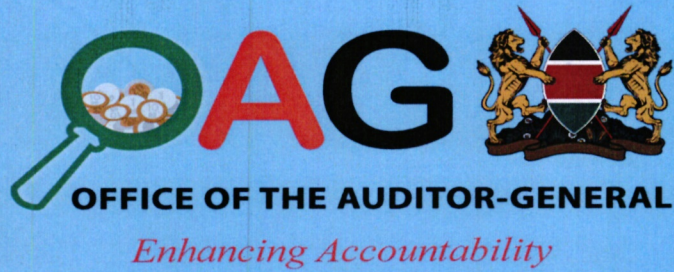


REPUBLIC OF KENYA



PAPERS LAID	
DATE	03/06/2023
TABLED BY	Sen. Majority Whip
COMMITTEE	
CLERK AT THE TABLE	M. Adju-bodo W.

# REPORT

PARLIAMENT  
OF KENYA  
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OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF  
KILIFI

FOR THE YEAR ENDED  
30 JUNE, 2022





*Revised template of 30<sup>th</sup> June 2022*

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**KILIFI COUNTY ASSEMBLY**

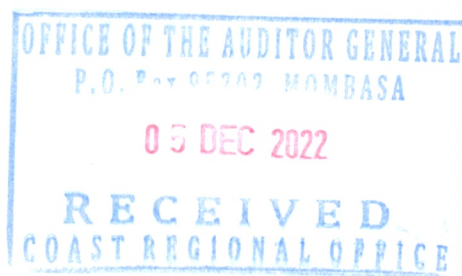
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

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



**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**Kilifi County Assembly**  
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**17. 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 35 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

**(b) Key Management**

The *Kilifi County Assembly* day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	- <b>Hon Jimmy Kahindi Kadhua</b>
2.	Clerk of the County Assembly	- <b>CPA Michael Bidii Ngala</b>
3.	Director Human Resource	- <b>MR Harrison Chizambo</b>
4.	Director Finance	- <b>CPA Charles Mapinga</b>
5	Director Legal	- <b>Patience Pili</b>
6	Director ICT and Research	- <b>Obadia Chengo</b>
7	Chief Sergeant At Arms	- <b>Omar Chuphy</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**(c) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	- CPA Michael Bidii Ngala
2.	Chief Finance Officer	- CPA Charles Mapinga
3.	Principal Accountant	- Joseph Chaka
4.		

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

**(d) Fiduciary Oversight Arrangements**

**-AUDIT COMMITTEE**

The main functions of the audit committee are:

- (a.) Support the accounting officers with regard to their responsibilities for issues of risk, control, governance and associated assurance.
  - (b.) Follow up on the implementation of recommendations of internal and external auditors .
- Members of the audit committee shall be appointed for a term of three years and shall be eligible for re-appointment for a further one term only.

**-FINANCE AND ECONOMIC PLANNING COMMITTEE**

- (a) Interrogate, investigate and examine the books of accounts
- (b) Planning on revenue collection (land rates, Cess, business permits, property related income, parking fees, rental income, slaughter houses fees and all county revenue sources) at Revenue Collection Centers.
- (c) Oversee all matters related to public finance, monetary policies, public debt, county financial institutions, investment policies, revenue policies including taxation, county economic planning, statistics and development

**-PUBLIC ACCOUNTS AND INVESTMENT COMMITTEE**

(1) There shall be a select committee to be designated the County Public Investment and Accounts Committee.

(2) The County Public Investments and Accounts Committee shall be responsible for-

(a) The examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may deem fit.

(b) The examination of the reports, accounts and workings of the county public investments;

(c) the examination, in the context of the autonomy and efficiency of the county public investments, whether the affairs of the county public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices: Provided that the Committees shall not examine any of the following, namely:

(i) matters of major County or National Government policy as distinct from business or commercial functions of the public investments;

(ii) matters of day-to-day administration; and,

(iii) matters for the consideration of which machinery is established by any special statute

**-BUDGET AND APPROPRIATION COMMITTEE**

There shall be a select Committee to be known as the County Budget and Appropriations Committee.

(2) The Committee shall consist of Eleven Members (Seven Elected Members from each sub-county and Four Nominated Members representing Youth, Women, Minority and People Living with Disability).

(3) The functions of the Committee shall be to-

(a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget,

(b) discuss and review the estimates and make recommendations to the County Assembly;

(c) examine the County Budget Policy Statement presented to the County Assembly;

(d) examine Bills related to the County budget, including Appropriations Bills; and

(e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

(4) The County Budget and Appropriations Committee constituted by the County Assembly immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the County Assembly term.

(5) The Chairperson and a third of Members of the Committee shall constitute a quorum.

(6) The Committee shall invite all Sectoral Committees to make presentations during the consideration of the budget.

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**(e) Entity Headquarters**

P.O. Box 332-80200  
County Assembly Building  
Behind Malindi Sub-County Offices  
Hospital Road  
**Malindi Kenya**

**(f) Entity Contacts**

Telephone: (254) 02021712260  
E-mail: [assembly@kilifiassembly.go.ke](mailto:assembly@kilifiassembly.go.ke)  
Website: [www.kilifiassembly.go.ke](http://www.kilifiassembly.go.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Kenya Commercial Bank  
P.O. Box 9-80200  
Malindi,  
Lamu Road
3. Family Bank  
P.O. Box 74145  
Mtwapa,  
Mombasa - Malindi Road
4. Chase Bank  
P.O. Box 1674-80200  
Malindi  
Lamu Road

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**1 Independent Auditor**

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**2 Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

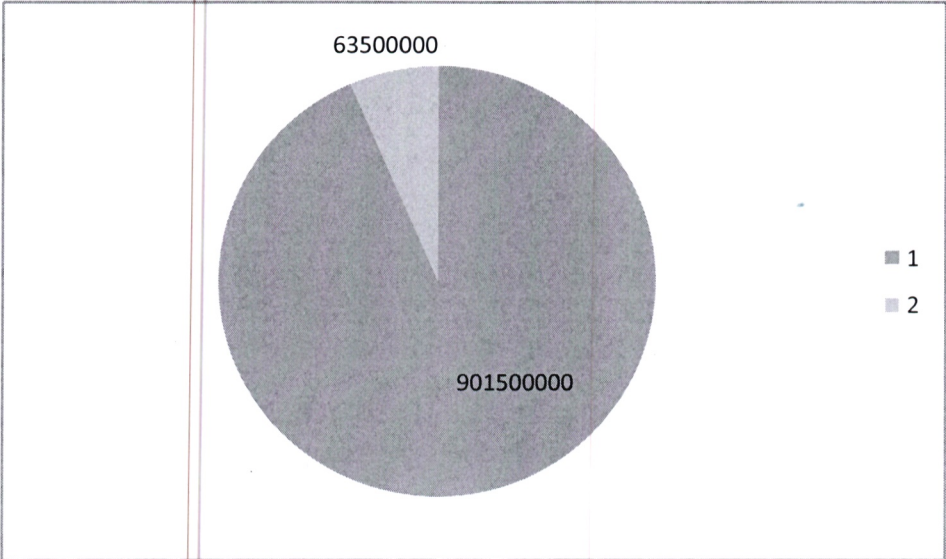
**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**18. Foreword By the Clerk Of The Assembly**

The county assembly had a total budget of kshs 965,000,000 which includes a Recurrent Budget of kshs 901,500,000 and Development Budget of kshs 63,500,000. Receipts received were Recurrent kshs 993,031,170 and Development kshs 4,855,728 making a total of kshs 997,886,898.

