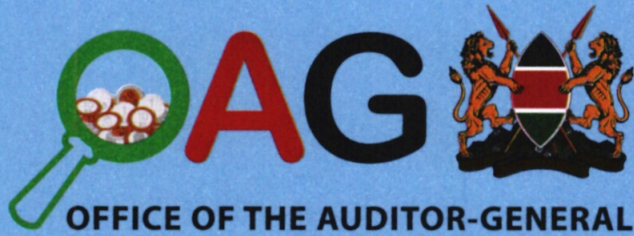


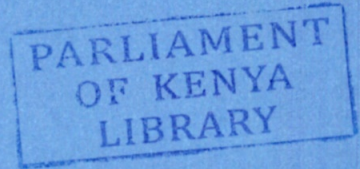
REPUBLIC OF KENYA



Enhancing Accountability

PAPERS LAID	
DATE	6/3/2024
TABLED BY	Maj. Leader
COMMITTEE	-
CLERK AT THE TABLE	Angela

REPORT



OF

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF
KITUI**

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



Revised 30th June 2023



KITUI COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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

TABLE OF CONTENTS

1.	Acronyms and Glossary of Terms	ii
2.	Key Entity Information and Management	iii
3.	Governance Statement	vi
4.	Foreword by the Clerk of the Assembly	xxi
5.	Statement of Performance against County Assembly Predetermined Objectives	xxviii
6.	Corporate Social Responsibility Statement/Sustainability Reporting	xxxix
7.	Statement of Management Responsibilities.....	xxxiii
8.	Report of the Independent Auditor Kitui County Assembly for the year ended 30 th June 2023.....	xxxiv
9.	Statement of Receipts and Payments for the Year Ended 30 th June 2023	1
10.	Statement of Financial Assets and Liabilities as at 30 th June 2023	2
11.	Statement of Cash Flows for the Period Ended 30 th June 2023	3
12.	Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30 th June 2023.....	4
12A	Statement of Comparison of Budget & Actual Amounts: Recurrent for the year ended 30 th June 2023	6
12B	Statement of Comparison of Budget & Actual Amounts: Development for the year ended 30 th June 2023	8
13.	Budget Execution by Programmes and Sub-Programmes.....	10
14.	Significant Accounting Policies.....	11
15.	Notes to the Financial Statements.....	18
16.	Progress on Follow-up on Prior Year Auditor’s Recommendations	36
17.	Annexes.....	46

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

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 preceding the current financial year.
----------------	--

2. Key Entity Information and Management

(a) Background information

The County Assembly 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 Forty Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and Twenty Members nominated to represent different parties and groups. 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 day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Kevin Kinengo Katisya
2.	Clerk of the County Assembly	Elijah M. Mutambuki
3.	Deputy Clerk of the County Assembly	Lucy N. Waema
4.	Principal Finance Officer	Augustus M. Kyenze
5.	Ag. Principal Procurement Officer	Simon N. Syengo
6.	Ag. Senior Communication Officer	John Kivui
7.	Senior Works Officer	Samuel N. Kanyi
8.	Principal Clerk Assistant	Josphat Kitheka Kwanda
9.	Principal Human Resource Officer	Erastus M. Ndeleva
10.	Senior Sargent-at-arms	Lawrence Kirigwi
11.	Senior Information Communication and Technology Officer	Kelvin Ndeto Mwanzia

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer- Clerk of the Assembly	Elijah Mutambuki
2.	Deputy Clerk of the Assembly	Lucy Waema
3.	Principal Finance Officer	Augustus Kyenze

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

Audit committee activities

- Examine internal and External Audit reports.
- Evaluate the status of implementation of recommendations by PIAC Committee
- Review Annual Financial Statements

Finance committee activities

- Developing and implementing financial management and economic planning policies.
- Generating county finance management bills
- Mobilizing resources for funding the County budget.
- Issuing circulars concerning financial matters.
- Custodian of County Assets.

Public Accounts and Investment committee

- Examination of accounts showing the appropriations of sum voted by the Assembly.
- Examination of the reports, accounts, and working of public investments.
- Examination, in the context of the autonomy and efficiency of the county public investments.

Budget and Appropriation committee

- Investigate, inquire into and report on all matters related to coordination, control, and monitoring of the county budget.
- Discuss and review the estimates and make recommendations to the county Assembly.
- Examine the county Budget policy statement presented to the County Assembly.
- Examine bills related to the county budget

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

(e) Entity Headquarters

Kitui County Assembly Offices
Kitui -Mutomo-Kibwezi Road
P.O BOX 694-90200
Kitui, Kenya

(f) County Assembly Contacts

Telephone: 044-22914
E-mail: Kituiassembly@gmail.com
Website: www.kituicountyassembly.org

(g) County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O Box 683-90200
Kitui, 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 – N/A

3. Governance Statement

The County Assembly

The County Assembly is constituted by the MCAs of Kitui 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 Kitui County Assembly has the following Select and Sectoral committees:

Select Committees

- a) Public Accounts/Investment Committee
- b) Budget and Appropriations Committee
- c) Powers and Privileges committee
- d) Procedure and Rules Committee
- e) Implementation Committee
- f) Delegated County Legislation Committee
- g) House Business Committee
- h) Selection Committee
- i) Liaison Committee
- j) Committee on appointment

Sectoral Committees

- a) Agriculture, Water and Irrigation Committee
- b) Health and Sanitation Committee
- c) Culture, Youth, Sports, Gender and Social Services Committee
- d) Lands, Infrastructure and Urban Development Committee
- e) Tourism and Natural Resources Committee
- f) Environment, Energy and Mineral Investments Committee
- g) Finance and Economic Planning Committee
- h) Basic Education, Training and Skills Development Committee
- i) Trade, Industry, ICT and Cooperatives Committee
- j) Administration and Coordination of County Affairs Committee
- k) Labour and Social Welfare Committee
- l) Justice and Legal Affairs Committee

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

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 six (6) meetings in FY 2022-2023. The committee members during FY 2022-2023 were:

S.no	Member	Designation	Ward
1	Hon. Kevin Kinengo Katisya	Chairperson	Speaker of County Assembly
2	Hon. Munira Mohammed	Vice Chairperson	Nominated
3	Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
4	Hon. Zaccheus Ivutha Syengo	Member	Voo/Kyamatu
5	Hon. Joseph Musyoka Mbite	Member	Nzambani
6	Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
7	Hon. Joseph Kasungi Kavula	Member	Waita
8	Hon. Elizabeth Ndunge Peter	Member	Nominated
9	Hon. Ciambutra Karigi	Member	Nominated

b) Audit Committee

The audit committee was constituted in xxx. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held 8 meetings in FY 2022-2023. The committee members during FY 2022-2023 were:

S.no	Member	Designation
1	Kaio Mbulusi	Chairperson
2	Rehana Ismail	Member
3	Shadrack Ndoi	Member

c) Public Accounts /Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held 19 extra sittings to deal with arising matters. The members who served in the committee during the year were:

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

S. no	Member	Designation	Ward
1	Hon. Gabriel Mutunga Munyao	Chairperson	Kauwi
2	Hon. David Masaku Munyau	Vice Chairperson	Mutomo/Kibwea
3	Hon. Godfrey Muthengi Ndagara	Member	Tharaka
4	Hon. Jeremiah Musee Mutua	Member	Nguni
5	Hon. Paul Maluki	Member	Kithumula/Kwa Mutonga

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
1. Zaccheus Ivutha Syengo	Chairperson	Voo/Kyamatu
2. Jacquelyne Cate Kalenga	Vice Chairperson	Nominated
3. Alex Mutambu Nganga	Member	Miambani
4. Sylvester Munyalo Kitheka	Member	Matinyani
5. Kyalo Kimuli	Member	Kanziko
6. Boniface Mukwate Katula	Member	Kanyangi
7. Malinga Munyao	Member	Zombe/Mwitika
8. Mary Mwendu Mutune	Member	Nominated
9. Mercy Muema Muliwa	Member	Nominated

e) Procedure and Rules Committee

The Procedure and Rules committee provides guidance for periodic review of standing orders. It may also propose amendments to the standing orders.

Member	Designation	Ward
---------------	--------------------	-------------

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

1. Hon. Kevin Kinengo Katisya	Chairperson	Speaker of County Assembly
2. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
3. Hon. Gabriel Mutunga Munyao	Member	Kauwi
4. Hon. Priscilla Martha Makumi	Member	Nominated
5. Hon. Godfrey Muthengi Ndagara	Member	Tharaka

f) Implementation Committee

The Implementation committee provides guidance for scrutinize the resolutions of the country assembly, petitions and undertakings given by County Executive committee. May also examine and implement decisions of the house resolutions alongside examining whether or not legislations passed by county assembly has been operationalized and the document the status of progress.

Member	Designation	Ward
1. Hon. Mathew Vuthi	Chairperson	Chuluni
2. Hon. Immaculate Wanza John	Vice Chairperson	Nominated
3. Hon. Malinga Munayo	Member	Zombe/Mwitika
4. Hon. Charity Mwangangi	Member	Nominated
5. Hon. Alphonse Musyimi	Member	Kyome/Thaana
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Sammy Munyithya	Member	Kivou
8. Hon. Joseph Nzungi Ngwele	Member	Ngomeni
9. Hon. Priscilla Martha Makumi	Member	Nominated
10. Hon. Judith Wanza Kasyoka	Member	Nuu
11. Hon. Boniface Maundu Katumbi	Member	Kyangwithya East

g) Agriculture, Water and Irrigation Committee

The Agriculture, Water and Irrigation committee provides guidance for all matters relating to agriculture, crop and animal husbandry, livestock sale yards including conservation of fisheries resources and provision of fisheries extension and veterinary services.

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

Member	Designation	Ward
1. Hon. Antony Musyimi Musyoka	Chairperson	Kiomo/Kyethani
2. Hon. Joseph Musyoka Mbite	Vice Chairperson	Nzambani
3. Hon. Aron Kilonzi Kasele	Member	Mutito/Kaliku
4. Hon. Immaculate Wanza John	Member	Nominated
5. Hon. Bonface Mukwate Katula	Member	Kanyangi
6. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
7. Hon. Harrison Maluki Mawia	Member	Migwani
8. Hon. Fastina Mwendu Solomon Salu	Member	Nominated
9. Hon. Jacqueline Kate Kalenga	Member	Nominated
10. Hon. Muthama Musyoka Kieti	Member	Athi
11. Hon. Sylvester Kitheka Munyalo	Member	Matinyani

h) Health and Sanitation Committee

The Health and Sanitation committee provides guidance for formulating and implementing county health and sanitation policies and legislations. The may also implement national health policies and standards as well as all matters related to County health services.

Member	Designation	Ward
1. Hon. Bernard Mwangangi Munyasya	Chairperson	Mwingi Central
2. Hon. Kyalo Kimuli	Vice Chairperson	Kanziko
3. Hon. Malinga Munyao	Member	Zombe/Mwitika
4. Hon. Erastus Musyoka Mbuno	Member	Endau/Malalani
5. Hon. Mathew Ngovi Vuthi	Member	Chuluni

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

6. Hon. Daniel Kimanzi Muange	Member	Tseikuru
7. Hon. Fastina Mwendu Solomon Salu	Member	Nominated
8. Hon. Titus Munyoki Kasinga	Member	Mumoni
9. Hon. Joseph Kasungi Kavula	Member	Waita
10. Hon. Munira Mohammed	Member	Nominated
11. Hon. Hussein Mwandia	Member	Ikutha

i) Culture, Youth, Sports, Gender and Social Services Committee

The Culture, Youth, Sports, Gender and Social Services committee provides guidance for formulation of policies and legislation on gender, youth, sports, culture and social development. They also develop and facilitate programs on childcare, cultural activities, and mainstreaming youth affairs.

Member	Designation	Ward
1. Hon. Judith Wanza Kasyoka	Chairperson	Nuu
2. Hon. Immaculate Wanza John	Vice Chairperson	Nominated
3. Hon. Fridah Maua Mutinda	Member	Nominated
4. Hon. Jacinta Mary Mwoni	Member	Nominated
5. Hon. Zacchaeus Syengo	Member	Voo/Kyamatu
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Erastus Musyoka Mbuno	Member	Endau/Malalani
8. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
9. Hon. Alphonse Mukwaiyu Musyimi	Member	Kyome/Thaana
10. Hon. Muthama Musyoka Kieti	Member	Athi
11. Hon. Jeremiah Musee Mutua	Member	Nguni

j) Lands, Infrastructure and Urban Development Committee

The Lands, Infrastructure and Urban Development committee provides guidance for development of county policy, and legislation on land, infrastructure and urban development. The facilitate and promote sustainable urban and pre-urban development.

