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KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
THE COUNTY GOVERNMENT OF
NYAMIRA**

**FOR THE SIXTEEN MONTHS PERIOD ENDED
30 JUNE 2014**



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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE COUNTY GOVERNMENT OF NYAMIRA FOR THE SIXTEEN MONTHS PERIOD ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the County Government of Nyamira set out on pages 6 to 21, which comprise the statement of financial assets and liabilities as at 30 June 2014, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation recurrent and development 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 8 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

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 such 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 (4) of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Act, 2003. The audit was conducted in accordance with International Standards of Auditing (ISA). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County Government's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Compensation to Employees

The Statement of Receipts and Payments reflects a total of Kshs.1,092,134,461 as compensation to employees. Included in the above balance is Kshs.134,273,123 described as refund to the National Treasury which has not been supported. In the circumstances, the propriety and accuracy of the expenditure of Kshs.134,273,123 included in the compensation to employees expenditure could not be confirmed.

2. Use of Goods and Services

The Statement of Receipts and Payments reflects an amount of Kshs.833,700,555 as relating to use of goods and services. The figure does not agree with supporting schedules provided for audit review which totalled to Kshs.1,029,609,581. The difference of Kshs.195,909,026 between the financial statements and the supporting schedules with regard to use of goods and services has not been explained by the management.

3. Assets and Liabilities inherited from the Defunct Local Authorities

The County's statement of receipts and payments reflects an amount of Kshs.704,157,170 under acquisition of assets for the sixteen months period ended 30 June 2014. It also reflects pending bills amounting to Kshs.944,242,542 as disclosed in Annex A attached to the financial statements for the same period. However, the County's financial statements for the sixteen months period do not include the assets and liabilities inherited from the defunct Local Authorities although the County management took possession of them. In addition, the Transition Authority is yet to formally hand over the assets and liabilities of the defunct Local Authorities to the County Government. It is not known when these assets and liabilities will be handed over to the County Government.

Consequently, the financial statements presented by the County Government are not fairly stated.

4. Acquisition of Assets

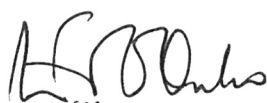
Expenditures on acquisition of assets in the Statement of Receipts and Payments and also disclosed under Note 20 for the period ended 30 June 2014 totalled to Kshs.704,157,170. However, the supporting schedules submitted for audit review indicates that payments relating to acquisition of assets for the same period totalled to Kshs.715,916,197. The difference of Kshs.11,759,027 between the two sets of documents has not been explained by management. Consequently, the accuracy of the expenditure on acquisition of assets could not be confirmed.

5. Outstanding Imprests

Included in the cash and cash equivalents balance as at 30 June 2014 of Kshs.653,028,537 are outstanding imprests totalling Kshs.2,403,318 advanced to staff which ought to have been accounted for or surrendered by 30 June 2014. Although management has instituted recovery the outstanding of amounts from the affected officers' salaries, these officers are in breach of the existing regulations on issue and surrender of imprests.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements for the County Government of Nyamira for the sixteen months period ended 30 June 2014



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

26 May 2015



COUNTY GOVERNMENT OF NYAMIRA

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD ENDED
JUNE 30, 2014**

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

COUNTY GOVERNMENT OF NYAMIRA
Report and Financial Statement
For the Period ended 30 June 2014

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COUNTY GOVERNMENT OF NYAMIRA
Report and Financial Statement
For the Period ended 30 June 2014

KEY INFORMATION AND MANAGEMENT ON COUNTY GOVERNMENT OF NYAMIRA.

