

REPUBLIC OF KENYA



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## REPORT

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OF

**THE AUDITOR-GENERAL**

ON

**COUNTY ASSEMBLY OF  
MAKUENI**

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

1





**COUNTY GOVERNMENT OF MAKUENI**  
**COUNTY ASSEMBLY OF MAKUENI**

P.O. Box 572-90300 Wote, Makueni

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OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**MACHAKOS HUB.**

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**MAKUENI COUNTY ASSEMBLY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2023**

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

**MAKUENI COUNTY ASSEMBLY**  
**Reports and Financial Statements**  
**for the Period ended June 30, 2023**  
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TABLE OF CONTENTS

1.	Acronyms and Glossary of Terms .....	ii
2.	Key Entity Information and Management .....	iii
3.	Governance Statement.....	vii
4.	Foreword By the Clerk of The Assembly.....	xiv
5.	Statement Of Performance Against County Assembly Predetermined Objectives .....	xxvi
6.	Corporate Social Responsibility Statement/Sustainability Reporting .....	xxvii
7.	Statement Of Management Responsibilities.....	xxx
8.	Report Of the Independent Auditor County Assembly of Makueni for the year ended 30 <sup>th</sup> June 2023 .....	xxxii
9.	Statement of Receipts and Payments for The Year Ended 30 <sup>th</sup> June 2023 .....	1
10.	Statement Of Financial Assets and Liabilities As At 30 <sup>th</sup> June 2023 .....	2
11.	Statement Of Cash Flows for The Period Ended 30 <sup>th</sup> June 2023 .....	3
12.	Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30 <sup>th</sup> June 2023 .....	5
12A	Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30 <sup>th</sup> June 2023 .....	6
12B	Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30 <sup>th</sup> June 2023 .....	7
13.	Budget Execution By Programmes And Sub-Programmes .....	8
14.	Significant Accounting Policies .....	9
15.	Notes to the Financial Statements .....	15
16.	Progress On Follow On Prior Year Auditor’s Recommendations.....	34
17.	Annexes .....	36

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**1. Acronyms and Glossary of Terms**

*a) Acronyms*

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

*b) Glossary of Terms*

Comparative FY	Means the financial year preceding the current financial year.
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## 2. Key Entity Information and Management

### (a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 48 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

### (b) Key Management Team

The Makueni county assembly day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	<b>Hon. Douglas Mbilu</b>
2.	Clerk of the County Assembly	<b>Mr. Kevin Mutuku</b>
3.	Deputy Clerks	<b>Mr. Faustine Mutuku-DCA</b> <b>Mr. Robert Musyoka- DCLSP</b>
3.	Directors	<b>- Mr. Francis Nzyoka-Finance</b> <b>-Miss Esther Musau-L&amp;P</b>
4	Head of Departments	<b>Mr. Abraham Anyegah-Procurement</b> <b>Miss Monica Munene-Payroll</b> <b>Dr Susan Kiilu-HR</b> <b>Miss Eunice Mbone-Legal</b> <b>Miss Diana Mutheu-Hansard</b> <b>Mr. Tomas Ndambuki-L&amp;P</b> <b>Miss. Muteti Rose -committee services</b> <b>Miss Mathuku Catherine-accounts</b> <b>Mr Kilonzo Nathan-Audit</b> <b>Mr Joseph Nzioki-Sergeant at Arms</b> <b>Mr. Lewis Nzuki-ICT</b> <b>Mr. Griffins Mutevu-Budget</b>

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer- Clerk	<b>Mr Kevin Mutuku</b>
2.	Director Financial services	<b>Mr. Francis Maitha</b>
3.	Assistant Director supply chain	<b>Mr. Abraham Anyegah</b>

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

**(d) Fiduciary Oversight Arrangements**

The main institution responsible for fiduciary oversight in the County Assembly is the Audit Committee, Finance Committee and the Public Investment and Accounts Committee.

The County Assembly Service Board also plays a role in ensuring that internal controls are applied at all levels and stages of transactions. This entails budgetary oversight, implementation and monitoring role.

**(e) Makueni County Assembly Headquarters**

Makueni County Assembly buildings,  
Off Wote – Makindu road,  
P.O. Box 572 – 90300,  
Wote, Makueni.

**(f) Entity Contacts**

Telephone: 0710761116/ 0731663505/ 020 2393005

E-mail: [info@makuenicountyassembly.go.ke](mailto:info@makuenicountyassembly.go.ke)

Website: [www.makueniassembly.go.ke](http://www.makueniassembly.go.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Other Commercial Banks  
Co-operative Bank of Kenya  
P.O Box 537-90300  
Wote Branch.

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**(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**

### **3. Governance Statement**

#### **The County Assembly**

The County Assembly is constituted by the MCAs of Makueni county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary. Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

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

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

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

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

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

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

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

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

The County Assembly has the following Select Committees:

- a) Committee of Powers and Privileges
- b) Audit Committee
- c) Public Accounts/Investment Committee
- d) Budget and Appropriations Committee
- d) Special Interest Groups Committee

*County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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- e) Committee on Rules and procedure
- f) Broadcasting and Communications
- g) Implementation Committee
- h) Delegated County Legislation
- i) Appointments Committee
- j) Liaison Committee
- k) Assembly Business Committee

The sectoral committees involve

- Finance & Social Economic Planning Committee
- Agriculture, Irrigation, Livestock, Fisheries & Cooperative development Committee
- Environment and Climate Change
- Lands, Urban Planning and Development
- Water and Sanitation
- Devolution, Public Participation, County Administration and Special Programs.
- ICT, Education and Internship
- Trade, Marketing, Industry, Culture and Tourism
- Infrastructure, Transport, Public Works, Housing and Energy
- Gender, Children, Youth, Sports and Social Services
- Health Services

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 8 meetings in FY 2022/23. The committee members during FY 2023 were:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Douglas Mbilu-Chairperson	<b>Speaker</b>	
Hon. Reuben Musau Kawai-V/Chairperson	<b>MCA</b>	<b>Kasikeu</b>
Hon. Joyce Mwendu Wambua	<b>MCA</b>	<b>Kathonzweni</b>
Hon. Urbanus Yulu Manzu	<b>MCA</b>	<b>Kee</b>
Hon. Joseph Mbindyo Matheka	<b>MCA</b>	<b>Kilungu</b>
Hon. Bonface Felix Mateso	<b>MCA</b>	<b>Wote</b>
Hon. Jonathan Muoki	<b>MCA</b>	<b>Mavindini</b>
Hon. Mercy Ndinda Mutuku	<b>MCA</b>	<b>Kilili</b>
Hon. Mwangangi Muthiani	<b>MCA</b>	<b>Nguumo</b>
Hon. Jackson Ndolo Kimunyi	<b>MCA</b>	<b>Ukia</b>
Hon. Sarah Nduku Mbilo	<b>MCA</b>	<b>Ilima</b>

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**b) Audit Committee**

The audit committee was constituted in 2018. Its mandate is to advise the County Government on institutional risk management and compliance. During the year ended 30<sup>th</sup> June 2023, the assembly did not have an audit committee in place since the term of the audit committee members had expired. The Makueni county assembly is however in the process of recruiting new audit committee members.

**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 81 extra sittings to deal with arising matters. The members who served in the committee during the year were:

Member	Designation	Ward
Hon. Jonathan Kimongo Muunda –Chairperson	MCA	Mavindini
Hon. Cosmas Kaleli Kalunda- V/Chairperson	MCA	Emali
Hon. Joyce Mwendu Wambua	MCA	Kathonzweni
Hon. Elizabeth Mutindi Kiio	MCA	Kako
Hon. Justus Muema Mwanzia	MCA	Kiimakui
Hon. Jades Kalunda–	MCA	Kikumbulyu South
Hon. Elizabeth Muthike Muli	MCA	Kasikeu
Hon. Wa Katete Kisungi Mulinge	MCA	Kithungo
Hon. Benard Mutua Tivu	MCA	Mbitini

**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:

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Dennis Musyoka Muunda –Chairperson	MCA	Kako
Hon. Martina Kimilu Kalunda- V/Chairperson	MCA	Kiimakiu
Hon. Francis Munyao Mutuku	MCA	Kilili
Hon. Kyalo Mumo	MCA	Tulimani
Hon. Fiametta Mwikali Ndunda	MCA	Nguumo
Hon. Magdalene Nduku Mulwa	MCA	Nguumo
Hon. Harrison Mwanzia Mutie	MCA	Ivingoni
Hon. Jackson Muema Mbalu	MCA	Kikumbulyu North
Hon. Eng Joseph Muthini Muema	MCA	Mukaa

**Count Government of Makueni**  
**Makueni County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**e) Finance & Social Economic Planning Committee**

The Committee deals with all matters related to public service policy formulation and implementation; public finance; county public funds/ debt, county development/ integrated/ sectoral and spatial plans; county statistics; liquor and trade licensing, county revenue, emergency fund, County assets, public private partnership & grants, risk management, control of, and accounting for the finances of the county government county audit, procurement and asset disposal, social- economic planning, financial management and its Entities.