Member	Designation	Ward
1. Hon. Sammy Musili Munyithya	Chairperson	Kivou
2. Hon. Mary Mbithe Musili	Vice Chairperson	Nominated
3. Hon. Aron Kilonzi Kasele	Member	Mutito/Kaliku
4. Hon. Kyalo Kimuli	Member	Kanziko
5. Hon. Mathew Ngovi Vuthi	Member	Chuluni
6. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
7. Hon. Priscilla Martha Makumi	Member	Nominated
8. Hon. Bernard Mwangangi Munyasya	Member	Mwingi Centra
9. Hon. Mark Kitute Nding'o	Member	Yatta/Kwavonza
10. Hon. Alex Mutambu Nganga	Member	Miambani
11. Hon. Muthama Musyoka Kieti	Member	Athi

k) Tourism and Natural Resources Committee

The Tourism and Natural Resources committee provides guidance for all matters relating to local tourism, cinema, betting, casinos. They establish tourism based enterprises, and environmental conservation initiatives in protected areas.

Member	Designation	Ward
1. Hon. Titus Munyoki Kasinga	Chairperson	Mumoni
2. Hon. Ciambutra Karigi	Vice Chairperson	Nominated

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

3. Hon. Mary P. Ndumbu	Member	Nominated
4. Hon. Rose Kasyoka Kathoka	Member	Nominated
5. Hon. Daniel Kimanzi Ngoima	Member	Township
6. Hon. Cyrus Kisavi Musyoka	Member	Ikanga/Kyatune
7. Hon. Mercy Muliwa Muema	Member	Nominated
8. Hon. Nzavu Mwanzia	Member	Mbitini
9. Hon. Stephen Ileve Katana	Member	Nguutani
10. Hon. Hussein Mwandia	Member	Ikutha
11. Hon. Sylvester Kitheka Munyalo	Member	Matinyani

1) Environment, Energy and Mineral Investments Committee

The Environment, Energy and Mineral Investments committee provides guidance for implementation of specific national policies on natural resources and environmental conservation alongside facilitating private sector participation as well as creating awareness on issue relating to mining activities.

Member	Designation	Ward
1. Hon. Daniel Kimanzi Muange	Chairperson	Tseikuru
2. Hon. Alphonse Mukwaiyu Musyimi	Vice Chairperson	Kyome/Thaana
3. Hon. Debora Katungwa Mutuku	Member	Nominated
4. Hon. David Masaku Munyau	Member	Mutomo/Kibwea
5. Hon. Rose Kathoka Kasyoka	Member	Nominated
6. Hon. Bernard Mwangangi Munyasya	Member	Mwingi Central
7. Hon. Cornelius Muthami Kiteme	Member	Mui

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

8. Hon. Antony Musyimi Musyoka	Member	Kiomo/Kyethani
9. Hon. Dominic Isumail Mwamisi	Member	Mutha
10. Hon. Charity S. Mwangangi	Member	Nominated
11. Hon. Jeremiah Musee Mutua	Member	Nguni

m) Finance and Economic Planning Committee

The Finance and Economic Planning committee provides guidance for development and implementation of financial management and economic planning documents. They also mobilize resources for funding the county budgets and reporting regularly to the county assembly on the implementation of the county budgets.

Member	Designation	Ward
1. Hon. Munyoki Mwinzi	Chairperson	Kyuso
2. Hon. Waziri Bakari Baraka	Vice Chairperson	Nominated
3. Hon. Paul Maluki	Member	Kithumula/ Kwa Mutonga
4. Hon. David Masaku Munyau	Member	Mutomo/Kibwea
5. Hon. Mary Mbithe Musili	Member	Nominated
6. Hon. Sammy Musili Munyithya	Member	Kivou
7. Hon. Mary P. Ndumbu	Member	Nominated
8. Hon. Godfrey Muthengi Ndagara	Member	Tharaka
9. Hon. Peter Kitonyo Mwanza	Member	Mulango
10. Hon. Munira Mohammed	Member	Nominated
11. Hon. Grace Syoindo Mulandi	Member	Nominated

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

n) Basic Education, Training and Skills Development Committee

The Basic Education, Training and Skills Development committee provides guidance for developing county policies and legislations on ECDE, training and skills developments, registration of county ECDE Centres, village polytechnic and home crafts alongside all matters related to pre-primary education, village polytechnics, home craft centres and promotion of advocacy and awareness creation on policies, programmes and opportunities pertaining to ECDE and post-primary and secondary schooling and skills development.

Member	Designation	Ward
1. Hon. Mark Kitute Nding'o	Chairperson	Yatta/Kwavonza
2. Hon. Immaculate Wanza John	Vice Chairperson	Nominated
3. Hon. Paul Maluki	Member	Kithumula/ Kwa Mutonga
4. Hon. Priscilla Martha Makumi	Member	Nominated
5. Hon. Mercy Muliwa Muema	Member	Nominated
6. Hon. Fastina Mwendu Solomon Salu	Member	Nominated
7. Hon. Alphonse Musyimi Mukwaiyu	Member	Kyome/Thaana
8. Hon. Cyrus Kisavi Musyoka	Member	Ikanga/Kyatune
9. Hon. Joseph Musyoka Mbite	Member	Nzambani
10. Hon. Gabriel Mutunga Munyao	Member	Kauwi
11. Hon. Charity Kathathi Musyoka	Member	Nominated

o) Trade, Industry, ICT and Cooperatives Committee

The Trade, Industry, ICT and Cooperatives committee provides guidance for trade development and regulation such as markets, trade licences, fair trading practices and cooperatives societies, ICT sector development, industrial development and development of markets and markets infrastructure.

Member	Designation	Ward
1. Hon. Daniel Kimanzi Ngoima	Chairperson	Township

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

2. Hon. David Masaku Munyau	Vice Chairperson	Mutomo/Kibwea
3. Hon. Aron Kilonzi Kasele	Member	Mutito/Kaliku
4. Hon. Elizabeth Ndunge Peter	Member	Nominated
5. Hon. Daniel Kimanzi Muange	Member	Tseikuru
6. Hon. Harrison Maluki Mawia	Member	Migwani
7. Hon. Bonface Mukwate Katula	Member	Kyangi
8. Hon. Sammy Musili Munyithya	Member	Kivou
9. Hon. Mary Mwendu Mutune	Member	Nominated
10. Hon. Boniface Maundu Katumbi	Member	Kyangwithya East
11. Hon. Kalamba Musau	Member	Nominated

p) Administration and Coordination of County Affairs Committee

The Administration and Coordination of County Affairs committee provides guidance for ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

Member	Designation	Ward
1. Hon. Peter Kitonyo Mwanza	Chairperson	Mulango
2. Hon. Dominic Isumail Mwamisi	Vice Chairperson	Mutha
3. Hon. Debora Katungwa Mutuku	Member	Nominated
4. Hon. Christopher Nzilu Nzioka	Member	Kyangwithya West
5. Hon. Titus Munyoki Kasinga	Member	Mumoni
6. Hon. Jacquelyne Cate Kalenga	Member	Nominated

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

7. Hon. Rose Kasyoka Kathoka	Member	Nominated
8. Hon. Waziri Bakari Baraka	Member	Nominated
9. Hon. Erastus Musyoka Mbuno	Member	Endau/Malalani
10. Hon. Alex Mutambu Nganga	Member	Miambani
11. Hon. Kalamba Musau	Member	Nominated

q) Labour and Social Welfare Committee

The Labour and Social Welfare committee provides guidance for all matters relating to labour trade unions relations, employment, and manpower or human resource planning and social welfare.

Member	Designation	Ward
1. Hon. Joseph Kasungi Kavula	Chairperson	Waita
2. Hon. Charity Kathathi Musyoka	Vice Chairperson	Nominated
3. Hon. Nzavu Mwanzia	Member	Mbitini
4. Hon. Mary P. Ndumbu	Member	Nominated
5. Hon. Antony Musyimi Musyoka	Member	Kiomo/Kyethani
6. Hon. Zacchaeus Syengo	Member	Voo/Kyamatu
7. Hon. Jacinta Mary Mwoni	Member	Nominated
8. Hon. Elizabeth Ndunge Peter	Member	Nominated
9. Hon. Nzungi Ngwele	Member	Ngomeni
10. Hon. Frida Maua Mutinda	Member	Nominated
11. Hon. Jeremiah Musee Mutua	Member	Nguni

r) Justice and Legal Affairs Committee

The Justice and Legal Affairs committee provides guidance for oversight over the office of the County Attorney. They also considers all matters related to constitutional affairs and the administration of law and justice including, inspectorate and enforcement services, ethics and anti-corruption, good governance and protection of human rights in the county.

Member	Designation	Ward
1. Hon. Cyrus Kisavi Musyoka	Chairperson	Ikanga/Kyatune
2. Hon. Mercy Muliwa Muema	Vice Chairperson	Nominated
3. Hon. Debora Katungwa Mutuku	Member	Nominated
4. Hon. Waziri Bakari Baraka	Member	Nominated
5. Hon. Nzavu Mwanzia	Member	Mbitini
6. Hon. Munyoki Mwinzi	Member	Kyuso
7. Hon. Jacinta Mary Mwoni	Member	Nominated
8. Hon. Nicholus Muema Mutemi	Member	Kisasi
9. Hon. Benjamin Ndambu Mulandi	Member	Mutonguni
10. Hon. Grace Syoindo Mulandi	Member	Nominated
11. Hon. Sylvester Kitheka Munyalo	Member	Matinyani

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2017 to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

Communication with all Stakeholders

The Kitui County Assembly 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 Assembly held an Annual consultative meeting in Kitui 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.

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

The County Assembly also subjected 3 bills through public participation.

Risk management

The County Assembly is in the process of developing risk management policy. Through the internal Audit unit, the county assembly carries out risk-based audit on timely basis where all auditable areas popularly referred to as the Audit universe are assessed and put into plan. Further, the county assembly internal audit unit has a risk inventory whereby all the auditable areas are rated paving the way to focus on the most glaring areas. It is worth noting that the County Assembly has a strategic plan that entails a detailed assessment of the internal and external environment for proper realization of its mandate hence they are able to identify the possible risks. Some of the risk identified include absence of fire exit which poses a major risk in case a fire breaks out. The tiles on the pavements and walkways are slippery and loose which poses a health hazard to the users. The management is in the process of constructing a modern office block with proper utilities to curb the possibility of a danger occurring.

Compliance

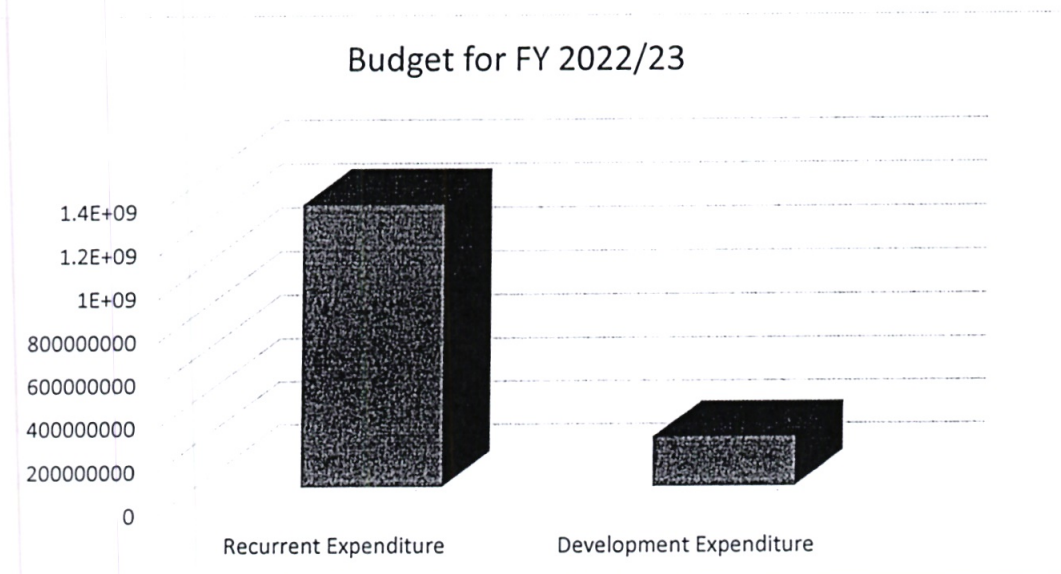
The Kitui County Assembly complies with all the governing laws and regulations among the County Governments Act, The Constitution of Kenya, and The Public Finance Management Act. The Assembly ensures that there is compliance to the set timelines on reporting and always engage all the relevant stakeholders for discussions at their levels.