(a) Background information

The County is constituted as per the constitution of Kenya and it is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

(b) Key Management

The County Government of Nyamira day-to-day management is under the following key organs:

- H.E John Obiero Nyagarama - The Governor
- H.E Amos Nyaribo - The Deputy Governor

AND THE EXECUTIVE COMPRISING;

Name	Designation
• John Omanwa	- Finance and Economic Planning
• Andrew Ombati	- Water and Irrigation
• Janet Kumenda	- Health services
• Jones M. Omwenga	- Trade, Tourism, Cooperative and Industrials Investment
• Gladys Momanyi	- Education and ICT
• PerisMong'are	- Agriculture, Livestock and Fisheries
• KephaOsoro	- Transport, Roads & Infrastructure
• Peter Omwansa	- Gender, Sports, Youth & Culture
• Reuben Sinange	- Environment and Natural Resources
• Richard Mareri	- Lands, Housing and Physical Planning
• Eric Onchana Aori	- Ag County Secretary

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:-

Name	Designation
• Richard K. Okeyo	Chief Finance Officer
• Philip Machuki	Principal Finance Officer
• Lawrence N. Nyanga'u	Head of Treasury (Accounting)

(d) Fiduciary Oversight Arrangements

The County Government is over sighted by the County Assembly of Nyamira which is headed by the Speaker Hon. Joash Nyamoko and deputised by Hon. Joseph Magangi.

The house has 20 elected members and thirteen nominated members. The assembly carries it mandate through the whole house or through various committees. Among these committees those oversights the county executive arms are,

- Public investment and accounts committee
- The budget committee
- Finance and planning committee
- Implementation committee
- Public service and appointment committee

The chief officer for the County Assembly is the Clerk. The current office holder is Mr. Daniel Orina

(e) Headquarters of Nyamira County Government.

Nyamira county building,
P.O. Box 434-40500
Nyamira, Kenya.

(f) Nyamira County Contacts

Telephone: (254)-0738727272, 0735232323
E-mail: info@nyamira.go.ke
Website: www.nyamira.go.ke

(g) Nyamira County Government Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Nyamira branch
Po Box 403-40500
Nyamira, Kenya

(h) Independent Auditors

Auditor General,
Kenya National Audit Office,
Anniversary Towers, University Way,
P.O. Box 30084-00100,
Nairobi, Kenya

(i) Principal Legal Adviser

Esther Asati,
Director, Legal Services,
P.O. Box 434-40500,
Nyamira, Kenya.

**1. FORWARD BY THE COUNTY EXECUTIVE MEMBER FOR FINANCE AND
ECONOMIC PLANNING**

It is my pleasure to present the Annual Report and Accounts of the County Government of Nyamira for the period ended 30th June 2014.

During the year under review, the County recorded a surplus of Kshs. 538,410,164 of total income from National Government and local revenue all amounting to Kshs.3,132,669,662 against an expenditure of Kshs. 2,594,259,499.


During the year, we continued to undertake various development programmes meant to enable the County manage the transition arising from the devolved county government functions. These programmes were meant to set the County on the development agenda.

As the County prepares to start implementing comprehensive programmes to uplift the welfare of the people of Nyamira and ensure sustainable social, economic, environmental and political development, it is important to understand how the process of devolution has progressed one year into devolution.

Devolution presents the best opportunity for realising shared development and prosperity. The County has put in place measures to ensure that devolution works for the benefit of the people. Various policies, regulations and bills have been formulated with the sole aim of strengthening implementation structures and institutions and stamping out wastage of resources.

However, the County Government of Nyamira faced challenges in project implementation due to late submission of funds, lengthy procurement processes and lack of enough staff to fully implement IFMIS. The recruitment of chief officers and key staff took time after the exit of Transition Authority staff which presented a number of challenges. The management however tackled these challenges with zeal and resilience to ensure devolution successes.

Finally I wish to thank the Governor, the members of his Executive Committee for their continued support and leadership in driving the County development agenda. I also thank the entire county staff members who worked tirelessly in achieving the set targets. My gratitude also goes to the County Assembly members for their guidance during the year. On behalf of the County Executive Committee, I wish to thank the National Government of Kenya for the continued support for the County Government during the year under review.