Implementation of the Recurrent and Development budgets is as illustrated below:

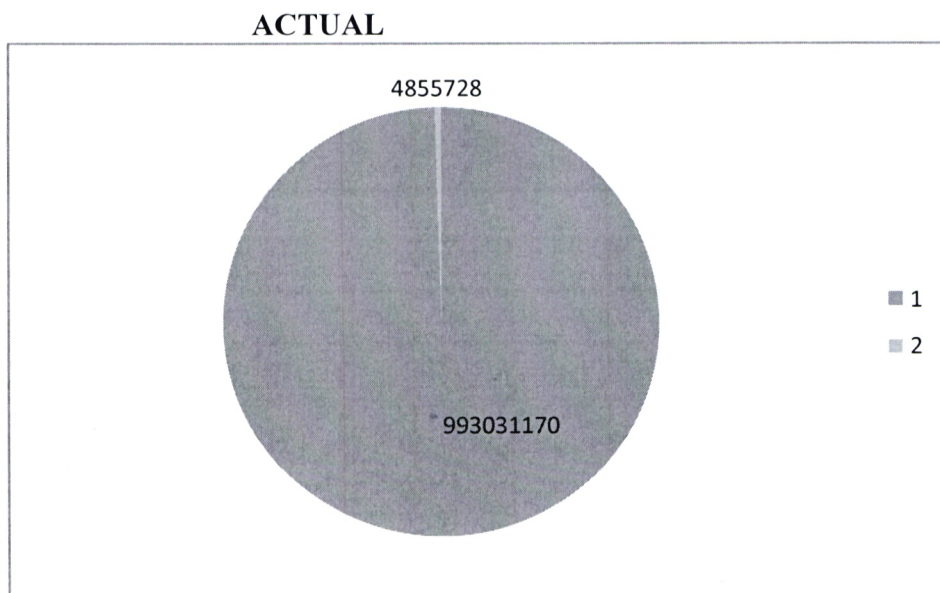
**BUDGET**



■ RECURRENT  
■ DEVELOPMENT

**Kilifi County Assembly  
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The actual expenditure during the year for Recurrent Account was kshs 993,548,118 and Development Account was kshs 4,855,728 as illustrated in the following pie chart.



■ RECURRENT  
■ DEVELOPMENT

Project Name	Budget	Actual Receipt(kshs)	Variance
Construction of Buildings	53,500,000.00	4,855,728.00	48,644,272.00
Design , installation of an e-parliament system	10,000,000.00	-	10,000,000.00
<b>TOTAL</b>	<b>63,500,000.00</b>	<b>4,855,728.00</b>	<b>58,644,272.00</b>

## 2.1 Budget performance

### (a) Recurrent Budget

The Recurrent budget was 901,500,000 (Kenya shillings nine hundred and one million five hundred thousand. It consisted of four main components ie:

-Compensation of employees	453,431,606
-Use of goods and services	323,862,043
-Capital transfers	105,900,000
-Social security benefits	<u>18,306,351</u>
Total	<u>901,500,000</u>

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

The over utilization happened in 2 components namely:

- (i) Use of goods and services
- (ii) Social security benefits

In the use of goods and services, the extra expenditure was caused by outstanding claims by members of county assembly and the staff which had not been paid in the previous financial year. After paying these outstanding claims, then overutilization of funds in the use of goods and services occurred.

- (iii) Underutilization

There was under utilization on the capital transfers. The under utilization was caused by delayed approval of the capital funds by the office of the controller of Budget. The office of the controller of Budget declined to approve the capital funds to the county assembly.

(iv) On compensation of employees there was an error in the supplementary budget. The correct adjustment was supposed to be kshs 13,970,000 instead of kshs 26,606,060.

**(b) Development Budget**

The County Assembly of Kilifi had budgeted for the development expenditure as follows:

-Residential Buildings	5,000,000
-Non Residential Buildings	45,000,000
-Water Supplies and Sewerage	3,500,000
-Purchase of ICT Networking and Communication Equipment	<u>10,000,000</u>
<b>Total Budget</b>	<b><u>63,500,000</u></b>

Due to the stoppage of the office block construction the other works could not be done. Two floors are to be done on the building after approval by the Ministry of Transport and public works.

You will realise there is an expenditure of kshs 3,264,228 in the development vote book statement report. This was meant for recurrent account as a payment on maintenance of the county Assembly chambers in the existing office.

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**2.2 Operational Performance**

**KILIFI COUNTY ASSEMBLY OPERATIONAL PERFORMANCE**

**(i) Laws passed by the Assembly and their objectives in the period July 2021 and ending 30<sup>th</sup> June, 2022**

The Kilifi County Appropriations Bill, 2021	Hon. Albert Kiraga	Bill No.4	29/6/2021	30/6/2021	30/6/2021	30/6/2021	Passed and forwarded to the Governor for Assent
The Kilifi County Finance Bill, 2021	Hon. Thomas Chengo	Bill No. 5	15/9/2021	16/09/2021	6/10/2021	27/10/2021	Passed and forwarded to the Governor for Assent
The Kilifi County Quarrying Control Bill, 2021	Hon. Maitha Masha	Bill No. 6	22/10/2021	27/10/2021	13/04/2022	11/05/2022	Passed and forwarded to the Governor for Assent
The Kilifi County Supplementary Appropriations(No. 3) Bill, 2021	Hon. Albert Kiraga	Bill No. 8	6/12/2021	10/12/2021	10/12/2021	10/12/2021	Passed and forwarded to the Governor for Assent
The Kilifi County Health Services Improvement Fund (Amendment) Bill, 2021	Hon. Adamson Mwathethe	Bill No. 7		16/2/2022	11/05/2022	11/05/2022	Passed and forwarded to the Governor for Assent
The Kilifi County Sexual and Gender Based Violence Bill, 2022	Hon. Elina Stephen Mbaru	Bill No. 1	10/2/2022	02/03/2022			
The Kilifi County Microfinance Fund(Mbegu Fund)(Amendment ) Bill, 2022	Hon. Peter Ziro	Bill No.3	28/03/2022	11/05/2022	16/02/2022	23/02/2022	Passed and forwarded to the Governor for Assent
The Kilifi County Supplementary Appropriation Bill, 2022	Hon. Albert Kiraga	Bill No.		30/03/2022	30/03/2022	30/03/2022	Passed and forwarded to the Governor for Assent

**Bills to be re-introduced in the coming Assembly:**

- (a)The Kilifi County Sexual and Gender Based Violence Bill, 2022
- (b)The Kilifi County Finance Bill, 2022

**(ii) County Budgets including supplementary Budgets passed by the House during the period July 2021 to June 2022**

S/N	ACT	DATE PASSED
1.	The Kilifi County Appropriation Bill, 2021	29/06/2021
2.	The Kilifi County Supplementary Appropriation Bill, 2021	10/12/2021
3.	The Kilifi County Supplementary Appropriations Bill, 2021	30/03/2022

### **2.3 Performance of key development projects**

#### **a) Refurbishment of Assembly block**

This project was under taken by the county Assembly and was completed in 2017. The refurbishment comprised of the Assembly Chambers, Conference room and offices. Completion of the refurbishment has improved the performance of the Assembly by providing chambers for legislation, conference room for holding committee meetings and offices accommodating Assembly staff

The project has stalled for sometime due to the logistics being worked out by the County transports & Public Works in order to increase the additional 2 floors approved by the Ministry of Transport and Public Works.