4. Foreword by the Clerk of the Assembly

(i) Budget performance

The Kitui County Assembly had an approved budget of Kshs 1,529,877,619 for the FY 2022/23 comprising of Kshs 1,300,819,066 for recurrent expenditure and Kshs 229,058,553 for development as shown below.

Budget for FY 2022/23



(ii) Operational Performance

The Kitui County Assembly passed 3 bills, and 76 motions during the year under review. The operations of the County Assemblies are guided by the laws and policies passed by members of the county assembly. The members were trained in areas surrounding their core mandates to improve their efficiency in operations. This indeed enhanced their skills in carrying out their functions of legislation, oversight, and representation of the public. In addition, members were inducted on inspection skills to ensure that projects improve the living standards of citizens and gave value for money.

The operations of the assembly are financed through a budget approved by the county assembly. The budget-making process is a rigorous process guided by laws, regulations, and relevant circulars. The CECM Finance is required to issue a circular to all County Government entities on the budget processes not later than 30th August of each year in line with Sec. 128 of the PFM Act 2012. Thereafter, the preparation of departmental and committee work plans follows. The clerk of Assembly then gives guidelines to the respective heads of departments setting out key priority areas to be included in the work plan. The heads of the department then submit their work plans to the office of the Clerk by 30th August for compilation and consolidation into the county assembly's

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

annual work plan by the head of finance. The consolidated annual work plan now forms part of the County's Annual development plan.

The clerk of Assembly now convenes the Board to discuss, amend and adopt the consolidated County Assembly Annual work plan by 30th September. Thereafter, the clerk of the assembly instructs the head of finance to draft the budget estimates in line with the ceilings provided in the County Fiscal Strategy Paper. After that, the Clerk of assembly submits the budget estimates to the County Assembly Service Board (CASB) by 1st April for consideration and approval. After approval, the estimates are submitted to the County Assembly plenary and a copy to the County Executive Committee Member (CECM) for Finance.

The County Assembly passed the Annual budget Estimates for the year under review on 4th May 2022. Thereafter, the first supplementary budget was passed on 30th November, 2022. Finally, the second and the final supplementary was passed on 25th April 2023.

The Assembly Committees

The County Assembly undertakes her business through the plenary and committee sittings in order to achieve her mandate. The committees are grouped into two; the Sectoral committee and Select Committees. The Sectoral committees normally conduct an oversight role over the County Executive departments while the Select Committees perform the role of housekeeping of the Assembly.

The Third Kitui County Assembly has 22 committees comprised of 12 Sectoral Committees and 10 Select Committees. Among the committees were; Budget and Appropriations, Health and sanitation, powers and privileges, public accounts and investments, finance committee, Agriculture and Water, Lands and Infrastructure, Trade, Investment and Co-operatives, Basic Education, Tourism, culture, and Youth, Labour and Social welfare, Environment, Energy and Mineral investment.

The Environment, Energy and mineral investment Committee passed the Kitui County Climate Change Action plan for 2023-2027 which will assist the county government address issues of climate change alongside being able to seek for partnership with donors to address the climate changes being witnessed globally.

The Committee on Agriculture, Water and Irrigation was able to pass a report on strategic food security for Kitui County which if implemented to the later will see the county become food secure alleviating the residents from suffering caused by inadequate food supply. Further, the committee was able to conduct inspection of Yambyu Rock Water catchment which if implemented has the potential of serving the residents with water for both domestic and livestock use since the rock has a large capacity of holding water.

The Liaison committee was able to coordinate all the sectoral committees to conduct county inspection of development projects done the county government as part of exercising their oversight role as provided by the constitution. The committee was able to organize for training of

all the members of assembly on several aspects of leadership which has assisted them to improve their performance of their core mandates of representation, legislation and oversight.

The committee on public investment and Accounts has been trained on strategic handling of the audited financial reports which has equipped them with necessary knowledge for interrogating the reports to be able to give unbiased reports. Further, the trainings are essential in equipping the committee with knowledge and skills for identifying and improving weak areas of operations in the Assembly.

(iii) Performance of key development projects

a) Infrastructural Renovations

- i) The renovation of Assembly Offices was completed in 2014.
- ii) The renovation of the debating chamber began in May 2015. The chamber can comfortably accommodate eighty (80) members of the county assembly. It is equipped with modern facilities and equipment to enhance effectiveness. This project was completed and commissioned in 2016.
- iii) The laying of cabro blocks in the Assembly car park was completed in the year 2014.
- iv) Erecting the main gate at the entrance into the Assembly.

b) Key Development Projects

i) Internet Connectivity

The county assembly is served with fiber optic links for fast and effective use of IFMIS and internet banking (IB). There is also reliable and operational Wi-Fi internet for easy access. The network bandwidth has been increased from 2mbps to 4mbps thus enabling connectivity. The network technology has also been upgraded from WIMAX to microwave network technology for reliable, secure, and stable connectivity.

ii) ICT Equipment

The assembly has procured several desktop computers, laptops, and iPads for both members of the county assembly and staff. The majority of the members of staff have been issued with laptops to enhance their performance. In addition, 12 newly recruited members of staff have been issued with a laptop to facilitate their service delivery.

iii) Minor Civil Works

The Assembly has undertaken some important civil works continuously since its inception which included;

- i) Construction of a walkway heading to the chambers.
- ii) Completion of construction of the new ablution block
- iii) Renovation of the sentry house to beef up security
- iv) Installation of an elevated tank for a sufficient supply of water to the compound

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

- v) Installation of air-conditioning facilities/systems.
- vi) Upgrading electricity to a three-phase power load.

c) Efforts to ensure responsible competition

The County Assembly Service Board has adhered to fairness and has improved competitiveness in the recruitment process. This has seen the recruitment of an additional fourteen (14) members of staff who reported to work starting 4th July 2022.

The procurement processes are conducted in line with the Public Procurement and Asset Disposal Act 2005, which provides for fairness in the entire tendering process for the supply of goods and services.

The assembly has been honouring payments of its debts for the supplied goods and services whenever they fall due to avoid creating pending bills. The assembly has been reporting minimal pending bills which are normally paid within the first quarter of the subsequent year. This indeed has promoted a good working relationship between the Assembly and suppliers.

(iv) Comment on value-for-money achievements

Renovation of Debating Chamber

This has offered Members a conducive environment for carrying out their main work; to scrutinize the county government policies and proposed legislations, consider committee reports, monitor their implementation, and represent the citizenry of Kitui.

Purchase of Motor Vehicles

The motor vehicles purchased have facilitated the members' movement while discharging their service. Most notably the ten (10) seater Nissan Urvan and twenty-six (26) seater Toyota Coaster have been of much value during project inspection exercises at the county wards. These vehicles assist in traversing the terrains within Kitui County during public participation engagements and other official events. This has consequently enabled the members to reach the electorates for constructive engagements regarding the businesses of the county during public participation.

(v) Challenges and Recommended Way Forward

Lack of adequate training for committees

The members' performance is hampered by a lack of adequate training geared towards enhancing their legislative, representation, and oversight roles. The committees also require adequate exposure and benchmarking programs to other assemblies however, the same is not fully forthcoming. Given that the Assembly committees are very critical instruments in the processing of the Assembly's work, proper training is necessary.

Budgetary Constraints

The Assembly requires a substantive amount of budgetary allocation every financial year to effectively conduct its role of legislation, oversight, and representation. We have been facing stringent budget ceilings which are insufficient to adequately facilitate Assembly operations. There have been constant engagements with the Commission on Revenue Allocation to review the ceilings.

Inadequate Staffing in the Assembly Service

Some key departments have been understaffed hence straining productivity, creating fatigue, stress, and depression among the existing staff due to the overwhelming workload. The County Assembly Service Board recruited additional fourteen (14) members of staff to fill the gaps and improve productivity.

Inadequate Infrastructural

The Assembly's infrastructure cannot handle the voluminous personnel for both the members of the county assembly and the staff. There are no sufficient committee rooms that are well equipped with the necessary equipment for audio recording. The members also require offices for their daily operations. There is no enough designated parking space for the leadership of the Assembly MCAs and staff. The Board has proposed the construction of a new office block

with sufficient offices, a parking lot, and committee rooms to cure the above challenge. The Assembly is in the process of procuring necessary contractual services.

Lack of Library and inadequate Research Materials

The Assembly does not have library services for use by the members during the review of periodicals and other issues. There are also low levels of awareness of the availability of research services to the members of the county assembly. This is compounded by the slow pace of setting up the Research Services Centre. To achieve this objective, the Assembly needs a fully-fledged research Section. This shall assist in providing members with readily processed and factual information to enable them to carry out their duties effectively. In addition, the assembly may consider adopting e-resources on its website as an alternative to a physical library.

A challenge in identifying plenary quorum

There has been a challenge in registration and identification of members' attendance during plenary and committee sessions due to the bulky paperwork involved. It is imperative to introduce the use of a biometric control system for the members of the county assembly during these sessions to alleviate the hiccup of quorum and reduce the paperwork.

Inadequate Surveillance Systems

There has been a major challenge on security matters within the county assemblies. Insecurity has been an emerging issue in many commonwealth assemblies including Canada and the House of Commons following recent security breaches. Considering the sensitivity of these institutions, there is a need to install security surveillance systems like CCTV monitors.

Low Staff capacity on Legislative matters

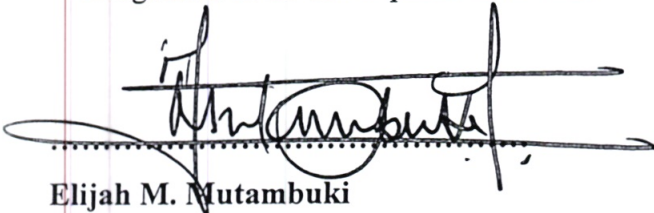
The performance of the employees heavily relies on their motivation and morale. Globally, there is laxity among the employees owing to the monotony of duty, fatigue, and work-related stress. In order to attain the best standards within the Commonwealth parliamentary system, there is a need for frequent capacity building to improve the morale of the staff and subsequently improve their performance. Much of the training has been on the job and need basis. With this in mind, there is a need to frequently collaborate with institutions, consultants, and other bodies that offer such pieces of training to enable the members of staff to bring out the required output and assist the assembly in achieving its mandate within the committees and the plenary.

Inadequate staff team-building exercises

Poor interpersonal relations lead to low performance, mistrust, and poor working relationships among the employees. The assembly has not been conducting enough team-building exercises due to financial constraints. Therefore, there is a need to have frequent team-building exercises to boost the cordial working relationship among the members of the staff.

Inefficient broadcasting equipment for proceedings

The assembly has been experiencing notable challenges in broadcasting her proceedings due to inadequate facilities. One of the objectives of county communications according to the County Governments Act is to create awareness of devolution and good governance. Section 95 of the CGA provides that a county government shall establish mechanisms to facilitate public communication and access to information in the form of media with the widest public outreach. This read along with the First Schedule of the Standing Order necessitates the establishment of an Assembly Broadcasting Unit to broadcast the proceedings and provide access to assembly information. Therefore, there is a need to improve telecommunication facilities to facilitate seamless access to information by public communication through the integration of all development activities.

A handwritten signature in black ink, appearing to read 'Elijah M. Mutambuki', is written over a horizontal dotted line. The signature is stylized and includes a large circular flourish.

