhanced service delivery					
Outcome: Improved working conditions and service delivery					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Perimeter wall construction	Security of Board premises enhanced	% of Completion	100%	100%	
Office Partitioning	To provide staff with ample working space for enhanced service delivery	% of completion	100%	100%	
Upgrading of online job application system	Online job application system installed	No. of modules installed	1	1	
Installation of Internal communication System (INTERCOM)	Ease of communication across Board offices	No. of telephone extensions	20	20	

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Programme 2: Public Service Transformation					
Objective: To improve public service delivery					
Outcome: improved public service delivery					
	Signed performance contract	No. of employees on performance contract	5	5	
	Performance Appraisal System	No. of CPSB employees on PAS	20	20	
	Service Charter developed	No. of Service charters developed	1		The development is ongoing
	Customer satisfaction survey Undertaken	No. of customer satisfaction Survey report	1	0	Budgetary constraints
	Work environment survey Undertaken	No. of Survey report	1	0	Budgetary constraints
Programme 3: Governance and Administration					
Objective: To enhance effective policy coordination, public service delivery and good governance					
Outcome: Effective policy coordination, public Service delivery and Good governance					
SP: Ethics, Governance & National Values	Members of staff Sensitized on values & principles of good governance articles 10 & 232 of CoK, 2010	No. of staff sensitized on values and principles of articles 10 and 232 of COK	3,000	3,318	
	Annual reports to County Assembly, H.E. the Governor prepared in accordance to CGA 2012	No. of Annual report prepared	1	1	
	Staff sensitized on declaration of income, assets and liabilities	No. of staff that submitted their wealth declaration within the stipulated time frame.	3,380	3,318	Those who failed to comply were issued with show cause and warning letters.
Programme 4: Human Resource Policy, Planning and Development					
Objective: To enhance the capacity of the County Public Service					
Outcome: Improved service delivery					
Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
Policy, Legal Framework and Institutional Reforms	Human Resource policies and tools and Schemes of Service developed	No. of sector specific legislations, policies and	15	8	Budgetary constraints allowed only 8

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

Sub Programme/Project	Key Outcomes/ Outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*
		guidelines			policies to be developed
Recruitment, selection and succession management	Optimal staff in County departments	Number of staff recruited and appointed	350	278	Litigation matters/transition
	Continuity in service delivery	Number of staff promoted	350	117	Staff restructuring & re-organization slowed the process
Training & Development	Skilled and professional county public employees	No of officers trained.	300	217	A number of training requests were not approved for failure to meet the specified requirements.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

3. BOARD CHAIRPERSON'S REPORT

Trans-Nzoia County Public Service Board was established pursuant to the provisions of section 57 of the County Government Act (Number.17 of 2012) which operationalized article 235 of the constitution of Kenya 2010. The Inaugural Trans-Nzoia County Public Service Board was approved by the Trans-Nzoia County Assembly in 2013 and thereafter appointed and gazetted by the Governor for a six (6) year term that ended in July, 2019. The second generation Board was approved by the Trans-Nzoia County Assembly in February, 2020 and thereafter appointed and gazetted by the Governor on 4th March, 2020 for a six (6) year term, and has therefore served for the last 4 ½ years.

During the year under review, the Trans Nzoia County Public Service Board was able to accomplish, inter alia, the following planned activities in the financial year 2023-2024:-

- i) The Board appointed 278 staff; 272 on permanent and pensionable terms and 6 on contract.
- ii) The Board facilitated the setting up of the County Health Management Team for the Department of Health Services and Sanitation by appointing 16 officers as County Coordinators for a period of 3 years.
- iii) The Board renewed contracts for 276 staff; 162 of them being UHC staff.
- iv) The Board promoted 117 officers and upgraded 8.
- v) The Board confirmed 120 staff in appointment on permanent and pensionable terms and absorbed and upgraded 26 ECDE teachers who previously served on contract.
- vi) The Board approved a total of 6 inter-county transfers; 3 into the county and 3 out of the county.
- vii) The Board approved two hundred and seventeen (217) staff trainings and attachment for 1,128 students across the various county departments. Further, the Board conducted training and sensitization on the Declaration of Incomes, Assets, and Liabilities (DIALS) across all county departments to promote ethics and integrity in public service.
- viii) The Board developed 8 policies.
- ix) The Board issues advisories to the county executive on need basis and provided prompt feedback to stakeholders on diverse areas touching on its mandate.
- x) The Board completed the construction of perimeter wall to enhance Board security.
- xi) The Board completed the partitioning of its new office block.
- xii) The Board upgraded its online job application system by installing an additional HR module.
- xiii) The Board installed an intercom system to ease communication across Board offices.