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

Increase office space for the Members of staff and the legislature to exercise their mandated duties effectively and efficiently to the members of public.

### **2.5 Challenges and Recommended Way Forward**

Above listed projects undertaken by the County assembly are construction of main office block and speaker's residence. These projects being administrative do not directly impact on lives of citizens but all the same make it easier for administration of the assembly staff and members of the county assembly.

The financial year 2020/2021 was dominated by the spread of Corona virus disease. The assembly in collaboration with Mombasa Cement Company distributed food to the community at the height of Corona lockdown. This exercise was conducted at Takaye Social hall on two occasions.

Inflation rate resulted to increase prices of goods and services.

CRA ceilings finds the Assembly unable to budget appropriately according to the needs of the Assembly.

The County Assembly has made strides in achieving the Strategic objectives.

Some of the achievements are;

- Establishment of Public Relation Unit at the Assembly
- Develop and Implement a member Induction Programme
- Facilitate Members to Undertake representation role effectively and efficiently

**Kilifi County Assembly  
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- Develop Security Policy and security plan
- Construction of Office block which is on going
- Achieving a qualified Audit report in the financial year 2019/2020.

The county assembly is now in the process of reviewing the existing Strategic plan in order to suit with the Current structural adjustments.

The County Assembly hired (Ten) 10 staff in the Accounts and Procurement Sections in order to fill the shortages of Staff. Out of the staff employed four were female and six were male who one is in the class of PWD. The process of Hiring was done competitively and the qualified Staff were employed



.....  
**Name: CPA Michael B. Ngala**

**Clerk of the County Assembly**

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

**Guidance**

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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.

The key mandate of the County Assembly of Kilifi 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 2021/2022

**Kilifi County Assembly  
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<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, oversight and representation	<ul style="list-style-type: none"> <li>-Policy objective must be clearly defined and discernable.</li> <li>-Provisions of proposed legislation should be consistent with the purpose and the policy objective that underlies it.</li> <li>-Legislation should only be made when it is necessary and is the most appropriate means of achieving the policy objectives</li> <li>-All relevant Government departments should be consulted at the early stage</li> <li>-Public participation should take place</li> </ul>	<ul style="list-style-type: none"> <li>The MCAs are able to draft legislation clearly and concisely</li> <li>-The MCAS understand the principles of legislation.</li> <li>-The MCAs are able to utilised plain language as they legislate.</li> <li>-The MCAs are able to make laws more readable to those affected by them.</li> </ul>	<ul style="list-style-type: none"> <li>During the period under review ,8 bills were passed in the County Assembly</li> </ul>	<ul style="list-style-type: none"> <li>In FY 2021/2022MCA were trained on Bill drafting, minutes writing and statements.</li> </ul>

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

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

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

The county assembly of Kilifi has designed a sustainable strategy level plan showing how the organisation proposes to deal with principle sustainability in parts in line with the organisational values. The county assembly of Kilifi's core mandate is legislation. It has to be sustainable anyway and management has designed plans to ensure its sustainable continuation.

The main value that the assembly has to observe in sustainable strategy is making adequate laws. This is planned for through availability of a modern chamber that is fitted with upgraded internet services.

### **b) Environmental performance**

Environmental performance considers efficiency in resource utilization.

It can be it can be improved by quantifying, monitoring and controlling environmental impact of operations by efficient use of resources such as water, energy etc.

The assembly being mainly a legislative body has embraced minimal environmental performance approaches like planting trees around the office, drilling a borehole to minimise usage of pumped water.

### **c) Employee welfare**

County assembly of Kilifi has adopted national policy on hiring of staff. The assembly hires staff based on professionalism who requirements of chapter 6 of the constitution of Kenya on integrity. Gender ratio is strictly adhered to and currently the female to male employee ratio is 1:3.

The assembly has in place measures to improve employee skills whereby a committee on staff training and development was put in place for this purpose. This committee is

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

charged with responsibility of analysing training needs, document adequate courses and forward recommendations to management.

For safety, the assembly has an Occupational Health and Safety policy.

Staff welfare at the county assembly is well taken care of. In the first place, a running staff medical cover, covers the employees with immediate family members:

A staff welfare association was formed, which takes care of employees.

Following the devolvement of functions to the County level of government, a Service was developed. For the Service to be managed effectively, it has been found necessary that a County Assembly Human Resource Manual be developed in order to clearly provide policies on various aspects of HRM function that will guide the management of human resources within the Kilifi County Assembly Service.

This manual incorporates the provisions of the Constitution of Kenya (2010), the County Government Act (2012), Labour Laws and other relevant legislation that govern various aspects of employee/employer relationship in the County Assembly Service. The Regulations are also anchored on other policies and guidelines governing the management of the Public Service.

This manual covers organization of County Assembly Service, Labour Relations, Terms and Conditions of Employment, Performance Management, Code of Conduct and Salary Advances, Allowances, Medical Benefits, Leave, Training and Development, Health and Safety and Terminal Benefits.

It is important to note that this Manual is not exhaustive and should be read together with all relevant legislations and regulations governing devolution and the County Assembly Service. Any amendments that may be done on any Act or regulations that is inconsistent to a provision in this Policy, the provision of this policy will be void to the extent of the inconsistency.

This manual will apply within the Service and will be updated on a need basis to reflect policy changes affecting human resource management in the Kilifi County Assembly Service.

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**d) Market place practices-**

The organisation should outline its efforts to:

(i) Responsible competition practice

It is a winning combination of business action and policy drivers. Being a legislative body, the County assembly of Kilifi does not have market competition.

(ii) Responsible Supply chain and supplier relations-

Responsible supply chain helps improve productivity while saving money by using sustainable techniques. It is however very critical to maintain good supplier relations. The County assembly of Kilifi offers equal opportunities to businesses by adhering to public procurement policies. Contracts entered into with suppliers are honoured by making payments as and when funds are disbursed from the treasury.

(iii) Responsible marketing and advertisement-

During tendering process, the assembly uses the local dailies to provide access to all interested parties.

(iv) Product stewardship-

The Assembly does not provide goods or services, therefore there are no consumers to be protected.

**e) Community Engagements-**

The financial year 2020/2021 was dominated by the spread of Corona virus disease. The assembly in collaboration with Mombasa Cement Company distributed food to the community. This exercise was conducted at Takaye Social hall on two occasions.

**f) Others**

The County Assembly of Kilifi participates in CASA games every year.

The HR department organises health talks to the staff every month.

The County Assembly of Kilifi organises training to the staff according to their area of operation.

**21. 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, 2022. 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, 2022, 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.