<b>Member</b>	<b>Designation</b>	<b>Ward</b>
Hon. Kennedy Benedict Maneno - Chairperson	<b>MCA</b>	<b>Kathonzwi</b>
Hon. Harrison Mwanzia Mutie – V/Chairperson	<b>MCA</b>	<b>Ivingoni</b>
Hon. Jennifer Kamanthe Mwanthi	<b>MCA</b>	<b>Kalawa</b>
Hon. Sharon Mueni Mutinda	<b>MCA</b>	<b>Tulimani</b>
Hon. Mwanja Francis Mulwa	<b>MCA</b>	<b>Mtitoandei</b>
Hon. Mercy Mutuku	<b>MCA</b>	<b>Kilili</b>
Hon. Mwanzia Justus Muema	<b>MCA</b>	<b>Kiimakiu</b>
Hon. Daniel Musau Kivuva	<b>MCA</b>	<b>Nguu/Masumba</b>
Hon. Kaleli Cosmas Mutunga	<b>MCA</b>	<b>Emali/Mulala</b>

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in 2018. However the committee's term had expired by 30<sup>th</sup> June 2023 and the management is in the process of recruiting new members to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

### **Communication with all Stakeholders**

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

The County Assembly also subjected 4 bills through public participation

### **Risk management**

#### **Effective arrangements for risk management and internal control**

- The assembly has ensured that all its payments are done through the IFMIS system
- The assembly has suggestion boxes for reporting any corruption related cases.
- All the tenders for the assembly projects are awarded through open tender process
- The assembly has a fully functional internal audit department.

#### **Formal processes to identify and assess risk**

- The assembly has a risk management policy which is operational
- All the assembly financial reports are audited quarterly by the internal audit department and annually by the office of auditor general
- The assembly has a public accounts committee which examines the implantation of the audit report recommendation of the audited financial reports.

### **Compliance**

Makueni county assembly is guided by the following laws

- The constitution of Kenya 2010
- The public finance and management act
- Asset and disposal act

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**4. Foreword By the Clerk of The Assembly**

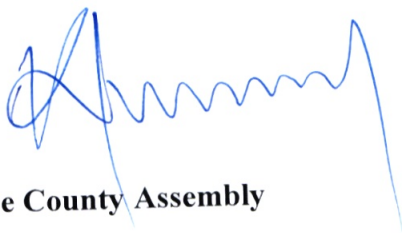
The County Assembly of Makueni is one of the forty-seven (47) County Assemblies in Kenya established under Article 176 (1) of the Constitution of Kenya. As contemplated by Article 177, the Assembly consists of 30 members elected by registered voters of the Wards on the same day as a general election of Members of Parliament, each Ward constituting a single member constituency. The Assembly further consists of 18 special seat members to ensure that 2/3 gender, marginalised and people living with disability are represented as envisaged in the constitution

County Assembly of Makueni approved FY 2022/2023 budget was Ksh. 955,775,127.80 which comprised of Kshs.915,541,316.00 and Kshs. 40,233,811.80 for Recurrent and Development activities respectively.

As at 30<sup>th</sup> June 2023, the County Assembly of Makueni had received Ksh. 935,101,972 from the County Revenue Fund against its approved budget of Ksh. 955,775,127.80 hence a budgetary limitation.

Major plans which were accomplished in the FY 2022/2023 are finishing and furnishing the waiting bay, installing new CCTVs in the assembly and drilling a bore hole. commissioning of the strategic plan, formulation and establishment of all key policies and procedure manuals, formulate a robust risk management framework, institutionalizing performance management, and staff capacity building.

**Sign**

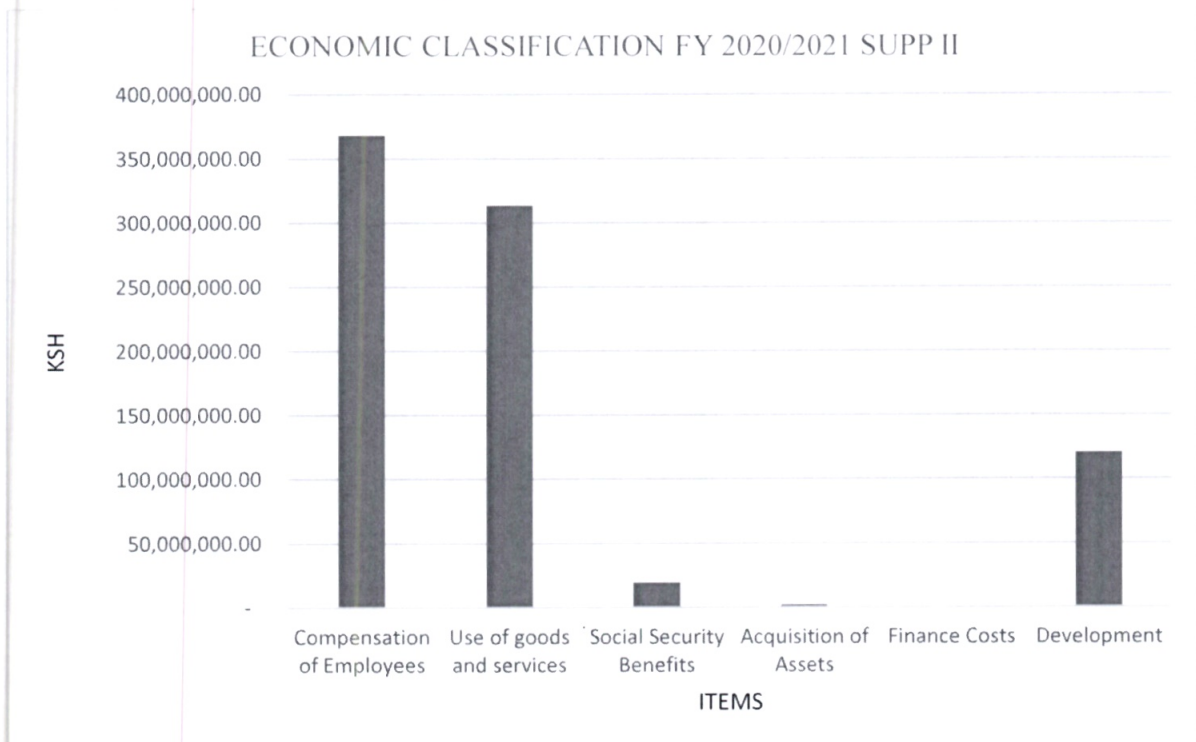


**Clerk of the County Assembly**

**Count Government of Makueni**  
**Makueni County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**(i) Budget performance**

The budget in operation as at 30<sup>th</sup> June 2023 was FY 2022/2023 Supplementary budget II, which was approved on 28<sup>th</sup> June 2022. The total supplementary budget was Ksh.955,775,127.80 which comprised of Ksh. 915,541,316.00 for Recurrent and Ksh. 40,233,811.80 for Development. The recurrent Budget was comprised of Kshs.374,907,829 for Compensation to employees, Kshs 540,643,847 which was for use of goods, social security benefits and finance costs



**Budget absorption rate**

Further analysis of the budget performance indicated that compensation to employees had 99.8% absorption rate, Use of Goods and Services had 99.9% absorption rate and development had 48 % absorption rate. The total budget absorption rate was 98.0%.

**TABLE 1: BUDGET ABSORPTION RATE**

No.	Classification	Approved Budget (Ksh.)	Budget expenditure (Ksh.)	Budget absorption rate %
1	compensation to employees	374,907,829	373,648,801	99.8
2	Use of Goods and Services	540,633,487	540,732,599	100
5	Development	40,233,812	18,880,044	47.8
	<b>Total</b>	<b>955,775,128</b>	<b>933,261,444</b>	<b>98</b>

**(ii) Operational Performance.**

**A) Laws and policies passed during the year**

ANO.	LEGISLATION	DATE APPROVED	EXPECTED IMPACT
1.	The Makueni County Supplementary Appropriation Bill, 2022	9 <sup>th</sup> November, 2022	To authorize the revision of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 <sup>th</sup> June, 2023, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.
2.	The Makueni County Climate Change Bill, 2022	6 <sup>th</sup> December, 2022	a) To put in place the framework and mechanisms for mobilization and facilitation of the county government, communities and other stakeholders to respond effectively to climate change through appropriate adaption and mitigation measures and actions. b) To enhance climate resilience through development, management, implementation,

**County Government of Makueni**  
**Makueni County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>ANO.</b>	<b>LEGISLATION</b>	<b>DATE APPROVED</b>	<b>EXPECTED IMPACT</b>
			regulation and monitoring of adaptation and mitigation measures and actions.
3.	The Makueni County Finance Bill, 2022	6 <sup>th</sup> December, 2022	To provide for the imposition of fees, charges, licenses, rents or rates for services pursuant to Article 209 and 210 of the Constitution of Kenya, 2010.
4.	The Makueni county Supplementary Appropriation Bill, 2023	30 <sup>th</sup> March, 2023	To authorize the revision of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 <sup>th</sup> June, 2023, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.
5.	The Makueni county Appropriation Bill, 2023	29 <sup>th</sup> June, 2023	To authorize the issue of a sum of money out of the County Revenue Fund and its application towards the service for the year ending on the 30 <sup>th</sup> June, 2024, and to appropriate that sum and a sum voted on account by the County Assembly for certain public services and purposes.