The Board looks forward to a brighter and successful financial year, 2023-2024.



Mr Peter M. Wamoto
Chairperson
Trans Nzoia County Public Service Board



TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024


4. REPORT OF THE BOARD SECRETARY

During the FY 2023-2024, the Trans Nzoia County Public Service Board had an approved budget of Kshs 87,555,299 for both recurrent expenditure and development expenditure. Of the approved budget Kshs 22,447,301 was disbursed directly by the County Treasury to the Board’s Imprest/Operations account while Kshs 44,420,668 was paid by the County Treasury on behalf of the Board, hence a total of Kshs 66,867,969 (76%) of the approved budget was accessed by the Board. Further, the Board received Kshs 1,166,640, being a refund from the Department of health services and sanitation, making the total receipts during the FY 2023-2024 to be Kshs 68,034,609.

The Board plays a very critical role in all aspects of human resource planning, management and development for the County, and the support it received in FY 2023-2024 was quite encouraging. It is hoped that the support will continue so as to enable the Board fulfil its mandate as provided for under section 59 of the County Governments Act (CGA), 2012.

In the course of the FY 2023-2024, the Board experienced prolonged litigations that slightly slowed down the normal operations of the Board. However, the Board continues to soldier on and looks forward to accomplishing its planned activities.

The Board has fully embraced the Accrual Basis of Accounting method under the International Public Sector Accounting Standards (IPSAS), the basis upon which the Board’s financial statements are prepared.


CPA Albert Soita
ICPAK Member Number: 9655
For Secretary/CEO
Trans Nzoia County Public Service Board



5. CORPORATE GOVERNANCE STATEMENT

Establishment of the Board

The Trans Nzoia County Public Service Board is established pursuant to Section 57 of the County Governments Act, 2012 which states that a the County Public Service Board shall comprise a chairperson, not less than three but not more than five members and a secretary appointed by the Governor with the approval of the County Assembly.

Board Meetings

- i) The Board meets as often as may be necessary for carrying out of its business, but it meets at least once every two weeks.
- ii) At least two days written notice of every meeting of the Board is given to every member of the Board.
- iii) The chairperson shall, on written application of one third of the members, convene a special meeting of the Board.
- iv) The Chairperson in consultation with the secretary shall decide the items of agenda.
- v) Where a member is unable to attend a meeting, the member may communicate through the chairperson, their contributions and concerns on the matters before the meeting.
- vi) The quorum for the conduct of business at a meeting of the Board shall be at least four members of the Board.
- vii) The chairperson shall preside at every meeting of the Board, in the absence of the chairperson the vice-chairperson shall preside and in the absence of both, members present shall elect one member to preside.
- viii) The Board Secretary shall be the secretary at all meetings of the Board.
- ix) The Board Secretary shall cause minutes of all proceedings of the meeting of the Board to be recorded.

Fifteen (15) Board meetings were held between 1st July, 2023 and 30th June, 2024, three (3) of them being special Board meetings.

Roles and functions of Board members

The role and functions of Board members is outlined under Section 59(i) of the County Governments Act 2012, which entail building and managing the human resource capacity of the Trans Nzoia County Government for effective and efficient delivery of services.

Board Charter

The Board Charter sets out the roles and responsibilities of and the standards, which all members are expected to observe in the performance of their duties.

Register of Conflict of Interest and Gifts Register

The Board maintains a Register of Conflict of Interest and a Gifts Register.

Board remuneration

The Board remuneration is stipulated by the Salaries & Remuneration Commission.

