

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

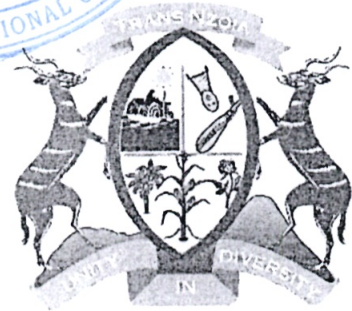
**THE AUDITOR-GENERAL**

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**COUNTY ASSEMBLY OF TRANS NZOIA**

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



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**COUNTY ASSEMBLY OF TRANS NZOIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2023**

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

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## **1. Acronyms and Glossary of Terms**

### *a) Acronyms*

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

### *b) Glossary of Terms*

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

## 2. Key Entity Information and Management

### (a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 25 elected and 14 nominated Members of County Assembly (MCAs) elected/nominated to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

### (b) Key Management Team

The *County Assembly of Trans Nzoia* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Andrew Mkhisa Wanyonyi
2.	Clerk of the County Assembly	Mr. Lupao Moses Wanjala
3.	<b>Heads of Department</b>	
	Deputy Clerk	Ms Colleta Nafuna Kisika
	Legal Department	Mr. Katama Edward Ngeywa
	Finance Department	Mr. Hezron Kiplagat Kemboi
	Audit Department	Mr. Paul Wafula Barasa
	Human Resource Department	Mr. Elkanah Kipkurugat Korir
	Research Department	Mr. Eutin Mutaki Nakitare
	Committee Services Department	Mr. Abraham Mendi Walubengo
	ICT Department	Mr. Richard WamalwaSirengo
	Hansard Department	Ms Joan Ng'etich
	PRO/Communications Department	Mr. Sammy Simiyu Okema
	Sergeant At Arms Department	Ms Beatrice Chepleting Busienei
	Procurement Department	Mr. Benette Simiyu Simali

### (c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk	CS/CPA Lupao Moses Wanjala
2.	Chief Finance Officer	Hezron Kiplagat Kemboi

## **Key Entity Information and Management (Continued)**

### **(d) Fiduciary Oversight Arrangements**

#### *Audit committee activities*

The audit committee was constituted in 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance.

### **Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County's finances. The committee is mandated with:

- a) examination of reports and accounts and working of the County Public Investments as well as examinations of reports, if any, of the auditor general on public investments,
- b) The examination of affairs and efficiency of public investments. Whether the public investments are being managed in accordance with sound financial or business principals and prudent commercial practice.

### **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 mandate of this Committee entails the following:

- (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County Budget.
- (b) Discuss and review the estimates and make recommendations to the County Assembly
- (c) Examine the County Fiscal Strategy paper presented to the County Assembly
- (d) Examine Bills related to the national budget, including Appropriation Bills; and
- (e) Evaluate tax estimates, economics and Budgetary policies and programmes with direct budget outlays.

### **(e) Entity Headquarters**

P.O. Box 4221-30200  
County Assembly Building/House/Plaza  
County Assembly Avenue/Road/Highway  
KITALE, KENYA

### **(f) Entity Contacts**

Telephone: (054)-31380/31617  
E-mail: [transnzoiaassembly@.go.ke](mailto:transnzoiaassembly@.go.ke)  
Website: [www.transnzoiaassembly.go.ke](http://www.transnzoiaassembly.go.ke)

**(g) Entity Bankers**

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

a) County Revenue Fund  
Account No. 1000171596  
Nairobi, Kenya

b) County Assembly Recurrent  
Account No. 1000240695  
Nairobi, Kenya

c) County Assembly Development  
Account No. 1000297255  
Nairobi, Kenya

d) County Assembly Deposit  
Account No. 1000402458  
Nairobi, Kenya

2. Other Commercial Banks

a) Family Bank-Imprest Account  
Account No. 093000034860  
Kitale-Kenya

b) Sidian Bank  
Account No. 01026020002766  
Kitale-Kenya

c) County Assembly Staff Car Loan and Mortgage  
Account No. 01026020004442  
Sidian Bank Kitale-Kenya

d) Trans Nzoia County Assembly (Members & Staff) Car Loan and Mortgage Scheme Fund  
Family Bank  
Account No. 093000047820  
Kitale-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

**(j) County Attorney**

*Trans Nzoia County Attorney  
P.O Box 4211-30200  
County Head Quarter Building  
Moi Avenue  
Kitale, Kenya*

### **3. Governance Statement**

The County Assembly is constituted by the MCAs of Trans Nzoia County Government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the County Assembly Service Board while the County Assembly Clerk is the secretary.

Section 10 (4) of the County Governments 2012 provides that a County Assembly shall observe the following order of precedence.

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

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

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

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

#### **a) Select Committees**

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

#### **b) Sectoral Committees**

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

The County Assembly has the following Select and Sectoral committees:

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

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**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 no meetings in FY 2022-2023. The committee members during the FY 2022/2023 were:

Member	Designation	Ward
Hon. Andrew Mkhisa Wanyonyi	Chairperson	Speaker
Hon. Obed Mahanga Mwale	Vice Chairperson	Matisi
Hon. Margaret Sabina Wanjala	Member	Nominated
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Simon Murei	Member	Sitatunga
Hon. Geoffrey Kisiangani	Member	Machewa
Hon. Kefa Were	Member	Kapomboi
Hon. John Makhanu Chingi	Member	Sinyereri
Hon. Martin Simiyu	Member	Nabiswa
Hon. Barbra Nabalayo Kisuya	Member	Nominated

**b) Audit Committee**

The audit committee was constituted in October 2021. Its mandate is to advise the County Assembly on institutional risk management and compliance. The committee held 2 meetings in FY 2022-2023. The committee members during FY 2022-2023 were:

Member	Designation
1.CPA Dickson Ngaira Shikanga	Chairperson
2.Irene Minoo Wekesa	Member
3.Magdaline Kirui	Member
4.CS/CPA Lupao Moses Wanjala	Member
5.Paul Wafula Barasa	Secretary

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**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. No extra sittings were held. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Simon Murei	Chairperson	Sitatunga
Hon. Kennedy Mugushu	Vice Chair	Keiyo
Hon. Kibet Ndiwa	Member	Endebess
Hon. Jacqueline Kurgat	Member	Motosiet
Hon. Ibrahim Adan	Member	Nominated
Hon. Kefa Were	Member	Kapomboi
Hon. Eric Wafula	Member	Hospital
Hon. Boniface Cheloti	Member	Saboti
Hon. Barbra Kisuya	Member	Nominated

**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. Martin Simiyu	Chairperson	Nabiswa
Hon. Lydia Mecha	Vice Chair	Nominated
Hon. Lusweti Furaha	Member	Waitaluk
Hon. Obed Mahanga	Member	Matisi
Hon. Edwin Koech	Member	Suwerwa
Hon. Daniel Mosbei	Member	Kaplamai
Hon. Andrew Kutitila	Member	Sikhendu
Hon. Sarah Lubano	Member	Kwanza
Hon. Francis Were	Member	Tuwan
Hon. Alfred Weswa	Member	Sirende
Hon. John Makhanu	Member	Sinyerere
Hon. Margaret Wanjala	Member	Nominated
Hon. Barbra Kisuya	Member	Nominated

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**e) Agriculture Committee**

The Agriculture Committee is a Sectoral committee of the County Assembly of Trans Nzoia formed pursuant to the Second schedule of the Standing Orders. Among others, the subject matter of the Committee includes:

- Dealing with all matters related to Agriculture including Crop and Animals Husbandry, Livestock sale yards, Country abattoirs, Plant and Animal diseases control and Fisheries, Crops and Animal production and marketing.