Elijah M. Mutambuki

Clerk of the County Assembly

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

5. Statement of Performance against County Assembly Predetermined Objectives

Guidance

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

Strategic development objectives

The key mandate of the Kitui County Assembly is legislation, oversight, and representation. To achieve this, the assembly's program was documented in terms of objectives, key performance indicators, and output. Below are the expected outputs of the assembly in FY 2022/2023

Program 1	Objective	Outcome	Indicator	Performance	Remarks (Reasons underperformance / Over performance)
Legislation, oversight, and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	Number of bills passed in the County Assembly	In FY 2022/2023 all the MCA were trained on how to enhance public participation in legislation, promoting quality service delivery through objective debates and	The Assembly had enough budgetary allocation for training expenses

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

				strict adherence to good governance practices.	
	Enhance processing of bills, motions, statutory reports, and regulations	Improved legislations	Number of bills, motions, reports, and regulations passed	In FY 2022/2023, 3 bills, and 76 motions were passed.	The members of County Assembly had prior training on how to execute bills and motions seamlessly
	Enhance professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	In FY2022-2023 the process of reviewing the standing orders has been ongoing.	The members of County Assembly had proper training on how to interrogate and contribute to enhancing standing orders
General Administration and Support	To develop competent and motivated human capital, to put in place appropriate infrastructure and equipment	Improved productivity	Provision of Quality reports and output	In FY2022-2023 14 members of staff were inducted into effective service delivery in the public service, 1 in senior management	The Assembly had enough budgetary allocation for training expenses

*County Government of Kitui
Kitui County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

				courses, and 1 in supervisory management at Kenya School of Government.	
--	--	--	--	---	--

6. Corporate Social Responsibility Statement/Sustainability Reporting

The Kitui County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 3 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

a) Sustainability strategy and profile –

The Kitui County Assembly developed a Strategic Plan, through a comprehensive consultative process and deliberations within the political and administrative arms of the Assembly. It also includes substantial input from key stakeholders. The process rigorously involved many players in pursuit of transparency and representative democracy. The document demonstrates the Assembly's focus on its course to strengthen its roles in representation, legislation, and oversight. The county of Kitui has tremendously reached some milestones since its inception. These include; the establishment of the County Assembly Service Board (CASB), capacity building of Members of the County Assembly and staff, the establishment of a working organizational structure, employment of additional staff, renovation of offices, improvement of infrastructure, and acquisition of working equipment amongst others.

The Assembly will dedicate all its efforts and resources to the fulfilment of this plan by using this broad implementation framework. In addition, we have developed realistic annual work plans as well as specific annual departmental work plans for monitoring performance and implementation. To support this, performance shall be directly linked to the Strategic Plan when benchmarking and evaluating the performance of members of staff.

b) Environmental performance

The Assembly is in the process of developing sustainable agribusiness-related policies, introducing appropriate mitigation measures, providing a serene environment, developing sound and sustainable environmental policies, and developing appropriate disaster management policies. The above policies if enacted and implemented will address the issues of food insecurity, unsustainable development, noise and dust pollution, Health hazards, depletion of water towers, and threat to livelihood.

c) Employee welfare

The County Assembly analyses the institutional capacity and resource mobilization in order to determine the organizational structure and staffing levels. The County Assembly service board

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

has an approved establishment, which dictates the number of employees to recruit. During recruitment, gender and regional balance are key factors of consideration. The human resource department carries out staff appraisals in order to assess the training needs of every employee. Staff training is done on a rotation basis to improve skills and manage employee's careers

d) Marketplace practices-

The assembly has established secure corruption reporting channels. The assembly is also in the process of establishing a corruption reporting link on the website and constitutes an audit corruption committee. The Assembly has dedicated members of staff who handle our suppliers with respect and due diligence. There has been a strong trust with our customers, suppliers, and other stakeholders built through transparency.

e) Community Engagements

The assembly engaged public participations were fully embraced during the year.

7. Statement of Management Responsibilities

Section 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.

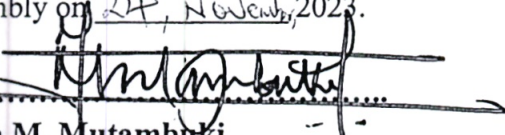
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2023. This responsibility includes: (i) maintaining adequate financial 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.

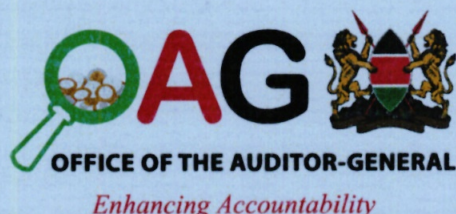
Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on ^{24th} November, 2023.


.....
Elijah M. Mutambuki
Clerk of the 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 KITUI FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Kitui set out on pages 1 to 45 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

Report of the Auditor-General on County Assembly of Kitui for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Kitui 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 Qualified Opinion

Unconfirmed Value of Assets

Annex 4 to the financial statements on summary of non-current asset register shows that the Assembly had assets cumulatively valued at Kshs.642,248,435. The assets include those acquired and those inherited from the defunct local governments and Kitui County government. However, the handing over and ownership documents were not provided for audit verification. In addition, the asset register includes land and buildings valued at Kshs.534,910,705 whose ownership documents were also not provided. Further, Management did not provide a breakdown of the valuation amounts and the basis for their inclusion.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

Key Audit Matters

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts; recurrent and development reflects final receipts budget and actual on comparable basis amount of Kshs.1,529,877,619 and Kshs.1,029,936,698 respectively resulting to an under-funding

of Kshs.499,940,921 or 33% of the approved budget. Similarly, the County Assembly expended Kshs.1,029,694,736 against an approved budget of Kshs.1,529,877,619 resulting to an under-expenditure of Kshs.500,182,883 or 33% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2. Pending Bills

Annex 1 to the financial statements, analysis of pending accounts payable reflects pending bills amounting to Kshs.11,691,804 that were unsettled as of 30 June, 2023. However, no explanation was given for failure to settle the bills. Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year's budgeted programs as the pending bills form the first charge.

My opinion is unmodified in respect of these matters.

Other Matter

Prior year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Use of Goods and Services

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects expenditure totalling Kshs.472,793,697 under use of goods and services. The following anomalies were noted;

1.1. Unconfirmed Foreign Travel and Subsistence Allowances

Included in the amount is Kshs.90,664,200 relating to foreign travel and subsistence. Review of the payment records revealed that an amount of Kshs.19,883,534.00 was

incurred on payments of air ticketing, accommodation, conferences and training for courses offered mainly in Middle East and Asiatic Countries. However, no justification was provided in support of why the programs were undertaken abroad and not locally.

In the circumstances, the Assembly may not have realized value for money on the expenditure amounting to Kshs.19,883,534.00 incurred on foreign travel.

1.2. Irregular Payment to the County Assembly Forums

Includes in the amount is Kshs.34,837,763 relating to other operating expenses. The amount is further made up of Kshs.2,700,000 in respect to subscriptions paid to County Assemblies Forum and Society of Clerks. However, it was noted that these entities are not established in law and therefore the payment amounting to Kshs.2,700,000 was irregular.

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

2. Non-Compliance with Law on Ethnic Composition

Review of human resource records at the Assembly revealed that one hundred and thirty-one (131) employees representing 96% of the total employees of one hundred and thirty-six (136) employees were from one dominant ethnic community in the County. This is in contravention of Section 7(2) of the National Cohesion and Integration Act 2008 which requires that no public establishment shall have more than one third (1/3) of its employees from the same ethnic community.

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

3. Delays in the Construction of Speaker's Residence

As reported previously, Kitui County Assembly invited tenders vide tender No. CAKITUI/1/02/2020/2021 for the purchase of land for the construction of the speaker's official residence within Kitui town. The tender was by way of restricted tender posted on its website and supplier portal. Through the statement of professional opinion dated 29 March, 2021, the Accounting Officer approved the process to proceed to the next stage. However, the minutes of the tender evaluation committee for purchase of the land for the construction of the speakers official residence held on 30 April, 2021(negotiation process) recommended that following the unsuccessful negotiation, the tender be re-advertised. The readvertisement had not been actualized as at the date of completing the audit.

In the circumstances, the delayed construction of the speaker's residence may hinder effective delivery of service by the speaker.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Risk Management Policy

Review of internal controls revealed that the County Assembly does not have in place a risk management policy and there was also no evidence to show that formal risk assessment was undertaken. This is in contravention of the provisions of Regulation 158 (1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and develop a system of risk management and internal controls that build robust business operations.

In the circumstances, the County Assembly is exposed to losses and interruption of operations in the event a disaster occurs.

2. Lack of a Disaster Recovery and Business Continuity Plan

During the year under review, the County Assembly operated without a disaster recovery and business continuity plan contrary to the provisions of section 99 of the Public Finance Management Act, 2012. The Act stipulates that the role of a Disaster Recovery Plan is to secure the County Government's ability to meet its obligations to provide basic services or its financial commitments, identify the financial problems and be designed to place the county government in a sound and sustainable financial condition as quickly as possible in case of disaster.

In the circumstances, the County Assembly is exposed to loss of critical information in case of disaster.

3. Use of Manual Payroll

As previously reported, the County Assembly of Kitui operates two parallel payrolls, an excel format payroll and Integrated Payroll and Personnel Database (IPPD). It was not clear why spreadsheet payroll was operated parallel to IPPD instead of having all the staff managed in the recommended database platform. Further, use of spreadsheet as the basis for maintaining payroll is not sanctioned by law and is prone to changes and manipulation with no audit trail.

In the circumstances, the County Assembly payroll management is prone to errors.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue 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 intention to dissolve the County Assembly or to cease to continue its operations.

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

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how 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 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 Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to 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 County Assembly to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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

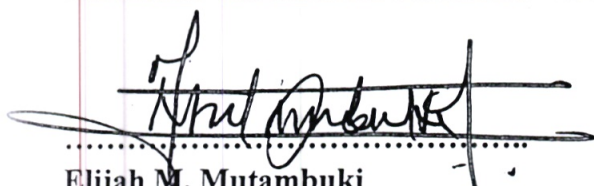
Nairobi

09 February, 2024

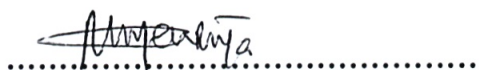
9. Statement of Receipts and Payments for the Year Ended 30th June 2023

		FY 2022-2023	FY 2021-2022
	Note	KShs	KShs
Receipts			
Transfers from the CRF	1	1,029,936,698.00	916,548,462.00
Proceeds from sale of assets	2	0.00	1,159,800.00
Miscellaneous receipts	3	0.00	28,000.00
Total receipts		1,029,936,698.00	917,736,262.00
Payments			
Compensation of employees	4	332,690,976.00	379,943,613.00
Use of goods and services	5	472,793,697.00	442,097,149.00
Subsidies	6	0.00	0.00
Transfers to other government entities	7	92,405,337.00	49,839,756.00
Other grants and transfers	8	0.00	0.00
Social security benefits	9	129,552,376.00	31,682,240.00
Acquisition of assets	10	2,252,350.00	14,143,049.00
Finance costs	11	0.00	0.00
Other payments	12	0.00	0.00
Total payments		1,029,694,736.00	917,705,807.00
Surplus/deficit		241,962.00	30,455.00

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th November, 2023 and signed by:



Elijah M. Mutambuki
Clerk of the Assembly



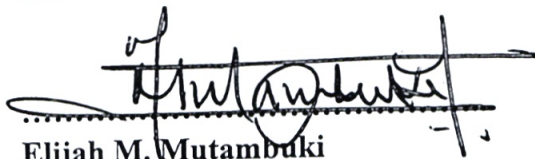
Augustus M. Kyenze
Principal Finance Officer – County Assembly
ICPAK Member Number: 9667

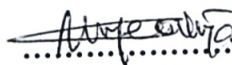
County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023

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

		FY 2022-2023	FY 2021-2022
Financial assets	Note	KShs	KShs
Cash and cash equivalents			
Bank balances	13A	241,962.00	30,455.00
Cash balances	13B	0.00	0.00
Total cash and cash equivalents		241,962.00	30,455.00
Imprests and Advances	14	0.00	0.00
Total financial assets		241,962.00	30,455.00
Financial liabilities			
Third party deposits and retention	15	0.00	0.00
Net financial assets		241,962.00	30,455.00
Represented by			
Fund balance b/fwd	16	30,455.00	4,029,164.35
Prior year adjustment	16	(30,455.00)	(4,029,164.35)
Surplus/(deficit) for the year		241,962.00	30,544.00
Net Financial Position		241,962.00	30,544.00

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th November, 2023 and signed by:


 Elijah M. Mutambuki
 Clerk of the Assembly



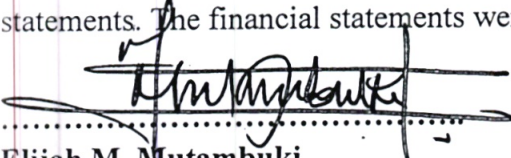
 Augustus M. Kyenze
 Principal Finance Officer – County Assembly
 ICPAK Member Number: 9667

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

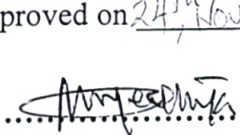
11. Statement of Cash Flows for the Period Ended 30th June 2023