Removal of the Board

As per Section 58 (5) of the County Governments Act, the members of the Board may only be removed from office:-

- (a) on grounds set out for the removal of members of a constitutional commission under Article 251(1) of the Constitution; and
- (b) by a vote of not less than seventy five percent of all the members of the county assembly.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Board had an approved budget of Kshs 87,555,299 for both recurrent expenditure and development expenditure. Of the approved budget Kshs 22,447,301 was disbursed directly by the County Treasury to the Board's Imprest/Operations account while Kshs 44,420,668 was paid by the County Treasury on behalf of the Board, hence a total of Kshs 66,867,969 (76%) of the approved budget was accessed by the Board. Further, the Board received Kshs 1,166,640, being a refund from the Department of health services and sanitation, making the total receipts during the FY 2023-2024 to be Kshs 68,034,609.

The Board was able to accomplish the following planned activities in the financial year 2023-2024:-

- i) The Board appointed 278 staff; 272 on permanent and pensionable terms and 6 on contract.
- ii) The Board facilitated the setting up of the County Health Management Team for the Department of Health Services and Sanitation by appointing 16 officers as County Coordinators for a period of 3 years.
- iii) The Board renewed contracts for 276 staff; 162 of them being UHC staff.
- iv) The Board promoted 117 officers and upgraded 8.
- v) The Board confirmed 120 staff in appointment on permanent and pensionable terms and absorbed and upgraded 26 ECDE teachers who previously served on contract.
- vi) The Board approved a total of 6 inter-county transfers; 3 into the county and 3 out of the county.
- vii) The Board approved two hundred and seventeen (217) staff trainings and attachment for 1,128 students across the various county departments. Further, the Board conducted training and sensitization on the Declaration of Incomes, Assets, and Liabilities (DIALS) across all county departments to promote ethics and integrity in public service.
- viii) The Board developed 8 policies.
- ix) The Board issues advisories to the county executive on need basis and provided prompt feedback to stakeholders on diverse areas touching on its mandate.
- x) The Board completed the construction of perimeter wall to enhance Board security.
- xi) The Board completed the partitioning of its new office block.
- xii) The Board upgraded its online job application system by installing an additional HR module.
- xiii) The Board installed an intercom system to ease communication across Board offices.

The Board complied with all statutory requirements in the performance of its mandate that include; fair competition and merit as the basis of appointments and promotions; timely submission of annual report to the County Assembly on the execution of the functions of the Board as well as timely remittance of withheld tax to the Kenya Revenue Authority.

The major risk facing the Board are the frequent litigations that are commenced in courts of law which at times stall the Board's activities.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended 30, 2024

7. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government of Trans-Nzoia, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Board Secretary, Trans Nzoia County Public Service Board is responsible for the preparation and presentation of the Board’s financial statements, which give a true and fair view of the state of affairs of the Trans Nzoia County Public Service Board, for and as at the end of the financial year ended on June 30th, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Public Service Board; (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 Public Service Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The Board Secretary confirms that the Trans Nzoia County Public Service Board has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that County Public Service Board’s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Board Secretary confirms that the Trans Nzoia County Public Service Board 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 statement

The County Public Service Board’s financial statements were approved and signed by the Board Secretary on 24th October, 2024.

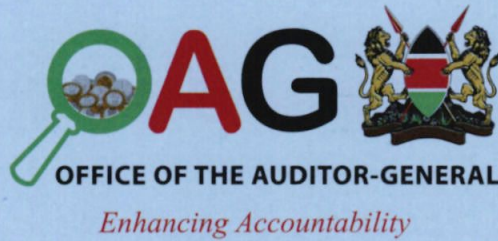


CPA Albert Soita
ICPAK Member Number: 9655
For Board Secretary



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 TRANS NZOIA COUNTY PUBLIC SERVICE BOARD FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the Government achieves value for money and that such funds are applied for intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Trans Nzoia County Public Service Board set out on pages 1 to 17, which comprise of the statement of financial

position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Trans Nzoia County Public Service Board as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget against actual receipts of Kshs.87,555,299 and Kshs.68,034,609 respectively resulting to an underfunding of Kshs.19,520,690 or 22% of the budget. Similarly, the budgeted expenditure was Kshs.87,555,299 against actual expenditure of Kshs.74,956,299 resulting to an under-expenditure of Kshs.12,599,000 or 14% of the budget.