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Jacqueline Kurgat	Member	Motosiet
Hon. Barbra Kisuya	Vice Chairperson	Nominated
Hon. Andrew Kibet	Member	Kinyoro
Hon. Kefa Were	Member	Kapomboi
Hon. Margaret Mutai	Member	Matumbei
Hon. Ann Khakasa	Member	Nominated
Hon. Kibet Ndiwa	Member	Endebess
Hon. Kennedy Mugushu	Member	Keiyo
Hon. Eric Wafula	Member	Hospital
Hon. Alfred Weswa	Member	Sirende
Hon. Sarah Lubano	Member	Kwanza
Hon. Joshua Amwai	Member	Kiminini

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in October 2021 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 the sub-county level where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

The County Assembly also subjected 9 bills through public participation as outlined under operational performance in the Foreword by the Clerk of the Assembly

**Risk management**

The audit committee was constituted in October 2021 to advise the County Assembly on institutional risk management and compliance

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The County Assembly has approved Regulations and codes under the Public Finance Management act, No. 18 of 2012, Leadership and Integrity Act, No. 19 of 2012 and Public Officer Ethics act, No. 4 of 2003.

**Compliance**

The County Assembly has approved Regulations and codes under the Public Finance Management act, No. 18 of 2012, Leadership and Integrity Act, No. 19 of 2012 and Public Officer Ethics act, No. 4 of 2003.

The County Assembly has complied with its reporting obligations,

The County has complied with its oversight obligations under the various laws.

**4. Foreward by the Clerk of the Assembly**

**i) Budget performance**

The County Assembly of Trans Nzoia had a total budget allocation of Kshs. 933,300,593 for the financial year 2022/2023, consisting of recurrent budget of Kshs. 731,650,593 and development budget of Ksh.201,650,000. Total Exchequer releases for the year under audit review is Kshs.909,439,764 constituting 97% of the total approved budget.

**ii) Operational Performance**

Since the year 2013 over 50 laws and 5 policies/regulations were passed by the Members of the County Assembly, 9 of which were passed during the Financial Year 2022/2023. With these legislations in place, the County Government is able to carry out the devolved functions legally and effectively in delivering services and goods to the population within and outside the County.

<b>Law/Policy</b>	<b>Effect</b>
The Trans Nzoia County Appropriation Bill, 2022.	Oversight on County Government spending.
The Trans Nzoia County Environmental Health & Sanitation Bill, 2022.	Provided a framework for environmental management in the County.
The Trans Nzoia County Finance Bill, 2022	Oversight on County Revenue raising measures.
The Trans Nzoia County Supplementary Appropriation Bill, 2022	Oversight on County Government spending.
The Trans Nzoia County Supplementary appropriation Bill, 2023.	Oversight on County Government spending.
The Trans Nzoia County Community Health Services Bill, 2022.	Provides a framework for Community health services.
The Trans Nzoia County HIV and AIDS Management Bill, 2022.	Provides a framework for HIV/AIDS management.
The Trans Nzoia County Solid Waste Management Bill, 2022.	Provides a framework for Solid Waste Management in the County.
The Trans Nzoia County Sand Harvesting Bill, 2022.	Provides a framework for Sand harvesting in the County.
The Trans Nzoia County Assembly; Members and Staff (Car Loan and Mortgage Scheme Fund) Regulations 2022	Provides a framework for Management of County Assembly Car loan and Mortgage Scheme Fund.

The County Assembly approved the original budget estimates for the County Executive and County Assembly on 18<sup>th</sup> May 2022. We had two Supplementary budget Estimates that were approved on 24<sup>th</sup> November 2022 and 9<sup>th</sup> May 2023.

The County Assembly Committees are categorized into Select/Standing Committees and Sectoral committees. We have 11 Sectoral committees mandated to Investigate, inquire into and report on all matters relating to the mandate, management, activities, administration, operation and estimate of

each county executive department.

-The County Assembly plays an oversight role over the County executive and this includes- Ensuring the Approved County Budgets, legislation, policies and plans are implemented by the County Executive, they discuss and analyse various County reports and recommend the way forward for adoption purposes.

### iii) Performance of key development projects

The projects being implemented by the County Assembly include: Construction of Administration block, Committee Services building at County Assembly Centre, Construction of carports at County assembly Head Quarters and Assembly Centre, Renovation and repair works of County Assembly premises, Construction of perimeter wall at County Centre, supply and installation of CCTV equipment and software, Installation of biometric login system to County Assembly Chambers, Acquisition of Monitoring and evaluation utility vehicle and repair and servicing of existing motor vehicles, Supply and installation of electronic data management system

### OUTCOMES

- Construction of the administration block is on-going
- Installation of CCTV system both at County assembly Main offices and Assembly Centre is done and operational
- Renovation works at County Assembly Main offices is completed
- Carport sheds at Assembly head Quarters and Assembly Centre is completed
- Construction of prefab offices at County Assembly Centre was completed and operational
- Acquired 2 utility Motor Vehicle(Toyota Prado)
- Installation of Electronic data management system

### iv) Comment on value-for-money achievements

Renovation and repair works of the County assembly building has provided conducive working environment for Members of county assembly and members of staff.

- Construction of the perimeter wall has provided secure and safe working environment for Staff, Members of county assembly as well security for the county assembly assets.
- Construction of prefab offices at county assembly centre has provided enough working space for members of staff and space for committee meetings by Honourable Members of County Assembly
- Acquisition new of utility motor vehicles and repair and servicing of stalled motor vehicle units will facilitate easy movement by Mcas and staff in the course of their duty

### v) Challenges and Recommended Way Forward

- Delays in disbursement of funds by the National Treasury have negatively affected the timely implementation of projects and timely delivery of services.
- Heavy penalties and Interests imposed by Kenya Revenue Authority on late remittances of statutory deductions due to late disbursement of funds by National Treasury have hindered smooth operations.

### **Disaster Management**

The objectives of the Trans Nzoia County Assembly Disaster Management policy are to:

- Establish and strengthen institutional mechanisms and capacities for Disaster Risk Management
- Reduce disaster risk and vulnerabilities by undertaking systematic identification and assessment of disaster risk and enhancing early warning system
- Enhance resilience of the county to the impacts of disaster risk and climate change, floods, fire -
- Ensure effective and coordinated disaster preparedness, response, recovery and rehabilitation that provide protection both physically and in terms of human dignity.
- Promote public, private partnerships in Disaster Preparedness and Management.

### **Training Needs Assessment**

The assembly is currently using the County Assembly Human Resource policies and procedures manual, which provides among other aspects and specifically on training needs assessment that;

- Training in the County Assembly Service shall be based on Training Needs Assessment which shall be conducted every year

- County Assembly Directorates/Departments shall prepare training projections based on Training Needs Assessment

- Selection of trainees for all training programme will be based on identified needs and will emphasize on training for performance improvement that addresses individual and organizational goals

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

- The Human Resource Management department may design specific in-house training programs as a method of developing training interventions, which address identified training needs. In addition, training may be provided under institutional training both locally and abroad.

- In designing training programs Human Resource Manager & Departmental heads should ascertain the availability of: -

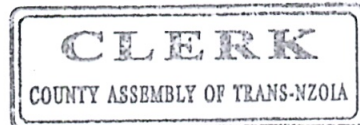
- a. Professional qualified and experienced trainers;
- b. Training programs that are cost-effective; and
- c. An effective evaluation and feedback system to assess the impact of training on Performance.

- The County Assembly will continually develop its employees' professional knowledge and skills and encourage them to join relevant professional bodies.
- The Clerk will establish mechanisms for supporting employees where the career guidelines require them to be members of a professional body.