John M. Omanwa
COUNTY EXECUTIVE COMMITTEE MEMBER,
FINANCE & ECONOMIC PLANNING

STATEMENT OF COUNTY GOVERNMENT OF NYAMIRA ON MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a County Government of Nyamira shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

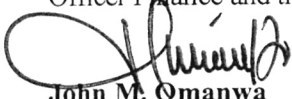
The Accounting Officer in charge of the County Government of Nyamira is responsible for the preparation and presentation of the county's financial statements, which give a true and fair view of the state of affairs of the county for and as at the end of the financial period ended on June 30, 2014. This 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 entity; (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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the County Government of Nyamira accepts responsibility for the county'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 Chief Officer is of the opinion that the county's financial statements give a true and fair view of the state of county transactions during the financial period ended June 30, 2014, and of the county's financial position as at that date. The Chief Officer in charge of the County Government of Nyamira further confirms the completeness of the accounting records maintained for the county, which have been relied upon in the preparation of the county's financial statements as well as the adequacy of the systems of internal financial control.

The Chief Officer in charge of Finance confirms that the County has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the County 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 Chief Officer confirms that the County'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 of Nyamira financial statements were approved and signed by the Chief Officer Finance and the Head of Treasury Accounts on 29th September 2014.



John M. Omanwa
COUNTY EXECUTIVE COMMITTEE MEMBER,
FINANCE & ECONOMIC PLANNING

Auditor General

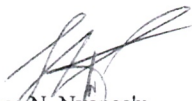
Date

**COUNTY GOVERNMENT OF NYAMIRA
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDED 30TH JUNE 2014**

	Note	2013/2014 Kshs	2012/2013 Kshs
RECEIPTS			
Tax Revenues	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	-	-
Exchequer Releases	4	3,038,643,767	155,476,525
Transfers from Other Government Entities	5	-	62,589,560
Proceeds from Domestic Borrowings	6	-	-
Domestic Currency and Domestic Deposit	7	-	-
Proceeds from Foreign Borrowings	8	-	-
Proceeds from Sale of Assets	9	-	-
Reimbursements and Refunds	10	-	-
Returns of Equity Holdings	11	-	-
Other Revenues	12	94,025,895	12,284,974
TOTAL REVENUES		3,132,669,662	230,351,059
PAYMENTS			
Compensation of Employees	13	1,027,165,060	64,969,401
Use of goods and services	14	821,084,963	12,615,592
Interest payments	14	-	-
Subsidies	16	-	-
Transfers to Other Government Units	17	80,000,000	-
Other grants and transfers	18	-	-
Social Security Benefits	19	-	-
Acquisition of Assets	20	666,009,476	38,147,694
Repayment of principal on Domestic and Foreign borrowings	21	-	-
Other Payments	22	-	-
TOTAL PAYMENTS		2,594,259,499	115,732,687
SURPLUS/DEFICIT		538,410,164	114,618,372

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September 2014 and signed on 29th September 2014 by:

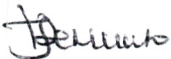

Richard K. Okeyo
Chief Officer, Finance & Economic Planning


Lawrence N. Nyanga'u
Head of Treasury (Accounting)


COUNTY GOVERNMENT OF NYAMIRA
STATEMENT OF ASSETS
AS AT 30TH JUNE 2014

	Note	2013/2014	2012/2013
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	23A	650,477,919	114,618,372
Cash Balances	23B	147,300	-
Cash Equivalents	23C	-	-
Outstanding Imprests	23D	2,403,318	-
TOTAL FINANCIAL ASSETS		653,028,537	114,618,372
REPRESENTED BY			
Fund balance b/fwd	24	114,618,373	-
Surplus/Deficit for the year		538,410,164	114,618,372
Prior year adjustments	25	-	-
NET FINANCIAL POSITION		653,028,537	114,618,372
		0	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September 2014 and signed on 29th September 2014 by:


Richard K. Okeyo

Chief Officer, Finance & Economic Planning


Lawrence N. Nyanga'u

Head of Treasury (Accounting)

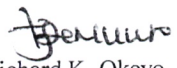
COUNTY GOVERNMENT OF NYAMIRA

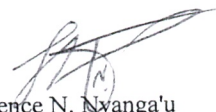
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30TH JUNE 2014