		FY 2022-2023	FY 2021-2022
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Transfers from the CRF	1	1,029,936,698.00	916,548,462.00
Miscellaneous receipts	3	0.00	28,000.00
Total receipts from operating income		1,029,936,698.00	916,576,462.00
Payments for operating expenses			
Compensation of employees	4	(332,690,976.00)	(379,943,613.00)
Use of goods and services	5	(472,793,697.00)	(442,097,149.00)
Subsidies	6	0.00	0.00
Transfers to other government entities	7	(92,405,337.00)	(49,839,756.00)
Other grants and transfers	8	0.00	0.00
Social security benefits	9	(129,552,376.00)	(31,682,240.00)
Finance costs	11	0.00	0.00
Other payments	12	0.00	0.00
Total payments for operating expenses		(1,027,442,386.00)	(903,562,758.00)
Net receipts/(payments) from operating activities		2,494,312.00	13,013,704.00
Adjusted for:			
Prior year adjustment	16	(30,455.00)	(4,029,164.35)
Decrease/(increase) in accounts receivable:	18	0.00	0.00
Increase/(decrease) in accounts payable:	19	0.00	0.00
Net cash flows from operating activities		2,463,857.00	8,984,539.65
Cashflow from investing activities			
Proceeds from sale of assets	2	0.00	1,159,800.00
Acquisition of assets	10	(2,252,350.00)	(14,143,049.00)
Net cash flows from investing activities		(2,252,350.00)	(12,983,249.00)
Cash flow From Financing Activities			
Repayment of principal on domestic and foreign borrowing		0.00	0.00
Net cash flow from financing activities		0.00	0.00
Net increase in cash and cash equivalents		211,507.00	(3,998,709.35)
Cash & cash equivalent at Start of the year		30,455.00	4,029,164.35
Cash & cash equivalent at end of the year		241,962.00	30,455.00

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th November, 2023 and signed by:



 Elijah M. Mutambuki
 Clerk of the Assembly



 Augustus M. Kyenze
 Principal Finance Officer – County Assembly
 ICPAK Member Number: 9667

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

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

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	1,147,364,914.00	382,512,705.00	1,529,877,619.00	1,029,936,698.00	499,940,921.00	67%
Proceeds from sale of assets	0.00	0.00	0.00	0.00	0.00	0%
Other receipts	0.00	0.00	0.00	0.00	0.00	0%
Total	1,147,364,914.00	382,512,705.00	1,529,877,619.00	1,029,936,698.00	499,940,921.00	67%
Payments					0.00	0%
Compensation of employees	392,788,682.00	(34,735,120.00)	358,053,562.00	332,690,976.00	25,362,586.00	93%
Use of goods and services	439,795,730.00	89,212,499.00	529,008,229.00	472,793,697.00	56,214,532.00	89%
Subsidies	0.00	0.00	0.00	0.00	0.00	0%
Transfers to other government entities	0.00	0.00	0.00	0.00	0.00	0%
Other grants and transfers	130,000,000.00	103,000,000.00	233,000,000.00	92,405,337.00	140,594,663.00	40%
Social security benefits	27,043,310.00	136,399,665.00	163,442,975.00	129,552,376.00	33,890,599.00	79%
Acquisition of assets	436,000.00	16,878,300.00	17,314,300.00	2,252,350.00	15,061,950.00	13%
Finance costs	0.00	0.00	0.00	0.00	0.00	0%
Other payments	157,301,192.00	71,757,361.00	229,058,553.00	0.00	229,058,553.00	0%
Total	1,147,364,914.00	382,512,705.00	1,529,877,619.00	1,029,694,736.00	500,182,883.00	67%
Surplus/ deficit	0.00	0.00	0.00	241,962.00	(241,962.00)	0.02%

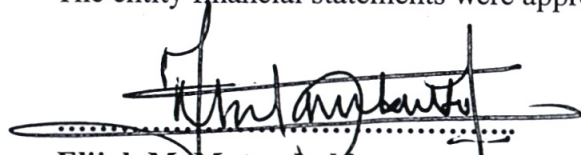


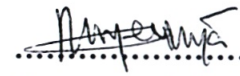
Reasons for Underutilization

- (a) **Use of goods and services** – The underutilization was a result of the training expenses which were budgeted for but not spent at the close of the financial year. In addition, the sitting allowances were low during the year. Some members did not claim their mileage allowances as at 30th June 2023.
- (b) **Other grants and transfers** - These relate to the allocation of members’ car loans and mortgages. Some members did not apply for car loans during the year ended 30th June, 2023.
- (c) **Social security benefits** – These comprised allocation for the members’ motor vehicle reimbursements. However, some members had not claimed their reimbursement as of 30th June, 2023
- (d) **Acquisition of Assets**- These relate to the purchase of Computers, Printers, and Office Furniture. The amount budgeted were not spent as of 30th June 2023.
- (e) **Other Payments** - These relate to the allocation of development projects for the construction of the Speaker’s residence and office block. This was not done because the assembly is still sourcing land for the speaker’s residence. The procurement process was not complete for the construction of the office block to begin.

The changes between the original and final budget were as a result of reallocations within the budget and additional revote amount for the previous financial year.

The entity financial statements were approved on 24th November 2023 and signed by:


Elijah M. Mutambuki
Clerk of the Assembly


.....
Augustus M. Kyenze
Principal Finance Officer – Kitui County Assembly
ICPAK Member Number: 9667

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

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

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	990,063,722.00	310,755,344.00	1,300,819,066.00	1,029,936,698.00	270,882,368.00	79%
Proceeds from sale of assets	0.00	0.00	0.00	0.00	0.00	0%
Other receipts	0.00	0.00	0.00	0.00	0.00	0%
Total	990,063,722.00	310,755,344.00	1,300,819,066.00	1,029,936,698.00	270,882,368.00	79%
Payments					0.00	0%
Compensation of employees	392,788,682.00	(34,735,120.00)	358,053,562.00	332,690,976.00	25,362,586.00	93%
Use of goods and services	439,795,730.00	89,212,499.00	529,008,229.00	472,793,697.00	56,214,532.00	89%
Subsidies	0.00	0.00	0.00	0.00	0.00	0%
Transfers to other government entities	0.00	0.00	0.00	0.00	0.00	0%
Other grants and transfers	130,000,000.00	103,000,000.00	233,000,000.00	92,405,337.00	140,594,663.00	40%
Social security benefits	27,043,310.00	136,399,665.00	163,442,975.00	129,552,376.00	33,890,599.00	79%
Acquisition of assets	436,000.00	16,878,300.00	17,314,300.00	2,252,350.00	15,061,950.00	13%
Finance costs	0.00	0.00	0.00	0.00	0.00	0%
Other payments	0.00	0.00	0.00	0.00	0.00	0%
Total	990,063,722.00	310,755,344.00	1,300,819,066.00	1,029,694,736.00	271,124,330.00	79%
Surplus/ deficit	0.00	0.00	0.00	241,962.00	(241,962.00)	-



Reasons for Underutilization

- (a) **Use of goods and services** – The underutilization was a result of the training expenses which were budgeted for but not spent at the close of the financial year. In addition, the sitting allowances were low during the year. Some members did not claim their mileage allowances as at 30th June 2023.
- (b) **Other grants and transfers** - These relate to the allocation of members’ car loans and mortgages. Some members did not apply for car loans during the year ended 30th June, 2023.
- (c) **Social security benefits** – These comprised allocation for the members’ motor vehicle reimbursements. However, some members had not claimed their reimbursement as of 30th June, 2023
- (d) **Acquisition of Assets**- These relate to the purchase of Computers, Printers, and Office Furniture. The amount budgeted were not spent as of 30th June 2023.
- (e) **Other Payments** - These relate to the allocation of development projects for the construction of the Speaker’s residence and office block. This was not done because the assembly is still sourcing land for the speaker’s residence. The procurement process was not complete for the construction of the office block to begin.

The changes between the original and final budget were as a result of reallocations within the budget and additional revote amount for the previous financial year.

The entity financial statements were approved on 22nd November, 2023 and signed by:

Elijah M. Mutambuki
Clerk of the Assembly

Augustus M. Kyenze
Principal Finance Officer – Kitui County Assembly
ICPAK Member Number: 9667

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

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

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	157,301,192.00	71,757,361.00	229,058,553.00	0.00	229,058,553.00	0%
Proceeds from the sale of assets	0.00	0.00	0.00	0.00	0.00	0%
Other receipts	0.00	0.00	0.00	0.00	0.00	0%
Total	157,301,192.00	71,757,361.00	229,058,553.00	0.00	229,058,553.00	0%
Payments						
Compensation of employees	0.00	0.00	0.00	0.00	0.00	0%
Use of goods and services	0.00	0.00	0.00	0.00	0.00	0%
Subsidies	0.00	0.00	0.00	0.00	0.00	0%
Transfers to other government entities	0.00	0.00	0.00	0.00	0.00	0%
Other grants and transfers	0.00	0.00	0.00	0.00	0.00	0%
Social security benefits	0.00	0.00	0.00	0.00	0.00	0%
Acquisition of assets	0.00	0.00	0.00	0.00	0.00	0%
Finance costs	0.00	0.00	0.00	0.00	0.00	0%
Other payments	157,301,192.00	71,757,361.00	229,058,553.00	0.00	229,058,553.00	0%
Total	157,301,192.00	71,757,361.00	229,058,553.00	0.00	229,058,553.00	0%
Surplus/ deficit	0.00	0.00	0.00	0.00	0.00	-



Reasons for Underutilization

- (a) **Other Payments** -These relate to allocation for development projects for on construction of Speaker's residence and Office Block. This was not done because the Assembly is still sourcing land for the speaker's residence. The procurement process was not complete for the construction of office block to begin.

The entity financial statements were approved on 25th November 2023 and signed by:

Elijah M. Mutambuki
Clerk of the Assembly

Augustus M. Kyenze
Principal Finance Officer – Kitui County Assembly
ICPAK Member Number: 9667

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

13. Budget Execution by Programmes and Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on a comparable basis	% Budget utilization
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
General Administration And Planning	445,558,547.00	78,280,755.00	523,839,302.00	260,913,898.00	50%
Legislative, Representation & Oversight	701,806,367.00	304,231,950.00	1,006,038,317.00	768,780,838.00	76%
Total	1,147,364,914.00	382,512,705.00	1,529,877,619.00	1,029,694,736.00	67%

14. 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 Shillings. 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 Kitui 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 Kitui County Assembly recognizes all receipts from various sources when the event occurs, and the related cash has been received by the Assembly.

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

b) Recognition of payments

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

i) Compensation of employees

Salaries and Wages, Allowances, and Statutory Contributions 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 the 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 a receipt and as a payment. A fixed asset register is maintained by each public entity and a summary is provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the *Kitui 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 *Kitui County Assembly* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Third Party Payments

This relates to payments done directly to suppliers on behalf of the county governments such as; the national government may fund the operation of health or education programs, a donor may pay directly for the 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 the 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. There were no other restrictions on cash during the year.

Significant Accounting Policies (Continued)

8. Imprests and Advances

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

9. Third party deposits and retention

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

10. Non-current assets

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

11. Pending bills

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

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognized 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 contingent liabilities may arise from litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public-Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

13. Contingent Assets

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

Significant Accounting Policies (Continued)

14. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 4th May 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There were two (2) 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

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

16. Subsequent events

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

17. Prior Period Adjustment

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

18. Related Party Transactions

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

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

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

*County Government of Kitui
Kitui County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

15. Notes to the Financial Statements

1. Transfer from CRF

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers from the county treasury for Q1	97,245,530.00	176,375,489.00
Transfers from the county treasury for Q2	174,816,111.00	199,408,522.00
Transfers from the county treasury for Q3	325,688,970.00	303,487,215.00
Transfers from the county treasury for Q4	432,186,087.00	237,277,236.00
Cumulative amount	1,029,936,698.00	916,548,462.00

A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in Annex 10 of this report.

2. Proceeds From Sale of Assets

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	0.00	-
Receipts from the Sale of Vehicles and Transport Equipment	0.00	1,091,000.00
Receipts from the Sale Plant Machinery and Equipment	0.00	-
Receipts from Sale of Certified Seeds and Breeding Stock	0.00	-
Receipts from the Sale of Strategic Reserves Stocks	0.00	-
Receipts from the Sale of Inventories, Stocks and Commodities	0.00	-
Disposal and Sales of Non-Produced Assets	0.00	68,800.00
Total	0.00	1,159,800.00

Notes to the Financial Statements

3. Miscellaneous receipts

	FY2022-2023	FY2021-2022
	Kshs	Kshs
Insurance Recoveries	0.00	0.00
Other receipts (specify)*	0.00	28,000
Total	0.00	28,000

There were no other receipts during the year under review. The receipts in the comparative financial year 2021-2022 were from the sale of motor vehicle tyres.