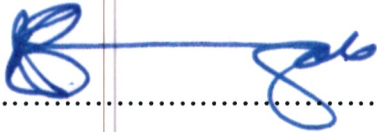
The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

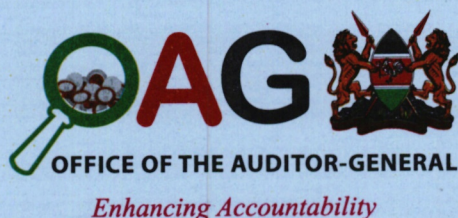
**Approval of the financial statements**

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 26<sup>th</sup> Sept 2022.



.....  
**Name: CPA Michael B. Ngala**  
**Clerk of the County Assembly**

# REPUBLIC OF KENYA



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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KILIFI FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Kilifi set out on pages 1 to 27, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amount 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Kilifi as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **Variance Between County Executive and County Assembly Transfers**

The financial statements of the County Assembly reflects an amount of Kshs.997,886,898 as Exchequer releases from the County Executive while the financial statements of the County Executive reflects an amount of Kshs.1,043,413,898 as transfer to the County Assembly. The resultant variance of Kshs.45,527,000 was not explained or reconciled.

In the circumstances, the accuracy, validity and completeness of exchequer releases of Kshs.997,886,898 for the year ended 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Kilifi 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.

### **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**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts: recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.965,000,000 and Kshs.997,886,898 respectively, resulting in an over-funding of Kshs.32,886,898 or 3% of the budget. Similarly, the County Assembly spent an amount of Kshs.998,403,846 against an approved budget of Kshs.965,000,000, resulting in an over-expenditure of Kshs.33,403,846 or 3% of the budget.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Exceeded Ceiling on Employee Costs**

The statement of receipts and payments reflects expenditure on compensation of employees totalling Kshs.427,461,249 as disclosed under Note 2 to the financial statements while total realized receipts were Kshs.997,886,898 for the year ended 30 June, 2022. The expenditure on compensation of employees was therefore about 42% of the annual realized revenue, contrary to Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which limits the County Government's expenditure on wages and benefits to a maximum of 35% of the total revenue.

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

### **2. Other Operating Expenses - Subscriptions to SOCATT**

The statement of receipts and payments reflects expenditure on use of goods and services totalling Kshs.466,434,651, out of which an amount of Kshs.20,069,663 was incurred in respect of other operating expenses. Included in other operating expenses is an amount of Kshs.650,000 paid as annual subscriptions to the Speakers of County Assemblies at the Table (SOCATT). However, the Management did not provide details and justification for the payment since the beneficiary organization is not anchored in law.

In the circumstances, the regularity and lawfulness of operating expenses of Kshs.650,000 could not be confirmed.

### **3. Stalled Project - Construction of County Assembly Offices**

As reported previously, the project for construction of County Assembly offices was awarded to a company on 12 February, 2016 at a contract sum of Kshs.508,549,884. However, due to poor performance of the contractor, the contract was terminated on 15 August, 2017. After termination, Management engaged another contractor to undertake completion of the construction of the County Assembly Office at a contract price of Kshs.408,654,300 and a sub-contractor to undertake electrical, mechanical and Information Communication Technology works at a contract price of Kshs.215,551,706. However, following a Circular from The National Treasury on County Infrastructure Expenditure, that set the expenditure limit for County Assembly offices at

Kshs.350,771,955, the contract for completion of the County Assembly offices was scaled down to Kshs.259,178,875 through Addendum contract agreement issued on 18 March, 2019 while the contract price for the sub-contractor was scaled down to Kshs.91,593,080.

The initial contract completion date of 15 September, 2019 was extended to 22 May, 2020. On 10 March, 2021, the main contractor requested for winding-up of the contract, which was subsequently terminated on 2 April, 2022. As at the date of termination, the value of works done as per final valuation No.9 was Kshs.155,985,743.

Audit inspection of the project on 6 November, 2022, revealed that works had stalled. During the year ended 30 June, 2022, the Assembly advertised a new tender for completion of the project works but none of the bidders were found to be responsive.

Under the circumstances, the delayed completion and additional costs of the project may deny the residents of Kilifi County value for money.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, 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 governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to sustain 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 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 control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
CPA Nancy Gatindiga, CBS  
AUDITOR-GENERAL

Nairobi

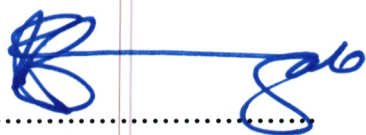
14 March, 2023

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

	Notes	2021-2022 KES	2020-2021 KES
<b>RECEIPTS</b>			
Exchequer Releases	1	997,886,898	965,897,386
<b>TOTAL RECEIPTS</b>		<b>997,886,898</b>	<b>965,897,386</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	427,461,249	408,532,856
Use of goods and services	3	466,434,651	403,764,977
Transfers to Other Government Entiti	4	1,788,428	1,141,277
Social Security Benefits	5	22,863,790	21,360,641
Acquisition of Assets	6	4,855,728	92,969,206
Other Payments(Car Loan & mortgag	7	75,000,000	40,000,000
<b>TOTAL PAYMENTS</b>		<b>998,403,846</b>	<b>967,768,957</b>
<b>SURPLUS/DEFICIT</b>		<b>(516,948)</b>	<b>(1,871,571)</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



.....  
Name: CPA Michael B. Ngala  
Clerk of the Assembly  
ICPAK Member Number:23174



.....  
Name: CPA Charles M. Lwiga  
Director Finance - County Assembly  
ICPAK Member Number:10435

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

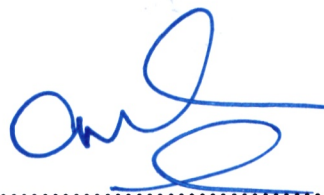
**8. STATEMENT OF FINANCIAL ASSETS & LIABILITIES AS AT 30TH JUNE 2022**

	Note	2021-2022 KES	2020-2021 KES
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8A	12,845,970	42,579,740
Cash Balances	8B	53,330	6,309
<b>Total Cash and cash equivalent</b>		<b>12,899,300</b>	<b>42,586,049</b>
Accounts receivables – Outstanding Imp	9	1,882,297	1,304,990
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,781,597</b>	<b>43,891,039</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retent	10	12,845,181	41,437,674
<b>NET FINANCIAL ASSETS</b>		<b>1,936,416</b>	<b>2,453,365</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	11	2,453,365	4,324,936
Surplus/Deficit for the year		(516,948)	(1,871,571)
<b>NET FINANCIAL POSITION</b>		<b>1,936,417</b>	<b>2,453,365</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



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ICPAK Member Number: 23174




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Name: Charles M. Lwiga  
Director Finance – County Assembly  
ICPAK Member Number: 10435

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**9. STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2022**