	Note	2013/2014	2012/2013
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	-	-
Social Security Contributions	2	-	-
Proceeds from Domestic and Foreign Grants	3	-	-
Transfers from National Treasury	4	3,038,643,767	155,476,525
Transfers from Other Government Entities	5	-	62,589,560
Reimbursements and Refunds	9	-	-
Returns of Equity Holdings	10	-	-
Other Revenues	11	94,025,895	12,284,974
		3,132,669,662	
Payments for operating expenses			
Compensation of Employees	12	1,027,165,060	64,969,401
Use of goods and services	13	821,084,963	12,615,592
Interest payments	14	-	-
Subsidies	15	-	-
Transfers to Other Government Units	16	80,000,000	-
Other grants and transfers	17	-	-
Social Security Benefits	18	-	-
Other Expenses	22	-	-
		1,928,250,023	77,584,993
Adjusted for:			
Adjustments during the year		-	-
		1,204,419,639	75,181,073
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets	19	(666,009,476)	38,147,694
Net cash flows from Investing Activities		(666,009,476)	38,147,694
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	6	-	-
Proceeds from Foreign Borrowings	7	-	-
Repayment of principal on Domestic and Foreign borrowing	21	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	24	114,618,373	-
Cash and cash equivalent at END of the year	23	653,028,537	114,618,372

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September 2014 and signed on 29th September 2014


Richard K. Okeyo
Chief Officer, Finance & Economic Planning



Lawrence N. Nyanga'u
Head of Treasury (Accounting)

COUNTY GOVERNMENT OF NYAMIRA
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED
FOR THE YEAR ENDED 30TH JUNE 2014

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
11	Tax Receipts	-	-	-	-	-	-
12	Social Security Contributions	-	-	-	-	-	-
13	Proceeds from Domestic and Foreign Grants	-	-	-	-	-	-
9910301	Exchequer releases	3,317,126,654	-	3,317,126,654	3,038,643,767	278,482,887	91.60
133	Transfers from Other Government Entities	-	-	-	-	-	-
51	Proceeds from Domestic Borrowings	-	-	-	-	-	-
131&132	Proceeds from Foreign Borrowings	-	-	-	-	-	-
35&45	Proceeds from Sale of Assets	-	-	-	-	-	-
454	Reimbursements and Refunds	-	-	-	3,038,643,767	3,038,643,767	-
455	Returns of Equity Holdings	-	-	-	-	-	-
14	Other Receipts	100,000,000	-	100,000,000	94,025,895	5,974,105	94.03
					-		
	PAYMENTS	3,417,126,654	-	3,417,126,654	6,171,313,430	2,754,186,776	
21	Compensation of Employees	732,393,480	-	732,393,480	1,027,165,060	294,771,580	140.25
22	Use of goods and services	1,342,441,655	-	1,342,441,655	802,186,297	540,255,358	59.76
24	Interest payments	-	-	-	-	-	-
25	Subsidies	-	-	-	-	-	-
263	Transfers to Other Government Units	1,750,000	-	1,750,000	80,000,000	78,250,000	4,571.43
261/2/4	Other grants and transfers	55,250,000	-	55,250,000	-	55,250,000	-
27	Social Security Benefits	-	-	-	-	-	-
30&40	Acquisition of Assets	1,283,880,797	-	1,283,880,797	666,009,476	617,871,321	51.87
55	Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	-
28	Other Payments	-	-	-	-	-	-
Grand Total		3,415,715,932	-	3,415,715,932	2,575,360,833	840,355,099	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 26th September 2014 and signed on 29th September 2014 by:


Richard K. Okeyo
Chief Officer, Finance & Economic Planning



Lawrence N. Nyanga'u
Head of Treasury (Accounting)