The underfunding and under-expenditure may have affected planned programs impacting negatively on performance of the Board.

2. Pending Account Payables

Note 8 to the financial statements reflects pending accounts payables of Kshs.13,220,204. Out of this balance, trade payables amounting to Kshs.2,186,562 have been outstanding for over 60 days.

Failure to settle bills during the year to which they relate distorts the financial statements for that year and adversely affects the provisions for the subsequent year to which they have to be charged.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page ii to xiv which comprise of key entity information and management, statement of performance against Trans Nzoia County Public Service Board predetermined objectives, statement of the board chairperson, statement of the board secretary, corporate governance statement, management discussion and analysis and statement of management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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, I confirm that nothing 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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of a Substantive Board Secretary

The staff list provided showed that the Board had no substantive Board Secretary. A further review of Trans Nzoia County Public Service Board financial reports revealed that the financial reports were signed for by the director of finance instead of the Board secretary.

In the circumstances, the Board is not fully constituted to effectively perform its mandate as required.

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

Responsibilities of Management and the Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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 Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board is responsible for overseeing the Board'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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 November, 2024


TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1. FINANCIAL STATEMENTS

**1.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
 30TH JUNE, 2024**

	Note	2023/2024	2022/2023
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	63,552,422	52,236,766
Other income	2	1,166,640	-
Total revenue		64,719,062	52,236,766
Expenses			
Staff Costs	3	36,150,000	27,819,100
General expenses	4	35,477,432	26,142,502
Transfer to County Government	6	13,320	-
Total expenses		71,640,752	53,961,602
Surplus/(deficit) for the period		-6,921,690	-1,724,837

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 24th October, 2024 and signed by:


 CPA Albert Soita
 ICPAK Member Number: 9655
 For Board Secretary

OFFICE OF SECRETARY / CEO
TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
24 OCT 2024
 P. O. Box 4210 - 30200, KITALE
 TEL 0713 635 352


 Judith C. Maratani
 Accountant I

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2024

	Note	2023/2024	2022/2023
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	5	4,435	15,363
Non-current assets			
Property, plant and equipment	7	37,891,967	30,453,540
Total Assets		37,896,402	30,468,903
Liabilities			
Current liabilities			
Trade payables	8	13,220,204	2,186,562
Non-current liabilities			
Total liabilities		13,220,204	2,186,562
Net assets		24,676,198	28,282,341
Capital funds	9.3	26,857,426	23,541,879
Accumulated surplus/(deficit)	9.3	-2,181,228	4,740,462
Total net assets and liabilities		24,676,198	28,282,341

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 24th October, 2024 and signed by:


 CPA Albert Soita
 ICPAK Member Number: 9655
 For Board Secretary

OFFICE OF SECRETARY / CEO
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE, 2024

	Capital Funds	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1st July 2022	14,732,226	-	6,465,299	21,197,525
Surplus/(deficit) for the period	-	-	-1,724,837	-1,724,837
Funds received during the year	8,809,653	-	-	8,809,653
Balance as at 30th June 2023	23,541,879	-	4,740,462	28,282,341
Balance as at 1st July 2023	23,541,879	-	4,740,462	28,282,341
Surplus/(deficit) for the period	-	-	-6,921,690	-6,921,690
Funds received during the year	3,315,547	-	-	3,315,547
Revaluation gain	-	-	-	-
Balance as at 30th June 2024	26,857,426	-	-2,181,228	24,676,198

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 24th October, 2024 and signed by:

 CPA Albert Soita ICPAK Member Number: 9655 For Board Secretary	<div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> <p>OFFICE OF SECRETARY / CEO TRANS NZOIA COUNTY PUBLIC SERVICE BOARD</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">24 OCT 2024</p> <p>P. O. Box 4210 - 30200, KITALE TEL 0713 635 352</p> </div>	 Judith C. Maratani Accountant I
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TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2024