		2021-2022 Kshs	2020-2021 Kshs
<b>Receipts from operating income</b>	<b>NOTE</b>		
Transfers from the County Treasury/Exchequer Rel	1	997,886,898	965,897,386
<b>Payments for operating expenses</b>			
Compensation of Employees	2	427,461,249	408,532,856
Use of goods and services	3	466,434,651	403,764,977
Transfers to Other Government Entities	4	1,788,428	1,141,277
Social Security Benefits	5	22,863,790	21,360,641
Finance Costs		-	-
Other Payments	7	75,000,000	40,000,000
<b>Adjusted for:</b>			
Adjustments during the year:			-
Changes in Receivable	12	577,307	2,865,592
Changes in Payables	13	28,592,493	4,409,908
<b>Net cash flow from operating activities</b>		<b>(24,831,020)</b>	<b>98,373,135</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	4,855,728	92,969,206
<b>Net cash flows from Investing Activities</b>		<b>4,855,728</b>	<b>92,969,206</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(29,686,748)</b>	<b>5,403,929</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>42,586,049</b>	<b>37,182,120.00</b>
<b>Cash and cash equivalent at END of the year</b>	<b>8</b>	<b>12,899,301</b>	<b>42,586,049.00</b>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



Name: Michael B. Ngala  
Clerk of the Assembly  
ICPAK Member Number:23174



Name: Charles M. Lwiga  
Director Finance – County Assembly  
ICPAK Member Number:10435

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**10. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBIN**

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*%)
	KES	KES	KES	KES	KES	%
<b>RECEIPTS</b>						
Transfers from the Exchequer- RECURRENT	901,500,000	-	901,500,000	993,031,170	(91,531,170)	110%
Transfers from the Exchequer - DEVELOPMENT	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	0.08
<b>TOTAL</b>	1,000,000,000		965,000,000	997,886,898	(32,886,898)	103.41%
<b>PAYMENTS</b>						
Compensation of Employees	453,431,606	(26,606,060)	426,825,546	427,461,249	(635,703)	1.00
Use of goods and services	323,862,043	30,897,251	354,759,294	466,434,651	(111,675,357)	131%
Capital Transfers	105,900,000	-	105,900,000	75,000,000	30,900,000	0.71
Other grants and transfers					-	
Social Security Benefits	18,306,351	(4,291,191)	14,015,160	22,863,790	(8,848,630.00)	163%
Acquisition of Assets -DEVT	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	0.08
Other Payments				1,788,428	(1,788,428)	
<b>TOTAL</b>	1,000,000,000	(35,000,000)	965,000,000	998,403,846	(33,403,846)	103.46%
<b>SURPLUS/ DEFICIT</b>	-			(516,948.10)		

The over utilization happened in 2 components namely:

- (i) Use of goods and services
- (ii) Social security benefits

In the use of goods and services, the extra expenditure was caused by outstanding claims by members of county assembly and the staff which had not been paid in the previous financial year. After paying these outstanding claims, then overutilization of funds in the use of goods and services occurred.

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

(iii) Underutilization

There was under utilization on the capital transfers. The under utilization was caused by delayed approval of the capital funds by the office of the controller of Budget. The office of the controller of Budget declined to approve the capital funds to the county assembly.

(iv) On compensation of employees there was an error in the supplementary budget. The correct adjustment was supposed to be kshs 13,970,000 instead of kshs 26,606,060.

(V) Due to the stoppage of the office block construction the other works could not be done. Two floors are to be done on the building after approval by the Ministry of Transport and public works.

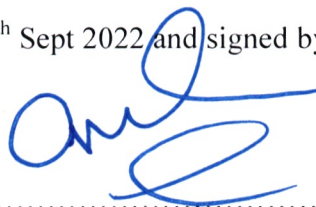
The entity financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



.....  
**Name: Michael B. Ngala**

**Clerk of the Assembly**

**ICPAK Member Number: 23174**



.....  
**Name: Charles M. Lwiga**

**Director Finance – County Assembly**

**ICPAK Member Number: 10435**

Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022

**II. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

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*%)
	KES	KES	KES	KES	KES	%
<b>RECEIPTS</b>						
Transfers from the County Treasury	901,500,000		901,500,000.00	993,031,170	(91,531,170)	110%
<b>TOTAL</b>	901,500,000		901,500,000	993,031,170	(91,531,170)	110%
<b>PAYMENTS</b>						
Compensation of Employees	453,431,606	(26,606,060)	426,825,546.00	427,461,249	(635,703)	100%
Use of goods and services	323,862,043	30,897,251	354,759,294	466,434,651	(111,675,357)	131%
Capital transfers	105,900,000	-	105,900,000	75,000,000	30,900,000	71%
Social Security Benefits	18,306,351	(4,291,191)	14,015,160	22,863,790	(8,848,630.00)	163%
Other Payments				1,788,428	(1,788,428)	
<b>TOTAL</b>	901,500,000	-	901,500,000	993,548,118	(92,048,118)	110%
<b>SURPLUS/ DEFICIT</b>	-		-	(516,948)	516,948	

The over utilization happened in 2 components namely:

- (i) Use of goods and services
- (ii) Social security benefits

In the use of goods and services, the extra expenditure was caused by outstanding claims by members of county assembly and the staff which had not been paid in the previous financial year. After paying these outstanding claims, then overutilization of funds in the use of goods and services occurred.

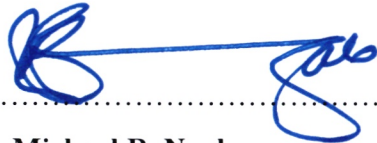
**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

(iii) Underutilization

There was under utilization on the capital transfers. The under utilization was caused by delayed approval of the capital funds by the office of the controller of Budget. The office of the controller of Budget declined to approve the capital funds to the county assembly.

(iv) On compensation of employees there was an error in the supplementary budget. The correct adjustment was supposed to be kshs 13,970,000 instead of kshs 26,606,060

The entity financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



**Name: Michael B. Ngala**

**Clerk of the Assembly**

**ICPAK Member Number: 23174**



**Name: Charles M. Lwiga**

**Director Finance – County Assembly**

**ICPAK Member Number: 10435**

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**12. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a KES	b KES	c=a+b KES	d KES	e=c-d KES	f=(d/c*%) %
<b>RECEIPTS</b>						
Transfers from the Exchequer	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	8
<b>TOTAL</b>	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	8
<b>PAYMENTS</b>						
Acquisition of Assets	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	8
<b>TOTAL</b>	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272	8
<b>SURPLUS/ DEFICIT</b>	-	-	-	0	-	

(i) Due to the stoppage of the office block construction the other works could not be done. Two floors are to be done on the building after approval by the Ministry of Transport and public works.

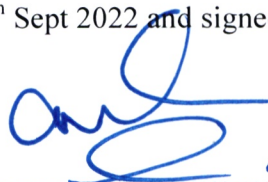
The entity financial statements were approved on 26<sup>th</sup> Sept 2022 and signed by:



**Name: Michael B. Ngala**

**Clerk of the Assembly**

**ICPAK Member Number: 23174**



**Name: Charles M. Lwiga**

**Director Finance – County Assembly**

**ICPAK Member Number: 10435**

**13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2022	2022	2022	30th June 2022	
	KES	KES	KShs	KES	KES
<b>LEGISLATURE AND REPRESENTATION</b>					
Compensation of employees	317,297,266	(57,189,260)	260,108,006	268,108,941.04	(8,000,935)
Use of goods and services	88,145,000	8,000,000	96,145,000	151,862,193	(55,717,193)
Acquisition of non-financial assets	98,500,000	(35,000,000)	63,500,000	4,855,728	58,644,272.00
Gratuity	21,532,662		21,532,662	22,863,790	(1,331,128)
Capital transfers	55,900,000		55,900,000	25,000,000	30,900,000.00
<b>OVERSIGHT</b>					
Compensation of employees					
Use of goods and services	29,050,000	10,000,000	39,050,000	39,050,000	-
Acquisition of non-financial assets					
Capital transfers					
<b>GENERAL ADMINISTRATION</b>					
Compensation of employees	136,134,340	(16,500,000)	119,634,340	159,352,308	(39,717,968)
Use of goods and services	189,880,732	54,489,260	244,369,992	275,522,458	(31,152,466)
Acquisition of non-financial assets	13,560,000	1,200,000	14,760,000	-	14,760,000.00
Capital transfers	50,000,000		50,000,000	50,000,000	-
<b>Grand Total</b>	<b>1,000,000,000</b>	<b>(35,000,000)</b>	<b>965,000,000</b>	<b>996,615,418</b>	<b>(31,615,418)</b>

## **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 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 receivables and payables.