COUNTY GOVERNMENT OF NYAMIRA
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT
FOR THE YEAR ENDED 30TH JUNE 2014

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
11	Tax Receipts			-		-	-
12	Social Security Contributions			-		-	-
13	Proceeds from Domestic and Foreign Grants			-		-	-
9910301	Exchequer releases	1,663,134,130		1,663,134,130	2,085,565,396	422,431,266	125.40
133	Transfers from Other Government Entities			-		-	-
51	Proceeds from Domestic Borrowings			-		-	-
131&132	Proceeds from Foreign Borrowings			-		-	-
35&45	Proceeds from Sale of Assets			-		-	-
454	Reimbursements and Refunds			-		-	-
455	Returns of Equity Holdings			-		-	-
14	Other Receipts	100,000,000		100,000,000	94,025,895	5,974,105	94.03
							-
	PAYMENTS	1,763,134,130	-	1,763,134,130	2,179,591,291	416,457,161	-
21	Compensation of Employees	732,393,480		732,393,480	1,027,165,060	294,771,580	140.25
22	Use of goods and services	1,305,701,655		1,305,701,655	765,612,724	540,088,931	58.64
24	Interest payments			-		-	-
25	Subsidies			-		-	-
263	Transfers to Other Government Units			-	80,000,000	80,000,000	-
261/2/4	Other grants and transfers	55,250,000		55,250,000	-	55,250,000	-
27	Social Security Benefits			-		-	-
30&40	Acquisition of Assets	64,980,250		64,980,250	47,368,397	17,611,853	72.90
55	Repayment of principal on Domestic and Foreign borrowing			-		-	-
28	Other Payments			-		-	-
Grand Total		2,158,325,385	-	2,158,325,385	1,920,146,181	238,179,204	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 26th September 2014 and signed on 29th September 2014 by:


Richard K. Okeyo
Chief Officer, Finance & Economic Planning


Lawrence N. Nyanga'u
Head of Treasury (Accounting)


COUNTY GOVERNMENT OF NYAMIRA
SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

FOR THE YEAR ENDED 30TH JUNE 2014

Code	Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation	% of
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
11	Tax Receipts			-		-	-
12	Social Security Contributions			-		-	-
13	Proceeds from Domestic and Foreign Grants			-		-	-
9910301	Exchequer releases	1,652,581,802	-	1,652,581,802	639,187,046	1,013,394,756	-
133	Transfers from Other Government Entities			-		-	-
51	Proceeds from Domestic Borrowings			-		-	-
131&132	Proceeds from Foreign Borrowings			-		-	-
35&45	Proceeds from Sale of Assets			-		-	-
454	Reimbursements and Refunds			-		-	-
455	Returns of Equity Holdings			-		-	-
14	Other Receipts			-		-	-
				-		-	-
	PAYMENTS	1,652,581,802	-	1,652,581,802	639,187,046	1,013,394,756	-
21	Compensation of Employees			-		-	-
22	Use of goods and services	36,740,000		36,740,000	36,573,573	166,427	99.55
24	Interest payments			-		-	-
25	Subsidies			-		-	-
263	Transfers to Other Government Units	1,750,000		1,750,000	-	1,750,000	-
261/2/4	Other grants and transfers			-		-	-
27	Social Security Benefits			-		-	-
30&40	Acquisition of Assets	1,218,900,547		1,218,900,547	618,641,079	600,259,468	50.75
55	Repayment of principal on Domestic and Foreign borrowing			-		-	-
28	Other Payments			-		-	-
				-		-	-
Grand Total		1,257,390,547	-	1,257,390,547	655,214,652	602,175,895	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The financial statements were approved on 26th September 2014 and signed on 29th September 2014 by:

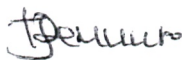

Richard K. Okeyo
Chief Officer, Finance & Economic Planning

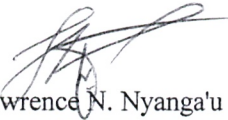

Lawrence N. Nyanga'u
Head of Treasury (Accounting)