**b) BUDGET APPROVAL PROCESS**

The County Assembly's FY 2022/23 budget estimates and the supplementary budgets for the FY 2022/2023 were approved pursuant to the provisions of Sections (130) & (131) and Section (135) of the Public Finance Management Act, 2012 respectively as read together with the County Assembly Standing Order No. (237)

Tabulated below is a chronological procedure used to approve the FY 2022/2023 Supplementary Budgets and the FY 2022/2023 Budget Estimates.

*County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

<b>2022/23 SUPPLEMENTARY BUDGET I AND APPROPRIATION BILL 2022</b>			
<b>Paper Laid</b>	<b>Public Participation</b>	<b>Reporting</b>	<b>Appropriation Bill</b>
<p>-Supplementary Budget Laid by the Majority Leader on 2<sup>nd</sup> November, 2022.</p> <p>-Committed to the Sectoral Committees to report to the Budget Committee within 21 days</p>	<p>Public Participation conducted between 3<sup>rd</sup> and 9<sup>th</sup> November, 2022</p>	<p>Report of the Budget Committee tabled on 10<sup>th</sup> November, 2022 and approved.</p> <p>All legislative procedures were adhered to.</p>	<p>-1<sup>st</sup> Reading Done on 11<sup>th</sup> November, 2022 and committed to the Budget Committee</p> <p>-Waiving Publication period done on 11/11/2022</p> <p>-Reporting Done</p> <p>-2<sup>nd</sup> reading done on 11/11/2022</p> <p>-Committee of the Whole done on 11/11/2022</p> <p>-3<sup>rd</sup> Reading Done on 11/11/2022</p> <p>-Vellum copy forwarded to the Governor for Assent</p>

2022 SUPPLEMENTARY BUDGET II AND APPROPRIATION BILL 2022			
Paper Laid	Public Participation	Reporting	Appropriation Bill
-Supplementary Budget Laid by the Majority Leader on 19 <sup>th</sup> March, 2023. - Committed to the Sectoral Committees to report to the Budget Committee within 21 days.	Public Participation conducted between 20 <sup>th</sup> and 23 <sup>rd</sup> March, 2023	Report of the Budget Committee tabled on 24 <sup>th</sup> March, 2023 and approved. All legislative procedures were adhered to.	-1 <sup>st</sup> Reading Done on 25 <sup>th</sup> March, 2023 and committed to the Budget Committee -Waiving Publication period done on 25/03/2023 -Reporting Done -2 <sup>nd</sup> reading done on 25/03/2022 -Committee of the Whole done on 25/03/2022 -3 <sup>rd</sup> Reading Done on 25/03/2022 -Vellum copy forwarded to the Governor for Assent

### **C)The Committees of the Assembly**

Committees in the Assembly are smaller units or groups of Members of the County Assembly that allow the Assembly to perform several functions simultaneously, and provides the opportunity for more detailed investigation and discussions before findings and outcomes of these Committee meetings are presented as Committee Reports to the broader group for debate and adoption.

The general roles of Committees in the Assembly are-

- i. Oversight on the Executive
- ii. Initiating legislative proposals
- iii. Scrutiny of legislative proposals and Bills
- iv. Conducting investigations and reporting to the plenary for action
- v. Reviewing and approving the budget and expenditure

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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- vi. Auditing accounts of government and public agencies
- vii. Housekeeping, including orderly management of the business of the House
- viii. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments
- ix. To vet and report on appointments where the Constitution or any law requires the Assembly to approve

There are six types of Committees in the County Assembly of Makueni.

These include;

- i. Committee of the whole House
- ii. Housekeeping Committees
- iii. Investigatory/watchdog Committees;
- iv. Other Select Committees Committees
- v. Sectoral/departmental Committees
- vi. Adhoc Select Committees;

**D)Highlight on Committee Services Department successes over period under review.**

Committees are one of the greatest resources of the Assembly and conduct a wide-range of inquiries into policy issues and Government decisions. During the Sittings of Select Committees during the period committees undertook the following;

- i) Members of the County Assembly processed evidence from County Government Executive Committee Members, experts, relevant stake holders, the public and the relevant organizations. (168 reports)
- ii) Members of the County Assembly scrutinized the work of individual Government Departments; (33 - Departmental reports)
- iii) Members of the County Assembly invited and summed witnesses during inquiries. (4 - PIAC Reports)
- iv) vetting of nominees to public office (3 – Reports)
- v) Initiation of legislation and formulation of policies. (Bill trackers)

The operations of the Committees are under the direct supervision of the Liaison Committee. Staff of the Committee Services Department provide support for Committees. The Clerk of th Assembly is the head of all Committee clerks and is assisted by the Deputy Clerk and other Clerks Assistants.

The role of Committee clerks during the period under review was to:

- i. Make all administrative arrangements for meetings, public hearings, and visits;
- ii. Prepare briefing materials for the committee.
- iii. Liaise closely with Members, government departments, and other institutions, including the Auditor General, the Controller of Budget, among others, and the public to ensure the effective inquiry of matters and the timely presentation of reports to the House.
- iv. Write Committee minutes during meetings.
- v. Ensure that Committee documents are properly filed and kept
- vi. Draft Committee reports, background position papers on enquiries and briefing papers, and preparing committee documents for debate and/or adoption in the House.
- vii. Provide information, advice and executive support to Assembly committees
- viii. Provide procedural and other advice to Committee Chairs and Members. The advice covers a wide range of issues including parliamentary privilege, Committee powers and statutory interpretation.
- ix. Assist and enhance Members' roles and contributions as Committee Members and Chairs;
- x. Facilitate public sector and community awareness of, and involvement in, Committee work
- xi. Provide independent research, drafting and impartial procedural support to committees.
- xii. Administration of oath to witnesses and maintaining the list of witnesses.
- xiii. Tracking and the implementation of the decisions of the Committee.
- xiv. Consult and review with the chair on regular basis the committees programme among others

#### **Oversight role of the County Assembly**

A County Assembly, while respecting the principle of the separation of powers, may exercise oversight role over the County Executive Committee and any other county executive organ(s) pursuant to Article 185 (3) of the Constitution. The Assembly may receive and approve plans and policies for the management and exploitation of the county's resources as well as for the development and management of its infrastructure and institutions pursuant to Section (4) of the same Article.

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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Notwithstanding the oversight role undertaken by various committees the County Assembly (Whole-House) undertook oversight over the County Executive Departments as follows:-

**i) Oversight on County Technical Training Institutes**

The objectives of the exercise are as follows:-

1. Establish the student's population and staffing in the CTTI.
2. Review the curriculum offered and whether the institution gets capitation for the students.
3. Establish the state of infrastructure within the institutions.
4. Establish if the institutions are connected to electricity and have stand by generators.
5. Establish whether there are conflicts arising from land ownership issues.
6. Establish whether the institution has schemes of service for the staff, what are the requirements for one to be a manager.
7. Review the establishment and operationalization of the Board of management:-
  - i. What is the tenure of the BOM?
  - ii. What is the process of renewal of the BOM and was the process followed in the current board?
  - iii. When was the appointment date of the current board and when does it expire?

**a. Performance of key development projects**

**a)Key Projects Narrative**

The county assembly has been implementing projects in every financial year since the year 2014. Various key projects have been implemented for enhancing smooth and efficiency operations of the Assembly namely;

**I. Construction of the new chamber.**

The County Assembly new Chamber was constructed in the FY2017/2018 with the objective of creating more space for Hon. Members for plenary sittings while in Assembly sessions. This was done after the old chamber was burnt down, the objective being to Improve working environment.

**II. Construction of the new office block A.**

The new office block was constructed in the FY 2015/2016 with a target of creating more office space for the Hon. Members and staff to operate in in requirement of HOSHA requirements. The first phase of the building is Complete and in in use.

**III. Landscaping and cabro works.**

This project was implemented in the FY2018/2019 and its objective was to create more parking slots and improve physical appearance of the County Assembly.

**IV. Construction of speaker's residence and staff quarters.**

The main objective for constructing the Speaker's residence was to reduce the wage bill and to effect smooth operations of the Speaker and his staff in line with the advisory from the salaries and remuneration commission. The project was done in the FY 2016/2017. Increased convenience has been noted.

**V. Construction of cafeteria**

This project was initiated in the FY2015/2016 with objective of improving county assembly operations in terms of hospitality. The facility became operational in the FY2021/2022. Since then, staff and Hon. Members have had ease in having meals close to the office hence no time wastage. This has also reduced the Exposure of Members to COVID-19 Pandemic.

**VI. Construction of prefabs block**

The main reason for this project which was done in the FY 2014/2015 was to create temporal space as the Assembly waited for construction and furnishing of the new office block. Even though its purpose was temporal but today it is still in use thus no wastage of resources.

**VII. Construction of elevated steel water tank**

The project was done in the FY2020/2021. Its purpose is to curb water shortages in the Assembly. It is operational and in good condition.

**VIII. Construction of Waiting Bay**

This project was initiated in the FY 2020/2021 to create space for visitors and committee meetings. Construction is complete awaiting equipping and commissioning for use.

**IX. Installation of Hansard systems**

The project was done in the FY2020/2021. The main objective for the hansard system was to improve hansard production regarding committee and plenary sittings in the Assembly. It was also meant to improve effective proceedings during plenary and committee sittings.