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

**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 2022, this amounted to KShs 12,845,181 compared to KShs 41,437,674 in prior period as indicated on note 9. *There were no other restrictions on cash during the year.*

**Significant Accounting Policies (Continued)**

**8. Imprests and Advances**

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

**9. Third party deposits and retention**

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

**10. Non-current assets**

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

**11. Pending bills**

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

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

**Significant Accounting Policies (Continued)**

**14. Budget**

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *Kilifi County Assembly's* budget was approved as required by Law. The original budget was approved by the County Assembly on 30<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30 June 2022 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 10/12/2021 and 30/03/2022. A high-level assessment of the Kilifi County Assembly's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in 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 .TRANFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

	2021-2022 KES	2020-2021 KES
Total Exchequer Releases for quarter 1	145,935,250	92,000,000
Total Exchequer Releases for quarter 2	292,386,275	286,783,540
Total Exchequer Releases for quarter 3	224,461,385	178,730,246
Total Exchequer Releases for quarter 4	335,103,988	408,383,600
<b>Cumulative amount</b>	<b>997,886,898</b>	<b>965,897,386</b>

2. COMPENSATION OF EMPLOYEES

	2021-2022 KES	2020-2021 KES
Basic salaries of permanent employees	250,204,949	243,558,866
Basic wages of temporary employees	51,615,000	46,314,813
Personal allowance s(house) paid as part of salary	107,589,652	101,554,719
Personal allowances(leave) provided in kind	768,000	914,918
Pension and other social security contributions	16,594,248	15,538,040
Compulsory national social security schemes	689,400	651,500
<b>Total</b>	<b>427,461,249</b>	<b>408,532,856</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes to the Financial Statement**

**3. USE OF GOODS AND SERVICES**

	2021-2022 KES	2020-2021 KES
Utilities, supplies and services	3,359,507	2,591,778
Communication, supplies and services	1,931,289	4,546,674
Domestic travel and subsistence	208,848,416	197,047,085
Foreign travel and subsistence	53,883,069	11,933,607
Printing, advertising and information supplies & services	11,827,359	4,461,121
Rentals of produced assets	19,326,661	21,133,258
Training expenses	19,038,094	4,250,884
Hospitality supplies and services	39,670,171	26,803,867
Insurance costs	29,352,694	38,562,126
Specialized materials and services	4,074,620	3,738,209
Office and general supplies and services	26,831,951	25,391,382
Purchase of Office Furniture and General Equipment	6,059,020	15,959,491
Purchase of Specialised Plant, Equipment and Machinery		
Other operating expenses	20,069,663	19,685,601
fuel,oil and lubricants	12,661,167	8,827,118
Routine maintenance – vehicles and other transport	4,150,217	3,867,325
Routine maintenance – other assets	5,350,752	2,585,449
Motor car purchase	-	12,380,000
Furniture purchase		
<b>Total</b>	<b>466,434,651</b>	<b>403,764,977</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

	2021-2022 KES	2020-2021 KES
Transfers to National Government entities (CRF)	647,151	1,141,277
Transfers to National Government entities (CRF)	1,141,277	
	1,788,428	1,141,277

**5. SOCIAL SECURITY BENEFITS**

	2021-2022 KES	2020-2021 KES
Gratuity	22,863,790	21,360,641
Social security benefits in cash and in kind-NSSF		
Employer Social Benefits in cash and in kind		-
<b>Total</b>	<b>22,863,790</b>	<b>21,360,641</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

**6. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2021-2022 KES</b>	<b>2020-2021 KES</b>
Construction of Buildings	4,855,728	48,252,366
Purchase of office furniture and general equipment		-
Design , installation of an e-parliament system	-	44,716,840
Refurbishment of Buildings		
contracted professional services		
<b>Total</b>	<b>4,855,728</b>	<b>92,969,206</b>

**7. OTHER PAYMENTS**

	<b>2021-2022 KES</b>	<b>2020-2021 KES</b>
Other expenses(Transferred to Mortgage)	75,000,000	40,000,000.00
<b>Total</b>	<b>75,000,000</b>	<b>40,000,000.00</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

**8. CASH AND BANK BALANCES**

**8A. BANK BALANCES**

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2021-2022	2020-2021
		KES	KES
<i>CBK RECURRENT A/C 1000239285</i>	Recurrent Acc	-	1,141,277
<i>CBK DEV A/C 1000265108</i>	Development Acc	-	-
<i>CBK DEPOSIT A/C 1000286644</i>	Deposits Acc	12,845,181	41,437,674
Co-op bank A/C No 01141262122000	Recurrent Acc	789	789
KCB IMPREST A/C 1243762055	Recurrent Acc	0	
<b>Total</b>		<b>12,845,970</b>	<b>42,579,739</b>

**8B. CASH IN HAND**

Description	2021-2022	2020-2021
	KES	KES
Cash in Hand – Held in domestic currency	53,330	6,309
<b>Total</b>	<b>53,330</b>	<b>6,309</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

Cash in hand should be analysed as follows:

	2021-2022 KES	2020-2021 KES
Location 1(Assembly HQS)	53,330	6,309
<b>Total</b>	<b>53,330</b>	<b>6,309</b>

**9. IMPRESTS AND ADVANCES**

	2021-2022 KES	2020-2021 KES
Government Imprests	1,826,797	1,015,490
Staff and MCAS Advances	55,500	289,500
<b>Total</b>	<b>1,882,297</b>	<b>1,304,990</b>

<i>Breakdown of imprest and salary advance per department</i>	2021-2022	2020-2021
<b>Imprests</b>	<b>KES</b>	<b>KES</b>
Department -FINANCE	214,500	161,800
Department -HUMAN RESOURCE	330,650	494,966
Department -ICT	325,442	256,494
Department -LEGAL	795,005	77,230
Department -SECURITY	161,200	
Department -MCAS	-	25,000
<b>Sub-Total</b>	<b>1,826,797</b>	<b>1,015,490</b>
<b>Salary advance</b>		
Department -MCAS	-	106,500
Department -LEGAL	11,000	96,000
Department -HR	38,000	84,000
Department -SECURITY	6,500	3,000
<b>Sub-Total</b>	<b>55,500</b>	<b>289,500</b>
<b>Grand Total</b>	<b>1,882,297</b>	<b>1,304,990</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