**COUNTY GOVERNMENT OF NYAMIRA
SUMMARY STATEMENT OF PROVISIONING
FOR THE YEAR ENDED 30TH JUNE 2014**

	2013/2014 Kshs	2012/2013 Kshs
GAV Provisioning account balance	277,113,168	-
Local Revenue	5,974,105	
Total	283,087,273	-
Details of Exchequer Account	3,038,643,767	
Local Revenue	94,025,895	
	3,132,669,662	-
	2013/2014 Kshs	2012/2013 Kshs
Exchequer Provisioning account balance	283,087,273	-
Total	283,087,273	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26th September 2014 and signed on 29th sept. 2014 by:


 Richard K. Okeyo
 Chief Officer, Finance & Economic Planning


 Lawrence N. Nyanga'u
 Head of Treasury (Accounting)

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *County Government of Nyamira*. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *County Government of Nyamira*.

2. Recognition of revenue and expenses

The *County Government of Nyamira* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *County Government of Nyamira*. In addition, the *County Government of Nyamira* recognises all expenses when the event occurs and the related cash has actually been paid out by the *County Government of Nyamira*.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various Commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES COUNT...

5. 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 recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *County Government of Nyamira* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. 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 Government of Nyamira's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *County Government of Nyamira's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

The comparative figures for the previous financial 2013/2014 have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014

COUNTY GOVERNMENT OF NYAMIRA
FINANCIAL STATEMENTS NOTES
FOR THE PERIOD ENDED 30TH JUNE 2014

1. TAX REVENUES

Taxes on Income, Profits and Capital Gains
Taxes on Property
Taxes on Goods and Services
Taxes on International Trade and Transactions
Other Taxes (not elsewhere classified)

Total

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>

2. SOCIAL SECURITY CONTRIBUTIONS

Receipts for Health Insurance Contribution
Receipts to NHIF for Health Insurance Contributions
Receipts from Govt Employees to Social & Welfare Schemes

Total

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
<u>-</u>	<u>-</u>

3. PROCEEDS FROM DOMESTIC AND FOREIGN

(i) Grants Received from Bilateral Donors (Foreign

Grants Received

The County Government did not receive grants from Bilateral

(ii) Grants Received from Multilateral Donors

Grants Received

The County Government did not receive grants from

(iii) Grants Received from other levels of government

Grants Received

The County Government did not receive grants from other

Total

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>

4. EXCHEQUER RELEASES

Description and reference of the transfer

1st quarter transfer
2nd quarter transfer
3rd quarter transfer
4th quarter transfer

Total

2013/2014 Kshs	2012/2013 Kshs
516,569,440	-
546,955,878	-
638,115,191	-
1,337,003,258	155,476,525
<u>3,038,643,767</u>	<u>155,476,525</u>

5. TRANSFERS FROM OTHER GOVERNMENT

Description

Transfers from National Government entities (TA)
Transfers from Counties

TOTAL

The County Government did not receive transfers from other

2013/2014 Kshs	2012/2013 Kshs
-	62,589,560
-	-
<u>-</u>	<u>62,589,560</u>

6. PROCEEDS FROM DOMESTIC BORROWINGS

Borrowing within General Government
Borrowing from Monetary Authorities (Central Bank)
Other Domestic Depository Corporations (Commercial Banks)
Borrowing from Other Domestic Financial Institutions
Borrowing from Other Domestic Creditors
Domestic Currency and Domestic Deposits
Domestic Accounts Payable

Total

The County Government had no proceeds from domestic

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>

**COUNTY GOVERNMENT OF NYAMIRA
FINANCIAL STATEMENTS NOTES
FOR THE PERIOD ENDED 30TH JUNE 2014**

7. Domestic Currency and Domestic Deposit

x% Retention amount in relation to project A	-	-
y% Retention amount in relation to project B	-	-
z% Retention amount in relation to project C	-	-
Deposits held in trust	-	-
Total	-	-