	Note	2022/2023	2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	10	63,552,422	15,072,622
Receipts from other operating activities	11	1,166,640	-
Total Receipts		64,719,062	15,072,622
Payments			
Transfer to the County Government	12	-13,320	
Staff costs	13	-36,150,000	-782,500
General expenses	14	-29,959,409	-14,285,796
Adjusted for:			
Increase/(Decrease) in Accounts Payable: (deposits and retention)	15	11,033,642	-
Net cash flows from operating activities		9,629,975	4,324
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	7	-12,956,450	-
Funds received during the year	16	3,315,547	
Net cash flows used in investing activities		-9,640,903	-
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-10,928	4,324
Cash and cash equivalent at BEGINNING of the year	4	15,363	11,039
Cash and cash equivalent at END of the year	4	4,435	15,363


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Public Service Board financial statements were approved on 24th October, 2024 and signed by:


 CPA Albert Soita
 ICPAK Member Number: 9655
 For Board Secretary

OFFICE OF SECRETARY / CEO
 TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

24 OCT 2024

P.O. Box 4210 - 30200, KITALE
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 Judith C. Maratani
 Accountant I

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE, 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	KShs	KShs	KShs	KShs	KShs	%
Revenue						
Transfers from County Govt.	88,655,299	-1,100,000	87,555,299	66,867,969	20,687,330	76%
Other Income				1,166,640		
Total income	88,655,299	-1,100,000	87,555,299	68,034,609	19,520,690	78%
Expenses						
Staff Costs	37,951,036	-1,801,036	36,150,000	36,150,000	-	100%
General expenses	34,325,785	1,201,036	35,526,821	35,477,432	49,389	100%
Property, Plant & Equipment	16,378,478	-500,000	15,878,478	3,315,547	12,562,931	21%
Transfer to County Govt.				13,320		
Total expenditure	88,655,299	-1,100,000	87,555,299	74,956,299	12,599,000	86%
Surplus (Deficit) for the period				-6,921,690		

Budget notes

- (a) The difference between the original and final budget was due to budget cuts by the County Treasury
- (b) The actual transfer from County Government of Kshs 66,867,969 includes Kshs 3,315,547 in respect of property plant & equipment (PPE) that was credited under the Statement of Net Assets as Capital Funds and the balance of 63,552,422 under the Statement of Financial Performance.
- (c) An amount of Kshs 1,166,640 was received from the Department of Health Services and Sanitation as a refund and credited under the Statement of Financial Performance.

The County Public Service Board financial statements were approved on 24th October, 2024 and signed by:


 CPA Albert Soita
 ICPAK Member Number: 9655
 For Board Secretary

OFFICE OF SECRETARY / CEO
 TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

24 OCT 2024

P O. Box 4210 - 30200, KITALE
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 Judith C. Maratani
 Accountant I

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Board’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: a) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

b) Early adoption of standards

The Board did not early – adopt any new or amended standards in year 2020 but fully embraced the accrual basis of reporting in the year 2021.

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budget information

The original budget for FY 2023/2024 was approved by the County Assembly in June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The revisions /additional appropriations are deducted/added to the original budget by the Board upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Board recorded a downward revision of Kshs. 1,100,000 on the FY 2023-2024 budget following the governing body's approval.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 9.5 of these financial statements.

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

6. Method of Depreciation

The Board adopted the Reducing (Declining) balance method in computing depreciation amounts. This method depreciates the asset at its straight-line depreciation percentage times its remaining depreciable amount each year.

7. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

Revaluation Reserve - This is used when a revaluation assessment finds that the carrying value of the asset has changed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Surplus – This is the excess of revenues over expenses from prior years that has not been set aside for specific purposes.

8. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

9. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash Imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

10. Comparative figures

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

11. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

12. Ultimate and Holding Entity

The Board is a County Public Fund established by Section 57 of the County Governments Act 2012. Its ultimate parent is the County Government of Trans Nzoia.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs).