**10. THIRD PARTY DEPOSITS AND RETENTIONS**

	2021-2022 KES	2020-2021 KES
Deposits and Retentions	12,845,181	41,437,674
<b>Total</b>	<b>12,845,181</b>	<b>41,437,674</b>

**11. FUND BALANCE BROUGHT FORWARD**

Description of the adjustment	2022 KES	2,021 KES
Bank account balances	12,845,970.07	42,579,739.52
Cash in hand	53,330	6,309
Accounts payables	12,845,181 -	41,437,674
Accounts receivables	1,882,297	1,304,990
<b>Total</b>	<b>1,936,416</b>	<b>2,453,364.52</b>

**12. CHANGES IN IMPRESTS AND ADVANCES**

Description	202-2022	2020-2021
<b>Imprests</b>		
Opening imprests as at 1 <sup>st</sup> July 2021	1,015,490	(3,688,582)
Closing imprests as at 30 <sup>th</sup> June 2022	(1,826,797)	1,015,490
Changes in imprests	(811,307)	(2,673,092)
<b>Advances</b>		
Opening Advances as at 1 <sup>st</sup> July 2021	289,500	482,000.00
Closing Advances as at 30 <sup>th</sup> June 2022	(55,500)	(289,500)
Changes in Advances	234,000	192,500.00
Overall changes in imprests and Advances	(577,307)	(2,480,592)

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**13. CHANGES IN ACCOUNTS PAYABLE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KES</b>	<b>KES</b>
Opening Accounts Payables as at 1 <sup>st</sup> July 2021	41,437,674	(37,027,766)
Closing Accounts payables as at 30 <sup>th</sup> June 2022	(12,845,181)	41,437,674
Change in Accounts payables	<b>28,592,493</b>	<b>4,409,908</b>

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**2.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.

**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**RELATED PARTY TRANSACTIONS**

	2021-2022 KES	2020-2021 KES
<b>COMPENSATION TO KEY MANAGEMENT</b>		
Compensation to the speaker, deputy speaker and mcas	301,419,705	215,126,195
key management compensation (clerk and heads of departments)	17,332,440	19,875,210
<b>TOTAL COMPENSATION TO KEY MANAGEMENT</b>	<b>318,752,145</b>	<b>235,001,405</b>
<b>TRANSFERS TO RELATED PARTIES</b>		
Transfers to other county government entities such as car and mortgage schemes	75,000,000	40,000,000
Transfers to county corporations	-	
Transfers to non reporting entities ECD centres,welfare centres etc	-	
<b>TOTAL TRANSFERS TO RELATED PARTIES</b>	<b>75,000,000</b>	<b>40,000,000</b>
<b>TRANSFERS FROM RELATED PARTIES</b>		
Transfers from the county excutive-exchequer	-	0
Payments made on behalf of the county Assembly by other government agencies	-	0
<b>TOTAL TRANSFERS FROM RELATED PARTIES</b>	<b>-</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>393,752,145</b>	<b>275,001,405</b>

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

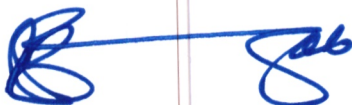
**16. Progress On Follow On Prior Year Auditor's Recommendations**

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: (Put a date when you expect the issue to be resolved)</b>
1.1 Un balanced Budget	Total receipts budget of kshs. 936,088,616 differs with total expenditure budget of Kshs.948,049,058 by kshs.11,960,442	Creditors of Pending Bills had exerted more pressure on their payment which prompted to borrow from assembly Staff and MCA'S Car and Mortgage fund	Resolved	N/A
1.2 Over Expenditure and Irregular Reallocation From Salaries.	There was an Excess Receipts of ksh 29,808,770 and over Expenditure of Kshs.19,719,899 and there was a revoting of funds Ksh 74,397,651 from Salaries to Use of Goods and Services.	The Excess receipts and the over expenditure was as a result of funds received to enable pay the MCA'S Car grant. Approval to revote was Sort from the County Executive committee member after realizing the staffs that were meant to be employed could Cross over the next Financial Year.	Resolved	N/A

**Kilifi County Assembly  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Delay in Completion of County Assembly Offices	The Contractor was not on Site and the Project is 70% complete, while the estimated project completion date of 15 <sup>th</sup> September, 2019 had elapsed by over two (2) years.	The project had delayed after the death of the main Partner of the Contract Company. The company could not run its affairs.	Resolved	N/A
Operation of the County Assembly Service Board	The CASB failed to Prepare and lay before the County Assembly, a report of its operations during the year.	The observation is well noted and we are looking forward to Comply with this requirement in the 3 <sup>rd</sup> Assembly.	Not resolved	In the 3 <sup>rd</sup> Assembly preferably December 2022



.....  
**CPA Michael B. Ngala**  
**Clerk of the County Assembly**  
**Date 30<sup>th</sup> Sept 2022**



**Kilifi County Assembly**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

12	Adismo Garage	03/12/2022	33,060	-	33,060	33,060
13	Adismo Garage	18/2/2022	30,160	-	30,160	30,160
14	Bahari Agencies	13/6/22	742,183.00	-	742,183	742,183
15	Bahari Agencies	17/11/21	327,871.00	-	327,871	327,871
16	Bahari Agencies	26/11/2021	314,392.00	-	314,392	314,392
17	Bahari Agencies	15/10/2021	390,520.00	-	390,520	390,520
18	Bahari Agencies	01/04/2407	185,270	-	185,270	185,270
19	Bahari Agencies	30/7/2021	221,905	-	221,905	221,905
20	Geotrex Global	25/5/2022	55,000	-	55,000	55,000
21	Grey Impala	13/6/2022	19,350.00	-	19,350	19,350
22	Grey Impala	24/5/2022	111,680.00	-	111,680	111,680
23	Grey Impala	06/08/2022	73,795.00	-	73,795	73,795
24	Jacaranda	10/06/2021	126,000	-	126,000	126,000
25	Jacaranda	03/07/2022	567,000	-	567,000	567,000
26	Jacaranda	02/02/2022	53,980	-	53,980	53,980
27	Jacaranda	09/07/2021	12,500	-	12,500	12,500
28	Jacaranda	38/3/2022	70,000	-	70,000	70,000
29	Jumeirah	12/08/2021	241,500	-	241,500	241,500
30	Jumeirah	11/06/2021	437,500	-	437,500	437,500
31	Jumeirah	06/07/2021	378,000	-	378,000	378,000
32	Jumeirah	28/6/2021	437,500	-	437,500	437,500
33	Liquid Telcom	07/04/2022	97,440	-	97,440	97,440
34	Malindi Total	17/6/2022	400,000	-	400,000	400,000
35	Malindi Total	27/6/2022	400,000	-	400,000	400,000
36	Malindi Total	05/06/2022	200,000	-	200,000	200,000
37	Mediamax	30/9/2016	266,800	-	266,800	266,800
38	Mediamax	12/09/2016	162,400	-	162,400	162,400
39	Mediamax	23/5/2017	174,000	-	174,000	174,000
40	Mediamax	31/8/2017	348,000	-	348,000	348,000
41	Mediamax	15/9/2017	174,000	-	174,000	174,000
42	Mediamax	26/7/2018	87,000	-	87,000	87,000
43	Mediamax	08/01/2018	87,000	-	87,000	87,000