4. Compensation Of Employees

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	254,504,193.00	276,849,514.00
Basic wages of temporary employees	2,587,419.00	0.00
Personal allowances paid as part of salary	75,599,364.00	103,094,099.00
Personal allowances paid as reimbursements	0.00	0.00
Personal allowances provided in kind	0.00	0.00
Employer contribution to compulsory national social schemes	0.00	0.00
Employer contribution to compulsory national health insurance schemes	0.00	0.00
Pension and other social security contributions	0.00	0.00
Social benefit schemes outside the government	0.00	0.00
Other personnel payments	0.00	0.00
Total	332,690,976.00	379,943,613.00

There were no other personnel payments incurred during the course of the financial year.

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

Notes to the Financial Statements (Continued)

5. Use Of Goods And Services

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Utilities, supplies and services	839,437.00	866,971.00
Communication, supplies and services	6,985,356.00	14,904,522.00
Domestic travel and subsistence	133,842,695.00	136,967,454.00
Foreign travel and subsistence	90,664,200.00	73,206,696.00
Printing, advertising and information supplies & services	27,805,962.00	41,864,534.00
Rentals of produced assets	0.00	0.00
Training expenses	14,745,798.00	17,502,375.00
Hospitality supplies and services	83,486,134.00	65,765,730.00
Insurance costs	56,330,274.00	29,086,004.00
Specialized materials and services	549,343.00	5,258,409.00
Office and general supplies and services	12,227,140.00	10,121,853.00
Fuel, oil and lubricants	6,236,094.00	4,313,866.00
Other operating expenses (<i>Include Bank charges</i>)	34,837,763.00	38,044,292.00
Routine maintenance – vehicles and other transport equipment	3,087,949.00	3,453,823.00
Routine maintenance – other assets	1,155,552.00	740,620.00
Total	472,793,697.00	442,097,149.00

Notes to the Financial Statements (Continued)

6. Subsidies

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Subsidies To County Corporations		
<i>See List Attached</i>	0.00	0.00
(Insert Name)	0.00	0.00
Subsidies To Private Enterprises		
<i>See List Attached</i>	0.00	0.00
(Insert Name)	0.00	0.00
Total	0.00	0.00

There were no subsidies incurred during the course of the financial year.

7. Transfers To Other Government Entities

Description	FY2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers to national government entities	0.00	0.00
Transfers to other county assembly entities		
Car loan scheme fund	0.00	0.00
Mortgage scheme/fund	92,405,337.00	49,839,756.00
Others (insert name of budget agency)	0.00	0.00
Total	92,405,337.00	49,839,756.00

These were transfers to Staff Car and Mortgage Fund Schemes in order to facilitate members of staff in accessing affordable cars and houses as envisaged by the Salaries and Remuneration Commission Circular number SRC/ADM/CIR/1/13 Vol. III (128) of 14th February 2014. These funds are independent reporting entities

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

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Scholarships and other educational benefits	0.00	0.00
Membership fees and dues and subscriptions to organizations	0.00	0.00
Emergency relief and refugee assistance	0.00	0.00
Other current transfers, grants (Mortgage Loans)	0.00	0.00
Subsidies to small businesses, cooperatives, and self employed	0.00	0.00
Total	0.00	0.00

There were no grants and transfers incurred during the course of the financial year.

9. Social Security Benefits

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Government Pension and Retirement Benefits	25,380,376.00	31,682,240.00
Social Security Benefits	104,172,000.00	0.00
Employer Social Benefits	0.00	0.00
Total	129,552,376.00	31,682,240.00

These were payments in relation to member of county assembly gratuity for the year under review. The members did not enjoy NSSF contribution from employer since they were entitled to gratuity at rate of 31% of basic salary and could not double benefit on pension.

Notes To the Financial Statements (Continued)

10. Acquisition Of Assets

Non- financial assets	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Purchase of buildings	0.00	0.00
Construction of buildings	0.00	0.00
Refurbishment of buildings	0.00	0.00
Construction of roads	0.00	0.00
Construction and civil works	0.00	0.00
Overhaul and refurbishment of construction and civil works	0.00	0.00
Purchase of vehicles and other transport equipment	0.00	0.00
Overhaul of vehicles and other transport equipment	0.00	0.00
Purchase of household furniture and institutional equipment	0.00	0.00
Purchase of office furniture and general equipment	1,719,650.00	14,143,049.00
Purchase of ICT Equipment, Software and Other ICT Assets	532,700.00	0.00
Purchase of specialized plant, equipment and machinery	0.00	0.00
Rehabilitation and renovation of plant, machinery and equip.	0.00	0.00
Purchase of certified seeds, breeding stock and live animals	0.00	0.00
Research, studies, project preparation, design & supervision	0.00	0.00
Rehabilitation of civil works	0.00	0.00
Acquisition of strategic stocks and commodities	0.00	0.00
Acquisition of land	0.00	0.00
Acquisition of intangible assets	0.00	0.00
Total acquisition of non- financial assets	2,252,350.00	14,143,049.00
Financial assets		
Domestic public non-financial enterprises	0.00	0.00
Domestic public financial institutions	0.00	0.00
Total acquisition of financial assets	0.00	0.00
Total acquisition of assets	2,252,350.00	14,143,049.00

Notes To the Financial Statements (Continued)

11. Finance Costs

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest payments on foreign borrowings	0.00	0.00
Interest payments on guaranteed debt taken over by govt	0.00	0.00
Interest on domestic borrowings (non-govt)	0.00	0.00
Interest on borrowings from other government units	0.00	0.00
Total	0.00	0.00

The assembly did not borrow any fund hence there were no finance cost incurred during the year.

12. Other Payments

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Budget Reserves	0.00	0.00
Civil Contingency Reserves	0.00	0.00
Other Payments	0.00	0.00
Total	0.00	0.00

There were no other payments incurred during the year under review.

Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	FY 2022-2023	FY 2021-2022
			Kshs	Kshs
Central Bank of Kenya, Kitui County Assembly Recurrent Account, Kenya Shillings	1000197919	Recurrent	8,025.00	27,888.00
Central Bank of Kenya, Kitui County Assembly Development Account, Kenya Shillings	1000197927	Development	0.00	0.00
Central Bank of Kenya, Kitui County Assembly Deposit Account, Kenya Shillings	1000363711	Deposit	0.00	0.00
Kenya Commercial Bank, Kitui County Assembly Operations Account, Kenya Shillings	1143459695	Recurrent	233,937.00	2,567.00
Total			241,962.00	30,455.00

13B. Cash In Hand

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency	0.00	0.00
Cash In Hand – Held In Foreign Currency	0.00	0.00
Total	0.00	0.00

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

Notes to the Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Kitui County Assembly Cash Office	0.00	0.00
Head Office	0.00	0.00
Cashier's Office	0.00	0.00
Total	0.00	0.00

14. Imprests and Advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Government Imprests	0.00	0.00
Salary Advance	0.00	0.00
Clearance accounts	0.00	0.00
Total	0.00	0.00

Breakdown Of Imprest And Salary Advance Per Department	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Imprests		
Department of Finance	0.00	0.00
Legislative Department	0.00	0.00
ICT Department	0.00	0.00
Sub-Total	0.00	0.00
Salary Advance		
Department of Finance	0.00	0.00
Legislative Department	0.00	0.00
Sub-Total	0.00	0.00
Grand Total	0.00	0.00

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

Notes To the Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Deposits	0.00		0.00	
Retentions	0.00		0.00	
Total	0.00		0.00	
Ageing analysis (third party deposits and advances)	FY 2022-2023	% of the Total	FY 2021-2022	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (tie to above total)	0.00		0.00	

16. Fund Balance Brought Forward

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Bank Accounts	30,455.00		4,028,718.00	
Cash In Hand	0.00		446.00	
Imprests and advances	0.00		0.00	
Third party deposits and retentions	(0.00)		(0.00)	
Total	30,455.00		4,029,164.00	

The fund balances brought forward refers to the previous financial year's closing balances.

*County Government of Kitui
Kitui County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023*

17. Changes in Imprests and Advances

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening Imprests and Advances As At 1 st July 2022	0.00	0.00
Closing Imprests and Advances As At 30 th June 2023	0.00	0.00
Change In Imprests and Advances	0.00	0.00

18. Changes in Third Party Deposits and Retentions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 st July 2022	0.00	0.00
Closing Third Party Deposits and Retention As At 30 th June 2023	0.00	0.00
Change In Third Party Deposits and Retention	0.00	0.00

Notes to the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	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
Construction Of Buildings	0.00	0.00	(0.00)	0.00
Construction Of Civil Works	0.00	0.00	(0.00)	0.00
Supply Of Goods	880,150.00	2,079,469.00	(880,150.00)	2,079,469.00
Supply Of Services	5,227,358.00	9,612,335.00	(5,227,358.00)	9,612,335.00
Total	6,107,508.00	11,691,804.00	(6,107,508.00)	11,691,804.00

2. Pending Staff 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
Senior Management	0.00	0.00	(0.00)	0.00
Middle Management	0.00	0.00	(0.00)	0.00
Unionisable Employees	0.00	0.00	(0.00)	0.00
Others	0.00	0.00	(0.00)	0.00
Total	0.00	0.00	(0.00)	0.00

County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023
 Notes to the Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	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 National Government entities	0.00	0.00	(0.00)	0.00
Amounts due to County Government entities	0.00	0.00	(0.00)	0.00
Amounts due to third parties	0.00	0.00	(0.00)	0.00
Total	0.00	0.00	(0.00)	0.00

There were no adjustments on other pending payables for the year under review

4. External Assistance

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External assistance received in cash	0.00	0.00
External assistance received as loans and grants	0.00	0.00
External assistance received in kind- as payment by third parties	0.00	0.00
Total	0.00	0.00

NB: Total ties to line 2 of note 4

a) External assistance relating loans and grants

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External assistance received as loans	0.00	0.00
External assistance received as grants	0.00	0.00
Total	0.00	0.00

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2022-2023	FY 2021-2022
Description		Kshs	Kshs
Undrawn External Assistance – Loans		0.00	0.00
Undrawn External Assistance – Grants		0.00	0.00
Total		0.00	0.00

There were no assistance not yet received in the year under review

c) Classes of providers of external assistance

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Multilateral Donors	0.00	0.00
Bilateral Donors	0.00	0.00
International Assistance Organization	0.00	0.00
NGOs	0.00	0.00
National Assistance Organization	0.00	0.00
Total	0.00	0.00

There were no external assistance during the financial year

County Government of Kitui
Kitui County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023
Notes to the Financial Statements (Continued)

d. Non-Monetary External Assistance

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Goods	0.00	0.00
Services	0.00	0.00
Total	0.00	0.00

There were no non-monetary external assistance during the financial year

e. Purpose and use of external assistance.

Payments Made By Third Parties	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Compensation Of Employees	0.00	0.00
Use Of Goods and Services	0.00	0.00
Subsidies	0.00	0.00
Transfers To Other Government Units	0.00	0.00
Other Grants and Transfers	0.00	0.00
Social Security Benefits	0.00	0.00
Acquisition Of Assets	0.00	0.00
Finance Costs, Including Loan Interest	0.00	0.00
Repayment Of Principal On Domestic & Foreign Borrowing	0.00	0.00
Other Payments	0.00	0.00
Total	0.00	0.00

There was no external assistance during the financial year

County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023
 Notes to the Financial Statements (Continued)

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

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

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
National Government	0.00	0.00
Multilateral Donors	0.00	0.00
Bilateral Donors	0.00	0.00
International Assistance Organization	0.00	0.00
NGOs	0.00	0.00
National Assistance Organization	0.00	0.00
Total	0.00	0.00

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

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc.