**Hiring and Gender Ratio.**

- The hiring of staff by the County Assembly Service Board is pegged on the number of staff ceiling as provided for by the commission on revenue allocation. Therefore, the CASB can only recruit the maximum number as provided. This number is always being reviewed annually hence informing the need for additional officers or otherwise.
- The county assembly in compliance with the provisions of the constitution under article 27(8) has its members of staff of the same gender not being less than one third.
- Most departments of the County Assembly have also the head of the department and the deputy head of departments being of the opposite gender.

*MWJ*



.....  
**Name: Lupao Moses Wanjala**

**Clerk of the County Assembly**

**5. 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 shall prepare in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives*

**Strategic development objectives**

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

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Legislation, oversight and representation	Bills passed into Acts of the County Assembly	Improved service delivery to citizens	<b>10</b> Bills were tabled before the County Assembly out of which <b>9</b> were passed as Acts of the County Assembly were <b>9</b>	In FY 2021/2022 Bills passed were <b>5</b>	There was comprehensive induction of Members of the 3 <sup>rd</sup> County Assembly.
	Enhanced professional development of MCAs – Review Standing Orders	Review Standing Orders was completed and published.	<b>80 %</b> Increase in efficient Assembly operation.	Standing Orders were reviewed and resulted to more effective and expeditious disposal of County Assembly	MCAs and Members of staff underwent more capacity trainings both internally and externally, including the Kenya School of Government. Enhanced and high morale

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<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
General Administrative and support services	-Improved employee welfare -Infrastructure development	-enhanced safety, improved skills, and career progression. -- Renovation and Repairs of Assembly premises	-Promotions on merit and career progression -Good health -Conducive work environment	-Continuous employee training -Employee safety through provision of medical insurance scheme	business. among employees.
<b>Program 3</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Remarks</b>
Security Services	Provision of security	Enhanced security	-Contracted Security Guards-Private guards, Administration police officers, sergeant- at-Arms	Enhanced security	-Private guards and Administration polices officers are well and timely facilitated in terms of their allowances -

## **6. Corporate Social Responsibility Statement/Sustainability Reporting**

The County Assembly of Trans Nzoia exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering on relevant legislation, representation and oversight services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

### **a) Sustainability strategy and profile –**

The County Assembly of Trans Nzoia uses participatory and collaborative approach in order to uphold the principal of public participation, it has also embraced the use of information and communication technologies and new media, i.e. social media in order to increase outreach with the residents of Trans Nzoia. This has led to the enactment of pieces of legislation during the year. However, untimely disbursements of exchequer have negatively impacted on capacity development of MCA's and effective public participation.

### **b) Environmental performance**

The County Assembly of Trans Nzoia endeavours to go paperless in terms of notice of motions, order paper and all house communications to MCA's. To this end, MCAs were facilitated with mobile tablets.

### **c) Employee welfare**

Employees of the County Assembly are hired competitively on merit giving equal opportunities to gender, tribe and ethnicity. Continuous employee training is encouraged through sponsorship to relevant training opportunities for improved skills and promotions and career progression rewarded to the deserving officers. The County Assembly of Trans Nzoia has ensured employee safety by provision of a medical insurance scheme, clearly marked work place emergency exits, fire assembly point and a rump for persons living with disability.

### **d) Market place practices-**

#### **a) Responsible Supply chain and supplier relations-**

County Assembly supply of goods and services are competitively sourced through competitive tendering, staff of the County Assembly are political, thus serves the public with political neutrality.

#### **b) Responsible ethical practices-**

Every public petition to the Assembly is treated with fair administrative justice. In conducting its oversight role every person summoned to appear before the

Assembly's oversight committee is treated with utmost respect and accorded fair hearing.

For every public engagement, the County Assembly of Trans Nzoia has ensured publication of advertisements/notices in media with the widest circulation to ensure a wider outreach.

**c) Stewardship of goods and services**

Payment for goods supplied and or services rendered are made promptly as and when goods are supplied or services rendered. The County Assembly has kept pending bills to the lowest minimum.

**e) Community Engagements**

Members of the County Assembly have annually participated in the national beyond zero campaigns marathon, aimed at eliminating child mortality and the annual County Assemblies Sports Association aimed at promoting national cohesion, and cultural diversity. In its legislative role the County Assembly has enacted the Elimu bursary regulations that has facilitated award of bursaries to needy students from across the County.

## **7. Statement of Management Responsibilities**

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

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

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

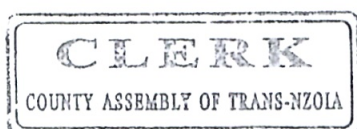
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended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

### **Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on **18 December 2023**.

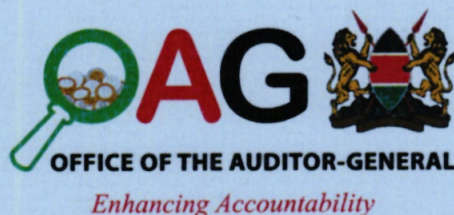


.....  
**Name: CS Lupao Moses Wanjala**  
**Clerk of the County Assembly**



# 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 TRANS NZOIA FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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**

#### **Opinion**

I have audited the accompanying financial statements of County Assembly of Trans Nzoia set out on pages 1 to 23, which comprise of the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of County Assembly of Trans Nzoia as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the County Governments Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Pending Bills**

The disclosure on pending bills includes pending accounts payables of Kshs.468,550; other pending payables of Kshs.29,330,247 and pending staff payables of Kshs.5,626,288 totalling Kshs.35,425,085. However, records maintained by Kenya Revenue Authority (KRA) revealed outstanding taxes amounting to Kshs.216,548,161 while the County Assembly disclosed only Kshs.9,942,363 as the pending bill to KRA.

Also, pending bills amounting to Kshs.13,659,861 relating to financial years 2021/2022 and earlier years had not been settled. No reasons were provided for the failure to treat the amounts as a first charge on the proceeding budgets as required by law.

My opinion is not modified in respect of this matter.

### **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 are 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 iii to xx which comprise of Key Entity Information and Management, Governance Statement, Foreword by the Clerk of the Assembly, Statement of Performance against County Assembly Predetermined Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of Management Responsibilities.

The other information does not include the financial statements and my audit report thereon.

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, 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. Unconfirmed Assets Inherited from Defunct Municipal Council**

Annex 3 reflects summary of non-current asset register historical cost of Kshs.388,949,701. However, this cost excludes the value of land and buildings inherited from the defunct municipal council for which no handover was done indicating the assets, their values, ownership status and use. Further, the summary of fixed assets register was not supported by an updated fixed asset register to show category of assets and the historical cost breakdown.

In the circumstances, the existence, valuation, ownership and effectiveness in use of the assets inherited from the defunct local authorities could not be confirmed.

#### **2. Unsupported Legal Expenses**

The expenditure on use of goods and services includes legal expenses amounting to Kshs.1,041,000 paid to three (3) legal firms. However, the amount was not supported by user requisitions, evidence of competitive bidding from prequalified legal firms, professional opinions from the head of procurement unit, notification of awards and acceptance letters, the itemized instructions made to the lawyers on the services required, copies of judgements summaries, and certificates of costs on which the legal fee notes were based. Further, there was no opinion and letter of no objection for engagement of private legal firms by either the County Attorney or the designated principal legal advisor to the County Assembly.

In the circumstances, the regularity of the expenditure could not be confirmed.

#### **3. Irregular Subscription Fees**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.343,735, 356 as disclosed in Note 3 to the financial statements. Included in this expenditure is other operating expenses of Kshs.20,847,294 out of which Kshs.800,000

was paid to Society of Clerks and County Assemblies Forum. However, the basis of the payments was not stated and supported by the enabling legislation that created the Society of Clerks and County Assemblies Forum for them to receive public funds. This contravenes Section 149 (1)(a) of the Public Finance Management Act, 2012 which provides that an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorised.