**X. Construction of new office block B**

Phase one of the project was budgeted in the FY 2020/2021. The construction of new office block B was initiated to create more working space for the staff members. This was completed but more funding is needed for finishing and furnishing.

**XI Furnishing the waiting bay**

The project was done in the FY 2022/2023. The waiting bay was built in the year 2020. the furnishing of the waiting bay was initiated to create more space for visitors visiting the county assembly.

## **XII Installation of new CCTVS**

The project was done in the FY 2022/23. This project was initiated to enhance security in the county assembly precincts.

## **XIII Drilling of borehole**

This project was done in the financial year 2022/23 in the assembly compound and the major aim was to provide sufficient water in the assembly following frequent water rationing from the water company.

### **Key development projects included in financial year 2022/23 procurement plan**

#### **a) Car shades**

The car shades is a project aimed at increasing the parking space in the assembly compound. Once completed, it will provide convenience of parking to the honorable members and the staff of makueni county ty assembly

#### **b) Finishing and equipping the new office block**

Equipping and finishing of the new office block is was a project for the financial year 2022/23. Once the project is complete, it will provide a conducive environment for the staff of makueni county assembly to work from

#### **b) Efforts to ensure responsible competition**

- The Makueni county Assembly uses open tender or request for quotations in procuring their services and goods thus making the process to be free and participatory by all citizens
- Introduction of the E-procurement system in procurement process starting with evaluation to award using the IFMIS system.
- The formation of a Corruption Committee and training of the same by EACC officers on the mandate which will help in corruption prevention in the Assembly operations.
- -Continued registration of suppliers during the FY and quotations given on rotational basis.
- Tenders are advertised online for transparency
- Payment of suppliers are done on a FIFO basis.

### **2.1 Comment on value-for-money achievements**

The County assembly absorption of the recurrent budget by 99% and Development budget by 48% as at the end of the year and through this facilitated the general function of the Assembly in achieving its mandate.

The County Assembly during the FY approved policies, which directly improved the welfare citizens of the County.

-Makueni county assembly engaged in football tournaments and ligi mashinani with the locals.

**Challenges and Recommended Way Forward**

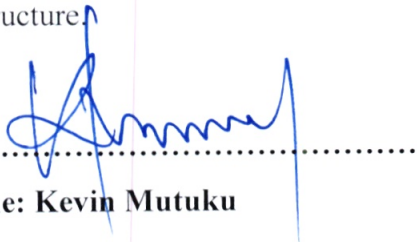
-Delay in funds disbursements from the National Government, which led to the Assemblies Operations being paralysed affecting its oversight role.

-Lack of County Assembly autonomy in fiscal management in of its resources. The long process by the Assembly to access funds through the County Treasury by the Controller of Budget affected operations of the Assembly.

-Political interference affecting operations this need to be addressed by separating the two arms of the Government for the Assembly to perform better oversight roles.

-Lack of resources. This has led to lack of trainings and promotion of staff due to budget ceilings.

-Staffing challenge due to CRA ceilings. The ceilings for the Assembly of 100 staff need to be addressed and increased to align the number with the Staff establishment and organizational structure.



**Name: Kevin Mutuku**

**Clerk of the County Assembly**

*County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**5. Statement Of Performance Against County Assembly Predetermined Objectives**

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

**Strategic development objectives**

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

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	8 bills passed in the County Assembly	In FY 2022/2023 MCA were trained on capacity building
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	70%increase in efficient Assembly operation	8 standing orders were reviewed
<b>Program 2</b>	E professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	4bills passed in the County Assembly	MCA were trained on capacity building

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

Makueni 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 three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

**a) Sustainability strategy and profile –**

To achieve Corporate Social Responsibility (CSR) this goal and shape, the Assembly Accounting Officer incentives in the intended direction requires substantial investments in the enforcement infrastructure and in human expertise which are in place in the Assembly.

**b) Environmental performance**

The Makueni County Environment and Climate Change Policy which was approved on 6<sup>th</sup> April, 2022. Provides for a legal framework to facilitate a coordinated, coherent and effective response to the local, national and global challenges and opportunities presented by climate change. An overarching mainstreaming approach has been adopted to ensure the integration of climate change considerations into development planning, budgeting and implementation in all sectors and at all levels of government. This Policy therefore aims to enhance adaptive capacity and build resilience to climate variability and change, while promoting a low carbon development pathway

**c) Employee welfare**

Makueni County Assembly is an equal employer which considers gender ratio while hiring. The institution has been approved and adopted the HR policy; Gender policy 2020 has also been adopted and approved.

**d) Market place practices-**

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

Makueni County Assembly strictly adheres to the laid down procedures of procurement strictly using the IFMIS. The Assembly pays their contractors in time.

**b) Responsible ethical practices-**

Marketing and advertisement-Makueni County Assembly advertises their contracts on the widely supplies daily newspapers to give members of the public a fair chance to apply

**c) Stewardship of goods and services**

Product stewardship- consumer rights are kept confidential and all data and payment details are stored safely.

**e) Community Engagements**

Makueni county assembly staff engages in charitable events and welfare. During the Financial year 2022/23, the Institution participated in the following events:

- *Ligi Mashinani*

*The Makueni Volleyball team engaged teams from the county in competition and awareness on what the Assembly does on oversight activities done by the Institution*



- *Sports day*

*The institution organised a sports day which involved various players from other institutions in the Assembly grounds. This helped in team building among the staff and Hon Members*



## **7.Statement Of Management Responsibilities**

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

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

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

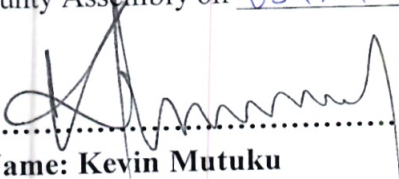
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended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

*County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 05/12/2023 2023.



.....  
Name: Kevin Mutuku

**Clerk of the County Assembly**

# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MAKUENI FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 the County Assembly of Makueni set out on pages 1 to 35 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

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Makueni 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The financial statements reflect balances that were at variance with the Integrated Financial Management Information System (IFMIS) balances as summarized below:

<b>Item</b>	<b>Financial Statements (Kshs)</b>	<b>IFMIS Trial Balance (Kshs)</b>	<b>Variance (Kshs)</b>
Cash and Cash Equivalents	11,630,893	(545,789,398)	557,420,291
Accounts Receivable	-	(28,338,255)	28,338,255
Accounts Payables – Deposits	9,477,191	64,231,163.60	54,753,972.60
Fund Balance b/fwd	313,175	- 640,199,345	640,512,520

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

### **2. Misclassification of Expenditure on Acquisition of Assets**

The statement of receipts and payments reflects acquisition of assets amount of Kshs.35,660,804 and as disclosed in Note 10 to the financial statements. Included in the amount is expenditure on construction and civil works of Kshs.18,880,044. Review of the supporting documents revealed that the amount includes expenditure on consultancy services for the development of the County Assembly Strategic Plan 2020-2025, of Kshs.1,955,760 that was charged to acquisition of assets instead of use of goods and services.

In the circumstances, the acquisition of assets amount of Kshs.35,660,804 for the year ended 30 June, 2023 is overstated by Kshs.1,955,760.

### **3. Inaccuracy in Finance Costs**

The statement of receipts and payments reflects finance costs of Kshs.1,884,331, as disclosed in Note 11 to the financial statements. Review of supporting documents revealed that the bank charges included penalty charges by the bank for late settlement

of overdrafts of Kshs.1,064,628. However, penalty charges for late settlement of overdrafts during the period amounted to Kshs.2,124,827, indicative of an understatement of Kshs.1,060,199.

In the circumstances, the accuracy and completeness of the reported finance costs of Kshs.1,884,331 for the year ended 30 June, 2023 could not be confirmed.

#### **4. Double Compensation on Transportation Expenses to Members of County Assembly (MCAs)**

As previously reported, the statement of receipts and payments reflects comparative compensation of employees' expenditure amounting to Kshs.342,548,100. This amount includes Kshs.143,631,047 under personal allowances paid as part of salary that further includes Kshs.21,111,448 and Kshs.2,124,601 for transport allowance and mileage allowance respectively for Members of the County Assembly (MCAs). However, the review of the vehicle records revealed that three (3) MCAs had also been allocated personal vehicles fully maintained and fueled by the County Assembly which would amount to double compensation on transport expenses.

In the circumstances, the completeness and propriety of the comparative compensation of employees' expenditure amounting to Kshs.342,548,100 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 Makueni Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of Matter**

##### **Pending Bills**

Other important disclosures, pending accounts payables discloses pending bills of Kshs.6,274,494 as at 30 June, 2023. Management has not explained why the bills were not settled during the year when they occurred.

Failure to settle bills during the year to which they relate adversely affects the budgetary provisions of the subsequent year to which they are charged as they form a first charge.

My opinion is not modified in respect of this matter.

#### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. Management had however, not resolved the issues or given any explanation for failure to implement the recommendations as at 30 June, 2023.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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. Non-Compliance with Law on Development Expenditure Threshold**

The statement of comparison of budget and actual amounts reflects total actual expenditure of Kshs.933,261,455 comprising of recurrent and development expenditure of Kshs.914,381,401 and Kshs.18,880,044 respectively. The development expenditure accounted for 2% of the total expenditure which is below the 30% threshold stipulated by Section 25(1) (g) of the Public Finance Management (County Governments) Regulations, 2015.