5.1 Classification by Source

	Insert Current FY	Insert Comparative FY
Description	Kshs	Kshs
National government	0.00	0.00
Multilateral donors	0.00	0.00
Bilateral donors	0.00	0.00
International assistance organization	0.00	0.00
NGOs	0.00	0.00
National Assistance Organization	0.00	0.00
Total	0.00	0.00

County Government of Kitui
Kitui County Assembly
Annual Report and Financial Statements For the year ended 30th June 2023
Notes to the Financial Statements (Continued)

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

Payments made by third parties	Insert Current FY	Insert Comparative FY
Description	Kshs	Kshs
Compensation of employees	0.00	0.00
Use of goods and services	0.00	0.00
Subsidies	0.00	0.00
Transfers to other government units	0.00	0.00
Other grants and transfers	0.00	0.00
Social security benefits	0.00	0.00
Acquisition of assets	0.00	0.00
Finance costs, including loan interest	0.00	0.00
Other payments	0.00	0.00
Total	0.00	0.00

6. Related Party Disclosures

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

The following comprise of related parties to the County Assembly:

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

Related party transactions:

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	0.00	0.00
Key Management Compensation (Clerk and Heads of departments)	0.00	0.00
Total Compensation to Key Management	0.00	0.00
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	92,405,337.00	49,839,756.00
Transfers to other entities under the Assembly	0.00	0.00
Total Transfers to related parties	92,405,337.00	49,839,756.00
<u>Transfers from related parties</u>		
Transfers from the CRF	1,029,936,698.00	916,548,462.00
Payments made on behalf of the County Assembly by other Government Agencies	0.00	0.00
(Insert any other transfers received)	0.00	0.00
Total Transfers from related parties	1,029,936,698.00	916,548,462.00

7. Contingent Liabilities

Contingent liabilities	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Court case 1 against the entity	0.00	0.00
Bank guarantees in favour of subsidiary	0.00	0.00
contingent liabilities arising from PPPs	0.00	0.00
Total	0.00	0.00

ANNEX 8 Contingent liabilities register

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

16. Progress on Follow-up on Prior Year Auditor's Recommendations

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

Reference No. on the External Audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Date when you expect the issue to be resolved)
4.1	<p>Review of the financial statements presented for audit revealed anomalies as follows:</p> <ul style="list-style-type: none"> · The page numbering of the non-financial information from Nos. 1- 6 in the table of contents are indicated in roman numbers while the corresponding page numbers are reflected in numerals. · The Report of the Independent Auditor on the entity in the table of contents include the words "specify entity name" which should be omitted. · The Statement of Receipts and Payments reflects use of goods and services amount of Kshs.334,113,567 which differs with the previous year's amount of Kshs. 334,096,194 resulting to a difference of Kshs.17,373. Further, the finance costs reflect a nil balance while the previous year's audited amount was Kshs.17,373. · The Budget Execution by Programs and Sub-Programs reflects actual on comparable basis total amount of Kshs.916,518,007 while the Statement of Receipts and Payments total payments amount is Kshs.917,705,870 resulting to a difference of Kshs.1,187,800. 	<p>The Assembly concurs with the Auditors observations on the above matter noted in the submitted Financial Statement. We have revised the Financial Statements and corrected the above anomalies. The amendments have captured the corrected table of content, the budget execution by program, other disclosures on pending accounts payables, related party transactions and summary of non-current asset register. Attached is a copy of amended financial statements FY 2021/22(Annex 1). In addition, Bank Reconciliation /FO 30 Report was not attached as per the auditor's observation. The same has been</p>	Resolved	30 th June 2023

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

· Notes to the Financial Statements – Other Disclosures, pending accounts payables (Annex 1) reflects balance b/f 2020/21 of Kshs.359,700 and nil balance for the supply of goods and supply of services respectively which differs with the previous year’s audited balance c/f of Kshs.156,700 and 203,000 for the supply of good and supply of services respectively.

attached in the revised financial statements (Annex 2).

· Notes to the Financial Statements – Related Party transactions, reflects nil balances under Transfers from County Executive –Exchequer for the financial year’s 2021/22 and 2020/21 while the Statement of Receipt and Payments reflects Kshs.916,548,462 and Kshs.791,841,400 for the financial years 2021/22 and 2020/21 respectively.

· In the Annexes, Annex 1 on Analysis of pending account payables, the totals of original amount, balance at the beginning of the year, additions during the year and amounts paid during the year were omitted. Further, annex 4 relating to Summary of Non-Current Asset Register, the audited Historical Cost c/f reflects a balance of Kshs.627,012,836 which differs with the Historical Cost b/f balance of Kshs.570,744,014.16 in this year’s financial statements resulting to a difference of Kshs.56,268,821.

· The Bank Reconciliation /FO 30 Report has not been attached under Annex 9 contrary to the prescribed revised template.

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

4.2	Misclassification of Expenditure. Note 5 to the financial statements reflects Kshs. 10,121,853 relating to office and general supplies and services. The audit revealed that the amount includes Kshs. 906,000 paid to casual employees during the year under audit. Payment of casual employees is specifically provided for in the standard chart of accounts under Economic item 2110202-casual labour-others and not office and general supplies and services.	The management agrees with the auditor's observation that an amount of Kshs. 906,000 for casual wages had been included in the financial statements under office and general supplies and services. We wish to clarify that the assembly engaged casual workers during the year under review and indeed their wages had been budgeted under a voteline of Sanitary & cleaning materials. However, starting this financial year the Assembly has entered into a contractual agreement for casual operations with an independent budget voteline number 2110201-Basic salary-contract employees.	Resolved 30 th June 2023
-----	--	--	---

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

4.3	<p>Pending Bills Management. Review of the financial statements revealed that as at 30 June, 2022 the County Assembly had accumulated pending bills amounting to Kshs.6,107,508 relating to year under review. This contravenes Section 53(8) of the Public Procurement and Asset Disposal Act of 2015 states that an Accounting Officer shall not commence procurement proceedings until satisfied that sufficient funds to meet the obligations are available. Further, included in the figure is Kshs. 2,988,403 or 49% being Pay As You Earn (PAYE) payable as at 30 June, 2022 in contravention of tax law regarding statutory deductions. In addition, the amount included Kshs.359,700 relating to prior year in contravention of the PFM Act provisions on making pending bills a first charge.</p>	<p>The Assembly had pending bills amounting to Kshs.6,107,508 as at 30th June, 2022. The delay in payments of the above bills was occasioned by factors beyond our control which included; delay in disbursement of funds by National Treasury and delay in approval of funds request by the Office of the Controller of Budget. The amount of Kshs. 359,700 included in the financial statement related to pending bill for the financial year 2020/2021 and the same is not included in the year under review since the bill had been cleared. The same was disclosed in the financial statements under Annex 2 on the analysis of pending accounts payable as required by the provided reporting template.</p>	Resolved	30 th June 2023
4.4	<p>Differences between Financial Statements and IFMIS Trial Balance. Review of the financial statements amounts and the trial balance revealed several differences between the two (2) sets of records as shown below;</p>		Resolved	30 th June 2023

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

	<p>Communication supplies and services-Ksh.23,100.</p>	<p>Immediately after 30th June 2022, Integrated Financial management Information System (IFMIS) became inactive (Closed) to allow for uploading of budget for new financial year. Bills amounting to Kshs. 23,100 budgeted in the financial year under review were processed and paid outside the system under this voteline resulting to a variance between Trial balance and financial statements figures. Payment vouchers are available for verification (Annex 4).</p>	<p>Resolved</p>	<p>30th June 2023</p>
	<p>Printing, advertising and information supplies and services-Kshs. 2,243,632.70</p>	<p>The variance is as a result of expenditure incurred during the year which had not been captured in the IFMIS system. The IFMIS system was closed before the expenditure was captured. However, we have attached herein the analysis of the payments incurred (Annex 5).</p>	<p>Resolved</p>	<p>30th June 2023</p>
	<p>Other operating expenses-Kshs. 70,658.30</p>	<p>The difference was as a result of double posting in Integrated Financial Management information system (IFMIS). Reversal of these transactions were done but in vain. However,</p>	<p>Resolved</p>	<p>30th June 2023</p>

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

		reconciliation was done outside the system so as to arrive at an accurate figure to be presented in the financial statements (Annex 6).	
4.5	<p>Budget Control and performance. The statement of comparison budget and actual amounts - recurrent and development combined reflects budgeted and actual receipts for the year of Kshs.1,061,357,431 and Kshs.917,736,262 respectively resulting to a variance of Kshs.143,621,169 or 14% of the budget. Similarly, the County Assembly expended Kshs.917,705,807 against an approved budget of Kshs.1,061,357,431 resulting to an under-expenditure of Kshs.143,651,624 or 14% of the budget. Further, the final development budget approved amounted to Kshs, 71,757,361 while actual on comparable basis is Nil. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The county Assembly had the intention of implementing all the budgeted programs and activities during the year under review. This intention was frustrated by underfunding by the county Treasury. The development budget was Kshs. 71,757,361 while the actual on comparable basis is nil. This was intended for the construction of the speaker's residence during the financial year. However, the management did not get land suitable for the said purpose. The process of identifying and acquiring the land for the construction of the speaker's residence is ongoing.</p>	<p>Resolved 30th June 2023</p>

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

4.6	<p>Un-Reconciled Bank Balances- Kshs. 1,061,390. Note 13A to the financial statements reflects Recurrent and Operational Account balances of Kshs. 27,888 and Kshs. 2,567 respectively. Review of the June bank reconciliations statements and certificate of balances of the operational account revealed balances of Kshs.1,063,957 resulting to a difference of Kshs.1,061,390. Note 13A to the financial statements reflects Recurrent and Operational Account balances of Kshs. 27,888 and Kshs. 2,567 respectively. Review of the June bank reconciliations statements and certificate of balances of the operational account revealed balances of Kshs.1,063,957 resulting to a difference of Kshs.1,061,390. In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs. 30,455 reflected in the statement of assets and liabilities could not be confirmed.</p>	<p>The management concurs with the auditor's observation that a difference of Kshs. 1,061,390 of Kitui county Assembly operations account was not reconciled. However, the reconciliation has been done to confirm the accuracy and completeness of cash and cash equivalent balance. A reconciliation statement attached (Annex 7)</p>	Resolved 30 th June 2023
-----	--	--	-------------------------------------

4.7 **Irregular Training Expenses payment.** Note 5 to the financial statements reflects that Kitui County Assembly incurred Kshs. 17,502,375 as training expenses. Included in this expenditure is Kshs. 310,000 paid to National Industrial training Authority (NITA) as training levies vide Payment Voucher no. IB2748/4/2022. However, the payment was not supported adequately with the relevant documentation like invoices. Further, Kshs. 371,200 was paid to P&H Consultants for training services vide Payment Voucher no. IB778/10/2021. However, it was noted that the training was initiated through an invite by P&H Consultants and not Kitui County Assembly soliciting for the service. In the circumstances it was difficult to establish whether the training service was sourced in a competitive manner in line with the provisions of the Public Procurement and Asset Disposal Act 2015. In addition, there was no evidence that the training was factored in approved work plan of the County Assembly for the year as required.

The management concurs with the Auditor's observation that during the year under review, the Assembly incurred expenditure amounting to Kshs. 371,200 paid to P & H consultant for trainings services. The Assembly contracted the above consultant for a workshop to procurement officers which was not a procurement item. This workshop was done through an invitation by the firm in question for a training to the officers of the assembly. The administration assessed the worthiness of the program and nominated relevant officers to attend for capacity building and earning of Continuous Professional Development (CPD) points. The firm is reputable and licensed to conduct programs geared toward capacity building for procurement professionals. Their programs are also vetted by KISM and NITA before they are executed. Attached

Resolved

30th June
2023

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

		find NITA copy of license (Annex 8).	
4.8	<p>Un-supported Prior Year Adjustments. During the year under review, Kitui County Assembly made a prior year adjustment of Kshs. 4,029,164.35 as disclosed in Note 17 of the financial statements. However, the prior year adjustments were not well supported by the relevant documents as required by the acts and regulations governing the use of public funds. In the circumstances, it was not possible to confirm the regularity of the adjustment.</p>	<p>The management concurs with the auditors that financial statements presented for audit disclosed an adjustment of Kshs. 4,029,164.35. This amount was the unspent balance in the financial year 2020/2021 which was returned back to Kitui county revenue fund in line with Section 136 PFM Act, 2012(Annex 9)</p>	<p>Resolved 30th June 2023</p>

County Government of Kitui

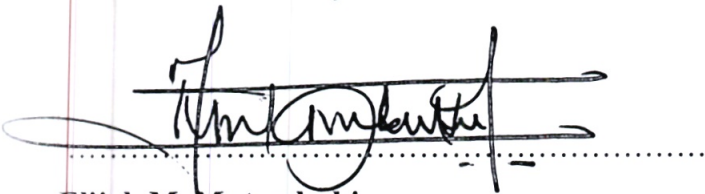
Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

4.9	Misclassification of Expenditure- Kshs. 68,800. The statement of receipts and payments reflects use of goods and services amount of Kshs 442,097,149, out of which Kshs. 4,313,866 as disclosed in note 5 to the financial statements relates to fuel, oil and lubricants. Review of the ledgers for fuel, oil and lubricants provided by the County Assembly indicates an amount of Kshs. 68,800 relates to Motor vehicle maintenance. Further scrutiny of the documents provided revealed that the expenditures are clearly classified as distinct economic items under the standard chart of accounts approved by the National Treasury and therefore should be disclosed separately as shown below;	The management has interrogated the above expenditure and noted that they were correctly posted to the relevant ledgers. The above amount of Ksh. 68,800 was incurred for fuel, oil and lubricants. However, an error of commission did occur during the posting whereby the narration given the said expenditure was incorrectly captured as observed by the auditors.	Resolved	30 th June 2023
-----	--	---	----------	-------------------------------