In the circumstances, Management was in breach of law.

#### **4.0 Proposed Construction of Administration Building and Assembly Chambers**

The Assembly engaged a contractor for the Proposed Construction of Administration Building and Assembly Chambers through Tender No. CATN/BCT/11-01/2020 at a contract price of Kshs.477,657,860. The contract was signed on 18 January, 2021 for a contract period of 18 months. The following unsatisfactory matters were observed.

##### **4.1 Irregular Termination of Contract**

The contractor requested for extension of time on 7 June, 2022 for execution of works from 28 July, 2022 to 30 May, 2023 after carrying out works valued at Kshs.39,231,347. The request was declined by the County Assembly on 15 June, 2022 citing lack of execution of work for six (6) months up to June, 2022 and lack of capacity. The contract was subsequently terminated on 22 July, 2022 where the final account for contract termination was drawn and signed by all parties responsible.

However, contract termination was not supported with a request for approval to terminate the contract from the procurement department to the accounting officer and subsequent approval by the accounting officer clearly stating the reasons for termination, the contractual grounds for termination and the cost of terminating the contract, contract document specifying the grounds on which the contract was terminated and specifying the procedures applicable on termination and evidence that the County Assembly sought legal advice or clearance from the County Attorney or such person designated in writing before terminating a contract.

In the circumstances, Management was in breach of contract termination procedures as provided for under Regulation 141 of the Public Procurement and Disposal Regulations, 2020.

##### **4.2 Irregular Contract Management**

After terminating the contract, the Assembly retendered the works at a cost of Kshs.464,359,150 for 37 weeks from 20 March,2023 resulting to a contract price of Kshs.503,590,497 that included Kshs.39,231,347 incurred on the initial contract, resulting to a cost escalation of Kshs.25,932,637 which could have been avoided.

Further, the private consultant for the project was retained without clear terms of how they were to be remunerated given the extended project period. Further, no justification was provided for the use of a consultant to design and supervise the project instead of the County Public Works Department or the State Department for Public Works. The consultants had been engaged since 2018 through contract No. CATN/CON/001/2018-2019(RFP) for which they were paid Kshs. 22,553,399 during the year under review.

In the circumstances, timely completion of the project is uncertain resulting to escalation of costs and nugatory expenditure on consultancy for services that would have been sourced from within the two (2) levels of Government.

## 5 Human Resource Management

### 5.1 Lack of Approved Staff Establishment

The County Assembly did not have an approved staff establishment to guide on the number of staff and the cadres authorized. It was therefore not clear the basis on which recruitments were made contrary to Section B. 5 (2) of the County Public Service Human Resource Manual, 2013 which requires that all vacancies must be declared in a prescribed format which must include: the number of vacancies; when the vacancy occurred; whether the vacancy is within the authorized establishment and other relevant details.

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

### 5.2 Variances Between IPPD Staff Establishment and Actual Number of Employees

The Integrated Personnel and Payroll Database staff generated establishment revealed excess staff in posts from the authorized positions as detailed below;

Pay Group	Code	Description	Authorized Posts	In-Posts	Variance/Over-Establishment
BA	C01AN	Principal Administration Officer	1	2	1
BA	D02EK	Statistical Officer [2]	0	1	1
BA	E01BR	Deputy Chief State Counsel	0	1	1
BA	U01AK	Principal Driver	0	1	1

The excess positions were therefore irregularly filled.

### 5.3 Non-Compliance with Affirmative Action on Gender Balance, Ethnic and Regional Distribution

Review of payroll and human resource records revealed that the County Assembly has fifty-two (52%) of its employees from one community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

#### **5.4 Non-Adherence to One Third Basic Salary Requirement**

Review of the IPPD payroll revealed that thirteen (13) members of staff were drawing net salaries of less than a third of their basic salary. This is contrary to Section C.1(3) of Human Resource Policies and Procedures Manual for the Public Service (2016), which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary.

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 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, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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. Internal Audit Function**

The County Assembly has an internal audit function. However, there was no evidence in form of a report to confirm that;

- (i) The audit function reviewed and evaluated budgetary performance, financial management, transparency and accountability mechanisms and processes in the County Assembly.
- (ii) The audit function gave reasonable assurance through the Audit Committee on the state of risk management, control and governance; and
- (iii) Reviewed the effectiveness of the financial and non-financial performance management systems.

In the circumstances, the internal audit function was not fulfilling its functions as envisaged in Section 155(3) of the Public Finance Management Act, 2012.

## **2. Lack of Risk Assessment Policy**

The County Assembly has not developed a risk management policy and no risk assessment was performed during the year. This is contrary to Section 158 (1) and 163 (1) of the Public Finance Management (County Government) Regulations, 2015 which requires each County Government entity to develop risk management strategies and a system of risk management.

In the circumstances, there was no assurance on the risk profile and operations of the Assembly.

## **3. Staff Members Sharing Bank Account Numbers**

Review of payroll for the year revealed that seventy-seven (77) members of staff shared the same Sacco account number which was not a joint account.

In the circumstances, the regularity of salary payments into the shared account could not be confirmed.

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 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 Assembly's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- 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 Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the 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 Authority 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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**

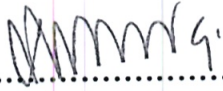
**Nairobi**

**22 February, 2024**

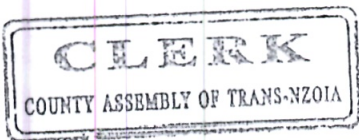
9. Statement of Receipts and Payments for the Year Ended 30 June 2023

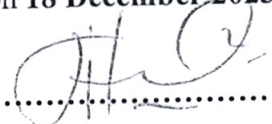
		FY 2022-2023	FY 2021-2022
	Note	KShs	KShs
<b>Receipts</b>			
Transfers from the CRF	1	909,439,764	772,553,455
<b>Total receipts</b>		<b>909,439,764</b>	<b>772,553,455</b>
<b>Payments</b>			
Compensation of employees	2	246,587,992	279,999,563
Use of goods and services	3	343,735,356	374,389,472
Transfers to other government entities	4	66,100,000	10,000,000
Other grants and transfers	5	65,696,400	-
Social security benefits	6	12,920,086	16,719,243
Acquisition of assets	7	187,909,864	95,902,862
<b>Total payments</b>		<b>922,949,698</b>	<b>777,011,140</b>
<b>Surplus/deficit</b>		<b>(13,509,934)</b>	<b>(4,457,685)</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **18 December 2023** and signed by:



.....  
 Name: **Lupao Moses Wanjala**  
 Clerk of the Assembly  
 ICPAK Member Number: 8315





.....  
 Name: **Hezron Kiplagat Kemboi**  
 Chief Finance Officer – County Assembly

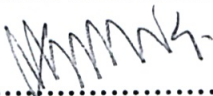


*Count Government of Trans Nzoia  
Trans Nzoia County Assembly  
Annual Report and Financial Statements For the year ended 30 June 2023*

**10. Statement of Financial Assets and Liabilities as at 30 June 2023**

		FY 2022-2023	FY 2021-2022
Financial assets	Note	KShs	KShs
<b>Cash and cash equivalents</b>			
Bank balances	8	1,540,349	8,991,770
<b>Total cash and cash equivalents</b>		<b>1,540,349</b>	<b>8,991,770</b>
Imprests and Advances	9	321,394	183,333
<b>Total financial assets</b>		<b>1,861,743</b>	<b>9,175,103</b>
<b>Financial liabilities</b>			
Third party deposits and retention	10	19,387,884	13,191,310
<b>Net financial assets</b>		<b>(17,526,141)</b>	<b>(4,016,207)</b>
<b>Represented by</b>			
Fund balance b/fwd	11	(4,016,208)	441,478
Prior year adjustment		-	
Surplus/(deficit) for the year		<b>(13,509,934)</b>	<b>(4,457,685)</b>
<b>Net Financial Position</b>		<b>(17,526,141)</b>	<b>(4,016,208)</b>

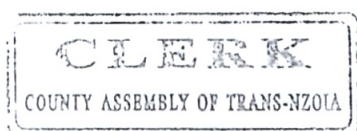
The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **18 December 2023** and signed by:

  
.....