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

#### **2. Non-Compliance with Law on Domestic Travel and Subsistence Allowances**

Note 5 to the financial statements discloses domestic travel and subsistence allowances of Kshs.72,896,888. The amount includes per diem allowances totalling Kshs.18,678,325 paid to Members of the County Assembly and other members of staff for travels outside the County to transact Assembly business that would ordinarily be carried out in the offices, contrary to Regulation 42(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which requires an Accounting Officer to ensure that public funds entrusted to their care are properly safeguarded and are applied for purposes for only which they were intended and appropriated by the County Assembly

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

#### **3. Failure to Comply with the Ceiling for Ward Operation Costs**

Note 5 to the financial statements also discloses other operating expenses amount of Kshs.134,352,072. The operating expenses includes Kshs.52,925,580 on account of

ward operation cost for forty-eight (48) ward offices excluding rent. The expenditure, however, exceeds the ceiling of Kshs.15,728,832 stipulated in the Commission of Revenue Allocation (CRA) Circular no. CRA/CSO/CMG/9/VOL.V(43) dated 3 August, 2020 on Advisory of Ward Offices Operation Costs.

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

#### **4. Irregular Oversight and Public Participation Expenses**

The statement of receipts and payments reflects use of goods and services amount of Kshs.381,390,355. Included in the amount is other operating expenses of Kshs.134,352,072 which further includes Kshs.20,604,600 and Kshs.33,635,250 both totalling Kshs.54,239,850 incurred on oversight and public participation activities respectively.

The amount is total payments made to elected MCAs at a rate of between Kshs.50,000 and Kshs.70,000 each for facilitation during public participation and oversight activity respectively. The rates applied are however not approved in the SRC Gazette notice on remuneration and benefits for state officers in the County Assembly dated 9 August, 2022, covering financial years 2021/2022 to 2024/2025. Further, each participating MCA was paid transport facilitation of Kshs.6,000 per day regardless of the distance covered.

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

#### **5. Irregular Payments to Devolution Forums**

The statement of receipts and payments reflects use of goods and services amount of Kshs.381,390,355. Included in the amount is other operating expenses of Kshs.134,352,072. The operating expenses includes Kshs.2,500,000 and Kshs.750,000 paid to the County Assembly Forum and Society of Clerks at the Table respectively. The operational expenses for the structures and institutions established under Intergovernmental Relations Act, 2012, are however supposed to be provided for in the annual estimates of the revenue and expenditure of the National Government.

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

In the circumstances, Management did not get assurance on effectiveness of the operation and necessary policy direction from the Audit Committee.

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

#### **6. Irregular Ward Lease Agreements**

As previously reported, the statement of receipts and payments and Note 5 to the financial statements of 2021/2022 reflects use of goods and services expenditure totalling Kshs.365,352,090 which includes an amount of Kshs.3,206,500 in respect of rentals of produced assets.

Review of the rental leasehold agreements revealed that the Ward lease agreements were entered into between the Ward representatives (lessee) and the landlord (lessor)

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

instead of between the County Assembly of Makueni and the Landlord. Further, the lease agreement documents prepared were not signed or endorsed by an Advocate of the High Court or County Assembly head of legal services to validate the agreement. In addition, the agreements were not adequately supported with copies of title deeds for the landlords to show ownership of the land, registration of the land to be leased and the ownership of the building that is being leased, or part thereof.

In the circumstances, the validity and regularity of lease agreements of Ward offices could not be confirmed.

## **7. Non-Compliance with Human Resource Regulations and Policies**

### **7.1. Failure to Meet Recruitment Thresholds for Persons with Disabilities**

During the year under review, the County Assembly recruited twenty-one (21) employees to the exclusion of any person living with disability. This is contrary to the provisions of Section 2.3 (1) of the Makueni County Assembly Human Resource Manual which requires the Assembly to promote equality of opportunity without discrimination in employment. No explanation was provided for the anomaly.

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

### **7.2. Non-Adherence to Ethnic Diversity Provisions**

Review of IPPD payroll for June, 2023 revealed that the County Assembly had a total of one hundred and fifty-six (156) employees out of which one hundred and forty-nine (149) or 95.5% were from the local dominant community. In addition, the County Assembly recruited twenty-one (21) employees during the year, all from the local dominant ethnic community. As a consequence, Management is not making effort to bridge the existing ethnicity gap in contravention of Section 65 (1)(e) of the County Government Act, 2012.

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

### **7.3. Failure to Adhere to Probation Terms of Service**

Review of the Integrated Personnel Payroll Database (IPPD) records revealed that the County Assembly had a total of one hundred and fifty-six (156) employees as at 30 June, 2023 out of which ten (10) were serving on probation terms. It was however, noted that the employees had worked for periods ranging from twelve (12) months to ten years contrary to the provisions of Section 3.1 of Makueni County Assembly Human Resource Manual on appointment of staff on probation and pensionable terms.

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

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. Weaknesses in Imprests Management

The statement of receipts and payments reflects use of goods and services amount of Kshs.381,390,355. Included in the amount is domestic travel and subsistence allowances expenditure of Kshs.72,896,888 as disclosed in Note 5 to the financial statements.

Review of supporting documents revealed that the County Assembly incurred expenditure of Kshs.64,699,865 through refunds for daily subsistence allowances to employees. The officers did not apply for imprests through imprest warrants. In addition, the imprest register maintained by the Assembly did not reflect the date the imprest was issued, its purpose, amount surrendered and balance outstanding. This contravenes the provisions of Regulations 91(2) and 93(4) of the Public Finance Management (County Governments) Regulations, 2015 which require proper accountability for imprests.

In the circumstances, the internal controls for imprests management are weak.

#### 2. Use of Manual Payroll

Review of payroll records provided for audit revealed that the County Assembly operated two payroll systems that is; a manual (excel format) payroll system and the Integrated Personnel and Payroll Database (IPPD) system. Out of the total compensation of employees of Kshs.373,648,801, an amount of Kshs.31,908,185 was reported through the manual payroll system. The use of the manual system involves manual calculations of deductions to arrive at net monthly pay, and constant updates of the data, which makes it prone to human errors.

In the circumstances, there are weak internal controls on management of personnel emoluments.

#### 3. Lack of an Audit Committee

Review of the operations and structures of the Assembly revealed that the Assembly operated without an audit committee during the year under review. The previous

committee members tenure had expired having been appointed on 1 January, 2019 for three (3) years.

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Assembly's ability to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the County Assembly or to cease 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 County Assembly's policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the County Assembly's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to sustain its services.

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

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

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

**08 February, 2024**

9. Statement of Receipts and Payments for The Year Ended 30<sup>th</sup> June 2023

		30-Jun-23	2021/2022
	Note	Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from the County Treasury/Exchequer Releases	1	935,101,972	745,814,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>935,101,972</b>	<b>745,814,186</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	373,648,801	342,548,099
Use of goods and services	5	381,390,355	365,352,088
Subsidies	6	-	-
Transfers to Other Government Entities	7	99,791,531	-
Other grants and transfers	8	-	-
Social Security Benefits	9	40,885,622	19,523,535
Acquisition of Assets	10	35,660,804	17,175,276
Finance Costs	11	1,884,331	2,769,366
Other Payments	12	-	-
<b>TOTAL PAYMENTS</b>		<b>933,261,445</b>	<b>747,368,364</b>
<b>SURPLUS/DEFICIT</b>		<b>1,840,527</b>	<b>- 1,554,178</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08/12 2023 and signed by:

.....  
Name: Kevin Mutuku  
Clerk of the Assembly

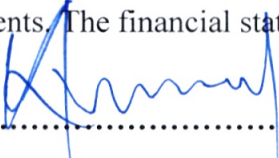
.....  
Name: Francis Nzyoka  
Director – Financial Services  
ICPAK Member Number:13020


County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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

	Note	30-Jun-23	2021/2022
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	13A	11,630,893	8,439,159
Cash Balances	13B	-	-
<b>Total Cash and cash equivalent</b>		<b>11,630,893</b>	<b>8,439,159</b>
Accounts receivables	14	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>11,630,893</b>	<b>8,439,159</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	15	9,477,191	8,125,985
<b>NET FINANCIAL ASSETS</b>		<b>2,153,702</b>	<b>313,175</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	16	313,175	1,867,354
Prior year adjustment	17		-
Surplus/Deficit for the year		1,840,527	- 1,554,180
<b>NET FINANCIAL POSITION</b>		<b>2,153,702</b>	<b>313,174</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08/12 2023 and signed by:

  
.....  
**Name: Kevin Mutuku**  
**Clerk of the Assembly**

  
.....  
**Name: Francis Nzyoka**  
**Director – Financial Services**  
**ICPAK Member Number:13020**

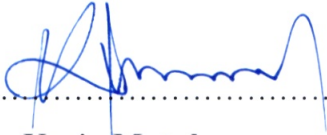
**11. Statement Of Cash Flows for The Period Ended 30<sup>th</sup> June 2023**