14. Significant judgments and sources of estimation uncertainty

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

1.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2023/2024	2022/2023
	KShs	KShs
Transfers from County Govt. – operations	22,447,301	15,072,622
Payments by County on behalf of the entity	41,105,121	37,164,144
Total	63,552,422	52,236,766

2. Other income

Description	2023/2024	2022/2023
	KShs	KShs
Insurance recoveries		
Income from sale of tender documents		
Miscellaneous income	1,166,640	-
Total other income	1,166,640	

3. Staff Costs

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and Wages	36,150,000	25,066,000
Staff training expenses	-	2,753,100
Total	36,150,000	27,819,100

4. General expenses

Description	2023/2024	2022/2023
	KShs	KShs
Utilities, Supplies and Services	200,000	170,000
Communication, Supplies and Services	295,127	258,092
Domestic Travel and Subsistence	8,987,259	6,783,550
Printing, Advertising and Information Supplies & Services	1,027,053	1,095,098
Training Expenses	3,951,050	-
Hospitality Supplies and Services	7,574,357	6,676,822
Fuel Oil and Lubricants	2,994,000	2,039,440
Specialized Materials & Supplies	226,810	68,000
Insurance Costs	653,671	666,996

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD

Annual Report and Financial Statements for the year ended June 30, 2024

Description	2023/2024	2022/2023
	KShs	KShs
Office and General Supplies and Services	2,250,223	1,451,994
Other Operating Expenses	537,228	392,779
Routine Maintenance – Vehicles and Other Transport Equipment	998,151	983,152
Routine Maintenance – Other Assets	264,480	149,720
Depreciation and amortization costs	5,518,023	5,406,860
Total	35,477,432	26,142,502

5. Cash and cash equivalents

Description	2023/2024	2022/2023
	KShs	KShs
Current account	4,435	15,363
Total cash and cash equivalents	4,435	15,363

Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	2023/2024	2022/2023
		KShs	KShs
a) Current account			
Kenya Commercial bank	1149298472	4,435	15,363
Sub- total		4,435	15,363
Grand total		4,435	15,363

6. Transfer

Description	2023/2024	2022/2023
	KShs	KShs
Transfer to County Government	13,320	-
Total	13,320	-

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

7. Property, Plant and Equipment

	Buildings	Motor Vehicles	Furniture and Fittings	Computers and office equipment	Total
Cost	KShs	KShs		KShs	KShs
Depreciation rate	5%	15%	10%	25%	
At 1st July 2022	3,054,328	19,605,165	6,321,280	5,472,624	34,453,397
Additions	2,499,603		807,300	5,502,750	8,809,653
Disposals					
Transfer/Adjustments					
At 30th June 2023	5,553,931	19,605,165	7,128,580	10,975,374	43,263,050
At 1st July 2023					
Additions	7,568,053		893,550	4,494,847	12,956,450
Disposals					
Transfer/Adjustments					
At 30th June 2024	13,121,984	19,605,165	8,022,130	15,470,221	56,219,500
Depreciation and impairment					
At 1st July 2022					
Depreciation	152,716	3,810,984	1,138,052	2,300,898	7,402,650
Impairment					
Depreciation and impairment					
At 30th June 2023	422,777	6,180,111	1,737,105	4,469,517	12,809,510
At 1st July 2023					
Depreciation	634,960	2,013,758	628,503	2,240,802	5,518,023
Disposals					
Impairment					
Transfer/adjustment					
At 30th June 2024	1,057,737	8,193,869	2,365,608	6,710,319	18,327,533
Net book values					
At 30th June 2023	5,131,154	13,425,054	5,391,475	6,505,857	30,453,540
At 30th June 2024	12,064,247	11,411,296	5,656,522	8,759,902	37,891,967

TRANS NZOIA COUNTY PUBLIC SERVICE BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Trade and other payables from exchange transactions

Description	2023/2024	2022/2023
	KShs	KShs
Trade payables	13,220,204	2,186,562
Refundable deposits		
Accrued expenses		
Other payables		
Total trade and other payables	13,220,204	2,186,562