**Name: Lupao Moses Wanjala**  
**Clerk of the Assembly**  
**ICPAK Member Number: 8315**

  
.....

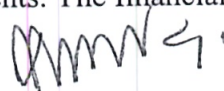
**Name: Hezron Kiplagat Kemboi**  
**Chief Finance Officer – County Assembly**

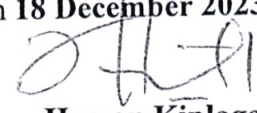


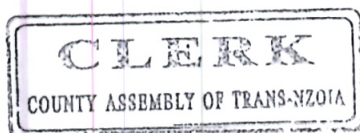
11. Statement of Cash Flows for the Period Ended 30 June 2023

		FY 2022-2023	FY 2021-2022
	Note	KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts from operating income</b>			
Transfers from the CRF	1	909,439,764	772,553,455
<b>Total receipts from operating income</b>		<b>909,439,764</b>	<b>772,553,455</b>
<b>Payments for operating expenses</b>			
Compensation of employees	2	246,587,992	279,999,563
Use of goods and services	3	343,735,356	374,389,472
Transfers to other government entities	4	66,100,000	10,000,000
Other grants and transfers	5	65,696,400	-
Social security benefits	6	12,920,086	16,719,243
<b>Total payments for operating expenses</b>		<b>735,039,834</b>	<b>681,108,278</b>
<b>Net receipts/(payments) from operating activities</b>		<b>174,399,930</b>	<b>91,445,177</b>
<b>Adjusted for:</b>			
Decrease/(increase) in accounts receivable:	12	(138,061)	258,002
Increase/(decrease) in accounts payable:	13	6,196,574	6,864,876
<b>Net cash flows from operating activities</b>		<b>180,458,443</b>	<b>98,568,055</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	7	(187,909,864)	(95,902,862)
<b>Net cash flows from investing activities</b>		<b>(187,909,864)</b>	<b>(95,902,862)</b>
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents		(7,451,421)	2,665,193
Cash & cash equivalent at Start of the year		8,991,770	6,326,577
<b>Cash &amp; cash equivalent at end of the year</b>		<b>1,540,349</b>	<b>8,991,770</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **18 December 2023** and signed by:

  
Name: Lupao Moses Wanjala  
Clerk of the Assembly  
ICPAK Member Number: 8315

  
Name: Hezron Kiplagat Kemboi  
Chief Finance Officer – County Assembly

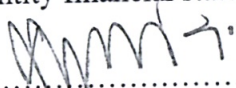


Count Government of Trans Nzoia  
 Trans Nzoia County Assembly  
 Annual Report and Financial Statements For the year ended 30 June 2023

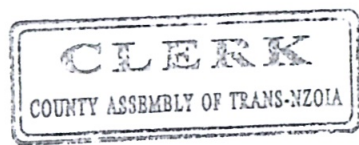
12. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30 June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	961,300,593	(28,000,000)	933,300,593	909,439,764	23,860,829	97.44%
<b>Total</b>	<b>961,300,593</b>	<b>(28,000,000)</b>	<b>933,300,593</b>	<b>909,439,764</b>	<b>23,860,829</b>	<b>97.44%</b>
<b>Payments</b>						
Compensation of employees	300,500,593	(53,912,601)	246,587,992	246,587,992	-	100%
Use of goods and services	309,483,000	18,803,558	328,286,558	343,735,355	(15,448,797)	105%
Transfers to other government entities	35,467,000	30,633,000	66,100,000	66,100,000	-	100%
Other grants and transfers	-	65,696,400	65,696,400	65,696,400	-	100%
Social security benefits	16,200,000	(3,279,914)	12,920,086	12,920,086	-	100%
Acquisition of assets	299,650,000	(85,940,443)	213,709,557	187,909,864	25,799,693	88%
<b>Total</b>	<b>961,300,593</b>	<b>(28,000,000)</b>	<b>933,300,593</b>	<b>922,949,697</b>	<b>10,350,896</b>	<b>99%</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,509,933)</b>	<b>13,509,933</b>	<b>-</b>

The entity financial statements were approved on 18 December 2023 and signed by:

  
 Name: Lupao Moses Wanjala  
 Clerk of the Assembly  
 ICPAK Member Number: 8315

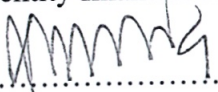
  
 Name: Hezron Kiplagat Kemboi  
 Chief Finance Officer – County Assembly



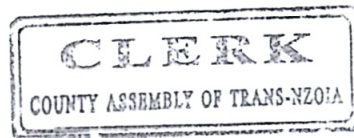
13. Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30 June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	676,650,593	55,000,000	731,650,593	731,650,593	-	100%
<b>Total</b>	<b>676,650,593</b>	<b>55,000,000</b>	<b>731,650,593</b>	<b>731,650,593</b>	<b>-</b>	<b>100%</b>
<b>Payments</b>						
Compensation of employees	300,500,593	(53,912,601)	246,587,992	246,587,992	-	100%
Use of goods and services	309,483,000	18,803,558	328,286,558	343,735,355	(15,448,797)	105%
Transfers to other government entities	35,467,000	30,633,000	66,100,000	66,100,000	-	100%
Other grants and transfers	-	65,696,400	65,696,400	65,696,400	-	100%
Social security benefits	16,200,000	(3,279,914)	12,920,086	12,920,086	-	-
Acquisition of assets	15,000,000	(2,940,443)	12,059,557	12,059,557	-	100%
<b>Total</b>	<b>676,650,593</b>	<b>55,000,000</b>	<b>731,650,593</b>	<b>747,099,390</b>	<b>(15,448,797)</b>	<b>-</b>
<b>Surplus/ deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,449,987)</b>	<b>(15,448,797)</b>	<b>-</b>

The entity financial statements were approved on 18 December 2023 and signed by:

  
 Name: Lupao Moses Wanjala  
 Clerk of the Assembly  
 ICPAK Member Number: 8315

  
 Name: Hezron Kiplagat Kemboi  
 Chief Finance Officer – County Assembly

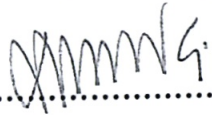


Count Government of Trans Nzoia  
 Trans Nzoia County Assembly  
 Annual Report and Financial Statements For the year ended 30 June 2023

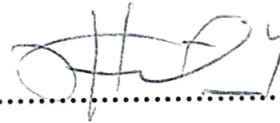
14. Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 June 2023

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>						
Transfers from the CRF	284,650,000	(83,000,000)	201,650,000	177,789,171	23,860,829	88%
<b>Total</b>	<b>284,650,000</b>	<b>(83,000,000)</b>	<b>201,650,000</b>	<b>177,789,171</b>	<b>23,860,829</b>	<b>88%</b>
<b>Payments</b>						
Acquisition of assets	284,650,000	(83,000,000)	201,650,000	175,850,307	25,799,693	87%
<b>Total</b>	<b>284,650,000</b>	<b>(83,000,000)</b>	<b>201,650,000</b>	<b>175,850,307</b>	<b>25,799,693</b>	<b>87%</b>
<b>Surplus/ deficit</b>	-	-	-	1,938,864	(1,938,864)	-