8. PROCEEDS FROM FOREIGN BORROWINGS

	2013/2014 Kshs	2012/2013 Kshs
Foreign Borrowing	-	-
Total	-	-

The County Government had no proceeds from foreign

9. PROCEEDS FROM SALE OF NON-FINANCIAL

	2013/2014 Kshs	2012/2013 Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

10. REIMBURSEMENTS AND REFUNDS

	2013/2014 Kshs	2012/2013 Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

There were no reimbursements and refunds

11. RETURNS OF EQUITY HOLDINGS

	2013/2014 Kshs	2012/2013 Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
Total	-	-

The County Government has no equity holdings

12. OTHER REVENUES

	2013/2014 Kshs	2012/2013 Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	3,296,498	-
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	58,126,714	-
Receipts from Administrative Fees and Charges - Collected as	24,570,241	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	1,184,570	-
Fines Penalties and Forfeitures	132,760	-
Receipts from Voluntary transfers other than grants	-	-
Other Receipts Not Classified Elsewhere	6,715,112	12,284,974
Total	94,025,895	12,284,974

These are various levies and charges on Appropriation In Aid

**COUNTY GOVERNMENT OF NYAMIRA
FINANCIAL STATEMENTS NOTES
FOR THE PERIOD ENDED 30TH JUNE 2014**

13. COMPENSATION OF EMPLOYEES

	2013/2014 Kshs	2012/2013 Kshs
Basic salaries of permanent employees	833,090,628	64,969,401
Basic wages of temporary employees	14,826,000	-
Personal allowances paid as part of salary	500,000	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments (devolved functions)	178,748,432	-
Total	1,027,165,060	64,969,401

These are the expenditures incurred during the year for the

14. USE OF GOODS AND SERVICES

	2013/2014 Kshs	2012/2013 Kshs
Utilities, supplies and services	30,449,155	15,433
Communication, supplies and services	23,341,409	300,000
Domestic travel and subsistence	227,590,158	8,123,199
Foreign travel and subsistence	73,422,824	-
Printing, advertising and information supplies & services	34,634,688	307,662
Rentals of produced assets	1,000,000	-
Training expenses	67,424,579	-
Hospitality supplies and services	47,904,933	3,070,273
Insurance costs	863,350	-
Specialised materials and services	137,307,976	-
Office and general supplies and services	35,249,527	449,025
Fuel Oil and Lubricants	60,785,637	-
Other operating expenses	29,817,650	-
Routine maintenance – vehicles and other transport equipment	11,801,966	200,000
Routine maintenance – other assets	39,491,112	150,000
Total	821,084,963	12,615,592

These are the expenditures incurred during the year for the

15. INTEREST PAYMENTS

	2013/2014 Kshs	2012/2013 Kshs
Interest Payments on Foreign Borrowing	-	-
Interest on Domestic Borrowing	-	-
Interest on Borrowing From Other Government Units	-	-
Total	-	-

The County Government had no borrowing during the year

16. SUBSIDIES

Description	2013/2014 Kshs	2012/2013 Kshs
Subsidies to Public Corporations	-	-
Subsidies to Private Enterprises	-	-
TOTAL	-	-

The County Government did not make subsidies during the

17. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013/2014 Kshs	2012/2013 Kshs
Transfers to National Government entities	-	-
Transfers to Nyamira County Assembly Mortgage Fund	80,000,000	-
TOTAL	80,000,000	-

18. OTHER GRANTS AND OTHER PAYMENTS

	2013/2014 Kshs	2012/2013 Kshs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Other current transfers, grants	-	-
Other capital grants and transfers	-	-
Total	-	-

COUNTY GOVERNMENT OF NYAMIRA
FINANCIAL STATEMENTS NOTES
FOR THE PERIOD ENDED 30TH JUNE 2014

23B. Cash in hand

County Treasury (Headquarters)
Other Locations (*specify*)

Total

2013/2014 Kshs	2012/2013 Kshs
147,300	-
-	-
147,300	-

23C. Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency

xx

Total

23D. Outstanding Imprests

	Amount	Amount Surrendered
OFFICE OF THE GOVERNOR	435,670	95,170.00
PUBLIC SERVICE BOARD	115,600	115,600.00
WATER AND IRRIGATION	12,358	-
ENERGY ENVIRONMENT AND NATURAL RESOURCES	61,000	-
ROADS AND TRANSPORT	242,140	-
COUNTY ASSEMBLY	5,572,100	3,824,780.00
Total	6,438,868	4,035,550