	Note	30-Jun-23	2021/2022
		KShs	KShs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfers from the County Treasury/Exchequer Releases	1	935,101,972	745,814,186
Other Receipts	3	-	-
		<b>935,101,972</b>	<b>745,814,186</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	373,648,801	342,548,099
Use of goods and services	5	381,390,355	365,352,089
Subsidies	6	-	-
Transfers to Other Government Entities	7	99,791,531	-
Other grants and transfers	8	-	-
Social Security Benefits	9	40,885,622	19,523,535.39
Finance Costs	11	1,884,331	2,769,366
Other Payments	12	-	-
		<b>897,600,641</b>	<b>730,193,089</b>
<b>Adjusted for:</b>			
Prior year adjustment	17		-
Decrease/(Increase) in Accounts receivable:	18	-	-
Increase/(Decrease) in Accounts Payable:	19	1,351,207	308,488
		1,351,207	308,488
<b>Net cash flow from operating activities</b>		<b>38,852,538</b>	<b>15,929,585</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	10	35,660,804	17,175,276
<b>Net cash flows from Investing Activities</b>		<b>(35,660,804)</b>	<b>(17,175,276)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		3,191,734	(1,245,691)
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>8,439,160</b>	<b>9,684,851.55</b>
<b>Cash and cash equivalent at END of the year</b>		<b>11,630,894</b>	<b>8,439,160</b>

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 08/12/2023 and signed by:



.....  
**Name: Kevin Mutuku**  
**Clerk of the Assembly**



.....  
**Name: Francis Nzyoka**  
**Director- Financial Services**  
**ICPAK Member Number 13020**

County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
<b>RECEIPTS</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>%</b>
Transfers from the County Treasury/Exchequer Releases	955,775,128	-	955,775,128	935,101,972	20,673,156	98%
Other Receipts	-	-	-	-	-	0%
<b>TOTAL</b>	<b>955,775,128</b>	<b>-</b>	<b>955,775,128</b>	<b>935,101,972</b>	<b>20,673,156</b>	<b>98%</b>
<b>PAYMENTS</b>						
Compensation of Employees	374,808,717	-	374,808,717	373,648,801	1,159,915	100%
Use of goods and services	381,390,355	-	381,390,355	381,390,355	0	100%
Transfers to Other Government Entities	99,791,531	-	99,791,531	99,791,531	-	0%
Social Security Benefits	40,885,622	-	40,885,622	40,885,622	-	100%
Acquisition of Assets	57,014,572	-	57,014,572	35,660,804	21,353,768	63%
Finance Costs	1,884,331	-	1,884,331	1,884,331	-	100%
<b>TOTAL</b>	<b>955,775,128</b>	<b>-</b>	<b>955,775,128</b>	<b>933,261,445</b>	<b>22,513,683</b>	<b>98%</b>
<b>SURPLUS/ DEFICIT</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>1,840,527</b>	<b>- 1,840,528</b>	<b>0%</b>

The entity financial statements were approved on 08/12/ 2023 and signed by:

Name: Kevin Mutuku  
Clerk of the Assembly

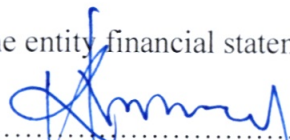
Name: Francis Nzyoka  
Director- Financial Services  
ICPAK Member Number:13020


County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
<b>RECEIPTS</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>%</b>
Transfers from the County Treasury/ Exchequer Releases	915,541,316	-	915,541,316	914,919,685	621,631	100%
Other Receipts	-	-	-	-	-	0%
<b>TOTAL</b>	<b>915,541,316.00</b>	<b>-</b>	<b>915,541,316.00</b>	<b>914,919,685</b>	<b>621,631</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	374,808,717	0.00	374,808,717	373,648,801.42	1,159,915	100%
Use of goods and services	381,390,355	0.00	381,390,355	381,390,354.71	0	100%
Transfers to Other Government Entities	99,791,531		99,791,531	99,791,531	-	0%
Social Security Benefits	40,885,622	0.00	40,885,622	40,885,622.31	-	100%
Acquisition of Assets	16,780,760	0.00	16,780,760	16,780,760.09	-	100%
Finance Costs	1,884,331		1,884,331	1,884,331.10	-	100%
<b>TOTAL</b>	<b>915,541,316</b>	<b>-</b>	<b>915,541,316</b>	<b>914,381,401</b>	<b>1,159,916</b>	<b>100%</b>
<b>SURPLUS/ DEFICIT</b>	<b>- 0</b>	<b>- -</b>	<b>0</b>	<b>538,284</b>	<b>- 538,285</b>	<b>0%</b>

The entity financial statements were approved on 28/12 2023 and signed by:

  
Name: Kevin Mutuku  
Clerk of the Assembly

  
Name: Francis Nzyoka  
Director- Financial Services  
ICPAK Member Number:13020

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
<b>RECEIPTS</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>%</b>
Transfers from the County Treasury/ Exchequer Releases	40,233,812	-	40,233,812	20,182,287	20,051,525	50%
<b>TOTAL</b>	<b>40,233,812</b>	<b>-</b>	<b>40,233,812</b>	<b>20,182,287</b>	<b>20,051,525</b>	<b>50%</b>
<b>PAYMENTS</b>						
Acquisition of Assets	40,233,812	-	40,233,812	18,880,044	21,353,768	47%
<b>TOTAL</b>	<b>40,233,812</b>	<b>-</b>	<b>40,233,811.80</b>	<b>18,880,044</b>	<b>21,353,768</b>	<b>47%</b>
<b>SURPLUS/ DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,302,243</b>	<b>- 1,302,243</b>	<b>47%</b>

**Explanation on Underutilization. (below 90%)**

The Makueni County Assembly was not able to absorb 90% of the development budget due to delays with the contractors completing their work in time. During the year under review, Makueni county Assembly was able to pay for the work done.

The entity financial statements were approved on 08/12 2023 and signed by:

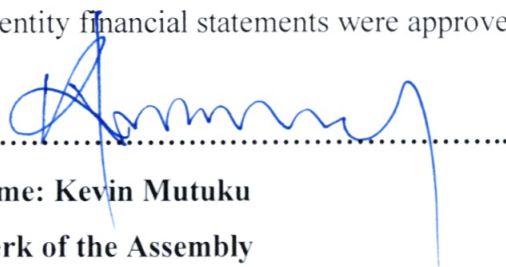
.....  
**Name: Kevin Mutuku**  
**Clerk of the Assembly**


.....  
**Name: Francis Nzyoka**  
**Director- Financial Services**  
**ICPAK Member Number:13020**

13. Budget Execution by Programmes And Sub-Programmes

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
	KShs	KShs	KShs	KShs	KShs	%
<b>Program me 1</b>						
Sub programme 1	374,808,717	-	374,808,717	373,648,801	1,159,915	100%
Sub programme 2	381,390,355	-	381,390,355	381,390,355	0	100%
<b>Programme 2</b>						
Sub programme 1	99,791,531	-	99,791,531	99,791,531	-	0%
Sub programme 2	40,885,622	-	40,885,622	40,885,622	-	100%
Sub programme 3	57,014,572	-	57,014,572	35,660,804	21,353,768	63%
Sub programme 4	1,884,331	-	1,884,331	1,884,331	-	100%
<b>TOTAL</b>	<b>955,775,128</b>	<b>-</b>	<b>955,775,128</b>	<b>933,261,445</b>	<b>22,513,683</b>	<b>98%</b>
<b>SURPLUS/ DEFICIT</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>1,840,527</b>	<b>- 1,840,528</b>	<b>0%</b>

The entity financial statements were approved on 08/12 2023 and signed by:

  
.....  
Name: Kevin Mutuku  
Clerk of the Assembly

  
.....  
Name: Francis Nzyoka  
Director- Financial Services  
ICPAK Member Number:13020

#### **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 Shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

##### **2. Reporting entity**

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

##### **3. Recognition of receipts and payments**

###### **a) Recognition of receipts**

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

**Significant Accounting Policies (Continued)**

**i) Transfers from the Exchequer/ County Treasury**

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

**ii) Other Receipts**

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

**b) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Acquisition of fixed assets**

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

## Significant Accounting Policies (Continued)

### 4. In-kind contributions

In-kind contributions are donations that are made to the Makueni 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 *makueni 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 supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

### 6. Cash and cash equivalents

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

### 7. Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30<sup>th</sup> June 2023, this amounted to Ksh 9,477,191 compared to ksh 8,125,985 in prior period as indicated on note 15. *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 Makueni 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 *Makueni* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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

### **12. Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

### **13. Contingent Assets**

The Makueni 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 28 June for the period 1<sup>st</sup> July 2022 to 30 June 2023 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County Executive's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

### **15. Comparative figures**

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

### **16. Subsequent events**

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

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

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

### **18. Related Party Transactions**

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

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

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

**15. Notes to the Financial Statements**

**1. Transfer From CRF**

	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Total Exchequer Releases for quarter 1	117,466,023	75,304,638
Total Exchequer Releases for quarter 2	217,170,830	254,424,205
Total Exchequer Releases for quarter 3	173,699,506	217,857,737
Total Exchequer Releases for quarter 4	426,765,613	198,227,606
Cumulative amount	<b>935,101,972</b>	<b>745,814,186</b>