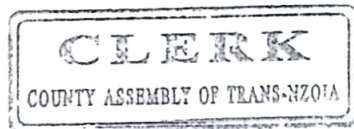
The County Assembly financial statements were approved on 18 December 2023 and signed by:



Name: Lupao Moses Wanjala  
 Clerk of the Assembly  
 ICPAK Member Number: 8315



Name: Hezron Kiplagat Kemboi  
 Chief Finance Officer – County Assembly



15. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	% Budget utilization
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Programme 1</b>	<b>176,307,000</b>	<b>140,607,243</b>	<b>316,914,243</b>	<b>332,369,266</b>	<b>105</b>
Sub-Programme 1	176,307,000	140,607,243	316,914,243	332,369,266	105
<b>Programme 2</b>	<b>776,786,593</b>	<b>(166,662,803)</b>	<b>610,123,790</b>	<b>614,120,468</b>	<b>101</b>
Sub-Programme 1	122,480,000	(32,316,432)	90,163,568	119,959,940	133
Sub-Programme 2	343,700,593	(58,518,715)	285,181,878	285,181,878	100
Sub-Programme 3	4,400,000	1,532,665	5,932,665	5,932,665	100
Sub-Programme 4	292,606,000	(71,751,935)	220,854,065	195,054,371	88
Sub-Programme 5	3,000,000	(1,247,930)	1,752,070	1,752,070	100
Sub-Programme 6	10,600,000	(4,360,456)	6,239,544	6,239,544	100
<b>Programme 3</b>	<b>8,207,000</b>	<b>(1,944,440)</b>	<b>6,262,560</b>	<b>6,257,524</b>	<b>100</b>
Sub-Programme 1	8,207,000	(1,944,440)	6,262,560	6,257,524	100
<b>Total</b>	<b>961,300,593</b>	<b>(28,001,190)</b>	<b>933,300,593</b>	<b>952,747,258</b>	<b>100</b>

## **16. 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 *Trans Nzoia* 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.

#### **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.

## **Significant Accounting Policies (Continued)**

**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 County Assembly of Trans Nzoia recognises all expenses when the event occurs, and the related cash has actually been paid out by the County Assembly.

**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.

**4. In-kind contributions**

In-kind contributions are donations that are made to the *Trans Nzoia County Assembly* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *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.

**Significant Accounting Policies (Continued)**

**5. Third Party Payments**

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government are 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 30 June 2023, this amounted to KShs 19,387,884 compared to KShs 13,191,310 in prior period as indicated on 10. *There were no other restrictions on cash during the year.*

**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

### Significant Accounting Policies (Continued)

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.

#### 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.

## **Significant Accounting Policies (Continued)**

### **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.

### **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 18 May 2022 for the period 1<sup>st</sup> July 2022 to 30 June 2023 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

### **15. Comparative figures**

The figures for the previous financial year have been maintained as per the audit certificate.

### **16. Subsequent events**

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

### **17. Prior Period Adjustment**

During the year, no prior year adjustments were made.

**Significant Accounting Policies (Continued)**

**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.

## 17. Notes to the Financial Statements

### 1. Transfer from CRF

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	123,338,836	169,162,647
Transfers from the county treasury for Q2	233,714,079	180,562,136
Transfers from the county treasury for Q3	247,654,660	179,945,242
Transfers from the county treasury for Q4	304,732,189	242,883,430
<b>Cumulative amount</b>	<b>909,439,764</b>	<b>772,553,455</b>

### 2. Compensation Of Employees

	FY 2022-2023	FY 2021-2022
	KShs	KShs
Basic salaries of permanent employees	81,169,355	186,235,573
Basic wages of temporary employees	46,058,190	43,676,336
Personal allowances paid as part of salary	89,148,510	27,460,100
Personal allowances paid as reimbursements	1,631,780	18,499,104
Employer contribution to compulsory national social schemes	58,800	62,400
Employer contribution to compulsory national health insurance schemes	3,179,950	3,831,850
Pension and other social security contributions	12,715,057	-
Other personnel payments-Kra Audit Arrears	12,000,000	-
Other personnel payments-NITA Contributions	36,350	34,200
Other personnel payments-Salary Advance	590,000	200,000
<b>Total</b>	<b>246,587,992</b>	<b>279,999,563</b>

Notes to the Financial Statements (Continued)

3. Use of Goods and Services

	FY 2022-2023	FY 2021-2022
	KShs	KShs
Utilities, supplies and services	891,040	694,496
Communication, supplies and services	98,900	540,000
Domestic travel and subsistence	131,798,560	134,341,656
Foreign travel and subsistence	3,013,348	9,280,550
Printing, advertising and information supplies & services	13,310,132	20,538,078
Rentals of produced assets	37,916,245	38,400,000
Training expenses	14,807,070	7,860,712
Hospitality supplies and services	13,037,643	17,450,000
Insurance costs	25,384,795	23,551,849
Specialized materials and services	3,295,374	3,997,397
Office and general supplies and services	67,574,317	59,302,686
Fuel, oil and lubricants	2,093,561	350,000
Other operating expenses	20,847,294	54,229,737
Routine maintenance – vehicles and other transport equipment	3,254,309	-
Routine maintenance – other assets	6,412,768	2,031,761
Purchase of Office Furniture and General Equipment	-	1,820,550
<b>Total</b>	<b>343,735,356</b>	<b>374,389,472</b>

4. Transfers To Other Government Entities

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
<b>Transfers to other county assembly entities</b>		
Trans Nzoia County Assembly(Members & Staff) Car loan and Mortgage scheme fund	66,100,000	10,000,000
	<b>66,100,000</b>	<b>10,000,000</b>

**Notes to the Financial Statements (Continued)**

**5. Other Grants And Transfers**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Members of County Assembly Car Reimbursement	65,696,400	-
<b>Total</b>	<b>65,696,400</b>	<b>-</b>

**6. Social Security Benefits**

	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Pension and Retirement Benefits	12,920,086	16,719,243
<b>Total</b>	<b>12,920,086</b>	<b>16,719,243</b>

**7. Acquisition Of Assets**

<b>Non- financial assets</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	129,348,265	73,149,087
Construction and civil works	4,478,302	-
Purchase of vehicles and other transport equipment	29,000,000	14,755,815
Purchase of office furniture and general equipment	7,127,548	-
Purchase of Ict Equipment ,Software ,and Other Ict Equipment-	15,626,499	7,997,960
Research, studies, project preparation, design & supervision	2,329,250	-
<b>Total acquisition of assets</b>	<b>187,909,864</b>	<b>95,902,862</b>

Notes to the Financial Statements (Continued)

8. Cash and Bank Balances

8A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Account Type	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Central Bank Of Kenya Trans Nzoia County Assembly Recurrent	1000240695	Recurrent	-	40
Central Bank Of Kenya Trans Nzoia County Assembly Development	1000297255	Development	51,277	-
Central Bank Of Kenya Trans Nzoia County Assembly Deposit	1000402458	Deposit	1,487,884	8,991,310
Family Bank -Kitale County Assembly Imprest Account	093000034860	Imprest	1,188	420
<b>Total</b>			<b>1,540,349</b>	<b>8,991,770</b>

9. Imprests and Advances

Description	FY 2022-2023 Kshs	FY 2021-2022 Kshs
Salary Advance	321,394	183,333
<b>Total</b>	<b>321,394</b>	<b>183,333</b>

Breakdown Of Imprest And Salary Advance Per Department	FY 2022-2023 Kshs	FY 2021-2022 Kshs
<b>Salary Advance</b>		
Legal Department	-	183,333
Human Resource Department	38,058	-
Administration/Legislative	283,336	-
<b>Sub-Total</b>	<b>321,394</b>	<b>183,333</b>