Total

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
-	-
-	-
-	-
-	-
2,403,318	-

24. BALANCES BROUGHT FORWARD

Bank accounts
Cash in hand
Cash equivalents (short-term deposits)
Imprest

Total

2013/2014 Kshs	2012/2013 Kshs
114,618,373	-
-	-
-	-
-	-
114,618,373	-

25. PRIOR YEAR ADJUSTMENT

Bank accounts
Cash in hand
Cash equivalents (short-term deposits)
Imprest

Total

2013/2014 Kshs	2012/2013 Kshs
-	-
-	-
-	-
-	-
-	-

COUNTY GOVERNMENT OF NYAMIRA

Pending bills 2013/14

FOR THE YEAR ENDED 30 JUNE 2014

ANNEX A

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding	Outstanding	Comments
				2013/2014	2012/2013	
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings	336,831,433	Schedue Attached	3,175,250	333,656,183	-	
Sub-Total	336,831,433	-	3,175,250	333,656,183	-	
Construction of civil works	449,405,382	Schedue Attached	70,873,943	378,531,439	-	
Sub-Total	449,405,382	-	70,873,943	378,531,439	-	
Supply of goods	177,110,220	Schedue Attached	-	177,110,220	-	
Sub-Total	177,110,220	-	-	177,110,220	-	
Supply of services	54,944,700	Schedue Attached	-	54,944,700	-	
Sub-Total	54,944,700	-	-	54,944,700	-	
Grand Total	1,018,291,735	-	74,049,193	944,242,542	-	-

COUNTY GOVERNMENT OF NYAMIRA
Outstanding Imprest For the period 2013/14

ANNEX B

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2013/2014	2012/2013	
		a	b	c	d=a-c		
Senior Management							
2. Andrew Magangi		200,000	24.12.2013	-	200,000	-	Salary Advance
6. Kennedy Nyameino		1,000,000	30.12.2013	-	1,000,000	-	
8. Phoebe Buchunchu		288,600	24.05.2013	-	288,600	-	
9. Samuel Nyangau		184,800	09.10.2013	-	184,800	-	
10. Benson Sironga		73,920	29.05.2013	-	73,920	-	
11. Jane Matara		122,500	21.03.2014	-	122,500	-	
12. Jane Matara		138,000	09.09.2013	-	138,000	-	
Sub-Total		2,007,820		-	2,007,820	-	
Middle Management							
1. Andrew Nyagisera		210,570	18.11.2013	-	210,570	-	
4. David Otworu		31,570	20.12.2013	-	31,570	-	
5. Wilson Nyakundi		61,000	07.03.2014	-	61,000	-	
6. Clement Nchogu		12,358	08.05.2014	-	12,358	-	
Sub-Total		315,498		-	315,498	-	
Unionisable Employees							
1. Charles Nyabuti		50,000	18.03.2014	-	50,000	-	Salary Advance
2. James Ndochi		30,000	16.12.2014	-	30,000	-	Salary Advance
Sub-Total		80,000		-	80,000	-	
Others (specify)							
				-	-	-	
Sub-Total				-	-	-	
Grand Total		2,403,318		-	2,403,318	-	

COUNTY GOVERNMENT OF NYAMIRA

Fixed Assets 2013/14

ANNEX C

Asset class	Historical Cost (Kshs) 2013/14	Historical Cost (Kshs) 2012/13
Land		4,200,000
Buildings and structures		
Transport equipment	133,496,251	
Office equipment, furniture and fittings	10,534,430	
ICT Equipment, Software and Other ICT Assets	17,138,969	
Other Machinery and Equipment	8,763,750	
Heritage and cultural assets		
Intangible assets		
Total	169,933,400	-