**2. Proceeds From Sale of Assets**

	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from the Sale Plant Machinery and Equipment		
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from the Sale of Strategic Reserves Stocks		
Receipts from the Sale of Inventories, Stocks and Commodities		
Disposal and Sales of Non-Produced Assets		
<b>Total</b>		

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Notes to the Financial Statements**

**3. Miscellaneous receipts**

	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Insurance Recoveries		
Other receipts		
<b>Total</b>		

**4. Compensation Of Employees**

	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Basic salaries of permanent employees	151,095,990	155,879,762
Basic wages of temporary employees ward	30,379,073	27,727,374
Basic wages of Casual employees in assembly	1,529,112	1,411,662
Personal allowances paid as part of salary	176,447,132	142,219,385
Employer Contribution to compulsory National Social Schemes	864,583	214,600
Pension and other social security contributions	13,332,911	15,095,316
<b>Total</b>	<b>373,648,801</b>	<b>342,548,099</b>

Notes To The Financial Statements (Continued)

5. Use Of Goods And Services

	30-Jun-23	2021-2022
	KShs	KShs
Utilities, supplies and services	2,819,154	1,348,897
Communication, supplies and services	4,645,889	3,316,635
Domestic travel and subsistence	72,896,888	82,660,005
Foreign travel and subsistence	5,689,256	19,763,425
Printing, advertising and information supplies & services	3,827,922	2,765,441
Rentals of produced assets	3,671,500	3,206,500
Training expenses	15,894,361	3,063,875
Hospitality supplies and services	36,302,108	42,699,448
Insurance costs	31,936,676.00	31,232,455
Specialized materials and services	475,525	
Office and general supplies and services	10,523,573	7,610,258
Fuel, oil and lubricants	7,260,648	9,008,784
Other operating expenses	134,352,072	121,871,753
Other operating expenses Car reimbursement	43,941,073	30,000,000
Routine maintenance – vehicles and other transport equipment	4,858,830	4,357,332
Routine maintenance – other assets	2,294,880	2,447,280
<b>Total</b>	<b>381,390,355</b>	<b>365,352,088</b>

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Notes To The Financial Statements (Continued)**

**6. Subsidies**

<b>Description</b>	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Subsidies To County Corporations		
Subsidies To Private Enterprises		
<b>Total</b>		

**7. Transfers To Other Government Entities**

<b>Description</b>	<b>30-Jun-23</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transfers to national government entities</b>		
<b>Transfers to other county assembly entities</b>		
Car and mortgage fund	99,791,531.09	
Others (insert name of budget agency)		
<b>Total</b>	<b>99,791,531.09</b>	

Notes To The Financial Statements (Continued)

8. Other Grants And Transfers

	30-Jun-23	2021-2022
	Kshs	Kshs
Scholarships and other educational benefits		
Membership fees and dues and subscriptions to organizations		
Emergency relief and refugee assistance		
Subsidies to small businesses, cooperatives, and self employed		
<b>Total</b>		

9. Social Security Benefits

	30-Jun-23	2021-2022
	Kshs	Kshs
Government Pension and Retirement Benefits	40,885,622	19,523,535
Social Security Benefits		
Employer Social Benefits		
<b>Total</b>	40,885,622	19,523,535

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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**Notes To The Financial Statements (Continued)**

**10. Acquisition Of Assets**

	<b>30-Jun-23</b>	<b>2021-2022</b>
<b>Non- Financial Assets</b>	<b>KShs</b>	<b>KShs</b>
Construction and Civil Works	18,880,044	15,229,676
Purchase of Vehicles and Other Transport Equipment	9,160,000	-
Purchase of Household and Institutional Equipment/Mca tablet	5,112,610	960,000
Purchase of Office Furniture and General Equipment	2,508,150	985,600
Domestic lending and on lending(car and mortgage)		-
<b>Total acquisition of financial assets</b>	-	-
<b>Total</b>	<b>35,660,804</b>	<b>17,175,276</b>

Notes To The Financial Statements (Continued)

11. Finance Costs

	30 June 2023	2021-2022
	Ksh	KShs
Bank Charges	1,884,331	2,769,366
<b>Total</b>	1,884,331	2,769,366

**Explanation on finance cost**

This relates to bank charges

12. Other Payments

	30 June 2023	2021-2022
	Ksh	Ksh
Budget Reserves		
Civil Contingency Reserves		
Other Payments		
<b>Total</b>		

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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

**13. Cash And Bank Balances**

**13A. Bank Balances**

<b>Name Of Bank, Account Name &amp; Currency</b>	<b>Account Number</b>	<b>Indicate whether Rec, Dev, Depe.t.c</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
			<b>Ksh</b>	<b>Ksh</b>
<i>CBK AC NO</i>	<i>1000199199</i>	Development Acc	902,458.55	9654.00
<i>CBK AC NO</i>	<i>1000199188</i>	Recurrent Acc	1541.00	3691.20
<i>Cooperative bank ac</i>	<i>011415339155500</i>	Commercial Account	10,726,894	8425814
<b>Total</b>			<b>11,630,893</b>	<b>8439159.24</b>

**13B. Cash In Hand**

	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash In Hand – Held In Domestic Currency		
Cash In Hand – Held In Foreign Currency		
<b>Total</b>		

**Notes To The Financial Statements (Continued)**

Cash in hand should be analysed as follows:

<b>Description</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Location 1		
Location 2		
Location 3		
<b>Total</b>		

**14. Imprests and Advances**

<b>Description</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests		
Salary Advance		
Clearance accounts		
<b>Total</b>		

<b>Breakdown Of Imprest And Salary Advance Per Department</b>	<b>2022 - 2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Imprests</b>		
Department		
Department		
Department		
<b>Sub-Total</b>		
<b>Salary Advance</b>		
Department		
Department		
<b>Sub-Total</b>		
<b>Grand Total</b>		

Notes To the Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2022/23		2021/22	
	Ksh		Ksh	
Deposits				
Retentions	9,477,191		8,125,985	
<b>Total</b>	9,477,191		8,125,985	
<b>Ageing analysis (third party deposits and advances)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	120,314	1.27%	1,250,908	15.4%
1-2 years	6,875,077	72.5%	6,875,077	84.6%
2-3 years	2,481,800	26.2%		
Over 3 years				
<b>Total (tie to above total)</b>	<b>9,477,191</b>	<b>100%</b>	<b>8,125,985</b>	<b>100%</b>

RETENTION FEE AS AT 30 TH JUNE 2023

NO	CONTRACTOR	AMOUNT	MR
1	WIDSCOPE CONSTRUCTION LTD	1,363,400.00	8344737
2	WIDSCOPE CONSTRUCTION LTD	335,494.00	2666002
3	WIDSCOPE CONSTRUCTION LTD	1,000,000.00	2666004
4	WIDSCOPE	946,098.00	2666011
5	KENSUS ENTERPRISES	2,445,985.00	2666003
6	KENSUN ENTERPRISES	1,000,000.00	2666005
7	KENSUN ENTERPRISES	1,147,500.00	2666016
8	KENSUN ENTERPRISES	1,118,400.00	2666250
10	EVER ONE BUILDERS	71,709.20	2666024
11	DENKIM	48,604.80	2666025
		<b>9,477,191.00</b>	

AGEING ANALYSIS

AGE	CONTRACTORS NAME	AMOUNT
UNDER ONE YEAR		
	EVER ONE BUILDERS	71,709.20
	DENKIM	48,604.80
<b>SUB TOTAL</b>		<b>120,314</b>
1-2 years	WIDSCOPE CONSTRUCTION LTD	335,494.00
	WIDSCOPE CONSTRUCTION LTD	1,000,000.00
	WIDSCOPE	946,098.00
	KENSUS ENTERPRISES	2,445,985.00
	KENSUN ENTERPRISES	1,000,000.00
	KENSUN ENTERPRISES	1,147,500.00
<b>SUB TOTAL</b>		<b>6,875,077</b>
	KENSUN ENTERPRISES	1,118,400.00
	WIDSCOPE CONSTRUCTION LTD	1,363,400.00
<b>SUB TOTAL</b>		<b>2,481,800</b>
<b>TOTAL</b>		<b>9,477,191</b>

16. Fund Balance Brought Forward

Description	2022/23	2021/22
	Ksh	Kshs
Bank Accounts	8,439,159	9,684,851
Cash In Hand		
Imprests and advances		
Third party deposits and retentions	8,125,985	7,817,497
<b>Total</b>	<b>313,175</b>	<b>1,867,354</b>

**Explanations**

The fund balance brought forward refers to the closing bank balances

### 17. Prior Year Adjustments

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

### 18. Changes In Imprests and Advances

Description	22/23	21/22
	Kshs	Kshs
Opening Imprests and Advances As At 1 <sup>st</sup> July 2022		
Closing Imprests and Advances As At 30 <sup>th</sup> June 2023		
Change In Imprests and Advances		

### 19. Changes In Third Party Deposits and Retentions

Description	22/23	21/22
	Kshs	Kshs
Opening Third Party Deposits and Retention As At 1 <sup>st</sup> July 2022	8125985	7,817,496
Closing Third Party Deposits and Retention As At 30 <sup>th</sup> June 23	9477191	8125985
Change In Third Party Deposits and Retention	<b>1351207</b>	<b>308488</b>

Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2022	Additions for the year 22/23	Paid during the year	Fy 2022/23
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings				
Construction Of Civil Works	11,669,174.00	2,082,908	11,669,174.00	2,082,908
Supply Of Goods	5,542,860.00		5,542,860.00	
Supply Of Services	57,597,723.20	4,191,586	57,597,723.20	4,191,586
<b>Total</b>	<b>74,809,757.20</b>	<b>6,274,494</b>	<b>74,809,757.20</b>	<b>6,274,494</b>

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2022	Additions for the year 22/23	Paid during the year	Fy 2022/23
Description	Kshs	Kshs	Kshs	Kshs
Senior Management				
Middle Management				
Union sable Employees				
Others				
<b>Total</b>				

*Count Government of Makueni*  
*Makueni County Assembly*  
*Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Notes To The Financial Statements (Continued)**

**3. Other Pending Payables (See Annex 3)**

	Balance b/f FY 2022	Additions for the year 22/23	Paid during the year	Fy 2022/23
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
<b>Total</b>				

**4. External Assistance**

	2022/23	2021/22
Description	Kshs	Kshs
External assistance received in cash		
External assistance received as loans and grants		
External assistance received in kind- as payment by third parties		
<b>Total</b>		

*a) External assistance relating loans and grants*

	2022/23	2021/22
Description	Kshs	Kshs
External assistance received as loans		
External assistance received as grants		
<b>Total</b>		

Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Notes To The Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022/23	2021/22
Description		Kshs	Kshs
Undrawn External Assistance - Loans			
Undrawn External Assistance - Grants			
<b>Total</b>			

c) Classes of providers of external assistance

	2022/23	2021/22
Description	Kshs	Kshs
Multilateral Donors		
Bilateral Donors		
International Assistance Organization		
NGOs		
National Assistance Organization		
<b>Total</b>		

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Notes To The Financial Statements (Continued)**

*d. Non-Monetary External Assistance*

	2022/23	2021/22
Description	Kshs	Kshs
Goods		
Services		
<b>Total</b>		

*e. Purpose and use of external assistance.*

Payments Made By Third Parties	2022/23	2021/22
Description	Kshs	Kshs
Compensation Of Employees		
Use Of Goods and Services		
Subsidies		
Transfers To Other Government Units		
Other Grants and Transfers		
Social Security Benefits		
Acquisition Of Assets		
Finance Costs, Including Loan Interest		
Repayment Of Principal On Domestic & Foreign Borrowing		
Other Payments		
<b>Total</b>		

Notes To The Financial Statements (Continued)

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

	2022/23	2021/22
Description	Kshs	Kshs
National Government		
Multilateral Donors		
Bilateral Donors		
International Assistance Organization		
NGOs		
National Assistance Organization		
<b>Total</b>		

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

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

**5.1 Classification by Source**

	2022/23	2021/22
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
<b>Total</b>		

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Notes To The Financial Statements (Continued)**

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

<b>Payments made by third parties</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees		
Use of goods and services		
Subsidies		
Transfers to other government units		
Other grants and transfers		
Social security benefits		
Acquisition of assets		
Finance costs, including loan interest		
Other payments		
<b>Total</b>		

**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.

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Related party transactions:**

	2022/23	2021/22
	Kshs	Kshs
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	233,555,650.09	233,555,650.09
Key Management Compensation (Clerk and Heads of departments)	37,322,293.4	34,979,793.4
<b>Total Compensation to Key Management</b>	<b>270,877,944.39</b>	<b>268,535,444.39</b>
<b><u>Transfers to related parties</u></b>		
Transfers to other County Government Entities such as car and mortgage schemes	99,791,531	0
Transfers to other entities under the Assembly		
<b>Total Transfers to related parties</b>	<b>99,791,531</b>	<b>0</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the CRF	935,101,972	745,814,186
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
<b>Total Transfers from related parties</b>	<b>935,101,972</b>	<b>745,814,186</b>

**7. Contingent Liabilities**

Contingent liabilities	2022/23	2021/22
	Kshs	Kshs
Court case against the entity		
Bank guarantees in favour of subsidiary		
contingent liabilities arising from PPPs		
<b>Total</b>		

**16. Progress On Follow On Prior Year Auditor’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe:</b>
1	double payments on transport expenses to members of county assembly	The management resolved the issue by ensuring that all the official cars are used as pool cars by the MCAs	resolved	
2.	Variances between financial statements and IFMIS payment details	The management has ensured that all payments are paid through the IFMIS system and also put into use the cash management module	resolved	
3.	Irregular ward lease agreements	The management has ensured that all lease agreements for the ward offices are done between the county assembly and the land lord	resolved	

**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;

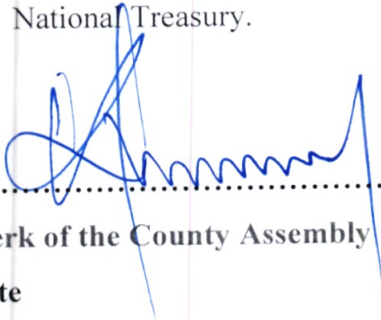
**County Government of Makueni**

**Makueni County Assembly**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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- (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.



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**Clerk of the County Assembly**

**Date**

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**17. Annexes**

**Annex 1 – Analysis of Pending Accounts Payable**

<b>Supplier of Goods or Services</b>	<b>Date invoiced/ contracted</b>	<b>Particulars</b>	<b>Original Amount</b>	<b>Balance at the beginning of the year</b>	<b>Addition During the year</b>	<b>Amount paid During the year</b>	<b>Outstanding Balance</b>
			a	b	c	d=a+b-c	
<b>Construction Of Buildings</b>							
1. Construction				11,669,174		11,669,174	
2. Ever one builders		construction	2,082,908				2,082,908
<b>Sub-Total</b>							
<b>SUPPLY OF SERVICES</b>							
3. Supply of services				57,597,723		57,597,723	
4. PRIMATE TOURS			108,545				108,545
5. BENMALLY AUTO GARAGE			5,950				5,950
6. WESTON HOTEL			105,900				105,900
7. KENYA POWER			50,229				50,229
8. CAPTAINS GARAGE			54,900				54,900
9. STANDARD GROUP			140,000				140,000
10. PRIDE INN			42,800				42,800

Count Government of Makueni  
Makueni County Assembly

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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
11. STANDARD GROUP			61,000				61,000
12. WOTE WATER			46,420				46,420
13. CPST			378,200				378,200
14. PRIMATE TOURS			61,165				61,165
15. EKA HOTELS			46,900				46,900
16. KAMBOONI GARAGE			80,000				80,000
17. ICPAK			64000				64000
18. KAMBOONI GARAGE			75000				75000
19. MARCO SECURITY			75000				75000
20. PRIMATE TOURS			45295				45295
21. PANARI HOTELS			105500				105500
22. ICPAK			295000				295000
23. CPST			169600				169600
24. SAFARICOM LTD			425000				425000
25. SYNERGISTIC VENTURES			665554				665554
26. EVER ONE BUILDERS			100000				100000
27. Bank charges			1,064,628				1,064,628
<b>Sub-Total</b>			<b>4,191,586</b>				<b>4,191,586</b>

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

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
<b>Supply Of Goods</b>							
28. Supply of goods				5,542,860		5,542,860	
<b>Sub-Total</b>				<b>74,809,757.20</b>		<b>74,809,757.20</b>	
<b>Supply Of Services</b>							
29.							
<b>Sub-Total</b>							
<b>Grand Total</b>			<b>6,274,494</b>				<b>6,274,494</b>
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year.							

**Annex 2 – Analysis Of Pending Staff Payables**

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To- Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							

County Government of Makueni  
Makueni County Assembly

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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

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		
<b>Amounts Due To National Govt Entities</b>							
1.							
<b>Sub-Total</b>							
<b>Amounts Due To County Govt Entities</b>							
2.							
<b>Sub-Total</b>							
<b>Amounts Due To Third Parties</b>							
3.							
<b>Sub-Total</b>							
<b>Others (Specify)</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

Count Government of Makeni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023  
Annex 4 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year fy 2023 (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year (Kshs)	Historical Cost c/f (Kshs) 2022/23
Land	292,602,436.00				292,602,436.00
Buildings and structures		18,880,044			18,880,044
Transport equipment	17,040,700	9,160,000			26,200,700
Office equipment, furniture and fittings	3,391,600.00	5,112,610			8,504,210.00
ICT equipment	7,752,850.00	2,508,150			10,261,000.00
Machinery and equipment	14,348,412				14,348,412
Biological assets					
Infrastructure assets					
Heritage and cultural assets					
Intangible assets					
Work in progress					
<b>Total</b>	<b>335,135,998</b>	<b>35,660,804</b>			<b>370,796,802</b>

*County Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Annex 5 – Analysis Of Accounts Receivables**  
*(a) Government Imprest*

<b>Name Of Officer Or Institution</b>	<b>Date Imprest Taken</b>	<b>Amount Taken</b>	<b>Amount Surrendered</b>	<b>Balance</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
Name Of Officer Or Institution				
Name Of Officer Or Institution				
Name Of Officer Or Institution				
Name Of Officer Or Institution				
<b>Total</b>				

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

*(b) Salary Advance*

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

**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 require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

*Count Government of Makueni  
Makueni County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023*

**Annex 8: Contingent Liabilities Register**

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