Notes to the Financial Statements (Continued)

10. Third Party Deposits and Advances

Description	FY 2022-2023	FY 2021-2022		
	Kshs	Kshs		
Deposits		-		
Retentions	19,387,884	13,191,310		
<b>Total</b>	<b>19,387,884</b>	<b>13,191,310</b>		
Ageing analysis (third party deposits and advances)	FY 2022-2023	% of the Total	FY 2021-2022	% of Total
Under one year	12,752,933	66%	7,314,910	55%
1-2 years	6,634,952	34%	5,876,401	45%
<b>Total</b>	<b>19,387,884</b>	<b>100</b>	<b>13,191,310</b>	<b>100</b>

11. Fund Balance Brought Forward

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank Accounts	8,991,770	6,326,577
Imprests and advances	183,333	441,335
Third party deposits and retentions	(13,191,310)	(6,326,434)
<b>Total</b>	<b>(4,016,207)</b>	<b>441,478</b>

12. Changes in Imprests and Advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening Advances As At 1 <sup>st</sup> July 2022	183,333	441,335
Closing Advances As At 30 <sup>th</sup> June 2023	321,394	183,333
<b>Change In Advances</b>	<b>(138,061)</b>	<b>258,002</b>

Notes to the Financial Statements (Continued)

**13. Changes in Third Party Deposits and Retentions**

Description	FY2022-2023	FY 2021-2022
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 <sup>st</sup> July 2022	13,191,310	6,326,434
Closing Third Party Deposits and Retention As At 30 <sup>th</sup> June 2023	19,387,884	13,191,310
<b>Change In Third Party Deposits and Retention</b>	<b>6,196,574</b>	<b>6,864,876</b>

*Count Government of Trans Nzoia*  
*Trans Nzoia County Assembly*  
*Annual Report and Financial Statements For the year ended 30 June 2023*

**18. Other Disclosures**

**1. Pending Accounts Payable (See Annex 1)**

	Balance b/f FY2021-2022	Additions for the year	Paid during the year	Balance c/f FY 22-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Civil Works	30,789,505	-	(30,789,505)	-
Supply Of Goods	1,398,000	-	(929,450)	468,550
Supply Of Services	9,117,828	-	(9,117,828)	-
<b>Total</b>	<b>41,305,333</b>	<b>-</b>	<b>(40,836,783)</b>	<b>468,550</b>

**2. Other Pending Payables (See Annex 2)**

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to KRA- Interests and penalties	18,559,224	3,383,139	(12,000,000)	9,942,363
Retentions for suppliers (10% deposits)	13,191,311	13,284,818	(7,088,245)	19,387,884
<b>Total</b>	<b>31,750,535</b>	<b>16,667,957</b>	<b>(19,088,245)</b>	<b>29,330,247</b>

**3. Pending Staff Payables**

	Balance b/f FY 2021-2022	Additions for the year	Paid during the year	Balance c/f FY 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Salary for June 2023	-	5,626,288	-	5,626,288
<b>Total</b>		<b>5,626,288</b>	<b>-</b>	<b>5,626,288</b>

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**Other disclosures (Continued)**

**4. Related party transactions:**

	FY 2022-2023	FY 2021-2022
	KShs	KShs
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	100,493,097	134,213,937
Key Management Compensation (Clerk and Heads of departments)	28,252,497	24,054,263
<b>Total Compensation to Key Management</b>	<b>128,745,594</b>	<b>158,268,200</b>
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	66,100,000	10,000,000
<b>Total Transfers to related parties</b>	<b>66,100,000</b>	<b>66,100,000</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the CRF	909,439,764	772,553,455
<b>Total Transfers from related parties</b>	<b>909,439,764</b>	<b>772,553,455</b>

**5. Contingent Liabilities-Annex 5**

Contingent liabilities	FY 2022-2023	FY 2021-2022
	KShs	KShs
Court Case ELD ELRC NO. 89/2029	310,000	-
Court Case KSM ELRC NO. 81/2016	400,950	-
Court Case KSM PET NO. 25/2016	1,128,000	-
Court Case ELCR NO. 3/2021	750,000	-
<b>Total</b>	<b>2,588,950</b>	<b>-</b>

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**19. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Variances between the Financial statements and IFMIS Balances	Unreconciled IFMIS figures of Kshs. 187,729,044 have been reconciled	Not Resolved	
2.0	Undisclosed Land	The Assembly utilizes some assets from the County Executive, being bonafide inheritor of all assets from the defunct Local Authorities. The legal process of division of assets has not been and therefore the legal instruments of ownership of such assets are not with Assembly	Not resolved	
3.0	Irregular Sitting Allowances	The management commits to recover sitting allowances paid over and above the required amounts	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0	Unsupported Training Expenses	The payment vouchers in respect of training and their respective registers were attached for audit verification	Resolved	
5.0	Overpayment for Hospitality Services	All attendance registers have been signed and payment vouchers provided	Resolved	

 **CLERK**  
COUNTY ASSEMBLY OF TRANS-NZOIA

.....  
Clerk of the County Assembly

Date: 18 December 2023

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20. 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
<b>Construction Of Buildings</b>							
<b>Sub-Total</b>							
<b>Construction Of Civil Works</b>							
1. Danmar Company	13.2.2016	Construction of Car parking sheds at County Assembly H/Qs Certificate No. 02	3,877,730	3,877,730	-	(3,877,730)	-
2. Ms Saharry Logistics Ltd	15.6.2022	Construction of perimeter wall and gate at Assembly Centre Certificate No. 02	4,358,376	4,358,376	-	(4,358,376)	-
3. Ms Aprim Consultants	27.6.2022	Consultancy Services for the Construction of the Administration block Certificate No. 3	22,553,399	22,553,399	-	(22,553,399)	
<b>Sub-Total</b>			<b>30,789,505</b>	<b>30,789,505</b>	<b>-</b>	<b>(30,789,505)</b>	<b>-</b>
<b>Supply Of Goods</b>							
4. Liwenta Enterprises	1.10.2021	Supply of games kits and sportswear for County Assembly Sports Associations editions	1,398,000	1,398,000	-	(929,450)	468,550
<b>Sub-Total</b>			<b>1,398,000</b>	<b>1,398,000</b>	<b>-</b>	<b>(929,450)</b>	<b>468,550</b>

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Supplier of Goods or Services	Date invoiced / contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
Supply Of Services							
5. Sunset Hotel	14.3.2022	Conference Facility	168,000	168,000		(168,000)	-
6. Sunset Hotel	07.3.2022	Conference Facility	280,000	280,000		(280,000)	
7. Sunset Hotel	04.5.2022	Conference Facility	567,600	567,600		(567,600)	
8. Sunset Hotel	19.4.2022	Conference Facility	93,000	93,000		(93,000)	
9. Sunset Hotel	07.2.2022	Conference Facility	391,300	391,300	-	(391,300)	-
10. Sunset Hotel	22.4.2022	Conference Facility	159,450	159,450	-	(159,450)	-
11. Sunset Hotel	04.5.2022	Conference Facility	366,000	366,000	-	(366,000)	
12. Kenya School of Government	17.3.2022	Tuition fees	120,000	120,000		(120,000)	-
13. Kenya School of Government	18.1.2022	Tuition fees	140,360	140,360		(140,360)	-
14. Kenya School of Government	16.8.2022	Tuition fees	120,000	120,000		(120,000)	-
15. Kenya School of Government	16.8.2022	Tuition fees	120,000	120,000		(120,000)	-
16. Kenya School of Government	30.5.2022	Tuition fees	241,280	241,280		(241,280)	-
17. Kenya School of Government	02.6.2022	Tuition fees	120,640	120,640		(120,640)	-
18. Kenya School of Government	03.9.2022	Tuition fees	81,200	81,200		(81,200)	-
19. Kenya School of Government	07.6.2022	Tuition fees	79,800	79,800		(79,800)	-