**Kilifi County Assembly**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

44	Midview	21/2/2022	177,000	-	177,000	177,000
45	Midview	04/11/2022	92,000	-	92,000	92,000
46	Midview	05/12/2022	245,200	-	245,200	245,200
47	Midview	27/4/22	7,300	-	7,300	7,300
48	Midview	31/1/2022	162,500	-	162,500	162,500
49	Mombasa Beach	22/3/2022	188,500	-	188,500	188,500
50	Munyao Muthama	11/04/2021	2,200,000	-	2,200,000	2,200,000
51	Nation Media	01/10/2020	142,680	-	142,680	142,680
52	Nation Media	26/09/2019	73,080	-	73,080	73,080
53	Nation Media	04/09/2021	87,696	-	87,696	87,696
54	Nation Media	04/12/2021	142,680	-	142,680	142,680
55	Oasi Beach	06/02/2022	227,000	-	227,000	227,000
56	Oasi Beach	19/4/2022	591,500	-	591,500	591,500
57	Oasi Beach	26/05/1992	33,750	-	33,750	33,750
58	Okoth Okello	05/01/2021	400,000	-	400,000	400,000
59	Onessy Invest	16/11/2021	1,135,000	-	1,135,000	1,135,000
60	Prideinn	29/8/2016	358,500	-	358,500	358,500
61	Prideinn	10/10/2016	336,200	-	336,200	336,200
62	Prideinn	19/10/2016	58,000	-	58,000	58,000
63	Reef Hotel	28/10/2020	168,000	-	168,000	168,000
64	Reef Hotel	08/06/2021	168,000	-	168,000	168,000
65	Reef Hotel	21/5/2021	282,000	-	282,000	282,000
66	Reef Hotel	22/11/2020	86,000	-	86,000	86,000
67	Reef Hotel	18/3/2021	9,550	-	9,550	9,550
68	Sai Rock	04/08/2022	210,000.00	-	210,000	210,000
69	Sai Rock	29/11/2021	909,000	-	909,000	909,000
70	Sai Rock	18/10/2021	216,000	-	216,000	216,000
71	Sai Rock	21/7/2021	105,000	-	105,000	105,000
72	Sai Rock	21/7/2021	105,000	-	105,000	105,000
73	Sai Rock	19/7/2021	150,000	-	150,000	150,000
74	Sai Rock	07/01/2021	276,000	-	276,000	276,000
75	Sai Rock	07/05/2021	93,000	-	93,000	93,000

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76	Sai Rock	24/6/2021	273,000	-	273,000	273,000
77	Sai Rock	31/5/2021	60,000	-	60,000	60,000
78	Sai Rock	13/9/2021	537,000	-	537,000	537,000
79	Sai Rock	14/10/2021	153,000	-	153,000	153,000
80	Standard Group	23/7/2021	133,400	-	133,400	133,400
81	Standard Group	09/10/2021	133,400	-	133,400	133,400
82	Standard Group	19/07/2021	133,400	-	133,400	133,400
83	Standard Group	14/09/2021	133,400	-	133,400	133,400
84	Standard Group	21/02/2022	133,400	-	133,400	133,400
85	Standard Group	01/12/2022	133,400	-	133,400	133,400
86	Standard Group	12/08/2021	133,400	-	133,400	133,400
87	The Starndard	04/11/2022	133,400	-	133,400	133,400
88	The Starndard	05/05/2022	168,200	-	168,200	168,200
89	The Starndard	03/04/2022	133,400	-	133,400	133,400
90	The Starndard	15/11/2021	133,400	-	133,400	133,400
91	Star	08/03/2021	169,360	-	169,360	169,360
92	Star	15/11/2021	169,360	-	169,360	169,360
93	Star	01/12/2022	169,360	-	169,360	169,360
94	Star	17/03/2021	169,360	-	169,360	169,360
95	Star	13/1/2021	169,360	-	169,360	169,360
96	Star	15/10/2020	166,440	-	166,440	166,440
97	Star	29/4/2021	224,112	-	224,112	224,112
98	Star	15/3/2019	85,504	-	85,504	85,504
99	The Star	16/6/2021	169,360	-	169,360	169,360
100	The Star	17/6/2021	266,771	-	266,771	266,771
101	The Star	12/08/2021	169,360	-	169,360	169,360
102	Sun Africa	03/01/2018	500,000	-	500,000	500,000
103	Sunrise Resort	22/4/2022	171,000	-	171,000	171,000
104	Sunrise Resort	27/1/2022	289,500	-	289,500	289,500
105	Sunrise Resort	04/12/2022	36,000	-	36,000	36,000
106	Sunrise Resort	19/5/2022	381,000	-	381,000	381,000
<b>SUB- TOTAL</b>			<b>23,874,730</b>		<b>23,874,730</b>	<b>23,874,730</b>
<b>GRAND TOTAL</b>			<b>24,459,730</b>		<b>23,874,730</b>	<b>24,459,730</b>

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**ANNEX 2 - SUMMARY OF NON CURRENT ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f KES 2020-2021</b>	<b>Additions during the ye KES</b>	<b>Disposals during the ye KES</b>	<b>Transfers in(out) KES</b>	<b>Historical Cost c/f KES 2021-2022</b>
Land	50,000,000	-	-	-	50,000,000
Buildings and structures	592,825,580	4,855,728.00	-	-	597,681,308
Refurbishment of buildings	2,414,342	-	-	-	2,414,342
Transport equipment	35,625,000	-	-	-	35,625,000
Office equipment, furniture and fittings	25,627,306	-	-	-	25,627,306
ICT Equipment, Software and Other ICT Assets	50,455,551	-	-	-	50,455,551
Other Machinery and Equipment	5,378,879	-	-	-	5,378,879
<b>Total</b>	<b>762,326,658</b>	<b>4,855,728</b>	<b>-</b>	<b>-</b>	<b>767,182,386</b>

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**Annex 3 – Analysis Of Accounts Receivables**

**(a) Government Imprest**

<i>Breakdown of imprest per department</i>	<b>2021-2022</b>	<b>2020-2021</b>
<i>Imprests</i>	<b>KES</b>	<b>KES</b>
Department -FINANCE	214,500	161,800
Department -HUMAN RESOURCE	330,650	494,966
Department -ICT	325,442	256,494
Department -LEGAL	795,005	77,230
Department -SECURITY	161,200	
Department -MCAS	-	25,000
<b>Sub-Total</b>	<b>1,826,797</b>	<b>1,015,490</b>

**(b) Salary Advance**

<i>Breakdown of salary advance per department</i>	<b>2021-2022</b>	<b>2020-2021</b>
<i>Salary advance</i>	<b>KES</b>	<b>KES</b>
Department -MCAS	-	106,500.00
Department -LEGAL	11,000.00	96,000.00
Department -HR	38,000.00	84,000.00
Department -SECURITY	6,500.00	3,000.00
<b>Sub-Total</b>	<b>55,500.00</b>	<b>289,500.00</b>

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**Annex 9 – Bank Reconciliation/FO 30 Report**

*(Attach FO 30 Reports from IFMIS)*