9. Cash generated from operations

	2023/2024	2022/2023
	KShs	KShs
Surplus/ (deficit) for the year before tax	-6,921,690	-1,724,837
Adjusted for:		
Depreciation	5,518,023	5,406,860
Amortisation	-	-
Gains on acquisition of assets	(-)	(-)
Interest income	(-)	(-)
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase/Decrease (-) in payables	11,033,642	-3,677,699
Net cash flow from operating activities	9,629,975	4,324

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1.8. NOTES TO THE STATEMENT OF CASH FLOWS

10. Transfers from County Government

Description	2023/2024	2022/2023
	KShs	KShs
Transfers from County Govt. – operations	22,447,301	15,072,622
Payments by County on behalf of the entity	41,105,121	-
Total	63,552,422	15,072,622

11. Other operating activities

Description	2023/2024	2022/2023
	KShs	KShs
Refund from the Department of Health Services & Sanitation	1,166,640	-
Total	1,166,640	-

12. Transfer

Description	2023/2024	2022/2023
	KShs	KShs
Transfer to County Government	13,320	-
Total	13,320	-

13. Staff Costs

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and Wages	36,150,000	25,066,000
Staff training expenses	-	2,753,100
Sub - total	36,150,000	27,819,100
Less: Payments by County on behalf of the entity	-	-27,036,600
Total staff costs	36,150,000	782,500

14. General Expenses

Description	2023/2024	2022/2023
	KShs	KShs
Total general expenses	35,477,432	26,142,502
Less; Depreciation costs	-5,518,023	-5,406,860

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Description	2023/2024	2022/2023
	KShs	KShs
Less: Payments by County on behalf of the entity	-	-6,449,845
Total general expenses	29,959,409	14,285,798

15. Trade payables

Description	2023/2024	2022/2023
	KShs	KShs
Total trade payables	13,220,204	-
Less; Trade payables at the beginning of the year	-2,186,562	-
Increase in trade payables	11,033,642	-

16. Capital funds received during the year

Description	2023/2024	2022/2023
	KShs	KShs
Transfer from County government	66,867,969	-
Less; Receipts from operating activities	63,552,422	-
Total capital funds	3,315,547	-

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2. PROGRESS ON FOLLOW UP OF 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
OAG/URRO/TCPSB/2022/2023(13)	1. Budgetary control and performance	<p>Indeed, under-realization of revenue and under-expenditure affected implementation of some of the planned programs but we are endeavouring to resolve these challenges. These challenges were brought about by:-</p> <p>-Delayed disbursements by the National Treasury to the County Treasury making it difficult to utilize such funds after the financial year had lapsed.</p> <p>-Huge shortfalls particularly in its local revenues experienced by the County Government; hence the Board's funding, just like for other county departments also suffered. Efforts are being made by the County Government that include automation and reinforcement</p>	Board Secretary	Partially resolved	June, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		and reorganization of the revenue inspection function which we expect will improve revenue collection thus reduce revenue shortfalls.			

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3. BANK RECONCILIATION/FO 30 REPORT

Trans Nzoia County Public Service Board
Bank Reconciliation Statement as at 30th June, 2024

Balance as per the Bank Statement 471,473

<u>Less Unpresented Cheques</u>	<u>Date</u>	<u>Cheque No.</u>	<u>Kshs</u>
1. Commissioner, Domestic Taxes (Indepth Research)	25-Jun-24	1280	3,000
2. Commissioner, Domestic Taxes (Sixty Four Centre)	25-Jun-24	1282	3,228
3. Commissioner, Domestic Taxes (Noble Hotel)	25-Jun-24	1285	4,034
4. Commissioner, Domestic Taxes (Iroko Hotel)	25-Jun-24	1287	724
5. Commissioner, Domestic Taxes (Wigot Hotel)	29-Jun-24	1291	6,052
6. Kenya Power & Lighting Co.	29-Jun-24	1292	150,000
7. County Public Service Boards Consultative Forum	29-Jun-24	1294	200,000
8. Transmatresses Ltd.	29-Jun-24	1295	50,000
9. Trans Nzoia County Water & Sewerage Company	29-Jun-24	1297	50,000
			467,038
Balance as per June, 2024 CB			<u>4,435</u>