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Supplier of Goods or Services	Date invoiced / contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance
20. Gesterd Travel & Tours	10.9.2021	Air Tickets	313,020	313,020		(313,020)	-
21. The Star publication Ltd	03.2.2022	Advertisement	169,360	169,360		(169,360)	
22. The Standard Group	20.4.2022	Advertisement	133,400	133,400		(133,400)	
23. The Standard Group	20.4.2022	Advertisement	104,000	104,000		(104,000)	
24. Nation Media Group	07.3.2022	Advertisement	142,680	142,680		(142,680)	
25. Nation Media Group	10.1.2022	Advertisement	157,853	157,853		(157,853)	
26. Beatrice Munialo Advocates	18.1.2021	Legal fees	2,285,000	2,285,000		(2,285,000)	-
27. Rispar Arunga & Co Advocate	02.7.2021	Legal fees	1,000,000	1,000,000		(1,000,000)	
28. Rispar Arunga & Co Advocate	21.9.2022	Legal fees	522,000	522,000		(522,000)	
29. Kitale Auto Spares	27.9.2022	KTL CMCC NO. 193 OF 2022	1,241,885	1,241,885	-	(1,241,885)	
<b>Sub-Total</b>			<b>9,117,828</b>	<b>9,117,828</b>	<b>-</b>	<b>(9,117,828)</b>	<b>-</b>
<b>Grand Total</b>			<b>41,305,333</b>	<b>41,305,333</b>	<b>-</b>	<b>(40,836,783)</b>	<b>468,550</b>

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Annex 2 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY2022-2023	Outstanding Balance FY2021-2022	Comments
			a	B	c=a-b		
<b>Amounts Due To National Govt Entities</b>							
1. Kenya Revenue Authority	Tax penalties/Interest	19/01/2023	21,942,363	12,000,000	9,942,363	-	
<b>Sub-Total</b>			<b>21,942,363</b>	<b>12,000,000</b>	<b>9,942,363</b>	<b>-</b>	
<b>Amounts Due To County Govt Entities</b>							
2.							
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
3. Wayshan Ltd	Retention-perimeter wall	11.03.2019	539,400	-	539,400	539,400	
4. Danmar Company Ltd	Retention –parking sheds	26.02.2016	447,180	-	447,180	447,180	
5. Foursmatt Investment	Retention-Renovation works	26.04.2019	371,200	371,200	-	371,200	
6. Foursmatt Investment	Retention-Renovation works	10.02.2020	494,898.70	494,898.70	-	494,898.70	
7. Wayshan Ltd	Retention-perimeter wall	10.02.2020	365,400		365,400	365,400	
8. Mahathi Infra East Africa	Retention-Administration Block	23.03.2021	2,793,520.10	-	2,793,520.10	2,793,520.10	
9. Mika Investment Company	Retention-perimeter wall	21.06.2021	520,015.80	-	520,015.80	520,015.80	
10. Mika Investment Company	Retention-perimeter wall	21.06.2021	344,786.80	-	344,786.80	344,786.80	
11. Mahathi Infra East Africa	Retention-Administration Block	24.11.2021	933,144	-	933,144	933,144	

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Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY2022-2023	Outstanding Balance FY2021-2022	Comments
12. Double portion Agency	Retention-construction	20.06.2022	449,801.80	449,801.80	-	449,801.80	
13. Double portion Agency	Retention-construction	31.05.2022	2,548,877.35	2,548,877.35	-	2,548,877.35	
14. Saharry Logistics Ltd	Retention-construction	20.06.2022	1,985,482.60	1,985,482.60	-	1,985,482.60	
15. Arprim Consultants	Retention-Consultancy	22.06.2022	691,504.90	-	691,504.90	691,504.90	
16. Calvick Company Ltd	Retention-construction	23.06.2022	706,098.90	706,098.90	-	706,098.90	
17. Danmar Company Limited	Retention –Parking sheds	07.11.2022	193,886.50	-	193,886.50	-	
18. PNN General Suppliers	Retention-Renovations	27.09.2022	48,720	48,720	-	-	
19. PNN General Suppliers	Retention-Renovations	05.10.2022	47,328	47,328	-	-	
20. Arprim Consultants	Retention-Consultancy	12.10.2022	2,255,339.90	-	2,255,339.90	-	
21. Saharry Logistics Ltd	Retention-construction	12.10.2023	435,837.50	435,837.50	-	-	
22. Double portion Agency Ltd	Retention-construction	14.06.2023	7,522,180.65	-	7,522,180.65	-	
23. Mahathi Infra East Africa	Retention-construction	12.10.2022	363,157	-	363,157	-	
24. Calvick Company Ltd	Retention-Renovations	15.12.2022	60,057.15	-	60,057.15	-	
25. Lunao Enterprises	Retention-construction	06.06.2023	1,500,000	-	1,500,000	-	
26. Bluescope Construction Ltd	Retention-Car Ports	30.06.2023	560,906.40	-	560,906.40	-	
27. Gemcal Enterprises	Retention-construction	30.06.2023	297,405	-	297,405	-	
<b>Sub-Total</b>			<b>26,476,129.05</b>	<b>7,088,244.85</b>	<b>19,387,884.20</b>	<b>13,191,310.95</b>	
<b>Grand Total</b>			<b>48,418,492.05</b>	<b>19,088,244.85</b>	<b>29,330,247.20</b>	<b>13,191,310.95</b>	

**Annex 3 – Summary of Non-Current Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) FY 2021-2022</b>	<b>Additions during the year(Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year(Kshs)</b>	<b>Historical Cost c/f (Kshs) 2022-2023</b>
Buildings and structures	129,195,514	129,348,265	-	-	258,543,779
Construction and Civil works	25,083,849	4,478,302	-	-	29,562,151
Transport equipment	14,755,815	29,000,000	-	-	43,755,815
Office equipment, furniture and fittings	19,908,373	7,127,548	-	-	27,035,921
ICT equipment	12,096,286	15,626,499	-	-	27,722,785
Intangible assets	-	2,329,250	-	-	2,329,250
<b>Total</b>	<b>201,039,837</b>	<b>187,909,864</b>	-	-	<b>388,949,701</b>

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**Annex 4 – Analysis of Accounts Receivables**

*Salary Advance*

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Edward Katama Ngeywa</i>	15/06/2022	200,000	200,000	-
<i>Bonface Ndiwa Ngeiywo</i>	22/08/2022	40,000	40,000	-
<i>John Simiyu Barasa</i>	16/11/2022	50,000	11,942	38,058
<i>Eric Wekhomba Wafula</i>	9/12/2022	200,000	116,664	83,336
<i>Edwin Kosgey Koech</i>	08/03/2023	300,000	100,000	200,000
<b>Total</b>		<b>790,000</b>	<b>468,606</b>	<b>321,394</b>

**Annex 5: Contingent Liabilities Register**

	<b>Nature of contingent liability</b>	<b>Payable to</b>	<b>Currency</b>	<b>Estimated Amount Kshs</b>	<b>Expected date of payment</b>	<b>Remarks</b>
1.	Court case ELD ELRC NO. 89/2029	Kidiavai & Company	Kes	310,000		
2.	Court Case KSM ELRC NO. 81/2016	Prof Tom Ojienda & Associates	Kes	400,950		
3.	KSM PET NO. 25/2016	Prof Tom Ojienda & Associates	Kes	1,128,000		
4.	KTL ELRC NO. 3/2021	Nyaaga Mugisha	Kes	750,000		