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Elijah M. Mutambuki

Clerk of the Assembly

Date: 24th November, 2023

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

17. 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	
Construction Of Buildings							
Sub-Total							
Construction Of Civil Works							
Sub-Total							
Supply Of Goods							
Jasmak Business solutions	31/05/2023	Supply, fitting & installation of executive curtains	0.00	0.00	246,900.00	0.00	246,900.00
Mbedry Investment	31/05/2023	Provision of event organization during ward forum for Kyuso ward on 16/06/2023	0.00	0.00	97,525.00	0.00	97,525.00
Mbedry Investment	16/06/2023	Provision of event organization during ward forum for Mwingi central ward on 30/06/2023	0.00	0.00	97,525.00	0.00	97,525.00

Alikeys Company Ltd	08/06/2023	Provision of event organization during ward forum for Nguni ward on 08/06/2023	0.00	0.00	97,650.00	0.00	97,650.00
Fidato Enterprises	16/06/2023	Provision of event organization during ward forum for Ikanga/Kyatune ward on 30/06/2023	0.00	0.00	97,600.00	0.00	97,600.00
Bestcore Company Ltd	12/06/2023	Provision of event organization during ward forum for Kauwi ward on 22/06/2023	0.00	0.00	97,650.00	0.00	97,650.00
Mambi General Enterprises	12/06/2023	Provision of event organization during ward forum for Nuw ward on 23/06/2023	0.00	0.00	96,800.00	0.00	96,800.00
Pakex Ventures	08/06/2023	Provision of event organization during ward forum for Tharaka ward on 23/06/2023	0.00	0.00	97,750.00	0.00	97,750.00
Mbedry Investment	08/06/2023	Provision of event organization during ward forum for Tseikuru ward on 26/06/2023	0.00	0.00	97,525.00	0.00	97,525.00
Bestcore Company Ltd	08/06/2023	Provision of event organization during ward forum for Kwa Mutonga ward on 23/06/2023	0.00	0.00	97,600.00	0.00	97,600.00
Admery Investments	08/06/2023	Provision of event organization during ward forum for Ngomeni ward on 22/06/2023	0.00	0.00	97,750.00	0.00	97,750.00
Mwaatheka Enterprises	21/06/2023	Provision of event organization during ward forum for Endau Malanu ward on 28/06/2023	0.00	0.00	97,650.00	0.00	97,650.00
Anchor Security Services	01/6/2023	Provision of Security Services in the month of June 2023	0.00	0.00	96,744.00	0.00	96,744.00
Beautyforth Enterprises Limited	01/6/2023	Supply and installation of carpet in the office of the Speaker of assembly and Boardroom	0.00	0.00	662,800.00	0.00	662,800.00

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

Sub-Total			0.00	0.00	2,079,469.00	0.00	2,079,469.00
Supply Of Services							
Summer springs Hotel	22/06/2023	Provision of conference services from 29th June 2023	0.00	0.00	788,800.00	0.00	788,800.00
Summer springs Hotel	16/06/2023	Provision of conference services from 22nd to 24th June 2023	0.00	0.00	785,600.00	0.00	785,600.00
Attic Tours & Travel ltd	26/06/2023	Provision of air ticketing services to Melbourne Australia 30th June-7th July 2023	0.00	0.00	1,589,635.00	0.00	1,589,635.00
Attic Tours & Travel ltd	23/06/2023	Provision of air ticketing services to Turkey 26th- 30th June 2023	0.00	0.00	998,900.00	0.00	998,900.00
Topaz Heights Tours & Travel	23/06/2023	Provision of air ticketing services to Turkey 26th- 30th June 2023	0.00	0.00	2,999,400.00	0.00	2,999,400.00
Eastern ans Southern Africa Management Institute (ESAMI)	01/6/2023	Tuition & Training cost to Members of County Assembly on 26th to 30th June 2023 in Istanbul Turkey	0.00	0.00	2,450,000.00	0.00	2,450,000.00
Sub-Total			0.00	0.00	9,612,335.00	0.00	9,612,335.00
Grand Total			0.00	0.00	11,691,804.00	0.00	11,691,804.00

Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments

Annex 2 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management			0.00	0.00	0.00	0.00	
1.							
Sub-Total							
Middle Management			0.00	0.00	0.00	0.00	
2.							
Sub-Total							
Unionisable Employees			0.00	0.00	0.00	0.00	
3.							
Sub-Total							
Others (<i>specify</i>)			0.00	0.00	0.00	0.00	
4.							
Sub-Total			0.00	0.00	0.00	0.00	
Grand Total			0.00	0.00	0.00	0.00	

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

Annex 3 – Analysis of Other Pending Payables

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

County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023
 Annex 4 – Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (Kshs) 2022-2023
Land	0.00	0.00	0.00	0.00	0.00
Buildings and structures	534,910,705.00	0.00	0.00	0.00	534,910,705.00
Transport equipment	39,685,889.00	0.00	0.00	0.00	39,685,889.00
Office equipment, furniture and fittings	30,244,669.00	1,719,650.00	0.00	0.00	31,964,319.00
Ict equipment	28,995,118.00	532,700.00	0.00	0.00	29,527,818.00
Machinery and equipment	6,159,704.00	0.00	0.00	0.00	6,159,704.00
Biological assets	0.00	0.00	0.00	0.00	0.00
Infrastructure assets	0.00	0.00	0.00	0.00	0.00
Heritage and cultural assets	0.00	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00	0.00
Work in progress	0.00	0.00	0.00	0.00	0.00
Total	639,996,085.00	2,252,350.00	0.00	0.00	642,248,435.00

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

County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023
 Annex 5 – Analysis of Accounts Receivables
 (a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
N/A	N/A	0.00	0.00	0.00
N/A	N/A	0.00	0.00	0.00
N/A	N/A	0.00	0.00	0.00
N/A	N/A	0.00	0.00	0.00
Total				0.00

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

(b) Salary Advance

Name of Officer	Date Advanced	Amount Advanced		Amount Recovered		Balance	
		Kshs		Kshs		Kshs	
N/A	N/A	0.00		0.00		0.00	
N/A	N/A	0.00		0.00		0.00	
N/A	N/A	0.00		0.00		0.00	
N/A	N/A	0.00		0.00		0.00	
Total		0.00		0.00		0.00	

*County Government of Kitui
 Kitui County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2023*

Annex: 6 Reporting of Climate Relevant Expenditures

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

Annex 7 Reporting on Disaster Expenditure

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

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

Annex 8: Contingent Liabilities Register

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

Annex 9 – Bank Reconciliation/FO 30 Report

(Attached is FO 30 Reports from IFMIS)

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

Annex 10: Detailed Reconciliation of exchequer receipts from Treasury

KITUI COUNTY ASSEMBLY		
TRANSFERS FROM COUNTY TREASURY		
FY 2022-2023		
Date Disbursed	Amount disbursed	REMARKS
31.07.2022	20,226,956.00	Received in Operation A/c
31.07.2022	4,453,731.00	Received in Operation A/c
31.07.2022	3,874,092.00	Received in Operation A/c
31.07.2022	9,993,033.00	Received in Operation A/c
31.08.2022	12,475,416.00	Received in Operation A/c
31.08.2022	2,453,343.00	Received in Operation A/c
31.08.2022	2,192,300.00	Received in Operation A/c
31.08.2022	2,073,538.00	Received in Operation A/c
30.09.2022	831,025.00	Received in Operation A/c
30.09.2022	1,574,561.00	Received in Operation A/c
30.09.2022	3,499,858.00	Received in Operation A/c
30.09.2022	10,015,885.00	Received in Operation A/c
30.09.2022	23,581,792.00	Received in Operation A/c
27.10.2022	431,320.00	Received in Operation A/c
27.10.2022	2,503,847.00	Received in Operation A/c
27.10.2022	10,378,037.00	Received in Operation A/c
27.10.2022	12,006,859.00	Received in Operation A/c
27.10.2022	55,184,682.00	Received in Operation A/c
25.11.2022	16,202,497.00	Received in Operation A/c
25.11.2022	5,844,494.00	Received in Operation A/c
25.11.2022	4,498,479.00	Received in Operation A/c
25.11.2022	9,815,816.00	Received in Operation A/c
5.12.2022	22,468,429.00	Received in Operation A/c
5.12.2022	393,700.00	Received in Operation A/c
21.12.2022	4,547,003.00	Received in Operation A/c
21.12.2022	6,664,468.00	Received in Operation A/c
21.12.2022	20,421,674.00	Received in Operation A/c
22.12.2022	3,454,806.00	Received in Operation A/c

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

31.01.2023	4,245,675.00	Received in Operation A/c
31.01.2023	4,536,361.00	Received in Operation A/c
31.01.2023	5,795,327.00	Received in Operation A/c
31.01.2023	20,610,394.00	Received in Operation A/c
31.01.2023	42,942,224.00	Received in Operation A/c
3.02.2023	5,950,000.00	Received in Operation A/c
3.02.2023	12,296,575.00	Received in Operation A/c
21.02.2023	2,212,000.00	Received in Operation A/c
21.02.2023	2,212,000.00	Received in Operation A/c
21.02.2023	17,372,000.00	Received in Operation A/c
23.02.2023	8,836,000.00	Received in Operation A/c
2.03.2023	1,267,980.00	Received in Operation A/c
2.03.2023	3,737,427.00	Received in Operation A/c
2.03.2023	4,431,960.00	Received in Operation A/c
2.03.2023	5,567,468.00	Received in Operation A/c
2.03.2023	14,663,250.00	Received in Operation A/c
2.03.2023	19,254,580.00	Received in Operation A/c
2.03.2023	63,012,889.00	Received in Operation A/c
31.03.2023	19,754,104.00	Received in Operation A/c
31.03.2023	4,936,613.00	Received in Operation A/c
31.03.2023	4,679,160.00	Received in Operation A/c
31.03.2023	1,406,517.00	Received in Operation A/c
31.03.2023	29,015,646.00	Received in Operation A/c
31.03.2023	12,806,000.00	Received in Operation A/c
31.03.2023	9,596,630.00	Received in Operation A/c
31.03.2023	4,550,190.00	Received in Operation A/c
14.04.2023	9,175,789.00	Received in Operation A/c
28.04.2023	19,739,344.00	Received in Operation A/c
28.04.2023	6,225,122.00	Received in Operation A/c
28.04.2023	9,840,811.00	Received in Operation A/c
4.05.2023	3,200,716.00	Received in Operation A/c
4.05.2023	25,056,814.00	Received in Operation A/c
4.05.2023	12,226,000.00	Received in Operation A/c
4.05.2023	14,734,344.00	Received in Operation A/c
4.05.2023	4,202,995.00	Received in Operation A/c
18.05.2023	13,900,619.00	Received in Operation A/c

County Government of Kitui

Kitui County Assembly

Annual Report and Financial Statements For the year ended 30th June 2023

18.05.2023	9,581,969.00	Received in Operation A/c
23.05.2023	1,926,830.00	Received in Operation A/c
23.05.2023	3,921,736.00	Received in Operation A/c
26.05.2023	5,460,800.00	Received in Operation A/c
26.05.2023	6,609,770.00	Received in Operation A/c
26.05.2023	19,739,344.00	Received in Operation A/c
31.05.2023	47,882,928.00	MCAs' Fund A/c
6.06.2023	3,315,020.00	Received in Operation A/c
6.06.2023	6,509,294.00	Received in Operation A/c
6.06.2023	17,781,246.00	Received in Operation A/c
14.06.2023	10,083,890.00	Received in Operation A/c
14.06.2023	18,510,512.00	Received in Operation A/c
14.06.2023	24,832,800.00	Received in Operation A/c
29.06.2023	854,140.00	Received in Operation A/c
29.06.2023	3,802,155.00	Received in Operation A/c
29.06.2023	4,212,725.00	Received in Operation A/c
29.06.2023	5,511,807.00	Received in Operation A/c
29.06.2023	5,694,599.00	Received in Operation A/c
29.06.2023	15,111,581.00	Received in Operation A/c
29.06.2023	20,057,157.00	Received in Operation A/c
30.06.2023	3,564,511.00	Received in Operation A/c
30.06.2023	6,422,000.00	Received in Operation A/c
30.06.2023	10,720,310.00	Received in Operation A/c
30.06.2023	17,254,000.00	Received in Operation A/c
30.06.2023	44,522,409.00	MCAs' Fund A/c
Total	1,029,936,698.00	